

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP
COUNTY OF MIDDLESEX, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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Prepared by

The School Business Administrator's Staff

Of the North Brunswick Township Board of Education

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1-6
Organizational Chart	7
Roster of Officials	8
Consultants and Advisors	9
FINANCIAL SECTION	
Independent Auditor's Report	10-12
Required Supplementary Information – Part I	
Management’s Discussion and Analysis	13-29
Basic Financial Statements	
A. District-wide Financial Statements:	
A-1 Statement of Net Position	30
A-2 Statement of Activities	31
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	32-33
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	34-35
B-3 Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	36
Proprietary Funds: Enterprise Funds:	
B-4 Statement of Net Position	37
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	38-39
B-6 Statement of Cash Flows	40-41
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	42
B-8 Combining Statement of Changes in Net Position	43
Notes to the Financial Statements	44-102

TABLE OF CONTENTS (CONTINUED)

Page

FINANCIAL SECTION (CONTINUED)

Required Supplementary Information – Part II

C. Budgetary Comparison Schedules:

C-1	Budgetary Comparison Schedule – General Fund	103-112
C-1a	Schedule of Expenditures – Budgetary Basis – Educational Jobs Fund	N/A
C-2	Budgetary Comparison Schedule - Special Revenue Fund	113

Notes to the Required Supplementary Information

C-3	Budget-to-GAAP Reconciliation	114
-----	-------------------------------------	-----

Required Supplementary Information – Part III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68):

L-1	Schedule of the District's Proportionate Share of the Net Pension Liability – PERS	115
L-2	Schedule of District Contributions – PERS	116
L-3	Schedule of District's Proportionate Share of the Net Pension Liability – TPAF	117

M. Schedules Related to Accounting and Reporting for OPEB (GASB 75) (new)

M-1	Schedule of Changes in Total OPEB Liability and Related Ratios	118
-----	--	-----

Other Supplementary Information

D. School Level Schedules:

D-1	Combining Balance Sheet	N/A
D-2	Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3	Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A

E. Special Revenue Fund:

E-1-1b	Combining Schedule of Revenues and Expenditures - Special Revenue Fund – Budgetary Basis	119-121
E-2	Schedule of Preschool Education Aid Expenditures – Budgetary Basis	122

TABLE OF CONTENTS (CONTINUED)

Page

FINANCIAL SECTION (CONTINUED)

Other Supplementary Information (Continued)

F.	Capital Projects Fund:		
F-1	Summary Statement of Project Expenditures	123	
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	124	
F2	Schedule of Project Revenues, Expenditures, Project Balance and Project a,b Status – Budgetary Basis	125-126	
G.	Proprietary Funds: Enterprise Fund		
G-1	Statement of Net Position	N/A	
G-2	Statement of Revenues, Expenses and Change in Fund Net Position	N/A	
G-3	Statement of Cash Flows	N/A	
H.	Fiduciary Funds:		
H-1	Student Activity Agency Fund Schedule of Receipts and Disbursements.....	127	
H-2	Agency Fund Schedule of Receipts and Disbursements.....	128	
I.	Noncurrent Debt:		
I-1	Schedule of Serial Bonds.....	129-130	
I-2	Schedule of Obligations under Capital Leases	131	
I-3	Debt Service Fund Budgetary Comparison Schedule	132	

STATISTICAL TABLES (SECTION) (Unaudited)

J	Introduction to Statistical Section	133	
	Financial Trends:		
J-1	Net Position by Component	134	
J-2	Change in Net Position	135-137	
J-3	Fund Balances, Governmental Funds.....	138	
J-4	Changes in Fund Balances, Governmental Funds	139	
J-5	General Fund Other Local Revenue by Source.....	140	
	Revenue Capacity:		
J-6	Assessed Value and Actual Value of Taxable Property	141	
J-7	Direct and Overlapping Property Tax Rates	142	
J-8	Principal Property Taxpayers	143	
J-9	Tax Levies and Collections	144	

TABLE OF CONTENTS (CONTINUED)

Page

STATISTICAL TABLES (SECTION) (Unaudited) (Continued)

Debt Capacity:	
J-10	Ratios of Outstanding Debt by Type 145
J-11	Ratios of Net General Bonded Debt Outstanding 146
J-12	Direct and Overlapping Governmental Activities Debt..... 147
J-13	Legal Debt Margin Information..... 148
Demographic and Economic Information:	
J-14	Demographic and Economic Statistics..... 149
J-15	Principal Employers..... 150
Operating Information:	
J-16	Full time Equivalent District Employees by Function/Program 151
J-17	Operating Statistics 152
J-18	School Building Information 153
J-19	Schedule of Required Maintenance for School Facilities 154
J-20	Insurance Schedule 155

SINGLE AUDIT SECTION

K-1	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> 156-167
K-2	Report on Compliance for Each Major Federal and State Program and Report on Internal Control over Compliance 158-160
K-3	Schedule of Expenditures of Federal Awards, Schedule A 161-162
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B 163-164
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance..... 165-166
K-6	Schedule of Findings and Questioned Costs..... 167-168
K-7	Summary Schedule of Prior Year Audit Findings..... 169

INTRODUCTORY SECTION

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

Administrative Offices:
Maple Meade School Building, 308 Old Georges Road
Post Office Box 6016
North Brunswick, N.J. 08902
Tele. (732) 289-3000

District Web Site: www.nbtschools.org

LETTER OF TRANSMITTAL

February 4, 2021

Honorable President and
Members of the Board of Education
North Brunswick Township School District
North Brunswick, New Jersey 08902

Dear Board Members:

It is with pleasure that we submit the Comprehensive Annual Financial Report (CAFR) of the North Brunswick Township School District for the fiscal year ended June 30, 2020. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes and an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School District generally presented on a multi-year basis;
- The Single Audit Section – The District is required to undergo an annual audit in conformity with the provisions of the Title 2 US *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related

to this single audit including the independent auditor's report on compliance for each major federal and state program and report on internal control over compliance along with findings and questioned costs if any, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

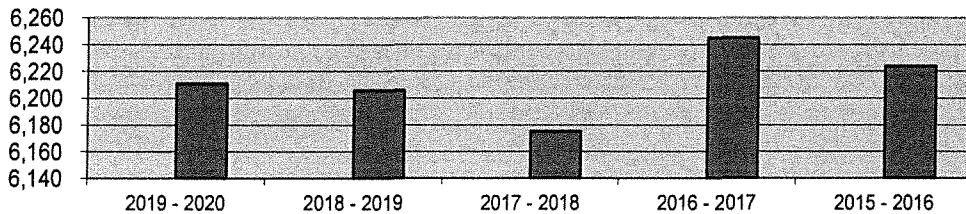
The North Brunswick Township School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds of the District are included in this report. The North Brunswick Township Board of Education and all its schools constitute the District's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

The District provides a full range of academic programs and extracurricular activities, appropriate for all students in grades Pre - K through 12. An early childhood center, four elementary schools (Pre-K-4), an intermediate school (5-6), a middle school (7-8), and a high school (9-12) comprise the District's educational facilities.

The District's enrollment at October 15, 2020 was 6288 students. The following details the changes in enrollment over the last five years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019 - 2020	6,288	1.24%
2018 - 2019	6,211	0.08%
2017 - 2018	6,206	0.50%
2016 - 2017	6,175	(1.12%)
2015 - 2016	6,245	0.34%
2014 - 2015	6,224	5.53%

District Enrollment



2. ECONOMIC CONDITION AND OUTLOOK

A tax levy cap of 2% is in place for all New Jersey school districts, which will limit the amount of revenue that can be raised through taxation.

3. MAJOR INITIATIVES

Facilities Improvement Plan

The North Brunswick Township Middle School, 7th & 8th grades, built on 33 acres within the Renaissance Development, opened September 2020. This new construction was the cornerstone of the 2016, \$77.4 million referendum to address overcrowded facilities. Included in this referendum was nearly \$9 million to renovate the Linwood School beginning 2020. Phase I of the renovation, completed in August 2020, now houses the 5th and 6th grades. Phase II of the project includes the new Early Childhood Center (ECC), which allows the district to move the ECC from its current rented location in Milltown to the renovated Linwood building. Additionally, Phase II includes renovated space for the Board of Education Central Office staff.

The District continues to follow its roofing plan and replaced existing school roofs. During the summer of 2018, the District completed a \$1,000,000 section of the North Brunswick Township High School roof. Additionally, during the summer of 2019, a portion of the Linwood School roof was replaced at a cost of \$1,200,000. Some of the roof replacement projects were funded 40% through Regular Operating District (ROD) Grants. The majority of the funding was through the use of capital reserve. The roof projects did not require the collection of additional taxes. All of the projects noted above received approval from the New Jersey Department of Education (NJDOE) and were included in the District's Long Range Facility Plan.

In February 2019, an Energy Savings Improvement Program (ESIP) lease-purchase was granted in the amount of \$13,500,000. The ESIP funds were appropriated for solar panel installation, LED lighting district-wide, installation of water conservation systems, and for the improvement of the high school HVAC units.

Personnel Management

The Office of Human Resources uses an established protocol to ensure that all candidates are properly credentialed and certified as per New Jersey law. To find the best possible candidates, district staff participated in job fairs and advertised through New Jersey Schools Jobs, the Star-Ledger as well as the use of the software program *Applitrack*. *Applitrack* was used successfully, again this year, to manage job applications, screen candidates for credential review, and the tracking of the interview process.

Human Resources manuals are used by administrators to provide better oversight of the supervision/evaluation process; for new hires to aid in their orientation to District policies, procedures, and expectations; and for mentors to support new hires to the teaching profession in the District's mentoring and induction program.

In collaboration with the Curriculum and Instruction Office, the Human Resources Office provided professional development activities so that teachers and support staff could meet district and state requirements.

Personnel policies and specified job descriptions were reviewed and revised as necessary in collaboration with the Board's Personnel Committee. The Office of Human Resources is continually revising the faculty and administrator evaluation process annually to meet the changing state requirements as well as developing innovative methods for enhancing classroom instruction. The Marshall Model of Supervision and Evaluation process was approved by the District's Evaluation Advisory Committee (DEAC) as the teacher practice platform to meet the NJDOE observation and evaluation requirements under NJ Achieve and continues to serve as the district model for teacher and administrator practice; this model is reviewed and approved annually by the NJDOE.

Educational Program

The District's rigorous academic program prepares students for college and career choices, enabling them to compete with high school graduates nationwide for enrollment in the most prestigious colleges and universities. Technology and college/career readiness are embedded throughout the curriculum. The general education program includes language arts, mathematics, science, social studies, visual and performing arts, health and physical education, and world languages, reflecting the New Jersey Student Learning Standards.

The District's exemplary academic program goes beyond state standards. The district's music program involves most of the district's diverse student population. The District offers pre and post-school STEAM enrichment programs as well as the use of adaptive technology to address the needs and challenges of all children. The district continues to "prepare students for their future" with the implementation of *Coding* and *Robotics* throughout the K-12 curriculum. All of our elementary schools are fully equipped with science labs, computer labs, 1:1 Chromebooks, and school libraries. All middle and high school students may choose from a wide range of rigorous courses that address their individual ability and not their grade level.

The District provides resources for continuous professional learning of its staff; engages community organizations, businesses, and local government agencies as partners in the educational process, encourages parent and family involvement in school and district activities and committees; and participates with other school districts and higher education institutions in research and programming for closing the achievement gap between minority and economically disadvantaged students and their peers.

Additionally, the District is now receiving pre-school expansion aid from the State of New Jersey, targeting our youngest learners, helping to stop the achievement gap at its earliest.

4. LONG TERM FINANCIAL PLANNING

Several capital projects were completed in FY20. The North Brunswick Township Middle School, funded through the 2016 referendum, was completed in May 2020 and opened to staff and students September 2020. The Energy Savings Project (ESIP) included solar panel installation on all school buildings, with the exception of the new Middle School, installation of energy savings water systems and lighting, and upgraded HVAC units at the high school. Additionally, another phase of the district roofing project was completed, with a portion of the Linwood roof replaced during the summer of 2019. District administrators continue to evaluate the long term financial impact of increased charter school enrollment, increased state mandated initiatives, state health benefit plans and costs, and the S2 SFRA state aid funding formula.

5. INTERNAL ACCOUNTING CONTROLS

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

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

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

6. BUDGETARY CONTROLS

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservation of fund balance at June 30, 2020.

7. ACCOUNTING SYSTEM AND REPORTS

The accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups and is in compliance with GASB Statement 34 standards. The funds and account groups are explained in "Notes to the Financial Statements", Note 1.

8. DEBT ADMINISTRATION

The District's outstanding debt issues as of June 30, 2020 included \$100,768,000 of general obligation bonds. Under provisions of New Jersey statutes, school districts may not incur indebtedness greater than 4% of the average equalized valuation of taxable property. At June 30, 2020 the District's outstanding debt issues are well below the legal debt margin. The District continues to be committed to providing the debt rating agencies and all other interested parties with annual audited financial statements and other pertinent credit information relevant to our outstanding securities.

9. FINANCIAL STATUS

The Business Administrator and the Finance Committee continue to guide the District with fiscal prudence while working within the limitations imposed by the state's 2% cap on the annual increase of the tax revenue collected from North Brunswick Township. The business office utilizes purchasing co-operatives, state contracts and bids to purchase the materials needed to operate the District at the lowest possible price.

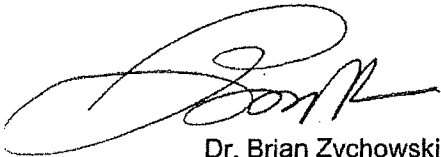
10. OTHER INFORMATION

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants who are licensed public school accountants. Gerard Stankiewicz, CPA, PSA of Samuel Klein and Company, Certified Public Accountants was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 US *Code of Federal Regulations* Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.


11. ACKNOWLEDGEMENTS

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

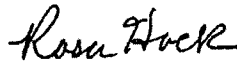
Respectfully submitted,



Dr. Brian Zychowski
Superintendent of Schools

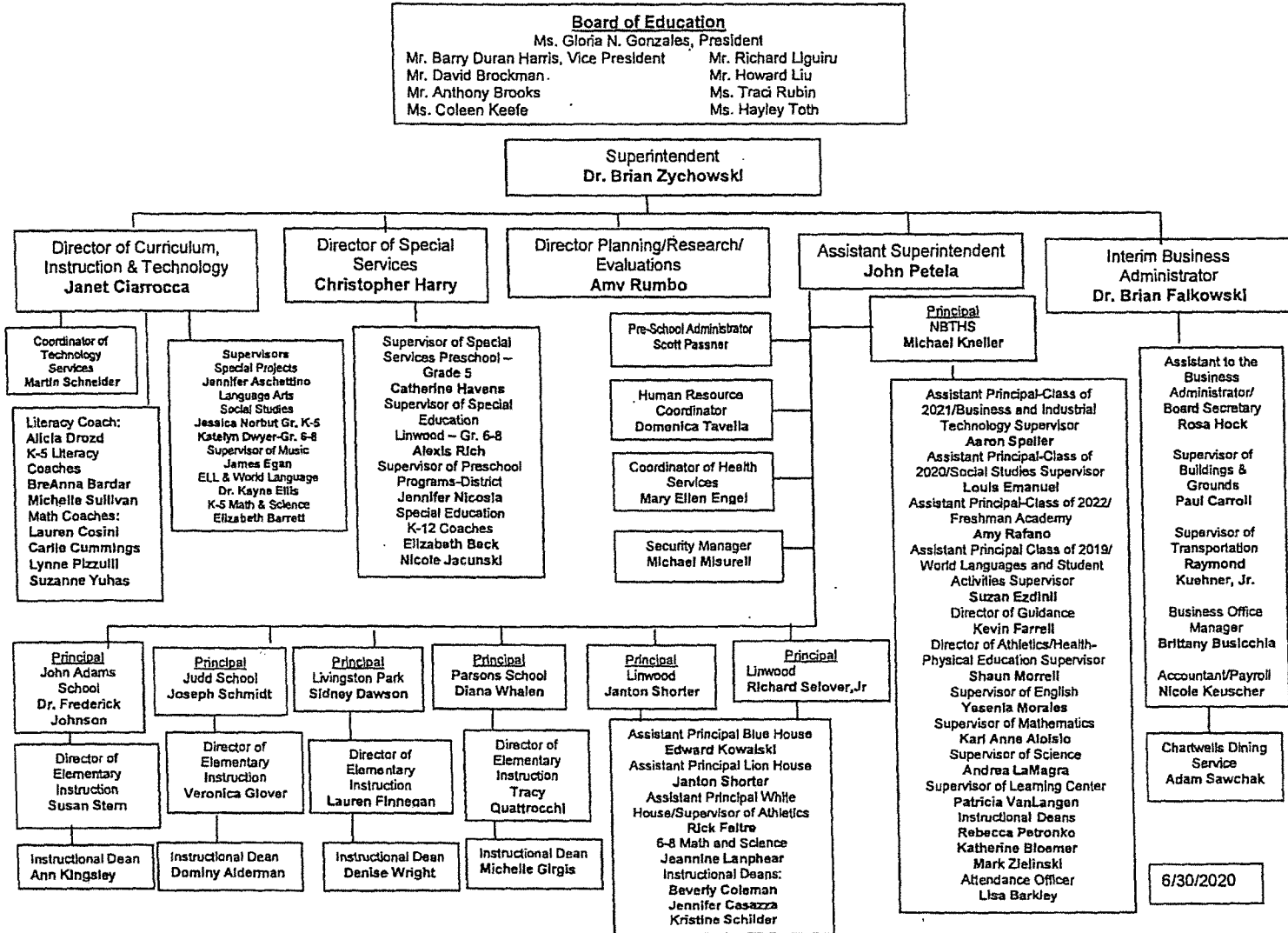


Dr. Brian Falkowski
Interim School Business Administrator



Rosa Hock
Assistant to Business Administrator

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
Organizational Chart 2019-2020**



**NORTH BRUNSWICK TOWNSHIP BOARD OF EDUCATION
NORTH BRUNSWICK, NEW JERSEY**

ROSTER OF OFFICIALS

June 30, 2020

<u>Members of the Board of Education*</u>	<u>Term Expires</u>
Gloria Gonzalez, President	2021
Barry Duran Harris, Vice President	2022
David R. Brockman	2021
Anthony Brooks	2021
Claribel Cortes	2020
Coleen Keefe	2022
Richard Liguori	2020
Howard Liu	2020
Traci Rubin	2022

Other Officials

Dr. Brian Zychowski, Superintendent
John M. Petela, Asst. Superintendent
Dr. Brian Falkowski, Interim School Business Administrator
Rosa Hock, Assistant to the Business Administrator/Board Secretary
Gerald Seneski, Treasurer of School Funds
Jonathan Busch, Esquire, Board Attorney

**NORTH BRUNSWICK TOWNSHIP BOARD OF EDUCATION
NORTH BRUNSWICK, NEW JERSEY**

JUNE 30, 2020

Consultants and Advisors

Audit Firm

Gerard Stankiewicz, CPA, RMA, PSA
Samuel Klein and Company
36 West Main Street
Suite 303
Freehold, NJ 07728

Attorney

Jonathan Busch, Esq.
Busch Law Group, LLC
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Metuchen, NJ 08840

Official Depository

TD Bank
286 Milltown Road
East Brunswick, NJ 08816

FINANCIAL SECTION

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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NEWARK, N.J. 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
North Brunswick Township Board of Education
County of Middlesex, New Jersey

Report on the Financial Statement

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 Board of Education of the North Brunswick Township School District, County of Middlesex, State of New Jersey, as of and for the year ended June 30, 2020 and the related Notes to 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 an opinion 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 of 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 District'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 District's internal control.

INDEPENDENT AUDITOR'S REPORT
(CONTINUED)

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 that 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, business type activities each major fund and the aggregate remaining fund information of the Board of Education of the North Brunswick Township School District, as of June 30, 2020, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information and schedule of the District's proportionate share of the net pension liability – PERS, schedule of District contributions, schedule of the State's proportionate share of the net pension liability associated with the District – TPAF, the District's proportionate share of the net OPEB Liability – PERS and TPAF, schedule of District's contribution PERS and TPAF and budgetary comparison information as 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 North Brunswick Township School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by US Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and the other information such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

INDEPENDENT AUDITOR'S REPORT
(CONTINUED)

The accompanying Combining and Individual Fund Financial Statements, Noncurrent Debt Schedules and the Schedule of Expenditures of Federal Awards and State Financial Assistance are 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 accompanying Combining and Individual Fund Financial Statements, Noncurrent Debt Schedules and the Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected 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 February 4, 2021, on our consideration of the Board of Education of the North Brunswick Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report solely 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 the effectiveness on the North Brunswick Township School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the North Brunswick Township School District internal control over financial reporting compliance.



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
February 4, 2021

REQUIRED SUPPLEMENTARY INFORMATION – PART I

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

Administrative Offices:
Maple Meade School Building, Old Georges Road
Post Office Box 6016
North Brunswick, N.J. 08902
Tele. (732) 289-3000

District Web Site: www.nbtschools.org

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

UNAUDITED

Management's Discussion and Analysis

The discussion and analysis of North Brunswick Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2020. 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.

The Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999. Certain comparative information between the current year (2019-2020) and the prior year (2018-2019) is required to be presented in MD&A. The District has elected to prepare comparative data which includes prior year's financial statements.

Overview of Financial Statements

The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This document also contains required and supplementary information and other information in addition to the basic financial statements themselves.

Financial Highlights

Key financial highlights for 2019-2020 are as follows:

- General revenues accounted for \$137,364,315 in revenue or 96.12% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and accounted for \$5,544,368 or 3.88% to total revenues of \$142,908,683.
- Total net position of governmental activities increased by \$378,704.
- The School District had \$143,916,987 in expenses, of which only \$5,544,368 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes of \$88,904,219 along with Federal and State aid were adequate to provide for these programs.
- The Governmental – General Fund had \$122,638,781 in revenues and \$120,334,732 in expenditures. The General Fund's fund balance increased \$2,304,049 compared to 2019.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

UNAUDITED – (CONTINUED)

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 North Brunswick Township 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 North Brunswick School District, the General Fund is by far the most significant.

Reporting the School District as a Whole

Comparative Statement of Net Position and Comparative 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 asks the question, "How did we do financially during 2020?" The Comparative Statement of Net Position and the Comparative 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 change to those position. 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 has 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 Comparative Statement of Net Position and the Comparative Statement of Activities, the School District is divided into two 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 Activities — This service is provided on a charge for goods or services basis to recover all the expenses of the goods and services provided. The Food Service enterprise fund is reported as a business activity. Other Business Type Activities are school facilities, integrated Pre-K, Summer Enrichment and After School.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

UNAUDITED – (CONTINUED)

Reporting the School District's Most Significant Funds

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund and debt service fund, all of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund, special revenue fund and debt service fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 29-35 of this report.

Proprietary Funds

The District maintains one proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for the operations of its food service program, child care initiative, preschool enrichment and outside organization use of facilities. The basic proprietary fund financial statements can be found on pages 36-40 of this report.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

UNAUDITED – (CONTINUED)

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The District uses agency funds to account for resources held for student activities and groups and payroll related liabilities. The fiduciary fund financial statements can be found on pages 41-42 of this report.

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 notes to the financial statements can be found on pages 43-95 of this report.

Other Information

Combining fund statements can be found on pages 29-42 and schedules on pages 96-124 of this report.

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 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.

The Statement of Net Position provides the financial perspective of the District as a whole. Table 1 provides a comparative summary of the School District's net position for 2020 and 2019.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the assets, deferred inflows and outflows and liabilities of the District, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave). The Government-wide financial statements can be found on pages 31-32 of this report.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

UNAUDITED – (CONTINUED)

The Statement of Net Position provides the financial perspective of the District as a whole.

Table 1 provides a comparative summary of the School District's net position for 2020 and 2019.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$44,613,097 at the close of fiscal 2020. The following table provides a summary of net position at June 30, 2020 and 2019 relating to the District's governmental and business-type activities:

Table 1 – Comparative Summary of Net Position

	Governmental Activities		Business-Type Activities		Total School District	
	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019
Assets						
Current and other assets	\$ 20,735,328	\$ 49,686,191	\$ 375,516	\$ 518,305	\$ 21,110,844	\$ 50,204,496
Capital assets, net	173,142,220	146,260,174	185,931	233,340	173,328,151	146,493,514
Total Assets	<u>\$ 193,877,548</u>	<u>\$ 195,946,365</u>	<u>\$ 561,447</u>	<u>\$ 751,645</u>	<u>\$ 194,438,995</u>	<u>\$ 196,698,010</u>
Deferred outflows of resources						
Loss on Defeasance of Bonds	\$ 1,578,408	\$ 1,680,640			\$ 1,578,408	\$ 1,680,640
Pension	5,758,205	8,024,480			5,758,205	8,024,480
Total Deferred outflows of resources	<u>\$ 7,336,613</u>	<u>\$ 9,705,120</u>			<u>\$ 7,336,613</u>	<u>\$ 9,705,120</u>
Liabilities						
Current and other liabilities	\$ 6,941,523	\$ 4,746,718	\$ 128,020	\$ 119,679	\$ 7,069,543	\$ 4,866,397
Net pension liability	23,297,785	25,431,283			23,297,785	25,431,283
Long-term liabilities outstanding	118,216,946	123,102,654			118,216,946	123,102,654
Total Liabilities	<u>\$ 148,456,254</u>	<u>\$ 153,280,655</u>	<u>\$ 128,020</u>	<u>\$ 119,679</u>	<u>\$ 148,584,274</u>	<u>\$ 153,400,334</u>
Deferred inflow of resources						
Pension	<u>\$ 8,578,236</u>	<u>\$ 8,569,866</u>			<u>\$ 8,578,236</u>	<u>\$ 8,569,866</u>
Net Position						
Net investment in capital assets	\$ 60,015,523	\$ 28,217,525	\$ 185,931	\$ 233,340	\$ 60,201,454	\$ 28,450,865
Restricted	14,888,846	45,216,162			14,888,846	45,216,162
Unrestricted (deficit)	(30,724,699)	(29,632,721)	247,496	398,626	(30,477,203)	(29,234,095)
Total Net Position	<u>\$ 44,179,670</u>	<u>\$ 43,800,966</u>	<u>\$ 433,427</u>	<u>\$ 631,966</u>	<u>\$ 44,613,097</u>	<u>\$ 44,432,932</u>

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

UNAUDITED – (CONTINUED)

The District's combined net position were \$44,613,097 on June 30, 2020. This is an increase of \$180,165 or 0.41% from the prior year.

The largest portion of the District's net position is its net investment in capital assets (e.g., land, construction-in-progress, buildings and improvements, and machinery, equipment and vehicles), less any related debt (bonds payable) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (namely, property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

Capital assets, net increased from the prior year due to the amount of new additions associated with the District's capital projects having exceeded the amount of depreciation of capital assets in the current year.

Long-term liabilities decreased due to the scheduled payment of principal on debt.

Restricted net position increased mainly due to the net increase in the capital reserve, capital project of \$21,855,587 expenditures from bond sales proceeds for the new Middle School and Capital Lease expenditures for Electrical improvements of \$10,439,779.

Unrestricted net position decreased mainly due to a planned higher level of expenditures. General fund encumbrances at June 30, 2020 totaled \$712,188 as compared with \$199,913 at June 30, 2019.

Encumbrances in the capital projects fund increased due to the award of a construction contract for the new middle school \$5,835,070 remain outstanding at June 30, 2020.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

UNAUDITED – (CONTINUED)

Table 2 shows the comparative changes in net position from fiscal year 2020 and 2019.

Table 2 – Comparative Changes in Net Position

	Governmental Activities		Business-Type Activities		Total School District	
	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019
Revenues:						
Program Revenues:						
Charges for Services	\$ 253,419	\$ 150,672	\$ 1,161,330	\$ 1,777,189	\$ 1,414,749	\$ 1,927,861
Operating Grants and Contributions	5,290,949	3,928,823	1,881,001	2,080,793	7,171,950	6,009,616
General Revenue:						
Property Taxes	88,904,219	85,943,368			88,904,219	85,943,368
Federal and State Aid	46,467,308	46,999,919			46,467,308	46,999,919
Miscellaneous	1,992,788	1,406,564			1,992,788	1,406,564
Total Revenue	<u>142,908,683</u>	<u>138,429,346</u>	<u>3,042,331</u>	<u>3,857,982</u>	<u>145,951,014</u>	<u>142,287,328</u>
Expenses:						
Instruction	75,036,620	77,846,002			75,036,620	77,846,002
Tuition	1,294,958	1,884,450			1,294,958	1,884,450
Student and Instruction						
Related Services	27,354,628	23,322,315			27,354,628	23,322,315
School Administration	8,068,967	8,167,249			8,068,967	8,167,249
General Administration	2,892,276	3,433,380			2,892,276	3,433,380
Operation and Maintenance						
of Facilities	12,363,953	12,675,934			12,363,953	12,675,934
Pupil Transportation	8,218,916	9,253,346			8,218,916	9,253,346
Interest on Debt	4,439,058	3,281,679			4,439,058	3,281,679
Charter Schools	4,247,611	3,601,674			4,247,611	3,601,674
Business Type Actives			3,359,769	4,060,177	3,359,769	4,060,177
Total Expenses	<u>143,916,987</u>	<u>143,466,029</u>	<u>3,359,769</u>	<u>4,060,177</u>	<u>147,276,756</u>	<u>147,526,206</u>
Special and Extraordinary Items, Net	<u>1,387,008</u>	<u>7,458,215</u>		-	<u>1,387,008</u>	<u>7,458,215</u>
Change in Net Position	<u>\$ 378,704</u>	<u>\$ 2,421,532</u>	<u>\$ (317,438)</u>	<u>\$ (202,195)</u>	<u>\$ 61,266</u>	<u>\$ 2,219,337</u>
Net Position - beginning	<u>43,800,966</u>	<u>41,379,434</u>	<u>631,965</u>	<u>834,160</u>	<u>44,432,931</u>	<u>42,213,594</u>
Net Position - ending	<u>\$ 44,179,670</u>	<u>\$ 43,800,966</u>	<u>\$ 314,527</u>	<u>\$ 631,965</u>	<u>\$ 44,494,197</u>	<u>\$ 44,432,931</u>

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

UNAUDITED – (CONTINUED)

General Fund Budgetary Highlights

The District budget is prepared according to New Jersey Statutes. The most significant budgeted fund is the general fund. During the fiscal year, there were several differences between the original budget and the final amended budget as a result of transfers being applied to certain line items. These transfers were made between line items as part of the normal process as permitted by State guidelines. Readers should refer to Section C of the financial report for comparisons between actual and budgeted amounts.

Described on the next page are explanations for variations in revenues and expenditures for certain lines where the modified budgeted amounts differ from the original budget by significant amounts. All other fluctuations were considered immaterial and no explanations were deemed required.

Expenditures

- The modified budget for regular programs – instruction decreased from the original budget by \$311,175 or 1.06% as a result of an increase in purchased educational services.
- The modified budget for special program were increased from the original by budget \$283,183 or 2.81% as a result of additional costs for special education.
- Total modified budget for instructional programs was increased \$143,448 or 0.32% caused by additional needs for regular programs undistributed.
- The modified budget for student transportation services decreased from the original budget by \$537,020 or -9.93% primarily as a result of additional cost for special education – transportation.
- Total modified budget for undistributed expenditures increased \$1,002,736 or 1.78%, most of which was caused by additional support needs for special education students.
- Total modified budget for current expense decreased \$859,288 or -0.58%.
- The modified budget for facilities acquisition and construction services exceeded the original budget by \$765,265 or 30.54% most as a result of a need for other Capital Projects for the District.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

UNAUDITED – (CONTINUED)

Described below are explanations for variations in revenues and expenditures for certain lines where the modified budgeted amounts differ from the actual by significant amounts. All other fluctuations were considered immaterial and no explanations were deemed required.

Revenues

- Actual miscellaneous revenue was in excess of the modified budgeted amount by approximately \$1,028,475 or 428.53% as a result mostly of a refund of E-Rate Funds and Tuition.

Expenditures

- The actual amount expended regular programs – instruction were less than the final budget by \$536,663 or 1.18% as a result mostly of planned expenditures for special education and regular programs undistributed.
- The actual amounts for expended for undistributed expenditures in total net of on-behalf payments were \$52,966,004 or 95.78% of the budget.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

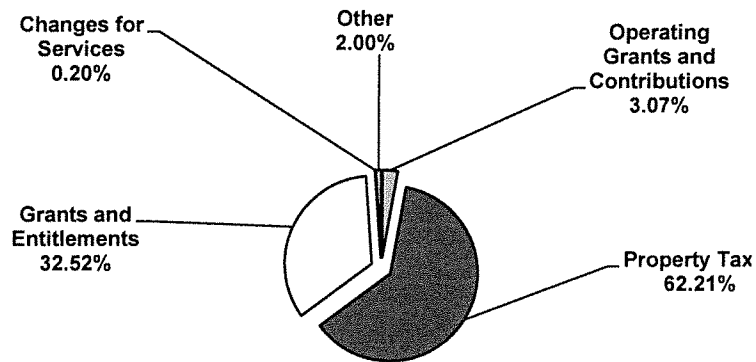
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

UNAUDITED – (CONTINUED)

Governmental Activities

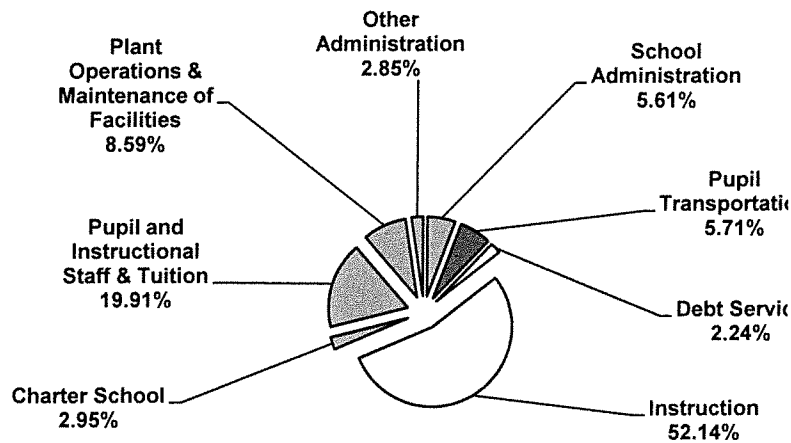
The unique nature of property taxes in New Jersey creates the legal requirement to annually seek voter approval for the School District operations. Property taxes of \$88,904,219 made up 62.21% of revenue for governmental activities for the North Brunswick School District for fiscal year 2020. Federal, state and local grants of \$46,467,308 accounted for another 32.52% of revenue. The District's total revenues were \$142,908,683 for the year ended June 30, 2020.

Revenue for Fiscal Year 2020



Expenses for Fiscal Year 2020

The total cost of all programs and services was \$143,916,987.



NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

UNAUDITED – (CONTINUED)

Business-Type Activities

Food Service

- Revenues for the District's business-type activities for the food service program are comprised of charges for services and federal and state reimbursements.
- Food service expenditures exceeded revenues by \$162,957.
- Charges for services represent \$952,384 or 33.61% of revenue. This represents amounts paid by patrons for daily food service, as well as special functions.
- Federal and state reimbursement for meals, including payments for free and reduced priced lunches and donated commodities was \$1,881,001 or 66.39% of revenue.

School Facilities

- Revenues for the District's business-type activities for the school facilities program are comprised of charges for use of District's facilities.
- School facilities expenditures exceeded revenue by \$97,050.

Integrated Pre-K/Summer Enrichment

- Revenues for the District's business-type activities for the integrated pre-K/summer program are comprised of charges for pre-K/summer services.
- Integrated pre-k/summer expenditures exceeded revenues by \$53,998.

After-School

- After-School expenditures exceeded revenue by \$3,433 which was absorbed by the integrated Pre-K/Summer Enrollment program.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

UNAUDITED – (CONTINUED)

Governmental Activities

The Comparative 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 - Comparative Statement of Activities

	Total Cost of Services			Net Cost of Services		
	2019-2020	2018-2019	% Change	2019-2020	2018-2019	% Change
Regular Instruction	\$ 44,671,009	\$ 47,362,218	-5.68%	\$ 44,671,009	\$ 47,362,218	-5.68%
Special Education	21,510,173	21,376,879	0.62%	19,277,381	19,155,498	0.64%
Other Special Education	6,582,676	6,614,351	-0.48%	6,582,676	6,614,351	-0.48%
Other Instruction	2,272,762	2,492,554	-8.82%	2,272,762	2,492,554	-8.82%
Tuition	1,294,958	1,884,450	-31.28%	1,294,958	1,884,450	-31.28%
Student and Instruction Related Services	27,354,628	23,322,315	17.29%	24,296,471	21,809,771	11.40%
General and Business Administrative Services	2,892,276	3,433,380	-15.76%	2,892,276	3,433,380	-15.76%
School Administrative Services	8,068,967	8,167,249	-1.20%	8,068,967	8,167,249	-1.20%
Plant Operations and Maintenance	12,363,953	12,675,934	-2.46%	12,363,953	12,675,934	-2.46%
Pupil Transportation	8,218,916	9,253,346	-11.18%	8,117,163	9,102,674	-10.83%
Charter Schools	4,247,611	3,601,674	17.93%	4,247,611	3,601,674	17.93%
Interest and Fiscal Charges	4,439,058	3,281,679	35.27%	4,287,392	3,086,781	38.90%
Total Expenses	\$ 143,916,987	\$ 143,466,029	0.31%	\$ 138,372,619	\$ 139,386,534	-0.73%

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

UNAUDITED – (CONTINUED)

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

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 operations include expenses associated with administrative and financial supervision of the District.

Plant operations 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 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.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$136,326,105 and expenditures exclusive of the capital projects fund \$134,697,325.

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 comparative summary of the revenues of the general fund, special revenue fund and debt service fund for the fiscal years ended June 30, 2020 and June 30, 2019, and the amount of increase and decreases in relation to prior year revenues.

Comparative Summary of Revenues

<u>Revenue</u>	<u>2019-2020</u>		<u>2018-2019</u>		<u>Increase/ (Decrease) from 2018-2019 to 2019-2020</u>
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	
Local Sources	\$ 90,998,760	66.74%	\$ 87,672,243	69.15%	\$ 3,326,517
State Sources	42,450,001	31.14%	36,288,627	28.62%	6,161,374
Federal Sources	2,892,344	2.11%	2,819,350	2.22%	72,994
	<u>\$ 136,341,105</u>	<u>100.00%</u>	<u>\$ 126,780,220</u>	<u>100.00%</u>	<u>\$ 9,560,885</u>

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

UNAUDITED – (CONTINUED)

Local revenues increased by \$3,326,513. The increase in local revenue was due to an increase in the tax levy for 2019-2020, of \$2,960,851 offset by a decrease in miscellaneous revenues \$586,228.

Federal source revenues increased slightly by \$72,994.

State sources revenue increased \$6,146,374 due mostly to an increase in on-behalf pension payments and offset with an increase in other state aid in the General Fund includes Pre-School Education Funding.

The following schedule presents a comparative summary of general fund, special revenue fund and debt service fund expenditures for the fiscal years ended June 30, 2020 and June 30, 2019, and the increases and decreases in relation to prior year amounts.

Comparative Summary of Expenditures

<u>Expenditures</u>	<u>2019-2020</u>		<u>2018-2019</u>		Increase/ (Decrease) from 2018-2019 to 2019-2020
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	
Current Expense:					
Instruction	\$ 46,986,029	34.89%	\$ 45,465,607	35.41%	\$ 1,520,422
Undistributed Expenditures	72,111,847	53.54%	69,387,024	54.04%	2,724,823
Capital Outlay	2,726,459	2.02%	2,243,459	1.75%	483,000
Charter School	4,247,611	3.15%	3,601,674	2.80%	645,937
Debt Service:					
Principal	4,995,000	3.71%	4,850,000	3.78%	145,000
Interest	3,630,379	2.70%	2,858,908	2.23%	771,471
	<u>\$ 134,697,325</u>	<u>100.00%</u>	<u>\$ 128,406,672</u>	<u>100.00%</u>	<u>\$ 6,290,653</u>

Changes in expenditures were the results of varying factors. Current expense increased due to increased personnel and benefits costs, additional students and capital projects.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

UNAUDITED – (CONTINUED)

General Fund Budgeting Highlights

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

Over the course of the year, the District revised via transfer the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts.

Capital Assets

At the end of the fiscal year 2020, the School District had \$243,616,253 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2020 balances compared to 2019.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total School District</u>	
	<u>2019-2020</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2018-2019</u>
Land	\$ 10,865,232	\$ 10,865,232			\$ 10,865,232	\$ 10,865,232
Construction in Progress	8,971,079	38,045,819			8,971,079	38,045,819
Building and Building Improvements	147,331,570	94,379,835			147,331,570	94,379,835
Machinery and Equipment	<u>5,974,339</u>	<u>2,969,288</u>	<u>\$ 186,649</u>	<u>\$ 233,340</u>	<u>6,160,988</u>	<u>3,202,628</u>
Total Capital Assets - Net of Depreciations	<u>\$ 173,142,220</u>	<u>\$ 146,260,174</u>	<u>\$ 186,649</u>	<u>\$ 233,340</u>	<u>\$ 173,328,869</u>	<u>\$ 146,493,514</u>

Refer to Notes to Financial Statements (Note 6) for more detailed information.

Overall Governmental Activities capital assets increased by \$26,862,046 from fiscal year 2019 to fiscal year 2020. The increase in capital assets is due to the acquisition of various assets and construction in progress as a result of a voter approved referendum to construct a new middle school in excess of annual depreciation.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

UNAUDITED – (CONTINUED)

Debt Administration

At the end of the fiscal year 2020, the School District had noncurrent outstanding debt as follows:

Table 5 – Debt Administration

	June 30,	
	<u>2020</u>	<u>2019</u>
Compensated Absences	\$ 3,511,841	\$ 3,379,365
Capital Leases	13,500,000	13,500,000
Serial Bonds	<u>100,768,000</u>	<u>105,048,000</u>
Totals	<u>\$ 117,779,841</u>	<u>\$ 121,927,365</u>

Refer to Notes to Financial Statements (Note 7) for more detailed information.

For the Future

The school district is proud of the support that the community has demonstrated throughout the past year. In December 2016, the community approved a \$77.4 million referendum to address the district's overcrowded schools. A new 7th and 8th grade middle school will be built as well as renovation to the current Linwood Middle School. The construction project will allow the district to move its Early Childhood Center from a leased school in Milltown back to a renovation section of Linwood. The board is seeking relief for its current overcrowded schools as well as the flexibility of meeting the projected increases in enrollment due to the approved Transit Village that is currently being built on the former Johnson & Johnson property.

State Aid and Charter Schools are other areas of concerns. The district is substantially underfunded according to the School Funding Reform Act (SFRA) formula and is spending below the adequacy amount determined by the New Jersey Department of Education. Charter Schools have tripled their enrollment by recruiting selective students to fill out their rosters. This expense has had a detrimental impact on the district's budget.

The North Brunswick Township School District has committed itself to financial excellence for many years. The district systems for financial planning, budgeting, and internal financial controls are well tested and highly regarded. The school district is unwavering in its practice of sound fiscal management to meet the challenges of the future.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

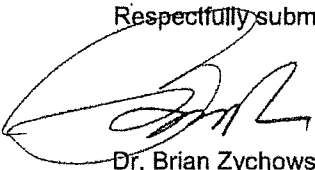
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

UNAUDITED – (CONTINUED)

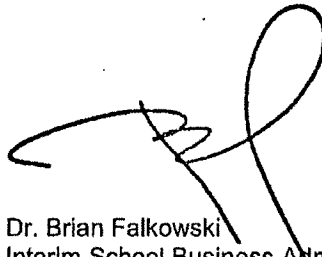
Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. Questions regarding this report or if additional information is needed, kindly contact the School Business Administrator's Office at the North Brunswick Township School District, P.O. Box 6016, North Brunswick Township, NJ 08902.

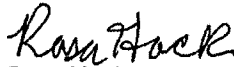
Respectfully submitted,



Dr. Brian Zychowski
Superintendent of Schools



Dr. Brian Falkowski
Interim School Business Administrator



Rosa Hock
Assistant to Business Administrator

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF NET POSITION
JUNE 30, 2020**

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 2,804,925	\$ 99,813	\$ 2,904,738
Receivables - Net	3,187,153	179,182	3,366,335
Inventory		96,521	96,521
Restricted Assets:			
Cash and Cash Equivalents	14,743,250		14,743,250
Capital Assets, Net	<u>173,142,220</u>	<u>185,931</u>	<u>173,328,151</u>
Total Assets	<u>\$ 193,877,548</u>	<u>\$ 561,447</u>	<u>\$ 194,438,995</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Loss on Defeasance of Debt	\$ 1,578,408		\$ 1,578,408
Pension	<u>5,758,205</u>		<u>5,758,205</u>
	<u>\$ 7,336,613</u>		<u>\$ 7,336,613</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 4,339,216	\$	\$ 4,339,216
Other Current Liabilities	321,926	128,020	449,946
Intergovernmental Accounts Payable	27,797		27,797
Unearned Revenue	389,399		389,399
Accrued Interest	1,863,185		1,863,185
Net Pension Liability	23,297,785		23,297,785
Noncurrent Debt:			
Due Within One Year	7,574,869		7,574,869
Due Beyond One Year	<u>110,642,078</u>		<u>110,642,078</u>
Total Liabilities	<u>\$ 148,456,254</u>	<u>\$ 128,020</u>	<u>\$ 148,584,274</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension	<u>\$ 8,578,236</u>		<u>\$ 8,578,236</u>
<u>NET POSITION</u>			
Invested in Capital Assets	\$ 60,015,523	\$ 185,931	\$ 60,201,454
Restricted:			
Capital Projects Fund	10,450,374		10,450,374
Capital Reserve	4,438,472		4,438,472
Unrestricted (Deficit)	<u>(30,724,698)</u>	<u>247,496</u>	<u>(30,477,202)</u>
Total Net Position	<u>\$ 44,179,670</u>	<u>\$ 433,427</u>	<u>\$ 44,613,097</u>

See accompanying notes to financial statements.

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 44,671,009	\$	\$	\$ (44,671,009)		\$ (44,671,009)
Special Education	21,510,173		2,232,792	(19,277,381)		(19,277,381)
Other Special Education	6,582,676			(6,582,676)		(6,582,676)
Other Instruction	2,272,762			(2,272,762)		(2,272,762)
Support Services:						
Tuition	1,294,958			(1,294,958)		(1,294,958)
Student and Instruction Related Services	27,354,628		3,058,157	(24,296,471)		(24,296,471)
General Administrative Services	2,892,276			(2,892,276)		(2,892,276)
School Administrative Services	8,068,967			(8,068,967)		(8,068,967)
Plant Operations and Maintenance	12,363,953			(12,363,953)		(12,363,953)
Pupil Transportation	8,218,916	101,753		(8,117,163)		(8,117,163)
Charter Schools	4,247,611			(4,247,611)		(4,247,611)
Interest on Long Term Debt	4,439,058	151,666		(4,287,392)		(4,287,392)
Total Governmental Activities	\$ 143,916,987	\$ 253,419	\$ 5,290,949	\$ (138,372,619)		\$ (138,372,619)
Business-Type Activities:						
Food Service	\$ 2,996,342	\$ 952,384	\$ 1,881,001		\$ (162,957)	\$ (162,957)
School Facilities	273,417	176,367			(97,050)	(97,050)
Integrated Pre-K/Summer Enrichment	66,078	12,080			(53,998)	(53,998)
After School	23,932	20,499			(3,433)	(3,433)
Total Business-Type Activities	\$ 3,359,769	\$ 1,161,330	\$ 1,881,001		\$ (317,438)	\$ (317,438)
Total Primary Government	\$ 147,276,756	\$ 1,414,749	\$ 7,171,950	\$ (138,372,619)	\$ (317,438)	\$ (138,690,057)
General Revenues						
Property Taxes Levied for:						
General Purposes				\$ 81,099,445		\$ 81,099,445
Debt Service				7,804,774		7,804,774
Federal and State Aid Not Restricted				46,467,308		46,467,308
Interest on Investments				486,753		486,753
Miscellaneous Income				1,506,035		1,506,035
Total General Revenues				\$ 137,364,315		\$ 137,364,315
Excess (Deficit) of Revenue over Expenditures				(1,008,304)	(317,438)	(1,325,742)
Special and Extraordinary Items				1,387,008	118,879	1,505,887
Change in Net Position				\$ 378,704	\$ (198,559)	\$ 180,145
Net Position - Beginning As Adjusted				43,800,966	631,986	44,432,952
Net Position - Ending				\$ 44,179,670	\$ 433,427	\$ 44,613,097

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 2,515,917		\$ 972,133	\$ 1	\$ 3,488,051
Cash with Fiscal Agents			10,304,777		10,304,777
Intergovernmental Accounts Receivable	1,812,521	\$ 742,539			2,555,060
Interfunds Receivable				1,012,059	1,012,059
Other Receivables	632,043				632,043
Restricted Cash and Cash Equivalents	<u>4,438,472</u>				<u>4,438,472</u>
Total Assets	<u>\$ 9,398,953</u>	<u>\$ 742,539</u>	<u>\$ 11,276,911</u>	<u>\$ 1,012,060</u>	<u>\$ 22,430,462</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Cash and Cash Equivalent (Overdraft)		\$ 683,126			\$ 683,126
Accounts Payable	\$ 2,274,224	288,953	\$ 309,122		2,872,299
Other Current Liabilities	281,770		40,156		321,926
Intergovernmental Accounts Payable		27,797			27,797
Interfunds Payable			1,012,059		1,012,059
Unearned Revenue	<u>192,349</u>	<u>24,187</u>	<u>172,863</u>		<u>389,399</u>
Total Liabilities	<u>\$ 2,748,343</u>	<u>\$ 1,024,063</u>	<u>\$ 1,534,200</u>		<u>\$ 5,306,606</u>
Fund Balances					
Restricted:					
Capital Reserve Account	\$ 4,438,472				\$ 4,438,472
Maintenance Reserve	1,500,000				1,500,000
Debt Service				\$ 1,012,060	1,012,060
Capital Projects			\$ 3,903,116		3,903,116
Committed for Year end Encumbrances	712,188		5,835,070		6,547,258
Special Revenue Fund (Deficit)		\$ (281,524)			(281,524)
Unassigned			<u>4,525</u>		<u>4,525</u>
Total Fund Balances	<u>\$ 6,650,660</u>	<u>(281,524)</u>	<u>\$ 9,742,711</u>	<u>\$ 1,012,060</u>	<u>\$ 17,123,907</u>
Total Liabilities and Fund Balance	<u>\$ 9,399,003</u>	<u>\$ 742,539</u>	<u>\$ 11,276,911</u>	<u>\$ 1,012,060</u>	<u>\$ 22,430,513</u>

See accompanying notes to financial statements

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2020

	<u>Total Governmental Funds</u>
Total Fund Balances above	\$ 17,123,907
Amounts reported for <i>governmental activities</i> in the Statement of Net Position (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of capital assets is \$242,637,488 and the accumulated depreciation is \$69,495,268. (see Note 5)	173,142,220
Deferred loss on defeasance of debt, unamortized (see Note 7D)	1,578,408
Noncurrent liabilities, including bonds, loans, leases payable and compensated absence are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 7)	(118,216,946)
Certain liabilities are not due and payable in the current period, and therefore are not reported in the funds:	
Accrued Interest Payable (Accrued interest is a current liability that will be paid from the debt service fund. Therefore, the liability reduces the restricted for debt service net asset balance.)	(1,863,185)
Accrued Pension Liability (Accrued pension is a current liability that will be paid from the general fund, attributed to the fiscal year ending June 30th, 2018, however will be raised in the budget for the fiscal year ending June 30th, 2019)	(1,466,917)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds. (See Note 9)	<u>(26,117,816)</u>
Net position of governmental activities (A-1)	<u>\$ 44,179,670</u>

See accompanying notes to financial statements

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>General</u>	<u>Special</u>	<u>Capital</u>	<u>Debt</u>	<u>Total</u>
	<u>Fund</u>	<u>Revenue</u>	<u>Projects</u>	<u>Service</u>	<u>Governmental</u>
<u>REVENUES</u>		<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
Local sources:					
Local tax levy	\$ 81,099,445			\$ 7,804,774	\$ 88,904,219
Transportation Fees	101,753				101,753
Interest on Investments	16,305		\$ 470,448		486,753
Miscellaneous	<u>1,268,475</u>	<u>\$ 236,768</u>	<u>792</u>		<u>1,506,035</u>
Total - Local Sources	\$ 82,485,978	\$ 236,768	\$ 471,240	\$ 7,804,774	\$ 90,998,760
State Sources	39,635,338	2,647,997		151,666	42,435,001
Federal Sources	<u>230,587</u>	<u>2,661,757</u>			<u>2,892,344</u>
Total Revenues	\$ <u>122,351,903</u>	\$ <u>5,546,522</u>	\$ <u>471,240</u>	\$ <u>7,956,440</u>	\$ <u>136,326,105</u>
<u>EXPENDITURES</u>					
Current:					
Regular Instruction	\$ 28,829,711				\$ 28,829,711
Special Education Instruction	10,208,416	\$ 2,232,792			12,441,208
Other Special Instruction	4,248,318				4,248,318
Other Instruction	1,466,792				1,466,792
Support Services and Undistributed Costs:					
Tuition	1,294,958				1,294,958
Student and Instruction Related Services	11,918,931	3,485,617			15,404,548
Other Administrative Services	1,866,613				1,866,613
School Administrative Services	5,207,538				5,207,538
Plant Operations and Maintenance	7,979,430				7,979,430
Pupil Transportation	5,304,312				5,304,312
Employee Benefits	35,054,448				35,054,448
Transfer to Charter Schools	4,247,611				4,247,611
Debt Service:					
Principal				\$ 4,995,000	4,995,000
Interest				3,630,379	3,630,379
Capital Outlay	<u>2,707,654</u>	<u>18,805</u>	<u>\$ 32,295,366</u>		<u>35,021,825</u>
Total Expenditures	\$ <u>120,334,732</u>	\$ <u>5,737,214</u>	\$ <u>32,295,366</u>	\$ <u>8,625,379</u>	\$ <u>166,992,691</u>

See accompanying notes to financial statements

**BOARD OF EDUCATION
 NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
 GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ <u>2,017,171</u>	\$ <u>(190,692)</u>	\$ <u>(31,824,126)</u>	\$ <u>(668,939)</u>	\$ <u>(30,666,586)</u>
Other Financing Sources/(Uses): Transfer In/(Out)					
Transfer to/(from) Capital Projects	<u> </u>	<u> </u>	<u>(470,448)</u>	<u>470,448</u>	<u> </u>
Total Other Financing Sources (Uses)			<u>(470,448)</u>	<u>470,448</u>	
Net Change in Fund Balances	\$ <u>2,017,171</u>	\$ <u>(190,692)</u>	\$ <u>(32,294,574)</u>	\$ <u>(198,491)</u>	\$ <u>(30,666,586)</u>
Fund Balance - July 1	<u>4,633,490</u>	<u>(90,832)</u>	<u>42,037,285</u>	<u>1,210,551</u>	<u>47,790,494</u>
Fund Balance - June 30	<u><u>6,650,661</u></u>	<u><u>(281,524)</u></u>	<u><u>9,742,711</u></u>	<u><u>1,012,060</u></u>	<u><u>17,123,908</u></u>

See accompanying notes to financial statements

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Total Net Change in Fund Balance - Governmental Funds (from B-2)	\$ (30,666,586)
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciated expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Capital outlay	\$ 35,021,825
Write Down of F.A	(2,915,306)
Loss on retirement of capital assets	(599,523)
Depreciation expense	<u>(6,007,403)</u>
	25,499,593
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement activities; issuing debt increases noncurrent liabilities in the statement of net position.	
Proceeds of bonds	(16,525,000)
Governmental funds report the effect of premiums and similar items when the debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This represents the following related to the premiums on bonds.	
Amortization of premium	947,090
Governmental funds report the effect of defeasances and similar items when the debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This represents the following related to the deferred loss of refunding.	
Amortization of deferred loss	(540,815)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.	
	20,805,000
In the statement of activities, interest on noncurrent debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The increase in accrued interest is a deduction in the reconciliation.	
	267,864
Extraordinary income related to adjustment for prior year construction in progress related to bond proceeds	
	1,074,391
In the statement of activities, certain operating expenses, e.g. compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.	
	(132,477)
Net pension obligation related to PERS which is attributable to June 30, 2019 (<i>the measurement date</i>) not reported in governmental funds; however, it is reported in the statement of activities.	
	<u>(350,356)</u>
Change in Net Position of Governmental Activities (A-2)	<u>\$ 378,704</u>

See accompanying notes to financial statements

**PROPRIETARY FUNDS –
ENTERPRISE FUNDS**

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUNDS - ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2020**

<u>ASSETS</u>	<u>Food Service</u>	<u>School Facilities</u>	<u>Integrated Pre-K/Summer Enrichment</u>	<u>Total Enterprise</u>
Current assets:				
Cash and cash equivalents		\$ 2,612	\$ 97,201	\$ 99,813
Accounts receivable:				
State	\$ 824			824
Federal	85,380			85,380
Other	92,978			92,978
Inventories	96,521			96,521
Total current assets	<u>\$ 275,703</u>	<u>\$ 2,612</u>	<u>\$ 97,201</u>	<u>\$ 375,516</u>
Noncurrent assets:				
Furniture, machinery and equipment	\$ 627,182	\$ 211,796	\$ 139,787	\$ 978,765
Less: accumulated depreciation	<u>613,107</u>	<u>80,423</u>	<u>99,304</u>	<u>792,834</u>
Total noncurrent assets	<u>\$ 14,075</u>	<u>\$ 131,373</u>	<u>\$ 40,483</u>	<u>\$ 185,931</u>
Total assets	<u><u>\$ 289,778</u></u>	<u><u>\$ 133,985</u></u>	<u><u>\$ 137,684</u></u>	<u><u>\$ 561,448</u></u>
 <u>LIABILITIES</u> 				
Current liabilities:				
Cash and Cash Equivalent (Overdraft)	\$ 128,020			\$ 128,020
Total liabilities	<u>\$ 128,020</u>			<u>\$ 128,020</u>
 <u>NET POSITION</u> 				
Net investment in capital assets	\$ 14,075	\$ 131,373	\$ 40,483	\$ 185,931
Unrestricted	<u>147,683</u>	<u>2,612</u>	<u>97,201</u>	<u>247,496</u>
Total net position	<u><u>\$ 161,758</u></u>	<u><u>\$ 133,985</u></u>	<u><u>\$ 137,684</u></u>	<u><u>\$ 433,427</u></u>

See accompanying notes to financial statements

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-Type Activities Enterprise Fund				
<u>OPERATING REVENUES</u>	<u>Food Service</u>	<u>School Facilities</u>	<u>Integrated Pre-K/Summer Enrichment/</u>	<u>After School</u>	<u>Total Enterprise</u>
Local Sources:					
Daily sales - reimbursable programs:					
School lunch program	\$ 483,660				\$ 483,660
School breakfast program	14,326				14,326
School after school snack program	10,633				10,633
Daily sales - non-reimbursable programs	443,765				443,765
Tuition and services		\$ 176,367	\$ 12,080	\$ 20,499	208,946
Total operating revenues	\$ 952,384	\$ 176,367	\$ 12,080	\$ 20,499	\$ 1,161,330
<u>OPERATING EXPENSES</u>					
Cost of sales - reimbursable programs	\$ 1,096,655				\$ 1,096,655
Cost of sales - non-reimbursable programs	195,048				195,048
Salaries	899,035	\$ 203,307	\$ 49,272	\$ 16,553	1,168,167
Employee benefits	278,792				278,792
Insurance	93,515				93,515
Utilities	180,000				180,000
General Supplies		42,799			42,799
Depreciation	6,868	27,311	12,440		46,619
Management Fee	154,733				154,733
Other	91,696		4,366	7,379	103,441
Total operating expenses	\$ 2,996,342	\$ 273,417	\$ 66,078	\$ 23,932	\$ 3,359,769
Operating income/(loss)	\$ (2,043,958)	\$ (97,050)	\$ (53,998)	\$ (3,433)	\$ (2,198,439)

See accompanying notes to financial statements

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-Type Activities Enterprise Fund				
<u>NONOPERATING REVENUES</u>	<u>Food Service</u>	<u>School Facilities</u>	<u>Integrated Pre-K/Summer Enrichment/</u>	<u>After School</u>	<u>Total Enterprise</u>
State sources:					
State school lunch program	\$ 24,705				\$ 24,705
Federal sources:					
National school lunch program	1,043,806				1,043,806
HHFK	32,482				32,482
National breakfast program	477,437				477,437
School snack program	9,705				9,705
Commodities Donated	292,866				292,866
Total nonoperating revenues	\$ 1,881,001				\$ 1,881,001
Income/(loss) before contributions and transfers	\$ (162,957)	\$ (97,050)	\$ (53,998)	\$ (3,433)	\$ (317,438)
Operating transfers:					
Intrafund - operating transfer (in)/out			(3,433)	3,433	
Other Revenue/Reimbursements	92,978		25,901		118,879
Change in net position	\$ (69,979)	\$ (97,050)	\$ (31,530)	-	\$ (198,559)
Total net position - beginning	231,737	231,035	169,214	-	631,986
Total net position - ending	\$ 161,758	\$ 133,985	\$ 137,684	-	\$ 433,427

See accompanying notes to financial statements

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUNDS - ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Business-Type Activities Enterprise Fund				
	Food Service	School Facilities	Integrated Pre-K/Summer Enrichment/	After School	Total Enterprise
<u>Cash Flows from Operating Activities</u>					
Receipts from Customers	\$ 952,384	\$ 197,295	\$ (13,821)	\$ 20,499	\$ 1,156,357
Payments to Employees	(899,035)	(246,106)	(49,271)	(16,553)	(1,210,965)
Payments for Employee Benefits	(278,792)				(278,792)
Payments to Suppliers	(1,656,914)		(4,626)	(7,379)	(1,668,919)
Payment for Management Fee	(154,733)				(154,733)
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (2,037,090)</u>	<u>\$ (48,811)</u>	<u>\$ (67,718)</u>	<u>\$ (3,433)</u>	<u>\$ (2,157,052)</u>
<u>Cash Flows from Noncapital Financing Activities</u>					
State Sources	\$ 26,374				\$ 26,374
Federal Sources	1,949,334				1,949,334
Operating Transfers to Other Funds - Intrafunds			\$ (3,433)	\$ 3,433	
Other Revenue			26,712		26,712
Net Cash Provided by/(Used for) Noncapital Financing Activities	<u>\$ 1,975,708</u>		<u>\$ 23,279</u>	<u>\$ 3,433</u>	<u>\$ 2,002,420</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ (61,382)	\$ (48,811)	\$ (44,439)		\$ (154,632)
Balances - Beginning of Year	<u>(66,638)</u>	<u>51,423</u>	<u>141,640</u>		<u>126,425</u>
Balances/(Overdraft) - End of Year	<u>\$ (128,020)</u>	<u>\$ 2,612</u>	<u>\$ 97,201</u>	<u>-</u>	<u>\$ (28,207)</u>

See accompanying notes to financial statements

**BOARD OF EDUCATION
 NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 PROPRIETARY FUNDS - ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Business-Type Activities Enterprise Fund				
	<u>Food Service</u>	<u>School Facilities</u>	<u>Integrated Pre-K/Summer Enrichment/</u>	<u>After School</u>	<u>Total Enterprise</u>
<u>Reconciliation of Operating Income/(Loss) to Net Cash</u>					
<u>Provided/(Used) by Operating Activities</u>					
Operating Gain/(Loss)	\$ (2,043,958)	\$ (97,050)	\$ (53,998)	\$ (3,433)	\$ (2,198,439)
<u>Adjustments to Reconcile Operating Loss to Cash</u>					
<u>Provided/(Used) by Operating Activities:</u>					
Depreciation	\$ 6,868	\$ 27,311	\$ 12,440		\$ 46,619
Change in Assets and Liabilities:					
(Increase)/Decrease in Accounts Receivable		20,928			20,928
(Increase) in Inventories					
Increase/(Decrease) in Accounts Payable			(260)		(260)
Increase/(Decrease) in Unearned Revenue			(25,900)		(25,900)
Total Adjustments	\$ 6,868	\$ 48,239	\$ (13,720)	-	\$ 41,387
Net Cash Provided by/(Used for) by Operating Activities	\$ (2,037,090)	\$ (48,811)	\$ (67,718)	\$ (3,433)	\$ (2,157,052)

See accompanying notes to financial statements

FIDUCIARY FUNDS

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>Trust Funds</u>	<u>Agency Fund</u>	<u>Total Fiduciary Funds</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ <u>47,077</u>	\$ <u>465,411</u>	\$ <u>512,488</u>
Total Assets	\$ <u><u>47,077</u></u>	\$ <u><u>465,411</u></u>	\$ <u><u>512,488</u></u>
<u>LIABILITIES</u>			
Payable to Student Groups		\$ 340,405	\$ 340,405
Payroll Deductions and Withholdings		<u>125,006</u>	<u>125,006</u>
Total Liabilities		<u><u>\$ 465,411</u></u>	<u><u>\$ 465,411</u></u>
<u>NET POSITION</u>			
Reserve for Scholarships	\$ <u>47,077</u>		\$ <u>47,077</u>
Total Net Position	\$ <u><u>47,077</u></u>		\$ <u><u>47,077</u></u>

See accompanying notes to financial statements

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	Total Fiduciary Funds
	<u>Scholarship Trust Fund</u>
<u>ADDITIONS</u>	
Contributions:	
Donations	\$ <u>2,667</u>
Total Additions	\$ <u>2,667</u>
<u>DEDUCTIONS</u>	
Scholarships Awarded	\$ <u>4,781</u>
Total Deductions	\$ <u>4,781</u>
Change in Net Position	\$ (2,114)
Total Net Position - Beginning of the Year	\$ <u>49,191</u>
Total Net Position - Ending of the Year	\$ <u><u>47,077</u></u>

See accompanying notes to financial statements

NOTES TO THE FINANCIAL STATEMENTS

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The North Brunswick Township School District (the "District") is a Type II district located in the County of Middlesex, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (the "Board"). The Board is comprised of nine (9) members elected to three (3) year terms. The purpose of the District is to educate students in grades pre-K-12. The District had an approximate enrollment at June 30, 2020 of 6,288 students.

A reporting entity is comprised of the primary government, component units and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the 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 most significant of the District's accounting policies are described below.

A. Basis of Presentation

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

1. Government-Wide Financial Statements

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation (Continued)

1. Government-Wide Financial Statements (Continued)

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, 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 are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

B. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

1. Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment that are classified in the Capital Outlay subfund.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

1. Governmental Funds (Continued)

General Fund (Continued)

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America (GAAP) 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 from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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.

2. Proprietary Fund Type

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

2. Proprietary Fund Type (Continued)

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

The District's Enterprise Fund is comprised of the following:

Food Service: This fund provides for the cafeteria operation in all schools within the school district.

Integrated Pre-K/Summer Enrichment: This fund provides for the attendance of regular education students within the preschool program and for the Summer Enrichment program.

School Facilities: This fund provides for usage of school facilities within the school district.

After School Enrichment: This fund provides for the After School Enrichment program.

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

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of the equipment used in the operations of the Enterprise Funds are approximately 10 years.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

3. Fiduciary Funds

Trust and Agency Funds – The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Private Purpose Scholarship Funds

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Expendable Trust Fund includes the Unemployment Compensation Insurance Fund and Scholarship Funds.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

Agency Funds – Agency Funds are used to account for the assets that the District holds on behalf of others as their agent. Agency Funds are custodial in nature and do not involve measurement of results of operations. Agency Funds include payroll and student activities funds.

C. Measurement Focus

1. Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement on Net Position.

2. Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus (Continued)

2. Fund Financial Statements (Continued)

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Fund equity (i.e., net position) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general noncurrent debt which are recorded when due.

Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the winter of each year for the general, special revenue, and debt service funds. The budgets are approved and voted on by the Board of Education of the District, submitted to the County office for approval and if determined to be within the allowable tax levy cap and within the allowable appropriation cap, become effective upon the holding of a public hearing and final adoption by the District. In accordance with P.L. 2011, c.202, which became effective 17, 2012, the district elected to move the annual School Board election to the date of the November general election thereby eliminating the vote on the annual base budget. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C 6A:23A-2.3 (et seq.). All budget amendments must be approved by School Board resolution and certain others require approved by the County Superintendent of Schools. Budgetary transfers were made during the current year in accordance with statutory guidelines. The amendments made by the District were part of the normal course of operations.

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 accounting principles generally accepted in the United States of America 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.

The over-expenditures related to on-behalf payments in the general fund are due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures.

The following presents a reconciliation of the General Fund revenue and Special Revenue Fund revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets/Budgetary Control (Continued)

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 122,638,781	\$ 5,737,214
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
June 30, 2019	None	None
June 30, 2020	None	None
State aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,850,033	90,832
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(2,136,911)</u>	<u>(281,524)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 122,351,903</u>	<u>\$ 5,546,522</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$ 120,334,732	\$ 5,737,214
Less: Budgetary expenditures that are not expenditures under GAAP - Capital outlay transfer to debt service fund.		
Difference - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
June 30, 2019	None	None
June 30, 2020	<u>None</u>	<u>None</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 120,334,732</u>	<u>\$ 5,737,214</u>

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Encumbrances

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

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as 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.

G. Assets, Liabilities and Equity

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost. 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.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

2. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, are recorded in the enterprise funds. All expenses in the other funds are recorded as expenditures during the year of purchase.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2019.

3. Allowance for Uncollectible Accounts

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

4. Tuition Receivable

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

5. Tuition Payable

Tuition charges for the fiscal years 2017-2018 and 2018-2019 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

6. Interfund Receivables/Payables

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

7. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$2,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

7. Capital Assets (Continued)

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method under the half year convention over the following useful lives:

<u>Asset Class</u>	<u>Estimated Lives</u>
School Buildings	50 years
Building Improvements	20 years
Electrical/Plumbing	30 years
Vehicles	6-8 years
Office and Computer Equipment	5-20 years
Instructional Equipment	5-10 years
Grounds Equipment	5-15 years
Food Service Equipment	7-20 years

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

9. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. 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.

The entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

9. Compensated Absences (Continued)

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

10. Accrued Liabilities and Noncurrent Obligations

All payables, accrued liabilities and noncurrent obligations are reported in the government-wide financial statements.

In general, 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 governmental funds. However, the noncurrent portion of capital leases, compensated absences and bonds payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

11. Deferred Loss on Refunding of Debt

Deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.

12. Net Position

Net Position represents the difference between assets, deferred outflows, deferred inflows and liabilities in the government-wide financial statements. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any noncurrent debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

13. Unearned (Deferred) Revenue

Unearned revenue in all funds represents program revenues that have been received but not yet earned. In the case of Food Service Fund, it is unused food distribution and student deposits for purchasing food in a future period.

14. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

15. Fund Balance

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB No. 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB No. 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five (5) categories, as defined below:

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, noncurrent receivables and corpus of any permanent funds.
- b. Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.
- c. Committed – includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revised or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- d. Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

15. Fund Balance (Continued)

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

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

16. Proprietary Funds Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise fund, (the Food Service) are charges to customers for sales of food service. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

17. Rebatable Arbitrage

Rebatable arbitrage results from investing the proceeds of borrowed funds either directly or indirectly into investments that are higher in yield than the bond yield incurred on the borrowed funds. In accordance with GASB No. 34, rebatable arbitrage is treated like a claim or judgment. All interest income is reported as revenue of the capital projects fund. The liability, if any, is recorded as an accrued arbitrage rebate.

18. Non-Monetary Transactions

Commodities received under the Federal Food Distribution Program are received by the district and are recorded as nonoperating revenue when received in the food service enterprise fund at market value. The use of the commodities is included in cost of sales.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

19. Allocation of 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 and allocated 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 reported separately on the Statement of Activities. No expenses were allocated as "Indirect Expenses".

20. 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 the control of management and are either unusual in nature or infrequent in occurrence.

21. Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District implemented GASB Statement No. 68. This Statement amends GASB Statement No. 27. The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB Statement No. 68. GASB Statement No. 68 relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement No. 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement No. 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

22. Accounting and Financial Reporting for Other Post-Retirement Benefits ("OPEB")

In 2018 the District implemented GASB Statement No. 75 which addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, revenues and expense/expenditures. The Statement GASB Statement No. 45 supersedes Accounting and Financial Reporting for Post-Employment Benefits with other than Pension.

The participating local education employer allocations included in the supplemental schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements.

23. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

H. Other Accounting Standards

The District is currently reviewing the following for applicability and potential impact on the financial statements:

- GASB Statement No. 83. *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2019. The District does not expect this Statement to impact its financial statements.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Other Accounting Standards (Continued)

- GASB Statement No. 84. *Fiduciary Activities*. This objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The District does not expect this Statement to impact its financial statements.

- GASB Statement No. 87. *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The District does not expect this Statement to impact its financial statements.

- GASB Statement No. 88. *Certain Disclosure Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2019. The District does not expect this Statement to impact its financial statements.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Other Accounting Standards (Continued)

- GASB Statement No. 89. *Accounting for Interest Cost Incurred before the End of a Construction Period.* The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encourage. The requirements of this Statement should be applied prospectively. The District does not expect this Statement to impact its financial statements.

- GASB Statement No. 90. *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61.* The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. The District does not expect this Statement to impact its financial statements.

- GASB Statement No. 91. *Conduit Debt Obligations.* The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The District does not expect this Statement to impact its financial statements.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Other Accounting Standards (Continued)

- *GASB Statement 92. Omnibus 2020.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

Effective Date: The requirements of this Statement are effective as follows:

(a) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.

(b) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.

(c) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.

(d) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020. Implementation has been postponed to June 15, 2021. The District does not expect this Statement to impact its financial statement.

- *GASB Statement 93. Replacement of Interbank Offered Rates.* The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR).

Effective Date: The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged. The District does not expect this Statement to impact its financial statement.

- *GASB Statement 94. Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 and all PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated). Implementation has been postponed to June 15, 2021. The District does not expect this Statement to impact its financial statement.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Other Accounting Standards (Continued)

- *GASB Statement 95. Postponement of the Effective Dates of Certain Authoritative Guidance.* The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2019 and later.

Effective Date: The requirements of this Statement are effective immediately. The District does not expect this Statement to impact its financial statement.

- *GASB Statement 96. Subscription-Based Information Technology Arrangements.* This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

- *GASB Statement 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.* The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Other Accounting Standards (Continued)

Effective Date: The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

I. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2020 through February 2, 2021, the date that the financial statements are issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less. Cash equivalents are defined as short-term, highly liquid securities that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only securities with original maturities of three (3) months or less meet this definition.

Investments are stated at cost, which approximates market. The District classifies certificates of deposit that have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments. The District is in compliance with GASB Statement No. 3 as amended by GASB Statement No. 40.

A. Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

As of June 30, 2020, cash and cash equivalents (Deposits) of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking Accounts - Interest Bearing	\$ 10,738,571
NJARM Asset Management	<u>10,304,778</u>
	<u>\$ 21,043,349</u>
Reconciliation:	
Governmental Funds	\$ 20,899,473
Proprietary Funds	(28,207)
Fiduciary Funds	<u>172,083</u>
	<u>\$ 21,043,349</u>

Of the total amount deposits of \$4,438,472 has been earmarked towards the Capital Reserve Account. Refer to Notes to Financial Statements Note 14.

Allocation of Cash and Cash Equivalents

Unrestricted	\$ 6,300,099
Restricted	<u>14,743,250</u>
	<u>\$ 21,043,349</u>

Custodial Credit Risk – The NJARM accounts are collateralized by U.S. government securities (both U.S. Treasury and Federal Agency) and other permitted money market instruments and not exposed to custodial credit risk. The checking accounts were on deposit in a bank which had the Government Unit Deposit Protection Act coverage ("GUDPA") as of June 30, 2020 which minimizes credit risk.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

B. Investments

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

Custodial Credit Risk – The District had no securities as of June 30, 2020 that would be considered investments as defined by GASB Statement No. 3 as amended by GASB Statement No. 40.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

4. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE

Intergovernmental Accounts Receivable at June 30, 2020 consisted of Federal source, State source, transportation, a local project and other revenue. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund</u> <u>Financial Statements</u>	<u>Business Type</u> <u>Activities</u>
General Fund		
State Aid:		
Extraordinary Special Education Aid	\$ 1,742,203	
Non Public Transportation	35,592	
Homeless Aid	34,726	
	<u>\$ 1,812,521</u>	
Special Revenue Fund		
Federal Aid:		
Title I A	\$ 505,737	
Title 1 D	76,981	
Title 1 Reallocated	8,778	
Title II	28,484	
Title III Part A	4,804	
Title III Immigrant	2,786	
Title IV	1,350	
IDEA Part B Basic Regular	318,550	
IDEA Part B Preschool	23,261	
Perkins	709	
Local Aid:		
ESCNJ - Refund NJ Non-Public Aid	10,855	
	<u>\$ 982,295</u>	
	<u>\$ 2,794,816</u>	
Proprietary Fund		
Enterprise Fund:		
State Source		\$ 824
Federal Source		<u>\$ 85,380</u>
Other Source - Due from Vendor		<u>\$ 92,978</u>

5. INVENTORY

The value of Federal donated commodities as reflected on Schedule A of \$292,866 (required by the Single Audit Act) is the difference between market value and cost of the commodities at the date of the purchase and has been included as an item of nonoperating revenue in the financial statements. As of June 30, 2020, the federal donated commodities food inventory of \$45,885 was included in the year end food and supplies amount of \$96,521.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

6. CAPITAL ASSETS, NET

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers (Retirements)</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 10,865,232	-		\$ 10,865,232
Construction in Progress	<u>38,045,819</u>	<u>\$ 32,295,366</u>	<u>\$ (61,370,106)</u>	<u>8,971,079</u>
Total capital assets not being depreciated	<u>48,911,051</u>	<u>32,295,366</u>	<u>(61,370,106)</u>	<u>19,836,311</u>
Capital assets being depreciated:				
Building and Building Improvements	152,292,936	58,454,800		210,747,736
Machinery and Equipment	<u>8,835,547</u>	<u>4,108,912</u>	<u>\$ (891,018)</u>	<u>12,053,441</u>
Total at historical cost	<u>161,128,483</u>	<u>62,563,712</u>	<u>(891,018)</u>	<u>222,801,177</u>
Less accumulated depreciation for:				
Building and Building Improvements	(57,913,101)	(5,503,065)		(63,416,166)
Machinery and Equipment	<u>(5,866,259)</u>	<u>(504,338)</u>	<u>291,495</u>	<u>(6,079,102)</u>
Total accumulated depreciation	<u>(63,779,360)</u>	<u>(6,007,403)</u>	<u>291,495</u>	<u>(69,495,268)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>97,349,123</u>	<u>56,556,309</u>	<u>(599,523)</u>	<u>153,305,909</u>
Governmental activities capital assets, net	<u>\$ 146,260,174</u>	<u>\$ 88,851,675</u>	<u>\$ (61,969,629)</u>	<u>\$ 173,142,220</u>
<u>Business-Type Activities:</u>				
Furniture, machinery and equipment	<u>\$ 978,765</u>			<u>\$ 978,765</u>
Less accumulated depreciation for:				
Furniture, machinery and equipment	<u>(745,425)</u>	<u>(46,691)</u>	<u>-</u>	<u>(792,116)</u>
Business type activities capital assets, net	<u>\$ 233,340</u>	<u>\$ (46,691)</u>	<u>-</u>	<u>\$ 186,649</u>

Detail of additions

Governmental Activities:	
General Fund	\$ 2,707,654
Special Revenue Fund	18,805
Capital Projects Fund	<u>32,295,366</u>
	<u>\$ 35,021,825</u>

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

6. CAPITAL ASSETS, NET (CONTINUED)

Depreciation expense was charged to functions as follows:

Regular Instruction	\$	1,327,546
Special Education Instruction		572,891
Other Special Instruction		195,626
Other Instruction		67,543
Support Services and Undistributed Cost:		
Student and Instruction Related Services		709,346
School Administrative Services		239,796
General and Business Administrative Services		85,954
Plant Operations and Maintenance		367,436
Pupil Transportation		<u>244,252</u>
 Total	 \$	 <u><u>3,810,389</u></u>

7. NONCURRENT (LONG-TERM) DEBT

During the fiscal year ended June 30, 2020 the following changes occurred in liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>	<u>Noncurrent Portion</u>
<u>Governmental Activities:</u>						
Bonds Payable -						
General Obligation Debt	\$ 105,048,000	\$ 16,525,000	20,805,000	\$ 100,768,000	\$ 6,258,000	\$ 94,510,000
Add: Unamortized Premium on Bonds	<u>1,175,289</u>	<u>208,905</u>	<u>947,090</u>	<u>437,104</u>	<u>150,092</u>	<u>287,012</u>
	106,223,289	16,733,905	21,752,090	101,205,104	6,408,092	94,797,012
ESIP Lease	13,500,000			13,500,000	640,000	12,860,000
Compensated Absences Payable	<u>3,379,365</u>	<u>132,477</u>		<u>3,511,842</u>	<u>526,776</u>	<u>2,985,066</u>
	<u>\$ 123,102,654</u>	<u>\$ 16,866,382</u>	<u>\$ 21,752,090</u>	<u>\$ 118,216,946</u>	<u>\$ 7,574,869</u>	<u>\$ 110,642,078</u>

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

7. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

A. Bonds and loans payable currently outstanding are summarized as follows:

School District Refunding Bonds, Series 2010

The District issued \$17,865,000 of bonds dated March 25, 2010 at a premium of \$2,081,589 in order to provide sufficient funds for the refunding and costs of issuance of \$18,199,000 of 2002 Series Bonds due on or after July 15, 2022. The bonds maturing on or after July 15, 2022 were redeemed subject to the redemption provisions. The District issued 2020 Series A School Refunding Bonds in the amount of \$4,515,000 in order to provide funds. Annual remaining maturity of \$2,135,000 is due on July 15, 2021 at an interest rate of 4.5%.

\$ 2,135,000

Redemption: The bond is not subject to redemption prior to their stated maturities.

School District Refunding Bonds, Series 2012

The District issued \$23,540,000 of bonds dated May 23, 2012 at a premium of \$2,911,931 in order to provide sufficient funds for the refunding and costs of issuance of \$14,781,000 of 2005 Series Bonds due on or after October 15, 2025. The bonds maturing on or after January 15, 2023 were redeemed subject to the redemption provisions. The District issued 2020 Series B School Refunding Bonds in the amount of \$12,010,000 in order to provide funds. Annual remaining maturities of \$1,795,000 to \$1,875,000. Final maturity is due on January 15, 2025 with interest rates on remaining maturities ranging from 4.0% to 5.0%.

3,670,000

Redemption: The bonds are not subject to redemption prior to their stated maturities.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

7. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

A. Bonds and loans payable currently outstanding are summarized as follows: (Continued)

School District Refunding Bonds, Series 2014 (Portion of 2006 Bonds)

The District issued \$4,260,000 of bonds dated October 2, 2014 at a premium of \$502,039 in order to provide sufficient funds to refund \$4,431,000 the remaining portion of 2006 Series Bonds issued in the original principal amount of \$7,391,000 and dated March 15, 2006 maturing on or after March 15, 2017. Annual maturities of \$420,000 to \$480,000 at interest rate of 4.00% with final maturity on March 15, 2026.

\$ 2,740,000

Optional Redemption: The bonds maturing prior to March 15, 2025 are not subject to redemption prior to their stated maturities. The bonds maturing on or after March 15, 2025 are redeemable at the option of the Board in whole or in part on any date on or after September 15, 2024 at 100% of the principal amount plus interest accrued to the date of redemption upon notice as required herein.

School District Bonds, Series 2017

The District issued bonds dated September 20, 2017 in the amount of \$35,000,000. The purpose of the bonds is to (i) provide \$15,000,000 to currently refund the Board's \$15,000,000 temporary notes dated January 18, 2017 and maturing October 18, 2017, originally issued to finance the acquisition of land for the construction of a new middle school; and (ii) permanently finance the acquisition of land, the associated design fees and the partial construction of a new middle school, including fixtures, furnishings and equipment; and (iii) to permanently finance design, partial construction costs including fixtures, furnishings and equipment associated with the renovation to the Linwood Middle School. The bonds are payable commencing September 15, 2018 through September 15, 2042 ranging in maturing of \$825,000 to \$1,650,000 at interest rates ranging from 2.5% to 3.0%.

33,350,000

Redemption: The bonds maturing prior to September 15, 2028 are not subject to redemption prior to maturity. The bonds maturing on or after September 15, 2028 shall be subject to redemption at the option of the Board, in whole or in part, on any date on or after September 15, 2027 at a price of 100% of the bonds to be redeemed, plus unpaid accrued interest to the date fixed for redemption.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

7. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

A. Bonds and loans payable currently outstanding are summarized as follows: (Continued)

School District Bonds, Series 2019

The District issued bonds dated February 7, 2019 in the amount of \$42,348,000. The purpose of the bonds is to permanently finance the acquisition of land, the associated design fees and the partial construction of a new middle school, including fixtures, furnishings and equipment and to permanently finance design, partial construction costs including fixtures, furnishings and equipment associated with the renovation to the Linwood Middle School. The bonds are payable commencing August 15, 2020 through August 15, 2043, ranging in maturing of \$993,000 to \$1,900,000 at interest rates ranging from 3.125% to 3.625%.

\$ 42,348,000

Redemption: The bonds maturing prior to August 15, 2029 are not subject to redemption prior to their stated maturities. The bonds maturing on or after August 15, 2029 are redeemable at the option of the Board in whole or in part on any date on or after August 15, 2028 upon notice as required herein at par, plus in each case unpaid accrued interest to the date fixed for redemption.

School Refunding Bonds Series 2020A and Series 2020B

The Bonds are being issued for the purpose of currently refunding all of the outstanding callable principal amount of the originally issued \$17,865,000 Refunding School Bonds of the Board dated March 25, 2010 and maturing on or after July 15, 2021 which may be redeemed at the option of the District in whole or in part on or after July 15, 2020 upon required notice at a redemption price equal to the par amount of the 2010 Refunded Bonds to be redeemed plus accrued interest, if any, to the 2010 redemption date; advance refunding all of the outstanding callable principal amount of the originally issued \$23,540,000 Refunding School Bonds of the Board dated May 23, 2012 and maturing on or after July 15, 2023, which may be redeemed at the option of the District in whole or in part on January 15, 2022 at a redemption price equal to the par amount of the 2012 Refunded Bonds to be redeemed plus accrued interest, if any, to the 2012 redemption date; and paying the costs of issuance with respect to the bonds.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

7. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

A. Bonds and loans payable currently outstanding are summarized as follows: (Continued)

School District Refunding Bonds 2020 Series A

The annual remaining maturity commencing July 1, 2021 of \$2,220,000 and \$2,295,000 are finally due on July 15, 2022 at an interest rate of 4.0%.

\$ 4,515,000

Redemption: The Bonds are not subject to redemption prior to the stated maturities.

School District Refunding Bonds 2020 Series B [Federally Taxable]

The annual remaining maturity commencing January 15, 2021 of \$90,000 to \$4,740,000 are due through January 15, 2025 at interest rates ranging from 0.487% to 0.954%.

Redemption: The Bonds are not subject to redemption prior to the stated maturities.

12,010,000

TOTAL:

\$ 100,768,000

Note Subsequent Event

The bonds outstanding at June 30, 2020 have been retroactively adjusted to reflect a refund of the School District Refunding Bonds Series 2010 and School District Refunding Bonds Series 2012 bonds on October 7, 2020 by the issuance of 2020 Series A School Refunding Bond and 2020 Series B School Refunding Bond. These were done at a savings to the District as required.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

7. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

A. Bonds and loans payable currently outstanding are summarized as follows: (Continued)

Bonds Pledge

The Bonds are general obligations of the Board and are secured by a pledge of the full faith and credit of the Board for the payment of the principal thereof and the interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes to be levied on all taxable real property in the school district, without limitation as to rate or amount. The Bonds are additionally secured by the provisions of the New Jersey School Bond Reserve Act.

Continuing Secondary Market Disclosure

The District in conjunction with the issuance of the Bonds has agreed to undertake and provide certain information to Bondholders on a continuing basis. The Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) "Continuing Disclosure" requirements, which the District has adopted, requires that various financial information about the District and the Municipality be provided annually to various information repositories. The requirement effective for the fiscal years ended June 30, 2020. Bonds are authorized in accordance with State law by the voters of the Municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

7. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

B. Debt Service Requirements

Debt service requirements on serial bonds payable are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 6,258,000	\$ 2,679,537	\$ 8,937,537
2022	6,590,000	2,727,336	9,317,336
2023	6,790,000	2,472,935	9,262,935
2024	6,995,000	2,341,541	9,336,541
2025	7,035,000	2,228,982	9,263,982
	<u>33,668,000</u>	<u>12,450,331</u>	<u>46,118,331</u>
2026	4,060,000	2,082,813	6,142,813
2027	3,580,000	1,953,737	5,533,737
2028	3,580,000	1,843,863	5,423,863
2029	3,580,000	1,733,987	5,313,987
2030	3,580,000	1,624,113	5,204,113
	<u>18,380,000</u>	<u>9,238,513</u>	<u>27,618,513</u>
2031	3,580,000	1,513,000	5,093,000
2032	3,580,000	1,400,650	4,980,650
2033	3,580,000	1,288,300	4,868,300
2034	3,580,000	1,175,950	4,755,950
2035	3,605,000	1,063,225	4,668,225
	<u>17,925,000</u>	<u>6,441,125</u>	<u>24,366,125</u>
2036	3,630,000	949,750	4,579,750
2037	3,630,000	834,662	4,464,662
2038	3,630,000	718,338	4,348,338
2039	3,630,000	600,775	4,230,775
2040	3,630,000	481,975	4,111,975
	<u>18,150,000</u>	<u>3,585,500</u>	<u>21,735,500</u>
2041	3,630,000	363,175	3,993,175
2042	3,565,000	245,512	3,810,512
2043	3,550,000	128,063	3,678,063
2044	1,900,000	34,438	1,934,438
	<u>12,645,000</u>	<u>771,188</u>	<u>13,416,188</u>
Total	<u>\$ 100,768,000</u>	<u>\$ 32,486,657</u>	<u>\$ 133,254,657</u>

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

7. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

C. Bonds Authorized But Not Issued

As of June 30, 2020 the District had unissued debt authorizations of \$1,200,000 from the November 1994 Referendum:

D. Defeasance

As a result of the accounting requirement under GASB No. 23/65, Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities, the recording of the transaction related to the new vs. old debt and related costs resulted in accounting losses which in conjunction with the premium will be amortized over the remaining life of the respective bond issues using the "straight-line". The Unamortized Loss on Defeasance is as follows:

<u>Refunding Bonds</u>	<u>Loss</u>	<u>Beginning Balance</u>	<u>Rapid Writeoff</u>	<u>Incurred</u>	<u>Amortization</u>	<u>Ending Balance</u>
2010 Series	\$ 1,580,296	\$ 1,236,691	\$ 989,353		\$ 247,338	\$ -
2012 Series	2,968,058	263,384			263,384	-
2014 Series	331,039	180,566			30,094	150,472
2020 Series A	123,905			\$ 123,905		123,905
2020 Series B	1,304,030			1,304,030		1,304,030
		<u>\$ 1,680,641</u>	<u>\$ 989,353</u>	<u>\$ 1,427,935</u>	<u>\$ 540,816</u>	<u>\$ 1,578,407</u>

E. Operating Lease Obligation

- I. The District leases twenty eight (28) copy machines and related equipment of various sizes and capability which is part of a revolving lease plan that requires the Board to pay a monthly fee plus a factor for each copy over a certain amount for forty eight (48) months, commencing June 1, 2019 through May 31, 2023. The lease payments charged to the operating budget and the minimum annual lease payments are as follows:

	<u>Copy Machine</u>
2021	\$ 259,884
2022	259,884
2023	64,971
	<u>\$ 584,739</u>

- II. The District also has entered into five (5) leases for various equipment, textbooks and computers. The leases do not qualify as capital; however the minimum lease payables are as follows included are leases.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

7. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

E. Operating Lease Obligation (Continued)

		<u>Equipment & Textbooks</u>	
2021	\$	966,767	
2022		966,767	
2023		569,682	
2024		569,682	
2025		214,660	
		3,287,558	\$
		3,287,558	

F. Capital Lease

The District entered into a capital lease for an Energy Saving Improvement Plan (ESIP) to the District's buildings. The incentive is anticipated to generate sufficient savings to offset a portion of the cost. The payments are as follows:

<u>Year</u>		<u>Principal</u>		<u>Interest</u>		<u>Total</u>
2020	\$	640,000	\$	402,840		1,042,840
2021		660,000		383,742		1,043,742
2022		790,000		364,048		1,154,048
2023		600,000		340,475		940,475
2024		625,000		322,570		947,570
2025		610,000		303,921		913,921
2026		645,000		285,718		930,718
2027		680,000		266,471		946,471
2028		715,000		246,180		961,180
2029		755,000		224,844		979,844
2030		795,000		202,315		997,315
2031		835,000		178,593		1,013,593
2032		880,000		153,676		1,033,676
2033		925,000		127,417		1,052,417
2034		970,000		99,815		1,069,815
2035		750,000		70,870		820,870
2036		790,000		48,490		838,490
2037		835,000		24,916		859,916
		13,500,000	\$	4,046,901	\$	17,546,901
		13,500,000		4,046,901		17,546,901

Contract Rate – the contract rate is 2.984% per annum.

Purchase Option Commencement Date – for purposes of Section 10.01 of the Agreement, the Purchase Option Commencement Date is July 14, 2020.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

7. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

G. 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 District's employees upon retirement are compensated for their unused sick times at rates vary which with respective contracts and subject to statutory limits and dates of employment rate. The rate in all cases is a predetermined amount per day.

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 that 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 of Pension 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.

Teachers' Pension and Annuity Fund (TPAF)

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

The vesting and benefit provisions are set by N.J.S.A. 18A:66, TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

8. PENSION PLANS (CONTINUED)

Description of Plans (Continued)

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

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

Public Employees' Retirement System (PERS)

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

8. PENSION PLANS

Description of Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

Funding Policy: The contribution policy is set by New Jersey Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS increased from 5.5% to 6.5% of employees' annual compensation. An additional increase is to be phased in over the next seven years that will bring the total pension contribution rate to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2020 for TPAF, which is a cost sharing plan with special funding situations, the annual pension costs equals annual required contribution. For PERS, which is a cost sharing multi-employer pension plan, the annual pension costs differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

Three-Year Trend Information for PERS

<u>Year Funding June 30,</u>	<u>Net Cost to District</u>	<u>Percentage of APC Contributed</u>	<u>Employee Contribution</u>
2020	\$ 1,257,708	100%	\$ 727,129
2019	1,284,741	100%	703,958
2018	1,188,943	100%	656,769

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

8. PENSION PLANS (CONTINUED)

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

Year Funding <u>June 30</u>	Cost (APC)	APC <u>Contributed</u>	Total <u>On-Behalf of</u>	Employee <u>Contribution</u>	TPAF <u>FICA</u>
2020	\$ None	100%	\$ 9,115,935	\$ 3,442,153	\$ 3,153,445
2019	None	100%	7,845,625	3,398,902	3,267,244
2018	None	100%	5,857,248	3,162,246	3,105,395

During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$9,115,935 to the TPAF for normal pension. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$3,153,445 during the year ended June 30, 2019 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 basic financial statements, and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 24.

Public Employees Retirement System (PERS)

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2018 and June 30, 2017 Independent Auditor's Reports dated May 19, 2019 and April 27, 2018, respectively.

The District reported a liability of \$23,297,785 and \$25,431,283 for its proportionate share of the net pension liability as of June 30, 2020 and June 30, 2019, respectively. The net pension liability was measured as of June 30, 2019 and June 30, 2018 (the *Measurement Date*), 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 school districts, actuarially determined.

	<u>June 30, [Measurement Date]</u>	
	<u>2019</u>	<u>2018</u>
District Proportionate Share	0.1292993699 %	0.1291616400 %
Difference - Increase	0.0001377299	

The contribution policy for PERS is set by N.J.S.A. 43.15A and requires contributions by active members and contributing employers. Employee contributions for 2020 were seven and 50/100th percent (7.5%) for PERS. Employer's contributions are actuarially determined annually by the Division of Pensions.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

8. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

For the year ended June 30, 2020, the District recognized pension expense of \$350,356. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 2,326,369	8,086,587
Difference between expected and actual experience	418,165	102,919
Net difference between projected and actual earnings on pension plan investments		367,765
Changes in proportion	1,546,754	20,965
District contributions subsequent to the measurement date	<u>1,466,917</u>	
Total	<u>\$ 5,758,205</u>	<u>\$ 8,578,236</u>

The \$1,466,917 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2019, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2021	\$ (668,092)
2022	(2,167,278)
2023	(1,935,253)
2024	(908,701)
2025	(93,307)

Collective balances are as follows:

	<u>June 30, [Measurement Date]</u>	
	<u>2019</u>	<u>2018</u>
Collective deferred outflows of resources	\$ 3,149,522,616	\$ 4,684,852,302
Collective deferred inflows of resources	7,645,087,574	7,646,736,226
Collective net pension liability	18,143,832,135	19,689,501,539
Collective total pension expense	974,471,686	1,099,708,157

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

8. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2019 *measurement date* was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	2.75%
Salary Increases:	
Through 2026	2.00-6.00% (based on year of service)
Thereafter	3.00-7.00% (based on year of service)
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2000 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for one period July 1, 2017 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger impact on future financial statements.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

8. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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 PERS's target asset allocation as of June 30, 2019 (*measurement date*) are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Risk Mitigation/ Strategies	3.00 %	4.67 %
Cash Equivalents	5.00	2.00
U.S. Treasuries	5.00	2.68
Investment Grade Credit	10.00	4.25
High Yield	2.00	5.37
Real Estate	7.50	8.33
Real Assets	2.50	9.31
Private Credit	6.00	10.85
Private Equity	12.00	9.00
U.S. Equity	28.00	8.26
Non-U.S. Developed Markets Equity	12.50	9.01
Emerging Market Equities	6.50	11.37

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 made based on the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. 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 2057. 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 projected benefit payments after that date in determining the total pension liability.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

8. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of The Collective Net Pension Liability to Changes in the Discount Rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2019 respectively, 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:

	June 30, 2019 [<i>Measurement Date</i>]		
	1% Decrease	At Current	1% Increase
	<u>4.28%</u>	<u>5.28%</u>	<u>6.28%</u>
District's proportionate share of the pension liability	\$ 29,429,144	\$ 23,297,785	\$ 18,131,620

Pension Plan Fiduciary Net Position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS) or by visiting their website at www.state.nj.us/treasury/pensions/pers1.

Teachers Pensions and Annuity Fund (TPAF)

Data for the TPAF was abstracted from the State of New Jersey Teachers' Pension and Annuity Fund Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer and Nonemployer as of June 30, 2019 and June 30, 2018 Independent Auditor's Reports dated June 5, 2020 and June 10, 2019, respectively.

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2019 was as follows:

Net Pension Liability:	
District's proportionate share	None
State's proportionate share associated with the District	\$ 239,796,241
	\$ 239,796,241

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

8. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The net pension liability associated with the District 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. The proportion of the TPAF net pension liability associated with the District was as follows:

	June 30,	
	2019	2018
District Proportionate Share	0.39073252900 %	0.38831265360 %
Difference - Increase	0.0024198754	

For the year ended June 30, 2020, the District recognized on-behalf pension expense and revenue of \$14,143,823 for contributions provided by the State.

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55% - 4.45% (based on year of service)
Thereafter	2.75% - 5.65% (based on year 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-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

8. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (5.60% at June 30, 2019) 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, 2019 are summarized in the table as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00 %	4.67 %
Cash Equivalents	5.00	2.00
U.S. Treasuries	5.00	2.68
Investment Grade Credit	10.00	4.25
High Yield	2.00	5.37
Private Credit	6.00	7.92
Real Assets	2.50	9.31
Real Estate	7.50	8.33
U.S. Equity	28.00	8.26
Non-U.S. Developed Markets Equity	12.50	9.00
Emerging Markets Equity	6.50	11.37
Private Equity	<u>12.00</u>	10.85
	<u>100.00 %</u>	

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

8. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. 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 3.50% as of June 30, 2019, 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 made based on the most recent fiscal years. The state contributed 50% of the actuarially determined contributions. 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 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability associated with the District as of June 30, 2020 (*measurement date June 30, 2019*) calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease <u>4.60%</u>	At Current Discount Rate <u>5.60%</u>	At 1% Increase <u>6.60%</u>
State's proportionate share of the net pension liability associated with the District	\$ 282,693,049	\$ 239,796,241	\$ 204,081,627

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 are as follows:

	June 30,	
	<u>2019</u>	<u>2018</u>
Deferred outflows of resources	\$ 10,129,162,237	\$ 12,599,296,329
Deferred inflows of resources	17,736,240,054	16,171,861,734
Net pension liability	61,519,112,443	63,617,852,031
Total expenses - non-employer	3,628,861,805	3,726,181,598

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

9. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If an eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and adjusted for membership earnings or losses. It is a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employee's Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured chief administrative officer such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements other employees who hold a professional license or certificate or meet other exceptions are permitted to remain in PERS.

Contributions Required and Made

Contributions made by employees for DCRP are currently 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution. Contributions to the plan were as follows:

<u>June 30,</u>	<u>Employee</u>	<u>Employer</u>
2020	\$ 38,446	\$ 0
2019	45,616	27,985
2018	41,655	25,425

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

10. POST-RETIREMENT BENEFITS (“OPEB”)

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In fiscal year 2018 the State paid PRM benefits for 148,401 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 2019 the State contributed \$1,908 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State’s pay-as-you-go contributions have remained consistent with fiscal year 2018 amounts. The State has appropriated \$1.612 billion in fiscal year 2020 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 qualify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. The 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. For fiscal year 2019 the total OPEB liability for the State is \$76.0 billion, a decrease of \$14.5 billion or 16 percent from the re-measured total OPEB liability in fiscal year 2018.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. Seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Employees (statewide) covered by benefit terms. At June 30, 2019 the following employees were covered by the benefit terms:

Active Plan Members	216,892.00
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051.00
Inactive Plan Members or Beneficiaries Not Yet Receiving Benefits	<u>0</u>
Total Plan Members	<u><u>364,943.00</u></u>

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

10. POST-RETIREMENT BENEFITS (“OPEB”) (CONTINUED)

Three-Year Trend Information for TPAF Medical (Paid on-behalf of the District)

Fiscal Year Ended <u>June 30,</u>	<u>Post-Retirement Medical</u>
2020	\$ 3,381,845
2019	3,558,763
2018	3,783,072

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

The District is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the board of education level. Note that actual numbers will be published in the NJ State's CAFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>). The portion of the PERS and TPAF OPEB Liability that was associated with the District recognized at June 30, 2019 was as follows:

Net OPEB Liability:

Districts proportionate share	None
State's proportionate share associated with the District	<u>\$ 157,196,926</u>
	<u><u>\$ 157,196,926</u></u>

The proportion of the PERS and TPAF OPEB collective liability that was associated with the District is as follows:

<u>June 30,</u>	
<u>2019</u>	<u>2018</u>
0.0037670833 %	0.0036970212 %

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

10. POST-RETIREMENT BENEFITS (“OPEB”) (CONTINUED)

Total Nonemployer OPEB Liability (Continued)

Inflation rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
	<i>(based on service years)</i>	<i>(based on service years)</i>
Salary increases:		
through 2026	1.55-3.05%	2:00-6.00%
Thereafter	1.55-3.05%	3.00-7.00%

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-2019. 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-2019. 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-2019.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods 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.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage, 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The discount rate utilized was 3.58% as of June 30, 2017 and 3.87% for June 30, 2018.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. 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.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

10. POST-RETIREMENT BENEFITS (“OPEB”) (CONTINUED)

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate (Continued)

June 30, 2019		
At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
\$ 185,711,690	\$ 157,196,296	\$ 134,546,361

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate

The following represents the total nonemployer OPEB liability as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

June 30, 2019		
1% Decrease	Healthcare Cost Trend Rate	1% Increase
\$ 129,523,261	\$ 157,196,296	\$ 193,831,177

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2016.

Shown below are details regarding the Total OPEB Liability associated with the District for the measurement period from June 30, 2018 to June 30, 2019:

	<u>Total OPEB Liability</u>
Balance as of June 30, 2018 <i>Measurement Date</i>	\$ 170,472,726
Changes Recognized for the Fiscal Year:	
Service Cost	\$ 7,405,544
Interest on the Total OPEB Liability	6,377,896
Changes of Assumptions	2,241,234
Gross Benefit Payments	(4,614,275)
Difference between Expected and Actual Experience	(20,845,936)
Contributions from the Member	136,780
Net Changes	\$ (9,298,757)
Balance as of June 30, 2019 <i>Measurement Date</i>	\$ 157,196,296

Changes of assumptions and other inputs reflect a change in the discount rate from 3.84% as of June 30, 2018 to 3.50% as of June 30, 2019.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

10. POST-RETIREMENT BENEFITS (“OPEB”) (CONTINUED)

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate (Continued)

The components of the Net OPEB Liability as of June 30, 2019 are as follows:

		<u>Measurement Date</u> <u>June 30, 2019</u>
Total OPEB Liability	\$	157,472,726
Plan Fiduciary Net Position		None
Net OPEB Liability	\$	157,472,726
Net Position as a Percentage of OPEB Liability		0.0%
OPEB Expense	\$	4,936,535

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

For the year ended June 30, 2019, the board of education recognized OPEB expense of \$4,936,535 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the District 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, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

The following table illustrates the Deferred Inflows and Outflows as of June 30, 2019 under GASB No. 75 prior to any reduction due to the Fiscal Year 2020 amortizations.

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Assumption Changes		\$ 31,950,628
Changes in Proportion	\$ 4,139,423	
Differences between Actual and Expected Experience		38,497,738
Total	<u>\$ 4,139,423</u>	<u>\$ 70,448,366</u>

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

10. POST-RETIREMENT BENEFITS (“OPEB”) (CONTINUED)

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

Amount recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense (revenues) as follows:

Measurement Period Ending June 30,

2021	\$ (9,592,980)
2022	(9,592,980)
2023	(9,592,980)
2024	(9,592,980)
2025	(9,592,980)
Total Thereafter	(23,483,465)

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 Education Group are as follows:

	June 30,	
	2019	2018
Deferred outflows of resources	\$ 1,921,145,183	\$ 1,377,313,892
Deferred inflows of resources	20,887,639,826	16,189,378,926
Net OPEB liability	41,729,081,045	46,110,832,982
Total expenses - non-employer	1,015,664,874	2,129,660,368

Other

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

11. DEFERRED COMPENSATION

A. IRS Code Section 403(b)

The District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits 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:

AIG Valic	FTJ Fund Choice
AXA Equitable	New York Life Insurance Company/
Lincoln Investment Planning Inc.	Mainstay Investments
Security Benefit	MetLife

B. IRS Code Section 457

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan which is administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrator is AIG – VALIC Financial Resource.

12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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 contributes to the State of New Jersey unemployment fund which requires quarterly remittances to the state for both employer and employee share. Benefits if any will get paid by the State.

Health Benefits: The Board of Education has procured medical insurance coverage for its employees under a "monthly premium plan" where the employees have several options to select from; prescriptions are done under a self-insured plan.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

13. INTERFUND BALANCES AND TRANSFERS

The interfund receivable/payable as of June 30, 2020 will be liquidated in the normal course of business in the succeeding year.

	<u>Receivable</u>	<u>Payable</u>
Governmental Funds:		
Debt Service Fund	\$ <u>1,012,059</u>	
Capital Projects Fund		\$ <u>1,012,059</u>

14. RESERVE ACCOUNTS

A. CAPITAL RESERVE

A Capital Reserve Account was established by the Board by inclusion on October 10, 2000 and June 25, 2011 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. Analysis of Capital Reserve Activity since Inception:

Contributions from Board		
Prior to June 30, 2019	\$ 21,505,874	
During year ended June 30, 2020	<u>3,949,789</u>	\$ 25,455,663
Interest Earned		
Prior to June 30, 2019	\$ 95,869	
During year ended June 30, 2020	<u>16,305</u>	\$ 112,174
Less Withdrawals:		
Prior to June 30, 2019	\$ 18,623,789	
During year ended June 30, 2020	<u>2,505,576</u>	<u>\$ 21,129,365</u>
Balance June 30, 2020		<u><u>\$ 4,438,472</u></u>

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

14. RESERVE ACCOUNTS (CONTINUED)

B. MAINTENANCE RESERVE

The School District established a maintenance reserve account for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District's approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at yearend of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four (4) percent of the replacement cost of the school district's school facilities for the current year.

Balance, June 30, 2019	
Contributions from Board	
During year ended June 30, 2020	\$ 1,250,000.00
Less Withdrawals -	
During year ended June 30, 2020	<u>(250,000.00)</u>
Balance June 30, 2020 [Budgetary Basis]	\$ <u>1,500,000.00</u>

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

15. DEFICIT FUND BALANCES – SPECIAL REVENUE FUND

The District has a deficit fund balance of \$281,524 in the Special Revenue Fund as of June 30, 2020 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two (2) state aid payments in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$281,524 in the Special Revenue Fund is equal to the last state aid payment in the Special Revenue Fund.

16. FUND BALANCE APPROPRIATED

General Fund - Of the \$6,560,660 General Fund fund balance at June 30, 2020, \$712,188 is assigned – for other purposes (encumbrances); \$4,438,472 is restricted for the Capital Reserve Account, and \$1,500,000 is restricted for the Maintenance Reserve.

Debt Service Fund – Of the \$1,012,060 Debt Service Fund fund balance at June 30, 2020, \$541,611 is included as revenue in the 2020-2021 debt service fund budget to offset expenditures.

Capital Projects Fund – Of the \$9,742,711 Capital Projects Fund fund balance at June 30, 2020 is restricted for capital projects most of which have been committed.

17. CONTINGENT LIABILITIES AND COMMITMENTS

A. Grant Programs – The school district participates in federal, state and locally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school 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 which would result in the disallowance of program expenditures.

B. Pending Litigation – As of the date of this report, in the opinion of the management, there was no litigation pending which, in the event of an adverse or unfavorable outcome, would materially impair the financial position of the District. There were several matters pending that are being handled by the Board's insurance carrier which should not have any adverse impact.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

17. CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)

C. Interlocal Services Agreement – The District has an agreement with the Township for reimbursement for unforeseen soil remediation at the High School. The Township adopted an Improvement Authorization to provide funds and the District actually awarded and managed the related contracts. The agreement also requires payment back to the Township for debt service.

D. Contractual Commitments

The District has contractual commitments at June 30, 2020 to various vendors, which are recorded in the general fund as fund balance assigned for other purposes in the amount of \$712,188 and in the capital projects \$5,835,070 for the construction of a new middle school and other improvements.

E. Space Rental

The District entered into a building lease agreement to serve as classrooms or its Early Childhood Education Center. The lease is from September 1, 2018 through August 1, 2023. The lease payments are \$200,000 per year and the District is responsible for utilities. The District has embarked on a building construction program which when complete, will eliminate the annual rental obligation.

18. CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund 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. There was no excess surplus as a result of the 2018-2019 or 2019-2020 school years at June 30, 2020.

19. RECONCILIATION OF FUND BALANCE

Current Fund

The Surpluses are presented on a GAAP basis and reconciliation to the budget basis is follows:

<u>General Fund</u>	<u>Unassigned</u>	<u>Capital</u>
Balance on a Budget Basis on the General Fund		
Budgetary Basic Comparison	\$ 2,093,490	\$ 4,481,893
Less: Allocation of state aid payment not recognized		
on a GAAP basis - \$2,136,911	<u>2,093,490</u>	<u>43,421</u>
	<u>\$ None</u>	<u>\$ 4,438,472</u>

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

20. ECONOMIC DEPENDENCY

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

21. NET POSITION – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$242,637,488 indicated as part of the Governmental Activities net position is calculated as follows:

	Amount
Capital assets, net of depreciation	\$ 173,142,220
Bonds payable (used to build or acquire capital assets)	(100,768,000)
Deferred loss on defeasance of debt	1,578,408
Unamortized deferred premium	(437,105)
Lease Proceeds - ESIP	(13,500,000)
	\$ 60,015,523

22. TAX ABATEMENTS

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

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provision at N.J.S.A.18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

22. TAX ABATEMENTS (CONTINUED)

The Township of North Brunswick provides for long-term tax exemptions, as authorized by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The exemptions provided by the Township of North Brunswick are for senior citizen housing projects and a technology center. Taxes abated include municipal, local school and county taxes.

The Township of North Brunswick anticipated revenue of \$1,362,600 from the annual service charge in lieu of payment of taxes in 2020 had the true amount been levied on these long-term tax exemptions, the school tax due would be substantially higher and a portion of the abatement would have been allocated to the District.

23. SUBSEQUENT EVENT: COVID-19 CORONAVIRUS PANDEMIC

The COVID-19 Coronavirus outbreak in the United States has caused the Governor of the State of New Jersey to mandate closures and a curfew for all nonessential citizens and businesses. The management of the District (which is essential) has evaluated the impact of the situation and has determined that overall there is no adverse impact on its June 30, 2020 financial statements (*audited*). Financial impact for the year ending June 30, 2021 is uncertain at this time. A significant portion of the revenue to support the District operations is state aid and taxation; however, the outcome is uncertain at this time. It is not known at this time if there are any federal or state funds available for impact relief.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 81,099,445		\$ 81,099,445	\$ 81,099,445	
Interest Cap Reserve	8,500		8,500	16,305	\$ (7,805)
Transportation Fees	110,000		110,000	101,753	8,247
Miscellaneous	240,000		240,000	1,268,475	(1,028,475)
Total - local sources	81,457,945		81,457,945	82,485,978	1,028,033
State sources:					
Special Education Categorical Aid	5,372,023		5,372,023	5,372,023	
Equalization Aid	13,147,323		13,147,323	13,147,323	
Extraordinary aid	1,250,000		1,250,000	1,742,203	(492,203)
Security Aid	1,619,505		1,619,505	1,619,505	
Transportation Aid	2,310,618		2,310,618	2,310,618	
Non Public Transportation Aid				35,592	(35,592)
Homeless Aide				34,726	(34,726)
On behalf - TPAF - Pension Contribution (Non-budgeted)				9,115,935	(9,115,935)
On behalf - TPAF - Post Retirement Medical (Non-budgeted)				3,381,845	(3,381,845)
On behalf - TPAF - Long-Term Disability Insurance (Non-budgeted)				9,001	(9,001)
Reimbursed TPAF social security contributions (Non-budgeted)				3,153,445	(3,153,445)
Total - state sources	23,699,469		23,699,469	39,922,216	(16,222,747)
Federal sources:					
Medical Assistance Program	243,070		243,070	230,587	(12,483)
Total - federal sources	243,070		243,070	230,587	(12,483)
TOTAL REVENUES	\$ 105,400,484		\$ 105,400,484	\$ 122,638,781	\$ (15,207,197)

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE:					
Regular programs - instruction:					
Salaries of teachers:					
Kindergarten	\$ 1,369,590	\$ 200	\$ 1,369,790	\$ 1,238,473	\$ 131,317
Grades 1 - 5	10,231,886	(175,835)	10,056,051	10,056,051	
Grades 6 - 8	6,460,820	(462,471)	5,998,349	5,998,349	
Grades 9 - 12	8,789,128	(25,402)	8,763,726	8,763,726	
	<u>26,851,424</u>	<u>(663,508)</u>	<u>26,187,916</u>	<u>26,056,599</u>	<u>131,317</u>
Regular programs - home instruction:					
Salaries of teachers		198	198	198	
Purchased professional - education services	50,000	38,591	88,591	88,591	
TV & Radio Salaries for Instruction		567	567	567	
	<u>50,000</u>	<u>39,356</u>	<u>89,356</u>	<u>89,356</u>	
Regular programs - undistributed instruction:					
Other salaries for instruction	226,966	31,663	258,629	258,629	
Purchased professional - educational services	950,000	118,979	1,068,979	1,068,673	306
Other purchased services (400-500 Series)	480,598	212,680	693,278	658,150	35,128
General supplies	786,656	(42,345)	744,311	683,871	60,440
Other objects	28,348	(8,000)	20,348	14,433	5,915
	<u>2,472,568</u>	<u>312,977</u>	<u>2,785,545</u>	<u>2,683,756</u>	<u>101,789</u>
Total regular programs - undistributed instruction	<u>2,472,568</u>	<u>312,977</u>	<u>2,785,545</u>	<u>2,683,756</u>	<u>101,789</u>
Total regular programs - instructions	<u>29,373,992</u>	<u>(311,175)</u>	<u>29,062,817</u>	<u>28,829,711</u>	<u>233,106</u>
Special education instruction:					
Learning and/or language disabilities:					
Salaries of teachers	1,112,069	197,435	1,309,504	1,309,504	
Other salaries for instruction	378,914	113,487	492,401	492,401	
General supplies	43,299	(7,200)	36,099	35,088	1,011
	<u>1,534,282</u>	<u>303,722</u>	<u>1,838,004</u>	<u>1,836,993</u>	<u>1,011</u>
Total learning and/or language disabilities	<u>1,534,282</u>	<u>303,722</u>	<u>1,838,004</u>	<u>1,836,993</u>	<u>1,011</u>
Behavioral Disabilities:					
Salaries of teachers	287,885	35,233	323,118	280,375	42,743
Other salaries for instruction	121,735	(50,882)	70,853	70,853	
General Supplies	6,166	1,500	7,666	7,515	151
	<u>415,786</u>	<u>(14,149)</u>	<u>401,637</u>	<u>358,743</u>	<u>42,894</u>
Total Behavioral Disabilities	<u>415,786</u>	<u>(14,149)</u>	<u>401,637</u>	<u>358,743</u>	<u>42,894</u>

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Multiple Disabilities:					
Salaries of teachers	\$ 480,898	\$ (119,518)	\$ 361,380	\$ 361,148	232
Other salaries for instruction	125,357	(35,315)	90,042	83,223	6,819
General supplies	<u>35,754</u>	<u>(12,831)</u>	<u>22,923</u>	<u>22,411</u>	\$ <u>512</u>
Total Multiple Disabilities	<u>642,009</u>	<u>(167,664)</u>	<u>474,345</u>	<u>466,782</u>	<u>7,563</u>
Resource room/resource center:					
Salaries of teachers	4,904,621	(132,863)	4,771,758	4,726,529	45,229
Other salaries for instruction	678,149	(5,807)	672,342	662,131	10,211
General supplies	<u>24,907</u>	<u>(3,900)</u>	<u>21,007</u>	<u>20,001</u>	<u>1,006</u>
Total resource room/resource center	<u>5,607,677</u>	<u>(142,570)</u>	<u>5,465,107</u>	<u>5,408,661</u>	<u>56,446</u>
Autism:					
Salaries of teachers	567,350	(41,653)	525,697	516,319	9,378
Other salaries for instruction	394,884	(38,518)	356,366	322,540	33,826
General Supplies	<u>34,174</u>	<u></u>	<u>34,174</u>	<u>33,670</u>	<u>504</u>
Total Autism	<u>996,408</u>	<u>(80,171)</u>	<u>916,237</u>	<u>872,529</u>	<u>43,708</u>
Preschool disabilities - part-time:					
Salaries of teachers	283,469	(252,981)	30,488	\$ 30,488	
Other salaries for instruction	279,429	(264,871)	14,558	14,558	
General supplies	<u>5,000</u>	<u>(5,000)</u>	<u></u>	<u></u>	<u></u>
Total preschool disabilities-part-time	<u>567,898</u>	<u>(522,852)</u>	<u>45,046</u>	<u>45,046</u>	<u></u>
Preschool disabilities - full time					
Salaries of teachers	119,931	555,435	675,366	675,366	
Other salaries for instruction	144,639	314,208	458,847	458,847	
General supplies	<u>1,000</u>	<u>5,124</u>	<u>6,124</u>	<u>6,120</u>	<u>4</u>
Total preschool disabilities-full-time	<u>265,570</u>	<u>874,767</u>	<u>1,140,337</u>	<u>1,140,333</u>	<u>4</u>
Home Instruction:					
Salaries of teachers	25,000	(25,000)			
Purchased professional-educational services	<u>30,000</u>	<u>57,100</u>	<u>87,100</u>	<u>79,329</u>	<u>7,771</u>
Total home instruction	<u>55,000</u>	<u>32,100</u>	<u>87,100</u>	<u>79,329</u>	<u>7,771</u>
Total special education - instruction	<u>10,084,630</u>	<u>283,183</u>	<u>10,367,813</u>	<u>10,208,416</u>	<u>159,397</u>

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Basic skills/remedial - Instruction:					
Salaries of teachers	\$ 3,052,425	11,423	\$ 3,063,848	\$ 3,063,848	
General supplies	4,800	(500)	4,300	2,619	1,681
Total basic skills/remedial - Instruction	3,057,225	10,923	3,068,148	3,066,467	1,681
Bilingual education - Instruction:					
Salaries of teachers	1,085,819	98,814	1,184,633	1,164,199	\$ 20,434
Other salaries for instruction		16,762	16,762	16,762	
General supplies	3,800	(18)	3,782	890	2,892
Total bilingual education - Instruction	1,089,619	115,558	1,205,177	1,181,851	23,326
School sponsored co/extra - curricular activities - Instructions:					
Salaries	299,688	(250)	299,438	293,701	5,737
Supplies and materials	66,805	(11,673)	55,132	44,226	10,906
Total school sponsored co/extra - curricular activities - Instruction	366,493	(11,923)	354,570	337,927	16,643
School sponsored athletics - Instruction:					
Salaries	636,718		636,718	605,445	31,273
Purchased services (300-500 Series)	117,278	(1,384)	115,894	94,620	21,274
Supplies and materials	211,150	58,675	269,825	255,883	13,942
Other objects	73,597	(409)	73,188	70,997	2,191
Total school sponsored athletic activities	1,038,743	56,882	1,095,625	1,026,945	68,680
Before/After School programs:					
Salaries	135,750		135,750	101,920	33,830
Total Before/After School Programs	135,750		135,750	101,920	33,830
Total special programs	5,687,830	171,440	5,859,270	5,715,110	144,160
Total instructional programs	45,146,452	143,448	45,289,900	44,753,237	536,663
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state - regular	100,000		100,000	68,167	31,833
Tuition to other LEAs within the state - special	695,393	(226,751)	468,642	115,788	352,854
Tuition to CSSD and regular day schools	165,000		165,000	65,182	99,818
Tuition to private schools-disabled within the state	1,285,739		1,285,739	983,378	302,361
Tuition - state facilities	86,811		86,811	62,443	24,368
Total undistributed expenditures - instruction	2,332,943	(226,751)	2,106,192	1,294,958	811,234

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Attendance and social work:					
Salaries	\$ 75,000	(24,903)	\$ 50,097	\$ 48,266	1,831
Total attendance and Social Work	<u>75,000</u>	<u>(24,903)</u>	<u>50,097</u>	<u>48,266</u>	<u>1,831</u>
Health services:					
Salaries	757,897	9,445	767,342	728,569	38,773
Purchased professional and technical services	12,000	(1,189)	10,811	9,441	1,370
Other purchased services (400-500 Series)	1,900	(1,552)	348	348	
Supplies and materials	<u>46,445</u>	<u>3,912</u>	<u>50,357</u>	<u>42,775</u>	\$ 7,582
Total health services	<u>818,242</u>	<u>10,616</u>	<u>828,858</u>	<u>781,133</u>	<u>47,725</u>
Other support services - student-related services:					
Salaries	716,804	(5,000)	711,804	678,891	32,913
Purchased professional - educational services	301,120	282,059	583,179	557,790	25,389
Supplies and materials	<u>8,257</u>	<u>(691)</u>	<u>7,566</u>	<u>6,827</u>	739
Total other support services - student-related services	<u>1,026,181</u>	<u>276,368</u>	<u>1,302,549</u>	<u>1,243,508</u>	<u>59,041</u>
Other support services - student extra services					
Salaries	720,755	(19,831)	700,924	700,924	
Purchased professional - educational services	993,530	(320,126)	673,404	638,959	34,445
Supplies and Materials	<u>2,500</u>	<u>3,596</u>	<u>6,096</u>	<u>4,296</u>	1,800
Total other support services - student-extra services	<u>1,716,785</u>	<u>(336,361)</u>	<u>1,380,424</u>	<u>1,344,179</u>	<u>36,245</u>
Other support services - students - regular:					
Salaries of other professional staff	1,284,850	18,629	1,303,479	1,303,479	
Salaries of secretarial & clerical assistants	110,768		110,768	107,282	3,486
Purchased professional - educational services	5,000	20,416	25,416	25,416	
Other purchased services (400-500 Series)	20,000	91,928	111,928	102,118	9,810
Supplies and materials	9,000	(2,676)	6,324	5,774	550
Other Objects	<u>2,375</u>		<u>2,375</u>	<u>2,125</u>	250
Total other support services - students - regular	<u>1,431,993</u>	<u>128,297</u>	<u>1,560,290</u>	<u>1,546,194</u>	<u>14,096</u>
Other support services - students - special:					
Salaries of other professional staff	2,623,495	(5,020)	2,618,475	2,531,619	86,856
Salaries of secretarial & clerical assistants	279,094	(2,281)	276,813	252,473	24,340
Purchased professional - educational services	368,000	53,958	421,958	407,027	14,931
Miscellaneous purchased services (400-500 Series)	5,000	(3,000)	2,000	1,671	329
Supplies and materials	47,218	4,182	51,400	48,989	2,411
Other Objects	<u>11,600</u>	<u>(3,403)</u>	<u>8,197</u>	<u>7,916</u>	281
Total other support services - students - special	<u>3,334,407</u>	<u>44,436</u>	<u>3,378,843</u>	<u>3,249,695</u>	<u>129,148</u>

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Improvement of instructional services:					
Salaries of supervisors of instruction	\$ 2,694,644	96,696	\$ 2,791,340	\$ 2,769,816	21,524
Salaries of other professional staff	40,000	(4,543)	35,457	26,897	8,560
Salaries of secretarial & clerical assistants	102,213	2,055	104,268	104,268	
Travel	3,000		3,000	935	2,065
Other objects	19,680	(16,354)	3,326		\$ 3,326
Total improvement of instructional services	2,859,537	77,854	2,937,391	2,901,916	35,475
Educational media services/school library:					
Salaries	542,977	(7,267)	535,710	529,750	5,960
Supplies and materials	28,161		28,161	25,221	2,940
Total educational media services/school library	571,138	(7,267)	563,871	554,971	8,900
Instructional staff training services:					
Salaries of other professional staff	70,000	(10,505)	59,495	59,495	
Purchased professional - educational services	97,071	35,016	132,087	130,896	1,191
Other purchased prof. and tech. services		110	110		110
Other purchased services (400-500 Series)	78,097	(27,570)	50,527	47,809	2,718
Supplies and materials	2,000	800	2,800	2,586	214
Other Objects	8,500	(217)	8,283	8,283	
Total instructional staff training services	255,668	(2,366)	253,302	249,069	4,233
Support services - general administration:					
Salaries	753,875	66,217	820,092	820,091	1
Legal services	155,000	15,572	170,572	170,572	
Audit fee	46,500	9,550	108,800	53,050	55,750
Architects/Engineering services		10,588	10,588	10,588	
Other purchased professional services	20,965	6,599	27,564	27,564	
Purchased technical services	50,000	(1,287)	48,713	48,713	
Communications/telephone	281,480	23,023	304,503	304,134	369
BOE other purchased services	5,000	(2,281)	2,719	2,447	272
Other purchased services (400-500)	420,320	(64,206)	356,114	356,028	86
General supplies	20,600	(2,622)	17,978	17,163	815
Miscellaneous expenditures	21,746	873	22,619	22,619	
BOE membership dues and fees	32,500	1,190	33,690	33,644	46
Total support services - general administration	1,807,986	63,216	1,923,952	1,866,613	57,339

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services - school administration:					
Salaries of principals/assistant principals	\$ 2,110,717	(59,569)	\$ 2,051,148	\$ 2,051,148	
Salaries of other professional staff	152,810	(310)	152,500	152,500	
Salaries of secretarial and clerical assistants	887,461	3,791	891,252	891,252	
Other purchased services (400-500 Series)	3,500	(120)	3,380	1,050	\$ 2,330
Supplies and materials	97,900	(17,654)	80,246	61,376	18,870
Other objects	16,275	23,723	39,998	39,998	
Total support services - school administration	3,268,663	(50,139)	3,218,524	3,197,324	21,200
Central services:					
Salaries	605,289		605,289	463,255	142,034
Purchased professional services	43,208	20,000	63,208	60,800	2,408
Purchased technical services	25,550	(20,060)	5,490	2,000	3,490
Miscellaneous purchased services (400-500 Series)	4,000		4,000	1,577	2,423
Supplies and materials	15,600	(6,550)	9,050	8,047	1,003
Interest on lease purchase agreements	53,159	4,582	57,741	57,741	
Other Objects		42,357	42,357	42,357	
Total central services	746,806	40,329	787,135	635,777	151,358
Admin. Info. technology:					
Salaries	815,697	(9,000)	806,697	771,172	35,525
Purchased technical services	175,419	136,533	311,952	311,922	30
Other purchased services (400-500 Series)	2,000	(1,923)	77	46	31
Supplies and materials	260,730	33,738	294,468	291,297	3,171
Other objects	350	(350)			
Total admin. Info. technology	1,254,196	158,998	1,413,194	1,374,437	38,757
Required maintenance for school facilities:					
Salaries	1,090,424	(48,568)	1,041,856	1,017,601	24,255
Cleaning, repair and maintenance services	388,500	180,544	569,044	569,044	
General supplies	297,200	(150,322)	146,878	146,765	113
Total required maintenance for school facilities	1,776,124	(18,346)	1,757,778	1,733,410	24,368

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other operation and maintenance of plant:					
Salaries	\$ 2,344,692	(131,612)	2,213,080	\$ 2,160,476	\$ 52,604
Salaries of non-instructional aids	654,882	(82,966)	571,916	570,654	1,262
Cleaning, repair and maintenance services	120,000	72,370	192,370	188,566	3,804
Rental of land and bldg. other than lease purchase agreement	290,000	(124,750)	165,250	165,250	
Other purchased property services	115,000	(37,185)	77,815	77,815	
Insurance	262,446	(55,670)	206,776	206,217	559
Travel	3,000	(2,000)	1,000	484	516
Miscellaneous purchased services	1,000		1,000	485	515
General supplies	295,500	(63,261)	232,239	207,900	24,339
Energy (Natural Gas)	310,000	119,806	429,806	421,545	8,261
Energy (Electricity)	1,300,000	13,337	1,313,337	1,307,840	5,497
Other Objects	5,000	(5,000)			
Interest on ESIP		134,280	134,280	134,280	
Total other operation and maintenance of plant	5,701,520	(162,651)	5,538,869	5,441,512	97,357
Care and upkeep of grounds					
Salaries	183,008		183,008	170,464	12,544
General supplies	9,500	(9,390)	110	110	
Total care and upkeep of grounds	192,508	(9,390)	183,118	170,574	12,544
Security:					
Salaries	581,329	(300,896)	280,433	280,433	
Purch Prof & Tech Svcs		346,171	346,171	346,171	
General Supplies	15,000	(7,448)	7,552	7,330	222
Total security	596,329	37,827	634,156	633,934	222
Total operation and maintenance of plant services	8,266,481	(152,560)	8,113,921	7,979,430	134,491
Student transportation services:					
Salaries of Pupil transportation (between home and school) - regular	515,604	19,019	534,623	534,623	
Salaries of Pupil transportation (between home and school) - special education	543,483	38,957	582,440	582,440	
Other purchased professional and technical services	14,000	(12,458)	1,542	1,542	
Cleaning, repair and maintenance services	22,050	(21,331)	719	719	
Contracted services - aid in lieu of payments - nonpublic schools	235,000	(17,959)	217,041	170,023	47,018
Contracted services (between home and school) - vendors	1,854,266	362,175	2,216,441	1,907,710	308,731
Contracted services (other than between home and school) - vendors	307,400	(22,934)	284,466	248,581	35,885
Contracted services (between home and school) - joint agreements	475,390	128,195	603,585	521,564	82,021
Contracted services (special education students) - vendors	1,279,239	73,178	1,352,417	1,189,256	163,161
Travel	1,100	(1,100)			
Supplies and Materials	152,700	(14,899)	137,801	135,377	2,424
Miscellaneous expenditures	6,300	6,177	12,477	12,477	
Total student transportation services	5,406,532	537,020	5,943,552	5,304,312	639,240

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated benefits - Employee benefits:					
Social security contribution	\$ 1,200,000	(51,600)	\$ 1,148,400	\$ 1,148,377	23
Other retirement contributions - regular	1,380,000	(68,590)	1,311,410	1,299,548	11,862
Unemployment compensation	240,000	77,037	317,037	288,464	28,573
Workmen's compensation	525,000	(125,816)	399,184	365,948	33,236
Health benefits	17,303,474	(1,314,731)	15,988,743	15,937,112	51,631
Tuition reimbursement	151,000	(14,989)	136,011	133,546	2,465
Other employee benefits	282,000	(40,834)	241,166	221,227	19,939
Unemployment compensation					
Total unallocated benefits	<u>21,081,474</u>	<u>(1,539,523)</u>	<u>19,541,951</u>	<u>19,394,222</u>	<u>147,729</u>
On behalf - TPAF - Pension Contribution (Non-budgeted)				9,115,935	\$ (9,115,935)
On behalf - TPAF - Post Retirement Medical (Non-budgeted)				3,381,845	(3,381,845)
On behalf - TPAF - Long-Term Disability Insurance (Non-budgeted)				9,001	(9,001)
Reimbursed TPAF social security contributions (Non-budgeted)				3,153,445	(3,153,445)
Total on behalf - Contributions				<u>15,660,226</u>	<u>(15,660,226)</u>
Total personal services - employee benefits	<u>21,081,474</u>	<u>(1,539,523)</u>	<u>19,541,951</u>	<u>35,054,448</u>	<u>(15,512,497)</u>
Total undistributed expenditures	<u>56,254,032</u>	<u>(1,002,736)</u>	<u>55,304,046</u>	<u>68,626,230</u>	<u>(13,322,184)</u>
TOTAL EXPENDITURES - CURRENT EXPENSE	<u>\$ 101,400,484</u>	<u>(859,288)</u>	<u>100,593,946</u>	<u>113,379,467</u>	<u>(12,785,521)</u>
CAPITAL OUTLAY:					
Undistributed expenditures:		505,906	505,906	26,309	479,597
		<u>505,906</u>	<u>505,906</u>	<u>26,309</u>	<u>479,597</u>
Facilities acquisition and construction services:					
Other purchased professional and technical services	\$ 50,000	\$ 58,909	\$ 108,909	\$ 91,599	\$ 17,310
Construction services	1,629,000	68,715	1,697,715	1,631,435	66,280
Lease purchase agreements - principal	562,631	131,735	694,366	694,366	
Assessment for Debt Service on SDA Funding	263,945		263,945	263,945	
Total facilities acquisition and construction services	<u>2,505,576</u>	<u>259,359</u>	<u>2,764,935</u>	<u>2,681,345</u>	<u>83,590</u>
TOTAL EXPENDITURES - CAPITAL OUTLAY	<u>\$ 2,505,576</u>	<u>\$ 765,265</u>	<u>\$ 3,270,841</u>	<u>\$ 2,707,654</u>	<u>\$ 563,187</u>
Transfer of funds to charter schools	\$ 4,000,000	\$ 304,974	\$ 4,304,974	\$ 4,247,611	57,363
Total transfer of funds to charter schools	<u>4,000,000</u>	<u>304,974</u>	<u>4,304,974</u>	<u>4,247,611</u>	<u>57,363</u>

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL GENERAL FUND EXPENDITURES	\$ 107,906,060	210,951	108,169,761	120,334,732	(12,164,971)
Excess/(deficiency) of revenues over/(under) expenditures	\$ (2,505,576)	\$ (210,951)	\$ (2,716,527)	\$ 2,304,049	\$ (5,020,576)
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing sources/(uses)	\$ (2,505,576)	\$ (210,951)	\$ (2,716,527)	\$ 2,304,049	\$ 5,020,576
Fund balance, July 1	\$ 6,483,522	_____	\$ 6,483,522	\$ 6,483,522	\$ _____
Fund balance, June 30	\$ 3,977,946	\$ (210,951)	\$ 3,766,995	\$ 8,787,571	\$ 5,020,576
Capital Reserve appropriated per budget	\$ 2,505,576				
	\$ 2,505,576				
Detail of budget transfers:					
Prior year-end encumbrances		\$ 199,913			
Additional Cap Reserve Appropriate		11,038			
Emergency Reserve Appropriated		\$ 210,951			
Recapitulation of fund balance:					
Committed for year-end encumbrances				\$ 712,188	
Restricted:					
Capital Reserve			\$ 3,167,948		
Capital Reserve - Designated for subsequent years expenditures			1,313,945	4,481,893	
Maintenance Reserve - Unassigned				1,500,000	
Unassigned 2%				2,093,490	
				\$ 8,787,571	
Reconciliation to governmental funds statements (GAAP):					
Less: Last Two (2) State Aid Payments not recognized on GAAP basis				2,136,911	
Fund balance per governmental funds (GAAP)				\$ 6,650,660	

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Final <u>Budget</u>	Actual	Variance <u>Final to Actual</u>
REVENUES:			
Federal Sources	\$ 2,866,486	\$ 2,838,689	\$ 27,797
State Sources	2,911,418	2,661,757	249,661
Local Sources	<u>260,621</u>	<u>236,768</u>	<u>23,853</u>
Total Revenues	<u>\$ 6,038,525</u>	<u>\$ 5,737,214</u>	<u>\$ 301,311</u>
EXPENDITURES:			
Instruction:			
Salaries of teachers	\$ 962,280	\$ 872,797	\$ 89,483
Salaries of other professional staff	6,119	6,119	
Purchased professional and technical services	103,954	85,428	18,526
Other purchased services	953,489	941,348	12,141
General supplies	408,749	324,297	84,452
Textbooks	2,319	2,303	16
Other Objects	<u>1,933</u>	<u>500</u>	<u>1,433</u>
Total Instruction	<u>\$ 2,438,843</u>	<u>\$ 2,232,792</u>	<u>\$ 206,051</u>
Support Services:			
Salaries of teachers	115,200	114,067	1,133
Salaries of supervisors of Instruction	5,595	5,595	
Salaries of program director	210,639	210,639	
Salaries of master teacher	80,875	80,875	
Salaries of parents liaison	7,000	7,000	
Salaries of other professional staff	67,617	37,247	30,370
Salaries of secretarial and clerical assistants	25,019	25,019	
Other salaries for instruction	86,829	86,829	
Personal services-employee benefits	434,177	404,338	29,839
Purchased Educational Services	1,868,000	1,860,000	8,000
Purchased professional/technical services	321,467	320,325	1,142
Cleaning & Repair	16,653	16,653	
Building Rental	69,279	69,279	
Other Purchased Services	166,951	161,546	5,405
Supplies and materials	<u>105,576</u>	<u>86,205</u>	<u>19,371</u>
Total Support Services	<u>\$ 3,580,877</u>	<u>\$ 3,485,617</u>	<u>\$ 95,260</u>
Facilities Acquisition and Construction Services:			
Instructional Equipment	<u>18,805</u>	<u>18,805</u>	
Total Facilities Acquisition and Construction Services	<u>18,805</u>	<u>18,805</u>	
Total Expenditures	<u>\$ 6,038,525</u>	<u>\$ 5,737,214</u>	<u>\$ 301,311</u>

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30.**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1 \$ 122,638,781	C-2 \$ 5,737,214
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
June 30,2019	None	None
June 30,2020	None	None
State aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		None
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	1,850,033 <u>(2,136,911)</u>	90,832 <u>(281,524)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	B-2 \$ <u>122,351,903</u>	B-2 \$ <u>5,546,522</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	C-1 \$ 120,334,732	C-2 \$ 5,737,214
Less: Budgetary expenditures that are not expenditures under GAAP - Capital outlay transfer to debt service fund		
Difference - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
June 30,2019	None	None
June 30,2020	<u>None</u>	<u>None</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	B-2 \$ <u>120,334,732</u>	B-2 \$ <u>5,737,214</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING
FOR PENSIONS AND OPEB**

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST SEVEN (7) FISCAL YEARS

<u>Year</u>	<u>District's Proportion of Net Pension Liability</u>	<u>District's Proportionate Share of Net Pension Liability (asset)</u>	<u>District's Covered-Employee Payroll</u>	<u>District's Proportionate Share of Net Pension Liability (asset) as Percentage of Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as Percentage of Total Pension Liability</u>
2020	0.1292993699 %	\$ 23,297,785	\$ 9,802,714	237.66 %	56.27 %
2019	0.1291616400	25,431,283	9,382,043	271.06	46.40
2018	0.1231599065	28,669,658	8,947,809	320.41	48.09
2017	0.1175406110	34,812,158	8,820,428	394.68	40.14
2016	0.1169371652	26,250,050	8,296,804	316.39	47.92
2015	0.1144388046	21,426,074	8,150,544	262.88	48.72
2014	0.1160444197	22,178,394	7,851,216	282.48	52.08

Note: Only the last seven (7) years of information are presented as GASB 68 was implemented during the year ended June 30, 2015. Eventually a full ten (10) year schedule will be compiled.

Notes to Required Supplementary Information:

Benefit Changes - there were none.

Changes of Assumptions - the discount rate changed from 5.66% as of June 30, 2018 to 6.28% as of June 30, 2019.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST SEVEN (7) FISCAL YEARS

<u>Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered-Employee Payroll</u>	<u>Contributions as Percentage of Covered-Employee Payroll</u>
2020	\$ 1,466,917	\$ 1,466,917	None	\$ 9,802,714	14.97 %
2019	1,284,741	1,284,741	None	9,382,043	13.69
2018	1,140,945	1,140,945	None	8,947,809	12.75
2017	1,087,258	1,087,258	None	8,820,428	12.33
2016	954,254	954,254	None	8,296,804	11.50
2015	943,417	943,417	None	8,150,544	11.57
2014	874,371	874,371	None	7,851,216	11.14

Note: Only the last seven (7) years of information are presented as GASB 68 was implemented during the year ended June 30, 2015. Eventually a full ten (10) year schedule will be compiled.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHERS PENSION AND ANNUITY FUND (TPAF)
LAST SEVEN (7) FISCAL YEARS

Year	District's Proportion of Net Pension Liability	Proportionate Share of Net Pension Liability (Asset)			District's Covered-Employee Payroll	District's Proportionate Share of Net Pension Liability (asset) as Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as Percentage of Total Pension Liability
		District	State	Total			
2020	0.3907325290 %	\$ None	\$ 239,796,241	\$ 239,796,241	\$ 46,585,768	None	26.95 %
2019	0.3883126563	None	247,036,169	247,036,169	45,318,619	None	26.49
2018	0.3764293042	None	253,802,214	253,802,214	38,611,684	None	25.41
2017	0.3796856640	None	298,684,842	298,684,842	41,186,013	None	22.33
2016	0.3664226574	None	231,594,767	231,594,767	38,953,673	None	28.71
2015	0.3598476484	None	192,326,856	192,326,856	38,603,846	None	33.64
2014	0.3677159608	None	185,840,754	185,840,754	37,328,236	None	33.76

Note: Only the last seven (7) years of information are presented as GASB 68 was implemented during the year ended June 30, 2015. Eventually a full ten (10) year schedule will be compiled.

Notes to Required Supplementary Information:

Benefit Changes - there were none.

Changes of Assumptions - the discount rate changed from 4.86% as of June 30, 2018 to 5.60% as of June 30, 2019.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY FOR PERS AND TPAF AND RELATED RATIOS

LAST THREE (3) FISCAL YEARS *

<u>Total OPEB Liability</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 7,405,544	\$ 7,979,278	\$ 9,644,737
Interest	6,377,896	7,297,528	6,293,116
Changes of benefit items	-	-	-
Differences between expected and actual experience	(20,845,936)	(18,884,008)	(26,836,209)
Changes of assumptions or other inputs	2,241,234	(19,562,598)	-
Benefit payments	(4,614,275)	(4,558,380)	(4,587,105)
Contributions from members	136,780	157,545	168,909
Net changes in total OPEB liability	(9,298,757)	(27,570,635)	(15,316,552)
Total OPEB liability - beginning	170,472,726	198,043,361	213,359,913
Total OPEB liability - ending	<u>\$161,173,969</u>	<u>\$170,472,726</u>	<u>\$ 198,043,361</u>
Covered-employee payroll (PERS and TPAF)	<u>\$ 56,388,482</u>	<u>\$ 54,700,622</u>	<u>\$ 47,559,493</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>None</u>	<u>None</u>	<u>None</u>

Note: Only the last three (3) years of information are presented as GASB 75 was implemented during fiscal year ended June 30, 2018. Eventually a full ten (10) years schedule will be compiled.

Notes to Required Supplementary Information:

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The discount rate utilized was 3.87% for June 30, 2018 and 3.50% for June 30, 2019.

Changes of Assumptions - The discount rate utilized was 3.87% for June 30, 2018 and 3.50% for June 30, 2019.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

**BOARD OF EDUCATION
NORTH BRUNSWICK SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Exhibit E-1

	Total Brought Forward (Exh. E-1a)	Title I			I.D.E.A. Part B		Title II	Totals 2020
		2019-2020 Part A	Part D	Reallocated	2019-2020 Regular Program	2019-2020 Preschool	2019-2020 Part A	
REVENUES:								
State sources	\$ 2,838,689							\$ 2,838,689
Federal sources	184,452	\$ 741,540	\$ 167,054	\$ 54,887	\$ 1,322,729	\$ 56,220	\$ 134,875	2,661,757
Local sources	236,768							236,768
Total revenues	\$ 3,259,909	\$ 741,540	\$ 167,054	\$ 54,887	\$ 1,322,729	\$ 56,220	\$ 134,875	\$ 5,737,214
EXPENDITURES:								
Instruction:								
Salaries of teachers	\$ 219,837	\$ 469,935	\$ 36,220		\$ 146,805			\$ 872,797
Salaries of other professional staff	6,119							6,119
Purchased professional and technical services	16,798				68,630			85,428
Other purchased services					941,348			941,348
General supplies	179,759	23,912	53,505	\$ 5,641	51,926	\$ 9,554		324,297
Textbooks	2,303							2,303
Other Objects	500							500
Total instruction	425,316	493,847	89,725	5,641	1,208,709	9,554		2,232,792
Support services:								
Salaries of teachers		51,737	49,907	12,423				114,067
Salaries of supervisors of instruction							\$ 5,595	5,595
Salaries of program director	51,490	27,775	8,208	1,022	49,946		72,198	210,639
Salaries of master teacher	80,875							80,875
Salaries of parents liaison	7,000							7,000
Salaries of other professional staff	37,247							37,247
Salaries of secretarial and clerical assistants	25,019							25,019
Other salaries for instruction	86,829							86,829
Personal services-employee benefits	161,965	160,843	11,814	1,308	41,181		27,227	404,338
Purchased Educational Services	1,860,000							1,860,000
Purchased professional/technical services	210,086	7,200	7,400	30,243	4,200	42,866	18,330	320,325
Cleaning & Repair	16,653							16,653
Building Rental	69,279							69,279
Other Purchased Services	150,021						11,525	161,546
Supplies and materials	59,324	138		4,250	18,693	3,800		86,205
Total support services	2,815,788	247,693	77,329	49,246	114,020	46,666	134,875	3,485,617
Facilities acquisition and construction services:								
Instructional equipment	18,805							18,805
Total facilities acquisition and construction services	18,805							18,805
Total expenditures	\$ 3,259,909	\$ 741,540	\$ 167,054	\$ 54,887	\$ 1,322,729	\$ 56,220	\$ 134,875	\$ 5,737,214

**BOARD OF EDUCATION
NORTH BRUNSWICK SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Exhibit E-1a

	Total Brought Forward (Exh. E-1b)	Title III		Title IV	Perkins Grant	Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Technology	Totals Carried Forward 2020
		2019-2020	Immigrant 2019-2020	2019-2020					
REVENUES:									
State sources	\$ 2,830,460					\$ 2,303	\$ 4,348	\$ 1,578	\$ 2,838,689
Federal sources		\$ 67,015	\$ 23,072	\$ 44,544	\$ 49,821				184,452
Local sources	236,768								236,768
Total revenues	\$ 3,067,228	\$ 67,015	\$ 23,072	\$ 44,544	\$ 49,821	\$ 2,303	\$ 4,348	\$ 1,578	\$ 3,259,909
EXPENDITURES:									
Instruction:									
Salaries of teachers	\$ 174,806	\$ 34,451	\$ 10,580						\$ 219,837
Salaries of other professional staff	6,119								6,119
Purchased professional and technical services	15,220						\$ 1,578		16,798
Other purchased services									
General supplies	86,875	28,113	7,360	\$ 30,188	\$ 27,223				179,759
Textbooks						\$ 2,303			2,303
Other Objects	500								500
Total instruction	283,520	62,564	17,940	30,188	27,223	2,303		1,578	425,316
Support services:									
Salaries of teachers									
Salaries of supervisors of instruction									
Salaries of program director	51,490								51,490
Salaries of master teacher	80,875								80,875
Salaries of parents liaison	7,000								7,000
Salaries of other professional staff	24,273	198	4,015	8,761					37,247
Salaries of secretarial and clerical assistants	25,019								25,019
Other salaries for instruction	86,829								86,829
Personal services-employee benefits	157,528	2,650	1,117	670					161,965
Purchased Educational Services	1,860,000								1,860,000
Purchased professional/technical services	199,542	1,271		4,925			\$ 4,348		210,086
Cleaning & Repair	16,653								16,653
Building Rental	69,279								69,279
Other Purchased Services	146,228				3,793				150,021
Supplies and materials	58,992	332							59,324
Total support services	2,783,708	4,451	5,132	14,356	3,793		4,348		2,815,788
Facilities acquisition and construction services:									
Instructional equipment					18,805				18,805
Total facilities acquisition and construction services					18,805				18,805
Total expenditures	\$ 3,067,228	\$ 67,015	\$ 23,072	\$ 44,544	\$ 49,821	\$ 2,303	\$ 4,348	\$ 1,578	\$ 3,259,909

**BOARD OF EDUCATION
NORTH BRUNSWICK SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Exhibit E-1b

	New Jersey Chapter 192 Auxiliary			New Jersey Chapter 193 Handicapped			Local Grants	Soil Remediation	Totals Carried Forward 2020
	Pre-School Education Expansion Aid	Nonpublic Comp. Education	Nonpublic Transp.	Nonpublic Suppl. Inst.	Nonpublic Exam. and Class.	Nonpublic Corrective Speech			
REVENUES:									
State sources	\$ 2,815,240	\$ 4,056	\$ 2,064	\$ 2,428	\$ 5,761	\$ 911			\$ 2,830,460
Federal sources									
Local sources							\$ 47,816	\$ 188,952	236,768
Total revenues	\$ 2,815,240	\$ 4,056	\$ 2,064	\$ 2,428	\$ 5,761	\$ 911	\$ 47,816	\$ 188,952	\$ 3,067,228
EXPENDITURES:									
Instruction:									
Salaries of teachers	\$ 174,806								\$ 174,806
Salaries of other professional staff	6,119								6,119
Purchased professional and technical services		\$ 4,056	\$ 2,064	\$ 2,428	\$ 5,761	\$ 911			15,220
Other purchased services									
General supplies	84,942						\$ 1,933		86,875
Textbooks									
Other Objects							500		500
Total instruction	265,867	4,056	2,064	2,428	5,761	911	2,433		283,520
Support services:									
Salaries of teachers									
Salaries of supervisors of instruction									
Salaries of program director	51,490								51,490
Salaries of master teacher	80,875								80,875
Salaries of parents liaison	7,000								7,000
Salaries of other professional staff	24,273								24,273
Salaries of secretarial and clerical assistants	25,019								25,019
Other salaries for instruction	86,829								86,829
Personal services-employee benefits	157,528								157,528
Purchased Educational Services	1,860,000								1,860,000
Purchased professional/technical services	10,590							\$ 188,952	199,542
Cleaning & Repair	16,653								16,653
Building Rental	69,279								69,279
Other Purchased Services	146,228								146,228
Supplies and materials	13,609						45,383		58,992
Total support services	2,549,373						45,383	188,952	2,783,708
Facilities acquisition and construction services:									
Instructional equipment									
Total facilities acquisition and construction services									
Total expenditures	\$ 2,815,240	\$ 4,056	\$ 2,064	\$ 2,428	\$ 5,761	\$ 911	\$ 47,816	\$ 188,952	\$ 3,067,228

NORTH BRUNSWICK BOARD OF EDUCATION SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
PRESCHOOL - ALL PROGRAMS
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
State sources	\$ 2,815,240	\$ 2,815,240	\$ 2,815,240	\$ -
Total revenues	<u>\$ 2,815,240</u>	<u>\$ 2,815,240</u>	<u>\$ 2,815,240</u>	<u>\$ -</u>
EXPENDITURES:				
Instruction:				
Salaries of teachers	\$ 174,806	\$ 174,806	\$ 174,806	\$ -
Salaries of other professional staff	6,119	6,119	6,119	-
General supplies	84,942	84,942	84,942	-
Total instruction	<u>\$ 265,867</u>	<u>\$ 265,867</u>	<u>\$ 265,867</u>	<u>\$ -</u>
Support services:				
Salaries of supervisors of instruction	\$ 51,490	\$ 51,490	\$ 51,490	\$ -
Salaries of master teachers	80,875	80,875	80,875	-
Salaries of other professional staff	24,273	24,273	24,273	-
Salaries of secretarial and clerical assistants	25,019	25,019	25,019	-
Other salaries for instruction	86,829	86,829	86,829	-
Parent liaison	7,000	7,000	7,000	-
Personal services-employee benefits	157,528	157,528	157,528	-
Purchased educational services	1,860,000	1,860,000	1,860,000	-
Purchased professional/technical services	10,590	10,590	10,590	-
Cleaning & repair	16,653	16,653	16,653	-
Building rental	69,279	69,279	69,279	-
Other purchased services	146,228	146,228	146,228	-
Supplies and materials	13,609	13,609	13,609	-
Total support services	<u>\$ 2,549,373</u>	<u>\$ 2,549,373</u>	<u>\$ 2,549,373</u>	<u>\$ -</u>
Total expenditures	<u><u>\$ 2,815,240</u></u>	<u><u>\$ 2,815,240</u></u>	<u><u>\$ 2,815,240</u></u>	<u><u>\$ -</u></u>

CALCULATION OF BUDGET & CARRYOVER

Total -1 - PreK Aid Allocation	\$ 2,815,240
Add: Actual PreK Aid Carryover June 30, 2019	<u> </u>
Total Funds Available for -1 - Budget	\$ 2,815,240
Less: -1 - Budgeted PreK (Including prior year budgeted carryover)	<u> </u>
Available & Unbudgeted Funds as of June 30, 2020	<u><u>None</u></u>

CAPITAL PROJECTS FUND

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2020</u>
			<u>Prior Years</u>	<u>Current Year</u>	
New Middle School	12/13/16	\$ 77,395,520	\$ 46,009,767	\$ 21,855,587	9,530,166
ESIP	04/01/19	<u>13,565,656</u>	<u>2,865,602</u>	<u>10,439,779</u>	\$ <u>260,275</u>
		<u>\$ 90,961,176</u>	<u>\$ 48,875,369</u>	<u>\$ 32,295,366</u>	<u>\$ 9,790,441</u>

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Revenues		
Other Revenue	\$	47,520
Interest on investments		<u>470,448</u>
Total revenues	\$	<u>517,968</u>
Expenditures		
Purchased professional and technical services	\$	34,882
Architect Fees		858,651
Construction services		28,425,314
Equipment		<u>2,976,519</u>
Total expenditures	\$	<u>32,295,366</u>
Excess/(deficiency) of revenues over/(under) expenditures:	\$	(31,777,398)
Other financing sources/(uses):		
Transfer in/(out):		
Debt Service Fund		<u>(470,448)</u>
Net change in fund balance	\$	(32,247,846)
Fund balance, beginning		<u>42,038,287</u>
Fund balance, ending	\$	<u><u>9,790,441</u></u>

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
CONSTRUCTION OF NEW MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond proceeds	\$ 77,348,000		\$ 77,348,000	\$ 77,348,000
Other Revenue		\$ 47,520	47,520	47,520
Total revenues	\$ 77,348,000	47,520	\$ 77,395,520	\$ 77,395,520
Expenditures and Other Financing Uses				
Legal Fees	\$ 653		\$ 653	\$ 653
Purchase Professional/Technical Services	469,668	\$ 34,882	504,550	504,550
Architect Fees	2,799,111	858,651	3,657,762	3,657,762
Land and Land Improvements	10,729,664		10,729,664	10,729,664
Supplies and Material	2,802,278		2,802,278	2,802,278
Construction	28,626,288	17,985,535	46,611,823	46,611,823
Equipment	582,105	2,976,519	3,558,624	3,558,624
Total expenditures	\$ 46,009,767	\$ 21,855,587	\$ 67,865,354	\$ 67,865,354
Excess (deficiency) of revenues over/(under) expenditures	\$ 31,338,233	\$ (21,808,067)	\$ 9,530,166	\$ 9,530,166

Additional project information:

Project Number	
Grant Date	12/13/2016
Bond Authorization Date	12/13/2016
Bonds Authorized	\$ 77,348,000
Bonds Issued	\$ 77,348,000
Original Authorized Cost	\$ -
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 77,348,000

Percentage Increase over
Original Authorized Cost
Percentage completion
Original target completion date

83.77%
4/1/2020

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
DISTRICT WIDE ENERGY PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Lease Proceeds	\$ 13,500,000		\$ 13,500,000	\$ 13,500,000
Interest Earnings	<u>65,656</u>		<u>65,656</u>	<u>65,656</u>
Total revenues	<u>\$ 13,565,656</u>		<u>\$ 13,565,656</u>	<u>\$ 13,565,656</u>
Expenditures and Other Financing Uses				
Salaries				
Employee Benefits				
Legal Fees				
Purchase Professional/Technical Services				
Other Purchased Services				
Construction Services		\$ 10,439,779	\$ 10,439,779	\$ 10,439,779
Equipment	<u>\$ 2,865,602</u>		<u>2,865,602</u>	<u>2,865,602</u>
Total expenditures	<u>\$ 2,865,602</u>	<u>\$ 10,439,779</u>	<u>\$ 13,305,381</u>	<u>\$ 13,305,381</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>\$ 10,700,054</u>	<u>\$ (10,439,779)</u>	<u>\$ 260,275</u>	<u>\$ 260,275</u>
Additional project information:				
Project Number				
Grant Date				
Lease Authorization Date		3/15/2019		
Leases Authorized		\$ 13,500,000		
Leases Issued		\$ 13,500,000		
Original Authorized Cost				
Additional Authorized Cost				
Revised Authorized Cost		\$ 13,500,000		
Percentage Increase over Original Authorized Cost				
Percentage completion		98.20%		
Original target completion date		9/15/2020		
Revised target completion date		9/15/2026		
Analysis of Excesss:				
Lease Proceeds		\$ (10,439,779)		
Interest on Lease Proceeds				
		<u>\$ (10,439,779)</u>		

FIDUCIARY FUNDS

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Balance July 1, <u>2019</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance June 30, <u>2020</u>
Elementary Schools:				
Judd	\$ 26,182	\$ 41,666	\$ 34,068	\$ 33,780
John Adams	13,894	5,156	4,919	14,131
Livingston Park	10,994	25,392	22,185	14,201
Parsons	3,117	13,937	6,266	10,788
Early Childhood Center	<u>2,028</u>	<u>1,381</u>	<u>1,069</u>	<u>2,340</u>
Total Elementary Schools	\$ <u>56,215</u>	\$ <u>87,532</u>	\$ <u>68,507</u>	\$ <u>75,240</u>
Middle School:				
Linwood	\$ 27,922	\$ 22,062	\$ 17,799	\$ 32,186
Athletic Account	<u>720</u>	<u>10,591</u>	<u>10,063</u>	<u>1,248</u>
Total Middle School	\$ <u>28,642</u>	\$ <u>32,653</u>	\$ <u>27,862</u>	\$ <u>33,434</u>
Senior High School:				
High School	\$ 235,689	\$ 309,115	\$ 237,592	\$ 307,212
School Store	20,375	3,152	4,127	19,400
Athletic Account	<u> </u>	<u>52,498</u>	<u>52,498</u>	<u> </u>
Total Senior High School	\$ <u>256,064</u>	\$ <u>364,765</u>	\$ <u>294,216</u>	\$ <u>326,612</u>
Total All Schools	\$ <u><u>340,921</u></u>	\$ <u><u>484,950</u></u>	\$ <u><u>390,585</u></u>	\$ <u><u>435,286</u></u>

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

	Balance July 1, <u>2019</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2020</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 125,006	\$ 27,634,777	\$ 27,653,083	\$ 106,700
Total Assets	<u>\$ 125,006</u>	<u>\$ 27,634,777</u>	<u>\$ 27,653,083</u>	<u>\$ 106,700</u>
<u>LIABILITIES</u>				
Payroll Deductions and Withholdings	\$ 89,979	\$ 27,552,645	\$ 27,583,851	\$ 58,773
Flexible Spending Account	35,027	82,132	69,232	47,927
Net Pay	<u> </u>	<u>71,421,375</u>	<u>71,421,375</u>	<u> </u>
Total Liabilities	<u>\$ 125,006</u>	<u>\$ 99,056,152</u>	<u>\$ 99,074,458</u>	<u>\$ 106,700</u>

NONCURRENT DEBT

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NONCURRENT DEBT
SCHEDULE OF SERIAL BONDS
AS OF JUNE 30, 2020**

Issue	Original		Annual Maturities		Interest Rate	Balance July 1, 2019	Issued	Retired	Balance June 30, 2020
	Date of Original Issue	Amount of Issue	Date	Amount					
2010 Refunding Bonds - (Refunding a Portion of 2002 Bonds)	3/25/2010	\$ 17,865,000	7/15/2020	\$ 2,135,000	4.500%	\$ 8,770,000		\$ 6,635,000	\$ 2,135,000
2012 Refunding Bonds - (Refunding a Portion of 2005 Bonds)	5/23/2012	23,540,000	1/15/2021	1,795,000	5.000%	16,615,000		12,945,000	3,670,000
			1/15/2022	1,875,000	5.000%				
2014 Refunding Bonds - (Refunding a Portion of 2006 Bonds)	5/23/2012	4,260,000	3/15/2021	420,000	4.000%	3,140,000.00		400,000.00	2,740,000
			3/15/2022	435,000	4.000%				
			3/15/2023	455,000	4.000%				
			3/15/2024	470,000	4.000%				
			3/15/2025	480,000	4.000%				
			3/15/2026	480,000	4.000%				
School District Bonds Series 2017	9/1/2017	35,000,000	9/15/2020	825,000	2.500%	34,175,000		825,000	33,350,000
			9/15/2021	825,000	2.500%				
			9/15/2022	825,000	2.500%				
			9/15/2023	825,000	2.500%				
			9/15/2024	825,000	2.750%				
			9/15/2025	1,600,000	3.000%				
			9/15/2026	1,600,000	3.000%				
			9/15/2027	1,600,000	3.000%				
			9/15/2028	1,600,000	3.000%				
			9/15/2029	1,600,000	3.000%				
			9/15/2030	1,600,000	3.000%				
			9/15/2031	1,600,000	3.000%				
			9/15/2032	1,600,000	3.000%				
			9/15/2033	1,600,000	3.000%				
			9/15/2034	1,625,000	3.000%				
			9/15/2035	1,650,000	3.000%				
			9/15/2036	1,650,000	3.000%				
			9/15/2037	1,650,000	3.000%				
			9/15/2038	1,650,000	3.000%				
			9/15/2039	1,650,000	3.000%				
9/15/2040	1,650,000	3.000%							
9/15/2041	1,650,000	3.000%							
9/15/2042	1,650,000	3.000%							
School District Bonds Series 2019	1/24/2019	42,348,000	8/15/2020	993,000	3.125%				
			8/15/2021	990,000	3.125%				
			8/15/2022	990,000	3.125%				
			8/15/2023	990,000	3.125%				
			8/15/2024	990,000	3.125%				

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NONCURRENT DEBT
SCHEDULE OF SERIAL BONDS
AS OF JUNE 30, 2020**

Issue	Original		Annual Maturities		Interest Rate	Balance July 1, 2019	Issued	Retired	Balance June 30, 2020
	Date of Original Issue	Amount of Issue	Date	Amount					
School District Bonds Series 2019 (Continued)			8/15/2025	\$ 1,980,000	3.125%				
			8/15/2026	1,980,000	3.125%				
			8/15/2027	1,980,000	3.125%				
			8/15/2028	1,980,000	3.125%				
			8/15/2029	1,980,000	3.125%				
			8/15/2030	1,980,000	3.250%				
			8/15/2031	1,980,000	3.250%				
			8/15/2032	1,980,000	3.250%				
			8/15/2033	1,980,000	3.250%				
			8/15/2034	1,980,000	3.250%				
			8/15/2035	1,980,000	3.250%				
			8/15/2036	1,980,000	3.375%				
			8/15/2037	1,980,000	3.375%				
			8/15/2038	1,980,000	3.500%				
			8/15/2039	1,980,000	3.500%				
			8/15/2040	1,980,000	3.500%				
			8/15/2041	1,915,000	3.500%				
		8/15/2042	1,900,000	3.625%					
		8/15/2043	1,900,000	3.625%	\$ 42,348,000			\$ 42,348,000	
Refunding School Bonds, Series 2020A	10/7/2020	\$ 4,515,000	7/15/2021	2,220,000	4.000%				
			7/15/2022	2,295,000	4.000%		\$ 4,515,000		4,515,000
Refunding School Bonds, Series 2020B (Federally Taxable)	10/7/2020	12,010,000	1/15/2021	90,000	0.487%				
			1/15/2022	245,000	0.567%				
			1/15/2023	2,225,000	0.707%				
			1/15/2024	4,710,000	0.874%				
			1/15/2025	4,740,000	0.954%				
						12,010,000		12,010,000	
Total						<u>\$ 105,048,000</u>	<u>\$ 16,525,000</u>	<u>\$ 20,805,000</u>	<u>\$ 100,768,000</u>

Detail:

Budget Appropriation	\$ 4,995,000
Refunded 2010	4,600,000
Refunded 2012	<u>11,210,000</u>
	<u>\$ 20,805,000</u>

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
AS OF JUNE 30, 2020

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2019</u>	<u>Balance June 30, 2020</u>
ESIP	2.984%	\$ <u>13,500,000</u>	<u>13,500,000</u>	\$ <u>13,500,000</u>
		\$ <u>13,500,000</u>	\$ <u>13,500,000</u>	\$ <u>13,500,000</u>

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 7,804,774		\$ 7,804,774	\$ 7,804,774	
Total - Local Sources	\$ 7,804,774		\$ 7,804,774	\$ 7,804,774	
State Sources:					
Debt Service Aid Type II	\$ 151,666		\$ 151,666	\$ 151,666	
Total - State Sources	\$ 151,666		\$ 151,666	\$ 151,666	
Total Revenues	\$ 7,956,440		\$ 7,956,440	\$ 7,956,440	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	\$ 3,630,380		\$ 3,630,380	\$ 3,630,379	1
Redemption of Principal	4,995,000		4,995,000	4,995,000	
Total Regular Debt Service	\$ 8,625,380		\$ 8,625,380	\$ 8,625,379	1
Total Expenditures	\$ 8,625,380		\$ 8,625,380	\$ 8,625,379	1
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ (668,940)		\$ (668,940)	\$ (668,939)	(668,939)
Other Financing Sources/(Uses):					
Transfers In/(Out) Capital Projects Fund				\$ 470,448	\$ 470,448
Total Other Financing Sources/(Uses)				\$ 470,448	\$ 470,448
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	\$ (668,940)		\$ (668,940)	\$ (198,491)	\$ (470,449)
Fund Balance, July 1	1,210,551		1,210,551	1,210,551	
Fund Balance, June 30	\$ 541,611		\$ 541,611	\$ 1,012,060	\$ (470,449)
Recapitulation of Excess/(Deficiency) of Revenues Over/(Under) Expenditures: Budgeted Fund Balance	\$ (668,940)		\$ (668,940)	\$ 1,012,060	\$ 1,012,060

STATISTICAL TABLES (SECTION)
(UNAUDITED)

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
INTRODUCTION TO STATISTICAL TABLES (SECTION)
(UNAUDITED)

<u>Contents</u>	<u>Exhibit</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-6 to J-9
Debt Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 & J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.*

FINANCIAL TRENDS

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NET POSITION BY COMPONENT
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Invested in capital assets, net of related debt	\$ 49,179,858	\$ 49,238,774	\$ 55,181,838	\$ 59,606,188	\$ 60,817,113	\$ 62,963,514	\$ 64,422,276	\$ 46,810,376	\$ 28,217,525	\$ 60,015,522
Restricted	2,698,717	6,070,628	7,137,475	4,728,729	4,389,769	5,602,959	4,312,604	22,340,628	45,216,162	14,888,846
Unrestricted (Deficit)	<u>(2,494,202)</u>	<u>(1,945,535)</u>			<u>(21,583,862)</u>	<u>(24,095,986)</u>	<u>(25,872,968)</u>	<u>(27,771,570)</u>	<u>(29,632,721)</u>	<u>(30,724,698)</u>
Total governmental activities net position	<u>\$ 49,384,373</u>	<u>\$ 53,363,867</u>	<u>\$ 62,319,313</u>	<u>\$ 64,334,917</u>	<u>\$ 43,623,020</u>	<u>\$ 44,470,487</u>	<u>\$ 42,861,912</u>	<u>\$ 41,379,434</u>	<u>\$ 43,800,966</u>	<u>\$ 44,179,670</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 29,448	\$ 42,053	\$ 119,144	\$ 139,222	\$ 120,178	\$ 128,124	\$ 277,577	\$ 279,167	\$ 233,340	\$ 185,931
Unrestricted	<u>7,369,657</u>	<u>786,711</u>	<u>823,174</u>	<u>992,897</u>	<u>1,046,310</u>	<u>949,518</u>	<u>541,785</u>	<u>554,993</u>	<u>398,626</u>	<u>247,496</u>
Total business-type activities net position	<u>\$ 7,399,105</u>	<u>\$ 828,764</u>	<u>\$ 942,318</u>	<u>\$ 1,132,119</u>	<u>\$ 1,166,488</u>	<u>\$ 1,077,642</u>	<u>\$ 819,362</u>	<u>\$ 834,160</u>	<u>\$ 631,966</u>	<u>\$ 433,427</u>
District-wide										
Invested in capital assets, net of related debt	\$ 49,209,306	\$ 49,280,827	\$ 55,300,982	\$ 55,300,982	\$ 60,937,291	\$ 63,091,638	\$ 64,699,853	\$ 47,089,543	\$ 28,450,865	\$ 60,201,454
Restricted	2,698,717	6,070,628	6,070,628	7,137,475	4,728,729	5,602,959	4,312,604	22,340,628	45,216,162	14,888,845
Unrestricted (Deficit)	<u>4,875,455</u>	<u>(1,158,824)</u>	<u>(1,158,824)</u>	<u>823,174</u>	<u>992,897</u>	<u>(20,537,552)</u>	<u>(25,331,183)</u>	<u>(27,216,577)</u>	<u>(29,234,095)</u>	<u>(30,477,202)</u>
Total district net position	<u>\$ 56,783,478</u>	<u>\$ 54,192,631</u>	<u>\$ 60,212,786</u>	<u>\$ 63,261,631</u>	<u>\$ 66,658,917</u>	<u>\$ 48,157,045</u>	<u>\$ 43,681,274</u>	<u>\$ 42,213,594</u>	<u>\$ 44,432,932</u>	<u>\$ 44,613,097</u>

Source: CAFR Exhibit A-1

Note: In 2015 the effective date of GASB 68 an adjustment was made for the provision of the net pension liability and other related data for PERS & TPAF data for periods prior to 2015 is not available..

2017 includes OPEB expense in accordance with GASB Statement No. 75 related to post-retirement benefits other than pension amounts prior 2017 are not available.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CHANGE IN NET POSITION
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
Instruction										
Regular	\$ 35,648,397	\$ 36,624,290	\$ 37,921,983	\$ 39,207,495	\$ 39,199,442	\$ 42,406,923	\$ 51,004,075	\$ 49,104,993	\$ 47,362,218	\$ 44,671,009
Special education	9,266,801	9,778,820	10,076,486	10,264,997	14,935,960	16,587,884	20,880,083	19,775,812	21,376,879	21,510,173
Other special education	3,085,874	3,333,878	3,202,706	3,189,618	3,599,276	4,204,642	5,523,165	6,290,261	6,614,351	6,582,676
Other instruction	1,306,892	1,554,490	1,631,826	1,606,666	1,837,034	2,002,021	2,583,783	2,513,464	2,492,554	2,272,762
Support Services:										
Tuition	2,818,109	2,636,129	2,348,908	2,508,032	2,246,896	2,684,498	2,431,882	2,367,233	1,884,450	1,294,958
Student & instruction related services	10,587,389	11,034,746	11,721,237	11,948,893	13,702,695	15,469,731	19,128,659	20,656,200	23,322,315	27,354,628
School Administrative services	3,331,728	3,721,657	1,518,462	1,631,703	6,467,081	7,330,606	8,876,197	8,452,595	8,167,249	8,068,967
General administration	3,655,573	3,485,962	5,377,784	5,520,690	2,426,073	2,669,144	3,304,717	3,152,880	3,433,380	2,892,276
Plant operations and maintenance	10,121,944	9,445,869	9,639,299	11,245,538	10,918,984	11,774,688	14,322,137	13,191,633	12,675,934	12,363,953
Pupil transportation	5,483,252	5,841,954	6,313,663	6,235,929	7,099,988	8,408,418	10,170,754	9,728,987	9,253,346	8,218,916
Charter Schools	450,170	395,187	583,725	809,793	1,024,971	1,213,693	1,731,185	2,293,492	3,601,674	4,247,611
Scholarships	172	37								
Interest on long-term debt	2,968,672	2,346,157	2,464,283	2,482,388	2,303,872	2,124,370	2,126,318	2,686,874	3,281,679	4,439,058
Total governmental activities expenses	88,724,973	90,199,176	92,800,362	96,651,742	105,762,271	116,876,618	142,082,956	140,214,424	143,466,029	143,916,987
Business-type activities:										
Food service	2,618,095	2,733,456	2,965,761	2,816,626	2,918,502	3,135,363	3,384,197	3,413,001	3,514,672	2,996,342
School Facilities	155,924	204,155	211,707	216,633	330,156	354,943	378,595	322,255	348,591	273,417
Integrated Pre-K	109,307	71,048	129,137	277,602	400,735	418,303	344,767	258,845	168,838	66,078
Summer Enrichment	63,579	62,070	57,947	49,216						
After School				21,768	37,231	25,096	26,477	27,562	28,076	23,932
Data processing										
Total business-type activities expense	2,946,905	3,070,729	3,364,552	3,381,845	3,686,626	3,933,705	4,134,036	4,021,663	4,060,177	3,359,769
Total district expenses	\$ 91,671,878	\$ 93,269,905	\$ 96,164,914	\$ 100,033,587	\$ 109,448,897	\$ 120,810,323	\$ 146,216,992	\$ 144,236,087	\$ 147,526,206	\$ 147,276,756

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CHANGE IN NET POSITION
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 109,994	\$ 126,875	\$ 127,091	\$ 75,286	\$ 34,061	\$ 31,282	\$ 14,291			
Pupil transportation	47,593	75,991	94,954	134,304	115,425	100,878	114,161	\$ 129,006	\$ 150,672	\$ 101,753
Operating grants and contributions	3,530,067	3,285,833	2,258,008	2,172,056	2,746,290	2,391,375	2,443,869	2,807,394	3,928,823	5,442,615
Total governmental activities program revenues	\$ 3,687,654	\$ 3,488,699	\$ 2,480,053	\$ 2,381,646	\$ 2,895,776	\$ 2,523,535	\$ 2,572,321	\$ 2,936,400	\$ 4,079,495	\$ 5,544,368
Business-type activities:										
Charges for services:										
Food service	\$ 1,407,422	\$ 1,352,580	\$ 1,325,315	\$ 1,367,431	\$ 1,321,990	\$ 1,337,928	\$ 1,378,611	\$ 1,307,173	\$ 1,323,832	\$ 952,384
School Facilities	250,605	272,090	342,360	343,947	344,086	316,677	293,954	352,486	253,510	176,367
Integrated Pre-K	153,946	184,655	214,005	242,922	286,214	322,360	319,624	348,001	172,722	12,080
Summer Enrichment	48,880	53,530	45,085	25,165						
After School				22,460	33,965	29,400	21,677	24,791	27,125	20,499
Operating grants and contributions	1,214,623	1,267,360	1,551,341	1,569,720	1,734,740	1,838,495	1,894,902	2,037,395	2,080,793	1,881,001
Total business type activities program revenues	3,075,476	3,130,215	3,478,106	3,571,645	3,720,995	3,844,860	3,908,768	4,069,846	3,857,982	3,042,331
Total district program revenues	\$ 6,763,130	\$ 6,618,914	\$ 5,958,159	\$ 5,953,291	\$ 6,616,771	\$ 6,368,395	\$ 6,481,089	\$ 7,006,246	\$ 7,937,477	\$ 8,586,699
Net (Expense)/Revenue										
Governmental activities	\$ (85,037,319)	\$ (86,710,477)	\$ (90,320,309)	\$ (94,270,096)	\$ (102,866,495)	\$ (114,353,083)	\$ (139,510,635)	\$ (137,278,024)	\$ (139,386,534)	\$ (138,372,619)
Business-type activities	128,571	59,486	113,554	189,800	34,369	(88,845)	(225,268)	48,183	(202,195)	(317,438)
Total district-wide net expense	\$ (84,908,748)	\$ (86,650,991)	\$ (90,206,755)	\$ (94,080,296)	\$ (102,832,126)	\$ (114,441,928)	\$ (139,735,903)	\$ (137,229,841)	\$ (139,588,729)	\$ (138,690,057)

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CHANGE IN NET POSITION
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Change in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 65,791,344	\$ 67,817,203	\$ 69,174,056	\$ 70,797,537	\$ 72,463,487	\$ 74,574,523	\$ 76,515,723	\$ 78,416,037	\$ 79,754,358	\$ 81,099,445
Taxes levied for debt service	5,986,596	5,998,781	6,108,985	6,007,891	6,102,675	5,351,035	5,331,602	5,366,247	6,189,010	7,804,774
Unrestricted grants and contributions	14,995,966	17,824,144	19,462,987	19,083,081	27,825,358	34,192,622	55,742,461	51,474,481	46,999,919	46,467,308
Miscellaneous income	487,617	(8,872)	295,921	247,334	679,388	460,339	638,032	715,577	1,406,564	1,992,788
Special and Extraordinary Items								(176,796)	7,458,215	1,387,008
Transfers			80,526	149,858	244,168	622,031	(325,759)			
Total governmental activities	\$ 87,261,523	\$ 91,631,256	\$ 95,122,475	\$ 96,285,701	\$ 107,315,076	\$ 115,200,550	\$ 137,902,059	\$ 135,795,546	\$ 141,808,066	\$ 138,751,323
Business-type activities:										
Prior year accounts receivable canceled							(33,013)	(33,384)		118,878
Total business-type activities	-	-	-	-	-	-	(33,013)	(33,384)	-	118,878
Total district-wide	\$ 87,261,523	\$ 91,631,256	\$ 95,122,475	\$ 96,285,701	\$ 107,315,076	\$ 115,200,550	\$ 137,869,046	\$ 135,762,162	\$ 141,808,066	\$ 138,870,201
Change in Net Position										
Governmental activities	\$ 2,224,204	\$ 4,920,779	\$ 4,802,166	\$ 2,015,605	\$ 4,448,581	\$ 847,467	\$ (1,608,576)	\$ (1,482,478)	\$ 2,421,532	\$ 378,704
Business-type activities	128,571	59,486	113,554	189,800	34,369	(88,845)	(258,281)	14,799	(202,195)	(198,560)
Total district	\$ 2,352,775	\$ 4,980,265	\$ 4,915,720	\$ 2,205,405	\$ 4,482,950	\$ 758,622	\$ (1,866,857)	\$ (1,467,679)	\$ 2,219,337	\$ 180,144

Source: CAFR Exhibit A-2

Note: In 2015 the effective date of GASB 68 an adjustment was made for the provision of the net pension liability and other related data for PERS & TPAF data for periods prior to 2015 is not available..

2017 includes OPEB expense in accordance with GASB Statement No. 75 related to post-retirement benefits other than pension amounts prior 2017 are not available.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Reserved										
Unreserved										
Restricted	\$ 2,181,293	\$ 5,332,434	\$ 4,400,000	\$ 4,087,866	\$ 5,856,769	\$ 7,319,959	\$ 6,168,336	\$ 4,660,911	\$ 4,227,954	\$ 5,938,472
Assigned	72,596	348,111	4,230,138	2,814,143	1,506,355	398,602	71,608	350,199	199,913	712,188
Unassigned	1,787,523	1,617,229	1,722,223	936,764	710,730	630,956	1,706,015	940,267	205,622	-
Total general fund	\$ 4,041,412	\$ 7,297,774	\$ 10,352,361	\$ 7,838,773	\$ 8,073,854	\$ 8,349,517	\$ 7,945,959	\$ 5,951,377	\$ 4,633,489	\$ 6,650,660
All Other Governmental Funds										
Restricted										
Capital projects fund	\$ 2,602,456	\$ 390,083	\$ 304,668	\$ 162,943	\$ 101,302	\$ 86,572	\$ 24,575,435	\$ 18,829,519	\$ 42,038,295	\$ 9,742,711
Debt service fund	12,547	7,413	114,474	140,079	66,064	37,499	1	1,493,941	1,211,551	1,012,060
Permanent fund	44,828	44,838								
Total all other governmental funds	\$ 2,659,831	\$ 442,334	\$ 419,142	\$ 303,022	\$ 167,366	\$ 124,071	\$ 24,575,436	\$ 20,323,460	\$ 43,249,846	\$ 10,754,771

Source: CAFR Schedule B-1

Note: GASB 54 was implemented in the 2011 fiscal year, which required the presentation of fund balances to be reported in different classifications from those presented in prior years (See Notes to financial statements - Note 2G 15(a-c). Prior years have not been restated above and are not required to be.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax levy	\$ 71,777,940	\$ 73,816,484	\$ 75,283,041	\$ 76,805,428	\$ 78,566,162	\$ 79,925,558	\$ 81,847,325	\$ 83,782,284	\$ 85,943,368	\$ 88,904,219
Tuition charges	109,994	126,875	127,091	75,286	34,061	31,282	14,291	97,090		
Transportation charges	47,593	75,991	94,954	134,304	115,425	100,878	114,161	129,006	150,672	101,753
Interest earnings	38,453	19,608	6,862	5,769	5,384	8,053	13,097	169,064	607,267	486,753
Miscellaneous	490,662	223,436	272,108	363,675	828,874	408,997	545,852	570,139	3,976,936	1,657,701
State sources	15,809,020	16,550,079	19,406,805	18,951,157	19,936,331	22,030,785	24,676,744	28,692,074	36,288,627	42,283,335
Federal sources	3,467,340	3,708,611	2,364,625	2,181,863	3,091,020	2,608,803	2,752,475	2,826,985	2,819,350	2,892,344
Total revenue	91,741,002	94,521,084	97,555,486	98,517,482	102,577,257	105,114,356	109,963,945	116,266,642	126,780,220	136,326,105
Expenditures										
Instruction										
Regular instruction	25,428,332	25,589,520	26,138,451	27,345,502	25,057,883	25,213,491	25,699,997	27,181,546	28,474,219	28,829,711
Special education instruction	6,498,827	6,662,010	6,826,261	7,045,952	9,986,789	10,273,565	10,902,305	10,946,691	11,516,307	12,441,208
Other special instruction	2,164,130	2,276,291	2,169,656	2,189,372	2,300,804	2,499,916	2,783,019	3,481,907	3,976,555	4,248,318
Other instruction	916,526	1,053,998	1,105,472	1,102,825	1,174,307	1,190,323	1,301,920	1,391,301	1,498,526	1,466,792
Support Services:										
Tuition	2,818,109	2,636,129	2,348,908	2,508,032	2,246,896	2,684,498	2,431,882	2,367,233	1,884,450	1,294,958
Student & inst. related services	7,528,989	7,702,323	8,060,308	8,278,014	8,809,458	9,246,267	9,678,386	11,434,020	13,112,059	15,404,548
General administration	865,159	1,033,625	1,028,674	1,120,010	1,550,845	1,586,968	1,665,185	1,745,243	2,064,152	1,866,613
School administrative services	2,563,661	2,556,472	2,459,455	2,495,936	2,752,852	2,844,390	2,929,953	2,933,601	2,921,060	5,207,538
Central services	928,882	632,660	586,778	519,007	509,284	484,749	573,599	516,050	1,308,061	-
Admin. information technology	576,108	728,284	596,918	774,490	871,886	1,029,352	968,997	1,229,193	681,038	-
Plant operations and maintenance	7,098,540	6,488,535	6,530,091	7,719,001	6,979,860	7,000,767	7,216,656	7,191,380	7,620,786	7,979,430
Pupil transportation	3,845,416	4,012,942	4,277,157	4,280,377	4,538,602	4,999,315	5,124,852	5,385,377	5,563,122	5,304,312
Employee benefits	20,712,880	22,410,920	24,138,367	23,269,863	25,120,168	27,509,184	30,242,798	31,881,337	34,232,296	35,054,448
Charter Schools	450,170	395,187	583,725	809,793	1,024,971	1,213,693	1,731,185	2,293,492	3,601,674	4,247,611
Scholarships	172	37								
Capital outlay	3,503,525	3,224,644	1,627,063	5,678,163	3,362,949	1,782,061	13,296,303	6,753,243	34,948,349	35,021,825
Debt service:										
Principal	3,360,000	3,375,000	4,000,000	3,840,000	4,205,000	3,600,000	3,735,000	3,875,000	4,850,000	4,995,000
Interest and other charges	2,626,596	2,631,875	2,013,323	2,170,851	1,988,899	1,779,600	1,634,100	1,501,600	2,858,908	3,630,379
Total expenditures	91,886,022	93,410,452	94,490,607	101,147,188	102,481,453	104,938,139	121,916,137	122,108,214	161,111,562	166,992,691
Excess (Deficiency) of revenues over (under) expenditures	(145,020)	1,110,632	3,064,879	(2,629,706)	95,804	176,217	(11,952,192)	(5,841,572)	(34,331,342)	(30,666,586)
Other Financing sources (uses)										
Proceeds from borrowing							35,000,000		42,348,000	
Capital leases (non-budgeted)							1,000,000		13,500,000	
Proceeds from refunding	4,452		11,399		3,619					
Scholarship Refund to Donor			(44,883)							
Cancellation of prior years payable						56,151				
Total other financing sources (uses)	4,452	-	(33,484)	-	3,619	56,151	36,000,000	-	55,848,000	-
Net change in fund balances	\$ (140,568)	\$ 1,110,632	\$ 3,031,395	\$ (2,629,706)	\$ 99,423	\$ 232,368	\$ 24,047,808	\$ (5,841,572)	\$ 21,516,658	\$ (30,666,586)
Debt service as a percentage of noncapital expenditures	6.77%	6.66%	6.48%	6.30%	6.25%	5.22%	4.94%	4.66%	6.11%	6.54%

Source: CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	<u>Refund of Prior Years Expenditures</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
2011	143,994	109,994	37,540	258,415	549,943
2012	72,875	126,975	19,608	146,451	365,909
2013	68,139	127,091	27,619	217,069	439,918
2014	108,763	75,286	30,211	236,887	451,147
2015	20,241	34,062	20,735	627,754	702,792
2016	11,562	31,282	16,658	129,318	188,820
2017	55,267	14,291	12,757	553,930	636,245
2018	69,420	97,090	137,246	363,473	667,229
2019	86,338	103,401	161,413	448,145	799,297
2020	53,321	-	111,244	1,102,916	1,267,481

Source: District records

REVENUE CAPACITY

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN (10) FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Tax-Exempt Property	Net Valuation	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2011	33,009,000	1,521,256,500	1,182,300	101,200	385,961,700	310,748,100	201,412,800	2,453,671,600	3,238,211	421,366,900	2,878,296,711	4,794,235,881	3.005
2012	33,445,900	1,519,468,700	1,182,300	101,200	375,135,100	287,812,700	201,112,800	2,418,258,700	3,329,077	423,253,100	2,844,840,877	4,713,954,776	2.856
2013	29,108,500	1,524,669,700	1,182,400	101,200	368,459,600	283,655,200	201,112,800	2,408,289,400	2,071,600	421,567,100	2,831,928,100	4,350,946,294	3.184
2014	41,203,600	1,535,377,100	1,182,400	36,100	379,262,800	290,745,200	201,554,600	2,449,361,800	2,789,231	417,671,700	2,869,822,731	4,573,448,641	3.204
2015	39,881,100	1,544,335,100	1,182,300	36,100	380,685,800	286,469,800	201,554,600	2,454,144,800	2,905,820	417,856,200	2,874,906,820	4,488,181,475	3.253
2016	51,134,100	1,541,110,700	1,182,300	36,100	396,166,900	267,856,900	201,554,600	2,459,041,600	2,888,810	417,465,800	2,879,396,210	4,535,680,708	3.325
2017	55,505,800	1,543,724,900	1,182,300	36,100	392,856,900	264,787,200	201,554,600	2,459,647,800	2,983,967	418,226,400	2,880,858,167	4,498,276,710	3.402
2018	42,898,900	1,565,223,600	1,182,300	36,100	398,754,000	271,527,800	206,404,100	2,486,026,800	-	422,608,400	2,908,635,200	4,591,529,090	3.458
2019	43,147,500	1,578,813,800	1,182,300	36,100	394,855,200	286,815,400	201,325,800	2,506,176,100	-	428,545,100	2,934,721,200	4,653,563,648	3.548
2020	40,120,500	1,587,324,900	1,182,300	36,100	401,991,506	294,319,300	206,255,800	2,531,230,406	-	428,925,600	2,960,156,006	47,925,769,882	5.786

Source: Municipal Tax Assessor

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

Reassessment occurs when the County Board of Taxation requests the Municipality to do so.

^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

^b Tax rates are per \$100 of assessed valuation

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	North Brunswick Township School District Direct Rate			Overlapping Rates		
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate ^c	Municipality of North Brunswick	County of Middlesex	Total Direct and Overlapping Tax Rate
2011	2.762	0.243	3.005	1.093	0.602	4.700
2012	2.603	0.253	2.856	1.105	0.643	4.604
2013	2.935	0.249	3.184	1.224	0.695	5.103
2014	2.950	0.254	3.204	1.245	0.741	5.190
2015	3.035	0.218	3.253	1.267	0.729	4.619
2016	3.108	0.217	3.325	1.292	0.723	5.340
2017	3.184	0.218	3.402	1.322	0.730	5.454
2018	3.210	0.248	3.458	1.356	0.738	5.552
2019	3.236	0.312	3.548	1.392	0.728	5.668
2020	3.276	0.334	3.610	1.429	0.747	5.786

Source: Municipal Tax Collector

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

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

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

c Tax rates are per \$100 of assessed valuation.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN (10) YEARS AGO
(UNAUDITED)

	<u>2020</u>				<u>2011</u>		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
ER Squibb & Sons Inc.	\$ 143,987,900	1	5.69%	ER Squibb & Sons Inc.	\$ 148,612,900	1	6.06%
Kimco North Brunswick 617 Inc.	33,750,000	2	1.33%	Kimco North Brunswick 617 Inc.	35,000,000	2	1.43%
Kaplan Associates LLC	31,402,000	3	1.24%	Sodowick S. Etals c/o No. Vill Assn.	30,200,000	3	1.23%
Commerce GR NB LLC	26,233,000	4	1.04%	North Brunswick TOD Associates LLC	28,065,200	4	1.14%
Maebrook at Renaissance LLC	26,000,000	5	1.03%	Maebrook at Renaissance	23,515,600	5	0.96%
North Brunswick Manor	23,441,800	6	0.93%	Levin Properties LLC	23,267,400	6	0.95%
Renaissance Terrace LLC	21,000,000	7	0.83%	Renaissance Terrace LLC	19,000,000	7	0.77%
Colony Oaks Associates	20,000,000	8	0.79%	North Brunswick Manor LLC	18,986,000	8	0.77%
Ads North Village LLC	17,450,000	9	0.69%	Commerce CTR NB LLC % Perstige Inc	17,272,000	9	0.70%
Brunswick Circle Developers	17,245,000	10	0.68%	Brunswick Circle Developers LLC	17,245,000	10	0.70%
Total	<u>\$ 360,509,700</u>		<u>14.24%</u>		<u>\$ 361,164,100</u>		<u>14.72%</u>
Total Assessed Valuation	<u>\$ 2,531,230,406</u>			Total Assessed Valuation	<u>\$ 2,453,671,600</u>		

Source: Municipal Tax Assessor

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
TAX LEVIES AND COLLECTIONS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	116,080,734	115,983,210	99.92%	N/A
2012	120,744,776	120,218,424	99.56%	N/A
2013	123,267,695	122,910,122	99.71%	2,972
2014	125,871,013	125,466,068	99.68%	375,582
2015	129,659,436	129,522,487	99.89%	23,640
2016	129,973,745	129,855,000	99.91%	62,775
2017	133,808,210	133,726,337	99.94%	149,425
2018	136,252,492	136,556,446	100.22%	513,611
2019	141,191,607	142,325,091	100.80%	231,738
2020	145,152,203	144,567,484	99.60%	N/A

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

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

DEBT CAPACITY

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	<u>Total District</u>	<u>Percentage of Personal Income ^a</u>	<u>Per Capita ^a</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>	<u>Capital Leases</u>			
2011	59,142,000	1,151,635	-	60,293,635	4.40%	1,461
2012	55,976,000		-	55,976,000	4.16%	1,387
2013	51,976,000			51,976,000	3.83%	1,261
2014	48,136,000			48,136,000	3.55%	1,170
2015	43,760,000			43,760,000	3.23%	1,064
2016	40,160,000			40,160,000	2.96%	976
2017	36,425,000	-		36,425,000	2.69%	885
2018	67,550,000	-		67,550,000	4.98%	1,641
2019	105,048,000	13,500,000		118,548,000	8.74%	2,881
2020	100,768,000	13,500,000		114,268,000	8.43%	2,777

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

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

<u>General Bonded Debt Outstanding</u>					
<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value ^a of Property</u>	<u>Per Capita ^b</u>
2011	59,142,000	-	59,142,000	2.15%	1,461
2012	55,976,000	-	55,976,000	1.96%	1,387
2013	51,976,000	-	51,976,000	1.83%	1,261
2014	48,136,000	-	48,136,000	1.67%	1,170
2015	43,760,000	-	43,760,000	1.52%	1,064
2016	40,160,000	-	40,160,000	1.39%	976
2017	36,425,000	-	36,425,000	1.26%	885
2018	67,550,000	-	67,550,000	2.32%	885
2019	105,048,000	-	105,048,000	4.19%	2,553
2020	100,768,000	-	100,768,000	3.98%	2,449

Notes:

- Details regarding the district's outstanding debt can be found in the notes to the financial statements.
a See Exhibit J-6 for property tax data.
b Population data can be found in Exhibit J-14.

Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2020
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of North Brunswick	\$ 69,586,532	100.000%	\$ 69,586,532
County of Middlesex	462,440,418	4.1127%	<u>19,018,787</u>
Subtotal, overlapping debt			\$ 88,605,319
Township of North Brunswick District Direct Debt			
Bonds Issued	\$ 100,768,000.00		
Bonds and Notes Authorized but Not Issued	<u>1,200,000.00</u>		<u>\$ 101,968,000</u>
Total direct and overlapping debt			<u><u>\$ 190,573,319</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Middlesex County Board of Taxation.
Debt outstanding data provided by each governmental unit.

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

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
LEGAL DEBT MARGIN INFORMATION
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2020

	Equalized valuation basis
	2018 4,580,014,370
	2018 4,506,500,183
	2019 4,720,618,007
	<u>\$ 13,807,132,560</u>
Average equalized valuation of taxable property	\$ 4,602,377,520
Debt limit (4 % of average equalization value)	184,095,101 ^a
Total Net Debt Applicable to Limit	<u>101,968,000</u>
Legal debt margin	<u>\$ 82,127,101</u>

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt limit	\$199,506,495	\$ 192,878,596	\$ 185,942,650	\$181,299,319	\$ 176,689,504	\$ 178,382,034	\$ 178,391,775	\$ 179,315,118	\$ 180,572,196	\$ 184,095,101
Total net debt applicable to limit	<u>60,342,000</u>	<u>57,176,000</u>	<u>53,176,000</u>	<u>49,336,000</u>	<u>44,960,000</u>	<u>41,360,000</u>	<u>114,973,000</u>	<u>111,098,000</u>	<u>106,248,000</u>	<u>101,968,000</u>
Legal debt margin	<u>\$ 139,164,495</u>	<u>\$ 135,702,596</u>	<u>\$ 132,766,650</u>	<u>\$ 131,963,319</u>	<u>\$ 131,729,504</u>	<u>\$ 137,022,034</u>	<u>\$ 63,418,775</u>	<u>\$ 68,217,118</u>	<u>\$ 74,324,196</u>	<u>\$ 82,127,101</u>
Total net debt applicable to the limit as a percentage of debt limit	30.25%	29.64%	28.60%	27.21%	25.45%	23.19%	64.45%	61.96%	58.84%	55.39%

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

^a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

DEMOGRAPHIC AND ECONOMIC INFORMATION

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2011	40,742	1,342,204,448	32,944	9.40%
2012	40,961	1,349,419,184	32,944	9.20%
2013	41,218	1,357,885,792	32,944	8.10%
2014	41,153	1,355,744,432	32,944	6.10%
2015	41,153	1,355,744,432	32,944	5.60%
2016	41,153	1,355,744,432	32,944	4.60%
2017	41,153	1,355,744,432	32,944	4.20%
2018	41,153	1,355,744,432	32,944	4.00%
2019	41,153	1,355,744,432	32,944	3.50%
2020	41,153	1,355,744,432	32,944	3.00%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

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

^c Per capita personal income by municipality estimated based upon the 2011-2020 published by the US Bureau of Economic Analysis.

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE (9) YEARS AGO
(UNAUDITED)

	2020		2011	
Employer	Employees	Rank	Employees	Rank
	N/A	1	N/A	
	N/A	2	N/A	
	N/A	3	N/A	
	N/A	4	N/A	
	N/A	5	N/A	
	N/A	6	N/A	
	N/A	7	N/A	
	N/A	8	N/A	
	N/A	9	N/A	
	N/A	10	N/A	
	N/A		N/A	
	N/A		N/A	

OPERATING INFORMATION

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Instruction										
Regular	388	402	402	405	405	428	431	430	435	446
Special education	157	164	164	178	178	185	190	191	197	196
Other special education										
Support Services:										
Student & instruction related services	96	112	112	131	131	134	141	148	160	158
General administration	2	4	4	5	5	5	5	6	6	6
School administrative services	31	31	31	27	27	28	34	42	40	41
Central services	15	9	9	8	8	8	8	9	7	8
Administrative Information Technology	8	8	8	11	11	12	13	13	11	10
Plant operations and maintenance	96	85	85	102	102	107	108	120	114	104
Pupil transportation	26	29	29	31	31	34	33	34	38	34
Other support services	21	4	4	-	-	-	-	-	-	-
Total	<u>840</u>	<u>848</u>	<u>848</u>	<u>898</u>	<u>898</u>	<u>941</u>	<u>963</u>	<u>993</u>	<u>1,008</u>	<u>1,003</u>

Source: District Personnel Records

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
OPERATING STATISTICS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Attendance			
						Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2011	5,886	82,395,729	13,999	-0.11%	539	1:10.7	1:10.5	1:11.2	5,947.1	5,545.4	4.81%	93.25%
2012	5,968	81,746,641	13,697	-2.15%	500	1:12.6	1:11.3	1:11.8	6,040.6	5,662.4	1.57%	93.74%
2013	6,148	86,850,221	14,127	3.13%	562	1:10.2	1:10.4	1:10.9	6,120.3	5,777.4	1.32%	94.40%
2014	6,162	89,458,174	14,518	2.77%	583	1:10.4	1:10.8	1:10.3	6,162.5	5,828.5	0.69%	94.58%
2015	6,224	92,924,605	14,930	2.84%	583	1:10.4	1:10.8	1:10.3	6,147.2	5,853.1	-0.25%	95.22%
2016	6,245	99,543,809	15,940	6.76%	613	1:11.1	1:11.9	1:11.3	6,068.5	5,779.9	-1.28%	95.24%
2017	6,175	103,250,734	16,721	4.90%	621	1:11.2	1:12.0	1:11.4	6,044.6	5,729.1	-0.39%	94.78%
2018	6,206	109,978,371	17,721	5.98%	621	1:11.2	1:12.0	1:11.4	5,987.0	5,688.5	-0.95%	95.01%
2019	6,211	118,454,305	19,072	7.62%	632	1:11.2	1:12.0	1:11.4	5,939.1	5,627.6	-0.80%	94.76%
2020	6,081	123,345,487	20,284	6.36%	642	1:11.2	1:12.0	1:11.4	5,906.4	5,701.9	-0.55%	96.54%

Sources: District records

Note: Enrollment based on annual October district count as related in the Application for State School Aid (ASSA).

- a Operating expenditures equal total expenditures less debt service, capital outlay and scholarships.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d Cost per pupil calculated by dividing operating expenditures by enrollment; not intended to represent the statutory calculation of cost per pupil.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHOOL BUILDING INFORMATION
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>District Building</u>										
<u>Elementary</u>										
Judd (1967)										
Square Feet	88,595	88,595	88,595	88,595	88,595	88,595	88,595	88,595	88,595	88,595
Capacity (students)	709	709	709	709	709	709	709	709	709	709
Enrollment	721	737	779	792	805	749	714	720	720	720
John Adams (1961)										
Square Feet	79,257	79,257	79,257	79,257	79,257	79,257	79,257	79,257	79,257	79,257
Capacity (students)	634	634	634	634	634	634	634	634	634	634
Enrollment	703	706	715	725	719	649	672	650	650	650
Livingston Park (1930)										
Square Feet	84,573	84,573	84,573	84,573	84,573	84,573	84,573	84,573	84,573	84,573
Capacity (students)	677	677	677	677	677	677	677	677	677	677
Enrollment	684	793	734	716	702	646	600	593	593	593
Parsons (1965)										
Square Feet	84,079	84,079	84,079	84,079	84,079	84,079	84,079	84,079	84,079	84,079
Capacity (students)	673	673	673	673	673	673	673	673	673	673
Enrollment	649	726	738	771	790	770	769	735	735	735
Early Childhood Center										
Square Feet						14,340	14,340	14,340	14,340	14,340
Capacity (students)						174	174	174	174	174
Enrollment						174	153	154	154	154
<u>School</u>										
Linwood (1951)										
Square Feet	204,557	204,557	204,557	204,557	204,557	204,557	204,557	204,557	204,557	204,557
Capacity (students)	1,527	1,527	1,527	1,527	1,527	1,527	1,527	1,527	1,527	1,527
Enrollment	1,317	1,352	1,371	1,341	1,334	1,345	1,347	1,380	1,380	1,380
<u>Middle School</u>										
North Brunswick Twp Middle School (2020)										
Square Feet										
Capacity (students)										
Enrollment										
<u>High School</u>										
North Brunswick Twp High School (1973)										
Square Feet	394,716	394,716	394,716	394,716	394,716	394,716	394,716	394,716	394,716	394,716
Capacity (students)	2,614	2,614	2,614	2,614	2,614	2,614	2,614	2,614	2,614	2,614
Enrollment	1,766	1,725	1,758	1,796	1,777	1,752	1,789	1,781	1,781	1,781
<u>Other</u>										
Athletic Building (1979)										
Square Feet	2,704	2,704	2,704	2,704	2,704	2,704	2,704	2,704	2,704	2,704
Central Administration (1927)										
Square Feet	24,642	24,642	24,642	24,642	24,642	24,642	24,642	24,642	24,642	24,642
Warehouse										
Square Feet	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376
Number of Buildings at June 30, 2020										
Elementary Schools =	4									
Intermediate School =	1									
Middle School =	1									
High School =	1									
Other =	3									

Source: District Facilities Office

Note: Enrollment is based on the average daily enrollment (ADE).

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF REQUIRED MAINTENANCE
FOR SCHOOL FACILITIES
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-xxx

	* School Facilities Project # (s)	Early Childhood Center	John Adams	Judd	Livingston Park	Parsons	Linwood M.S.	North Brunswick H.S.	Other Facilities	Total
2011	N/A		140,047	151,001	153,944	125,259	277,182	548,728	40,450	1,436,610
2012	N/A		109,016	121,943	122,042	144,825	284,249	555,275	45,579	1,382,930
2013	N/A		116,464	124,876	119,207	118,511	288,327	556,361	34,733	1,358,479
2014	N/A		136,974	122,454	130,687	129,939	316,164	610,172	50,598	1,496,988
2015	N/A		132,599	142,176	135,722	134,929	328,271	633,436	39,545	1,546,678
2016	N/A	23,268	128,603	143,755	137,229	136,428	331,917	640,471	53,096	1,571,499
2017	N/A	25,842	142,827	159,654	152,406	151,516	368,626	711,307	58,967	1,771,145
2018	N/A	21,084	116,529	130,259	124,345	123,619	300,755	580,341	48,110	1,445,042
2019	N/A	25,217	139,375	155,796	148,723	147,855	359,718	694,116	57,542	1,728,342
2020	N/A	25,291	139,784	156,253	149,159	148,288	360,772	696,151	57,711	1,733,409
Total School Facilities		\$ 120,702	\$ 1,302,218	\$ 1,408,168	\$ 1,373,464	\$ 1,361,169	\$ 3,215,981	\$ 6,226,358	\$ 486,331	\$ 15,471,122

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

Source: District records

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
INSURANCE SCHEDULE
JUNE 30, 2020
UNAUDITED

<u>Type of Policy</u>	<u>Coverage</u>	<u>Deductible</u>
Glatfelters Insurance - AIG		
Property Insurance	\$ 306,048,944	\$ 10,000
Valuable Papers	250,000	500
Extra Expense	1,000,000	10,000
Electronic Data Processing - Hardware/Software	4,000,000	1,000
Equipment Breakdown	150,000,000	10,000
Business Income from Equipment Breakdown	425,000	
Casualty Insurance - Glatfelters Insurance - AIG & NJUEP		
Comprehensive General Liability	31,000,000	
Automobile Liability	31,000,000	
Employee Benefit Liability - Glatfelters Insurance - AIG & NJUEP	31,000,000	1,000
New Jersey Workers Compensation - PIP Insurance	Statutory	
Public Employees' Faithful Performance Blanket		
Position Bond - Hanover Insurance Company		
Acting Business Administrator	200,000	
Board Secretary	200,000	
Position Bond - CNA Surety		
Treasurer	400,000	

Source: District records.

SINGLE AUDIT SECTION

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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Exhibit K-1
Sheet 1 of 2

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

Honorable President and Members
of the Board of Education
Township of North Brunswick Board of Education
County of Middlesex, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance Department, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of North Brunswick Board of Education, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Township of North Brunswick Board of Education's basic financial statements, and have issued our report thereon dated February 4, 2021.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
February 4, 2021

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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Exhibit K-2
Sheet 1 of 3

INDEPENDENT AUDITORS REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NJOMB 15-08

The Honorable President and Members
of the Board of Education
Township of North Brunswick Board of Education
County of Middlesex, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Township of North Brunswick Board of Education's compliance with the types of compliance requirements described in *the OMB Compliance Supplement* and *New Jersey State Aid/Grant Compliance supplement* that could have a direct and material effect on each of District's major federal and state programs for the year ended June 30, 2020. The Township of North Brunswick School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of North Brunswick Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance); the *New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, Uniform Guidance and NJOMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether on compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about Township of North Brunswick Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

**INDEPENDENT AUDITORS REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NJOMB 15-08
(CONTINUED)**

We believe that our audit provides a reasonable basis for our unmodified opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Township of North Brunswick Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Township of North Brunswick Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the Township of North Brunswick Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of North Brunswick Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey State Aid/Grant Compliance Supplement, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of North Brunswick Board of Education's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**INDEPENDENT AUDITORS REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NJOMB 15-08
(CONTINUED)**

Purpose of Report

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



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

February 4, 2021
Freehold, New Jersey

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		June 30, 2020			Cash Received	Budgetary Expenditures	June 30, 2020		
				From	To	Due to Grantor	Deferred Revenue	(Accounts Receivable)			(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education:													
General Fund:													
Medical Assistance Program	93.778	1805NJ5MAP	\$ 230,587	7/1/2019	6/30/2020				\$ 230,587	\$ (230,587)			
Total General Fund									\$ 230,587	\$ (230,587)			
U.S. Department of Education													
Passed - Through State Department of Education:													
Special Revenue Fund:													
Title 1, Part A	84.010	S013A190030	\$ 754,768	7/1/2019	6/30/2020				\$ 235,803	\$ (741,540)	\$ (505,737)		
Title 1, Part A	84.010	S013A180030	716,763	7/1/2018	6/30/2019			\$ (235,806)	235,806				
Title 1, Part D	84.010	S013A190030	308,706	7/1/2019	6/30/2020				90,073	(167,054)	(76,981)		
Title 1, Part D	84.010	S013A180030	229,746	7/1/2018	6/30/2019			(167,521)	167,521				
Title 1 Reallocated	84.010		27,605	7/1/2019	6/30/2020				46,109	(54,887)	(8,778)		
Title II, Part A	84.367	S367A190029	151,094	7/1/2019	6/30/2020				106,391	(134,875)	(28,484)		
Title II, Part A	84.367	S367A180029	187,333	7/1/2018	6/30/2019			(56,485)	56,485				
Title III, Part A	84.365	S365A190030	66,847	7/1/2019	6/30/2020				62,211	(67,015)	(4,804)		
Title III, Part A	84.365	S365A180030	61,581	7/1/2018	6/30/2019			(5,475)	5,475				
Title III, Immigrant	84.365	S365A190030	21,837	7/1/2019	6/30/2020				20,286	(23,072)	(2,786)		
Title III, Immigrant	84.365	S365A190030	22,768	7/1/2018	6/30/2019			(1,188)	1,188				
Title IV	84.369	S369A190031	41,941	7/1/2019	6/30/2020				43,194	(44,544)	(1,350)		
Title IV	84.369	S369A190031	12,917	7/1/2018	6/30/2019			(38)	38				
I.D.E.A. Part B, Basic	84.027	H027A180100	1,338,296	7/1/2019	6/30/2020				1,004,179	(1,322,729)	(318,550)		
I.D.E.A. Part B, Basic	84.027	H027A180100	1,325,526	7/1/2018	6/30/2019			(375,084)	375,084				
I.D.E.A. Preschool	84.173	H173A190114	3,834	7/1/2019	6/30/2020				32,959	(56,220)	(23,261)		
I.D.E.A. Preschool	84.173	H173A180114	37,543	7/1/2018	6/30/2019			(8,516)	8,516				
Perkins Grant	84.048	V048A190030	43,308	7/1/2019	6/30/2020				49,112	(49,821)	(709)		
Perkins Grant	84.048	V048A180030	38,978	7/1/2018	6/30/2019			(12,844)	12,844				
Total Special Revenue Fund								\$ (862,957)	\$ 2,553,274	\$ (2,661,757)	\$ (971,440)		

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		June 30, 2020			Cash Received	Budgetary Expenditures	June 30, 2020		
				From	To	Due to Grantor	Deferred Revenue	(Accounts Receivable)			(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Enterprise Fund:													
Food Distribution Program	10.555	191NJ304N1099	\$ 239,439	7/1/2018	6/30/2019	\$ 25,401			\$ (25,401)				
Food Distribution Program	10.555	18NJ304N1099	292,866	7/1/2019	6/30/2020			\$ 292,866	(246,981)		\$ 45,885		
School Breakfast Program	10.553	191NJ304N1099	504,390	7/1/2018	6/30/2019		\$ (44,508)	44,508					
School Breakfast Program	10.553	18NJ304N1099	337,542	7/1/2019	6/30/2020			337,542	(337,542)				
National School Lunch Program	10.555	191NJ304N1099	1,256,978	7/1/2018	6/30/2019		(97,883)	97,886					
National School Lunch Program	10.555	181NJ304N1099	905,783	7/1/2019	6/30/2020			905,783	(905,783)				
National School Lunch Program (PB)	10.555	191NJ304N1099	36,215	7/1/2018	6/30/2019		(2,823)	2,823					
National School Lunch Program (PB)	10.555	18NJ304N1099	32,482	7/1/2019	6/30/2020			31,434	(32,482)	\$ (1,048)			
After School Snacks	10.555	201NJ304N1099	3,612	7/1/2019	6/30/2020			3,612	(3,612)				
Summer Food Breakfast	10.559	201NJ304N1099	139,895	7/1/2019	6/30/2020			96,793	(139,895)	(43,102)			
Summer Food Lunch	10.559	201NJ304N1099	138,023	7/1/2019	6/30/2020			96,793	(138,023)	(41,230)			
School Snack Program	10.555	191NJ304N1099	11,799	7/1/2018	6/30/2019			805		(805)			
School Snack Program	10.555	181NJ304N1099	6,093	7/1/2019	6/30/2020			6,093	(6,093)				
Total Enterprise Fund						\$ 25,401	\$ (146,019)	\$ 1,916,938	\$ (1,835,812)	\$ (85,380)	\$ 45,885		
Total Federal Awards						\$ 25,401	\$ (1,008,976)	\$ 4,700,799	\$ (4,728,156)	\$ (1,056,820)	\$ 45,885		

(1) Equals inventory.

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		June 30, 2019		Cash Received	Budgetary (Expenditures)	(Adjustment) Repayment of Prior Year's Balances	Balance, June 30, 2020		MEMO	
			From	To	(Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
Categorical Special Education Aid	20-495-034-5120-089	\$ 5,372,023	7/1/2019	- 6/30/2020			\$ 5,372,023	\$ (5,372,023)			\$ 511,350	\$ (5,372,023)	
Equalization Aid	20-495-034-5120-078	13,147,323	7/1/2019	- 6/30/2020			13,147,323	(13,147,323)			1,251,462	(13,147,323)	
Categorical Security Aid	20-495-034-5120-084	1,619,505	7/1/2019	- 6/30/2020			1,619,505	(1,619,505)			154,157	(1,619,505)	
Transportation Aid	20-495-034-5120-014	2,310,618	7/1/2019	- 6/30/2020			2,310,618	(2,310,618)			219,942	(2,310,618)	
Extraordinary Aid	20-495-034-5120-044	1,742,203	7/1/2019	- 6/30/2020				(1,742,203)		\$ (1,742,203)		(1,742,203)	
Extraordinary Aid	19-495-034-5120-044	2,010,242	7/1/2018	- 6/30/2019		\$ (2,010,242)							
On Behalf TPAF - Non-Contributory Insurance	20-495-034-5094-003	9,001	7/1/2019	- 6/30/2020			9,001	(9,001)				(9,001)	
On-Behalf TPAF - Pension	20-495-034-5094-002	9,115,935	7/1/2019	- 6/30/2020			9,115,935	(9,115,935)				(9,115,935)	
On Behalf TPAF - Post Retirement Medical	20-495-034-5094-001	3,381,845	7/1/2019	- 6/30/2020			3,381,845	(3,381,845)				(3,381,845)	
On Behalf TPAF - FICA	20-495-034-5094-004	3,153,445	7/1/2019	- 6/30/2020			3,153,445	(3,153,445)				(3,153,445)	
Non Public Transportation	20-495-034-5120-014	35,592	7/1/2019	- 6/30/2020				(35,592)		(35,592)		(35,592)	
Non Public Transportation	19-495-034-5120-014	88,753	7/1/2018	- 6/30/2019		(88,753)	88,753						
Homeless Aid	20-495-034-5120-102	34,726	7/1/2019	- 6/30/2020				(34,726)		(34,726)		(34,726)	
Homeless Aid	19-495-034-5120-102	35,115	7/1/2018	- 6/30/2019		(35,115)	35,115						
Total General Fund						\$ (2,134,110)	\$ 38,233,563	\$ (39,922,216)		\$ (1,812,521)	\$ 2,136,911	\$ (39,922,216)	
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Textbook Aid	20-100-034-5120-064	\$ 2,319	7/1/2019	- 6/30/2020			\$ 2,319	\$ (2,303)		\$ 16		\$ (2,303)	
Textbook Aid	19-100-034-5120-064	2,410	7/1/2018	- 6/30/2019		\$ 66			\$ 66				
Nursing Services	20-100-034-5120-070	4,559	7/1/2019	- 6/30/2020			4,559	(4,348)		211		(4,348)	
Nursing Services	19-100-034-5120-070	4,268	7/1/2018	- 6/30/2019		3			3				
Technology	20-100-034-5120-373	1,584	7/1/2019	- 6/30/2020			1,584	(1,578)		6		(1,578)	
Technology	19-100-034-5120-373	1,476	7/1/2018	- 6/30/2019					44				
Security	20-100-034-5120-509	7,050	7/1/2019	- 6/30/2020			7,050			7,050			
Security	19-100-034-5120-509	6,600	7/1/2018	- 6/30/2019			13		13				
Auxiliary Services:													
Compensatory Education	20-100-034-5120-067	12,168	7/1/2019	- 6/30/2020			10,952	(4,056)		\$ (1,216)	8,112	(4,056)	
Compensatory Education	19-100-034-5120-067	10,998	7/1/2018	- 6/30/2019		7,614			7,614				
Transportation	19-100-034-5120-068	2,064	7/1/2018	- 6/30/2019			1,858	(2,064)		(206)		(2,064)	

See Accompanying Notes to Schedules of Financial Assistance.

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2019		Cash Received	Budgetary (Expenditures)	(Adjustment) Repayment of Prior Year's Balances	Balance, June 30, 2020		MEMO	
				(Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
Special Revenue Fund: (Continued)												
Handicapped Services:												
Examination and Classification	20-100-034-5120-066	9,660	7/1/2019 - 6/30/2020			\$ 8,694	\$ (5,761)		\$ (966)	\$ 3,899		\$ (5,761)
Examination and Classification	19-100-034-5120-066	7,103	7/1/2018 - 6/30/2019	\$ 1,274				\$ 1,274				
Supplemental Instruction	20-100-034-5120-066	7,285	7/1/2019 - 6/30/2020			6,554	(2,428)		(731)	4,857		(2,428)
Corrective Speech	20-100-034-5120-066	4,557	7/1/2019 - 6/30/2020			4,104	(911)		(453)	3,646		(911)
Corrective Speech	19-100-034-5120-066	3,571	7/1/2019 - 6/30/2020		893			893				
Preschool Educ. Expansion Aid	20-495-034-5120-104	2,815,240	7/1/2019 - 6/30/2020			2,815,240	(2,815,240)				\$ (281,524)	(2,815,240)
Total Special Revenue Fund					\$ 9,907	\$ 2,862,914	\$ (2,838,689)	\$ 9,907	\$ (5,384)	\$ 27,797	\$ (281,524)	\$ (2,838,689)
Debt Service Fund:												
Debt Service Aid Type II	20-495-034-5120-075	\$ 151,661	7/1/2019 - 6/30/2020			151,666	(151,666)					\$ (151,661)
Total Debt Service Fund						\$ 151,666	\$ (151,666)					\$ (151,661)
State Department of Agriculture												
Enterprise Fund:												
State School Lunch Program	19-100-010-3350-023	\$ 31,992	7/1/2018 - 6/30/2019	\$ (2,493)		\$ 2,493			\$ (824)			\$ (24,705)
State School Lunch Program	20-100-010-3350-023	24,705	7/1/2019 - 6/30/2020			23,881	(24,705)					
Total Enterprise Fund				\$ (2,493)		\$ 26,374	\$ (24,705)		\$ (824)			\$ (24,705)
Total State Financial Assistance				\$ (2,136,603)	\$ 9,907	\$ 41,274,517	\$ (42,937,276)	\$ 9,907	\$ (1,818,729)	\$ 27,797	\$ 1,855,387	\$ (42,937,271)
Less On-behalf TPAF:												
Pension	20-495-034-5094-002							\$ 9,115,935				
Post-Retirement Medical	20-495-034-5094-001							3,381,845				
Non-Contributory Insurance	20-495-034-5094-004							9,001				
								\$ (30,430,495)				

See Accompanying Notes to Schedules of Financial Assistance.

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Township of North Brunswick School District. The information in this Schedule is presented in accordance with the requirements of Title 2, *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and NJOMB 15-08. The Board of Education is defined in Note 1 (A) to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this Schedule is presented in accordance with the requirements of Title 2, *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and NJOMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A.18A:22-4.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last two (2) (of twenty (20)) state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A.18A:22-4.2.

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$286,878 for the general fund and a decrease of \$190,692 in the special revenue fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented are as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 230,587	\$ 39,635,338	\$ 39,865,925
Special Revenue Fund	2,661,997	2,647,997	5,309,994
Debt Service Fund		151,666	151,666
Food Service Fund	<u>1,856,291</u>	<u>24,705</u>	<u>1,880,996</u>
Total Awards and Assistance	<u>\$ 4,748,875</u>	<u>\$ 42,459,706</u>	<u>\$ 47,208,581</u>

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. FEDERAL AND STATE LOANS OUTSTANDING

The District had no federal or state loans outstanding.

6. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contribution and Post-Retirement Medical Contributions represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2020. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2019.

The State of New Jersey also makes TPAF post-retirement medical, pension contribution and long-term disability insurance expenditures on-behalf of the District. These expenditures are not subject to New Jersey OMB Circular 15-08 because the contributions are made by the State directly and do not have any compliance related requirements, and therefore have not been included on the Schedule of State Financial Assistance, as directed by the funding agency.

7. INDIRECT COSTS

The District did not use the 10% di minimus indirect cost rate.

**BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified, dated
February 4, 2021

Internal control over financial reporting:

1. Material weakness(es) identified? _____ yes x no
2. Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes x none reported

Noncompliance material to basic financial statements noted? _____ yes x no

Federal Awards

Internal control over major programs:

1. Material weakness(es) identified? _____ yes x no
2. Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes x none reported

Type of auditor's report issued on compliance for major programs: Unmodified, dated
February 4, 2021

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of the Uniform Guidance? _____ yes x no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>Title I</u>
<u>84.027</u>	<u>IDEA Part B Regular</u>
<u>10.555</u>	<u>Child Nutrition Project – National School Lunch</u>
<u>10.555</u>	<u>Child Nutrition Project – Food Distribution</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

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

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

State Financial Assistance

Dollar threshold used to distinguish between type A and type B Programs: \$750,000

1. Auditee qualified as low-risk auditee? x yes no

Type of auditor's report issued on compliance for major programs: Unmodified, dated February 4, 2021

Internal Control over major programs:

1. Material weakness(es) identified? Yes x no

2. Significant deficiency(ies) identified that are not considered to be material weakness(es): yes x none reported

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08? yes x no

Identification of major programs:

<u>GMIS Number</u>	<u>Name of State Program</u>
<u>19-495-034-5120-089</u>	<u>Categorical Special Education Aid</u>
<u>19-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>19-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contribution</u>
<u>19-100-034-5120-473</u>	<u>Extraordinary Aid</u>
<u>19-495-034-5120-014</u>	<u>Categorical Transportation Aid</u>
<u>19-495-034-5120-104</u>	<u>Pre-School Education Expansion Aid</u>

Section II - Schedule of Financial Statement Findings

None

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

None

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

FOR THE YEAR ENDED JUNE 30, 2019:

There were no findings for the year ended June 30, 2019.