

**BRANCBURG TOWNSHIP
SCHOOL DISTRICT**

**Branchburg Township School District
Branchburg, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2021**

**Comprehensive Annual
Financial Report**

of the

Branchburg Township School District

Branchburg, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

Branchburg Township School District Board of Education

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION
(UNAUDITED)

BRANCBURG TOWNSHIP SCHOOL DISTRICT

“Excellence in Education”



240 Baird Road • Branchburg, New Jersey 08876-4200 • Fax (908) 526-6144

Thomas M. Venanzi • *Interim Business Administrator/Board Secretary*
(908) 722-3335

November 1, 2021

Honorable President and
Members of the Board of Education
Branchburg Township School District
240 Baird Road
Branchburg, New Jersey 08876

Dear Board Members:

The comprehensive annual financial report of the Branchburg Township School District (District) for the fiscal year ended June 30, 2021 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections as follows:

- The Introductory Section includes this Letter of Transmittal, the District's Organizational Chart, Roster of Officials, and Consultants and Advisors.
- The Financial Section includes the Independent Auditors' Report, the Management's Discussion and Analysis, and the Basic Financial Statements, Notes, and other schedules that provide an overview of the District's financial position.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section includes the Auditors' report on the internal control system and compliance with applicable laws and regulations and findings and recommendations. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Branchburg Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds of the District are included in this report. The Branchburg Township Board of Education and all its schools constitute the District's reporting entity.

The Branchburg Township School District provides a full range of educational services for pupils in grades Kindergarten through 8. Resident pupils in grades 9-12 attend Somerville High School on a tuition basis. The K-8 programs include regular, special education and enrichment instruction which offer a wide range of opportunities for pupils of varying abilities. The District also offers a pre-K special education program that accepts up to 19 parent paid regular education students.

2. 2020-2021 MAJOR INITIATIVES:

The vision of Branchburg Township School District is "Excellence in Education." The mission of the Branchburg Township School District is to inspire our children to learn, think, grow, and excel in life. In pursuit of this vision and mission, our major initiatives for the 2020-2021 school term are outlined below, along with highlights of our resulting accomplishments.

1. Create a learning environment that challenges all students and incorporates individual learning styles.

To this end, we worked to:

- Establish a culture of data driven instruction, using formative and summative assessments aligned to grade level benchmarks.
- Identify approaches to instruction that adjust to student need.

2. Integrate a program of social-emotional learning into all schools and all grades, supporting a common language in grades K-8.

To this end, we

- Strengthened the Advisory program in grades 5 to 8 to provide opportunities to build relationships with our students that went beyond the academic instructional realm.
- Expanded emphasis on a direct teaching focus on the SEL Competencies.

3. To fully utilize technology to strengthen our instructional programs.

To this end, we

- Continued to support our partnership with Discovery Education to implement a Digital Leader Corps and lab site classrooms to support the use of technology through authentic learning experiences for our students.

2. 2020-2021 MAJOR INITIATIVES (Cont'd):

4. Develop and communicate a strategic planning process that sets the course of the District for the next 5 years.

To this end, we

- Formed a committee of diverse stakeholders to look at where the District will need to be in 5 years in order to continue the goal of teaching our students to learn, think, grow, and excel in life.
- Developed and submitted fiscally responsible building and department budgets that reinforced the goals of the District and that were aligned with current conditions.

3. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system 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 system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, 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.

4. 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 appropriations budget approved by a vote of the Board of Education. Annual appropriations 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 ended June 30, 2021 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 fund balance restrictions, commitments and assignments at June 30, 2021.

5. ACCOUNTING SYSTEM AND REPORTS: The District’s accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in “Notes to the Basic Financial Statements”, Note 1: Summary of Significant Accounting Policies.

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

7. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found in the Statistical Section as Schedule J-20.

8. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors’ report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Governmental Auditing Standards* are included in the single audit section of this report.

9. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Branchburg 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 Board office staff.

Respectfully submitted,



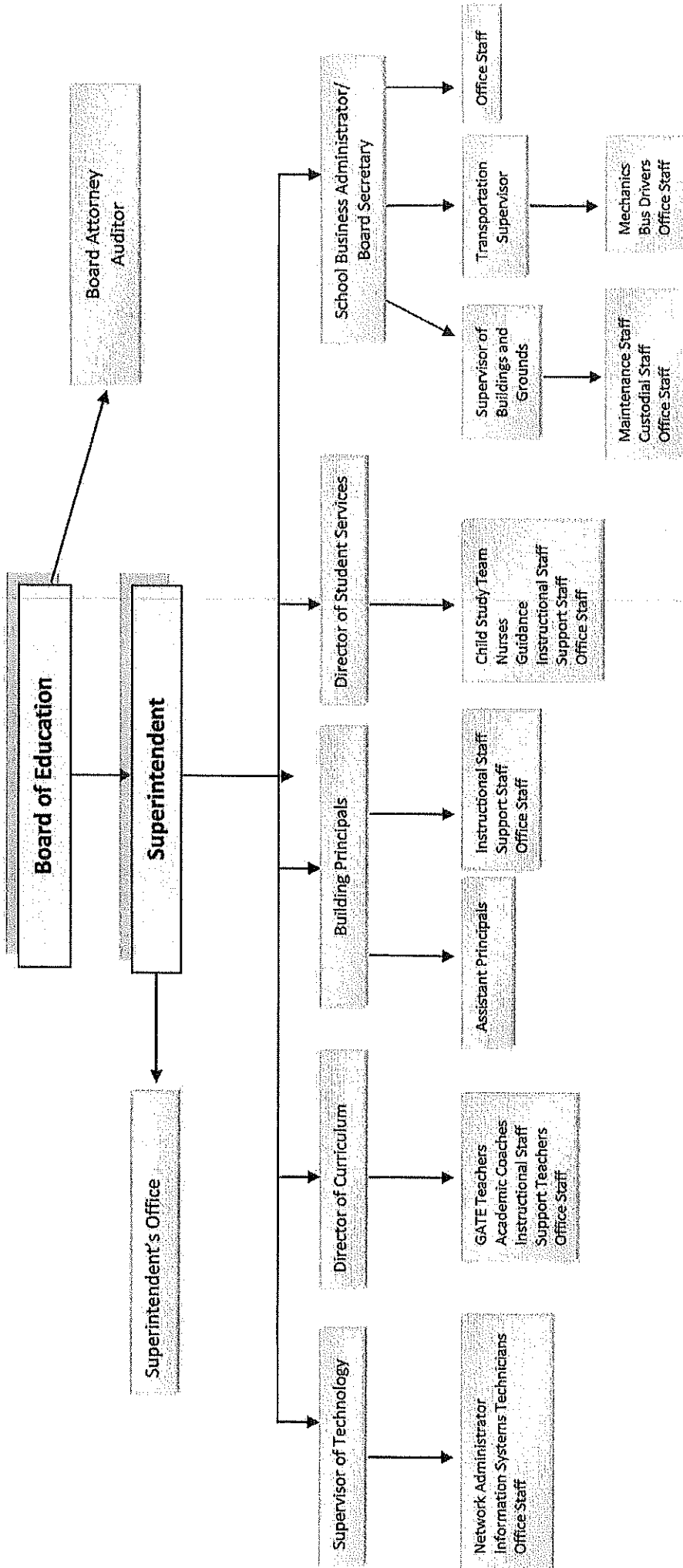
Dr. Elizabeth Nastus
Interim Superintendent of Schools



Thomas M. Venanzi
Interim Business Administrator/Board
Secretary

Branchburg Township School District

2020-2021 Organizational Chart



Updated 11.9.20

BRANCBURG TOWNSHIP SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2021

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Theresa Joyce, President	January 2022
Catherine Curcio, Vice President	January 2024
Vincent Carpentier	January 2024
Kristen Fabriczi	January 2022
Noah Horowitz	January 2022
Robert Maider	January 2024
Olga Phelps	January 2023
Keerti Purohit	January 2023
Jonathan Sarles	January 2023

OTHER OFFICIALS

TITLE

Rebecca Gensel	Superintendent of Schools
Kelly Morris	School Business Administrator/Board Secretary
David B. Rubin, Esq.	Board Attorney
Tina Neely	Director of Student Services
Jennifer Anderson	Director of Curriculum
Matthew Barbosa	Principal, Branchburg Central Middle School
Kristen Kries	Principal, Stony Brook School
Dee Shober	Principal, Whiton Elementary School

BRANCBURG TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS

ARCHITECT

Settembrino Architects
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Red Bank, New Jersey 07701

ATTORNEY

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P.O. Box 4579
Metuchen, New Jersey 08840

AUDIT FIRM

Nisivoccia, LLP
Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mount Arlington, New Jersey 07856-1320
and
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Newton, New Jersey 07860

BOND COUNSEL

Wilentz, Goldman & Spitzer
90 Woodbridge Center Drive
Suite 900, Box 10
Woodbridge, New Jersey 07095-0958

FINANCIAL ADVISOR

Phoenix Advisors
4 West Park Street
Bordentown, New Jersey 08505

OFFICIAL DEPOSITORY

TD Bank
Milltown Road
Bridgewater, New Jersey 08807

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Branchburg Township School District
County of Somerset, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Branchburg Township School District (the "District") in the County of Somerset, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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. 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Branchburg Township School District, in the County of Somerset, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 20 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the pension and post-retirement benefit schedules in Exhibits L-1 through L-5 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 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 District’s basic financial statements. The accompanying other supplementary schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, 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.

The Honorable President and Members
of the Board of Education
Branchburg Township School District
Page 3

The accompanying other supplementary schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate 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 other supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information such as the introductory and statistical sections has 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 November 1, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 District's internal control over financial reporting and compliance.

November 1, 2021
Mt. Arlington, New Jersey

Nisivoccia, LLP
NISIVOCCIA, LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**BRANCBURG TOWNSHIP SCHOOL DISTRICT
BRANCBURG, NEW JERSEY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

This section of the Branchburg Township School District’s (the “District’s”) annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

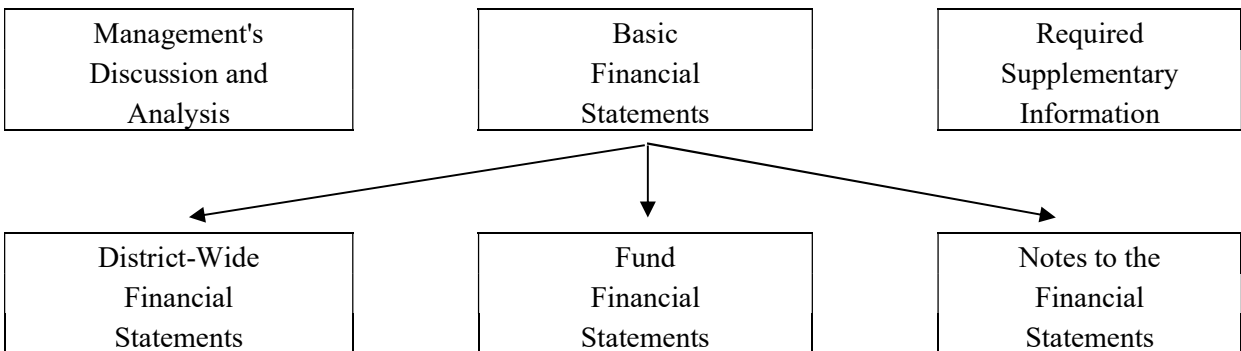
Overview of the Financial Statements

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

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District’s operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short- and long-term* financial information about the activities the District operates like a business, such as food services.
- *Notes to the Basic Financial Statements* provide additional information essential to a full understanding of the district-wide and fund financial statements.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District’s budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1
Organization of Branchburg Board of Education’s Financial Report**



**BRANCBURG TOWNSHIP SCHOOL DISTRICT
BRANCBURG, NEW JERSEY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary such as special education and building maintenance	Activities the District operates similar to private businesses: food services
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities are included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

**BRANCBURG TOWNSHIP SCHOOL DISTRICT
BRANCBURG, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

District-Wide Statements

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

The two District-wide statements report the District's *net position* and how they have changed. Net position is the difference between the District's assets, deferred inflows and outflows and liabilities and is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has two kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows.

**BRANCBURG TOWNSHIP SCHOOL DISTRICT
BRANCBURG, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

Notes to the Basic 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 basic financial statements can be found immediately following the fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position was \$25,989,806 on June 30, 2021, \$4,494,795 or 20.91% more than the year before (See Figure A-3). Net position from governmental activities increased \$4,530,883 and net position from business-type activities decreased \$36,088 (See Figure A-4). Net investment in capital assets increased \$2,282,726, restricted net position decreased \$1,434,662 and unrestricted net position increased \$3,646,731.

**Figure A-3
Condensed Statement of Net Position**

	Government Activities		Business-Type Activities		Total School District		Percent Change
	2020/2021	2019/2020 *	2020/2021	2019/2020	2020/2021	2019/2020 *	
Current and Other Assets	\$ 14,922,436	\$ 13,140,284	\$ 117,118	\$ 145,425	\$ 15,039,554	\$ 13,285,709	
Capital Assets, Net	37,597,382	36,697,288	42,044	46,384	37,639,426	36,743,672	
Total Assets	52,519,818	49,837,572	159,162	191,809	52,678,980	50,029,381	5.30%
Deferred Outflows of Resources	1,577,033	2,073,279			1,577,033	2,073,279	-23.94%
Other Liabilities	1,100,334	1,096,472	40,469	37,028	1,140,803	1,133,500	
Long-Term Liabilities	24,193,884	26,570,035			24,193,884	26,570,035	
Total Liabilities	25,294,218	27,666,507	40,469	37,028	25,334,687	27,703,535	-8.55%
Deferred Inflows of Resources	2,931,520	2,904,114			2,931,520	2,904,114	0.94%
Net Position:							
Net Investment in Capital Assets	22,058,302	19,771,236	42,044	46,384	22,100,346	19,817,620	
Restricted	9,753,484	11,188,146			9,753,484	11,188,146	
Unrestricted/(Deficit)	(5,940,673)	(9,619,152)	76,649	108,397	(5,864,024)	(9,510,755)	
Total Net Position	\$ 25,871,113	\$ 21,340,230	\$ 118,693	\$ 154,781	\$ 25,989,806	\$ 21,495,011	20.91%

* Restated

**BRANCBURG TOWNSHIP SCHOOL DISTRICT
BRANCBURG, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

Financial Analysis of the District as a Whole

Changes in net position. The District's combined net position increased by \$4,494,795, or 20.91%, over the course of the fiscal year. Net investment in capital assets increased \$2,282,726 due to a \$1,420,000 net reduction in bonded debt from current year maturities and \$2,805,111 in capital additions (net of deletions) (\$2,805,111 from governmental and \$-0- from business-type activities) offset by \$1,909,357 in depreciation (\$1,905,017 from governmental and \$4,340 from business-type activities) and a decrease in deferred amount on refunding of \$33,028. Restricted net position decreased by \$1,434,662 mainly due to decreases of \$860,770 in capital reserve and \$600,000 in excess surplus. The \$3,646,731 increase in unrestricted net position is due primarily to increases in year-end encumbrances, budgeted fund balance and unassigned net position and a decrease in the net pension liability offset by decreases in deferred outflows related to pensions and deferred inflows related to pensions (See Figure A-4).

**Figure A-4
Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	
Revenue:							
Program Revenue:							
Charges for Services	\$ 142,750	\$ 129,602	\$ 4,796	\$ 345,002	\$ 147,546	\$ 474,604	
Operating Grants/Contributions	11,358,239	10,014,379	177,266	97,143	11,535,505	10,111,522	
General Revenue:							
Property Taxes	44,349,936	43,526,925			44,349,936	43,526,925	
Unrestricted Federal/State Aid	364,961	288,812			364,961	288,812	
Other	416,948	340,777	5,905	42,855	422,853	383,632	
Total Revenue	56,632,834	54,300,495	187,967	485,000	56,820,801	54,785,495	3.72%
Expenses:							
Instruction	23,175,390	22,358,008			23,175,390	22,358,008	
Pupil and Instruction Services	18,631,724	18,160,038			18,631,724	18,160,038	
Administrative and Business	3,642,536	3,707,367			3,642,536	3,707,367	
Maintenance and Operations	2,371,133	2,210,817			2,371,133	2,210,817	
Transportation	2,168,731	2,266,449			2,168,731	2,266,449	
Other	2,112,437	2,171,094	224,055	562,101	2,336,492	2,733,195	
Total Expenses	52,101,951	50,873,773	224,055	562,101	52,326,006	51,435,874	1.73%
Change in Net Position	\$ 4,530,883	\$ 3,426,722	\$ (36,088)	\$ (77,101)	\$ 4,494,795	\$ 3,349,621	34.19%

**BRANCBURG TOWNSHIP SCHOOL DISTRICT
BRANCBURG, NEW JERSEY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

Governmental Activities

The financial position of the District’s Governmental Activities improved significantly. However, maintaining existing programs, developing new programs for regular education pupil enrollment and continued special programs and services for disabled pupils places great demands on the District’s resources. Veteran employee retirements and increased employee health benefit contributions have been surpassed by the increase in health benefits costs and the costs associated with training new teachers.

Careful management of expenses remains essential for the District to sustain its financial health. The following measures have continued to be utilized by the District resulted in significant cost saving and have lead to superior transportation efficiency and fiscal restraint. The District’s cost-saving measures included:

- Joint Transportation with surrounding school districts
- All employees contribute towards health and dental benefits
- Group purchasing for electric, gas, insurance and telecommunications
- Shared transportation operations with Readington Township School District
- Continuation of in-district special education programs

Due to the constraints placed upon the District by legislation enacted in the past several years, it is crucial that the District continually examines its expenses. Parental and student demands for new activities and programs must be evaluated thoroughly.

Figure A-5 presents the cost of six major District activities: instruction, pupil & instructional services, administration & business, maintenance & operations, transportation, and other. The table also shows each activity’s net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District’s taxpayers by each of these functions:

**Figure A-5
Net Cost of Governmental Activities**

	<u>Total Costs of Services</u>		<u>Net Cost of Services</u>	
	<u>2020/2021</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2019/2020</u>
Instruction	\$ 23,175,390	\$ 22,358,008	\$ 14,568,947	\$ 14,946,029
Pupil and Instruction Services	18,631,724	18,160,038	17,285,314	16,899,649
Administration and Business	3,642,536	3,707,367	2,838,068	2,944,125
Maintenance and Operations	2,371,133	2,210,817	2,371,133	2,210,817
Transportation	2,168,731	2,266,449	1,425,063	1,558,078
Other	2,112,437	2,171,094	2,112,437	2,171,094
	<u>\$ 52,101,951</u>	<u>\$ 50,873,773</u>	<u>\$ 40,600,962</u>	<u>\$ 40,729,792</u>

**BRANCBURG TOWNSHIP SCHOOL DISTRICT
BRANCBURG, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

Business-Type Activities

- Net position from the District's business-type activities (Food Service program) decreased \$36,088 due to the loss of revenue due to restrictions imposed by the COVID-19 pandemic. (Refer to Figure A-4).

Financial Analysis of the District's Funds

The District's General Fund fund balance increased \$1,734,102 primarily due to unexpended appropriations due to savings (in part from the COVID-19 pandemic).

The District's financial position remains stable due to cost containment, evaluation of programs and services and stable enrollment.

The District has had a multi-year practice of utilizing funds from its restricted and unassigned fund balance to offset or reduce the tax levy.

The District must continue its practice of sound financial management in order to maintain a stable financial position and achieve educational excellence.

General Fund Budgetary Highlights

Over the course of the year, the District revised its annual operating budget several times. These budget amendments consisted of changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.

Capital Assets

The District's capital assets increased \$895,754 – from \$36,743,672, to \$37,639,426 – or 2.44%, over the course of the fiscal year. (See Figure A-6.) (More detailed information about the District's capital assets is presented in Note 8 to the basic financial statements.)

**BRANCBURG TOWNSHIP SCHOOL DISTRICT
BRANCBURG, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

Capital Assets

Figure A-6

Capital Assets (Net of Depreciation)

	Government Activities		Business-Type Activities		Total School District		Percent Change
	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	
Land	\$ 2,367,600	\$ 2,367,600			\$ 2,367,600	\$ 2,367,600	
Construction in Progress	2,626,456	289,196			2,626,456	289,196	
Site Improvements	923,293	939,928			923,293	939,928	
Buildings and Building Improvements	29,384,586	30,797,459			29,384,586	30,797,459	
Furniture, Machinery & Equipment	2,295,447	2,303,105	\$ 42,044	\$ 46,384	2,337,491	2,349,489	
Total Capital Assets, Net	\$ 37,597,382	\$ 36,697,288	\$ 42,044	\$ 46,384	\$ 37,639,426	\$ 36,743,672	2.44%

The increase in capital assets was attributable to capital asset acquisitions (net of deletions) of \$2,805,111 (\$2,805,111 from its governmental and \$-0- from its business-type activities) which was offset by current year depreciation of \$1,909,357 (\$1,905,017 from its governmental and \$4,340 from its business-type activities).

Long-Term Liabilities

The District's long-term liabilities decreased \$2,376,151 – from \$26,570,035 to \$24,193,884 – or 8.94%, over the course of the fiscal year. (See Figure A-7.) (More detailed information about the District's long-term liabilities is presented in Note 9 to the financial statements.)

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Percent Change
	2020/2021	2019/2020	
General Obligation Bonds (Financed with Property Taxes)	\$ 15,845,000	\$ 17,265,000	
Unamortized Bond Issuance Premium	1,776,901	1,972,741	
Net Pension Liability	5,853,205	6,654,279	
Other Long-term Liabilities	718,778	678,015	
	\$ 24,193,884	\$ 26,570,035	-8.94%

The decrease in long-term liabilities was attributable to a decrease in the net pension liability of \$801,074, a decrease in bonds of \$1,420,000 and a decrease in unamortized bond issuance premium of \$195,840 offset by an increase in compensated absences payable of \$40,763.

**BRANCHBURG TOWNSHIP SCHOOL DISTRICT
BRANCHBURG, NEW JERSEY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

Factors Bearing on the District’s Future

Currently, the District is in sound financial condition. Everyone associated with the Branchburg Board of Education is grateful for the community support.

Many factors were considered by the District’s administration during the process of developing the fiscal year 2020-2021 budget. The primary factors were:

- Lower enrollment
- Unpredictable state and federal aid
- Increasing salary and benefit costs
- Capital needs

In addition to the factors listed, the District’s employees are currently contributing to their health benefit cost on a tiered system, thereby offsetting premium increases.

In the future, in addition to the consideration of the ongoing factors, the District will need to focus on the effects of the following:

- Township’s Affordable Housing (COHA) requirements
- Costs to ensure safety for our students and staff due to Covid
- State mandated changes to employee health benefit plans and contributions

Despite these concerns, the Branchburg Township Board of Education is committed to maintaining fiscal responsibility as well as achieving educational excellence for all of the students of the District.

Contacting the District’s Financial Management

This financial report is designed to provide the District’s citizens, taxpayers, and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 240 Baird Road, Branchburg, New Jersey 08876.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 4,663,723	\$ 80,278	\$ 4,744,001
Receivable from State Government	975,732	947	976,679
Receivable from Federal Government	28,719	13,660	42,379
Other Accounts Receivable	104,236	363	104,599
Inventories		21,870	21,870
Restricted Assets - Cash and Cash Equivalents	9,150,026		9,150,026
Capital Assets:			
Sites (Land) and Construction in Progress	4,994,056		4,994,056
Depreciable Site Improvements, Building & Building Improvements & Furniture, Machinery & Equipment	32,603,326	42,044	32,645,370
Total Assets	52,519,818	159,162	52,678,980
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	305,920		305,920
Deferred Outflows - Pensions	858,032		858,032
Deferred Outflows - District Contribution Subsequent to the Measurement Date - Pensions	413,081		413,081
Total Deferred Outflows of Resources	1,577,033		1,577,033
LIABILITIES:			
Accrued Interest Payable	292,708		292,708
Accounts Payable	806,060		806,060
Payable to State Government	350		350
Unearned Revenue	1,216	40,469	41,685
Noncurrent Liabilities:			
Due Within One Year	1,705,840		1,705,840
Due Beyond One Year	22,488,044		22,488,044
Total Liabilities	25,294,218	40,469	25,334,687
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows Related to Pensions	2,931,520		2,931,520
Total Deferred Inflows of Resources	2,931,520		2,931,520

BRANCBURG TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021
(Continued)

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
NET POSITION:			
Net Investment in Capital Assets	\$ 22,058,302	\$ 42,044	\$ 22,100,346
Restricted for:			
Capital Projects	6,324,305		6,324,305
Debt Service	3,458		3,458
Tuition Reserve	1,800,000		1,800,000
Excess Surplus	600,000		600,000
Emergency Reserve	120,000		120,000
Maintenance Reserve	123,800		123,800
Unemployment Compensation	716,872		716,872
Student Activities	65,049		65,049
Unrestricted/(Deficit)	<u>(5,940,673)</u>	<u>76,649</u>	<u>(5,864,024)</u>
Total Net Position	<u>\$ 25,871,113</u>	<u>\$ 118,693</u>	<u>\$ 25,989,806</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 14,703,672	\$ 114,906	\$ 3,628,742		\$ (11,074,930)		\$ (11,074,930)
Special Education	5,759,941		4,188,944		(1,456,091)		(1,456,091)
Other Special Instruction	1,955,901		484,266		(1,471,635)		(1,471,635)
School-Sponsored/Other Instruction	755,876		189,585		(566,291)		(566,291)
Support Services:							
Tuition	13,006,329				(13,006,329)		(13,006,329)
Student & Instruction Related Services	5,625,395	27,844	1,318,566		(4,278,985)		(4,278,985)
General Administration Services	883,913		135,948		(747,965)		(747,965)
School Administration Services	2,041,423		509,288		(1,532,135)		(1,532,135)
Central Services	664,222		159,232		(504,990)		(504,990)
Administrative Information Technology	52,978				(52,978)		(52,978)
Plant Operations and Maintenance	2,371,133				(2,371,133)		(2,371,133)
Pupil Transportation	2,168,731		743,668		(1,425,063)		(1,425,063)
Interest on Long-Term Debt	546,308				(546,308)		(546,308)
Unallocated Depreciation	1,566,129				(1,566,129)		(1,566,129)
Total Governmental Activities	52,101,951	142,750	11,358,239		(40,600,962)		(40,600,962)

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-type Activities: Food Service Program	\$ 224,055	\$ 4,796	\$ 177,266		\$ (41,993)	\$ (41,993)	\$ (41,993)
Total Business-type Activities	224,055	4,796	177,266		(41,993)	(41,993)	(41,993)
Total Primary Government	\$ 52,326,006	\$ 147,546	\$ 11,535,505	\$ - 0 -	\$ (40,600,962)	(41,993)	(40,642,955)
General Revenue:							
Property Taxes, Levied for General Purposes, Net					42,338,380		42,338,380
Taxes Levied for Debt Service					2,011,556		2,011,556
Federal and State Aid not Restricted					364,961		364,961
Miscellaneous Income					416,948	5,905	422,853
Total General Revenue					45,131,845	5,905	45,137,750
Change in Net Position					4,530,883	(36,088)	4,494,795
Net Position - Beginning (Restated)					21,340,230	154,781	21,495,011
Net Position - Ending					\$ 25,871,113	\$ 118,693	\$ 25,989,806

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS:				
Cash and Cash Equivalents	\$ 4,660,265		\$ 3,458	\$ 4,663,723
Receivables From State Government	975,732			975,732
Receivables From Federal Government		\$ 28,719		28,719
Interfund Receivable	39,328			39,328
Other Accounts Receivable	93,261	10,975		104,236
Restricted Cash and Cash Equivalents	9,084,977	65,049		9,150,026
Total Assets	<u>\$ 14,853,563</u>	<u>\$ 104,743</u>	<u>\$ 3,458</u>	<u>\$ 14,961,764</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 392,979			\$ 392,979
Interfund Payable		\$ 39,328		39,328
Payable to State Government		350		350
Unearned Revenue	1,200	16		1,216
Total Liabilities	<u>394,179</u>	<u>39,694</u>		<u>433,873</u>
Fund Balances:				
Restricted for:				
Capital Reserve	6,324,305			6,324,305
Maintenance Reserve	123,800			123,800
Emergency Reserve	120,000			120,000
Tuition Reserve - For 2021-2022	900,000			900,000
Tuition Reserve - For 2022-2023	900,000			900,000
Debt Service Fund			\$ 3,458	3,458
Excess Surplus - Subsequent Year's Expenditures	600,000			600,000
Unemployment Compensation	716,872			716,872
Student Activities		65,049		65,049
Assigned:				
For Subsequent Year's Expenditures	451,961			451,961
Year-end Encumbrances	2,146,790			2,146,790
Unassigned	2,175,656			2,175,656
Total Fund Balances	<u>14,459,384</u>	<u>65,049</u>	<u>3,458</u>	<u>14,527,891</u>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Total Liabilities and Fund Balances	\$ 14,853,563	\$ 104,743	\$ 3,458	\$ 14,961,764

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are different because:
Total Fund Balances (Above)

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.
Long-Term Liabilities, including Bonds Payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.

The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.

Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:
Deferred Outflows of Resources Related to Pensions
Deferred Inflows of Resources Related to Pensions

Interest on long-term debt is not accrued in Governmental Funds, but rather is recognized as an expenditure when due.
Bond Premiums are reported as revenue in the Governmental Funds in the year the bonds are sold.

The Deferred Amount on the Refunding is not reported as an expenditure in the Governmental Funds in the year of the expenditure.

Net Position - Governmental Activities

\$ 25,871,113

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUE:				
Local Sources:				
Local Tax Levy	\$ 42,338,380		\$ 2,011,556	\$ 44,349,936
Tuition	114,906			114,906
Interest Earned on Capital Reserve Funds	1,717			1,717
Restricted Miscellaneous Revenue	27,975			27,975
Unrestricted Miscellaneous Revenue	387,256	\$ 44,232		431,488
Total - Local Sources	42,870,234	44,232	2,011,556	44,926,022
State Sources	9,213,442	6,698	95,337	9,315,477
Federal Sources		697,316		697,316
Total Revenue	52,083,676	748,246	2,106,893	54,938,815

EXPENDITURES:				
Current:				
Regular Instruction	8,193,385	263,680		8,457,065
Special Education Instruction	2,913,877	406,073		3,319,950
Other Special Instruction	1,065,124			1,065,124
School-Sponsored/Other Instruction	417,331			417,331
Support Services and Undistributed Costs:				
Tuition	13,006,329			13,006,329
Student & Instruction Related Services	3,107,033	75,715		3,182,748
General Administration Services	633,845			633,845
School Administration Services	1,127,719			1,127,719
Central Services	365,999			365,999
Administrative Information Technology	52,978			52,978
Plant Operations and Maintenance	2,073,474			2,073,474
Pupil Transportation	1,560,361			1,560,361
Unallocated Benefits	12,912,584			12,912,584

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>General</u>	<u>Special</u>	<u>Debt</u>	<u>Total</u>
	<u>Fund</u>	<u>Revenue</u>	<u>Service</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
EXPENDITURES:				
Capital Outlay	\$ 2,919,535			\$ 2,919,535
Debt Service:				
Principal		\$ 1,420,000		1,420,000
Interest and Other Charges			691,538	691,538
Total Expenditures	<u>50,349,574</u>	<u>\$ 745,468</u>	<u>2,111,538</u>	<u>53,206,580</u>
Excess/(Deficit) of Revenue over/under Expenditures	<u>1,734,102</u>	<u>2,778</u>	<u>(4,645)</u>	<u>1,732,235</u>
Fund Balance—July 1 (Restated)	<u>12,725,282</u>	<u>62,271</u>	<u>8,103</u>	<u>12,795,656</u>
Fund Balance—June 30	<u>\$ 14,459,384</u>	<u>\$ 65,049</u>	<u>\$ 3,458</u>	<u>\$ 14,527,891</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)		\$ 1,732,235
Amounts Reported for Governmental Activities in the Statement Activities (Exhibit A-2) are Different Because:		
Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differ from deletions and depreciation in the period.		
	Depreciation Expense	\$ (1,905,017)
	Deletion of Capital Assets, Net of Accumulated Depreciation	(13,198)
	Capital Outlays	<u>2,818,309</u>
		900,094
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 Fund, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).		
		(40,763)
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 (+).		
		1,420,000
The governmental funds report the effect of the deferred amount on refunding relative to an advance refunding when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities (-).		
		(33,028)
Interest on long-term debt in the Statement of Activities is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction to the reconciliation (-). When the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).		
		25,142
The governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
		195,840
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
	Change in Net Pension Liability	801,074
	Change in Deferred Outflows	(442,305)
	Change in Deferred Inflows	<u>(27,406)</u>
Change in Net Position of Governmental Activities (from Exhibit A-2)		<u>\$ 4,530,883</u>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities - Enterprise Funds
	Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 80,278
Accounts Receivable:	
State	947
Federal	13,660
Other	363
Inventories	21,870
 Total Current Assets	 117,118
Non-Current Assets:	
Capital Assets	443,047
Less: Accumulated Depreciation	(401,003)
 Total Non-Current Assets	 42,044
 Total Assets	 159,162
LIABILITIES:	
Current Liabilities:	
Unearned Revenue - Prepaid Sales	28,484
Unearned Revenue - Donated Commodities	11,985
 Total Current Liabilities	 40,469
NET POSITION:	
Investment in Capital Assets	42,044
Unrestricted	76,649
 Total Net Position	 \$ 118,693

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

BRANCHBURG BOARD OF EDUCATION
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds Food Service</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 3,439
Daily Sales - Non-Reimbursable Programs	1,357
	4,796
Total Operating Revenue	4,796
Operating Expenses:	
Cost of Sales - Reimbursable Programs	34,658
Cost of Sales - Non-Reimbursable Programs	32,183
Salaries, Benefits & Payroll Taxes	111,501
Supplies and Materials	8,563
Food Service Management Fee	17,161
Purchased Professional Services	15,649
Depreciation	4,340
	224,055
Total Operating Expenses	224,055
Operating (Loss)	(219,259)
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	126
Seamless Summer Option	6,869
Federal Sources:	
National School Lunch Program	2,753
Seamless Summer Option	149,227
Food Distribution Program	18,291
Local Sources:	
Interest Income	5,905
	183,171
Total Non-Operating Revenue	183,171
Change in Net Position	(36,088)
Net Position - Beginning of Year	154,781
Net Position - End of Year	\$ 118,693

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds
	Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 8,316
Payments to Employees	(111,501)
Payments to Suppliers	(91,631)
Net Cash Used for Operating Activities	(194,816)
Cash Flows from Investing Activities:	
Interest Income	5,905
Net Cash Provided by Investing Activities	5,905
Cash Flows from Noncapital Financing Activities:	
Cash Received from State and Federal Reimbursements	151,474
Net Cash Provided by Noncapital Financing Activities	151,474
Net Decrease in Cash and Cash Equivalents	(37,437)
Cash and Cash Equivalents, July 1	117,715
Cash and Cash Equivalents, June 30	\$ 80,278
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (219,259)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	4,340
Federal Food Distribution Program	18,291
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable - Other	79
(Increase) in Inventory	(1,708)
Increase in Unearned Revenue	3,441
Net Cash Used for Operating Activities	\$ (194,816)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received \$25,250 and utilized \$18,291 of commodities from the Federal Food Distribution Program for the fiscal year ended June 30, 2021.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall District in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties.

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd).

District-Wide Financial Statements: (Cont'd)

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses in the program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

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

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by the NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. 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.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Special Revenue Fund: The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including 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, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

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

The District reports the following proprietary funds:

Enterprise (Food Service) Fund: This Enterprise Fund accounts for all revenue and expenses pertaining to the District's cafeteria operations. The fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

C. Measurement Focus and Basis of Accounting:

The District-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting: (Cont'd)

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service funds. The budgets for the fiscal year ended June 30, 2021 was submitted to the County office and approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

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

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments in the GAAP financial statements.

Explanation of Differences between Budgetary Inflows and Outflows
and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 52,089,191	\$ 749,521
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.		(1,275)
Prior Year State Aid payments recognized for GAAP Statements	233,785	
Current Year State Aid payments recognized for Budgetary purposes, not recognized for GAAP Statements	(239,300)	
Total Revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 52,083,676	\$ 748,246
Uses/Outflows of Resources:		
Actual amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 50,349,574	\$ 746,743
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		(1,275)
Total Expenditures as reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 50,349,574	\$ 745,468

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to type 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 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 of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

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

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

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

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. Encumbrances:

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

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as unearned revenue 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.

I. Short-term Interfund Receivables/Payables:

Short-term 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.

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets: (Cont'd)

	Estimated Useful Life
Buildings and Building Improvements	50 Years
Site Improvements	20 Years
Furniture, Machinery and Equipment	10 to 15 Years
Computer and Related Technology	5 Years
Vehicles	8 Years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and the related depreciation is not reported in the fund financial statements.

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premiums and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages:

Certain District employees, who provide services to the District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned undisbursed amounts be retained in a separate bank account. These amounts were disbursed to employees in June; therefore, the amount earned by these employees but not disbursed as of June 30, 2021 was \$-0-.

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with District personnel policies. Upon termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after varying years of service based upon employees' individual contracts.

In the district-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due after one year.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

O. Unearned Revenue:

Unearned revenue in the Special Revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the Special Revenue Fund.

P. Fund Balance Appropriated:

General Fund: Of the \$14,459,384 General Fund balance at June 30, 2021, \$2,146,790 is assigned for encumbrances and \$451,961 has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2022; \$6,324,305 is restricted in the capital reserve account; \$123,800 is restricted in the maintenance reserve account; \$120,000 is restricted in the emergency reserve account; \$1,800,000 is restricted in the tuition reserve account of which \$900,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2022 and \$900,000 will be appropriated as anticipated revenue for the year ending June 30, 2023; \$600,000 is restricted for prior year excess surplus in accordance with N.J.S.A. 18A:7F-7 (S1701) and has been appropriated and included as anticipated revenue for the year ending June 30, 2022; \$716,872 is restricted for unemployment compensation; and \$2,175,656 is unassigned fund balance which is \$239,300 less than the calculated maximum unassigned fund balance due to the final two state aid payments that are not recognized on the GAAP basis until the fiscal year ending June 30, 2022.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2021 is \$65,049 and is restricted.

Debt Service Fund: The \$3,458 fund balance in the Debt Service Fund at June 30, 2021 is restricted.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2003, C.73 (S1701), the designation for Restricted 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 restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus at June 30, 2021 as detailed above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$239,300 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the 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 state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Q. Deficit Net Position:

The District has a deficit in unrestricted net position of \$5,940,673 in governmental activities, which is primarily due to accrued interest payable, compensated absences payable, unamortized bond premiums, and net pension liability and the related deferred inflows and outflows. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Position:

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources for Pensions and Deferred Amount on Refunding at June 30, 2021. The District had deferred inflows of resources at June 30, 2021 for Pensions.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

S. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts have been restricted, committed or assigned. Fund balance restrictions have been established for a capital reserve, a maintenance reserve, an emergency reserve, a tuition reserve, debt service, excess surplus, unemployment compensation and student activities.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the members of the Board of Education at a public meeting in order to remove or change the commitment of resources. The District had no committed resources at June 30, 2021.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2021.

T. Revenue - Exchange and Nonexchange Transactions:

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest and tuition.

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Funds. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the Enterprise Fund.

V. Management Estimates:

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

W. Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 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.

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the investment section of this note.

Custodial Credit Risk – The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

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

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

The market value of the collateral must equal at least 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.

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.) ;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
- (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2021, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents					Student Activities	Total
		Capital Reserve	Maintenance Reserve	Emergency Reserve	Tuition Reserve	Unemployment Compensation		
Checking and Savings Accounts	\$ 4,744,001	\$ 6,324,305	\$ 123,800	\$ 120,000	\$ 1,800,000	\$ 716,872	\$ 65,049	\$ 13,894,027

During the period ended June 30, 2021, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2021, was \$13,894,027 and the bank balance was \$16,275,973.

NOTE 4. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by Board resolution for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan.

Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end.

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 4. MAINTENANCE RESERVE ACCOUNT (Cont'd)

At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020		\$ 123,800
Ending Balance, June 30, 2021		<u>\$ 123,800</u>

NOTE 5. CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by a transfer by Board resolution at year end of any unanticipated revenue or unexpended line item appropriation, 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.

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020		\$ 7,185,075
Increased by:		
Interest Earnings	\$ 1,717	
Transfer by Board Resolution June 2021	<u>3,000,000</u>	
		<u>3,001,717</u>
		10,186,792
Decreased by:		
Budgeted Withdrawal	(3,611,815)	
Withdrawal to Capital Outlay as per Board Resolution	<u>(250,672)</u>	
		<u>(3,862,487)</u>
Ending Balance, June 30, 2021		<u>\$ 6,324,305</u>

The balance in the capital reserve account as of June 30, 2021 does not exceed the LRFP balance of local support costs of uncompleted capital projects. Withdrawals from the capital reserve were for use in DOE approved facilities projects, consistent with the District's LRFP.

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 6. EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by Board resolution in June 2011. The account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve is restricted to be used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1st and June 30th. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or for a withdrawal that was included in the original budget certified for taxes to finance school security improvements pursuant to N.J.S.A. 18A:7G-6(c)1.

The activity of the emergency reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	<u>\$</u>	<u>120,000</u>
Ending Balance, June 30, 2021	<u>\$</u>	<u>120,000</u>

NOTE 7. TUITION RESERVE ACCOUNT:

A tuition reserve account may be established in accordance with N.J.A.C. 6A:23-3.1(f) for tuition between two Boards of Education that are in a formal sending/receiving relationship. The maximum amount that may be restricted at year end is 10% of the estimated contract year. Upon certification of tuition rates in the second year following the contract year, full appropriation of the applicable year's reserve must be liquidated and any remaining balance related to that year must be restricted and budgeted for tax relief.

The District established a \$900,000 tuition reserve during 2019/2020 which will be used to pay for any tuition adjustments for the fiscal year ending June 30, 2022 and a \$900,000 tuition reserve during 2020/2021 which will be used to pay for any tuition adjustments for the fiscal year ending June 30, 2023.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2021 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 2,367,600			\$ 2,367,600
Construction in Progress	289,196	\$ 2,337,260		2,626,456
Total Capital Assets not Being Depreciated	<u>2,656,796</u>	<u>2,337,260</u>		<u>4,994,056</u>
Capital Assets Being Depreciated:				
Site Improvements	1,957,317	80,015		2,037,332
Buildings and Building Improvements	59,972,743	15,720		59,988,463
Machinery and Equipment	8,590,397	385,314	\$ (131,981)	8,843,730
Total Capital Assets Being Depreciated	<u>70,520,457</u>	<u>481,049</u>	<u>(131,981)</u>	<u>70,869,525</u>
Governmental Activities Capital Assets	<u>73,177,253</u>	<u>2,818,309</u>	<u>(131,981)</u>	<u>75,863,581</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,017,389)	(96,650)		(1,114,039)
Buildings and Building Improvements	(29,175,284)	(1,428,593)		(30,603,877)
Machinery and Equipment	(6,287,292)	(379,774)	118,783	(6,548,283)
Total Accumulated Depreciation	<u>(36,479,965)</u>	<u>(1,905,017)</u>	<u>118,783</u>	<u>(38,266,199)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$36,697,288</u>	<u>\$ 913,292</u>	<u>\$ (13,198)</u>	<u>\$37,597,382</u>
Business -Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 443,047			\$ 443,047
Less: Accumulated Depreciation	(396,663)	\$ (4,340)		(401,003)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 46,384</u>	<u>\$ (4,340)</u>	<u>\$ -0-</u>	<u>\$ 42,044</u>

The District had no active capital projects as of June 30, 2021.

Depreciation expense was charged to governmental functions as follows:

Student & Instruction Related Services	\$ 63,957
Plant Operations and Maintenance	80,495
Pupil Transportation	194,436
Unallocated Depreciation	1,566,129
	<u>\$ 1,905,017</u>

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2021, the following changes occurred in the long-term liabilities reported in the District-wide financial statements:

	Balance June 30, 2020	Accrued	Retired	Balance June 30, 2021
Serial Bonds Payable	\$ 17,265,000		\$ 1,420,000	\$ 15,845,000
Unamortized Bond Issuance Premium	1,972,741		195,840	1,776,901
Net Pension Liability	6,654,279		801,074	5,853,205
Compensated Absences Payable	678,015	\$ 105,104	64,341	718,778
	<u>\$ 26,570,035</u>	<u>\$ 105,104</u>	<u>\$ 2,481,255</u>	<u>\$ 24,193,884</u>

A. Bonds Payable:

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 and will be retired through the Debt Service Fund. The current portion of bonds payable is \$1,510,000 and the long-term portion is \$14,335,000.

On November 6, 2019, the District issued refunding school bonds of \$4,370,000 with an interest rate of 4.00% to refund \$4,635,000 of 2010 refunding school bonds with interest rates ranging from 3.25% to 4.00%. The bonds mature on February 1, 2020 through 2026 and are non-callable. The net proceeds from the issuance of the refunding bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the 2010 refunding school bonds were called on February 1, 2020. The refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the School's government-wide financial statements.

As a result of the refunding, the District will realize a total of \$291,320 in cash savings over the life of the bond issue. On a net present value basis, the savings equate to \$277,824, or 5.99%, of the bonds refunded.

The District had bonds outstanding as of June 30, 2021 as follows:

Purpose	<u>Serial Bonds</u>		Amount
	Final Maturity	Interest Rates	
Refunding Bonds of 2016	07/15/31	2.50% to 5.00%	\$ 12,050,000
Refunding Bonds of 2019	02/01/26	4.00%	3,795,000
			<u>\$ 15,845,000</u>

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

Principal and interest due on serial bonds outstanding are as follows:

Fiscal Year	Bonds		Total
	Principal	Interest	
2022	\$ 1,510,000	\$ 634,838	\$ 2,144,838
2023	1,510,000	581,538	2,091,538
2024	1,615,000	516,888	2,131,888
2025	1,745,000	441,863	2,186,863
2026	1,885,000	360,288	2,245,288
2027-2031	6,190,000	814,944	7,004,944
2032	1,390,000	22,725	1,412,725
	<u>\$ 15,845,000</u>	<u>\$ 3,373,084</u>	<u>\$ 19,218,084</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2021, the District has no bonds authorized but not issued.

C. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a current and long-term liability and will be liquidated through the General Fund. The current portion of the liability is \$-0- and the long-term portion is \$718,778.

There is no liability for compensated absences in the District's Enterprise Fund.

D. Unamortized Bond Issuance Premium

The unamortized bond issuance premium is recorded in the of the governmental fund types is recorded in the noncurrent liabilities of the governmental fund types and the current portion is balance of the governmental funds is \$195,840 and long-term portion is \$and is separated from the long-term liability balance of \$1,581,061.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the noncurrent liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2021 is \$-0- and the long-term portion is \$5,853,205. See Note 11 for further information on the PERS.

NOTE 10. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2021, the District made transfers to capital outlay accounts in the amount of \$88,854 for equipment which did not require County Superintendent approval and \$250,672 for facilities acquisition and construction services for a Board-approved withdrawal from the Capital Reserve Account.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 11. PENSION PLANS

Substantially all of the Board’s employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers’ Pension and Annuity Fund (TPAF) or the Public Employee’s Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP) a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees’ Retirement System (PERS)

Plan Description

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

Benefits Provided

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,

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

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 to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 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.

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$392,652 for 2021.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2021, the District reported a liability of \$5,853,205 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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 members, actuarially determined. At June 30, 2020, the District's proportion was 0.0359%, which was a decrease of 0.001% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$66,708.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2016	5.57	\$ 189,885	
	2017	5.48		\$ (554,053)
	2018	5.63		(543,565)
	2019	5.21		(431,669)
	2020	5.16		(921,505)
			189,885	(2,450,792)
Difference Between Expected and Actual Experience	2016	5.57	5,763	
	2017	5.48	16,477	
	2018	5.63		(20,699)
	2019	5.21	32,997	
	2020	5.16	51,340	
			106,577	(20,699)
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2017	5.00	(71,626)	
	2018	5.00	(66,428)	
	2019	5.00	16,076	
	2020	5.00	322,045	
			200,067	
Changes in Proportion	2016	5.57	18,921	
	2017	5.48		(271,745)
	2018	5.63	151,833	
	2019	5.21	190,749	
	2020	5.16		(188,284)
			361,503	(460,029)
District Contribution Subsequent to the Measurement Date	2020	1.00	413,081	
			\$ 1,271,113	\$ (2,931,520)

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the District contribution subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2021	\$ (734,470)
2022	(669,614)
2023	(382,667)
2024	(154,744)
2025	(33,467)
	\$ (1,974,962)

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 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-2020.

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2020 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 7,351,886	\$ 5,853,205	\$ 4,557,564

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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 contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 11. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided

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

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
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

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 to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit 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 members retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a 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, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District.

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Special Funding Situation (Cont'd)

During the fiscal year ended 2021, the State of New Jersey contributed \$3,564,227 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$5,042,457.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2021, the State's proportionate share of the net pension liability associated with the District was \$81,088,962. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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 members, actuarially determined. At June 30, 2020, the District's proportion was 0.1231%, which was a decrease of 0.0007% from its proportion measured as of June 30, 2019.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>81,088,962</u>
Total	<u>\$ 81,088,962</u>

For the fiscal year ended June 30, 2020, the State recognized pension expense on behalf of the District in the amount of \$5,042,457 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2021 financial statements.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.50	\$ 461,324,773	
	2015	8.30	1,638,696,238	
	2016	8.30	4,304,747,820	
	2017	8.30		\$ 6,882,861,832
	2018	8.29		4,349,959,805
	2019	8.04		3,009,143,115
	2020	7.99	<u>1,411,170,422</u>	
			<u>7,815,939,253</u>	<u>14,241,964,752</u>
Difference Between Expected and Actual Experience	2014	8.50		4,393,807
	2015	8.30	101,207,836	
	2016	8.30		53,533,223
	2017	8.30	122,460,660	
	2018	8.29	763,099,015	
	2019	8.04		116,909,940
	2020	7.99		<u>7,520,890</u>
			<u>986,767,511</u>	<u>182,357,860</u>
Net Difference Between Projected and Actual	2017	5.00	(226,008,261)	
Investment Earnings on Pension Plan Investments	2018	5.00	(192,060,744)	
	2019	5.00	108,662,078	
	2020	5.00	<u>965,582,162</u>	
			<u>656,175,235</u>	
		<u>\$ 9,458,881,999</u>	<u>\$ 14,424,322,612</u>	

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2021	\$ (262,056,928)
2022	(188,358,995)
2023	(774,174,971)
2024	(1,939,112,462)
2025	(1,466,451,639)
Thereafter	<u>(335,285,618)</u>
	<u>\$ (4,965,440,613)</u>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. This actuarial valuation used the following 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 years of service
Thereafter	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

Long Term Expected Rate of Return

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

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

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

Discount Rate-TPAF

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

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Sensitivity of the State's Proportionate Share of the Net Pension Liability Associated with the District to Changes in the Discount Rate

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

	June 30, 2020		
	At 1% Decrease (4.40%)	At Current Discount Rate (5.40%)	At 1% Increase (6.40%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 95,248,483	\$ 81,088,962	\$ 69,331,857

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District made pension contributions of \$35,337 for the fiscal year ended June 30, 2021. Employee contributions to DCRP amounted to \$46,055 for the fiscal year ended June 30, 2021.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 12. DEFERRED COMPENSATION

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

AXA Equitable
Lincoln Investment Planning
Fidelity Investments

AXA Equitable and Lincoln Investment Planning are the plan administrators for the District’s Internal Revenue Code Section 457 plans.

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balance remained on the balance sheet at June 30, 2021:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 39,328	
Special Revenue Fund		\$ 39,328
	\$ 39,328	\$ 39,328

The interfund receivable in the General Fund and the interfund payable in Special Revenue Fund represents funds advanced to the Special Revenue Fund for cash flow purposes awaiting the collection of federal grants receivable.

NOTE 14. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined, agreed-upon schedule.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 15. 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.

The District maintains 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. Health Benefits are provided to the employees through the State of New Jersey Health Benefits Plan.

Property and Liability Insurance

The Branchburg Township School District is a member of the New Jersey Schools Insurance Group (“NJSIG”) (the “Group”). The Group provides its members with Workers’ Compensation, Comprehensive General Liability and Automobile Liability, Property, Boiler and Machinery, and School Board Legal Liability Insurance. The Group is a risk-sharing fund that is both an insured and a self-administered group of school boards established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Group are elected.

As a member of the Group, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Group were to be exhausted, members would become responsible for their respective shares of the Group’s liabilities.

The Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The June 30, 2021 financial information was not available as of the date of the audit. Selected financial information for the Group as of June 30, 2020 is as follows:

	<u>New Jersey Schools Insurance Group</u>
Total Assets	<u>\$ 384,022,002</u>
Net Position	<u>\$ 142,512,304</u>
Total Revenue	<u>\$ 144,445,665</u>
Total Expenses	<u>\$ 113,037,156</u>
Change in Net Position	<u>\$ 31,408,509</u>
Member Dividends	<u>\$ 3,279,199</u>

Financial statements for the Group are available at the Group’s Executive Director’s Office:

New Jersey Schools Insurance Group
6000 Midlantic Drive
Mount Laurel, NJ 08054
(609) 386-6060

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 15. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

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

A summary of the District and employee contributions, interest, reimbursements to the State for benefits paid and balance of the District’s Unemployment Compensation Restricted Fund Balance in the General Fund for the current and previous two years follows:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions and Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021	\$ - 0 -	\$ 85,284	\$ 57,309	\$ 716,872
2020	- 0 -	68,215	30,643	688,897
2019	- 0 -	60,644	50,743	651,325

NOTE 16. ACCOUNTS PAYABLE

The following accounts payable existed on the various balance sheets as of June 30, 2021:

	<u>Governmental Funds</u>		<u>District Contribution Subsequent to the Measurement Dates</u>	<u>Total Governmental Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>		
Vendors	\$ 388,772			\$ 388,772
Payroll Deductions and Withholdings	4,207			4,207
Due to:				
State of New Jersey		\$ 350	\$ 413,081	413,431
	<u>\$ 392,979</u>	<u>\$ 350</u>	<u>\$ 413,081</u>	<u>\$ 806,410</u>

NOTE 17. ECONOMIC DEPENDENCY

The Board of Education 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, may have an effect on the Board of Education's programs and activities.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 18. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

The District estimates that any potential claims (not covered by insurance) resulting from litigation would not materially affect its financial position.

Encumbrances

At June 30, 2021, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

General Fund	Special Revenue	Total Governmental Funds
\$ 2,146,790	\$ 1,275	\$ 2,148,065

On the District’s Governmental Funds Balance Sheet as of June 30, 2021, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund. Encumbrances in the Special Revenue Fund of \$1,275 are not recognized on the GAAP basis and are reflected either as a reduction in grants receivables or an increase in unearned revenue.

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

Plan Description and Benefits Provided (Cont'd)

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

The 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, if any, is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notice-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2018, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	148,051
Active Plan Members	<u>216,892</u>
Total	<u><u>364,943</u></u>

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.

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

Actuarial Assumptions and Other Inputs

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.

Inflation Rate	2.50%		
		TPAF/ABP	PERS
Salary Increases:			
Through 2026		1.55 - 3.05% based on service years	2.00 - 6.00% based on service years
Thereafter		1.55 - 3.05% based on service years	3.00 - 7.00% based on service years

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 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

Mortality Rates

Pre-retirement 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. Post-retirement 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.

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 is reflected. The assumed post-65 medical trend rate 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 rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

Discount Rate

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2018	\$ 60,083,990
Changes for Year:	
Service Cost	1,945,936
Interest on the Total OPEB Liability	2,368,879
Changes of Assumptions	827,340
Differences between Expected and Actual Experience	(8,084,640)
Gross Benefit Payments by the State	(1,703,336)
Contributions from Members	50,492
Net Changes	(4,595,329)
Balance at June 30, 2019	\$ 55,488,661

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to 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:

	June 30, 2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
Total OPEB Liability Attributable to the District	\$ 65,554,036	\$ 55,488,661	\$ 47,493,279

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were 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
Total OPEB Liability Attributable to the District	\$ 45,720,183	\$ 55,488,661	\$ 68,420,120

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

For the fiscal year ended June 30, 2021 the District recognized OPEB expense of \$1,354,014 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2019 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 6,460,002
	2018	9.51		5,556,476
	2019	9.29	\$ 738,283	
			738,283	12,016,478
Differences Between Expected and Actual Experience	2018	9.51		5,252,599
	2019	9.29		8,689,637
				13,942,236
Changes in Proportion	N/A	N/A	3,034,764	144,514
			\$ 3,773,047	\$ 26,103,228

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
(Cont'd)

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

Fiscal Year Ending June 30,	Total
2020	\$ (3,386,209)
2021	(3,386,209)
2022	(3,386,209)
2023	(3,386,209)
2024	(3,386,209)
Thereafter	(8,289,386)
	\$ (25,220,431)

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 20. SUBSEQUENT EVENT

The COVID-19 outbreak in the United States and specifically in New Jersey continues to cause disruption of the District's financial operations. Though the impact on the District's operations cannot be reasonably estimated at this date, it is likely that there will be an impact on certain revenue in the General Fund other than state aid and the local tax levy. There have been additional operating expenses in the General Fund due to schools re-opening on a full-time basis.

The District's Food Service Fund has been impacted by COVID-19 for the fiscal year ending June 30, 2022 as the District continues to offer free lunch to all students under the Seamless Summer Option.

NOTE 21. PRIOR YEAR ADJUSTMENT

GASB 84, Fiduciary Activities, was implemented during the fiscal year ended June 30, 2021. As part of this implementation, the activity for the Unemployment Compensation Insurance Trust Fund which had previously been reported in the Fiduciary Funds is now reported in the General Fund. The Student Activities Fund (which includes Athletic Activities) is now reported in the Special Revenue Fund. The ending balances as of June 30, 2020 were restated due to this implementation as follows:

	Balance 6/30/20 as Previously Reported	Retroactive Adjustments	Balance 6/30/2020 as Restated
<u>Statement of Net Activities - Governmental Activities:</u>			
Net Position - Ending	\$ 20,589,062	\$ 751,168	\$ 21,340,230
<u>Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds:</u>			
General Fund:			
Fund Balance - June 30	\$ 12,036,385	\$ 688,897	\$ 12,725,282
Special Revenue Fund:			
Fund Balance - June 30	\$ -0-	\$ 62,271	\$ 62,271
<u>Statement of Changes in Fiduciary Net Position - Fiduciary Funds:</u>			
Unemployment Compensation Trust:			
Net Position - End of the Year	\$ 688,879	\$ (688,879)	\$ -0-

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
District's Proportion - Net Pension Liability	0.0379983601%	0.037806674%	0.0387375657%	0.0341224439%	0.0355635074%	0.0366751574%	0.0358929711%
District's Proportionate Share - Net Pension Liability	\$ 7,114,332	\$ 8,486,841	\$ 11,472,956	\$ 7,943,160	\$ 7,002,277	\$ 6,654,279	\$ 5,853,205
District's Covered Employee Payroll	\$ 2,552,695	\$ 2,625,017	\$ 2,354,627	\$ 2,413,370	\$ 2,620,336	\$ 2,580,221	\$ 2,664,785
District's Proportionate Share - Net Pension Liability as a Percentage of its Covered Employee Payroll	278.70%	323.31%	487.25%	329.13%	267.23%	257.90%	219.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	\$ 313,253	\$ 325,036	\$ 346,437	\$ 321,635	\$ 355,910	\$ 361,202	\$ 392,652
Contributions in Relation to the Contractually Required Contribution	(313,253)	(325,036)	(346,437)	(321,635)	(355,910)	(361,202)	(392,652)
Contribution Deficiency (Excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's Covered Employee Payroll	\$ 2,625,017	\$ 2,354,627	\$ 2,413,370	\$ 2,620,336	\$ 2,580,221	\$ 2,664,785	\$ 2,584,546
Contributions as a Percentage of Covered Employee Payroll	11.93%	13.80%	14.35%	12.27%	13.79%	13.55%	15.19%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
State's Proportion - Net Pension Liability Attributable to the District	0.1299495616%	0.1308605445%	0.1282080348%	0.1304605284%	0.1256523106%	0.1238740318%	0.1231441819%
State's Proportionate Share - Net Pension Liability Attributable to the District	\$ 69,453,811	\$ 82,709,452	\$ 100,856,603	\$ 87,961,192	\$ 79,937,301	\$ 76,022,663	\$ 81,088,962
District's Covered Employee Payroll	\$ 12,821,832	\$ 13,262,413	\$ 12,997,930	\$ 12,736,975	\$ 13,297,398	\$ 13,482,431	\$ 13,553,278
State's Proportionate Share - Net Pension Liability Attributable to the District as a Percentage of its Covered Employee Payroll	541.68%	623.64%	775.94%	690.60%	601.15%	563.86%	598.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	\$ 3,737,267	\$ 5,050,157	\$ 7,577,970	\$ 6,093,506	\$ 4,660,065	\$ 4,484,020	\$ 5,042,457
Contributions in relation to the Contractually Required Contribution	(707,480)	(1,026,484)	(1,416,115)	(1,850,415)	(2,436,303)	(2,701,023)	(3,564,227)
Contribution Deficiency/(Excess)	\$ 3,029,787	\$ 4,023,673	\$ 6,161,855	\$ 4,243,091	\$ 2,223,762	\$ 1,782,997	\$ 1,478,230
District's Covered Employee Payroll	\$ 13,262,413	\$ 12,997,930	\$ 12,736,975	\$ 13,297,398	\$ 13,482,431	\$ 13,553,278	\$ 13,475,218
Contributions as a percentage of Covered Employee Payroll	5.33%	7.90%	11.12%	13.92%	18.07%	19.93%	26.45%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST THREE FISCAL YEARS

	Fiscal Year Ending June 30,		
	2017	2018	2019
Service Cost	\$ 2,654,071	\$ 2,203,307	\$ 1,945,936
Interest Cost	2,153,533	2,489,404	2,368,879
Changes in Assumptions	(8,849,265)	(4,264,527)	827,340
Differences between Expected and Actual Experience		(6,894,939)	(8,084,640)
Member Contributions	58,083	55,528	50,492
Gross Benefit Payments	<u>(1,577,383)</u>	<u>(1,606,624)</u>	<u>(1,703,336)</u>
Net Change in Total OPEB Liability	(5,560,961)	(8,017,851)	(4,595,329)
Total OPEB Liability - Beginning	<u>73,662,802</u>	<u>68,101,841</u>	<u>60,083,990</u>
Total OPEB Liability - Ending	<u>\$ 68,101,841</u>	<u>\$ 60,083,990</u>	<u>\$ 55,488,661</u>
District's Covered Employee Payroll*	\$ 15,352,557	\$ 15,150,345	\$ 15,917,734
Total OPEB Liability as a Percentage of Covered Employee Payroll	444%	397%	345%

* - Covered payroll for the fiscal years ending June 30, 2017, 2018 and 2019 are based on the payroll on the June 30, 2016, 2017 and 2018 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 6.28% as of June 30, 2019 to 7.00% as of June 30, 2020.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020. The municipal bond rate changed from 3.50% to 2.21%.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%.

The mortality rates in the valuation as of June 30, 2018 were based on the following:

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

The mortality rates in the valuation as of June 30, 2019 were based on the following:

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

Pre-retirement 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. Post-retirement 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 health care trend rates in the valuation as of June 30, 2018 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

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 is reflected. The assumed post-65 medical trend rate 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 rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
Local Sources:					
Local Tax Levy	\$ 42,338,380		\$ 42,338,380	\$ 42,338,380	
Tuition - From Individuals	70,000		70,000	27,700	\$ (42,300)
Tuition - From Other LEA's	25,000		25,000	87,206	62,206
Rents and Royalties	180,000		180,000	209,811	29,811
Interest Earned on Capital Reserve Funds				1,717	1,717
Restricted Miscellaneous Revenue	95,000		95,000	27,975	27,975
Unrestricted Miscellaneous Revenue				177,445	82,445
Total - Local Sources	42,708,380		42,708,380	42,870,234	161,854
State Sources:					
Transportation Aid	708,668		708,668	708,668	
Categorical Special Education Aid	1,702,018	\$ (137,070)	1,564,948	1,564,948	
Security Aid	193,608		193,608	193,608	
Extraordinary Aid				864,971	864,971
Additional Extraordinary Aid - Prior Year				46,937	46,937
Nonpublic Transportation				34,800	34,800
School Security Grant		75,961	75,961	75,961	
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				1,138,225	1,138,225
TPAF On-Behalf Pension Contributions (Non-Budgeted)				3,564,227	3,564,227
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				67,814	67,814
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				1,983	1,983
TPAF Social Security (Reimbursed - Non-Budgeted)				956,815	956,815
Total State Sources	2,604,294	(61,109)	2,543,185	9,218,957	6,675,772
Total Revenue	45,312,674	(61,109)	45,251,565	52,089,191	6,837,626

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 669,395	\$ (178)	\$ 669,217	\$ 657,760	\$ 11,457
Grades 1-5 - Salaries of Teachers	3,674,988	289,356	3,964,344	3,964,344	
Grades 6-8 - Salaries of Teachers	2,892,379	(51,499)	2,840,880	2,765,081	75,799
Regular Programs - Home Instruction:					
Salaries of Teachers	3,500	4,057	7,557	7,238	319
Purchased Professional-Educational Services	15,000	(4,057)	10,943	4,698	6,245
Regular Programs - Undistributed Instruction:					
Purchased Technical Services	5,550	(20,000)	5,550	135,196	5,550
Other Purchased Services	164,669		144,669	612,782	9,473
General Supplies	614,967	59,728	674,695	612,782	61,913
Textbooks	51,000		51,000	46,286	4,714
Other Objects	800		800	800	
Total Regular Programs - Instruction	8,092,248	277,407	8,369,655	8,193,385	176,270
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	168,700	(30,096)	138,604	128,796	9,808
Other Salaries for Instruction	89,031	(6,636)	82,395	35,556	46,839
General Supplies	12,000	1,500	13,500	10,685	2,815
Total Learning and/or Language Disabilities	269,731	(35,232)	234,499	175,037	59,462

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures:					
Current Expense:					
Special Education - Instruction:					
Behavioral Disabilities:					
Salaries of Teachers	\$ 62,580		\$ 62,580		\$ 62,580
General Supplies	1,500	(1,500)			
Total Behavioral Disabilities	64,080	(1,500)	62,580		62,580
Resource Room/Resource Center:					
Salaries of Teachers	2,272,060	46,827	2,318,887	\$ 2,312,815	6,072
Other Salaries for Instruction	129,439	11,087	140,526	134,800	5,726
General Supplies	35,000		35,000	17,655	17,345
Total Resource Room/Resource Center	2,436,499	57,914	2,494,413	2,465,270	29,143
Autism:					
Salaries of Teachers	61,630		61,630	60,677	953
Other Salaries for Instruction	44,481		44,481	21,064	23,417
General Supplies	2,000		2,000	1,095	905
Total Autism	108,111		108,111	82,836	25,275
Preschool Disabilities - Part Time:					
Salaries of Teachers	136,425	6,410	142,835	141,325	1,510
Other Salaries for Instruction	68,080		68,080	47,497	20,583
General Supplies	3,000	(1,000)	2,000	1,912	88
Textbooks		1,000	1,000		1,000
Total Preschool Disabilities - Part Time	207,505	6,410	213,915	190,734	23,181
Total Special Education - Instruction	3,085,926	27,592	3,113,518	2,913,877	199,641

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Expenditures:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current Expense:					
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 1,131,490	\$ (237,679)	\$ 893,811	\$ 890,900	\$ 2,911
Other Salaries for Instruction	18,977		18,977	18,977	
Total Basic Skills/Remedial - Instruction	<u>1,150,467</u>	<u>(237,679)</u>	<u>912,788</u>	<u>909,877</u>	<u>2,911</u>
Bilingual Education - Instruction:					
Salaries of Teachers	154,255		154,255	154,255	
General Supplies	1,000		1,000	992	8
Total Bilingual Education - Instruction	<u>155,255</u>		<u>155,255</u>	<u>155,247</u>	<u>8</u>
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	95,102		95,102	80,883	14,219
Supplies and Materials	5,240		5,240	736	4,504
Total School-Sponsored Cocurricular Activities - Instruction	<u>100,342</u>		<u>100,342</u>	<u>81,619</u>	<u>18,723</u>
School-Sponsored Athletics - Instruction					
Salaries	82,065		82,065	3,695	78,370
Supplies and Materials	13,550		13,550		13,550
Total School-Sponsored Athletics - Instruction	<u>95,615</u>		<u>95,615</u>	<u>3,695</u>	<u>91,920</u>
Before/After School Programs- Support Services:					
Salaries	15,360		15,360	3,609	11,751
Total Before/After School Programs - Support Services	<u>15,360</u>		<u>15,360</u>	<u>3,609</u>	<u>11,751</u>
Other Supplemental/At-Risk Programs - Instruction					
Salaries of Teachers	372,845		372,845	328,408	44,437
Purchased Professional & Technical Services	16,500		16,500		16,500
General Supplies	500		500		500
Total Other Supplemental/At-Risk Programs - Instruction	<u>389,845</u>		<u>389,845</u>	<u>328,408</u>	<u>61,437</u>
Total Instruction	<u>13,085,058</u>	<u>67,320</u>	<u>13,152,378</u>	<u>12,589,717</u>	<u>562,661</u>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Expenditures:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current Expense:					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular	\$ 10,403,496		\$ 10,403,496	\$ 10,403,496	
Tuition to Other LEAs Within the State - Special	1,703,869	\$ (55,775)	1,648,094	1,238,340	\$ 409,754
Tuition to Co. Voc. School District - Regular	24,975	9,450	34,425	34,425	
Tuition to Co. Voc. School District - Special	34,100	46,325	80,425	80,425	
Tuition to Private Schools for the Disabled - Within the State	1,669,341		1,669,341	1,249,643	419,698
Total Undistributed Expenditures - Instruction	<u>13,835,781</u>		<u>13,835,781</u>	<u>13,006,329</u>	<u>829,452</u>
Attendance & Social Work:					
Other Purchased Services (400-500 series)	10,000		10,000	1,040	8,960
Total Attendance & Social Work	<u>10,000</u>		<u>10,000</u>	<u>1,040</u>	<u>8,960</u>
Health Services:					
Salaries	276,754	(22,643)	254,111	239,957	14,154
Purchased Professional and Technical Services	5,500		5,500	5,500	
Supplies and Materials	5,749	825	6,574	5,068	1,506
Total Health Services	<u>288,003</u>	<u>(21,818)</u>	<u>266,185</u>	<u>250,525</u>	<u>15,660</u>
Speech, OT, PT and Related Services:					
Salaries	526,345	(12,329)	514,016	501,617	12,399
Purchased Professional - Educational Services	27,500		27,500	6,300	21,200
Supplies and Materials	12,309		12,309	12,309	
Total Speech, OT, PT and Related Services	<u>566,154</u>	<u>(12,329)</u>	<u>553,825</u>	<u>520,226</u>	<u>33,599</u>
Other Support Services - Students - Extra Services :					
Salaries	308,133	(16,168)	291,965	191,408	100,557
Total Other Support Services - Students - Extra Services	<u>308,133</u>	<u>(16,168)</u>	<u>291,965</u>	<u>191,408</u>	<u>100,557</u>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures:					
Current Expense:					
Guidance:					
Salaries of Other Professional Staff	\$ 293,160		\$ 293,160	\$ 290,746	\$ 2,414
Total Guidance	293,160		293,160	290,746	2,414
Child Study Team:					
Salaries of Other Professional Staff	600,384	\$ 14,034	614,418	591,924	22,494
Salaries of Secretarial and Clerical Assistants	130,943	(1)	130,942	130,942	
Purchased Professional - Educational Services	287,340	11,567	298,907	160,208	138,699
Miscellaneous Purchased Services (400-500 series)	26,650	82	26,732	17,409	9,323
Supplies and Materials	10,500	(82)	10,418	7,612	2,806
Other Objects	1,300		1,300	1,129	171
Total Child Study Team	1,057,117	25,600	1,082,717	909,224	173,493
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	134,456		134,456	127,154	7,302
Salaries of Other Professional Staff	97,384		97,384	41,217	56,167
Salaries of Secretarial and Clerical Assistants	64,827		64,827	64,077	750
Purchased Professional - Educational Services	12,000		12,000	338	11,662
Other Purchased Services (400-500 series)	98,780		98,780	87,268	11,512
Supplies and Materials	3,032		3,032	914	2,118
Other Objects	4,000		4,000	1,774	2,226
Total Improvement of Instructional Services	414,479		414,479	322,742	91,737
Educational Media Services - School Library:					
Salaries	589,322	7,800	597,122	595,621	1,501
Supplies and Materials	12,350		12,350	10,503	1,847
Total Educational Media Services - School Library	601,672	7,800	609,472	606,124	3,348

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures:					
Current Expense:					
Instructional Staff Training Services:					
Salaries of Other Professional Staff	\$ 15,000		\$ 15,000	\$ 11,470	\$ 3,530
Purchased Professional - Educational Services	98,500	\$ (7,346)	91,154	3,500	87,654
Other Purchased Services (400-500 series)	25,000		25,000	28	24,972
Total Instructional Staff Training Services	138,500	(7,346)	131,154	14,998	116,156
General Administration:					
Salaries	309,467	(9,999)	299,468	298,734	734
Legal Services	40,000	469	40,469	37,180	3,289
Audit Fees	43,750	900	44,650	44,600	50
Other Purchased Professional Services	24,000	1,102	25,102	3,100	22,002
Communications/Telephone	72,820	7,063	79,883	79,108	775
BOE Other Purchased Services	3,000	(2,000)	1,000	950	50
Miscellaneous Purchased Services (400-500 series)	119,037	15,373	134,410	133,605	805
General Supplies	4,000	(200)	3,800	964	2,836
BOE In-House Training and Meeting Supplies	1,000	(470)	530	81	449
Miscellaneous Expenditures	17,648	(1,025)	16,623	15,323	1,300
Board of Education Dues and Fees	23,000	(2,396)	20,604	20,200	404
Total General Administration	657,722	8,817	666,539	633,845	32,694
School Administration:					
Salaries of Principals/Assistant Principals	668,555	3,478	672,033	614,535	57,498
Salaries of Other Professional Staff	100,842		100,842	100,793	49
Salaries of Secretarial and Clerical Assistants	409,532		409,532	403,786	5,746
Other Purchased Services (400-500 series)	5,325		5,325	660	4,665
Supplies and Materials	6,612		6,612	4,009	2,603
Other Objects	5,870		5,870	3,936	1,934
Total School Administration	1,196,736	3,478	1,200,214	1,127,719	72,495

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures:					
Current Expense:					
Central Services:					
Salaries	\$ 373,902		\$ 373,902	\$ 349,897	\$ 24,005
Purchased Professional Services	3,000	\$ 625	3,625	2,725	900
Miscellaneous Purchased Services (400-500 series)	10,200	(1,045)	9,155	4,802	4,353
Supplies and Materials	10,515		10,515	5,697	4,818
Other Objects	2,860	420	3,280	2,878	402
Total Central Services	400,477		400,477	365,999	34,478
Administrative Information Technology:					
Purchased Technical Services	74,622	(20,000)	54,622	46,638	7,984
Other Purchased Services (400-500 series)	21,135	(1,470)	19,665	6,010	13,655
Supplies and Materials	2,200		2,200	330	1,870
Other Objects	75		75		75
Total Administrative Information Technology	98,032	(21,470)	76,562	52,978	23,584
Required Maintenance for School Facilities:					
Salaries	389,213	(11,000)	378,213	368,538	9,675
Cleaning, Repair and Maintenance Services	268,249	36,041	304,290	185,559	118,731
General Supplies	121,617	(11,680)	109,937	98,879	11,058
Other Objects	1,070	75	1,145	1,143	2
Lead Testing of Drinking Water	1,900		1,900	390	1,510
Total Required Maintenance for School Facilities	782,049	13,436	795,485	654,509	140,976

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures:					
Current Expense:					
Custodial Services:					
Salaries	\$ 200,623	\$ (16,769)	\$ 183,854	\$ 143,594	\$ 40,260
Cleaning, Repair and Maintenance Services	866,356	(2,660)	863,696	784,937	78,759
Other Purchased Property Services	33,100	2,660	35,760	24,073	11,687
Insurance	47,348	6,446	53,794	53,793	1
Miscellaneous Purchased Services	20,880		20,880	8,594	12,286
General Supplies	107,704	10,000	117,704	80,868	36,836
Energy (Natural Gas)	123,000	323	123,323	92,402	30,921
Energy (Electricity)	426,000		426,000	221,325	204,675
Other Objects	1,550		1,550	779	771
Total Custodial Services	1,826,561		1,826,561	1,410,365	416,196
Care and Upkeep of Grounds:					
Other Objects		8,600	8,600	8,600	
Total Care and Upkeep of Grounds		8,600	8,600	8,600	
Student Transportation Services:					
Salaries:					
Between Home & School - Regular	874,626		874,626	756,478	118,148
Between Home & School - Special Education	270,194	(35,871)	234,323	232,879	1,444
Other than Between Home & School	71,650		71,650	41,917	29,733
Other Purchased Professional and Technical Services	67,047		67,047	38,222	28,825
Cleaning, Repair and Maintenance Services	3,867		3,867	3,583	284
Contracted Services:					
Special Ed. Students - ESC's & CTSA's	538,821		538,821	284,710	254,111

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures:					
Current Expense:					
Student Transportation Services:					
Contracted Services:					
Aid in Lieu Payments - Nonpublic Students	\$ 125,000	\$	\$ 125,000	\$ 95,822	\$ 29,178
Aid in Lieu Payments - Choice Students	2,000		2,000	1,182	818
Miscellaneous Purchased Services - Transportation	3,300		3,300	1,355	1,945
General Supplies	139,967	\$ 420	140,387	26,405	113,982
Transportation Supplies	192,950	(421)	192,529	75,035	117,494
Other Objects	4,837		4,837	2,773	2,064
Total Student Transportation Services	2,294,259	(35,872)	2,258,387	1,560,361	698,026
Unallocated Benefits:					
Social Security Contributions	375,705	(337)	375,368	369,220	6,148
Other Retirement Contributions - PERS	433,994		433,994	392,652	41,342
Other Retirement Contributions - Regular	35,000	337	35,337	35,337	
Workmen's Compensation	149,016		149,016	139,642	9,374
Health Benefits	6,421,017	(32,941)	6,388,076	6,091,292	296,784
Tuition Reimbursement	85,000		85,000	73,439	11,561
Other Employee Benefits	20,840		20,840	16,262	4,578
Unused Sick Payment to Terminated/Retired Staff	70,000		70,000	65,676	4,324
Total Unallocated Benefits	7,590,572	(32,941)	7,557,631	7,183,520	374,111

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Expenditures:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current Expense:					
Nonbudgeted:					
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)	\$ 1,138,225		\$ 1,138,225	1,138,225	\$ (1,138,225)
TPAF On-Behalf Pension Contributions (Non-Budgeted)	3,564,227		3,564,227	3,564,227	(3,564,227)
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)	67,814		67,814	67,814	(67,814)
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	1,983		1,983	1,983	(1,983)
TPAF Social Security (Reimbursed - Non-Budgeted)	956,815		956,815	956,815	(956,815)
Total On-Behalf Contributions	5,729,064		5,729,064	5,729,064	(5,729,064)
Total Personal Services - Employee Benefits	\$ 7,590,572	\$ (32,941)	\$ 7,557,631	12,912,584	(5,354,953)
Total Undistributed Expenditures	32,359,407	(80,213)	32,279,194	34,840,322	(2,561,128)
Total Current Expense	45,444,465	(12,893)	45,431,572	47,430,039	(1,998,467)
Capital Outlay:					
Equipment:					
Multiple Disabilities		8,280	8,280	8,280	
School Administrative		56,069	56,069	56,069	
Administrative Information Technology	101,234	(44,346)	56,888	56,152	736
Required Maintenance of School Facilities	82,000	(8,600)	73,400	69,790	3,610
Security		77,451	77,451	60,975	16,476
Undistributed Expenses - Non-instructional Services:					
Student Transportation - Non-Instructional Equipment	14,549		14,549	1,160	13,389
School Buses - Regular	298,500		298,500	287,125	11,375
Total Equipment	496,283	88,854	585,137	539,551	45,586
Facilities Acquisition and Construction Services:					
Other Purchased Professional & Technical Services	25,020		25,020	15,705	9,315
Construction Services	4,812,472	250,672	5,063,144	2,321,555	2,741,589
Other Objects - SDA Debt Service Assessment	42,724		42,724	42,724	
Total Facilities Acquisition and Construction Services	4,880,216	250,672	5,130,888	2,379,984	2,750,904
Total Capital Outlay Expenditures	5,376,499	339,526	5,716,025	2,919,535	2,796,490

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total Expenditures	\$ 50,820,964	\$ 326,633	\$ 51,147,597	\$ 50,349,574	\$ 798,023
Excess (Deficiency) of Revenue Over (Under) Expenditures	(5,508,290)	(387,742)	(5,896,032)	1,739,617	7,635,649
Fund Balance, July 1 (Restated)	12,959,067		12,959,067	12,959,067	
Fund Balance, June 30	\$ 7,450,777	\$ (387,742)	\$ 7,063,035	\$ 14,698,684	\$ 7,635,649
Recapitulation:					
Restricted for:					
Capital Reserve				\$ 6,324,305	
Maintenance Reserve				123,800	
Tuition Reserve - For 2021-2022				900,000	
Tuition Reserve - For 2022-2023				900,000	
Emergency Reserve				120,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				600,000	
Unemployment Compensation				716,872	
Assigned:					
Assigned Fund Balance Designated for Subsequent Year's Expenditures				451,961	
Year-end Encumbrances				2,146,790	
Unassigned				2,414,956	
				14,698,684	
Reconciliation to Governmental Fund Statements (GAAP):					
Last Two State Aid Payments not recognized on GAAP Basis			(239,300)		
Fund Balance per Governmental Funds (GAAP)				\$ 14,459,384	

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
Local Sources	\$ 5,413	\$ 38,835	\$ 44,248	\$ 44,232	\$ (16)
State Sources	9,029	729	9,758	6,698	(3,060)
Federal Sources	688,539	34,044	722,583	698,591	(23,992)
Total Revenue	702,981	73,608	776,589	749,521	(27,068)
Expenditures:					
Instruction:					
Salaries of Teachers	56,400	32,065	88,465	85,167	3,298
Purchased Professional and Technical Services	8,694	7,694	16,388	16,388	
Tuition	406,088	(4,111)	401,977	401,977	
General Supplies	157,320	10,116	167,436	165,208	2,228
Textbooks	1,039		1,039	1,013	26
Total Instruction	629,541	45,764	675,305	669,753	5,552
Support Services:					
Salaries of Other Professional Staff	17,323		17,323	17,032	291
Purchased Professional/Educational Services	35,117	(35,117)			
Other Purchased Services		35,117	35,117	13,892	21,225
Supplies and Materials	21,000		21,000	21,000	
Student Activities		25,066	25,066	25,066	
Total Support Services	73,440	25,066	98,506	76,990	21,516
Total Expenditures	702,981	70,830	773,811	746,743	27,068
Excess (Deficiency) of Revenue Over (Under) Expenditures	\$ - 0 -	\$ 2,778	\$ 2,778	\$ 2,778	\$ - 0 -

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 52,089,191	\$ 749,521
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.		(1,275)
Prior Year State Aid Payments recognized for GAAP statements	233,785	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(239,300)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 52,083,676	\$ 748,246
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 50,349,574	\$ 746,743
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(1,275)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 50,349,574	\$ 745,468

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budget for the fiscal year ended June 30, 2021 was submitted to the County office and was approved by a vote by the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments and transfers must be made by school Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the of the annual budgets during the year).

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

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

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments in the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Title I	E.S.E.A		Title IV	IDEA, Part B		CARES Emergency Relief Grant
		Title IIA	Title IIB		Basic	Preschool	
REVENUE:							
Local Sources							
State Sources							
Federal Sources	\$ 102,988	\$ 13,892	\$ 5,716	\$ 20,596	\$ 56,626		
Total Revenue	102,988	13,892	5,716	20,596	56,626		
EXPENDITURES:							
Instruction:							
Salaries of Teachers	78,455		5,412				
Purchased Professional and Technical Services							
Tuition					16,500		
General Supplies	7,944		304		4,096		36,626
Textbooks							
Total Instruction	86,399		5,716		20,596		36,626
Support Services:							
Salaries of Other Professional Staff	15,589						
Other Purchased Services		13,892					
Supplies and Materials	1,000						20,000
Student Activities							
Total Support Services	16,589	13,892					20,000
Total Expenditures	\$ 102,988	\$ 13,892	\$ 5,716	\$ 20,596	\$ 56,626		\$ 20,000

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Somerset County			
	Coronavirus Relief Fund (CRF)	Digital Divide Grant	Nonpublic Digital Divide Grant	Nonpublic Nursing Security
REVENUE:				
Local Sources				
State Sources				
Federal Sources	\$ 63,947	\$ 13,751	\$ 598	\$ 2,942
Total Revenue	63,947	13,751	598	2,942
EXPENDITURES:				
Instruction:				
Salaries of Teachers				
Purchased Professional and Technical Services				
Tuition				
General Supplies	63,947	13,751	598	2,942
Textbooks				
Total Instruction	63,947	13,751	598	2,942
Support Services:				
Salaries of Other Professional Staff				1,443
Other Purchased Services				
Supplies and Materials				
Student Activities				
Total Support Services			1,443	
Total Expenditures	\$ 63,947	\$ 13,751	\$ 598	\$ 2,942

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Nonpublic Textbooks	Nonpublic Handicapped Services Corrective Speech	Local Grants	Student Activities Fund	Totals June 30, 2021
REVENUE:					
Local Sources			\$ 16,388	\$ 27,844	\$ 44,232
State Sources	\$ 1,013	\$ 1,300			6,698
Federal Sources					698,591
Total Revenue	1,013	1,300	16,388	27,844	749,521
EXPENDITURES:					
Instruction:					
Salaries of Teachers		1,300			85,167
Purchased Professional and Technical Services			16,388		16,388
Tuition					401,977
General Supplies					165,208
Textbooks	1,013				1,013
Total Instruction	1,013	1,300	16,388		669,753
Support Services:					
Salaries of Other Professional Staff					17,032
Other Purchased Services					13,892
Supplies and Materials					21,000
Student Activities				25,066	25,066
Total Support Services				25,066	76,990
Total Expenditures	1,013	1,300	16,388	25,066	746,743

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS

BRANCBURG TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 80,278
Accounts Receivable:	
State	947
Federal	13,660
Other	363
Inventories	<u>21,870</u>
 Total Current Assets	 <u>117,118</u>
Capital Assets:	
Furniture & Equipment	443,047
Less: Accumulated Depreciation	<u>(401,003)</u>
 Total Capital Assets, Net	 <u>42,044</u>
 Total Assets	 <u>159,162</u>
LIABILITIES:	
Current Liabilities:	
Unearned Revenue - Prepaid Sales	28,484
Unearned Revenue - Donated Commodities	<u>11,985</u>
 Total Current Liabilities	 <u>40,469</u>
NET POSITION:	
Investment in Capital Assets	42,044
Unrestricted	<u>76,649</u>
 Total Net Position	 <u>\$ 118,693</u>

BRANCHBURG BOARD OF EDUCATION
ENTERPRISE FUNDS
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds Food Service</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 3,439
Daily Sales - Non-Reimbursable Programs	1,357
	4,796
Total Operating Revenue	4,796
Operating Expenses:	
Cost of Sales - Reimbursable Programs	34,658
Cost of Sales - Non-Reimbursable Programs	32,183
Salaries, Benefits & Payroll Taxes	111,501
Supplies and Materials	8,563
Food Service Management Fee	17,161
Purchased Professional/Technical Services	15,649
Depreciation	4,340
	224,055
Total Operating Expenses	224,055
Operating (Loss)	(219,259)
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	126
Seamless Summer Option	6,869
Federal Sources:	
National School Lunch Program	2,753
Seamless Summer Option	149,227
Food Distribution Program	18,291
Local Sources:	
Interest Income	5,905
	183,171
Total Non-Operating Revenue	183,171
Change in Net Position	(36,088)
Net Position - Beginning of Year	154,781
Net Position - End of Year	\$ 118,693

BRANCBURG TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds
	Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 8,316
Payments to Employees	(111,501)
Payments to Suppliers	(91,631)
	(194,816)
Net Cash Used for Operating Activities	(194,816)
Cash Flows from Investing Activities:	
Interest Income	5,905
	5,905
Net Cash Provided by Investing Activities	5,905
Cash Flows from Noncapital Financing Activities:	
Cash Received from State and Federal Reimbursements	151,474
	151,474
Net Cash Provided by Noncapital Financing Activities	151,474
Net Decrease in Cash and Cash Equivalents	(37,437)
Cash and Cash Equivalents, July 1	117,715
Cash and Cash Equivalents, June 30	\$ 80,278
Reconciliation of Operating Loss to Net Cash	
Used for Operating Activities:	
Operating Loss	\$ (219,259)
Adjustment to Reconcile Operating Loss to Net Cash	
Used for Operating Activities:	
Depreciation	4,340
Federal Food Distribution Program	18,291
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable - Other	79
(Increase) in Inventory	(1,708)
Increase in Unearned Revenue	3,441
	3,441
Net Cash Used for Operating Activities	\$ (194,816)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received \$25,250 and utilized \$18,291 of commodities from the Federal Food Distribution Program for the fiscal year ended June 30, 2021.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM DEBT

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2020	Retired or Matured	Balance June 30, 2021
			Date	Amount				
Refunding Bonds of 2016	03/15/2016	\$ 15,490,000	7/15/21	\$ 955,000	3.686%			
			7/15/22	750,000	3.600%			
			7/15/23	830,000	5.000%			
			7/15/24	915,000	5.000%			
			7/15/25	1,020,000	5.000%			
			7/15/26	1,120,000	5.000%			
			7/15/27	1,185,000	5.000%			
			7/15/28	1,245,000	5.000%			
			7/15/29	1,295,000	2.500%			
			7/15/30	1,345,000	3.336%			
			7/15/31	1,390,000	3.270%	\$ 12,935,000	\$ 885,000	\$ 12,050,000
Refunding Bonds of 2019	11/06/2019	4,370,000	2/1/22	555,000	4.000%			
			2/1/23	760,000	4.000%			
			2/1/24	785,000	4.000%			
			2/1/25	830,000	4.000%			
			2/1/26	865,000	4.000%			
						4,330,000	535,000	3,795,000
						<u>\$ 17,265,000</u>	<u>\$ 1,420,000</u>	<u>\$ 15,845,000</u>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOT APPLICABLE

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 2,011,556		\$ 2,011,556	\$ 2,011,556	
State Sources:					
Debt Service State Aid Support	95,337		95,337	95,337	
Total Revenue	2,106,893		2,106,893	2,106,893	
EXPENDITURES:					
Regular Debt Service:					
Interest	691,538		691,538	691,538	
Redemption of Principal	1,420,000		1,420,000	1,420,000	
Total Regular Debt Service	2,111,538		2,111,538	2,111,538	
Total Expenditures	2,111,538		2,111,538	2,111,538	
Excess (Deficiency) of Revenue Over (Under) Expenditures	(4,645)		(4,645)	(4,645)	
Fund Balance, July 1	8,103		8,103	8,103	
Fund Balance, June 30	\$ 3,458	\$ - 0 -	\$ 3,458	\$ 3,458	\$ - 0 -
Restricted Fund Balance			\$ 3,458		

STATISTICAL SECTION
(UNAUDITED)

This part of the District’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District’s overall financial health.

Contents

	<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 thru J-5
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	J-6 thru J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 thru 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 and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	June 30,										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Governmental Activities:									(Restated)		
Net Investment in Capital Assets (Deficit)	\$ 12,288,257	\$ 12,313,755	\$ 12,688,164	\$ 14,152,600	\$ 16,567,660	\$ 16,012,567	\$ 16,297,353	\$ 16,297,353	\$ 19,771,236	\$ 22,058,302	751168
Restricted	3,486,698	4,451,389	4,266,609	2,933,223	4,063,944	5,870,211	7,188,636	7,188,636	11,188,146	9,753,484	
Unrestricted (Deficit)	1,279,667	721,738	(6,503,523)	(7,196,220)	(9,743,207)	(9,582,706)	(8,531,601)	(8,531,601)	(9,619,152)	(5,940,673)	
Total Governmental Activities											
Net Position (Deficit)	\$ 17,054,622	\$ 17,486,882	\$ 10,451,250	\$ 9,889,603	\$ 10,888,397	\$ 12,300,072	\$ 14,954,388	\$ 14,954,388	\$ 21,340,230	\$ 25,871,113	
Business-Type Activities:											
Investment in Capital Assets	\$ 122,988	\$ 108,593	\$ 117,919	\$ 117,109	\$ 104,770	\$ 54,191	\$ 47,878	\$ 47,878	\$ 46,384	\$ 42,044	
Unrestricted	232,932	216,248	205,450	177,409	205,660	205,536	174,569	174,569	108,397	76,649	
Total Business-Type Activities Net Position	\$ 355,920	\$ 324,841	\$ 323,369	\$ 294,518	\$ 310,430	\$ 259,727	\$ 222,447	\$ 222,447	\$ 154,781	\$ 118,693	
District-Wide:											
Net Investment in Capital Assets (Deficit)	\$ 12,411,245	\$ 12,422,348	\$ 12,806,083	\$ 14,269,709	\$ 16,672,430	\$ 16,066,758	\$ 16,345,231	\$ 16,345,231	\$ 19,817,620	\$ 22,100,346	
Restricted	3,486,698	4,451,389	4,266,609	2,933,223	4,063,944	5,870,211	7,188,636	7,188,636	11,188,146	9,753,484	
Unrestricted (Deficit)	1,512,599	937,986	(6,298,073)	(7,018,811)	(9,537,547)	(9,377,170)	(8,357,032)	(8,357,032)	(9,510,755)	(5,864,024)	
Total District-Wide Net Position (Deficit)	\$ 17,410,542	\$ 17,811,723	\$ 10,774,619	\$ 10,184,121	\$ 11,198,827	\$ 12,559,799	\$ 15,176,835	\$ 15,176,835	\$ 21,495,011	\$ 25,989,806	

Source: Branchburg Township School District financial reports.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 21,351,863	\$ 11,581,107	\$ 11,292,106	\$ 12,601,388	\$ 13,313,817	\$ 14,629,510	\$ 14,740,212	\$ 13,836,624	\$ 13,731,029	\$ 14,703,672
Special Education	7,004,098	3,765,366	4,539,183	5,035,984	4,926,087	5,475,316	5,559,645	5,310,525	5,518,643	5,759,941
Other Special Instruction	1,351,578	1,693,233	1,521,015	1,603,234	1,947,619	2,032,737	2,082,557	2,291,491	2,238,614	1,955,901
School-Sponsored/Other Instruction	159,147	181,921	267,367	449,652	648,398	740,733	821,798	837,708	869,722	755,876
Support Services:										
Tuition		12,443,083	12,753,265	13,260,547	12,987,601	12,863,308	12,181,091	12,094,127	12,580,922	13,006,329
Student & Instruction Related Services	4,021,558	4,536,021	4,344,120	5,066,063	5,454,740	6,107,872	6,372,612	5,800,427	5,579,116	5,625,395
School Administration Services	1,575,222	1,600,538	1,519,679	1,804,833	1,710,545	2,102,409	2,144,192	2,025,079	2,113,871	2,041,423
General Administration Services	779,619	685,898	787,418	886,590	925,050	794,698	953,315	938,301	883,649	883,913
Central Services and Administrative										
Information Technology	845,897	906,253	790,336	919,708	728,440	851,691	912,960	722,657	709,847	717,200
Plant Operations and Maintenance	1,888,476	1,820,123	1,904,141	2,296,007	2,315,820	2,145,436	2,558,894	2,433,608	2,210,817	2,371,133
Pupil Transportation	2,570,788	2,422,786	2,584,224	2,920,064	2,714,783	2,887,552	2,923,879	4,298,042	2,266,449	2,168,731
Capital Outlay			34,194							
Interest On Long-Term Debt	1,269,558	1,200,262	1,157,988	1,156,024	1,360,087	1,023,964	739,820	696,742	604,965	546,308
Unallocated Depreciation	1,440,329	1,440,329	1,394,239	1,428,878	1,462,332	1,432,741	1,426,185	1,460,818	1,566,129	1,566,129
Total Governmental Activities Expenses	42,817,804	44,276,920	44,889,275	49,428,972	50,495,319	53,087,967	53,417,160	52,746,149	50,873,773	52,101,951
Business-Type Activities:										
Food Service	658,318	700,556	646,166	665,162	646,424	690,795	713,950	709,721	562,101	224,055
Community Education	57,293	64,436								
Total Business-Type Activities Expenses	715,611	764,992	646,166	665,162	646,424	690,795	713,950	709,721	562,101	224,055

BRANCHBURG TOWNSHIP SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total District-Wide Expenses	\$43,533,415	\$45,041,912	\$45,535,441	\$50,094,134	\$51,141,743	\$53,778,762	\$54,131,110	\$53,455,870	\$51,435,874	\$52,326,006
Program Revenues:										
Governmental Activities:										
Charges For Services	181,050	174,100	154,218	117,608	152,146	209,061	140,303	172,206	129,602	142,750
Operating Grants and Contributions	5,330,011	5,493,585	5,269,020	8,493,488	9,772,045	12,470,399	13,178,050	11,400,304	10,014,379	11,358,239
Capital Grants and Contributions	13,198		55,470	71,615						
Total Governmental Activities Program Revenues	5,524,259	5,667,685	5,478,708	8,682,711	9,924,191	12,679,460	13,318,353	11,572,510	10,143,981	11,500,989
Business-Type Activities:										
Charges for Services:										
Food Service	593,262	559,399	555,927	544,113	592,524	567,854	540,541	544,508	345,002	4,796
Community Education	59,017	72,295								
Operating Grants and Contributions	107,023	100,137	87,321	90,134	94,357	111,120	117,903	118,069	97,143	177,266
Total Business-Type Activities Program Revenues	759,302	731,831	643,248	634,247	686,881	678,974	658,444	662,577	442,145	182,062
Total District-Wide Program Revenues	6,283,561	6,399,516	6,121,956	9,316,958	10,611,072	13,358,434	13,976,797	12,235,087	10,586,126	11,683,051
Net Revenue/(Expense) - Governmental Activities	(37,293,545)	(38,609,235)	(39,410,567)	(40,746,261)	(40,571,128)	(40,408,507)	(40,098,807)	(41,173,639)	(40,729,792)	(40,600,962)
Net Revenue/(Expense) - Business-Type Activities	43,691	(33,161)	(2,918)	(30,915)	40,457	(11,821)	(55,506)	(47,144)	(119,956)	(41,993)
Total District-Wide Net Revenue/(Expense)	(37,249,854)	(38,642,396)	(39,413,485)	(40,777,176)	(40,530,671)	(40,420,328)	(40,154,313)	(41,220,783)	(40,849,748)	(40,642,955)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	36,590,431	36,283,559	36,801,457	37,556,975	38,963,858	39,622,347	40,216,682	40,694,329	41,508,216	42,338,380
Taxes Levied for Debt Service	2,038,829	2,092,418	2,102,973	2,205,081	2,130,355	2,109,741	1,944,055	1,968,552	2,018,709	2,011,556

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Federal and State Aid not Restricted	\$ 45,976	\$ 291,803	\$ 299,973	\$ 335,832	\$ 341,210	\$ 360,773	\$ 353,564	\$ 294,851	\$ 288,812	\$ 364,961
Investment Earnings	5,495		6,832	5,641	8,504	19,001	63,573	180,049	180,049	180,049
Miscellaneous Income	209,060	375,600	358,702	101,085	112,631	78,941	175,249	243,810	160,728	236,899
Other Item - SDA Grants Cancelled		(1,885)			(13,317)					
Transfers					26,681					
Total Governmental Activities General Revenues and Other Changes in Net Position	38,889,791	39,043,380	39,569,937	40,184,614	41,569,922	42,190,803	42,753,123	43,381,591	44,156,514	45,131,845
Business-Type Activities:										
Investment Earnings	1,861	2,082	1,446	2,064	2,136	5,465	18,226	56,579	42,855	5,905
Transfers					(26,681)					
Total Business-Type Activities General Revenues and Other Changes in Net Position	1,861	2,082	1,446	2,064	(24,545)	5,465	18,226	56,579	42,855	5,905
Total District-Wide General Revenues and Other Changes in Net Position	38,891,652	39,045,462	39,571,383	40,186,678	41,545,377	42,196,268	42,771,349	43,438,170	44,199,369	45,137,750
Change in Net Position:										
Governmental Activities	1,596,246	434,145	159,370	(561,647)	998,794	1,782,296	2,654,316	2,207,952	3,426,722	4,530,883
Business-Type Activities	45,552	(31,079)	(1,472)	(28,851)	15,912	(6,356)	(37,280)	9,435	(77,101)	(36,088)
Total District-Wide Change in Net Position	\$ 1,641,798	\$ 403,066	\$ 157,898	\$ (590,498)	\$ 1,014,706	\$ 1,775,940	\$ 2,617,036	\$ 2,217,387	\$ 3,349,621	\$ 4,494,795

Source: Branchburg Township School District financial reports.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

June 30,

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:									(Restated)	
Restricted	\$ 3,430,415	\$ 4,395,786	\$ 4,046,207	\$ 2,854,349	\$ 4,063,944	\$ 5,857,500	\$ 7,175,925	\$ 7,253,119	\$ 11,117,772	\$ 9,684,977
Assigned	970,545	367,149	588,804	814,758	643,224	932,857	1,846,471	1,903,745	509,745	2,598,751
Unassigned	639,082	789,724	655,013	654,189	680,232	1,075,839	1,127,697	1,190,788	1,097,765	2,175,656
Total General Fund	\$ 5,040,042	\$ 5,552,659	\$ 5,290,024	\$ 4,323,296	\$ 5,387,400	\$ 7,866,196	\$ 10,150,093	\$ 10,347,652	\$ 12,725,282	\$ 14,459,384
Other Governmental Funds:										
Restricted for:									\$	\$
Special Revenue Fund	\$ 56,283	\$ 55,603	\$ 1	\$ 49,101		\$ 12,711	\$ 12,711		\$ 62,271	\$ 65,049
Debt Service Fund	87,969	29,774	220,401	29,773					8,103	3,458
Restricted										
Committed										
Total Other Governmental Funds	\$ 144,252	\$ 85,377	\$ 220,402	\$ 78,874	\$ - 0 -	\$ 12,711	\$ 12,711	\$ - 0 -	\$ 70,374	\$ 68,507
Total All Governmental Funds	\$ 5,184,294	\$ 5,638,036	\$ 5,510,426	\$ 4,402,170	\$ 5,387,400	\$ 7,878,907	\$ 10,162,804	\$ 10,347,652	\$ 12,795,656	\$ 14,527,891

Source: Branchburg Township School District financial reports.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Tax Levy	\$ 38,629,260	\$ 38,375,977	\$ 38,904,430	\$ 39,742,056	\$ 41,094,213	\$ 41,732,088	\$ 42,160,737	\$ 42,662,881	\$ 43,526,925	\$ 44,349,936
Tuition	181,050	174,100	154,218	117,608	152,146	209,061	140,303	172,206	129,602	114,906
Interest Earned on Investments	5,495	6,822	5,678	4,486	6,847	15,929	55,460	159,582	102,926	16,270
Interest Earned on Capital Reserve Funds		784	1,154	1,155	1,657	3,072	8,113	20,467	11,268	1,717
Miscellaneous	264,990	397,261	395,573	122,360	143,398	102,995	201,493	279,336	230,298	443,193
State Sources	4,528,008	5,231,918	4,888,618	5,257,349	5,571,808	6,182,076	6,737,988	7,462,539	7,700,578	9,315,477
Federal Sources	805,247	524,203	698,974	592,524	487,007	463,187	528,205	520,590	481,876	697,316
Total Revenue	44,414,050	44,711,065	45,048,645	45,837,538	47,457,076	48,708,408	49,832,299	51,277,601	52,183,473	54,938,815
Expenditures:										
Instruction:										
Regular Instruction	7,812,732	7,753,939	7,772,386	7,955,251	7,894,098	7,719,036	7,874,096	7,984,258	7,792,083	8,457,065
Special Education Instruction	3,297,808	2,651,711	3,231,971	3,273,576	2,984,395	2,994,216	3,072,883	3,111,861	3,306,859	3,319,950
Other Special Instruction	908,235	1,119,462	1,019,463	964,216	1,096,442	1,034,996	1,056,649	1,257,445	1,267,485	1,065,124
School-Sponsored/Other Instruction	107,905	132,002	184,228	274,810	372,395	384,868	429,005	465,096	498,528	417,331
Support Services:										
Tuition	12,230,142	12,443,083	12,753,265	13,260,547	12,987,601	12,863,308	12,181,091	12,094,127	12,580,922	13,006,329
Student & Instruction-Related Services	2,853,159	3,175,024	3,069,273	3,131,629	3,155,510	3,184,792	3,424,723	3,277,555	3,274,709	3,182,748
General Administration Services	663,012	572,880	670,472	693,985	708,491	562,971	648,940	665,179	657,021	633,845
School Administration Services	1,065,733	1,098,884	1,051,393	1,077,939	967,675	1,066,325	1,093,830	1,127,759	1,201,810	1,127,719
Central Services	404,860	398,009	359,335	344,400	366,049	380,936	385,689	348,622	365,800	365,999
Administrative Information Technology	221,727	335,077	280,473	266,495	111,774	113,714	120,141	101,573	80,768	52,978
Plant Operations and Maintenance	1,678,931	1,629,510	1,758,171	1,926,153	1,881,080	1,755,110	2,129,316	2,032,049	1,961,192	2,073,474
Pupil Transportation	2,266,862	2,170,791	2,223,660	2,152,300	1,850,927	1,736,612	1,789,017	1,768,816	1,727,872	1,560,361
Unallocated Benefits	7,054,051	7,949,606	7,760,772	8,334,630	8,872,757	9,492,374	10,357,174	10,947,691	11,080,365	12,912,584
Capital Outlay	301,907	575,916	781,293	1,033,513	955,716	729,429	941,054	3,834,778	2,585,332	2,919,535
Debt Service:										
Principal	1,045,000	1,075,000	1,125,000	1,165,000	1,235,000	1,505,000	1,215,000	1,285,000	1,410,000	1,420,000
Interest and Other Charges	1,205,625	1,174,544	1,135,100	1,091,350	1,045,300	693,214	829,794	790,944	695,891	691,538
Total Expenditures	43,117,689	44,255,438	45,176,255	46,945,794	46,485,210	46,216,901	47,548,402	51,092,753	50,486,637	53,206,580
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	1,296,361	455,627	(127,610)	(1,108,256)	971,866	2,491,507	2,283,897	184,848	1,696,836	1,732,235

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other Financing Sources/(Uses):										
NJEDA/SDA Grants (Cancelled)		\$ (1,885)			\$ (13,317)				\$ 4,370,000	
Refunding Bonds Issued					15,490,000				(4,635,000)	
School Bonds Defeased					(17,100,000)				(108,245)	
Bond Issuance Costs					(141,823)				(66,951)	
Deferred Amount on Refunding					(375,417)				440,196	
Original Issuance Bond Premium					2,127,240					
Transfers In	\$ 272,025	\$ 56,310	\$ 246,231		43,137					
Transfers Out	(272,025)	(56,310)	(246,231)		(16,456)					
Total Other Financing Sources/(Uses)	- 0 -	(1,885)	- 0 -	- 0 -	13,364	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
Excess (Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	\$ 1,296,361	\$ 453,742	\$ (127,610)	\$ (1,108,256)	\$ 985,230	\$ 2,491,507	\$ 2,283,897	\$ 184,848	\$ 1,696,836	\$ 1,732,235
Debt Service As a % of Noncapital Expenditures	5.55%	5.43%	5.36%	5.17%	5.27%	5.07%	4.59%	4.59%	4.60%	4.38%

Source: Branchburg Township School District financial reports.

BRANCBURG TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

Fiscal Year Ended June 30,	Interest on Investments	Tuition	Rentals- Use of Facilities	Prior Year Refunds	Other	Total
2012	\$ 5,495	\$ 181,050			\$ 209,060	\$ 395,605
2013	7,606	174,100	\$ 280,139	\$ 42,456	45,399	549,700
2014	6,832	154,218	270,624		88,078	519,752
2015	5,641	117,608	22,552		78,533	224,334
2016	8,504	152,146	50,670		61,961	273,281
2017	19,001	209,061	73,190		5,751	307,003
2018	63,573	140,303	131,390		35,110	370,376
2019	180,049	172,206	163,953		79,857	596,065
2020	114,194	129,602	182,133		44,450	470,379
2021	17,987	114,906	209,811		189,150	531,854

Source: Branchburg Township School District financial reports.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

Year End Dec. 31	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized) Valuation
2011	\$ 11,612,800	\$ 2,013,888,700	\$ 29,501,500	\$ 1,463,200	\$ 222,270,700	\$ 516,393,900	\$ 23,460,000	\$ 2,818,590,800	\$ 5,327,753	\$ 2,823,918,553	\$ 178,020,200	\$ 1.37	\$ 3,003,216,474
2012	10,114,500	1,988,890,400	29,705,100	1,422,300	222,675,600	506,046,700	21,245,000	2,780,099,600	5,555,411	2,785,655,011	188,005,600	1.38	2,932,080,663
2013	9,576,300	1,965,401,200	29,377,200	1,359,600	217,471,500	521,820,300	20,000,000	2,765,006,100	5,153,713	2,770,159,813	203,243,200	1.40	2,839,007,795
2014	10,326,400	1,988,040,700	29,649,700	1,316,100	222,821,400	556,367,300	22,000,000	2,830,521,600	4,079,639	2,834,601,239	203,369,800	1.39	2,877,475,796
2015	22,535,500	1,995,476,000	29,974,800	1,316,000	225,697,700	576,756,700	25,000,000	2,876,756,700	4,200,235	2,880,956,935	202,713,800	1.40	2,931,494,083
2016	18,910,800	2,045,433,700	27,597,700	1,310,300	243,296,400	593,317,700	28,000,000	2,937,866,600	4,323,235	2,962,189,835	204,654,700	1.40	3,017,020,874
2017	18,131,400	2,086,801,600	27,847,300	1,281,300	249,325,500	612,645,000	28,500,000	3,024,532,100	4,439,637	3,028,971,737	201,582,200	1.39	3,056,724,791
2018	15,502,500	2,130,749,600	28,511,800	1,306,700	251,093,600	626,334,800	29,925,000	3,083,424,000	4,536,447	3,087,960,447	202,414,600	1.37	3,119,278,203
2019	5,536,500	2,192,152,800	28,891,600	1,285,900	264,305,000	639,030,600	31,660,000	3,162,862,400	4,580,000	3,167,442,400	205,126,700	1.36	3,229,028,884
2020	4,428,300	2,231,354,500	30,879,100	1,233,900	278,969,200	669,334,400	33,920,000	3,250,119,400	4,689,100	3,254,808,500	229,919,800	1.35	3,348,263,449

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

^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.
^b Tax rates are per \$100 of assessed value.

Source: Branchburg Township Tax Assessor.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(Rate per \$100 of Assessed Value)

Year Ended December 31,	Branchburg Township School District		Overlapping Rates		Somerset County	Total Direct and Overlapping Tax Rate
	Basic Rate ^a	Direct Rate General Obligation Debt Service ^b	Total Direct	Township of Branchburg		
2011	\$ 1.30	\$ 0.07	\$ 1.37	\$ 0.35	0.38	\$ 2.10
2012	1.31	0.07	1.38	0.36	0.39	2.12
2013	1.32	0.08	1.40	0.37	0.39	2.15
2014	1.31	0.08	1.39	0.37	0.40	2.16
2015	1.33	0.07	1.40	0.37	0.40	2.18
2016	1.33	0.07	1.40	0.39	0.41	2.19
2017	1.32	0.06	1.39	0.39	0.40	2.18
2018	1.31	0.06	1.37	0.39	0.40	2.16
2019	1.30	0.06	1.36	0.39	0.40	2.15
2020	1.29	0.06	1.35	0.39	0.41	2.14

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 calculation.

^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.

Source: Branchburg Township Tax Collector and School Business Administrator.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2020		2011		% of Total District Net Valuation Taxable	
	Taxpayer	Taxable Assessed Value	% of Total District Net Valuation Taxable	Taxpayer		Taxable Assessed Value
Roche & Genetech Inc.		\$ 87,000,000	2.67%	Roche & Genetech Inc.	\$ 87,992,000	3.03%
Imclone Systems Corp.		77,806,400	2.39%	Imclone Systems Corp.	84,323,900	2.90%
Cellco Partnership (Verizon)		38,450,000	1.18%	Maurice M. Weil, Trustee	27,366,100	0.94%
S/K Old York Road Associates		31,837,500	0.98%	S/K Old York Road Associates	25,500,000	0.88%
Transco Gas Pipeline Co.		31,660,000	0.97%	Cellco Partnership (Verizon)	17,300,000	0.60%
Briad Lodging Group Branchburg II		29,426,400	0.90%	AZ Electronic	14,838,300	0.51%
Friedrich D&Weill J, Suc-Co-Trustees		27,398,000	0.84%	Branchburg Commons	15,785,000	0.54%
Merck Sharp & DOHME ATT; Tax Dept		16,530,000	0.51%	Transcontinental	30,174,300	1.04%
LSREF3/AH Chicago, LLC		16,324,200	0.50%	Branchburg Sierra Assoc.	13,205,000	0.45%
Zeus Industrial Products Inc		15,400,200	0.47%	Advance at Branchburg	13,203,300	0.45%
Total		\$ 371,832,700	11.41%		\$ 329,687,900	11.34%

Source: Branchburg Township Tax Assessor.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 38,629,260	\$ 38,629,260	100.00%	\$ - 0 -
2013	38,375,977	38,375,977	100.00%	- 0 -
2014	38,904,430	38,904,430	100.00%	- 0 -
2015	39,742,056	39,742,056	100.00%	- 0 -
2016	41,094,213	41,094,213	100.00%	- 0 -
2017	41,732,088	41,732,088	100.00%	- 0 -
2018	42,160,737	42,160,737	100.00%	- 0 -
2019	42,662,881	42,662,881	100.00%	- 0 -
2020	43,526,925	43,526,925	100.00%	- 0 -
2021	44,349,936	44,349,936	100.00%	- 0 -

^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.

Source: Branchburg Township School District records including the Certificate & Report of School Taxes (A4F form).

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes (BANs)			
2012	\$ 29,155,000	\$ 235,184	\$ - 0 -	\$ 29,390,184	2.57%	\$ 2,020
2013	28,080,000	159,260	- 0 -	28,239,260	2.47%	1,941
2014	26,955,000	80,892	- 0 -	27,035,892	2.23%	1,862
2015	25,790,000	- 0 -	- 0 -	25,790,000	2.02%	1,783
2016	22,945,000	- 0 -	- 0 -	22,945,000	1.71%	1,584
2017	21,440,000	- 0 -	- 0 -	21,440,000	1.49%	1,482
2018	20,225,000	- 0 -	- 0 -	20,225,000	1.32%	1,391
2019	18,940,000	- 0 -	- 0 -	18,940,000	1.18%	1,302
2020	17,265,000	- 0 -	- 0 -	17,265,000	1.08%	1,190
2021	15,845,000	- 0 -	- 0 -	15,845,000	0.99%	1,092

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 previous calendar year.

Source: Branchburg Township School District financial reports.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation Taxable ^a	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2012	\$ 29,155,000	\$ - 0 -	\$ 29,155,000	1.03%	\$ 2,002
2013	28,080,000	- 0 -	28,080,000	1.01%	1,926
2014	26,955,000	- 0 -	26,955,000	0.97%	1,853
2015	25,790,000	- 0 -	25,790,000	0.91%	1,776
2016	22,945,000	- 0 -	22,945,000	0.80%	1,586
2017	21,440,000	- 0 -	21,440,000	0.72%	1,480
2018	20,225,000	- 0 -	20,225,000	0.67%	1,398
2019	18,940,000	- 0 -	18,940,000	0.61%	1,302
2020	17,265,000	- 0 -	17,265,000	0.55%	1,190
2021	15,845,000	- 0 -	15,845,000	0.49%	1,092

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

^a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the previous calendar year.

^b See Exhibit J-14 for population data. This ratio is calculated using population estimate for the previous calendar year.

Source: Branchburg Township School District financial reports.

BRANCBURG TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2020
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable *</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Township of Branchburg	\$12,056,250.00	100.00%	\$ 12,056,250
Somerset County General Obligation Debt	\$228,271,942.76	5.68%	<u>12,963,854</u>
Subtotal, Overlapping Debt			25,020,104
Branchburg School District Direct Debt			<u>16,380,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 41,400,104</u></u>

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 Branchburg Township. This process recognizes that, when considering the District's ability to issue and repay long-term, 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 unit.

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 94,373,497	\$ 90,935,178	\$ 88,198,109	\$ 87,142,102	\$ 88,649,952	\$ 90,391,503	\$ 92,073,543	\$ 94,204,077	\$ 97,625,179	\$ 100,961,815
Total Net Debt Applicable to Debt Limit	29,155,000	28,080,000	26,955,000	25,790,000	22,945,000	21,440,000	20,225,000	18,940,000	17,265,000	15,845,000
Legal Debt Margin	\$ 65,218,497	\$ 62,855,178	\$ 61,243,109	\$ 61,352,102	\$ 65,704,952	\$ 68,951,503	\$ 71,848,543	\$ 75,264,077	\$ 80,360,179	\$ 85,116,815
Total Net Debt Applicable to Debt Limit as a % of the Debt Limit	30.89%	30.88%	30.56%	29.60%	25.88%	23.72%	21.97%	20.11%	17.68%	15.69%

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized Valuation Basis		
	2018	2019	2020
Average Equalized Valuation of Taxable Property			
Debt Limit (3%* of Average Equalization Value)			
Net Bonded School Debt as of June 30, 2021			
Legal Debt Margin			
	Branchburg Township		
	\$ 3,245,367,856.00	\$ 3,396,179,963.00	\$ 3,454,633,716.00
	\$ 10,096,181,535	\$ 3,365,393,845	\$ 100,961,815
			\$ 15,845,000
			\$ 85,116,815

* Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts.

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

BRANCBURG TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Township Population ^a	Somerset County Per Capita Personal Income ^b		Township Personal Income ^c	Township Unemployment Rate ^d
2012	14,577	\$ 75,156		\$ 1,095,549,012	5.30%
2013	14,549	78,451		1,141,383,599	5.60%
2014	14,520	83,429		1,211,389,080	4.40%
2015	14,465	88,447		1,279,385,855	4.20%
2016	14,486	92,514		1,340,157,804	3.80%
2017	14,470	99,189		1,435,264,830	3.50%
2018	14,543	105,161		1,529,356,423	3.40%
2019	14,548	109,916		1,599,057,968	2.70%
2020	14,512	109,916	**	1,595,100,992	6.80%
2021	14,512	* 109,916	**	1,595,100,992	*** N/A

N/A - Information is not available.

* - Latest population data available (2020) was used for calculation purposes.

** - Latest Somerset County per capita personal income data available (2019) was used for calculation purposes.

*** - Latest available population data (2020) and latest available Somerset County per capita personal income (2019) was used for calculation purposes.

Sources:

- ^a Population information provided by the NJ Department of Labor and Workforce Development.
- ^b Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- ^c Personal income has been estimated based upon the municipal population and per capita personal income presented.
- ^d Unemployment data provided by the NJ Department of Labor and Workforce Development.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS - SOMERSET COUNTY
 CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2020		2011	
	Employer	Percentage of Total Employment	Employers	Percentage of Total Employment

Information is Not Available

Information is Not Available

Source: Somerset County Treasurer's Office.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</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>2021</u>
Instruction:										
Regular	108.0	109.5	110.0	107.3	106.4	108.0	104.8	104.0	107.2	113.0
Special Education	35.7	32.7	49.7	50.5	45.0	45.0	47.3	46.4	45.5	45.0
Other Special Education	13.0	16.0	16.0	18.2	19.7	17.0	15.0	18.0	17.8	21.8
Support Services:										
Student & Instruction Related Services	57.4	58.0	44.6	40.5	42.9	43.0	43.3	47.7	47.4	34.8
School Administration Services	13.3	14.3	13.8	14.0	14.0	13.8	3.0	3.0	3.0	13.0
General Administration Services	8.2	3.0	3.0	3.0	3.0	3.0	13.8	13.8	12.5	3.0
Central Services and Administrative Information Technology	6.2	5.6	6.0	5.5	5.4	9.7	9.0	8.3	8.9	8.4
Plant Operations and Maintenance	6.0	6.0	6.0	9.2	8.6	8.0	7.5	8.7	9.1	9.8
Pupil Transportation	25.0	25.5	25.5	29.7	30.2	28.0	27.0	28.5	29.0	27.2
Total	272.7	270.5	274.6	277.9	275.2	275.4	270.5	278.4	280.4	276.0

Source: Branchburg Township School District personnel records.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^b	Percent Change	Teaching Staff ^c	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle				
2012	2,483	\$ 40,565,157	\$ 16,337	2.67%	151	10:1	10:1	1,737	1,673	-3.29%	96.32%
2013	2,472	41,429,978	16,760	2.59%	158	12:1	10:1	1,696	1,630	-2.36%	96.11%
2014	2,422	42,134,862	17,397	3.80%	162	11:1	9:1	1,624	1,562	-4.25%	96.18%
2015	2,328	43,655,931	18,753	7.79%	160	10:1	9:1	1,557	1,497	-4.13%	96.15%
2016	2,236	43,249,194	19,342	3.14%	162	9:1	9:1	1,459	1,407	-6.29%	96.44%
2017	2,166	43,289,258	19,986	3.33%	153	9:1	10:1	1,462	1,406	0.21%	96.17%
2018	2,191	44,562,554	20,339	1.77%	152	9:1	10:1	1,444	1,382	-1.23%	95.71%
2019	2,097	45,182,031	21,546	5.94%	163	9:1	8:1	1,439	1,382	-0.35%	96.04%
2020	2,031	45,795,414	22,548	4.65%	164	8:1	8:1	1,384	1,346	-3.82%	97.25%
2021	2,031	45,795,414	22,548	0.00%	177	8:1	8:1	1,384	1,346	0.00%	97.25%

Note: Enrollment based on annual October District count and includes high school student enrollments.

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

^b Cost per pupil is the sum of operating expenditures divided by enrollment. This cost per pupil may be different from the State's cost per pupil calculations.

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

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

Source: Branchburg Township School District records.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

<u>District Building</u>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Old York Elementary School	*	*	*	*	*	*	*	*	*	*
Square Feet										
Capacity (Students)	*	*	*	*	*	*	*	*	*	*
Enrollment	*	*	*	*	*	*	*	*	*	*
Stony Brook Elementary School	47,368	47,368	47,368	47,368	47,368	47,368	47,368	47,368	47,368	47,368
Square Feet										
Capacity (Students)	398	398	398	398	398	398	398	398	398	398
Enrollment	392	360	360	350	326	337	342	316	265	284
Whiton Elementary School	90,321	90,321	90,321	90,321	90,321	90,321	90,321	90,321	90,321	90,321
Square Feet										
Capacity (Students)	792	792	792	792	792	792	792	792	792	792
Enrollment	733	733	660	647	615	629	593	624	613	614
Central Middle School	141,310	141,310	141,310	141,310	141,310	141,310	141,310	141,310	141,310	141,310
Square Feet										
Capacity (Students)	733	733	733	733	733	733	733	733	733	733
Enrollment	612	603	604	566	524	501	500	499	504	486

Number of Schools at June 30, 2020:

Elementary = 2
Middle School = 1

* Old York Elementary School closed effective June 30, 2011.

Note: Enrollment is based on the annual October District count.

Source: Branchburg Township School District Facilities Office.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures:

Required Maintenance for School Facilities* (Account #11-000-261-XXX)

Fiscal Year	Central Middle School	Old York Elementary School	Stony Brook Elementary School	Whiton Elementary School	Total All Facilities
2012	\$ 162,321	\$ 11,135	\$ 78,898	\$ 118,332	\$ 370,686
2013	173,357	48,910	66,191	130,587	419,045
2014	169,426	46,418	87,106	100,798	403,748
2015	206,601	68,850	88,361	191,394	555,206
2016	198,555	72,799	79,390	159,864	510,608
2017	160,792	59,481	68,161	141,017	429,451
2018	190,531	61,925	87,254	485,391	825,101
2019	234,259	80,937	98,128	185,330	598,654
2020	223,896	89,030	100,178	127,558	540,662
2021	265,935	75,914	106,286	206,374	654,509

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

Source: Branchburg Township School District records.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2021
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy:		
NJ Schools Insurance Group:		
Property - Blanket Building and Contents	\$ 500,000,000	\$ 5,000
Extra Expense - Blanket	50,000,000	5,000
Valuable Papers	10,000,000	5,000
Electronic Data Processing (Computers)	1,500,000	1,000
Crime and Bonds:		
Faithful Performance	250,000	1,000
Forgery & Alteration	250,000	1,000
Money & Securities	100,000	500
Money Orders/Counterfeit Currency	100,000	500
Computer Fraud	250,000	1,000
Commercial General Liability	6,000,000	N/A
Commercial Automobile Liability	6,000,000	N/A
Physical Damage (Comprehensive & Collision)	Actual Cash Value	1,000
Workers Compensation	Statutory	N/A
(Including Employer's Liability)	2,000,000	N/A
School Leaders' Errors & Omissions Liability	6,000,000	10,000
(Including Employment Practices Liability)		
Coverage "B" Administrative Hearings/Due Process		
Per Claim	100,000	
Aggregate	300,000	10,000
Public Employees' Faithful Performance Blanket Position Bond -	250,000	1,000
Selective Insurance Company		
Business Administrator/Board Secretary	350,000	N/A

Note: The District is part of the New Jersey Schools Insurance Group. Coverage represents the combined amounts for all of the school districts under master policies with insurance companies.

Source: Branchburg Township School District records.

SINGLE AUDIT SECTION



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

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Branchburg Township School District
County of Somerset, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the 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 Branchburg Township School District, in the County of Somerset (the "District") as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 1, 2021.

Internal Control Over Financial Reporting

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

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

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

The Honorable President and Members
of the Board of Education
Branchburg Township School District
Page 2

Compliance and Other Matters

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

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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 1, 2021
Mt. Arlington, New Jersey

Nisivoccia, LLP
NISIVOCCIA, LLP

Kathryn L. Mantell

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Report on Compliance For Each Major Federal and State Program;
Report on Internal Control Over Compliance

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Branchburg Township School District
County of Somerset, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Branchburg Township School District's (the "District's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2021. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District'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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District's compliance.

The Honorable President and Members
of the Board of Education
Branchburg Township School District
Page 2

Opinion on Each Major State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the District 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 District'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 NJOMB 15-08, 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 District'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 or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or 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 or 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. 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.

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 or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

November 1, 2021
Mt. Arlington, New Jersey

Nisivoccia, LLP
NISIVOCCIA, LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2020		Cash Received	Budgetary Expenditures	Balance June 30, 2021	
					Accounts Receivable	Unearned Revenue			(Budgetary Accounts Receivable)	Budgetary Unearned Revenue
U.S. Department of Agriculture:										
Passed-through State Department of Agriculture:										
Child Nutrition Cluster:										
Federal Food Distribution Program	10.555	N/A	7/1/20-6/30/21	\$ 25,250			\$ 25,250	\$ (13,265)		\$ 11,985
Federal Food Distribution Program	10.555	N/A	7/1/19-6/30/20	32,260				(5,026)		
National School Lunch Program	10.555	N/A	7/1/20-6/30/21	2,753			2,753	(2,753)		
COVID-19 Seamless Summer Option	10.555	N/A	7/1/20-6/30/21	149,227			135,567	(149,227)		\$ (13,660)
COVID-19 Seamless Summer Option	10.555	N/A	3/18/20-6/30/20	17,799			6,995			
Subtotal Child Nutrition Cluster							170,565	(170,271)		11,985
Total Enterprise Funds										
							170,565	(170,271)		11,985
U.S. Department of Treasury:										
Passed-through State Department of Education:										
COVID 19 - Coronavirus Relief Fund	21.019	N/A	3/1/20-12/31/20	63,947			63,947	(63,947)		
COVID 19 - Digital Divide Grant	21.019	N/A	7/16-20-10/31/20	13,751			13,751	(13,751)		
COVID 19 - Nonpublic Digital Divide Grant	21.019	N/A	7/16-20-10/31/20	740			598	(598)		
Passed-through Somerset County:										
COVID 19 - Coronavirus Relief Fund	21.019	N/A	3/1/20-12/31/20	35,000			35,000	(35,000)		
Total U.S. Department of Treasury							113,296	(113,296)		
U.S. Department of Education										
Passed-through State Department of Education:										
Special Education Cluster:										
I.D.E.A. Part B, Basic	84.027	IDEA-0510-21	7/1/20-9/30/21	385,477			385,477	(385,477)		
I.D.E.A. Part B, Preschool	84.173	IDEA-0510-21	7/1/20-9/30/21	20,611			20,596	(20,596)		
ESEA Consolidated:							406,073	(406,073)		
Title I	84.010	ESEA-0510-21	7/1/20-9/30/21	102,988			80,317	(102,988)		(22,671)
Title I	84.010	ESEA-0510-20	7/1/19-9/30/20	74,630		(943)	943			
Title II - Part A	84.367A	ESEA-0510-21	7/1/20-9/30/21	35,117			8,209	(13,892)		(5,683)
Title IV	84.424	ESEA-0510-21	7/1/20-9/30/21	8,326			4,076	(5,716)		(1,640)
Title IV	84.424	ESEA-0510-20	7/1/19-9/30/20	14,497			3,116			
Subtotal ESEA Consolidated							96,661	(122,596)		(29,994)
Education Stabilization Fund:										
COVID 19 - CARES Emergency Relief Grant	84.425D	S425D200027	3/13/20-9/30/22	56,626			56,626	(56,626)		
Total U.S. Department of Education							559,360	(585,295)		(29,994)
Total Special Revenue Fund							672,656	(698,591)		(29,994)
Total Federal Awards							\$ 843,221	\$ (868,862)		\$ (43,654)
							\$ 5,026			\$ 11,985
										\$ - 0 -

N/A - Not applicable/available.

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2020			Balance June 30, 2021			MEMO		
				Budgetary Accounts Receivable	Due to Grantor	Cash Received	Budgetary Expenditures	Paid to Grantor	GAAP Accounts Receivable	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
New Jersey Department of Education												
General Fund:												
Special Education												
Categorical Aid	21-495-034-5120-089	7/1/20-6/30/21	\$ 1,564,948		\$ 1,413,161	\$ (1,564,948)			\$ 151,787	\$ 1,564,948		
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	708,668		639,933	(708,668)			68,735	708,668		
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	193,608		174,830	(193,608)			18,778	193,608		
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	864,971			(864,971)			864,971	864,971		
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	515,538		515,538	(46,937)				515,538		
Nonpublic Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	34,800			(34,800)			34,800	34,800		
School Security Grant	N/A	7/1/20-6/30/21	75,961			(75,961)			75,961	75,961		
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	7/1/20-6/30/21	956,815		956,815	(956,815)				956,815		
On-Behalf TPAF Post Retirement Contributions	21-495-034-5094-001	7/1/20-6/30/21	1,138,225		1,138,225	(1,138,225)				1,138,225		
On-Behalf TPAF Pension Contributions	21-495-034-5094-002	7/1/20-6/30/21	3,564,227		3,564,227	(3,564,227)				3,564,227		
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004	7/1/20-6/30/21	67,814		67,814	(67,814)				67,814		
On-Behalf TPAF Long-Term Disability Insurance	21-495-034-5094-004	7/1/20-6/30/21	1,983		1,983	(1,983)				1,983		
Special Education												
Categorical Aid	20-495-034-5120-089	7/1/19-6/30/20	1,501,099	\$ 146,017	146,017					1,501,099		
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	708,668	68,935	68,935					708,668		
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	193,608	18,833	18,833					193,608		
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	468,601	468,601	468,601					468,601		
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	7/1/19-6/30/20	968,221	47,862	47,862					968,221		
Total General Fund State Aid				750,248	9,222,774	(9,218,957)			975,732	1,215,032		
Special Revenue Fund:												
N.J. Nonpublic Aid:												
Textbook Aid	21-100-034-5120-064	9/1/20 - 6/30/21	1,039		1,039	(1,013)				1,013		
Textbook Aid	20-100-034-5120-064	9/1/19 - 6/30/20	1,054	\$ 217					\$ 26	837		
Nursing Aid	21-100-034-5120-070	9/1/20 - 6/30/21	1,734		1,734	(1,443)			291	1,443		
Nursing Aid	20-100-034-5120-070	9/1/19 - 6/30/20	1,940	570					(570)	1,370		
Technology Aid	20-100-034-5120-373	9/1/19 - 6/30/20	720	385					(385)	335		
Security Aid	21-100-034-5120-509	9/1/20 - 6/30/21	2,975	625	2,975	(2,942)			33	2,942		
Security Aid	20-100-034-5120-509	9/1/19 - 6/30/20	3,000			(625)				2,375		
Handicapped Services:												
Corrective Speech	21-100-034-5120-066	9/1/20 - 6/30/21	1,300		1,300	(1,300)				1,300		
Corrective Speech	20-100-034-5120-509	9/1/19 - 6/30/20	3,281	410	410	(365)			(365)	2,916		
Total Special Revenue Fund				410	7,458	(6,698)			350	14,531		

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2020		Cash Received	Budgetary Expenditures	Paid to Grantor	Balance June 30, 2021		MEMO		
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures	
Debt Service Fund:													
Debt Service State Aid Support	21-495-034-5120-075	7/1/20-6/30/21	\$ 95,337			\$ 95,337	\$ (95,337)					\$ 95,337	
Total Debt Service Fund						95,337	(95,337)					95,337	
Enterprise Fund:													
State School Lunch Program	21-100-010-3350-023	7/1/20-6/30/21	126			126	(126)					126	
COVID-19 Seamless Summer Option	21-100-010-3350-023	7/1/20-6/30/21	6,869			5,922	(6,869)			\$ 947	\$ 947	6,869	
COVID-19 Seamless Summer Option	20-100-010-3350-023	7/1/19-6/30/20	288	\$ 111		111						288	
Total Enterprise Fund						6,159	(6,995)			947	947	7,283	
Total State Awards Subject to Single Audit Determination						\$ 750,769	\$ 2,162	\$ 9,331,728	\$ (9,327,987)	\$ (2,162)	\$ 976,679	\$ 350	\$ 1,215,979
													\$ 13,644,906
Less: State Awards Not Subject to Single Audit Major Program Determination													
On-Behalf TPAF Pension System Contributions:													
On-Behalf TPAF Post Retirement Contributions	21-495-034-5094-001	7/1/20-6/30/21					1,138,225						
On-Behalf TPAF Pension Contributions	21-495-034-5094-002	7/1/20-6/30/21					3,564,227						
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004	7/1/20-6/30/21					67,814						
On-Behalf TPAF Long-Term Disability Insurance	21-495-034-5094-004	7/1/20-6/30/21					1,983						
Subtotal - On-Behalf TPAF Pension System Contributions							4,772,249						
Total State Awards Subject to Single Audit Major Program Determination							\$ (4,555,738)						

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards include federal and state grant activity of the Board of Education, Branchburg Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2021. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the General and Special Revenue Funds on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the General and Special Revenue Funds 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 two state aid payments for the prior year and for the current budget year, which is mandated pursuant to P.L. 2003, C.97. For GAAP purposes, the current year payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two 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 revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$5,515) for the General Fund and (\$1,275) for the Special Revenue Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and the special revenue funds.

BRANCBURG TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

Awards and financial assistance revenue are reported on the Board's basic financial statements on the GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 9,213,442	\$ 9,213,442
Special Revenue Fund	\$ 697,316	6,698	704,014
Debt Service Fund		95,337	95,337
Proprietary Funds - Food Service Enterprise	<u>170,271</u>	<u>6,995</u>	<u>177,266</u>
Total Awards	<u>\$ 867,587</u>	<u>\$ 9,322,472</u>	<u>\$ 10,190,059</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2021.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over the major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following awards:

	State Grant Number	Grant Period	Award Amount	Budgetary Expenditures
Federal:				
Special Education Cluster:				
	84.027	7/1/20-9/30/21	\$ 385,477	\$ 385,477
	84.173	7/1/20-9/30/21	20,611	20,596
State:				
	21-495-034-5120-044	7/1/20-6/30/21	864,971	864,971
	20-495-034-5120-044	7/1/19-6/30/20	515,538	46,937
Reimbursed TPAF Social				
	21-495-034-5094-003	7/1/20-6/30/21	956,815	956,815

- The threshold used for distinguishing between Type A and Type B federal and state programs was \$750,000.
- The District was determined not to be a "low-risk" auditee for federal programs. The District was determined to be a "low-risk" auditee for state programs.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

Summary of Auditors' Results: (Cont'd)

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Status of Prior Year Findings:

There were no prior year findings.