OFFICIAL STATEMENT DATED NOVEMBER 30, 2022

New Issue **Ratings: See "RATINGS" herein**

In the opinion of McManimon, Scotland & Baumann, LLC, Bond Counsel, assuming compliance by the School District (as defined herein) with certain tax covenants described herein, under existing law, interest on the Bonds (as defined herein) is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, for tax years beginning after December 31, 2022, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. Based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.

GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT
COUNTY OF ATLANTIC, NEW JERSEY
$19,763,000 SCHOOL BONDS
(Book-Entry-Only) (Callable)

Dated: Date of Delivery **Due:** August 1, as shown below

The $19,763,000 School Bonds (the "Bonds") of the Greater Egg Harbor Regional High School District, in the County of Atlantic, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the legal entity and the territorial boundaries governed by the Board) will be issued in the form of one certificate for the aggregate principal amount of the Bonds maturing in each year and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository. *See* "BOOK-ENTRY-ONLY SYSTEM" herein.

Interest on the Bonds will be payable semiannually on February 1 and August 1 in each year until maturity, or earlier redemption, commencing on August 1, 2023. Principal of and interest on the Bonds will be paid to DTC by the Board or its designated paying agent. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each next preceding January 15 and July 15 (the "Record Dates" for the payment of interest on the Bonds). The Bonds shall be subject to optional redemption prior to their stated maturities. *See* "DESCRIPTION OF THE BONDS - Redemption" herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"). See "BOND INSURANCE" herein.

BAM
BUILD AMERICA MUTUAL

The Bonds are valid and legally binding obligations of the School District and, unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable property within the School District for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS*

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP*	Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP*
2024	$773,000	3.500%	2.570%	391694JJ6	2033	$1,100,000	3.500%	3.170%†	391694JT4
2025	790,000	3.500	2.620	391694JK3	2034	1,150,000	3.500	3.320†	391694JU1
2026	825,000	3.500	2.670	391694JL1	2035	1,190,000	3.500	3.500	391694JV9
2027	850,000	3.500	2.720	391694JM9	2036	1,240,000	3.625	3.650	391694JW7
2028	900,000	3.500	2.770	391694JN7	2037	1,300,000	4.000	3.700†	391694JX5
2029	925,000	3.500	2.820	391694JP2	2038	1,350,000	4.000	3.800†	391694JY3
2030	960,000	3.500	2.870	391694JQ0	2039	1,400,000	4.000	3.900†	391694JZ0
2031	1,000,000	3.500	2.970†	391694JR8	2040	1,460,000	4.000	3.950†	391694KA3
2032	1,050,000	3.500	3.070†	391694JS6	2041	1,500,000	4.000	4.000	391694KB1

The Bonds are offered when, as and if issued and delivered to the Underwriter (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice and to the approval of legality by the law firm of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey and certain other conditions described herein. Phoenix Advisors, LLC, Bordentown, New Jersey has served as Municipal Advisor in connection with the issuance of the Bonds. Delivery is anticipated to be via DTC in New York, New York on or about December 15, 2022.

ROOSEVELT & CROSS, INC. AND ASSOCIATES

* Registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds, and the Board does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

† Priced to the first call date of August 1, 2030.

GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT,
COUNTY OF ATLANTIC, NEW JERSEY

MEMBERS OF THE BOARD

Ms. Carol Houck - Galloway Township - Board President
Ms. Margaret Guenther - Galloway Township - Board Vice President
Ms. Peggy Capone - Hamilton Township
Mr. Darrell Edmonds - Hamilton Township
Dr. Anne Erickson - Hamilton Township
Ms. Lois Garrison - Galloway Township
Mr. Greg Kehrli - Mullica Township
Mr. Brian Sartorio - Egg Harbor City
Mr. Steven Stokes - Galloway Township

SUPERINTENDENT

James M. Reina

BUSINESS ADMINISTRATOR/BOARD SECRETARY

Thomas P. Grossi

BOARD AUDITOR

Ford-Scott & Associates, L.L.C.
Ocean City, New Jersey

BOARD ATTORNEY

William S. Donio, Esquire
Cooper Levenson
Atlantic City, New Jersey

MUNICIPAL ADVISOR

Phoenix Advisors, LLC
Bordentown, New Jersey

BOND COUNSEL

McManimon, Scotland & Baumann, LLC
Roseland, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Board to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. The information contained herein has been provided by the Board and other sources deemed reliable; however, no representation is made as to the accuracy or completeness of information from sources other than the Board. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and the expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder under any circumstances shall create any implication that there has been no change in any of the information herein since the date hereof or since the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Board during normal business hours.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

The order and placement of materials in this Official Statement, including the appendices, are not to be deemed to be a determination of relevance, materiality or importance, and this Official Statement, including the appendices, must be considered in its entirety.

In order to facilitate the distribution of the Bonds, the Underwriter may engage in transactions intended to stabilize the price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE" and "APPENDIX D - SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

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OFFICIAL STATEMENT
OF
GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT
COUNTY OF ATLANTIC, NEW JERSEY

$19,763,000
SCHOOL BONDS
(BOOK-ENTRY-ONLY) (CALLABLE)

INTRODUCTION

This Official Statement, which includes the front cover page and the appendices attached hereto, has been prepared by the Board of Education of the Greater Egg Harbor Regional High School District, in the County of Atlantic, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the legal entity and the territorial boundaries governed by the Board) in connection with the sale and issuance of its $19,763,000 School Bonds (the "Bonds"). This Official Statement has been executed by and on behalf of the School District by the Business Administrator/Board Secretary, and its distribution and use in connection with the sale of the Bonds have been authorized by the School District.

This Official Statement contains specific information relating to the Bonds including their general description, certain matters affecting the financing, certain legal matters, historical financial information, and other information pertinent to this issue. This Official Statement should be read in its entirety.

All financial and other information presented herein has been provided by the Board from its records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historic information and, but only to the extent specifically provided herein, certain projections into the immediate future and is not necessarily indicative of future or continuing trends in the financial position of the School District.

DESCRIPTION OF THE BONDS

The following is a summary of certain provisions of the Bonds. Reference is made to the Bonds themselves for the complete text thereof, and the discussion herein is qualified in its entirety by such reference.

Terms and Interest Payment Dates

The Bonds shall be dated the date of delivery and shall mature on August 1 in each of the years and in the amounts set forth on the front cover page hereof. The Bonds shall bear interest from the date of delivery, which interest shall be payable semi-annually on the first day of February and August, commencing on August 1, 2023 (each an "Interest Payment Date"), in each of the years and at the interest rates set forth on the front cover page hereof until maturity, or earlier redemption, by the Board or a duly appointed paying agent to the registered owners of the Bonds as of each January 15 and July 15 immediately preceding the respective Interest Payment Dates (the "Record Dates"). Interest on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day calendar months. So long as The Depository Trust Company, New York, New York ("DTC") or its nominee, Cede & Co. (or any successor or assign), is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Board or a designated paying agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to DTC Participants, which will in turn remit such payments to the beneficial owners of the Bonds. *See* "BOOK-ENTRY-ONLY SYSTEM" herein.

The Bonds will be issued in fully registered book-entry-only form without certificates. One certificate shall be issued for the aggregate principal amount of Bonds maturing in each year and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Bonds. The certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of the individual purchasers. Individual purchases may be made in the principal amount of any multiple of $5,000 (except that bonds maturing in any year in an amount that is not a multiple of $5,000 shall be purchased in an amount that is a multiple of $1,000) through book entries made on the books and the records of DTC and its participants. Individual purchasers of the Bonds will not receive certificates representing their beneficial ownership interests in the Bonds, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Bonds purchased. *See* "BOOK-ENTRY-ONLY SYSTEM" herein.

Redemption

The Bonds maturing prior to August 1, 2031 are not subject to redemption prior to maturity. The Bonds maturing on or after August 1, 2031 shall be subject to redemption at the option of the Board, in whole or in part, on any date on or after August 1, 2030 at a price of 100% of the Bonds to be redeemed (the "Redemption Price"), plus unpaid accrued interest to the date fixed for redemption.

Notice of redemption shall be given by mailing by first class mail in a sealed envelope with postage prepaid to the registered owners of the Bonds not less than thirty (30) days, nor more than sixty (60) days prior to the date fixed for redemption. Such mailing shall be to the Owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Board or a duly appointed bond registrar. However, as long as The Depository Trust Company (or any successor thereto) acts as Securities Depository for the Bonds, notice of redemption may be sent to such Securities Depository by email or as otherwise permitted by the Securities Depository regulations. Any failure of the depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any notice of redemption shall not affect the validity of the redemption proceedings. If the Board determines to redeem a portion of the Bonds prior to maturity, the Bonds to be redeemed shall be selected by the Board; the Bonds to be redeemed having the same maturity shall be selected by the securities depository in accordance with its regulations.

If notice of redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on and after such redemption date.

Security for the Bonds

The Bonds are valid and legally binding general obligations of the School District, and the School District has irrevocably pledged its full faith and credit for the payment of the principal of and interest on the Bonds. Unless paid from other sources, the principal of and interest on the Bonds are payable from *ad valorem* taxes levied upon all the taxable property within the School District without limitation as to rate or amount except to the extent that enforcement of such payment may be limited by bankruptcy, insolvency or other similar laws on equitable principles effecting the enforcement of creditors' rights generally.

New Jersey School Bond Reserve Act (N.J.S.A. 18A:56-17 et seq.)

All school bonds are secured by the School Bond Reserve (the "School Bond Reserve") established in the Fund for the Support of Free Public Schools of the State of New Jersey (the "Fund") in accordance with the New Jersey School Bond Reserve Act, N.J.S.A. 18A:56-17 et seq. (P.L. 1980, c. 72, approved July 16, 1980, as amended by P.L. 2003, c. 118, approved July 1, 2003 (the "Act")). Amendments to the Act provide that the Fund will be divided into two (2) School Bond Reserve accounts. All bonds issued prior to July 1, 2003 shall be benefited by a School Bond Reserve account funded in an amount equal to 1-1/2% of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes issued prior to July 1, 2003 (the "Old School Bond Reserve Account") and all bonds, including the Bonds, issued on or after July 1, 2003 shall be benefited by a School Bond Reserve account equal to 1% of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes issued on or after July 1, 2003 (the "New School Bond Reserve Account"), provided such amounts do not exceed the moneys available in the Fund. If a municipality, county or school district is unable to make payment of principal of or interest on any of its bonds issued for school purposes, the trustees of the Fund will purchase such bonds at par value and will pay to the bondholders the interest due or to become due within the limits of funds available in the applicable School Bond Reserve account in accordance with the provisions of the Act.

The Act provides that the School Bond Reserve shall be composed entirely of direct obligations of the United States government or obligations guaranteed by the full faith and credit of the United States government. Securities representing at least one-third of the minimal market value to be held in the School Bond Reserve shall be due to mature within one year of issuance or purchase. Beginning with the fiscal year ending on June 30, 2003 and continuing on each June 30 thereafter, the State Treasurer shall calculate the amount necessary to fully fund the Old School Bond Reserve Account and the New School Bond Reserve Account as required pursuant to the Act. To the extent moneys are insufficient to maintain each account in the School Bond Reserve at the required levels, the State of New Jersey (the "State") agrees that the State Treasurer shall, no later than September 15 of the fiscal year following the June 30 calculation date, pay to the trustees for deposit in the School Bond Reserve such amounts as may be necessary to maintain the Old School Bond Reserve Account and the New School Bond Reserve Account at the levels required by the Act. No moneys may be borrowed from the Fund to provide liquidity to the State unless the Old School Bond Reserve Account and the New School Bond Reserve Account each are at the levels certified as full funding on the most recent June 30 calculation date. The amount of the School Bond Reserve in each account is pledged as security for the prompt payment to holders of bonds benefited by such account of the principal of and the interest on such bonds in the event of the inability of the issuer to make such payments. In the event the amounts in either the Old School Bond Reserve Account or the New School Bond Reserve Account fall below the amount required to make payments on bonds, the amounts in both accounts are available to make payments for bonds secured by the School Bond Reserve.

The Act further provides that the amount of any payment of interest or purchase price of school bonds paid pursuant to the Act shall be deducted from the appropriation or apportionment of State aid, other than certain State aid which may be otherwise restricted pursuant to law, payable to the school district, county or municipality and shall not obligate the State to make, nor entitle the school district, county or municipality to receive any additional appropriation or apportionment. Any amount so deducted shall be applied by the State Treasurer to satisfy the obligation of the school district, county or municipality arising as a result of the payment of interest or purchase price of bonds pursuant to the Act.

AUTHORIZATION AND PURPOSE

The Board is issuing the Bonds pursuant to: (i) Chapter 24 of Title 18A of the New Jersey Statutes, as amended and supplemented; (ii) a resolution duly adopted by the Board on November 14, 2022 (the "Resolution"); and (iii) a proposal adopted by the Board on June 27, 2022 and approved by a majority of the legal voters present and voting at the School District election held on October 6, 2022.

The Bonds are being issued to permanently finance rehabilitation, renovations, alterations and improvements at the Absegami High School, Oakcrest High School and Cedar Creek High School, including the acquisition and installation of fixtures, furnishings, equipment, site work and related work (the "Project"). The Board is authorized to appropriate $21,013,875 for such purposes, including $1,250,000 from capital reserve and to issue bonds in the principal amount of $19,763,875 for the Project. The Board expects to receive State Debt Service Aid to help support the costs of the Project. See "SUMMARY OF STATE AID TO SCHOOL DISTRICTS" herein.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the
obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at https://www.spglobal.com/en/. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of September 30, 2022 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $512.5 million, $195.6 million and $316.9 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “BOND INSURANCE”.

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM’s analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

INFECTIOUS DISEASE OUTBREAK – COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and has been affecting many parts of the world, including the United States and the State. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States. As governments have been monitoring the outbreaks, they have taken various steps to control them through requiring social distancing, masks and business closures and limited openings. As the virus appears to be under control in many areas, many of these restrictions have been lifted. As the situation is monitored, restrictions could be reinstated. Several vaccines have been developed and have been administered. Mutant variants have emerged in various places around the world and now are prevalent in the United States. Companies have developed booster shots, and current vaccines have proven substantially effective against all currently known variants. New treatments are also being developed to avert the worst outcomes. The assessment of the impact of the virus and the ability to control it and its mutant strains is ongoing.

In the State, Governor Phil Murphy declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread throughout the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to control the spread of the virus. These measures, which altered the behavior of businesses and people, had a negative impact on regional, state and local economies. The public health emergency was terminated on June 4, 2021, and the state of emergency was terminated on March 7, 2022. The State enacted legislation to address impacts of the Pandemic. Further actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19 if warranted. The Pandemic has negatively affected travel, commerce, and financial markets globally and may continue to negatively affect economic growth and financial markets worldwide. These negative impacts could reduce or negatively affect property values and finances within the School District.

Since the Pandemic began, the federal government has enacted rescue legislation to address the Pandemic and alleviate its economic and health effects, including significant support for education. The legislation includes various forms of financial relief including direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The relief provided funding for state and local governments to offset costs to safely reopen schools during the COVID-19 Pandemic and to subsidize COVID-19 testing and vaccination programs. Federal aid for public education has been provided under several separate laws including The Coronavirus Aid, Relief, and Economic Security Act in March 2020 (CARES Act), and the Coronavirus Response and Relief Supplemental Appropriations Act in December 2020 (CRRSA) and the American Rescue Plan Act in March 2021 (ARP). The Elementary and Secondary School Emergency Relief (ESSER) Fund is the main source of funding for public elementary and secondary education under each law. The School District has been awarded $8,818,248 to address certain expenses incurred as a result of the Pandemic.

Because of the evolving nature of the outbreak and federal, state and local responses, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or the tax payments to municipalities. The School District cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease.

To date the School District has not been materially and adversely affected financially due to the virus. School districts are facing a need to address learning delays resulting from the disruption.

BOOK-ENTRY-ONLY SYSTEM[1]

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal and interest, and other payments on the Bonds to DTC Participants or Beneficial Owners (as defined below), confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the Board. Accordingly, the Board does not make any representations concerning these matters.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the

[1] Source: The Depository Trust Company

Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks and trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings, acting through Standard & Poor's Financial Services LLC, rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct Participants' and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants or Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct

Participants' accounts upon DTC's receipt of funds and in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Board or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

THE SCHOOL DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, OR THE INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE BONDS (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

Discontinuance of Book-Entry-Only System

If the Board, in its sole discretion, determines that DTC is not capable of discharging its duties, or if DTC discontinues providing its services with respect to the Bonds at any time, the Board will attempt to locate another qualified securities depository. If the Board fails to find such a securities depository, or if the Board determines, in its sole discretion, that it is in the best interest of the Board or that the interest of the Beneficial Owners might be adversely affected if the book-entry-only system of transfer is continued (the Board undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination), the Board shall notify DTC of the termination of the book-entry-only system.

THE SCHOOL DISTRICT AND THE BOARD

The School District is a Type II regional school district serving the City of Egg Harbor City, the Township of Galloway, the Township of Hamilton and the Township of Mullica (together, the "Constituent Municipalities") located in the County of Atlantic, New Jersey. The School District also services the students of the City of Port Republic and the Township of Washington (collectively, the "Sending Districts") on a send-receive tuition basis. The School District serves students in 9th through 12th grade.

The Board consists of nine (9) elected members. Pursuant to State statute, the Board appoints a Superintendent and a Business Administrator/Board Secretary. See "APPENDIX A – Certain Economic and Demographic Information About the Constituent Municipalities and the Greater Egg Harbor Regional High School District."

THE STATE'S ROLE IN PUBLIC EDUCATION

The Constitution of the State provides that the legislature of the State shall provide for the maintenance and support of a thorough and efficient system of free public schools for the instruction of all children in the State between the ages of 5 and 18 years. Federal law has expanded the responsibility to include children between the ages of 3 and 21.

The responsibilities of the State with respect to the general supervision and control of public education have been delegated to the New Jersey Department of Education (the "Department"), which is a part of the executive branch of the State government and was created by the State Legislature. The Department is governed and guided by the policies set forth by the New Jersey State Board of Education (the "State Board"). The State Board is responsible for the general supervision and control of public education and is obligated to formulate plans and to make recommendations for the unified, continuous and efficient development of public education of all people of all ages within the State. To fulfill these responsibilities, the State Board has the power, inter alia, to adopt rules and regulations that have the effect of law and that are binding upon school districts.

The Commissioner of Education (the "Commissioner") is the chief executive and administrative officer of the Department. The Commissioner is appointed by the Governor of the State with the advice and consent of the State Senate and serves at the pleasure of the Governor during the Governor's term of office. The Commissioner is Secretary and Chief Executive Officer of the State Board and is responsible for the supervision of all school districts in the State and is obligated to enforce the rules and regulations of the State Board. The Commissioner has the authority to recommend the withholding of State financial aid and the Commissioner's consent is required for authorization to sell school bonds that exceed the debt limit of the municipality in which the school district is located and may also set the amount to be raised by taxation for a school district if a school budget has not been adopted by a board of school estimate or by the voters.

An Executive County Superintendent of Schools (the "County Superintendent") is appointed for each county in the State by the Governor, upon the recommendation of the Commissioner and with the advice and consent of the State Senate. The County Superintendent reports to the Commissioner or a person designated by the Commissioner. The County Superintendent is responsible for the supervision of the school districts in the county and is charged with the enforcement of rules pertaining to the certification of teachers, pupil registers and financial reports and the review of budgets. Under the Uniform Shared Services and Consolidation Act, P.L. 2007, c. 63 approved April 3, 2007 (A4), the role of the County Superintendent was changed to create the post of the Executive County Superintendent with expanded powers for the operation and management of school districts to, among other things, promote administrative and operational efficiencies, eliminate non-operating school districts and recommend a school district consolidation plan to eliminate school districts through the establishment or enlargement of regional school districts, subject to voter approval.

STRUCTURE OF SCHOOL DISTRICTS IN NEW JERSEY

Categories of School Districts

State school districts are characterized by the manner in which the board of education or the governing body takes office. School districts are principally categorized in the following categories:

(1) Type I, in which the mayor or chief executive officer ("CEO") of a municipality appoints the members of a board of education and a board of school estimate, which board of school estimate consists of two (2) members of the board of education, two (2) members of the governing body of the municipality and the mayor or CEO of the municipality comprising the school district, approves fiscal matters;

(2) Type II, in which the registered voters in a school district elect the members of a board of education and either (a) the registered voters may also vote upon fiscal matters, or (b) a board of school estimate,

consisting of two (2) members of the governing body of and the CEO of each municipality within the school district and the president of and one member of the board of education, approves all fiscal matters;

(3) Regional and consolidated school districts comprising the territorial boundaries of more than one municipality in which the registered voters in the school district elect members of the board of education and may vote upon fiscal matters. Regional school districts may be "All Purpose Regional School Districts" or "Limited Purpose Regional School Districts";

(4) State operated school districts created by the State Board, pursuant to State law, when a local board of education cannot or will not correct severe educational deficiencies;

(5) County vocational school districts have boards of education consisting of the County Superintendent and four (4) members unless it is a county of the first class, which adopted an ordinance, in which case it can have a board consisting of seven (7) appointed members which the board of chosen freeholders of the county appoints. Such vocational school districts shall also have a board of school estimate, consisting of two (2) members appointed by the board of education of the school district, two (2) members appointed by the board of chosen freeholders and a fifth member being the county executive or the director of the board of chosen freeholders of the county, which approves fiscal matters; and

(6) County special services school districts have boards of education consisting of the County Superintendent and six (6) persons appointed by the board of chosen freeholders of the county. Such special services school districts shall also have a board of school estimate, consisting of two (2) members appointed by the board of education of the school district, two (2) members appointed by the board of chosen freeholders and a fifth member being the freeholder-director of the board of chosen freeholders, which approves all fiscal matters.

There is a procedure whereby a Type I school district or a Type II school district may change from one type to the other after an approving public referendum. Such a public referendum must be held whenever directed by the municipal governing body or board of education in a Type I school district, or the board of education in a Type II school district, or when petitioned for by fifteen percent (15%) of the voters of any school district. The School District is a Type II school district.

Under the Uniform Services and Consolidation Act, the Executive County Superintendent is required to eliminate non-operating school districts and to recommend consolidation to eliminate school districts through the establishment or enlargement of regional school districts, subject to voter approval.

School Budgetary Process (N.J.S.A. 18A:22-1 et seq.)

In a Type I school district, a separate body from the school district, known as the board of school estimate, examines the budget requests and fixes the appropriation amounts for the next year's operating budget at or after a public hearing. This board, whose composition is fixed by statute, certifies the budget to the municipal governing body or board of education. If the board of education disagrees with the certified budget of the board of school estimate, then it can appeal to the Commissioner to request changes.

In a Type II school district, the elected board of education develops the budget proposal and, at or after a public hearing, submits it for voter approval unless the board has moved its annual election to November as discussed below. Debt service provisions are not subject to public referendum. If approved, the budget goes into effect. If defeated, the governing body of the municipality must develop the school budget by May 19 of each year. Should the governing body be unable to do so, the Commissioner establishes the local school budget.

The Budget Election Law (P.L. 2011, c.202, effective January 17, 2012) established procedures that allow the date of the annual school election of a Type II school district, without a board of school estimate, to be moved from April to the first Tuesday after the first Monday in November, to be held simultaneously with the general election. Such change in the annual school election date must be authorized by resolution of either the board of education or the governing body of the municipality, or by an affirmative vote of a majority of the voters whenever a petition, signed by at least 15% of the legally qualified voters, is filed with the board of education. Once the annual school election is moved to November, such election may not be changed back to an April annual school election for four (4) years.

School districts that opt to move the annual school election to November are no longer required to submit the budget to the voters for approval if the budget is at or below the 2% property tax levy cap as provided for by the 2% Tax Levy Cap Law. For school districts that opt to change the annual school election date to November, proposals to spend above the 2% property tax levy cap would be presented to voters at the annual school election in November.

The Board conducts its annual election in November.

Spending Growth Limitation

CEIFA (as hereinafter defined) places limits on the amount school districts can increase their annual current expenses and capital outlay budgets, and such limits are known as a school district's spending growth limitation amount (the "Spending Growth Limitation"). *See* "SUMMARY OF CERTAIN PROVISIONS FOR THE PROTECTION OF SCHOOL DEBT" herein.

SUMMARY OF CERTAIN PROVISIONS FOR THE PROTECTION OF SCHOOL DEBT

Levy and Collection of Taxes

School districts in the State do not levy or collect taxes to pay those budgeted amounts that are not provided by the State. The municipality within which a school district is situated levies or collects the required taxes and must remit them in full to the school district.

Budgets and Appropriations

School districts in the State must operate on an annual cash basis budget. Each school district must adopt an annual budget in such detail and upon forms as prescribed by the Commissioner, to which must be attached an itemized statement showing revenues, including State and federal aid, and expenditures. The Commissioner must approve a budget prior to its final adoption and has the power to increase or decrease individual line items in a budget. Any amendments to a school district's budget must be approved by the board of education or the board of school estimate, as the case may be. Every budget submitted must provide no less than the minimum permissible amount deemed necessary under State law to provide for a thorough and efficient education as mandated by the State constitution. The Commissioner may not approve any budget unless the Commissioner is satisfied that the school district has adequately implemented within the budget the Core Curriculum Content Standards required by State law. If necessary, the Commissioner is authorized to order changes in the local school district's budget. The Commissioner will also ensure that other provisions of law are met including the limitations on taxes and spending explained below.

Tax and Spending Limitations

The Public School Education Act of 1975, N.J.S.A. 18A:7A-1 et seq., P.L. 1975, c. 212 (as amended and partially repealed) first limited the amount of funds that could be raised by a local school district. It limited the annual increase of any school district's net current expense budget. The budgetary limitation was known as a "CAP" on expenditures. The "CAP" was intended to control the growth in local property taxes. Subsequently there have been numerous legislative changes as to how the spending limitations would be applied.

The Quality Education Act of 1990, N.J.S.A. 18A:7D-1 et seq., P.L. 1990, c. 52 ("QEA") (now repealed) also limited the annual increase in the school district's current expense and capital outlay budgets by a statutory formula linked to the annual percentage increase in per capita income. The QEA was amended and revised by Chapter 62 of the Laws of New Jersey of 1991, and further amended by Chapter 7 of the Laws of New Jersey of 1993.

The Comprehensive Educational Improvement and Financing Act of 1996, N.J.S.A. 18A:7F-1 et seq., P.L. 1996, c. 138 ("CEIFA") (as amended by P.L. 2004, c.73, effective July 1, 2004), which followed QEA, also limited the annual increase in a school district's net budget by a spending growth limitation. CEIFA limited the amount school districts could increase their annual current expenses and capital outlay budgets, defined as a school district's "Spending Growth Limitation". Generally, budgets could increase by either a set percent or the consumer price index, whichever was greater. Amendments to CEIFA lowered the budget cap to 2.5% from 3%. Budgets could also increase because of certain adjustments for enrollment increases, certain capital outlay expenditures, pupil transportation costs, and special education costs that exceeded $40,000 per pupil. Waivers were available from the Commissioner based on increasing enrollments and other fairly narrow grounds and increases higher than the cap could be approved by a vote of 60% at the annual school election.

P.L. 2007, c. 62, effective April 3, 2007 (Assembly Bill A1), provided additional limitations on school district spending by limiting the amount a school district could raise for school district purposes through the property tax levy by 4% over the prior budget year's tax levy. P.L. 2007, c. 62 provided for adjustments to the cap for increases in enrollment, reductions in State aid and increased health care costs and for certain other extraordinary cost increases that required approval by the Commissioner. The bill granted discretion to the Commissioner to grant other waivers from the cap for increases in special education costs, capital outlay, and tuition charges. The Commissioner also had the ability to grant extraordinary waivers to the tax levy cap for certain other cost increases beginning in fiscal year 2009 through 2012.

P.L. 2007, c. 62 was deemed to supersede the prior limitations on the amount school districts could increase their annual current expenses and capital outlay budgets, created by CEIFA (as amended by P.L. 2004, c.73, effective July 1, 2004). However, Chapter 62 was in effect only through fiscal year 2012. Without an extension of Chapter 62 by the legislature, the Spending Growth Limitations on the general fund and capital outlay budget would be in effect.

Debt service was not limited either by the Spending Growth Limitations or the 4% cap on the tax levy increase imposed by Chapter 62.

The previous legislation was amended by P.L. 2010, c. 44, approved July 13, 2010, and became applicable to the next local budget year following enactment. This law limits the school district tax levy for the general fund budget to increases of 2% over the prior budget year with exceptions only for enrollment increases, increases for certain normal and accrued liability for pension contributions in excess of 2%, certain healthcare increases, and amounts approved by a simple majority of voters voting at a special election (the "Tax Levy Cap Law"). Additionally, also becoming effective in the 2011-2012 fiscal year, a school district that has not been granted approval to exceed the tax levy CAP by a separate proposal to bank the unused tax levy for use in any of the next three (3) succeeding budget years. A school district can request a use of "banked CAP" only after it has fully exhausted all eligible statute spending authority in the budget year. The process for obtaining waivers from the Commissioner for additional increases over the tax levy cap or Spending Growth Limitations was eliminated under Chapter 44. Notwithstanding the foregoing, under P.L. 2018, c. 67, approved July 24, 2018, which increases State school aid to underfunded school districts and decreases State school aid to over funded school districts, during the 2018-2019 through 2024-2025 fiscal years, SDA Districts, which are certain urban school districts formerly referred to as Abbott Districts referred to herein under "SUMMARY OF STATE AID TO SCHOOL DISTRICTS", are permitted increases in the tax levy over the 2% limit to raise a general fund tax levy to an amount that does not exceed its local share of the adequacy budget.

The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund. There are no restrictions on a local school district's ability to raise funds for debt service, and nothing would limit the obligation of a school district to levy *ad valorem* taxes upon all taxable property within the school district to pay debt service on its bonds or notes with one exception. School districts are subject to GAAP accounting, and under GAAP interest on obligations maturing within one year must be treated as operating expenses. Accordingly, under the Department of Education's Chart of Accounts, interest on notes is raised in the General Fund of a school district and therefore is counted within its 2% tax levy cap on spending.

Issuance of Debt

Among the provisions for the issuance of school debt are the following requirements: (i) bonds must mature in serial installments within the statutory period of usefulness of the projects being financed but not exceeding forty (40) years; (ii) bonds shall be issued pursuant to an ordinance adopted by the governing body of the municipality comprised within the school district for a Type I school district; (iii) for Type II school districts (without boards of school estimate) bonds shall be issued by board of education resolution approving the bond proposal and by approval of the legally qualified voters of the school district; (iv) debt must be authorized by a resolution of a board of education (and approved by a board of school estimate in a Type I school district); and (v) there must be filed with the State by each municipality comprising a school district a supplemental debt statement and a school debt statement setting forth the amount of bonds and notes authorized but unissued and outstanding for such school district.

Annual Audit (N.J.S.A. 18A:23-1 et seq.)

Every board of education is required to provide an annual audit of the school district's accounts and financial transactions. Beginning with the fiscal year ended June 30, 2010, a licensed public school accountant must complete the annual audit no later than five (5) months after the end of the fiscal year. P.L. 2010, c. 49 amended N.J.S.A. 18A:23-1 to provide an additional month for the completion of a school district's audit. Previously the audit was required to be completed within four (4) months. The audit, in conformity with statutory requirements, must be filed with the board of education and the Commissioner. Additionally, the audit must be summarized and discussed at a regular public meeting of the local board of education within thirty (30) days following receipt of the annual audit by such board of education.

Temporary Financing (N.J.S.A. 18A:24-3)

Temporary notes may be issued in anticipation of the issuance of permanent bonds for a capital improvement or capital project. Such temporary notes may not exceed in the aggregate the amount of bonds authorized for such improvement or project. A school district's temporary notes may be issued for one (1) year periods, with the final maturity not exceeding five (5) years from the date of original issuance; provided, however, that no such notes shall be renewed beyond the third and fourth anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which said notes are issued, is paid and retired subsequent to such third anniversary date from funds other than the proceeds of obligations.

Refunding Bonds

Notwithstanding limitations regarding the issuance of debt, including debt limits and voter referendums, school districts may authorize and issue refunding bonds for the purpose of paying any refunded bonds, together with the costs of issuing the refunding bonds.

Debt Limitation (N.J.S.A. 18A:24-19)

Except as provided below, no additional debt shall be authorized if the principal amount, when added to the net debt previously authorized, exceeds a statutory percentage of the average equalized valuation of taxable property in a school district. As a grade 9-12 regional high school district, the School District can borrow up to 3% of the average equalized valuation of taxable property in the School District. The Board has not exceeded its 3% debt limit. *See* "APPENDIX A – Debt Limit of the Board."

Exceptions to Debt Limitation

A Type II school district (other than a regional school district) may also utilize its constituent municipality's remaining statutory borrowing power (i.e., the excess of 3.5% of the average equalized valuation of taxable property within the constituent municipality over the constituent municipality's net debt). A school district may also authorize debt in excess of this limit with the consent of the Commissioner and the Local Finance Board (as hereinafter defined).

Capital Lease Financing

School districts are permitted to enter into lease purchase agreements for the acquisition of equipment or for the improvement of school buildings. Generally, lease purchase financings must mature within five (5) years except for certain lease purchase financings of energy savings equipment and other energy conservation measures, which may mature within fifteen (15) years and in certain cases twenty (20) years from the date the project is placed in service, if paid from energy savings (see "Energy Savings Obligations" below). Facilities lease purchase agreements, which may only be financed for a term of five (5) years or less, must be approved by the Commissioner. The Educational Facilities Construction and Financing Act, P.L. 2000, c. 72, effective July 18, 2000, as amended ("EFCFA") repealed the authorization to enter into facilities leases for a term in excess of five (5) years. The payment of rent is treated as a current expense and within the school district's Spending Growth Limitation and tax levy cap, and the payment of rent on an ordinary equipment lease and on a five (5) year and under facilities lease is subject to annual appropriation. Lease purchase payments on leases in excess of five (5) years entered into under prior law (CEIFA) are treated as debt service payments and, therefore, will receive debt service aid if the school district is entitled and are outside the school district's Spending Growth Limitation and tax levy cap.

Energy Saving Obligations

Under N.J.S.A. 18A:18A-4.6 (P.L. 2009, c. 4, effective March 23, 2009, as amended by P.L. 2012, c. 55, effective September 19, 2013), the Energy Savings Improvement Program Law or the "ESIP Law," school districts may issue energy savings obligations as refunding bonds without voter approval or lease purchase agreements to fund certain improvements that result in reduced energy use, facilities for production of renewable energy or water conservation improvements, provided that the value of the savings will cover the cost of the measures. The lease purchase financings for such measures must mature within 15 years, or in certain instances 20 years, from the date the projects are placed in service. These energy savings refunding bonds or leases are payable from the general fund. Such payments are within the school district's Spending Growth Limitation and tax levy cap but are not necessarily subject to annual appropriation.

Promissory Notes for Cash Flow Purposes

N.J.S.A. 18A:22-44.1 permits school districts to issue promissory notes in an amount not exceeding ½ the amount appropriated for current general fund expenses. These promissory notes are not considered debt and are used for cash flow purposes including funding in anticipation of the receipt of taxes, other revenues or grants.

N.J.S.A. 18A:20-44.2 permits borrowing in anticipation of State aid payments deferred by the State until the next fiscal year when needed upon application of the school district and with approval of the Commissioner.

Investment of School Funds

Investment of funds by State school districts is governed by State statute. Pursuant to N.J.S.A. 18A:20-37, school districts are limited to purchasing the following securities: (1) bonds or other obligations of the United States of America or obligations guaranteed by the United States of America; (2) government money market mutual funds invested in U.S. Government securities or obligations of New Jersey school districts, municipalities, counties and entities subject to State regulation ("local obligations"); (3) any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; (4) bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; (5) bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase constituting local obligations or approved by the Division of Investment in the Department of the Treasury for investment by school districts; (6) local government investment pools, rated in the highest rating category, investing in U.S. government securities, local obligations and repurchase agreements fully collateralized by securities set forth in (1), (3) and (5) above; (7) deposits with the State of New Jersey Cash Management Fund (created pursuant to N.J.S.A. 52:18A-90.4; the "Cash Management Fund"); and (8) repurchase agreements with a maximum 30 day maturity fully collateralized by securities set forth in (1) and (3) above or local obligations. School districts are required to deposit their funds in interest-bearing bank accounts in banks satisfying certain security requirements set forth in N.J.S.A. 17:9-41 et seq. or invest in permitted investments to the extent practicable, and may invest in bank certificates of deposit.

The Cash Management Fund is governed by regulations of the State Investment Council, a nonpartisan oversight body, and is not permitted to invest in derivatives. The Cash Management Fund is permitted to invest in Government Obligations, Federal Government Agency obligations, certain short term investment-grade corporate obligations, commercial paper rated "prime", certificates of deposit, repurchase agreements involving Government Obligations and Federal Government Agency obligations and certain other types of instruments. The average maturity of these securities in the Cash Management Fund must be one year or less, and only a quarter of the securities are permitted to mature in as much as two years.

The School District has no investments in derivatives.

SUMMARY OF STATE AID TO SCHOOL DISTRICTS

In 1973, the Supreme Court of the State (the "Court") first ruled in Robinson v. Cahill that the method then used to finance public education principally through property taxation was unconstitutional. Pursuant to the Court's ruling, the State Legislature enacted the Public School Education Act of 1975, N.J.S.A. 18A:7A-1 et seq. (P.L. 1975, c. 212) (the "Public School Education Act") (since amended and partially repealed), which required funding of the State's school aid through the New Jersey Gross Income Tax Act, P.L. 1976, c. 47, since amended and supplemented, enacted for the purpose of providing property tax relief.

On June 5, 1990, the Court ruled in Abbott v. Burke that the school aid formula enacted under the Public School Education Act was unconstitutional as applied. The Court found that poorer urban school districts were significantly disadvantaged under that school funding formula because school revenues were derived primarily from property taxes. The Court found that wealthy school districts were able to spend more, yet tax less for educational purposes.

Since that time there has been much litigation and many cases affecting the State's responsibilities to fund public education and many legislative attempts to distribute State aid in accordance with the court cases and the constitutional requirement. The cases addressed not only current operating fund aid but also addressed the requirement to provide facilities aid as well. The legislation has included the QEA (now repealed), CEIFA and EFCFA, which became law on July 18, 2000. For many years, aid has simply been determined in the State Budget, which itself is an act of the legislature, based upon amounts provided in prior years. The school funding formula provided in the School Funding Reform Act of 2008, P.L. 2007, c. 260, approved January 1, 2008 (A500), removed the special status given to certain school districts known as Abbott Districts after the school funding cases and instead has funding follow students with certain needs and provides aid in a way that takes into account the ability of the local school district to raise local funds to support the budget in amounts deemed adequate to provide for a thorough and efficient education as required by the State constitution. This legislation was challenged in the Court, and the Court held that the State's then current plan for school aid was a "constitutionally adequate scheme".

However, the State continued to underfund certain school districts and to overfund other school districts in its budgets based on the statutory scheme. In its budget process for FY 2019 and with the enactment of P.L. 2018, c. 67, approved July 24, 2018, the State is moving the school districts toward the intent of the statutory scheme by increasing funding for underfunded school districts and decreasing funding for overfunded school districts over the next six (6) years.

Pursuant to Public Law 2018, c.67, signed into law by the Governor of the State on July 24, 2018, the School Funding Reform Act has been modified to adjust the distribution of State aid to school districts in the State ("SFRA Modification Law"). In particular, the SFRA Modification Law revises the School Funding Reform Act so that, after calculating the amount of State aid available per pupil, State aid will be distributed to each school district based on student enrollment. The SFRA Modification Law also eliminates the application of the State aid growth limit and adjustment aid, but includes a transition period for school districts that will receive less State aid. Under the SFRA Modification Law, most school districts that will receive reduced State aid resulting from the revised funding formula will be provided a transition period from the 2019-2020 school year through the 2024-2025 school year during which funding will be reduced. For those school districts where State aid will increase under the SFRA Modification Law, the transition period to increase funding will be one-year.

After over 35 years of litigation, the State provides State aid to school districts of the State in amounts provided in the State Budget each year. These now include equalization aid, educational adequacy aid, special education categorical aid, transportation aid, preschool education aid, school choice aid, security aid, adjustment aid and other aid determined in the discretion of the Commissioner.

State law requires that the State will provide aid for the construction of school facilities in an amount equal to the greater of the district aid percentage or 40% times the eligible costs determined by the Commissioner either in the form of a grant or debt service aid as determined under the EFCFA. The amount of the aid to which a school district is entitled is established prior to the authorization of the project. Grant funding is provided by the State up front and debt service aid must be appropriated annually by the State. The Commissioner of Education has determined the final eligible costs of the Projects being financed by the Bonds are $16,353,875, and the district aid percentage for the School District will equal 54.247%.

The State reduced debt service aid by fifteen percent (15%) for the fiscal years 2011 through 2021. As a result of the debt service aid reduction for those fiscal years, school districts received eighty-five percent (85%) of the debt service aid that they would have otherwise received. In addition, school districts which received grants under the EFCFA, which grants were financed through the New Jersey Economic Development Authority (the "EDA"), were assessed an amount in their fiscal years 2011 through 2021 budgets representing 15% of the school district's proportionate share of the principal and interest payments on the outstanding EDA bonds issued to fund such grants.

From time to time, including the present, the State has deferred one or more State Aid payments to school districts in the last month of its fiscal year until the following fiscal year and permitted borrowing in anticipation of such amounts for any cash flow deficit caused by such deferral.

SUMMARY OF FEDERAL AID TO SCHOOL DISTRICTS

Federal funds are available for certain programs approved by the federal government with allocation decided by the State, which assigns a proportion to each local school district. The Every Student Succeeds Act of 2015, enacted December 10, 2015, is a federal assistance program for which a school district qualifies to receive aid. A remedial enrichment program for children of low income families is available under Chapter 1 Aid. Such federal aid is generally received in the form of block grants. Aid is also provided under the Individuals with Disabilities Education Act although never in the amounts federal law required.

MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

Local Bond Law (N. J. S. A. 40A:2-1 et seq.)

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes subject to a number of exceptions. All bonds and notes issued by the Constituent Municipalities are general full faith and credit obligations.

The authorized bonded indebtedness of a municipality for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3.5% of its average equalized valuation basis. See "SUMMARY OF CERTAIN PROVISIONS FOR THE PROTECTION OF SCHOOL DEBT – Debt Limitation (N.J.S.A. 18A:24-19) and Exception to Debt Limitation."

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit, including school bonds that do not exceed the school bond borrowing margin and certain debt that may be deemed self-liquidating.

A municipality may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency (the "Local Finance Board), and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the municipality may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the municipality or substantially reduce the ability of the municipality to meet its obligations or to provide essential public improvements and services, or if it makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by a municipality to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

A municipality may sell short-term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or a subsequent resolution so provides. A local unit's bond anticipation notes must mature within one year, but may be renewed or rolled over. Bond anticipation notes, including renewals, must mature and be paid no later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. For bond ordinances adopted on or after February 3, 2003, notes may only be renewed beyond the third anniversary date of the original notes if a minimum payment equal to the first year's required principal payment on the bonds is paid to retire a portion of the notes on or before each subsequent anniversary date from funds other than the proceeds of bonds or notes. For bond ordinances adopted prior to February 3, 2003, the governing body may elect to make such minimum principal payment only when the notes are renewed beyond the third and fourth anniversary dates. Generally, bond anticipation notes may not be outstanding for longer than ten (10) years. An additional period may be available following the tenth anniversary date equal to the period from the notes' maturity to the end of the tenth fiscal year in which the notes mature plus four (4) months in the next following fiscal year from the date of original issuance. Beginning in the third year, the amount of notes that may be issued is decreased by the minimum required for the first year's principal payment for a bond issue.

Local Budget Law (N. J. S. A. 40A:4-1 et seq.)

The foundation of the State local finance system is the annual cash basis budget. The Constituent Municipalities, which operate on a calendar year (January 1 to December 31), must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the director of the Division (the "Director") prior to final adoption. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations, among others, for certification.

Tax Anticipation Notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units.

The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenues from any source may be included as an anticipated revenue in the budget in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director determines that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and certifies that determination to the local unit.

No budget or budget amendment may be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar year. However, grant revenue is generally not realized until received in cash.

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the local unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also, the local unit is required to make an appropriation for a "reserve for uncollected taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by the last day of that fiscal year. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of the local unit. However, with minor exceptions, such appropriations must be included in full in the following year's budget. When such appropriations exceed 3% of the adopted operating budget, consent of the Director must be obtained.

Under legislation recently enacted to address the COVID-19 emergency, P.L. 2020, c. 60 (A4175) (the "New Jersey COVID-19 Emergency Bond Act"), a municipality may adopt an emergency appropriation to fund certain deficits resulting from COVID-19 with approval of the Director and may either fund it as a deferred charge or issue special emergency notes to fund it payable by 1/5 each year beginning in the year after the year in which the deferred charge appears in the financial statements so it is paid off no later than the last day of the sixth fiscal year following the end of the fiscal year in which the application is made. If there is a showing of fiscal distress, that may be extended to ten years. The Director may also promulgate guidelines modifying the standard for anticipated revenues when the amount realized in cash from the same source during the next preceding fiscal year experienced reductions due to COVID-19. Also, local units may be able to issue refunding bonds with Local Finance Board approval to repay a Federal Management Agency Community Disaster Loan for which it executed a promissory note in 2013.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three (3) years, and tax map preparation, revaluation programs, revision and codification of ordinances, master plan preparations, and drainage map preparation for flood control purposes, which may be amortized over five (5) years. Emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two (2) months of the year. Appropriation reserves may also be transferred during the first three (3) months of the year, to the previous year's budget. Both types of transfers require a 2/3 vote of the full membership of the governing body; however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to internal review and approval. In a "CAP" budget, no transfers may be made from excluded from "CAP" appropriations to within "CAP" appropriations nor can transfers be made between excluded from "CAP" appropriations.

A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A:4-45.1 et seq.*)* imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the "Index Rate". The "Index Rate" is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation, and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior year's tax levy in years when the Index Rate is 2.5% or less.

Additionally, legislation constituting P.L. 2007, c. 62, effective April 3, 2007, imposed a 4% cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit included increases required to be raised for debt service and certain lease payments to county improvement authorities, increases to replace certain lost State aid, increases in certain pension contributions, increases in the reserve for uncollected taxes required for municipalities, and certain increases in health care costs over 4%. The Local Finance Board was able to approve waivers for certain extraordinary costs identified by the statute, and voters could approve increases above 4% not otherwise permitted by a vote of 60% of the voters voting on a public question.

This legislation has now been amended by P.L. 2010, c. 44, approved July 13, 2010 and applicable to the next local budget year following enactment to limit tax levy increases for those local units to two percent (2%) with exceptions only for capital expenditures including debt service, increases in pension contributions and accrued liability for pension contributions in excess of two percent (2%), certain healthcare increases, extraordinary costs directly related to a declared emergency and amounts approved by a simple majority of voters voting at a special election. Chapter 44 eliminates the process for obtaining waivers for additional spending under the tax levy limitation.

Neither the tax levy limitation nor the "Cap Law" limits, including the provisions of the recent legislation, would limit the obligation of a municipality to levy *ad valorem* taxes upon all taxable property within a municipality to pay debt service on its bonds or notes.

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six (6) years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six (6) years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

Tax Assessment and Collection Procedure

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income, where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners, but it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values.

Upon the filing of certified adopted budgets by the local unit and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, the levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

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

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first $1,500.00 of the delinquency and 18% per annum on any amount in excess of $1,500.00. These interest penalties are the highest permitted under State statutes. If a delinquency is in excess of $10,000.00 and remains in arrears after December 31st, an additional penalty of 6% shall be charged. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes.

Tax Appeals

The State Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, the municipality must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Board of Taxation on or before April 1 for review. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey for further hearing. Some State Tax Court appeals may take several years prior to settlement, and any losses in tax collections from prior years are charged directly to operations.

Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

This law regulates the non-budgetary financial activities of local governments. The chief financial officer of every local unit must file annually, with the Director, a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within thirty (30) days of its submission.

FINANCIAL STATEMENTS

The financial statements of the School District for the fiscal year ended June 30, 2021 are presented in Appendix B to this Official Statement (the "Financial Statements"). The Financial Statements have been audited by Ford-Scott & Associates, L.L.C., Ocean City, New Jersey, an independent auditor (the "Board Auditor"), as stated in its report appearing in Appendix B to this Official Statement. See "APPENDIX B – Excerpts from Financial Statements of the School District". Such Financial Statements are included herein for informational purposes only, and the information contained in the Financial Statements should not be used to modify the description of the Bonds contained herein.

LITIGATION

To the knowledge of the Board Attorney, William S. Donio, Esquire of Cooper Levenson, Atlantic City, New Jersey (the "Board Attorney") there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Bonds, or the levy or the collection of any taxes to pay the principal of or the interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the School District or the title of any of the present officers. To the knowledge of the Board Attorney and confirmed by the Business Administrator/Board Secretary, no litigation is presently pending or threatened that, in the opinion of the Board Attorney, would have a material adverse impact on the financial condition of the School District if adversely decided. A certificate to such effect will be executed by the Board Attorney and delivered to the Underwriter (as hereinafter defined) of the Bonds at the closing.

TAX MATTERS

Exclusion of Interest on the Bonds From Gross Income for Federal Tax Purposes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Bonds in order to assure that interest on the Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Board to comply with such requirements may cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Bonds. The Board will make certain representations in its Arbitrage and Tax Certificate, which will be executed on the date of issuance of the Bonds, as to various tax requirements. The Board has covenanted to comply with the provisions of the Code applicable to the Bonds and has covenanted not to take any action or fail to take any action that would cause interest on the Bonds to lose the exclusion from gross income under Section 103 of the Code. Bond Counsel (as defined herein) will rely upon the representations made in the Arbitrage and Tax Certificate and will assume continuing compliance by the Board with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes and with respect to the treatment of interest on the Bonds for the purposes of alternative minimum tax.

Assuming the Board observes its covenants with respect to compliance with the Code, McManimon, Scotland & Baumann, LLC, Bond Counsel to the School District ("Bond Counsel"), is of the opinion that, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, for tax years beginning after December 31, 2022, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and enforcement of the Code or those regulations by the IRS.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the School District or the owners of the Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the School District as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including, but not limited to, selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Original Issue Discount

Certain maturities of the Bonds may be sold at an initial offering price less than the principal amount payable on such Bonds at maturity (the "Discount Bonds"). The difference between the initial public offering price of the Discount Bonds at which a substantial amount of each of the Discount Bonds was sold and the principal amount payable at maturity of each of the Discount Bonds constitutes the original issue discount. Bond Counsel is of the opinion that the appropriate portion of the original issue discount allocable to the original and each subsequent owner of the Discount Bonds will be treated for federal income tax purposes as interest not includable in gross income under Section 103 of the Code to the same extent as stated interest on the Discount Bonds. Under Section 1288 of the Code, the original issue discount on the Discount Bonds accrues on the basis of economic accrual. The basis of an initial purchaser of a Discount Bond acquired at the initial public offering price of the Discount Bonds will be increased by the amount of such accrued discount. Owners of the Discount Bonds should consult their own tax advisors with respect to the determination for federal income tax purposes of the original issue discount properly accruable with respect to the Discount Bonds and the tax accounting treatment of accrued interest.

Original Issue Premium

Certain maturities of the Bonds may be sold at an initial offering price in excess of the amount payable at the maturity date (the "Premium Bonds"). The excess, if any, of the tax basis of the Premium Bonds to a purchaser (other than a purchaser who holds such Premium Bonds as inventory, as stock-in-trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner's tax cost of the Premium Bonds used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium Bonds. Accordingly, an owner of a Premium Bond may have taxable gain from the disposition of the Premium Bond, even though the Premium Bond is sold, or disposed of, for a price equal to the owner's original cost of acquiring the Premium Bond. Bond premium amortizes over the term of the Premium Bonds under the "constant yield method" described in regulations interpreting Section 1272 of the Code. Owners of the Premium Bonds should consult their own tax advisors with respect to the calculation of the amount of bond premium that will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the Premium Bonds.

Bank-Qualification

The Bonds will not be designated as qualified under Section 265 of the Code by the Board for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

The Code denies the interest deduction for certain indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations. The denial to such institutions of 100% of the deduction for interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues that are eligible to be designated, and that are designated, by the issuer as qualified under Section 265 of the Code, 80% of such interest may be deducted as a business expense by such institutions.

Additional Federal Income Tax Consequences of Holding the Bonds

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Bonds from gross income pursuant to Section 103 of the Code and interest on the Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Bonds.

Changes in Federal Tax Law Regarding the Bonds

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax) or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

State Taxation

Bond Counsel is of the opinion that, based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

THE OPINIONS EXPRESSED BY BOND COUNSEL WITH RESPECT TO THE BONDS ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE BONDS, AND BOND COUNSEL HAS EXPRESSED NO OPINION WITH RESPECT TO ANY LEGISLATION, REGULATORY CHANGES OR LITIGATION ENACTED, ADOPTED OR DECIDED SUBSEQUENT THERETO. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE POTENTIAL IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION.

MUNICIPAL BANKRUPTCY

The undertakings of the School District should be considered with reference to 11 U.S.C. 401 et seq., as amended and supplemented (the "Bankruptcy Code"), and other bankruptcy laws affecting creditors' rights and municipalities in general. The Bankruptcy Code permits the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to commence a voluntary bankruptcy case by filing a petition with a bankruptcy court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants certain priority to debt owed for services or material; and provides that the plan must be accepted in writing by or on behalf of classes of creditors holding at least two-thirds in amount and more than one-half in number of the allowed claims of such class. The Bankruptcy Code specifically does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Code.

The Bankruptcy Code provides that special revenue acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by such debtor before the commencement of such bankruptcy case. However, any such lien, other than municipal betterment assessments, shall be subject to the necessary operating expenses of such project or system. Furthermore, the Bankruptcy Code provides that a transfer of property of a debtor to or for the benefit of any holder of a bond or note, on account of such bond or note, may not be avoided pursuant to certain preferential transfer provisions set forth in such Bankruptcy Code.

Reference should also be made to N.J.S.A. 52:27-40 et seq., which provides that a local unit has the power to file a petition in bankruptcy with any United States Court or court in bankruptcy under the provisions of the Bankruptcy Code, for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts; provided, however, the approval of the Municipal Finance Commission must be obtained. The powers of the Municipal Finance Commission have been vested in the Local Finance Board.

REFERENCE TO THE BANKRUPTCY CODE OR THE STATE STATUTE SHOULD NOT CREATE ANY IMPLICATION THAT THE SCHOOL DISTRICT EXPECTS TO UTILIZE THE BENEFITS OF THEIR PROVISIONS.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Bonds are subject to the approval of Bond Counsel to the School District, whose approving legal opinion will be delivered with the Bonds substantially in the form set forth as Appendix C hereto. Certain legal matters may be passed on to the School District for review by the Board Attorney.

PREPARATION OF OFFICIAL STATEMENT

The Board hereby states that the descriptions and statements herein, including the Financial Statements, are true and correct in all material respects, and it will confirm same to the Underwriter (as hereinafter defined) by a certificate signed by the Board President and the Business Administrator/Board Secretary, that, to their knowledge, such descriptions and statements, as of the date of this Official Statement and as of the date of delivery of the Bonds, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

The Board Auditor takes responsibility for the Audited Financial Statements to the extent specified in their Independent Auditor's Report and has not participated in the preparation of this Official Statement.

The Municipal Advisor has participated in the preparation and review of this Official Statement, however, it has not verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto.

Bond Counsel has participated in the review of this Official Statement but has not participated in the preparation of this Official Statement or in the collection of financial, statistical or demographic information contained in this Official Statement, nor have they verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

All other information has been obtained from sources that the Board considers to be reliable, and it makes no warranty, guaranty or other representation with respect to the accuracy and the completeness of such information.

RATINGS

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC (the "Rating Agency") is expected to assign a rating of "AA" to the Bonds based upon the issuance of the Policy from BAM at the time of delivery of the Bonds. The Rating Agency also has assigned an underlying rating of "A" to the Bonds based upon the underlying credit of the School District. The Bonds also receive a program rating based upon the additional security provided by the Act.

The rating reflects only the views of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency. The Board furnished to the Rating Agency certain information and materials concerning the Bonds and the School District. There can be no assurance that the rating will be maintained for any given period of time or that the rating may not be raised, lowered or withdrawn entirely, if in the Rating Agency's judgment, circumstances so warrant. Any downward change in, or withdrawal of, such rating may have an adverse effect on the marketability or market price of the Bonds.

UNDERWRITING

The Bonds have been purchased from the School District at a public sale by Roosevelt & Cross, Inc. and Associates (the "Underwriter") at a price of $19,763,000.

The Underwriter intends to offer the Bonds to the public initially at the offering yields set forth on the front cover of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investments trusts) at yields higher than the public offering yields set forth on the front cover of this Official Statement, and such yields may be changed, from time to time, by the Underwriter without prior notice.

MUNICIPAL ADVISOR

Phoenix Advisors, LLC, Bordentown, New Jersey has served as Municipal Advisor to the School District (the "Municipal Advisor") with respect to the issuance of the Bonds. This Official Statement has been prepared with the assistance of the Municipal Advisor. Certain information set forth herein has been obtained from the School District and other sources, which are deemed reliable, but no warranty, guaranty or other representation as to the accuracy or completeness is made as to such information contained herein. There is no assurance that any of the assumptions or estimates contained herein will be realized. The Municipal Advisor is an independent Municipal Advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

SECONDARY MARKET DISCLOSURE

Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the following requirements in accordance with paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the School District shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof:

(a) On or prior to February 1 of each year, beginning February 1, 2023, electronically to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system or such other repository designated by the SEC to be an authorized repository for filing secondary market disclosure information, if any, annual financial information with respect to the School District consisting of the audited financial statements (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available) of the School District and certain financial information and operating data consisting of (1) School District indebtedness; (2) property valuation information; and (3) tax rate, levy and collection data. The audited financial statements will be prepared in accordance with generally accepted accounting principles as modified by governmental accounting standards as may be required by New Jersey law.

(b) If any of the following events occur regarding the Bonds, a timely notice not in excess of ten (10) business days after the occurrence of the event sent to EMMA:

(1) Principal and interest payment delinquencies;
(2) Non-payment related defaults, if material;
(3) Unscheduled draws on debt service reserves reflecting financial difficulties;
(4) Unscheduled draws on credit enhancements reflecting financial difficulties;
(5) Substitution of credit or liquidity providers, or their failure to perform;
(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) Modifications to the rights of holders of the Bonds, if material;
(8) Bond calls, if material, and tender offers;
(9) Defeasances;
(10) Release, substitution or sale of property securing repayment of the Bonds, if material;
(11) Rating changes;
(12) Bankruptcy, insolvency, receivership or similar event of the School District;
(13) The consummation of a merger, consolidation or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the School District, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation, any of which affect holders of the Bonds, if material; and

(16) Default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the School District, if any such event reflects financial difficulties.

For the purposes of the event identified in subparagraph (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the School District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the School District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the School District.

The term "Financial Obligation" as used in subparagraphs (b)(15) and (b)(16) above means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation or (iii) guarantee of (i) or (ii); provided, however, that the term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Notice of failure of the School District to provide required annual financial information on or before the date specified in the Resolution shall be sent in a timely manner to EMMA.

If all or any part of the Rule ceases to be in effect for any reason, then the information required to be provided under the Resolution, insofar as the provisions of the Rule no longer in effect required the provision of such information, shall no longer be required to be provided.

The Business Administrator/Board Secretary shall determine, in consultation with Bond Counsel, the application of the Rule or the exemption from the Rule for each issue of obligations of the School District prior to their offering. Such officer is authorized to enter into additional written contracts or undertakings to implement the Rule and is further authorized to amend such contracts or undertakings or the undertakings set forth in the Resolution, provided such amendment is, in the opinion of nationally recognized bond counsel, in compliance with the Rule.

In the event that the School District fails to comply with the above-described undertaking and covenants, the School District shall not be liable for any monetary damages, remedy of the beneficial owners of the Bonds being specifically limited in the undertaking to specific performance of the covenants.

Within the five years immediately preceding the date of this Official Statement, the School District previously failed to file, in accordance with the Rule, in a timely manner, under previous filing requirements, it's audited financial information for the fiscal year ending June 30, 2018. The School District appointed Phoenix Advisors, LLC in April of 2015 to serve as continuing disclosure agent.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Thomas P. Grossi, Business Administrator/Board Secretary, at 1824 Dr. Dennis Foreman Drive, Mays

Landing, NJ 08330, (609) 625-1399, or to the Municipal Advisor at 625 Farnsworth Avenue, Bordentown, New Jersey 08505, (609) 291-0130.

CERTIFICATE WITH RESPECT TO THE OFFICIAL STATEMENT

At the time of the original delivery of the Bonds, the School District will deliver a certificate of one of its authorized officials to the effect that such official has examined this Official Statement (including the appendices) and the financial and other data concerning the School District contained herein and that, to the best of such official's knowledge and belief, (i) this Official Statement, both as of its date and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading and (ii) between the date of this Official Statement and the date of delivery of the Bonds there has been no material adverse change in the affairs (financial or otherwise), financial condition or results or operations of the School District except as set forth in or contemplated by this Official Statement.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement among the School District, the Underwriter and the holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the School District since the date hereof. The information contained in this Official Statement is not guaranteed as to accuracy or completeness.

GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT, IN THE COUNTY OF ATLANTIC, NEW JERSEY

By: *Is/ Thomas P. Grossi*
Thomas P. Grossi,
Business Administrator/Board Secretary

Date: November 30, 2022

APPENDIX A

CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT THE CONSTITUENT MUNICIPALITIES AND THE GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT

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INFORMATION REGARDING THE SCHOOL DISTRICT[1]

Type

The Board is a regional school district (grades 9 through 12) serving Egg Harbor City, Galloway Township, Hamilton Township, and Mullica Township (the "Constituent Municipalities"). The Board provides education to its students through three (3) high schools.

The Board consists of nine (9) elected members. Pursuant to State statute, the Board appoints a Superintendent and a Business Administrator/Board Secretary.

The Board is the policy making body of the School District and has the general responsibility for providing an education program, the power to establish policies and supervise the public schools in the School District and the responsibility to develop the annual School District budget and present it to the legally registered voters in the School District. The Board's fiscal year ends each June 30.

The Board appoints a Superintendent and a Board Secretary/Business Administrator, who are responsible for budgeting, planning and the operational functions of the School District. The administrative structure of the Board gives final responsibility for both the educational process and the business operation to the Superintendent.

Description of Facilities

The Board presently operates the following school facilities:

Facility	Construction Date	Grade Level	Capacity	Student Enrollment (As of 6/30/21)
Absegami High School	1982	9-12	1,625	1,204
Oakcrest High School	1960	9-12	1,326	1,006
Cedar Creek High School	2010	9-12	1,000	963

Source: Comprehensive Annual Financial Report of the School District

Staff

	2021	2020	2019	2018	2017
Teaching Professionals	295	295	293	288	300
Support Staff	183	183	185	183	185
Total Full & Part Time Employees	478	478	478	471	485

Source: Comprehensive Annual Financial Report of the School District

[1] Source: The Board, unless otherwise indicated.

Pupil Enrollments

The following table presents the historical average daily pupil enrollments for the past five (5) school years.

School Year	Enrollment
2020-2021	3,173
2019-2020	3,123
2018-2019	3,591
2017-2018	3,440
2016-2017	3,440

Source: School District and Comprehensive Annual Financial Report of the School District

Pensions

Those employees of the School District who are eligible for pension coverage are enrolled in one of the two State-administered multi-employer pension systems (the "Pension System"). The Pension System was established by an act of the State Legislature. The Board of Trustees for the Pension System is responsible for the organization and administration of the Pension System. The two State-administered pension funds are: (1) the Teacher's Pension and Annuity Fund ("TPAF") and (2) the Public Employee's Retirement System ("PERS"). The Division of Pensions and Benefits, within the State of New Jersey Department of the Treasury (the "Division"), charges the participating school districts annually for their respective contributions. The School District raises its contributions through taxation and the State contributes the employer's share of the annual Social Security and Pension contribution for employees enrolled in the TPAF. The Pension System is a cost sharing multiple employer contributory defined benefit plan. The Pension System's designated purpose is to provide retirement and medical benefits for qualified retirees and other benefits to its members. Membership in the Pension System is mandatory for substantially all full-time employees of the State or any county, municipality, school 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.

Fiscal 2022-2023 Budget

Prior to the passage of P.L. 2011, c. 202 the Board was required to submit its budget for voter approval on an annual basis. Under the Election Law (P.L. 2011, c. 202, effective January 17, 2012) if a school district has opted to move its annual election to November, it is no longer required to submit the budget to voters for approval if the budget is at or below the two-percent (2%) property tax levy cap as provided for under New Cap Law (P.L. 2010, c. 44). If a school district proposes to spend above the two-percent (2%) property tax levy cap, it is then required to submit its budget to voters at the annual school election in November.

The General Fund budget is the sum of all State aid (exclusive of pension aid and social security aid) and the local tax levy (exclusive of debt service). The Board's General Fund Budget for the 2022-2023 fiscal year is $76,235,017. The major sources of revenue are $34,406,293 from the local tax levy and $37,371,116 from State aid.

Source: Annual User-Friendly Budget of the School District

Budget History

As noted, prior to the Board's budget for its 2012-2013 fiscal year, the Board was required to submit its budget for voter approval. A summary of the last five (5) budget years of the Board is presented below:

Budget Year	Amount Raised in Taxes	Budget Amount
2022-2023	$34,750,356	$76,235,017
2021-2022	34,406,293	73,358,367
2020-2021	34,065,637	70,969,143
2019-2020	33,397,683	69,487,384
2018-2019	32,742,826	67,848,461

Source: Annual User-Friendly Budget of the School District and NJ State Department of Education Website – School Election Results

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Financial Operations

The following table summarizes information on the changes in general fund revenues and expenditures for the school years ending June 30, 2017 through June 30, 2021 for the general fund. Beginning with the 1993-94 fiscal year, school districts in the State of New Jersey have begun to prepare their financial statements in accordance with Generally Accepted Accounting Principles in the United States.

GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEARS ENDED JUNE 30:

	2021	2020	2019	2018	2017
REVENUES					
Local Sources:					
Local Tax Levy	$34,065,638	$33,397,683	$32,742,827	$31,662,493	$31,041,662
Other Local Revenue	2,046,996	2,065,015	2,362,166	1,953,531	2,518,012
Total revenues-local sources	36,112,634	35,462,698	35,104,993	33,616,024	33,559,674
State Sources	44,757,621	42,200,383	41,466,694	39,492,976	38,661,401
Federal Sources	343,564	63,062	59,743	53,450	83,689
Total Revenues	$81,213,819	$77,726,143	$76,631,431	$73,162,450	$72,304,764
EXPENDITURES					
General Fund:					
Instruction	$26,931,328	$26,422,718	$25,915,236	$25,132,266	$26,153,469
Undistributed Expenditures	51,633,806	49,138,796	47,880,697	46,377,153	46,874,561
Capital Outlay	720,794	611,662	658,162	614,662	709,622
Total Expenditures	$79,285,928	$76,173,176	$74,454,095	$72,124,080	$73,737,653
Excess (Deficiency) of Revenues Over/(Under) Expenditures	1,927,891	1,552,967	2,177,336	1,038,370	(1,432,888)
Other Financing Sources (Uses):					
Proceeds of Capital Lease	0	0	0	0	0
Transfers in	38	0	0	252,425	0
Transfers out	0	0	0	0	0
Total other financing sources (uses)	38	0	0	252,425	0
Net Change in Fund Balance	1,927,929	1,552,967	2,177,336	1,290,795	(1,432,888)
Fund Balance, July 1	3,467,217	1,700,051	(477,284)	(1,768,079)	(335,191)
Fund Balance, June 30	5,395,147	3,253,018	1,700,051	(477,284)	(1,768,079)

Source: Comprehensive Annual Financial Report of the School District. Statement of Revenues, Expenditures Governmental Funds and Changes In Fund Balances on a GAAP basis

Capital Leases

As of June 30, 2021, the Board has capital leases outstanding totaling $1,875,384.56.

Source: Comprehensive Annual Financial Report of the School District

Operating Leases

As of June 30, 2021, the Board has no operating leases.

Source: Comprehensive Annual Financial Report of the School District

Short Term Debt

As of June 30, 2020, the Board has no short term debt outstanding.

Source: Comprehensive Annual Financial Report of the School District

Long Term Debt

The following table outlines the outstanding long term debt of the Board as of June 30, 2021.

Fiscal Year Ending	Principal	Interest	Total
2022	$3,585,000	$1,342,334	$4,927,334
2023	3,681,000	1,196,671	4,877,671
2024	3,165,000	1,044,925	4,209,925
2025	2,390,000	900,925	3,290,925
2026	2,385,000	838,125	3,223,125
2027	2,390,000	739,875	3,129,875
2028	2,430,000	652,463	3,082,463
2029	2,465,000	564,638	3,029,638
2030	2,480,000	475,413	2,955,413
2031	2,535,000	384,806	2,919,806
2032	2,525,000	290,438	2,815,438
2033	2,275,000	195,688	2,470,688
2034	1,250,000	110,938	1,360,938
2035	1,250,000	67,188	1,317,188
2036	1,250,000	22,656	1,272,656
TOTALS	$36,056,000	$8,827,080	$44,883,080

Source: Comprehensive Annual Financial Report of the School District

Debt Limit of the Board

The debt limitation of the Board is established by statute (N.J.S.A. 18A:24-19). The Board is permitted to incur debt up to 3% of the average equalized valuation for the past three years (See "SUMMARY OF CERTAIN PROVISIONS FOR THE PROTECTION OF SCHOOL DEBT-Exceptions to Debt Limitation" herein). The following is a summation of the Board's debt limitation as of June 30, 2021:

Average Equalized Real Property Valuation (2019, 2020, and 2021)	$5,948,349,335
School District Debt Analysis	
Permitted Debt Limitation (3% of AEVP)	$178,450,480
Less: Bonds and Notes Authorized and Outstanding	36,056,000
Remaining Limitation of Indebtedness	$142,394,480
Percentage of Net School Debt to Average Equalized Valuation	0.61%

Source: Comprehensive Annual Financial Report of the School District

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INFORMATION REGARDING THE CITY OF EGG HARBOR CITY[2]

The following material presents certain economic and demographic information of the City of Egg Harbor City (the "City"), in the County of Atlantic (the "County"), State of New Jersey (the "State").

General Information

The City is a municipal corporation, which was incorporated in 1858. The City covers an area of approximately 12 square miles in the northern section of Atlantic County. It lies about 20 miles west of Atlantic City, 40 miles southeast of Philadelphia and 110 miles south of New York City. The City is readily accessible to these metropolitan areas via the Garden State Parkway and the Atlantic City Expressway.

Form of Government

The City is governed by a special charter with a mayor and council. The Mayor is elected every four years. The Council is comprised of nine individuals serving three-year terms, elected at large. Three Council members are elected annually.

Education

The children of the City attend schools for grades Pre-K to 8 run by the Egg Harbor School District, a Type II School District, and for grades 9-12 by the Greater Egg Harbor Regional High School District.

Pension and Retirement Systems

Substantially all eligible employees participate in the Public Employees' Retirement System, the Police and Firemen's Retirement System or the Defined Contribution Retirement Program, which have been established by State statute and are administered by the New Jersey Division of Pensions and Benefits (the "Division"). Benefits, contributions, means of funding and the manner of administration are established pursuant to State statute. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations and the employees contribute a portion of the cost. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. This report may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625 or is available online at www.nj.gov/treasury/pensions/financial-reports.shtml.

The Public Employees' Retirement System ("PERS") is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. Membership is mandatory for substantially all full-time employees of the State or any

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[2] Source: The City, unless otherwise indicated.

county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other State pension fund or local jurisdiction's pension fund.

The Police and Firemen's Retirement System ("PFRS") is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A, to provide retirement, death, disability and medical benefits to certain qualified members. Membership is mandatory for substantially all full-time county and municipal police and firemen or officer employees with police powers appointed after June 30, 1944.

The Defined Contribution Retirement Program ("DCRP") is a multiple-employer defined contribution pension fund which was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

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Employment and Unemployment Comparisons

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the City, the County, and the State:

	Total Labor Force	Employed Labor Force	Total Unemployed	Unemployment Rate
City				
2021	1,917	1,705	212	11.1%
2020	1,936	1,572	364	18.8%
2019	1,964	1,828	136	6.9%
2018	1,928	1,784	144	7.5%
2017	1,911	1,746	165	8.6%
County				
2021	123,181	111,516	11,665	9.5%
2020	124,180	102,874	21,306	17.2%
2019	126,175	120,115	6,060	4.8%
2018	123,520	116,516	7,004	5.7%
2017	122,687	113,992	8,695	7.1%
State				
2021	4,661,100	4,365,400	295,700	6.3%
2020	4,642,900	4,203,300	439,700	9.5%
2019	4,686,700	4,528,200	158,500	3.4%
2018	4,609,800	4,426,600	183,200	4.0%
2017	4,615,000	4,406,200	208,800	4.5%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

Income (as of 2020)

	City	County	State
Median Household Income	$46,917	$63,680	$85,245
Median Family Income	43,977	78,974	104,804
Per Capita Income	22,336	34,175	44,153

Source: US Bureau of the Census, 2020 American Community Survey 5-Year Estimates

Population

The following tables summarize population increases and the decreases for the City, the County, and the State.

	City		County		State	
Year	**Population**	**% Change**	**Population**	**% Change**	**Population**	**% Change**
2020	4,396	3.61%	274,534	-0.01%	9,288,994	5.65%
2010	4,243	-6.64	274,549	8.71	8,791,894	4.49
2000	4,545	-0.83	252,552	12.58	8,414,350	8.85
1990	4,583	-0.76	224,327	15.56	7,730,188	4.96
1980	4,618	7.30	194,119	10.90	7,365,001	2.75

Source: United States Department of Commerce, Bureau of the Census

Largest Taxpayers

The ten largest taxpayers in the City and their assessed valuations are listed below:

Taxpayers	2021 Assessed Valuation	% of Total Assessed Valuation
Renault Egg Harbor Township, LLC	$2,013,500	1.02%
Egg Harbor Holdings Urban Renewal	2,001,500	1.01%
Harbor Plaza Holdings, LLC	1,782,000	0.90%
Egg Harbor Realty Holdings LLC	1,312,200	0.66%
Agree Egg Harbor NJ, LLC	1,224,500	0.62%
Taxpayer #1	1,045,900	0.53%
Daniel G. Kamin c/o Rite Aid Corp	995,600	0.50%
Lenore Realty, LLC	885,700	0.45%
EHG 2020 LLC	870,700	0.44%
TF Egg Harbor Associates, LLC	777,700	0.39%
Total	$12,909,300	6.51%

Source: Comprehensive Annual Financial Report of the School District & Municipal Tax Assessor

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Comparison of Tax Levies and Collections

Year	Tax Levy	Current Year Collection	Current Year % of Collection
2021	$10,398,430	$10,229,223	98.37%
2020	10,597,964	10,322,742	97.40%
2019	10,457,205	10,180,307	97.35%
2018	10,435,782	10,205,428	97.79%
2017	10,381,585	10,159,392	97.86%

Source: Annual Audit Reports of the City

Delinquent Taxes and Tax Title Liens

Year	Amount of Tax Title Liens	Amount of Delinquent Tax	Total Delinquent	% of Tax Levy
2021	$859,352	$21,507	$880,858	8.47%
2020	890,314	18,177	908,491	8.57%
2019	739,370	14,845	754,214	7.21%
2018	946,244	5,284	951,528	9.12%
2017	946,053	5,098	951,150	9.16%

Source: Annual Audit Reports of the City

Property Acquired by Tax Lien Liquidation

Year	Amount
2021	$837,089
2020	1,011,789
2019	1,302,889
2018	756,889
2017	467,289

Source: Annual Audit Reports of the City

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Tax Rates per $100 of Net Valuations Taxable and Allocations

The table below lists the tax rates for City residents for the past five (5) years.

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Year	Municipal	Local School	Regional School	County	Total
2021	$2.299	$1.632	$0.723	$0.571	$5.225
2020	2.299	1.647	0.756	0.579	5.281
2019	2.299	1.638	0.722	0.596	5.255
2018R	2.263	1.639	0.756	0.606	5.264
2017	1.959	1.442	0.673	0.592	4.666

R=Revaluation
Source: Abstract of Ratables and State of New Jersey – Property Taxes

Valuation of Property

Year	Aggregate Assessed Valuation of Real Property	Aggregate True Value of Real Property	Ratio of Assessed to True Value	Assessed Value of Personal Property	Equalized Valuation
2022	$198,937,400	$254,884,561	78.05%	$0	$254,884,561
2021	198,233,900	233,849,121	84.77	0	233,849,121
2020	198,862,500	208,211,182	95.51	0	208,211,182
2019	198,723,500	213,750,134	92.97	0	213,750,134
2018R	197,867,300	215,565,203	91.79	0	215,565,203

R=Revaluation
Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

Classification of Ratables

The table below lists the comparative assessed valuation for each classification of real property within the City for the past five (5) years.

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Year	Vacant Land	Residential	Farm	Commercial	Industrial	Apartments	Total
2021	$3,567,900	$151,104,600	$0	$30,922,300	$5,476,600	$7,162,500	$198,233,900
2020	3,788,600	151,087,300	0	31,261,800	5,476,600	7,248,200	198,862,500
2019	4,396,300	149,951,600	0	31,650,800	5,476,600	7,248,200	198,723,500
2018R	4,546,500	147,792,300	0	32,694,600	5,585,700	7,248,200	197,867,300
2017	6,061,700	173,631,600	0	31,581,600	5,694,500	5,228,800	222,198,200

R=Revaluation
Source: Abstract of Ratables and State of New Jersey – Property Value Classification

Financial Operations

The following table summarizes the City's Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

Summary of Current Fund Budget

Anticipated Revenues	2018	2019	2020	2021	2022
Fund Balance Utilized	$200,000	$207,000	$215,000	$215,000	$215,000
Miscellaneous Revenues	2,566,921	1,249,240	1,459,534	1,949,627	2,273,718
Receipts from Delinquent Taxes	4,500	4,500	4,500	4,500	7,500
Amount to be Raised by Taxation	4,601,713	4,568,901	4,572,474	4,557,629	4,574,755
Total Revenue:	$7,373,134	$6,029,641	$6,251,508	$6,726,756	$7,070,972
Appropriations					
General Appropriations	$5,240,671	$5,245,051	$5,153,059	$5,359,645	$5,390,186
Operations (Excluded from CAPS)	1,387,439	45,525	339,820	716,551	1,101,142
Deferred Charges and Statutory Expenditures	91,916	40,000	55,000	40,000	10,000
Judgments	0	0	0	0	0
Public and Private Programs Offset by Revenues	0	0	0	0	0
Transferred to Board of Education	18,933	18,933	18,758	19,002	18,822
Capital Improvement Fund	25,000	32,000	25,000	25,000	35,000
Municipal Debt Service	400,269	434,150	409,050	303,050	278,750
Reserve for Uncollected Taxes	208,907	213,982	250,821	263,507	237,073
Total Appropriations:	$7,373,135	$6,029,641	$6,251,508	$6,726,756	$7,070,972

Source: Annual Adopted Budgets of the City

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Fund Balance

Current Fund

The following table lists the City's fund balance and the amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending December 31.

Fund Balance - Current Fund

Year	Balance 12/31	Utilized in Budget of Succeeding Year
2021	$993,532	$215,000
2020	470,518	215,000
2019	239,701	215,000
2018	235,312	207,000
2017	246,975	200,000

Source: Annual Audit Reports of the City

Water/Sewer Utility Operating Fund

The following table lists the City's fund balance and the amount utilized in the succeeding year's budget for the Water/Sewer Utility Operating Fund for the past five (5) fiscal years ending December 31.

Fund Balance - Water/Sewer Utility Operating Fund

Year	Balance 12/31	Utilized in Budget of Succeeding Year
2021	$153,207	$132,697
2020	110,255	100,000
2019	104,309	0
2018	39,346	39,000
2017	586	0

Source: Annual Audit Reports of the City

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City Indebtedness as of December 31, 2021

General Purpose Debt	
Serial Bonds	$950,000
Bond Anticipation Notes	724,250
Bonds and Notes Authorized but Not Issued	90,000
Other Bonds, Notes and Loans	0
Total:	$1,764,250
Local School District Debt	
Serial Bonds	$6,140,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	$6,140,000
Regional School District Debt	
Serial Bonds	$1,324,061
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	$1,324,061
Self-Liquidating Debt	
Serial Bonds	$14,478,348
Bond Anticipation Notes	547,750
Bonds and Notes Authorized but Not Issued	125,000
Other Bonds, Notes and Loans	0
Total:	$15,151,098
TOTAL GROSS DEBT	**$24,379,409**
Less: Statutory Deductions	
General Purpose Debt	$0
Local School District Debt	6,140,000
Regional School District Debt	1,324,061
Self-Liquidating Debt	15,151,098
Total:	$22,615,159
TOTAL NET DEBT	**$1,764,250**

Source: Annual Debt Statement of the City

Overlapping Debt (as of December 31, 2021)[3]

Name of Related Entity	Related Entity Debt Outstanding	City Percentage	City Share
Local School District	$6,140,000	100.00%	$6,140,000
Regional School District	36,011,608	3.68%	1,324,061
County	213,448,316	0.68%	1,441,232
Net Indirect Debt			$8,905,293
Net Direct Debt			1,764,250
Total Net Direct and Indirect Debt			**$10,669,543**

Debt Limit (as of December 31, 2021)

Average Equalized Valuation Basis (2019, 2020, 2021)	$218,603,479
Permitted Debt Limitation (3 1/2%)	7,651,122
Less: Net Debt	1,764,250
Remaining Borrowing Power	$5,886,872
Percentage of Net Debt to Average Equalized Valuation	0.807%
Gross Debt Per Capita based on 2020 population of 4,396	$5,546
Net Debt Per Capita based on 2020 population of 4,396	$401

Source: Annual Debt Statement of the City

Litigation

The status of pending litigation is included in the Notes to Financial Statements of the City's annual audit report.

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[3] City percentage of County debt is based on the City's share of total equalized valuation in the County.

INFORMATION REGARDING THE TOWNSHIP OF GALLOWAY

The following material presents certain economic and demographic information of the Township of Galloway (the "Township"), in the County of Atlantic (the "County"), State of New Jersey (the "State").

General Information

The Township consists of 111 square miles and is one of the oldest municipal corporations in the State, having predated the Declaration of Independence. The original Galloway Township was established by Royal Decree of April 4, 1774. Included in the Township are some 15 square miles of the Edwin B. Forsythe (Brigantine) Wildlife Refuge.

The Township is essentially a semi-rural and residential community with some important industrial and institutional facilities. The Garden State Parkway and US Route 30, which pass directly through the Township, are rapid transportation access corridors to Atlantic City from Philadelphia, New York and Washington. The Philadelphia/Atlantic City Hi-Speed Commuter Rail Line passes directly through the Township. The Atlantic City Airport is located within the Township. See "Business and Industry" herein.

Form of Government

The Township's form of government is Council-Manager, Plan E under N.J.S.A. 40:69A-1 et seq. the Faulkner Act. Seven (7) members, elected at large on a partisan basis for four-year overlapping terms, make up the Township Council. The Council appoints the Township Manager to administer its directives and conduct municipal affairs. The form of government provides professional administration for all municipal services.

Education

The children of the Township attend schools for grades Pre-K to 8 run by the Galloway Township School District, a Type II School District, and for grades 9-12 by the Greater Egg Harbor Regional High School District.

Retirement Systems

All full-time permanent or qualified Township employees who began employment after 1944 must enroll in one of two retirement systems depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by State law. The Division of Pensions, within the New Jersey Department of Treasury (the "Division"), is the administrator of the funds with the benefit and contribution levels set by the State. The Township is enrolled in the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS").

Pension Information

Employees, who are eligible to participate in a pension plan, are enrolled in PERS or PFRS, administered by the Division. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost.

Employment and Unemployment Comparisons

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Township, the County, and the State:

	Total Labor Force	Employed Labor Force	Total Unemployed	Unemployment Rate
Township				
2021	17,145	15,739	1,406	8.2%
2020	17,272	14,519	2,753	15.9%
2019	17,708	16,968	740	4.2%
2018	17,364	16,512	852	4.9%
2017	17,222	16,149	1,073	6.2%
County				
2021	123,181	111,516	11,665	9.5%
2020	124,180	102,874	21,306	17.2%
2019	126,175	120,115	6,060	4.8%
2018	123,520	116,516	7,004	5.7%
2017	122,687	113,992	8,695	7.1%
State				
2021	4,661,100	4,365,400	295,700	6.3%
2020	4,642,900	4,203,300	439,700	9.5%
2019	4,686,700	4,528,200	158,500	3.4%
2018	4,609,800	4,426,600	183,200	4.0%
2017	4,615,000	4,406,200	208,800	4.5%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

Income (as of 2020)

	Township	County	State
Median Household Income	$76,888	$63,680	$85,245
Median Family Income	85,806	78,974	104,804
Per Capita Income	34,810	34,175	44,153

Source: US Bureau of the Census, 2020 American Community Survey 5-Year Estimates

Population

The following tables summarize population increases and the decreases for the Township, the County, and the State.

	Township		County		State	
Year	**Population**	**% Change**	**Population**	**% Change**	**Population**	**% Change**
2020	37,813	-4.41%	274,534	-0.01%	9,288,994	5.65%
2010	39,558	26.75	274,549	8.71	8,791,894	4.49
2000	31,209	33.77	252,552	12.58	8,414,350	8.85
1990	23,330	91.61	224,327	15.56	7,730,188	4.96
1980	12,176	47.12	194,119	10.90	7,365,001	2.75

Source: United States Department of Commerce, Bureau of the Census

Largest Taxpayers

The ten largest taxpayers in the Township and their assessed valuations are listed below:

Taxpayers	2021 Assessed Valuation	% of Total Assessed Valuation
Marriott Ownership Resorts Inc.	$44,564,600	1.63%
JSM at Galloway, LLC	38,689,800	1.41%
Galloway Apartments LP	37,000,000	1.35%
Seaview Resort Acquisition Group LLC	14,471,600	0.53%
Galloway Sen Prop	10,369,500	0.38%
300 E Jimmie Leeds Rd LLC	10,150,000	0.37%
One Madison LLC	9,000,000	0.33%
Galloway Real Property LLC	7,600,000	0.28%
Towne of Historic Smithville LLC	6,381,300	0.23%
VVP3 LLC % CASCO Ventures	5,760,000	0.21%
Total	$183,986,800	6.71%

Source: School District CAFR & Municipal Tax Assessor

Comparison of Tax Levies and Collections

Year	Tax Levy	Current Year Collection	Current Year % of Collection
2021	$86,483,052	$86,065,825	99.52%
2020	84,853,531	84,421,757	99.49%
2019	83,195,246	82,759,784	99.48%
2018	83,648,333	83,008,837	99.24%
2017	83,432,173	82,705,066	99.13%

Source: Annual Audit Reports of the Township

Delinquent Taxes and Tax Title Liens

Year	Amount of Tax Title Liens	Amount of Delinquent Tax	Total Delinquent	% of Tax Levy
2021	$2,075,540	$57,609	$2,133,149	2.47%
2020	2,871,739	97,419	2,969,159	3.50%
2019	2,710,094	85,990	2,796,084	3.36%
2018	2,237,161	190,579	2,427,740	2.90%
2017	1,986,466	147,890	2,134,356	2.56%

Source: Annual Audit Reports of the Township

Property Acquired by Tax Lien Liquidation

Year	Amount
2021	$3,961,542
2020	2,566,642
2019	2,567,242
2018	3,029,558
2017	3,029,558

Source: Annual Audit Reports of the Township

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Tax Rates per $100 of Net Valuations Taxable and Allocations

The table below lists the tax rates for the past five (5) years.

Year	Municipal	Local School	Regional School	County	Total
2021	$0.614	$1.240	$0.708	$0.585	$3.147
2020	0.615	1.234	0.685	0.563	3.097
2019	0.617	1.217	0.658	0.548	3.040
2018	0.619	1.204	0.694	0.566	3.083
2017	0.642	1.180	0.688	0.573	3.083

Source: Abstract of Ratables and State of New Jersey – Property Taxes

Valuation of Property

Year	Aggregate Assessed Valuation of Real Property	Aggregate True Value of Real Property	Ratio of Assessed to True Value	Assessed Value of Personal Property	Equalized Valuation
2022	$2,741,320,300	$3,597,061,147	76.21%	$100	$3,597,061,247
2021	2,739,994,000	3,176,804,638	86.25	100	3,176,804,738
2020	2,728,011,500	2,938,401,012	92.84	100	2,938,401,112
2019	2,713,819,800	2,865,702,006	94.70	100	2,865,702,106
2018	2,694,105,600	2,726,827,530	98.80	0	2,726,827,530

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

Classification of Ratables

The table below lists the comparative assessed valuation for each classification of real property within the Township for the past five (5) years.

Year	Vacant Land	Residential	Farm	Commercial	Industrial	Apartments	Total
2022	$59,256,000	$2,253,153,100	$31,864,600	$339,196,700	$3,166,000	$54,683,900	$2,741,320,300
2021	60,417,000	2,246,523,300	30,668,900	344,534,900	3,166,000	54,683,900	2,739,994,000
2020	62,434,800	2,235,499,000	30,475,100	341,748,400	3,170,300	54,683,900	2,728,011,500
2019	63,699,700	2,228,850,700	30,500,600	332,914,600	3,170,300	54,683,900	2,713,819,800
2018	69,010,600	2,218,953,600	34,010,200	314,277,000	3,170,300	54,683,900	2,694,105,600

Source: Abstract of Ratables and State of New Jersey – Property Value Classification

Financial Operations

The following table summarizes budgeted information on changes in financial resources and fund balance for the last three (3) fiscal years for the Current Fund. This summary should be used in conjunction with the tables from which it is derived.

Budgeted Information of Operations and Changes in Fund Balances for the Years Ended December 31

Anticipated Revenues	2018	2019	2020	2021	2022
Fund Balance Utilized	$5,500,000	$5,555,000	$5,555,000	$4,128,000	$5,165,500
Miscellaneous Revenues	5,580,615	5,558,770	5,958,610	7,692,927	6,184,340
Receipts from Delinquent Taxes	25,000	25,000	21,075	0	0
Amount to be Raised by Taxation	16,659,738	16,746,918	1,678,825	16,841,585	16,798,284
Total Revenue:	$27,765,353	$27,885,688	$13,213,511	$28,662,512	$28,148,124
Appropriations					
General Appropriations	$19,753,368	$20,206,042	$20,945,122	$21,486,017	$22,593,906
Operations (Excluded from CAPS)	553,424	416,080	391,252	518,758	619,433
Deferred Charges and Statutory Expenditures	0	0	0	0	0
Judgments	0	0	0	0	0
Capital Improvement Fund	1,866,204	2,111,510	2,133,017	2,605,739	330,115
Municipal Debt Service	3,221,883	2,983,383	2,943,983	2,141,483	2,642,308
Reserve for Uncollected Taxes	2,370,473	2,168,673	1,909,337	1,910,515	1,962,362
Total Appropriations:	$27,765,353	$27,885,688	$28,322,711	$28,662,512	$28,148,124

Source: Annual Adopted Budgets of the Township

Fund Balance

Fund Balance - Current Fund

Year	Balance 12/31	Utilized in Budget of Succeeding Year
2021	$11,431,359	$5,165,500
2020	9,757,505	4,128,000
2019	10,902,494	5,555,000
2018	10,255,320	5,555,000
2017	9,733,814	5,500,000

Source: Annual Audit Reports of the Township

Fund Balance - Sewer Utility Operating Fund

Year	Balance 12/31	Utilized in Budget of Succeeding Year
2021	$5,480,828	$1,586,630
2020	4,944,198	1,050,000
2019	4,490,968	907,325
2018	3,664,679	160,000
2017	3,184,612	752,440

Source: Annual Audit Reports of the Township

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Township Indebtedness as of December 31, 2021

General Purpose Debt	
Serial Bonds	$2,000,000
Bond Anticipation Notes	4,525,000
Bonds and Notes Authorized but Not Issued	1,425,000
Other Bonds, Notes and Loans	57,906
Total:	$8,007,906
Local School District Debt	
Serial Bonds	$507,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	$507,000
Regional School District Debt	
Serial Bonds	$18,132,173
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	$18,132,173
Self-Liquidating Debt	
Serial Bonds	$680,000
Bond Anticipation Notes	3,200,000
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	501,167
Total:	$4,381,167
TOTAL GROSS DEBT	**$31,028,246**
Less: Statutory Deductions	
General Purpose Debt	$0
Local School District Debt	507,000
Regional School District Debt	18,132,173
Self-Liquidating Debt	4,381,167
Total:	$23,020,341
TOTAL NET DEBT	**$8,007,906**

Source: Annual Debt Statement of the Township

Overlapping Debt (as of December 31, 2021)[4]

Name of Related Entity	Related Entity Debt Outstanding	Township Percentage	Township Share
Local School District	$507,000	100.00%	$507,000
Regional School District	36,011,608	50.35%	18,132,173
Atlantic County Utilities Authority (2020)	19,119,485	9.75%	1,864,178
County	213,448,316	9.75%	20,811,527
Net Indirect Debt			$41,314,878
Net Direct Debt			8,007,906
Total Net Direct and Indirect Debt			**$49,322,784**

Debt Limit

Average Equalized Valuation Basis (2019, 2020, 2021)	$2,993,635,885
Permitted Debt Limitation (3 1/2%)	104,777,256
Less: Net Debt	8,007,906
Remaining Borrowing Power	$96,769,350
Percentage of Net Debt to Average Equalized Valuation	0.267%
Gross Debt Per Capita based on 2020 population of 37,813	$784
Net Debt Per Capita based on 2020 population of 37,813	$202

Source: Annual Debt Statement of the Township

Litigation

The status of pending litigation is included in the Notes to Financial Statements of the Township's annual audit report.

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[4] Township percentage of County and County Utilities Authority debt is based on the Township's share of total equalized valuation in the County

INFORMATION REGARDING THE TOWNSHIP OF HAMILTON[5]

The following material presents certain economic and demographic information of the Township of Hamilton (the "Township"), in the County of Atlantic (the "County"), State of New Jersey (the "State").

General Information

The Township, which was incorporated in 1813, is located in the southwestern part of Atlantic County, New Jersey approximately eighteen (18) miles west of the City of Atlantic City and forty (40) miles from Philadelphia. The Township comprises an area of approximately 115 square miles, making it one of the largest municipalities in the State. The Township is accessible within minutes from Routes 40, 50 and 322, as well as the Atlantic City Expressway and the Garden State Parkway.

Form of Government

The Township operates under a Township Committee form of government. The five member Township Committee is elected to staggered three-year terms. A Mayor and Deputy Mayor are selected from the Committee by its members. Legislative and executive power is vested in the Township Committee.

The day-to-day administrative duties are the responsibility of the Township Administrator, who is appointed by the Township Committee. To that end, the Administrator keeps the Committee informed as to the conduct of the Township affairs, the condition of the Township finances and the welfare and future needs of the Township.

The financial affairs of the Township are administered by the Chief Financial Officer, who reports to the Township Administrator. With the Township Administrator, the Chief Financial Officer prepares and then monitors the annual municipal budget after adoption by the Township Committee.

Business Management

The Mayor and Township Committee have taken an active role in the preparation and administration of the Township's annual operating and capital budgets. Joint purchasing agreements, extensive use of State contract purchases and the solicitation of competitive price proposals for the majority of purchases are just a few measures employed to reduce costs. User fees for Township services are continually examined and increased when needed, and an aggressive tax collection program contributes to the Township's financial well-being. The Township's tax collection rate averaged over 98 percent for the last ten years.

[5] Source: The Township, unless otherwise indicated.

Education

The Hamilton Township Board of Education operates three schools: (1) the Joseph Shaner Elementary School with students in preschool, kindergarten, and grade one; (2) the George Hess Complex with students in preschool and grades two through five; and (3) the William Davies Middle School with students in grades six through eight.

The Township is part of the Greater Egg Harbor Regional High School District for students in grades nine (9) through twelve (12).

Library

The Township residents have access to the Atlantic County Library located within the Township.

Retirement Systems

All full-time permanent or qualified Township employees who began employment after 1944 must enroll in one of two retirement systems depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by State law. The Division of Pensions, within the New Jersey Department of Treasury (the "Division"), is the administrator of the funds with the benefit and contribution levels set by the State. The Township is enrolled in the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS").

Pension Information

Employees who are eligible to participate in a pension plan are enrolled in PERS or PFRS administered by the Division. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost.

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Employment and Unemployment Comparisons

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Township, the County, and the State:

	Total Labor Force	Employed Labor Force	Total Unemployed	Unemployment Rate
Township				
2021	12,836	11,615	1,221	9.5%
2020	12,739	10,715	2,024	15.9%
2019	13,066	12,453	613	4.7%
2018	12,695	12,011	684	5.4%
2017	12,659	11,842	817	6.5%
County				
2021	123,181	111,516	11,665	9.5%
2020	124,180	102,874	21,306	17.2%
2019	126,175	120,115	6,060	4.8%
2018	123,520	116,516	7,004	5.7%
2017	122,687	113,992	8,695	7.1%
State				
2021	4,661,100	4,365,400	295,700	6.3%
2020	4,642,900	4,203,300	439,700	9.5%
2019	4,686,700	4,528,200	158,500	3.4%
2018	4,609,800	4,426,600	183,200	4.0%
2017	4,615,000	4,406,200	208,800	4.5%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

Income (as of 2020)

	Township	County	State
Median Household Income	$73,333	$63,680	$85,245
Median Family Income	91,797	78,974	104,804
Per Capita Income	33,738	34,175	44,153

Source: US Bureau of the Census

Population

The following tables summarize population increases and the decreases for the Township, the County, and the State.

	Township		County		State	
Year	**Population**	**% Change**	**Population**	**% Change**	**Population**	**% Change**
2020	27,484	3.70%	274,534	-0.01%	9,288,994	5.65%
2010	26,503	29.29	274,549	8.71	8,791,894	4.49
2000	20,499	28.02	252,552	12.58	8,414,350	8.85
1990	16,012	68.57	224,327	15.56	7,730,188	4.96
1980	9,499	47.39	194,119	10.90	7,365,001	2.75

Source: United States Department of Commerce, Bureau of the Census

Largest Taxpayers

The ten (10) largest taxpayers in the Township and their assessed valuations are listed below:

Taxpayers	2021 Assessed Valuation	% of Total Assessed Valuation
RVT Wrangleboro Consumer Square, LLC	$95,929,800	4.72%
DD Residential, LP	47,280,800	2.33%
JSM at Timber Glen (C0001)	43,460,800	2.14%
RVT Hamilton Commons LLC	41,937,300	2.07%
Hamilton Mall Realty LLC ETAL	22,500,000	1.11%
Hometown Mays Landing MHC, L.L.C.	18,487,200	0.91%
Wal-Mart Property Tax Department	18,157,800	0.89%
Joey T. LLC	14,000,000	0.69%
Festival at Hamilton LLC	13,683,700	0.67%
Atlantic Southern Properties, Inc.	13,377,200	0.66%
Total	$328,814,600	16.19%

Source: Comprehensive Annual Financial Report of the School District and Municipal Tax Assessor

Comparison of Tax Levies and Collections

Year	Tax Levy	Current Year Collection	Current Year % of Collection
2021	$65,717,027	$65,114,765	99.08%
2020	66,698,263	66,048,398	99.03%
2019	66,524,234	66,491,826	99.95%
2018	65,475,687	64,197,196	98.05%
2017	64,329,245	63,527,175	98.75%

Source: Annual Audit Reports of the Township

Delinquent Taxes and Tax Title Liens

Year	Amount of Tax Title Liens	Amount of Delinquent Tax	Total Delinquent	% of Tax Levy
2021	$374,170	$421,843	$796,013	1.21%
2020	514,722	470,081	984,803	1.48%
2019	647,924	393,540	1,041,464	1.57%
2018	428,298	596,397	1,024,695	1.57%
2017	351,537	601,088	952,625	1.48%

Source: Annual Audit Reports of the Township

Property Acquired by Tax Lien Liquidation

Year	Amount
2021	$6,658,400
2020	6,061,200
2019	6,061,200
2018	5,338,600
2017	4,948,500

Source: Annual Audit Reports of the Township

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Tax Rates per $100 of Net Valuations Taxable and Allocations

The table below lists the tax rates for Township residents for the past five (5) years.

Year	Municipal	Local School	Regional School	County	Total
2021	$0.894	$1.060	$0.689	$0.576	$3.219
2020	0.881	1.046	0.702	0.590	3.219
2019	0.883	1.027	0.725	0.593	3.228
2018	0.863	1.042	0.640	0.569	3.114
2017	0.863	1.029	0.602	0.571	3.065

Source: Abstract of Ratables and State of New Jersey – Property Taxes

Valuation of Property

Year	Aggregate Assessed Valuation of Real Property	Aggregate True Value of Real Property	Ratio of Assessed to True Value	Assessed Value of Personal Property	Equalized Valuation
2022	$2,036,506,200	$2,682,437,039	75.92%	$8,086,723	$2,690,523,762
2021	2,022,183,619	2,283,147,363	88.57	8,413,631	2,291,560,994
2020	2,053,273,603	2,178,770,801	94.24	7,766,809	2,186,537,610
2019	2,041,610,335	2,247,726,891	90.83	7,592,909	2,255,319,800
2018	2,086,489,363	2,301,444,257	90.66	7,859,274	2,309,303,531

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

Classification of Ratables

The table below lists the comparative assessed valuation for each classification of real property within the Township for the past five (5) years.

Year	Vacant Land	Residential	Farm	Commercial	Industrial	Apartments	Total
2022	$59,651,800	$1,488,425,900	$12,675,400	$336,855,500	$20,806,000	$118,091,600	$2,036,506,200
2021	59,939,800	1,469,600,050	12,507,669	348,138,800	20,836,800	111,160,500	2,022,183,619
2020	66,497,300	1,458,102,650	12,316,353	405,983,900	20,712,900	89,660,500	2,053,273,603
2019	66,277,900	1,437,416,650	12,411,985	415,104,300	20,712,900	89,686,600	2,041,610,335
2018	69,721,600	1,432,295,100	12,255,563	462,111,300	20,419,200	89,686,600	2,086,489,363

Source: Abstract of Ratables and State of New Jersey – Property Value Classification

Financial Operations

The following table summarizes the Township's Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

Summary of Current Fund Budget

Anticipated Revenues	2018	2019	2020	2021	2022
Fund Balance Utilized	$3,854,853	$3,963,737	$4,093,698	$3,163,200	$3,500,000
Miscellaneous Revenues	4,772,030	5,453,475	5,275,765	6,392,756	6,443,236
Receipts from Delinquent Taxes	500,000	606,000	545,000	560,000	470,000
Amount to be Raised by Taxation	18,072,384	18,090,798	18,170,806	18,170,891	18,277,837
Total Revenue:	$27,199,266	$28,114,010	$28,085,269	$28,286,847	$28,691,073
Appropriations					
General Appropriations	$23,026,951	$23,358,368	$23,740,889	$24,331,141	$24,226,086
Operations (Excluded from CAPS)	674,304	191,779	162,725	502,434	688,801
Deferred Charges and Statutory Expenditures	0	617,500	0	0	125,000
Judgments	0	0	0	0	0
Capital Improvement Fund	65,000	480,000	785,000	100,000	538,500
Municipal Debt Service	1,851,930	1,889,730	1,787,592	1,762,342	1,724,742
Reserve for Uncollected Taxes	1,581,081	1,576,634	1,609,064	1,590,930	1,387,944
Total Appropriations:	$27,199,266	$28,114,010	$28,085,269	$28,286,847	$28,691,073

Source: Annual Adopted Budgets of the Township

Fund Balance

Current Fund

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending December 31.

Fund Balance - Current Fund

Year	Balance 12/31	Utilized in Budget of Succeeding Year
2021	$8,636,981	$3,500,000
2020	6,340,522	3,163,200
2019	6,382,040	4,093,698
2018	6,000,494	3,963,737
2017	5,971,915	3,854,853

Source: Annual Audit Reports of the Township

Township Indebtedness as of December 31, 2021

General Purpose Debt	
Serial Bonds	$9,145,000
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	1,917,917
Other Bonds, Notes and Loans	30,631
Total:	$11,093,548
Local School District Debt	
Serial Bonds	$26,885,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	$26,885,000
Regional School District Debt	
Serial Bonds	$13,546,565
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	$13,546,565
Self-Liquidating Debt	
Serial Bonds	$0
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	0
Total:	$0
TOTAL GROSS DEBT	**$51,525,113**
Less: Statutory Deductions	
General Purpose Debt	$0
Local School District Debt	26,885,000
Regional School District Debt	13,546,565
Self-Liquidating Debt	0
Total:	$40,431,565
TOTAL NET DEBT	**$11,093,548**

Source: Annual Debt Statement of the Township

Overlapping Debt (as of December 31, 2021)[6]

Name of Related Entity	Related Entity Debt Outstanding	Township Percentage	Township Share
Local School District	$26,885,000	100.00%	$26,885,000
Regional School District	36,011,608	37.62%	13,546,565
Municipal Utilities Authority (2020)	4,081,193	100.00%	4,081,193
County	213,448,316	6.62%	14,123,083
Net Indirect Debt			$58,635,841
Net Direct Debt			11,093,548
Total Net Direct and Indirect Debt			**$69,729,389**

Debt Limit

Average Equalized Valuation Basis (2019, 2020, 2021)	$2,236,548,352
Permitted Debt Limitation (3 1/2%)	78,279,192
Less: Net Debt	11,093,548
Remaining Borrowing Power	$67,185,644
Percentage of Net Debt to Average Equalized Valuation	0.496%
Gross Debt Per Capita based on 2020 population of 27,484	$1,875
Net Debt Per Capita based on 2020 population of 27,484	$404

Source: Annual Debt Statement of the Township

Litigation

The status of pending litigation is included in the Notes to Financial Statements of the Township's annual audit report.

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[6] Township percentage of County debt is based on the Township's share of total equalized valuation in the County.

INFORMATION REGARDING THE TOWNSHIP OF MULLICA

The following material presents certain economic and demographic information of the Township of Mullica (the "Township"), in the County of Atlantic (the "County"), State of New Jersey (the "State").

General

The official history of the Township dates back to 1838. Today, the Township is an area of 55 square miles located approximately 25 miles west of Atlantic City and 35 miles east of Philadelphia in the western sector of Atlantic County and is contiguous to the municipalities of Elwood, Nesco, Sweetwater, Weekstown, Devonshire, and DaCosta.

Form of Government

The Township is governed by a Township Committee. Five persons are elected at large for three-year overlapping terms. The Committee annually selects one of its members to serve as Mayor and another member to serve as Deputy Mayor. By law the Township Committee has responsibility for all legislative matters, ranging from the enactment of all ordinances and resolutions to general citizen representation. Policy formulation by the Township Committee is assisted by a number of separate advisory boards and committees, and input from citizens who attend official committee meetings.

Administrative responsibilities of the Township are vested in the Committee. Charged with the "day-today" operation of the Township, the Committee directs all Township services and enforcement of municipal ordinances.

Education

The children of the Township attend schools for grades Pre-K to 8 run by the Mullica Township School District, a Type II School District, and for grades 9-12 by the Greater Egg Harbor Regional High School District.

Retirement Systems

All full-time permanent or qualified Township employees who began employment after 1944 must enroll in one of two retirement systems depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by State law. The Division of Pensions, within the New Jersey Department of Treasury (the "Division"), is the administrator of the funds with the benefit and contribution levels set by the State. The Township is enrolled in the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS").

Pension Information

Employees who are eligible to participate in a pension plan are enrolled in PERS or PFRS administered by the Division. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost.

Employment and Unemployment Comparisons

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Township, the County, and the State:

	Total Labor Force	Employed Labor Force	Total Unemployed	Unemployment Rate
Township				
2021	3,849	3,545	304	7.9%
2020	3,884	3,271	613	15.8%
2019	3,963	3,801	162	4.1%
2018	3,938	3,745	193	4.9%
2017	3,895	3,669	226	5.8%
County				
2021	123,181	111,516	11,665	9.5%
2020	124,180	102,874	21,306	17.2%
2019	126,175	120,115	6,060	4.8%
2018	123,520	116,516	7,004	5.7%
2017	122,687	113,992	8,695	7.1%
State				
2021	4,661,100	4,365,400	295,700	6.3%
2020	4,642,900	4,203,300	439,700	9.5%
2019	4,686,700	4,528,200	158,500	3.4%
2018	4,609,800	4,426,600	183,200	4.0%
2017	4,615,000	4,406,200	208,800	4.5%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

Income (as of 2020)

	Township	County	State
Median Household Income	$79,155	$63,680	$85,245
Median Family Income	85,845	78,974	104,804
Per Capita Income	35,414	34,175	44,153

Source: US Bureau of the Census, 2020 American Community Survey 5-Year Estimates

Population

The following tables summarize population increases and the decreases for the Township, the County, and the State.

	Township		County		State	
Year	**Population**	**% Change**	**Population**	**% Change**	**Population**	**% Change**
2020	5,816	-5.38%	274,534	-0.01%	9,288,994	5.65%
2010	6,147	3.97	274,549	8.71	8,791,894	4.49
2000	5,912	0.27	252,552	12.58	8,414,350	8.85
1990	5,896	12.45	224,327	15.56	7,730,188	4.96
1980	5,243	-18.65	194,119	10.90	7,365,001	2.75

Source: United States Department of Commerce, Bureau of the Census

Largest Taxpayers

The ten largest taxpayers in the Township and their assessed valuations are listed below:

Taxpayers	2021 Assessed Valuation	% of Total Assessed Valuation
N.J. Carpenters App. Tr. & Ed. Fund $	$2,285,300	0.50%
Viking Yacht Company	2,183,600	0.48%
Individual Taxpayer #1	1,154,500	0.25%
Individual Taxpayer #2	1,063,100	0.23%
Individual Taxpayer #3	1,041,300	0.23%
Individual Taxpayer #4	952,500	0.21%
Blue Leopard Corp., An N.J. Corp.	882,600	0.19%
Sweetwater Real Estate Acq. LLC	861,900	0.19%
Individual Taxpayer #5	788,200	0.17%
Individual Taxpayer #6	729,100	0.16%
Total	$11,942,100	2.63%

Source: School District CAFR & Municipal Tax Assessor

Comparison of Tax Levies and Collections

Year	Tax Levy	Current Year Collection	Current Year % of Collection
2021	$14,989,389	$14,439,080	96.33%
2020	14,562,508	13,951,440	95.80%
2019	14,279,948	13,773,826	96.26%
2018	13,777,284	13,283,843	96.43%
2017	13,752,590	13,188,765	95.51%

Source: Annual Audit Reports of the Township

Delinquent Taxes and Tax Title Liens

Year	Amount of Tax Title Liens	Amount of Delinquent Tax	Total Delinquent	% of Tax Levy
2021	$538,912	$447,868	$986,780	6.58%
2020	510,388	470,769	981,158	6.74%
2019	480,375	400,250	880,625	6.17%
2018	405,977	387,808	793,785	5.76%
2017	318,035	472,378	790,413	5.75%

Source: Annual Audit Reports of the Township

Property Acquired by Tax Lien Liquidation

Year	Amount
2021	$3,341,500
2020	3,400,900
2019	3,524,400
2018	3,452,500
2017	3,571,100

Source: Annual Audit Reports of the Township

Tax Rates per $100 of Net Valuations Taxable and Allocations

The table below lists the tax rates for the past five (5) years.

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Year	Municipal	Local School	Regional School	County	Total Taxes
2021	$0.898	$1.075	$0.729	$0.574	$3.276
2020	0.879	1.059	0.693	0.560	3.191
2019R	0.836	1.036	0.701	0.554	3.127
2018	1.276	1.533	1.019	0.870	4.698
2017	1.249	1.459	1.064	0.922	4.694

R=Revaluation
Source: Abstract of Ratables and State of New Jersey – Property Taxes

Valuation of Property

Year	Valuation of Real Property	Value of Real Property	Assessed to True Value	Value of Personal Property	Equalized Valuation
2022	$458,006,400	$612,471,784	74.78%	$0	$612,471,784
2021	454,695,800	533,179,878	85.28	0	533,179,878
2020	454,359,100	481,414,601	94.38	0	481,414,601
2019R	455,792,500	475,675,746	95.82	0	475,675,746
2018	292,476,800	472,498,869	61.90	0	472,498,869

R=Revaluation
Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

Classification of Ratables

The table below lists the comparative assessed valuation for each classification of real property within the Township for the past five (5) years.

Year	Vacant Land	Residential	Farm	Commercial	Industrial	Apartments	Total
2022	$12,483,900	$405,879,000	$12,216,800	$24,176,400	$2,367,700	$882,600	$458,006,400
2021	12,635,800	403,383,200	12,179,300	23,247,200	2,367,700	882,600	454,695,800
2020	12,261,200	405,183,500	10,612,300	23,051,800	2,367,700	882,600	454,359,100
2019R	12,535,400	405,289,400	11,382,000	23,335,400	2,367,700	882,600	455,792,500
2018	12,671,900	256,061,000	8,000,000	14,075,100	1,153,400	515,400	292,476,800

R=Revaluation
Source: Abstract of Ratables and State of New Jersey – Property Value Classification

Financial Operations

The following table summarizes budgeted information on changes in financial resources and fund balance for the last three (3) fiscal years for the Current Fund. This summary should be used in conjunction with the tables from which it is derived.

Budgeted Information of Operations and Changes in Fund Balances for the Years Ended December 31

Anticipated Revenues	2018	2019	2020	2021	2022
Fund Balance	$520,000	$509,000	$643,600	$826,600	$1,020,000
Miscellaneous Revenues	1,127,134	1,234,832	1,108,406	1,163,384	1,853,643
Receipts from Delinquent Taxes	435,000	395,000	390,000	470,000	445,000
Amount to be Raised by Taxes for Support of Municipal Budget	3,730,936	3,811,051	3,994,744	4,084,844	4,203,196
Total Revenue:	$5,813,070	$5,949,883	$6,136,751	$6,544,827	$7,521,839
Appropriations					
General Appropriations	$4,295,248	$4,409,526	$4,541,145	$4,516,068	$4,806,253
Operations	324,110	347,989	412,626	798,404	1,523,372
Deferred Charges and Statutory Expenditures	64,000	64,000	50,000	50,000	39,000
Judgments	0	0	0	0	0
Capital Improvement Fund	209,920	210,519	126,760	319,076	175,477
Municipal Debt Service	300,075	296,575	358,500	207,000	304,400
Reserve for Uncollected Taxes	619,717	621,274	647,720	654,279	673,336
Total Appropriations:	$5,813,070	$5,949,883	$6,136,751	$6,544,827	$7,521,839

Source: Annual Adopted Budgets of the Township

Fund Balance

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Fund Balance - Current Fund

Year	Balance 12/31	Utilized in Budget of Succeeding Year
2021	$1,487,509	$1,020,000
2020	1,237,139	826,600
2019	1,404,761	643,600
2018	727,814	509,000
2017	616,904	520,000

Source: Annual Audit Reports of the Township

Township Indebtedness as of December 31, 2021

General Purpose Debt	
Serial Bonds	$540,000
Bond Anticipation Notes	874,000
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	0
Total:	$1,414,000
Local School District Debt	
Serial Bonds	$4,195,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	$4,195,000
Regional School District Debt	
Serial Bonds	$3,008,809
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	0
Total:	$3,008,809
TOTAL GROSS DEBT	**$8,617,809**
Less: Statutory Deductions	
General Purpose Debt	$0
Local School District Debt	4,195,000
Regional School District Debt	3,008,809
Total:	$7,203,809
TOTAL NET DEBT	**$1,414,000**

Source: Annual Debt Statement of the Township

Overlapping Debt (as of December 31, 2021)[7]

Name of Related Entity	Related Entity Debt Outstanding	Township Percentage	Township Share
Local School District	$4,195,000	100.00%	$4,195,000
Regional School District	36,011,608	8.36%	3,008,809
County	213,448,316	1.64%	3,492,908
Net Indirect Debt			$10,696,717
Net Direct Debt			1,414,000
Total Net Direct and Indirect Debt			**$12,110,717**

[7] Township percentage of County and County Utilities Authority debt is based on the Township's share of total equalized valuation in the County

Debt Limit

Average Equalized Valuation Basis (2019, 2020, 2021)	$496,756,742
Permitted Debt Limitation (3 1/2%)	17,386,486
Less: Net Debt	1,414,000
Remaining Borrowing Power	$15,972,486
Percentage of Net Debt to Average Equalized Valuation	0.28%
Gross Debt Per Capita based on 2020 population of 5,816	$1,482
Net Debt Per Capita based on 2050 population of 5,816	$243

Source: Annual Debt Statement of the Township

APPENDIX B

EXCERPTS FROM FINANCIAL STATEMENTS OF THE SCHOOL DISTRICT

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FORD - SCOTT
& ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS
1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226
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Independent Auditor's Report

Honorable President and
Members of the Board of Education
Greater Egg Harbor Regional High School District
County of Atlantic, New Jersey

Report on the Financial Statements

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 Greater Egg Harbor Regional High School District, in the County of Atlantic, New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Greater Egg Harbor Regional High School District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information identified in the table of contents be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Greater Egg Harbor Regional High School District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards 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 the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance and the schedule of state financial assistance as required by NJ OMB 15-08 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. Such 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 non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2022 on our consideration of the Greater Egg Harbor Regional High School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Greater Egg Harbor Regional High School District's internal control over financial reporting and compliance.

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia

Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

March 4, 2022

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Required Supplementary Information – Part I

The Discussion and Analysis of the Greater Egg Harbor Regional High School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2021 are as follows:

- In total, net position increased by $3,755,912.91, which represents a 5% percent increase from 2020.

- General revenues accounted for $74,362,757.12 or 75 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for $25,239,609.75 or 25 percent of total revenues of $99,602,366.87.

- Total assets of governmental activities increased by $670,771.03 as cash and cash equivalents increased by $3,547,275.88, receivables decreased by $339,234.30, Due from other Funds increased by $115,980.27 and capital assets decreased by $2,421,290.28.

- The School District had $94,967,702.96 in expenses, only $24,171,108.88 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes and grants and entitlements) of $74,362,757.12 were adequate to provide for the majority of these programs.

- Among governmental funds, the General Fund had $81,213,819.26 in revenues and $79,285,928.39 in expenditures. The General Fund's fund balance increased $1,927,929.03 over 2020.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand The Greater Egg Harbor Regional High School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of The Greater Egg Harbor Regional High District, the General Fund is by far the most significant fund.

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Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and ask the question, "How did we do financially during 2021?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the school district as a whole, the financial position of the School district have improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental Activities - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

- Business-Type Activity - This service is provided on a charge for goods or services basis to recover all 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 School District's funds. The School District uses many funds to account for a multitude of financial transaction. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. 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 statements provide a detailed short-term view of the School district's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer 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 governmental funds is 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.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

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

Table 1 provides a summary of the School District's net position for 2021 and 2020.

Table 1
Net Position

		2021	2020
Assets			
Current and Other Assets	$	8,312,266.06	4,978,496.54
Capital Assets		136,139,500.30	138,574,596.26
Total Assets		144,451,766.36	143,553,092.80
Deferred Outflow of Resources			
Loss of Refunding of Long Term Debt		1,092,028.65	1,234,560.72
Deferred Outflows Related to Pensions		1,022,007.00	1,691,242.00
Total Deferred Outflows		2,114,035.65	2,925,802.72
Liabilities			
Long-Term Liabilities		45,876,911.89	54,547,155.85
Other Liabilities		7,101,751.28	2,138,767.14
Total Liabilities		52,978,663.17	56,685,922.99
Deferred Inflows of Resources			
Deferred Inflows Related to Pensions		7,283,137.00	7,633,270.00
Bond Premiums		2,208,591.94	2,474,625.42
Total Deferred Inflows		9,491,728.94	10,107,895.42
Net Position			
Net Investment in Capital Assets		97,091,552.45	96,744,055.46
Restricted		5,233,603.57	1,996,017.81
Unrestricted		(18,229,746.12)	(19,054,996.16)
Total Net Position	$	84,095,409.90	79,685,077.11

The District's combined net position were $84,095,409.90 on June 30, 2021. This was an increase of $4,410,332.79 or almost 6 percent from the prior year.

Table 2 shows changes in net position for fiscal year 2021 and 2020.

Table 2
Changes in Net Position

	2021	2020
Revenues		
Program Revenues:		
Charges for Services	$ 1,102,057.06	1,474,366.11
Operating Grants and Contributions	24,137,552.69	16,146,235.58
General Revenues:		
Property Taxes	37,841,033.00	37,390,652.00
Grants and Entitlements	35,503,624.37	34,691,348.61
Other	1,018,099.75	1,017,122.22
Total Revenues	99,602,366.87	90,719,724.52
Program Expenses		
Instruction	52,660,680.78	47,806,807.61
Support Services:		
Tuition	7,344,760.41	7,687,113.28
Student and Instruction Related Services	9,002,303.89	9,121,143.40
General Administration, School Administration,	6,133,110.80	4,157,912.33
Business Operations and Maintenance of Facilities	12,236,206.36	10,722,054.11
Pupil Transportation	5,096,957.68	4,693,811.27
Capital Outlay	-	-
Interest on Debt	1,460,568.04	1,443,019.77
Food Service	878,751.00	1,283,154.87
Charter Schools	1,033,115.00	938,265.00
Total Expenses	95,846,453.96	87,853,281.64
Increase(decrease) in Net Position	$ 3,755,912.91	2,866,442.88

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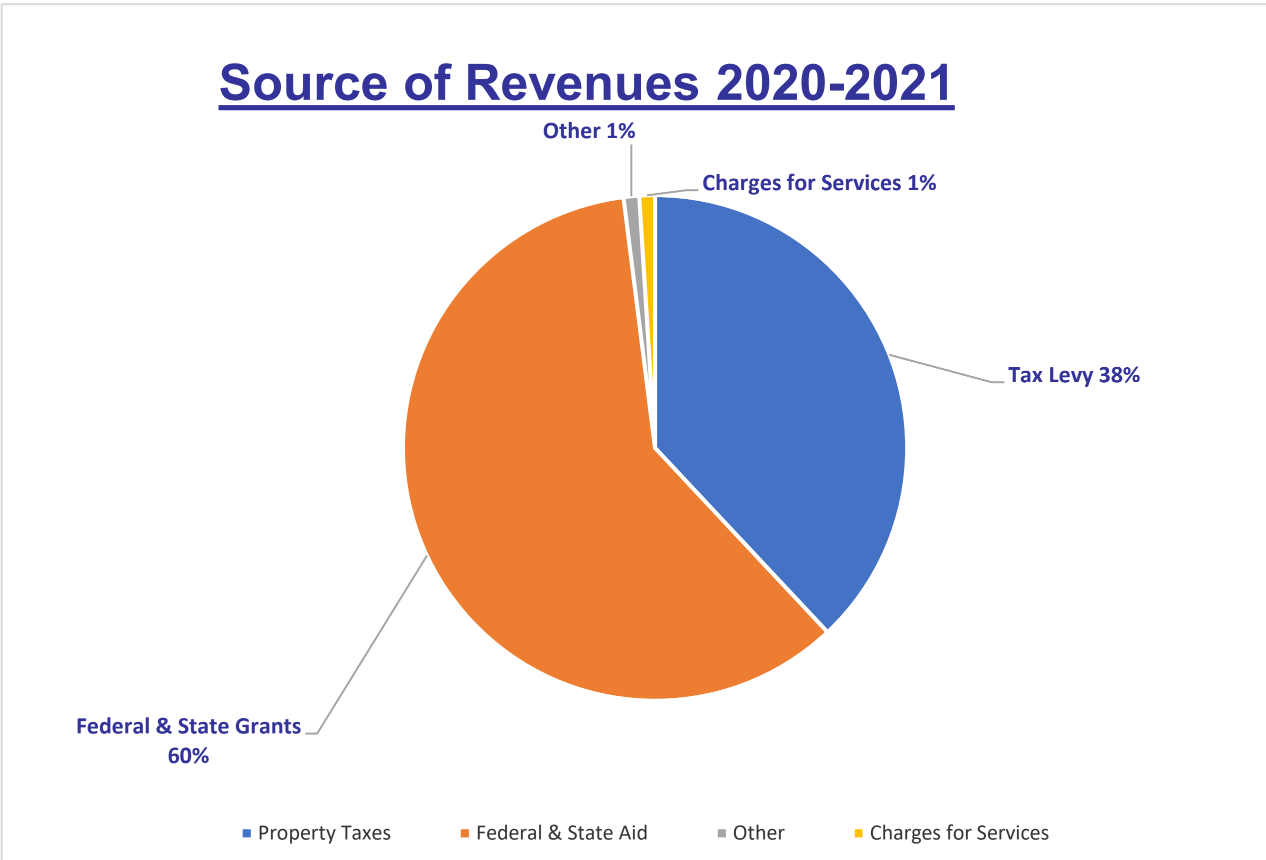
Governmental Activities

Property taxes made up 38 percent of revenues for governmental activities for the Greater Egg Harbor Regional High District for fiscal year 2021. The District's total revenues from governmental activities were $98,533,866.00 for the year ended June 30, 2021. Federal, state, and local grants accounted for 60 percent of this revenue.



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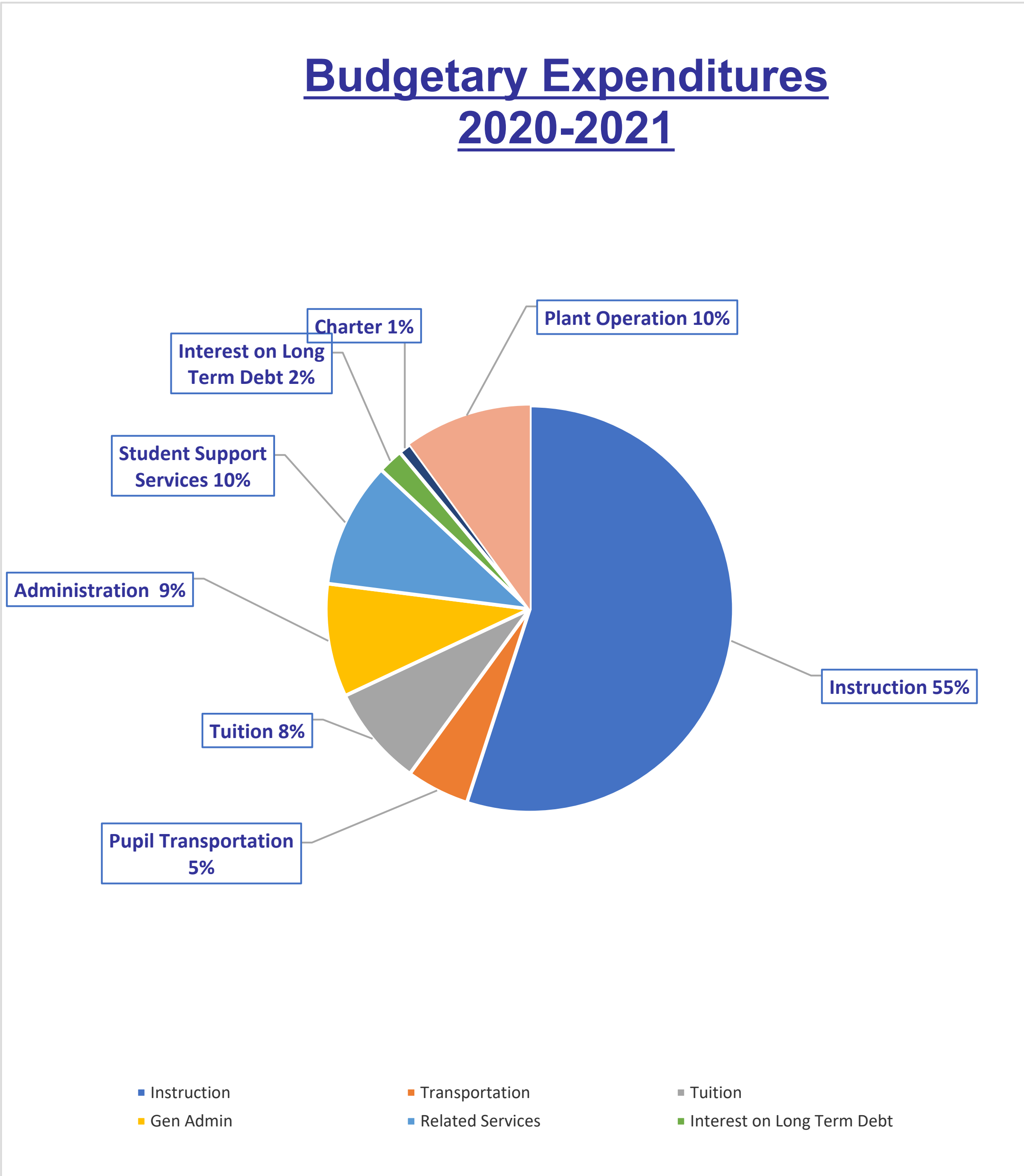
The total cost of all program and services was $94,967,702.96. Instruction comprises 55 percent District expenses.



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Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- Food service revenues exceeded expenses by $189,749.87.
- Charges for services represent $73,122.43 of revenue. This represents amounts paid by patrons for daily food service.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was $995,378.44.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

		Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
Instruction	$	52,660,680.78	33,826,789.49	47,806,807.61	33,889,900.61
Support Services:					
Tuition		7,344,760.41	7,344,760.41	7,687,113.28	7,687,113.28
Student and Instructional Staff		9,002,303.89	5,113,468.31	9,121,143.40	6,773,115.66
General Administration and School Administration		8,735,461.87	8,193,923.01	4,157,912.33	4,142,957.62
Plant Operation and Maintenance of Facilities		9,633,855.29	8,727,012.14	10,722,054.11	10,628,507.46
Pupil Transportation		5,096,957.68	5,096,957.68	4,693,811.27	4,693,811.27
Interest and Fiscal Charges		1,460,568.04	1,033,115.00	1,443,019.77	1,443,019.77
Charter Schools		1,033,115.00	1,460,568.04	938,265.00	938,265.00
Total Expenses	$	94,967,702.96	70,796,594.08	86,570,126.77	70,196,690.67

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Tuition, Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

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

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

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

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

"Other" includes special schools, charter schools and unallocated depreciation.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to $88,926,553.00 and expenditures were $86,998,229.19. The net positive change in fund balance for the year of $1,928,323.81 was most significant in the General Fund, an increase of $1,927,929.03.

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. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2021, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease)from 2020	Percent of Increase (Decrease)
Local Sources	$ 40,364,843.64	45.39%	907,187.02	2.33%
State Sources	45,999,988.57	51.73%	2,311,959.51	5.39%
Federal Sources	2,561,720.79	2.88%	242,147.82	15.41%
Total	$ 88,926,553.00	100%	3,461,294.35	23.13%

Local Source revenues increased by $907,187.02 mostly due to an increase in the tax levy. State sources revenues increased by $2,311,959.51. The increase in revenues from State sources is primarily due to an increase in on-behalf contributions. Federal Sources increased by $242,147.82 due to Federal government grants related to COVID-19.

The following schedule represents a summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2021, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	**Amount**	**Percent of Total**	**Increase (Decrease) from 2020**	**Percent of Increase (Decrease)**
Current expense:				
Instruction	$ 28,994,612.82	33.33%	$ 539,888.37	1.90%
Undistributed expenditures	51,247,509.14	58.91%	2,766,557.14	5.71%
Capital Outlay	758,770.97	0.87%	62,875.57	9.04%
Charter Schools	1,033,115.00	1.19%	94,850.00	10.11%
Debt Service:				
Principal	3,480,000.00	4.00%	(285,000.00)	-7.57%
Interest	1,484,221.26	1.71%	(122,768.75)	-7.64%
Total	$ 86,998,229.19	100.00%	$ 3,056,402.33	3.64%

The increase in Instruction expenditures related to regular instruction, specifically Rentals and Salaries of Teachers grades 9-12. The increase in Undistributed expenditures of $2,766,557.14 is mostly due to Employee Benefits. Total expenditures in the 2021 school year amounted to just over $86,998,229.19.

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General Fund Budgeting Highlights

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

Capital Assets

At the end of the fiscal year 2021, the School District had $136,139,500.30 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2021 balances compared to 2020.

Table 4
Capital Assets (Net of Depreciation) at June 30,

		2021		2020
Land	$	3,798,498.00	$	3,798,498.00
Sites, Buildings and Building Improvements		131,374,056.42		133,718,623.95
Machinery and Equipment		966,945.88		1,057,474.31
Total	$	136,139,500.30	$	138,574,596.26

Overall capital assets decreased $2,435,095.96 from fiscal year 2020 to fiscal year 2021. The decreased is due primarily to depreciation charges being more than new capital assets in the current year. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2021, the School District had $40,353,511.50 of outstanding debt. Of this amount, $213,535.00 is for compensated absences, $36,056,000.00 of serial bonds for school construction, $1,875,384.56 for various capital leases and $2,208,591.94 is the balance on the premium from the Bond Sale completed in 2016.

Table 5
Bonded Outstanding Debt at June 30,

		2021	2020
2012 General Obligation Bonds	$	1,371,000.00	2,031,000.00
2015 General Obligation Bonds		17,500,000.00	18,250,000.00
2016 Refunding Bonds		17,185,000.00	19,255,000.00
Premium on Bond Sale		2,208,591.94	2,474,625.42
Compensated Balances		213,535.00	188,055.00
Capital Leases		1,875,384.56	1,106,845.85
Total	$	40,353,511.50	43,305,526.27

At June 30, 2021, the School District was within its legal debt margin. For more detailed information, please refer to the Notes to the Financial Statements and Schedule J-13 in the statistical section of this report.

For the Future

The Greater Egg Harbor Regional High School District is in good financial condition presently. The School District is proud of its community support of the public schools. A major concern is the ability and willingness of the Governor and the State Legislature to provide funding for education. The current state of the national, state and local economies will also have a serious impact on the district's ability to keep up with the demands of students needs without impacting local taxes.

In conclusion, the Greater Egg Harbor Regional High School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Contacting the School District's Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact the School Business Administrator, Thomas Grossi, at Greater Egg Harbor Regional High School District Board of Education, 1824 Dr. Dennis Foreman Drive, Mays Landing, NJ 08330. Please visit our website at www.gehrhsd.net.

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Basic Financial Statements

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DISTRICT – WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of changes in net position display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business – type activities of the District.

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GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 5,649,503.91	130,952.68	5,780,456.59
SREC Investment	-		-
Receivables, Net	2,389,504.31	92,534.20	2,482,038.51
Internal Funds	(123,020.86)	123,020.86	-
Due from Other Funds			-
Inventory	-	49,770.96	49,770.96
Capital Assets, not Depreciated	3,798,498.00	-	3,798,498.00
Capital Assets, Net	132,132,620.28	208,382.02	132,341,002.30
Total Assets	143,847,105.64	604,660.72	144,451,766.36
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflow of Resources			
Loss on Refunding of Long-Term Debt	1,092,028.65	-	1,092,028.65
Deferred Outflows Related to Pensions	1,022,007.00	-	1,022,007.00
Total Deferred Outflow of Resources	2,114,035.65	-	2,114,035.65
LIABILITIES			
Accounts Payable	2,069,959.61	70,568.52	2,140,528.13
Accrued Interest Payable	629,239.80	-	629,239.80
Deferred Revenue	16,317.68	-	16,317.68
Noncurrent Liabilities			
Due Within One Year	4,315,665.67	-	4,315,665.67
Due Beyond One Year	33,829,253.89	-	33,829,253.89
Net Pension Liability	12,047,658.00	-	12,047,658.00
Total Liabilities	52,908,094.65	70,568.52	52,978,663.17
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow of Resources			
Bond Premiums	2,208,591.94	-	2,208,591.94
Deferred Inflows Related to Pensions	7,283,137.00	-	7,283,137.00
Total Deferred Inflow of Resources	9,491,728.94	-	9,491,728.94
NET POSITION			
Net Investment in Capital Assets	96,883,170.43	208,382.02	97,091,552.45
Restricted for:			
Capital Projects	-	-	-
Other Purposes	5,233,603.57	-	5,233,603.57
Unrestricted (Deficit)	(18,555,456.30)	325,710.18	(18,229,746.12)
Total Net Position	$ 83,561,317.70	$ 534,092.20	$ 84,095,409.90

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

GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT
Statement of Changes in Net Position
For the Year Ended June 30, 2021

			Program Revenue			Net (Expense) Revenue and Changes in Net Position		
Function/Programs	Direct Expenses	Indirect Cost Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:								
Instruction:								
Regular	$ 22,850,159.86	10,754,789.60	1,028,934.63	10,045,409.41	-	(22,530,605.42)	-	(22,530,605.42)
Special Education	9,241,340.42	4,349,583.21	-	6,125,971.50	-	(7,464,952.13)	-	(7,464,952.13)
Other Special Instruction	482,224.04	226,966.38	-	211,995.80	-	(497,194.62)	-	(497,194.62)
Other Instruction	3,233,649.11	1,521,968.16	-	1,421,579.95	-	(3,334,037.32)	-	(3,334,037.32)
Support Services:								
Tuition	7,344,760.41	-	-	-	-	(7,344,760.41)	-	(7,344,760.41)
Student & Instruction Related Services	7,373,670.89	1,628,633.00	-	3,888,835.58	-	(5,113,468.31)	-	(5,113,468.31)
General Administration	1,255,782.44	2,182,594.49	-	141,151.06	-	(3,297,225.87)	-	(3,297,225.87)
School Administrative Services	2,119,669.61	575,064.26	-	238,252.74	-	(2,456,481.13)	-	(2,456,481.13)
Central Services Technology	2,211,010.05	391,341.02	-	162,135.06	-	(2,440,216.01)	-	(2,440,216.01)
Plant Operation and Maintenance	7,536,696.09	2,097,159.20	-	906,843.15	-	(8,727,012.14)	-	(8,727,012.14)
Pupil Transportation	5,096,957.68	-	-	-	-	(5,096,957.68)	-	(5,096,957.68)
Unallocated Depreciation	3,373,431.40	(3,373,431.40)	-	-				
Unallocated Benefits	20,354,667.92	(20,354,667.92)	-	-	-	-	-	
Charter Schools	1,033,115.00	-	-	-	-	(1,033,115.00)	-	(1,033,115.00)
Interest on Long-Term Debt	1,460,568.04	-	-	-	-	(1,460,568.04)	-	(1,460,568.04)
						-		-
Total Governmental Activities	94,967,702.96	0.00	1,028,934.63	23,142,174.25	-	(70,796,594.08)	-	(70,796,594.08)
Business-Type Activities:								
Food Service	878,751.00	-	73,122.43	995,378.44	-	-	189,749.87	189,749.87
Total Business-Type Activities	878,751.00	-	73,122.43	995,378.44	-	-	189,749.87	189,749.87
Total Primary Government	$ 95,846,453.96	0.00	1,102,057.06	24,137,552.69	-	(70,796,594.08)	189,749.87	(70,606,844.21)
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes, Net						34,065,638.00	-	34,065,638.00
Taxes Levied for Debt Service						3,775,395.00	-	3,775,395.00
Federal and State Aid not Restricted						35,503,624.37	-	35,503,624.37
Investment Earnings						56,464.37	-	56,464.37
Miscellaneous Income						961,635.38	-	961,635.38
Total General Revenues, Special Items, Extraordinary Items and Transfers						74,362,757.12	-	74,362,757.12
Change in Net Position						3,566,163.04	189,749.87	3,755,912.91
Adjustment to Fixed Assets						-	6,078.42	6,078.42
Net Position - Beginning - Restated						79,995,154.66	338,263.91	80,333,418.57
Net Position - Ending						83,561,317.70	534,092.20	84,095,409.90

The accompanying Notes to Financial Statments are an intregal part of this statement

FUND FINANCIAL STATEMENTS

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

GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 5,214,500.11	434,941.13	38.16	24.51	5,649,503.91
Due from Other Funds	247,802.30				247,802.30
Receivables from Other Governments	1,252,746.59	628,749.68			1,881,496.27
Other Receivables	508,008.04				508,008.04
					-
Total Assets	7,223,057.04	1,063,690.81	38.16	24.51	8,286,810.52
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	1,827,910.53	242,049.08			2,069,959.61
Interfund Payable		370,785.00	38.16		370,823.16
Deferred Revenue		16,317.68			16,317.68
Total Liabilities	1,827,910.53	629,151.76	38.16	-	2,457,100.45
Fund Balances:					
Restricted for:					
Maintenance Reserve	1,000,000.00				1,000,000.00
Tuition Reserve	1,750,000.00				1,750,000.00
Unemployment Reserve	185,874.52				185,874.52
Capital Reserve	1,250,000.00				1,250,000.00
Excess Surplus-PY	367,172.39				367,172.39
Debt Service Fund				24.51	24.51
Special Revenue		434,539.05			434,539.05
Assigned to:					
Designated for Subsequent Year's Expenditures	246,017.61				246,017.61
Unassigned:					
General Fund	596,081.99			-	596,081.99
Total Fund Balances	5,395,146.51	434,539.05	-	24.51	5,829,710.07
Total Liabilities and Fund Balances	$ 7,223,057.04	1,063,690.81	38.16	24.51	

Amounts reported for *governmental activities* in the statement of Net position (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $197,571,008.58 and the accumulated depreciation is $61,639,890.30.	135,931,118.28
Deferred amount on refunding and premiums on bonds are reported in the governmental fund as expenditures in the year the bonds are issued but are amortized over the life on the bonds on the statement of activities.	(2,208,591.94)
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(629,239.80)
Pension Liabilities Net of Deferred Outflows & Inflows	(18,308,788.00)
Loss on issuance of refunding bonds is reported in the governmental funds as expenditures in the year the bonds are issued but is amortized over the life of the bonds on the statement of activities.	1,092,028.65
Long - term liabilities, including bonds and capital leases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(38,144,919.56)
Net Position of governmental activities	$ 83,561,317.70

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

GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	$ 34,065,638.00	$ -	$ -	$ 3,775,395.00	$ 37,841,033.00
Tuition Charges	1,028,934.63	-	-	-	1,028,934.63
Interest Earned	56,426.21	-	38.16	-	56,464.37
Miscellaneous	961,635.38	476,776.26	-	-	1,438,411.64
Total Local Sources	36,112,634.22	476,776.26	38.16	3,775,395.00	40,364,843.64
State Sources	44,757,620.67	53,543.90	-	1,188,824.00	45,999,988.57
Federal Sources	343,564.37	2,218,156.42	-	-	2,561,720.79
Total Revenues	81,213,819.26	2,748,476.58	38.16	4,964,219.00	88,926,553.00
EXPENDITURES					
Current:					
Regular Instruction	18,502,656.71	-	-	-	18,502,656.71
Special Education Instruction	5,419,785.68	2,063,284.47	-	-	7,483,070.15
Other Special Instruction	390,475.42	-	-	-	390,475.42
Other Instruction	2,618,410.54	-	-	-	2,618,410.54
Support Services:					
Tuition	7,344,760.41	-	-	-	7,344,760.41
Student & Instruction Related Serv.	5,323,927.82	646,818.21	-	-	5,970,746.03
General Administration	1,249,015.89	-	-	-	1,249,015.89
School Administrative Services	2,108,248.16	-	-	-	2,108,248.16
Central Services/Technology	1,434,698.85	-	-	-	1,434,698.85
Plant Operation and Maintenance	7,688,414.20	-	-	-	7,688,414.20
Pupil Transportation	5,096,957.68	-	-	-	5,096,957.68
Employee Benefits	20,354,667.92	-	-	-	20,354,667.92
Transfer to Charter School	1,033,115.00	-	-	-	1,033,115.00
Debt Service:					
Principal	-	-	-	3,480,000.00	3,480,000.00
Interest and Other Charges	-	-	-	1,484,221.26	1,484,221.26
Capital Outlay	720,794.11	37,976.86	-	-	758,770.97
Total Expenditures	79,285,928.39	2,748,079.54	-	4,964,221.26	86,998,229.19
Excess (Deficiency) of Revenues Over Expenditures	1,927,890.87	397.04	38.16	(2.26)	1,928,323.81
OTHER FINANCING SOURCES/(USES)					
Transfer In	38.16	-	-	-	38.16
Transfer Out	-	-	(38.16)	-	(38.16)
Bond Proceeds	-	-	0.00	-	0.00
Total Other Financing Sources	38.16	-	(38.16)	-	0.00
Net Changes in Fund Balance	1,927,929.03	397.04	0.00	(2.26)	1,928,323.81
Fund Balance - July 1, As Restated	3,467,217.48	434,142.01	-	26.77	3,901,386.26
Fund Balance - June 30	$ 5,395,146.51	$ 434,539.05	$ 0.00	$ 24.51	$ 5,829,710.07

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

GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021

Total Net Change in Fund Balance - Governmental Funds (from B-2)		$ 1,928,323.81
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, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.		
Depreciation expense	$ (3,373,431.40)	
Capital Outlay	952,141.12	
		(2,421,290.28)
However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
District pension contributions - PERS	541,301.00	
Cost of benefits earned net of employee contributions	808,194.00	
		1,349,495.00
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long - term liabilities in the statement of net assets and is not reported in the statement of activities.		
Serial Bonds	3,480,000.00	
Capital Lease Payments	876,730.46	
		4,356,730.46
Proceeds from debt issues are a financing source in the governmental funds. They are not a revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.		
Lease Purchase Proceeds	(1,645,269.17)	
		(1,645,269.17)
The loss on the issuance of refunding bonds dated September 1, 2006 and December 15, 2007 is amortized over the life of the bonds.		(142,532.07)
The costs associated with the issuance of bonds dated September 1, 2006 and dated December 15, 2007 are amortized over the life of the bonds		266,033.48
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.		(25,480.00)
In the statement of activities, interest on long - term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.		(99,848.19)
Change in Net Position of Governmental Activities		$ 3,566,163.04

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

GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2021

	Business-Type Activities - Enterprise Fund
	Food Service
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 130,952.68
Due from Other Governments	88,306.60
Accounts Receivable	4,227.60
Due from FSMC	
Interfund Receivable	123,020.86
Inventories	49,770.96
Total Current Assets	396,278.70
Noncurrent Assets:	
Furniture, Machinery & Equipment	
Buildings	688,673.93
Less: Accumulated Depreciation	(480,291.91)
Total Noncurrent Assets	208,382.02
Total Assets	$ 604,660.72
LIABILITIES	
Current Liabilities:	
Accounts Payable	$ 70,568.52
Total Current Liabilities	70,568.52
NET POSITION	
Net Investment in Capital Assets	208,382.02
Unrestricted	325,710.18
Total Net Position	$ 534,092.20

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

GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2021

	Business-Type Activities - Enterprise Fund Food Service
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	$ 20,516.91
Daily Sales - Non-reimbursable Programs	37,276.69
Special Functions	10,845.70
Vending Machines	4,483.13
Total Operating Revenue	73,122.43
Operating Expenses:	
Cost of Sales - Program Sales	287,736.69
Cost of Sales - Non-Program Sales	10,559.77
Salaries & Benefits	442,437.56
Management Fees	61,200.00
Supplies & Materials	44,702.79
Depreciation	19,884.10
Miscellaneous	12,230.09
Total Operating Expenses	878,751.00
Operating Income (Loss)	(805,628.57)
Nonoperating Revenues (Expenses):	
Federal Sources:	
National School Lunch Program	631,734.12
National School Breakfast Program	254,510.08
Food Distribution Program	108,968.89
Interest and Investment Revenue	165.35
Total Nonoperating Revenues (Expenses)	995,378.44
Income (Loss) before Contributions & Transfers	189,749.87
Net Adjustments to Fixed Assets	6,078.42
Changes in Net Position	195,828.29
Total Net Position - Beginning	338,263.91
Total Net Position - Ending	$ 534,092.20

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

GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2021

	Business-Type Activities - Enterprise Fund Food Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	$ 68,894.83
Payments to Suppliers	(743,811.07)
Net Cash Provided by (Used for) Operating Activities	(674,916.24)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal Sources	727,300.12
Interest on Investments	165.35
Net Cash Provided by (Used for) Noncapital Financing Activities	727,465.47
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Net Increase (Decrease) in Cash and Cash Equivalents	52,549.23
Balance - Beginning of Year	78,403.45
Balance - End of Year	$ 130,952.68
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	$ (805,628.57)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:	
Depreciation and Net Amortization	19,884.10
Donated Commodities Received During the Year	108,968.89
(Increase) Decrease in Accounts Receivable, Net	(4,227.60)
(Increase) Decrease in Inventories	(25,987.30)
Increase (Decrease) in Accounts Payable	32,074.24
Total Adjustments	130,712.33
Net Cash Provided by (Used for) Operating Activities	$ (674,916.24)

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

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Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials 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. The purpose of the district is to educate students in grades 9-12. The District operates three high schools.

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

- the organization is legally separate (can sue or be sued in their own name);
- the District holds the corporate powers of the organization;
- the District appoints a voting majority of the organization's board;
- the District is able to impose its will on the organization;
- the organization has the potential to impose a financial benefit/burden on the District;
- there is a fiscal dependency by the organization on the District;

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

B. Basis of Presentation, Measurement Focus and Basis of Accounting

Basis of Presentation

The School District's basic financial statements consist of District-wide statements (i.e. statement of net position and a statement of activities) and fund financial statements, which provide a more detailed level of financial information.

District-Wide Financial Statements: The statement of net position and the statement of activities display information about the district as a whole. These statements report the financial activities of the overall District. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by property taxes, intergovernmental revenues, and other non-exchange transactions from business-type activities, generally financed in whole or in part with fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges and fees paid by the recipients of goods or services offered by the programs; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing, or draws from the general revenues of the School District.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds. Separate statements for each fund category – *governmental*, and *proprietary* - are presented. The New Jersey Department of Education ("Department") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Governmental Funds

The District reports the following governmental funds:

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

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

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. This Fund also includes Student Activities and Athletics, Scholarship, and School Store Accounts.

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.

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

Proprietary Funds

The District reports the following proprietary fund:

Enterprise Funds – Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business operations – where the intent of the District is that the costs of providing goods or services be financed or recovered primarily through user charges.

The District's Enterprise Fund is comprised of the Food Service Fund, which accounts for all revenues and expenses pertaining to the District's cafeteria operations.

C. Measurement Focus and Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets less total liabilities) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available is they are collected within 60 days of the end of the fiscal year. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g). All budget amendments/transfer must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year.

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Significant transfers approved by the Board of Education during the fiscal year were as follows:

Regular Program - Instruction	
General Supplies	396,759.63
Undistributed Expenditures - Instruction	
Tuition to CSSD & Regional Day Schools	(138,000.00)
Tuition to Private Schools for the Disabled - Within State	(173,500.00)
Undistributed Expenditures - Required Maint. for School Facilities	
Cleaning, Repair and Maintenance Service	555,879.26
Undistributed Expenditures - Student Transportation Serv	
Contracted Services - (Bet. Home & School) - Ven.	252,055.60
Unallocated Benefits	
Employee Insurance	(435,179.93)
Capital Outlay	
Undisributed Expenditures	
Care and upkeep of grounds	235,190.00

Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

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

E. Encumbrance Accounting

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

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

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

F. <u>Assets, Liabilities and Equity</u>

<u>Cash, Cash Equivalents and Investments</u>

Cash and cash equivalents include petty cash, change funds, bank deposits and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

<u>Inter-fund Transactions</u>

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the Enterprise Fund. Repayments from funds responsible for particular expenditure/expenses to the funds that initially paid for them are not presented on the financial statements.

<u>Inventories</u>

Inventories, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Inventories in the Enterprise Fund are recorded at cost, computed on a first-in, first out method. In the fund based financial statements, commodities received from the U.S. Department of Agriculture are recorded as deferred revenue until consumed.

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Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by school districts in the State of New Jersey is $2,000.

All reported capital assets except for land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over their estimated useful lives. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Compensated Absences

The District accounts for compensated absences (e.g., unused sick, vacation leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), “Accounting for Compensated Absences”. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

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

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received in the Special Revenue Fund before they have been earned are recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide 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 payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

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

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

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

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

- Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed.

- Unassigned - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

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

Revenues – Exchange and Non-exchange Transactions

Revenues 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 School District receives value without directly giving equal value in return, include property 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 income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlement, and donations is recognized in the period 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 School District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the School 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 to be both measurable and available at fiscal year end: property taxes as an advance, interest and tuition.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Employee benefits, including the employer’s share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Pensions

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 Teachers’ Pension and Annuity Fund (TPAF) and Public Employees Retirement System (PERS) and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the TPAF and 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.

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

G. Recent Accounting Pronouncements Not Yet Effective

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 “Leases”. This statement, which is effective for fiscal periods beginning after December 15, 2020, may have an effect on the District’s financial reporting.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, “Accounting for Interest Cost Incurred Before the End of a Construction Period”. This statement, which is effective for fiscal periods beginning after December 31, 2021, will not have any effect on the District’s financial reporting.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, “Conduit Debt Obligations”. This statement is effective for fiscal periods beginning after December 31, 2022, will not have any effect on the District’s financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, “Replacement of Interbank Offered Rates”. This statement, which is effective for fiscal periods beginning after December 31, 2022, and all reporting periods thereafter, will not have any effect on the District’s financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”. This statement, which is effective for fiscal years beginning after December 31, 2023, and all reporting periods thereafter, will not have any effect on the District’s financial reporting.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, “Subscription Based Information Technology Arrangements”. This statement, which is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the District’s financial reporting.

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32”. This statement, which is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the District’s financial reporting.

In October 2021, the Governmental Accounting Standards Board (GASB) issued Statement No. 98, “The Annual Comprehensive Financial Report”. This statement, which is effective for fiscal years ending after December 15, 2021, will have an effect on the District’s financial statements.

NOTE 2 – CASH AND CASH EQUIVELENTS

Deposits

GASB Statement No. 3 amended by Statement No. 40 requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments.

The cash deposits not covered by depository insurance held at financial institutions are categorized as follows:

a. Deposits are uncollateralized.

b. Deposits are collateralized with securities held by the pledging financial institution.

c. Deposits collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

At June 30, 2021, the carrying amount of the Board's deposits were 5,780,456.59 and the bank balance was $4,970,691.51. Of the School District's bank Balance of $8,598,661.02 as of June 30, 2021, $1,354,407.36 was uninsured and uncollateralized.

As of June 30, 2021, the District's bank balance was exposed to custodial credit risk as follows:

		Cash and Cash Equivalents
Insured	$	500,000.00
Uninsured and collateral held by pledging bank's trust department not in the District's name		6,744,253.66
Uninsured		1,354,407.36
	$	8,598,661.02

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The State of New Jersey has certain collateral requirements for governmental units. These requirements are disclosed in detail as part of Note 1E.

Investments

Pursuant to state statutes, the Board of Education may invest in the following:

- Direct obligations of, or obligations as to which the principal and interest is guaranteed by, the United States of America
- Government money market mutual funds
- Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress
- Bonds or obligations of the local unit or other obligations of school districts within the local unit
- Local government investment pools
- State of New Jersey Cash Management Fund
- Agreements for the repurchase of fully collateralized securities

N.J.S.A. 40A:5-15.1 provides specific guidance for the allowable investment of public funds. In order to maximize liquidity, while complying with statutory requirements, the District utilizes Parke Bank's Government Banking Investment Account for investing purposes.

Credit Risk: The Government Banking Investment Account is not rated. The District does not have an investment policy regarding the management of credit risk.

Interest Rate Risk: The District does not have a policy to limit interest rate risk. Weighted average maturity was not available for the New Jersey Cash Management Fund.

NOTE 3 – RECEIVABLES

Receivables at June 30, 2021, consisted of accounts (tuition), accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

		Governmental Fund Financial Statements	Government Wide Financial Statements
State and Federal Aid	$	1,881,496.27	1,969,802.87
Other		508,008.04	512,235.64
Gross Receivables		2,389,504.31	2,482,038.51
Less: Allowance for Uncollectibles		-	-
Total Receivables, Net	$	2,389,504.31	2,482,038.51

NOTE 4 – INTERFUND TRANSFERS AND BALANCES

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be expended in the Debt Service Fund; and (2) repay expenses paid by another fund.

The following interfund balances remained on the fund financial statements at June 30, 2021:

Fund		Interfund Receivable	Interfund Payable
General Fund	$	419,796.46	123,020.86
Special Revenue Fund			370,785.00
Capital Projects Fund			38.16
Debt Service Fund			
Food Service Fund		123,020.86	
Student Activities			400.00
Trust and Agency Fund			48,573.30
Total	$	542,817.32	542,817.32

GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
(CONTINUED)

NOTE 5 – INVENTORY

Inventory in the Food Service Enterprise Fund at June 30, 2021, consisted of the following:

Food	$ 41,363.03
Supplies	8,407.93
	$ 49,770.96

The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements. The value of commodities included in the food inventory on June 30, 2021 is $31,007.87.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Deletions/Adjustments	Ending Balance
Governmental activities:				
Capital assets,not being depreciated:				
Land	$ 3,798,498.00			3,798,498.00
Construction in Progress	-		-	-
Total capital assets not being depreciated	3,798,498.00	-	-	3,798,498.00
Capital assets being depreciated:				
Site Improvements	4,513,112.96	15,670.00		4,528,782.96
Buildings and building improvements	186,469,500.70	54,458.02		186,523,958.72
Machinery and Equipment	3,479,785.49	106,354.41	(866,371.00)	2,719,768.90
Total capital assets being depreciated at historical cost	194,462,399.15	176,482.43	(866,371.00)	193,772,510.58
Less accumulated depreciation for:				
Site Improvements	(3,445,760.11)	(226,047.39)		(3,671,807.50)
Buildings and improvements	(53,818,229.60)	(2,986,965.16)	798,317.00	(56,006,877.76)
Equipment	(2,644,498.88)	(160,418.85)	843,712.69	(1,961,205.04)
Subtotal accumulated depreciation	(59,908,488.59)	(3,373,431.40)	1,642,029.69	(61,639,890.30)
Total capital assets being depreciated, net of accumulated depreciation	134,553,910.56	(3,196,948.97)	775,658.69	132,132,620.28
Governmental activity capital assets, net	138,352,408.56	(3,196,948.97)	775,658.69	135,931,118.28
Business-type activities:				
Capital assets being depreciated:				
Buildings and Equipment	682,595.51	33,415.63	(27,337.21)	688,673.93
Less accumulated depreciation	(460,407.81)	(36,584.49)	16,700.39	(480,291.91)
Enterprise Fund capital assets, net	$ 222,187.70	(3,168.86)	(10,636.82)	208,382.02

Depreciation is charged to governmental functions as follows:

Regular Instruction	$ 1,315,554.32
Special Education	532,052.53
Other Special Instruction	27,763.13
Other Instruction	186,171.17
Student & Instructional Related Services	424,525.02
General Administrative Services	88,806.07
School Administrative Services	149,898.22
Central Services/Technology	102,008.28
Plant Operation & Maintenance	546,652.66
	$ 3,373,431.40

NOTE 7 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2021 are as follows:

	Balance July 1, 2020	Issues or Additions	Payments or Expenditures	Balance June 30, 2021	Amounts Due Within One Year
Compensated Absenc	$ 188,055.00	50,073.00	24,593.00	213,535.00	
Capital Leases	1,106,845.85	1,645,269.17	876,730.46	1,875,384.56	730,665.67
Net Pension Liability	13,716,255.00	6,964,033.00	8,632,630.00	12,047,658.00	
Bonds Payable	39,536,000.00		3,480,000.00	36,056,000.00	3,585,000.00
	$ 54,547,155.85	8,659,375.17	13,013,953.46	50,192,577.56	4,315,665.67

Compensated absences are liquidated in the General Fund.

Bonds Payable

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

At June 30, 2021, bonds payable consisted of the following issues:

$6,091,000.00 School Bonds dated April 1, 2010 due in annual installments through February 1, 2023, bearing interest at rates ranging from 1.00% to 2.125%. The remaining balance as of June 30, 2021 is $1,371,000.00

$20,300,000.00 School Bonds dated June 18, 2015 due in annual installments through July 15, 2035, bearing interest at rates ranging from 3.25% to 3.625%. The remaining balance as of June 30, 2021 is $17,500,000.00.

$24,340,000.00 School Refunding Bonds dated May 10, 2016, due in annual installments through February 2, 2033, bearing interest at rates ranging from 3.00% to 5.0%. The balance remaining as of June 30, 2021 is $17,185,000.00.

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Debt service requirements on serial bonds payable at June 30, 2021 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	3,585,000.00	1,342,333.76	4,927,333.76
2023	3,681,000.00	1,196,671.26	4,877,671.26
2024	3,165,000.00	1,044,925.00	4,209,925.00
2025	2,390,000.00	900,925.00	3,290,925.00
2026-2030	12,150,000.00	3,270,512.50	15,420,512.50
2031-2035	9,835,000.00	1,049,056.25	10,884,056.25
2036	1,250,000.00	22,656.25	1,272,656.25
	$ 36,056,000.00	8,827,080.02	44,883,080.02

NOTE 8 – PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (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 Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund 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.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System 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, school 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.

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Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District has 25 employees enrolled in the Defined Contribution Retirement Program (DCRP) during the fiscal year ended June 30, 2021.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C 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 60 and are generally determined to be 1/60 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 provides for specified medical benefits for members 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 members' accounts.

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Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The School District's contributions to TPAF for the years ending June 30, 2021, 2020 and 2019 are listed below, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2021, 2020 and 2019 are also listed below, equal to the required contributions for each year.

Three Year Trend Information for PERS

Year Funding		Annual Pension Cost (APC)	Percentage of APC Contributed		Net Pension Obligation
6/30/2021	$	808,195.00	100%		-
6/30/2020		742,935.00	100%		-
6/30/2019		844,034.00	100%		-
Funding		Cost (APC)	Contributed		Obligation
6/30/2021	$	8,975,664.00	100%		-
6/30/2020		7,108,785.00	100%	$	-
6/30/2019		6,900,904.00	100%		-

During the fiscal year ended June 30, 2021, the State of New Jersey contributed $8,975,664.00 to the TPAF for benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District $1,810,720.67 during the year ended June 30, 2021 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the District-wide financial statements and the fund- based statements as revenues and expenditures in accordance with GASB Statement No. 24.

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Significant Legislation **-** Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Teacher's Pension and Annuity Fund (TPAF) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS and TPAF hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the systems is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage.
- The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS and TPAF from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS and TPAF to 1/60th from 1/55th, and it provided that new members of PERS and TPAF have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS and TPAF will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS and TPAF with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an $8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

NOTE 9 – PUBLIC EMPLOYEES RETIREMENT SYSTEM

At June 30, 2021, the District reported a liability of 12,047,658.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the District's proportion was .0738785432%, which was an decrease of 2.95% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of $541,301.00. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 219,368.00	42,606.00
Changes of assumptions	390,840.00	5,044,469.00
Net difference between projected and actual earnings on pension plan investments	411,799.00	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	2,196,060.00
District contributions subsequent to the measurement date	-	
Total	$ 1,022,007.00	$ 7,283,135.00

$808,194 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2020) will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2021	$ 2,299,404.00
2022	2,141,850.00
2023	1,230,107.00
2024	492,652.00
2025	97,115.00
Total	$ 6,261,128.00

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions, applied to all period in the measurement:

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disable 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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflations. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 made based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to all projected benefit payments to determine the total pension liability.

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Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participated employers as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Decrease (6.00%)	Rate (7.00%)	Increase (8.00%)
District's proportionate share of the net pension liability	$ 14,348,727.40	12,047,658.00	10,097,648.45

Pension plan fiduciary net position.

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

Additional Information
Collective balances of the local group at June 30, 2020 are as follows:

Deferred outflows of resources	$	3,933,096,777.00
Deferred inflows of resources		13,351,735,209.00
Net pension liability		38,659,583,951.00

Collective pension expense for the Local Group for the measurement period ended June 30, 2020 is $1,302,897,532.

The average of the expected remaining service lives of al employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 is 5.16, 5.21, 5.63, 5.48, 5.57

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NOTE 10 - TEACHERS' PENSION AND ANNUITY FUND (TPAF)

At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proprotionate share of the net pension liability	$	-
State's proprotionate share of the net position liability associated with the District		152,870,921.00
Total	$	152,870,921.00

The net pension liability was measured as of June 30, 2019 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2020, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of $9,506,165.00 and revenue of $9,506,165.00 for support provided by the State.

Actuarial assumptions. The total pension liability in the June 30, 2020 actuarial valuation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

Inflation Rate	
Price	2.75%
Wage	3..25%
Salary increases	
Through 2026	1.55% - 4.45% (based on years of service)
Thereafter	2.75% - 5.65% (based on years of service)
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Medan 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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
US Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

Discount rate. The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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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 of 5.40% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.40%) or 1-percentage point higher (6.40%) than the current rate:

		1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
District's proportionate share of the net pension liabiltiy	$	-	-	-

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

Additional Information

Collective balances of the local group at June 30, 2020 are as follows:

Deferred outflows of resources	$	9,626,548,228
Deferred inflows of resources		14,591,988,841
Net pension liablity		65,993,498,688

Collective pension expense for the plan for the measurement period ended June 30, 2019 is $4,103,756,770.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 is 7.99, 8.04, 8.29, 8.30, 8.30, 8.30, and 8.5 years, respectively.

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NOTE 11 – POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

The State of New Jersey Provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 year of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In Fiscal Year 2020, the State paid PRM benefits for 143,053 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 2020, the State contributed $1.578 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have decreased from Fiscal Year 2019 amounts. Reductions are attributable to various cost savings initiatives implemented by the State, including new Medicare Advantage contracts. The State has appropriated $1.775 billion in Fiscal Year 2021 as the State's contribution to fund pay-as-you-go PRM 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 2020 total State OPEB liability to provide these benefits is $65.5 billion, a decrease of $10.5 billion or 13.8 percent from the $76 billion liability recorded in Fiscal Year 2019.

Additional information on Pensions and OPEB can be accessed at state.nj.us/treasury/pensions/financial-reports.shtml.

Total OPEB Liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA 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 CAFR on the Office of Management and Budget webpage: https://www.nj.gov/treasury/omb/cafr.shtml.

Actuarial assumptions and other imputes:

The total OPEB liability in the June 30, 2020 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate – 2.50%

Salary Increases –

	TPAF/ABP	PERS
Through 2026	1.55 - 4.45% based on service years	2.00 - 6.00% based on service years
Thereafter	1.55 - 4.45% based on service years	3.00 - 7.00% based on service years

Mortality Rates –

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-20.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the period July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS, and PFRS, respectively.

Health Care Trend Assumptions –

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2021 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate –

The discount rate for June 30, 2020 was 2.21%. 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 reported by the State of New Jersey

Balance at 6/30/19	$ 41,729,081,045.00
Changes for the year:	
Service cost	1,790,973,822.00
Interest	1,503,341,357.00
Differences between Expected & Actual Experiences	11,544,750,637.00
Changes in assumptions or other inputs	12,386,549,981.00
Contributions: Member	35,781,384.00
Benefit payments	(1,180,515,618.00)
Net changes	26,080,881,563.00
Balance at 6/30/20	$ 67,809,962,608.00

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability as of June 20, 2020, respectively, calculated using a discount rate as disclosed above as well as what the total non-employer OPEB would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability (School Retirees)	81,748,410,002.00	67,809,962,608.00	56,911,439,160.00

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

The following presents the total OPEB liability as of June 30, 2020 calculated using the healthcare trend rate as disclosed above as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	54,738,488,540.00	67,809,962,608.00	83,375,182,975.00

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

For the year ended June 30, 2021, the board of education recognized OPEB expense of $7,502,924.00 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

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In accordance with GASB 75, the board of education'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. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 10,295,318,750.00	(9,170,703,615.00)
Changes of assumptions	11,534,251,250.00	(7,737,500,827.00)
Total	$ 21,829,570,000.00	$ (16,908,204,442.00)

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

Year ended June 30,	
2021	$ 43,440,417.00
2022	43,440,417.00
2023	43,440,417.00
2024	43,440,417.00
2025	43,440,417.00
Thereafter	4,704,163,473.00
Total	$ 4,921,365,558.00

(Contributions made after June 30, 9are reported as deferred outflow of resources but are not amortized in the expense.)

Detailed information about the plan's fiduciary net position is available in the separately issued OPEB financial report.

NOTE 12 – COMPENSATED ABSENCES

The District accounts for compensated absences (e.g., unused vacation, 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.

The liability for vested compensated absences for the governmental fund types is recorded in current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability of compensated absences.

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, 2021, no liability existed for compensated absences in the Food Service Enterprise Fund.

NOTE 13 – DEFERRED COMPENSATION

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

Thomas Seely Agency, Inc.
Siracusa Benefits Program
AXA

NOTE 14 – RISK MANAGEMENT

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

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

New Jersey Unemployment Compensation Insurance - 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. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior year:

Year	Contributions	Investments	Contributions	Paid	Balance
2020-2021	$ -	650.19	68,844.75	97,819.77	185,874.62
2019-2020	-	829.75	67,402.06	140,177.95	214,199.45
2018-2019	-	807.56	301,724.16	289,654.82	286,145.59

NOTE 15 – CONTINGENT LIABILITIES

Federal and State Grants

The District participates in a number of federal and state grant programs. The grant programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance would result in the disallowance of program expenditures.

NOTE 16 – FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) – Of the $5,395,146.51 General Fund balance, at June 30, 2021, $533,313.97 is reserved for encumbrances, $246,017.61 is shown as assigned on the balance sheet since GASB requires that unassigned fund balance cannot be a deficit when assigned balances are available. Of the total, $4,553,046.91 has been legally restricted and included as anticipated revenue for the year ending June 30, 2021, $0 is reserved as excess surplus in accordance with NJSA 18A:7F-7; $1,000,000.00 has been reserved in the Maintenance Reserve Account; $1,250,000.00 has been reserved in the Capital Reserve Account; $1,750,000.00 has been reserved in a Tuition Reserve Account; $185,874.52 has been reserved in a Unemployment Reserve Account; and $596,081.99 is unreserved and undesignated, after adjusting for the encumbrances and amounts designated for subsequent year’s expenditures in the amount of $246,017.61.

NOTE 17 – CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance generated for the year ended June 30, 2021 is $0.00. The excess fund balance generated for the year ended June 30, 2020 was $367,172.39.

NOTE 18 – ECONOMIC DEPENDENCY

The District receives support from federal government and from the state government. A significant reduction in the level of support, if this were to occur, would have an effect on the District's programs and activities.

NOTE 19 – RESTATEMENT OF PRIOR YEAR BALANCES

Fund Balance and Net Position have been restated as required by the implementation of GASB 84

General Fund		
Beginning Fund Balance as previously reported at June 30, 2020	$	3,253,018.03
Implementation GASB 84 - Restated of Prior Year Balances Required		
Unemployment Reserve		214,199.45
Total:		214,199.45
General Fund Fund Balance as restated, July 1, 2020	$	3,467,217.48
Special Revenue		
Beginning Fund Balance as previously reported at June 30, 2020	$	-
Implementation GASB 84 - Restated of Prior Year Balances Required		
Student Activities		420,619.24
Scholarship		5,388.81
School Store		346.09
Student Athletics		7,787.87
Total:		434,142.01
Special Revenue Fund Fund Balance as restated, July 1, 2020	$	434,142.01

NOTE 20 – SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and March 4, 2022, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to attention of the District that would require disclosure.

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APPENDIX C

FORM OF APPROVING LEGAL OPINION

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MS&B McMANIMON • SCOTLAND • BAUMANN

75 Livingston Avenue, Roseland, NJ 07068 (973) 622-1800

_________, 2022

The Board of Education of the
Greater Egg Harbor Regional High
School District, in the County of
Atlantic, New Jersey

Dear Board Members:

We have acted as bond counsel to the Greater Egg Harbor Regional High School District, in the County of Atlantic, New Jersey (the "School District") in connection with the issuance by the School District of $19,763,000 School Bonds, dated the date hereof (the "Bonds"). In order to render the opinions herein, we have examined laws, documents and records of proceedings, or copies thereof, certified or otherwise identified to us as we have deemed necessary.

The Bonds are issued pursuant to (i) Title 18A, Education, Chapter 24 of the New Jersey Statutes, (ii) a proposal adopted by the Board of Education of the School District on June 27, 2022 and approved by the affirmative vote of a majority of the legal voters present and voting at the school district election held on October 6, 2022, and (iii) a resolution duly adopted by the Board of Education on November 14, 2022. The Bonds are secured under the provisions of the New Jersey School Bond Reserve Act, N.J.S.A. 18A:56-17 et seq. (P.L. 1980, c. 72, approved July 16, 1980, as amended by P.L. 2003, c. 118, approved July 1, 2003).

In our opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws or application by a court of competent jurisdiction of legal or equitable principles relating to the enforcement of creditors' rights, the Bonds are valid and legally binding general obligations of the School District, and the School District has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the School District for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

On the date hereof, the Board of Education has covenanted in its Arbitrage and Tax Certificate (the "Certificate") to comply with certain continuing requirements that must be satisfied subsequent to the issuance of the Bonds in order to preserve the tax-exempt status of the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 103 of the Code, failure to comply with these requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. In the event that the Board of Education continuously

McManimon, Scotland & Baumann, LLC
Newark - Roseland – Trenton – New York

complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Board of Education in the Certificate, it is our opinion that, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, for tax years beginning after December 31, 2022, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. We express no opinion regarding other federal tax consequences arising with respect to the Bonds. Further, in our opinion, based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

This opinion is issued as of the date hereof. We assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law or interpretations thereof that may occur after the date of this opinion or for any reason whatsoever.

Very truly yours,

APPENDIX D

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER] Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on] Effective Date: _________

Risk Premium: $_________
Member Surplus Contribution: $_________
Total Insurance Payment: $_________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

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