

EAST BRUNSWICK PUBLIC SCHOOLS



Excellence in Academics, Athletics, and the Arts

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

760 State Highway 18, East Brunswick, New Jersey 08816

East Brunswick Public Schools

**East Brunswick Board of Education
East Brunswick, New Jersey**

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2021

Prepared by

Bernardo Giuliana

East Brunswick Public Schools
Department of Financial Services

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION – Other Information	
Letter of Transmittal	1
Accomplishments and Achievements	11
Organizational Chart	13
Roster of Officials	18
Independent Auditor and Advisors	19
Certificate of Excellence	20
FINANCIAL SECTION	
Independent Auditors’ Report	21
Required Supplementary Information – Part I	
Management’s Discussion and Analysis	24
Basic Financial Statements	
Government-wide Financial Statements:	
A-1 Statement of Net Position	35
A-2 Statement of Activities	36
Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	37
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	38
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	39
Proprietary Funds:	
B-4 Statement of Net Position	40
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	41
B-6 Statement of Cash Flows	42
Notes to the Basic Financial Statements	43

Table of Contents (continued)

	<u>Page</u>
FINANCIAL SECTION (continued)	
Required Supplementary Information – Part II	
Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1	85
Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employee’s Retirement System (PERS)	
L-2	87
Schedule of District Pension Contributions – Public Employee’s Retirement System (PERS)	
L-3	89
Schedule of the State’s Proportionate Share of the Net Pension Liability Associated with the District – Teacher’s Pension and Annuity Fund (TPAF)	
Schedule Related to Accounting and Reporting for OPEB (GASB 75)	
M-1	90
Schedule of the State’s Proportionate Share of the Net OPEB Liability Associated with the District and Changes in the Total OPEB Liability and Related Ratios (PERS and TPAF)	
	91
Notes to Required Supplementary Information	
Required Supplementary Information – Part III	
Budgetary Comparison Schedules:	
C-1	92
Budgetary Comparison Schedule – Budgetary Basis	
C-2	101
Budgetary Comparison Schedule – Special Revenue Fund – Budgetary Basis	
Note to Required Supplementary Information	
C-3	102
Budget to GAAP Reconciliation	
Supplementary Information	
Special Revenue Fund:	
E-1	103
Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	

Table of Contents (continued)

	<u>Page</u>	
FINANCIAL SECTION (continued)		
Supplementary Information (continued)		
Capital Projects Fund:		
F-1	Summary Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis	108
F-1(a)- (e)	Schedules of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Budgetary Basis	109
F-2	Summary Schedule of Project Expenditures	114
Long-Term Debt:		
I-1	Schedule of Serial Bonds Payable	115
I-2	Schedule of Lease Purchase Obligations Payable	116
I-3	Budgetary Comparison Schedule – Debt Service Fund	117
I-4	Schedule of Obligations Under Capital Leases	118
STATISTICAL SECTION– OTHER INFORMATION (Unaudited)		
Financial Trends Information/Schedules		
J-1	Net Position by Component	119
J-2	Changes in Net Position	120
J-3	Fund Balances, Governmental Funds	121
J-4	Changes in Fund Balances – Governmental Funds	122
J-5	General Fund Other Local Revenue by Source	123
Revenue Capacity Information		
J-6	Assessed Value and Actual Value of Taxable Property	124
J-7	Direct and Overlapping Property Tax Rates	126
J-8	Principal Property Tax Payers	127
J-9	Property Tax Levies and Collections	128
Debt Capacity Information		
J-10	Ratios of Outstanding Debt by Type	129
J-11	Ratios of Net General Bonded Debt Outstanding	130
J-12	Ratios of Overlapping Governmental Activities Debt	131
J-13	Legal Debt Margin Information	132
Demographic and Economic Information		
J-14	Demographic and Economic Statistics	133
J-15	Principal Employers	134

Table of Contents (continued)

STATISTICAL SECTION – OTHER INFORMATION (Unaudited) (continued)

	<u>Page</u>	
Operating Information		
J-16	Full-Time Equivalent District Employees by Function/Program	135
J-17	Operating Statistics	136
J-18	School Building Information	137
J-19	Schedule of Required Maintenance for School Facilities	138
J-20	Insurance Schedule	139

SINGLE AUDIT SECTION

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	142
K-2	Report on Compliance For Each Major Federal and State Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB 15-08	144
K-3	Schedule A – Schedule of Expenditures of Federal Awards – Supplementary Information	147
K-4	Schedule B – Schedule of Expenditures of State Financial Assistance – Supplementary Information	149
K-5	Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance	151
K-6	Schedule of Findings and Questioned Costs	154
K-7	Summary Schedule of Prior Year Audit Findings	159

Introductory Section

East Brunswick Public Schools

760 Route 18
East Brunswick, New Jersey 08816

March 10, 2022

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

Dear Board Members and Constituents of the Township of East Brunswick:

The Comprehensive Annual Financial Report for the East Brunswick 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 and the Government-wide financial statements of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The introductory section includes this transmittal letter (designed to complement Management's Discussion and Analysis and should be read in conjunction with it), the District's organizational chart and a list of principal officials. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, Title 2 U.S. Code of Federal Regulations (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments. Information related to this single audit, including the auditors' report on internal control over compliance and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

East Brunswick School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and the government-wide financial statements of the District are included in this report. The East Brunswick School District and all its schools constitute the District's reporting entity.

The District operates eleven schools providing a full range of educational services appropriate to grade levels K through 12. These include regular and vocational education, as well as special education for handicapped youngsters. The schools, facility ages, and grade-levels served are as follows:

<u>School</u>	<u>Year Built</u>	<u>Grades</u>
Bowne-Munro Elementary School	1952	K to 5
Central Elementary School	1949	K to 5

Chittick Elementary School	1969	K to 5
Frost Elementary School	1965	K to 5
Irwin Elementary School	1957	K to 5
Lawrence Brook Elementary School	1959	K to 5
Memorial Elementary School	2012	K to 5
Warnsdorfer Elementary School	1968	K to 5
Hammarskjold Middle School	2009	6 & 7
Churchill Junior High School	1962	8 & 9
East Brunswick High School	1958	10 to 12

The District completed fiscal year 2020-2021 with an average daily enrollment of 8,064 students, or 154 students less than the previous year's enrollment. We attribute this unanticipated decrease to the continued COVID-19 pandemic with families selecting other options for their children during this challenging time. The following details the changes in the District's student enrollment over the last five years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2020-2021	8,064.0	(1.87%)
2019-2020	8,218.0	(1.01%)
2018-2019	8,302.0	3.14%
2017-2018	8,049.0	0.01%
2016-2017	7,994.0	(1.41%)

Enrollment fluctuates daily as students enroll in and withdraw from the District. Thus, the above average daily enrollment table provides the mean measurement of enrollment throughout the respective years listed. This measure varies from the enrollment "snapshot" (known as the Application for State School Aid or ASSA) required by the New Jersey Department of Education and taken annually as of October 15.

During fiscal year 2020-2021, the District engaged Statistical Forecasting, LLC to conduct a comprehensive analysis of school enrollment projections. The study, completed in July 2019, projects grade-by-grade enrollments over a five-year period from 2019-2020 through 2023-2024. In addition, the study included the following:

- Examination of historical enrollment trends, both districtwide and by grade configuration (PK-5, 6-7, 8-9, and 10-12);
- Investigation of historical enrollment trends with respect to race and poverty status in each school;
- Tabulation of birth counts at the attendance area level;
- Computation of student yields by housing type (i.e., detached single family, townhouse/condominium, and apartment);
- Analysis of new housing starts and the impact on the school district; and,
- Projected enrollments, in a totally independent analysis, based on student yields and housing turnover rates (resales) in East Brunswick.

The study’s projected year-to-year increases in enrollment will have serious consequences on District facilities and class sizes. The table below exhibits 2018-2019 actual enrollment and the ensuing enrollment projections.

<i>Fiscal Year</i>	<i>PK-5</i>	<i>6-7</i>	<i>8-9</i>	<i>10-12</i>	<i>PK-12</i>
<i>Actual Enrollment</i>					
<i>2018-2019</i>	<i>3,545</i>	<i>1,280</i>	<i>1,279</i>	<i>2,080</i>	<i>8,184</i>

<i>Baseline Projections</i>					
<i>2019-2020</i>	<i>3,660</i>	<i>1,343</i>	<i>1,244</i>	<i>2,055</i>	<i>8,302</i>
<i>2020-2021</i>	<i>3,707</i>	<i>1,344</i>	<i>1,322</i>	<i>1,999</i>	<i>8,372</i>
<i>2021-2022</i>	<i>3,782</i>	<i>1,326</i>	<i>1,391</i>	<i>1,958</i>	<i>8,457</i>
<i>2022-2023</i>	<i>3,832</i>	<i>1,347</i>	<i>1,391</i>	<i>1,964</i>	<i>8,534</i>
<i>2023-2024</i>	<i>3,864</i>	<i>1,397</i>	<i>1,372</i>	<i>2,068</i>	<i>8,701</i>
<i>2023-2024 Increase Over 2018-2019</i>	<i>319</i>	<i>117</i>	<i>93</i>	<i>-12</i>	<i>517</i>

<i>Projections Adjusted for Housing Growth</i>					
<i>2019-2020</i>	<i>3,682</i>	<i>1,349</i>	<i>1,249</i>	<i>2,065</i>	<i>8,345</i>
<i>2020-2021</i>	<i>3,779</i>	<i>1,364</i>	<i>1,343</i>	<i>2,032</i>	<i>8,518</i>
<i>2021-2022</i>	<i>3,885</i>	<i>1,352</i>	<i>1,422</i>	<i>2,003</i>	<i>8,662</i>
<i>2022-2023</i>	<i>3,931</i>	<i>1,374</i>	<i>1,420</i>	<i>2,008</i>	<i>8,753</i>
<i>2023-2024</i>	<i>3,962</i>	<i>1,427</i>	<i>1,399</i>	<i>2,114</i>	<i>8,902</i>
<i>2023-2024 Increase Over 2018-2019</i>	<i>417</i>	<i>147</i>	<i>120</i>	<i>34</i>	<i>718</i>

Notwithstanding the enrollment decrease attributable to the pandemic, enrollments have begun to recover and more closely trend with the projections. At the elementary school level, the District enrollment is projected to increase the equivalent of an entire elementary school where facilities are already strained. The following are reminders of the impact to facilities:

- The Early Learning Academy was relocated out of the elementary schools to Hammarskjold Middle School to make room for elementary regular education and special education programs.
- Burgeoning class sizes continue to push on maximum thresholds.
- Ever-increasing special needs population requires classrooms that simply do not exist to accommodate any additional programs necessary to meet the needs of those children.

The District is facing an elementary school crisis insofar as classroom availability is concerned. As of the writing of this letter, there are no elementary classrooms available to support expanding enrollments or additional special needs class sections.

Pre-pandemic, the Board was actively discussing potential resolutions to accommodate a growing enrollment. However, the COVID-19 crisis required attention to be focused on keeping students and employees safe while implementing remote- and hybrid-learning models.

During Fiscal Year 2021, the Board re-engaged in discussing resolutions to elementary classroom shortages. On May 6, 2021, the Board authorized the Administration to commence planning for Temporary Classroom Units to be placed at the Churchill Junior High School site for occupancy by September 2022. Additionally, the Board authorized a grade reconfiguration across the elementary, middle, and junior high schools as follows:

School	From	To
Elementary	Pre-K through Grade 5	Pre-K through Grade 4
Hammarskjold	Grades 6 and 7	Grades 5 and 6
Churchill	Grades 8 and 9	Grades 7 through 9

While the New Jersey Department of Education has approved the Temporary Classroom Units, the operative word is “temporary” as the use of these classroom units is short term and must be followed by a permanent facilities solution. Thus, the grade reconfiguration is expected to provide temporary relief while the Board plans a permanent resolution that will benefit students from Pre-K through Grade 12 for the long term.

The Township of East Brunswick is pursuing significant redevelopment plans, which are reported to include upscale or specialty food markets; medium- and high-end restaurants; shuttle bus service; bike paths; a concert venue; special needs and/or senior housing; universal Wi-Fi; a community use building for recreational purposes; a hotel; and, residential units. Pre-pandemic, demolition work had already begun at certain identified locations. The impact of those plans upon the school district are currently unknown and must be examined as soon as the residential plans are approved. Certainly, any residential construction will bring more students into the school district. Therefore, the information is critical to school facilities planning.

A charter school based in East Brunswick opened its doors at the beginning of the 2010-2011 school year. Hatikvah International Academy Charter School was approved as a K-5 school to serve up to 50 students per grade level. In its application in 2012-2013, it proposed increasing its enrollment and expanding grade levels, as well as extending its charter. The application underwent review by the New Jersey Department of Education Office of Charter Schools, after which the Commissioner of Education denied the expansion. Since then, the charter school has annually requested approval to expand grade levels and the number of students per grade. In fact, the Commissioner of Education granted a portion of the requested expansion for the 2015-2016 school year. It is unfortunate that this charter school was granted an initial charter several years ago in the suburban community of East Brunswick having one of the best school districts in this State if not the entire country. The charter school did not serve any educational need then, and it does not now.

During its twelve years, the charter school’s existence has required the cumulative appropriation of \$28,851,010 from the East Brunswick Public School District budget. This State-mandated diversion of local financial resources has come with significant and deleterious impacts to the school district beginning with the elimination of its model elementary world language program in the charter school’s first year. The time has long passed to argue the merits of whether or not the initial charter should have been approved. However, the community should be reminded that the students enrolled in the charter school would receive a superior quality of education and supports if enrolled in the East Brunswick Public Schools.

East Brunswick’s taxpayers largely provide the financial support for its public schools. For fiscal year 2022, the local funding share is 79.29% of the District’s fiscal year 2022 General Fund budget.

More and more, this suburban community's local funds and state aid allocation must be diverted to support a charter school for which there is absolutely no justifiable educational need.

2. ECONOMIC CONDITION AND OUTLOOK:

The Township of East Brunswick's total labor force decreased 1.37% to 25,850 in 2020 from 26,210 in 2019, as reported by the New Jersey Department of Labor and Workforce Development. The employment rate for 2020 was 92.2% as compared with 97.4% in 2019, and the unemployment rate for 2020 increased to 7.8% from 2.6% in 2019. East Brunswick's employment and unemployment rates reflect impact that the COVID-19 Pandemic has had on the local economy and is reflective of data that has been reported statewide and nationally. Nevertheless, the general economic viability of the community is strong, and is expected to rebound.

The Township of East Brunswick reported certificates of occupancy (COs) issued for new residential units to be 20 for the calendar year 2020, as compared with 36 for the calendar year 2019. This represents a 44% decrease in comparison to last year. (Between 2017 and 2018, the demand increased by 105.6%.)

Economic data provided by the Township of East Brunswick indicates that the construction value and building permits issued for new units, additions and remodeling for the entire 2019 calendar year totaled \$66,145,014 and 653, respectively, as compared to \$120,203,043 and 2,698 for the 2019 calendar year. This represents a decrease of 2,045 permits and a decrease in construction value of \$54,058,029.

Notwithstanding the aforementioned data, re-sale housing in East Brunswick is reflective of the ongoing desire of individuals to establish their residency where the excellent public schools are the primary factor in that decision and the District continues register more students.

While the legally established caps on local property tax increases are intended to limit property tax growth, New Jersey continues to have a need for property tax reform. The Federal Tax Reform Act of 2017 with its limitations on the deductibility of property taxes has placed an added burden on New Jersey homeowners. The District is conscious of this and will continue to act prudently in its fiscal decisions. However, these issues must be addressed. We continue to urge New Jersey residents to express the expectations they have of their elected officials with regard to tax reform.

3. MAJOR INITIATIVES

The District has been aggressive in pursuing the maximum level of State grant funds for all qualifying projects since State's school facilities grants were reinstated in 2008. To date, East Brunswick has been successful in receiving grant approvals on all qualifying projects and for the maximum qualifying amount. The grant funds have benefitted East Brunswick taxpayers by reducing the local financial obligation for the projects. In fact, over \$3.1 million in State grant funds – a full 40% of estimated project costs – have funded security vestibules at all eleven school locations, a myriad of infrastructure improvements and building upgrades that have been completed throughout the District. While the State has not continued the grant program, the District is poised to avail itself of such funding opportunities when and if they again become available.

The limitations on financial resources to support capital projects have required the District to pursue other means of providing project funds. It established a revolving fund of financing through which capital projects are funded. Such short-term debt having a payback of no more than five years has enabled the District to plan ahead in meeting the many needs of its 13 facilities. The District has also received Safety Grants from the New Jersey Schools Insurance Group. Those grants focus on District safety and security through physical improvements. Furthermore, the District has been fortunate to supplement its capital reserve fund to further the capital plan. In addition, through an Energy Savings Improvement Program (ESIP), the District has been undertaking facility improvements that will be self-funded through reductions in utility costs.

The projects undertaken in the planning stage, in-process or completed during the past year include the following:

Bowne-Munro Elementary School: security improvements, carbon monoxide detectors, energy savings improvements (including building management systems, lighting), and roof-top unit replacements.

Central Elementary School: security improvements, window replacements, carbon monoxide detectors energy savings improvements (including building management systems, lighting, solar panel system).

Chittick Elementary School: security improvements, window and exterior door replacements, HVAC upgrades to corridors, carbon monoxide detectors, and energy savings improvements (including building management systems, lighting).

Churchill Junior High School: security improvements, window and exterior door replacements, HVAC and electrical upgrades, roof replacement, carbon monoxide detectors, boiler upgrades, energy savings improvements (including building management systems, lighting, solar panel system), and temporary classroom units.

East Brunswick High School: security improvements, carbon monoxide detectors, roof-top unit replacements, underground vault removal, sidewalk replacements, and energy savings improvements (including building management systems, lighting).

Frost Elementary School: security improvements, fire alarm system replacement, window and exterior door replacements, multi-purpose room and kitchen renovations, HVAC upgrades to corridors, carbon monoxide detectors, energy savings improvements (including building management systems, lighting), and corridor improvements.

Hammarskjold Middle School: security improvements, carbon monoxide detectors, and energy savings improvements (including building management systems, lighting), and roof-top unit replacements.

Irwin Elementary School: security improvements, HVAC upgrades to corridors, carbon monoxide detectors, and energy savings improvements (including building management systems, lighting).

Lawrence Brook Elementary School: security improvements, carbon monoxide detectors, and energy savings improvements (including building management systems, lighting, solar panel system).

Memorial Elementary School: security improvements, carbon monoxide detectors, and energy savings improvements (including building management systems, lighting, solar panel system).

Warnsdorfer Elementary School: security improvements, fire alarm replacement, window and exterior door replacements, HVAC upgrades to corridors, carbon monoxide detectors, energy savings improvements (including building management systems, lighting), and electrical upgrades.

Support Operations Facility: warehouse air conditioning, and energy savings improvements (including building management systems, lighting, solar panel system).

Administration Building: security improvements, exterior door replacements, energy savings improvements (including building management systems, lighting), and restroom and elevator upgrades.

Finally, technology has a significant role in instruction and is integrated throughout the District's operations. It is an absolute necessity upon which there is heavy reliance to continually achieve success in District operations and instruction. In 2019-2020, the COVID-19 pandemic pushed the District into utilizing its recently implemented learning management system (LMS) to support remote teaching and learning in grades eight through 12. The pandemic caused the District to speedily implement its one-to-one initiative resulting in the assignment of individual Lenovo laptop computers to each student in grades 8 through 12 and Chromebooks to each student in grades K through 7. The District's pre-pandemic foresight moving toward implementing these systems enabled it to be *ahead of the curve* and a leader capable of supporting student learning throughout the COVID-19 Pandemic.

The LMS, as well as other initiatives and general technology maintenance and upgrades, require a significant ongoing investment for which this District has been committed to find innovative ways of overcoming funding challenges. Thus, we must succeed in meeting our obligation to ensure technology is reliable and readily available to support student learning and the District's "business" operations.

Seven years ago, Sunera, LLC was engaged to assess the Information Technology Department. While the report is confidential due to sensitive security discussions contained therein, the District has been committed to implementing the recommendations and providing students with the tools needed to augment their educational experiences. The issues to be addressed are varied and improvement will take time and financial resources. Much has been accomplished with marked improvements having been implemented. The District's steadfast commitment has yielded substantial progress in this area.

Seven years ago, the District engaged in a study of its Facilities Management operations, which includes building maintenance (electrical, general maintenance, HVAC, and plumbing), grounds

maintenance, and custodial services. While the report is confidential due to certain personnel discussions contained therein, the District has been committed to implementing the recommendations as evidenced by the steady implementation of a reorganization plan. The overall objective has been to provide high-quality support to improve maintenance of the District's overall property investment and infrastructure both inside and out. While change is sometimes a slow and challenging process, the plan has resulted in substantive improvements that have taken hold and continue to benefit the District's properties.

4. INTERNAL CONTROL

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

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

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

5. BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. The Board of Education of East Brunswick Public Schools has the legal level of budgetary control, which is made at the line-item level. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are accounted for in the capital projects fund when applicable. The final budget amount, as amended for the fiscal year, is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as reported as assigned fund balance at June 30, 2021.

6. 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 based on funds. These funds and the government-wide financial statements are explained in "Notes to the Basic Financial Statements," Note 1.

7. OTHER INFORMATION

- A) Independent Audit** - State statutes require an annual audit to be performed by independent certified public accountants or registered municipal accountants. The accounting firm of Wiss & Company, LLP was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1986, the Federal Uniform Guidance and New Jersey's OMB Circular 15-08. The auditors' report on the basic financial statements, required supplementary information and other supplementary information are included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.
- B) Awards** – The International Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2020. In order to be awarded this certificate, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States and applicable legal requirements. This is the eighth year in a row the District has received this award.

This Certificate is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Programs' requirements and we are submitting it to ASBO to determine its eligibility for the fiscal year 2020-2021 award.

In addition, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to East Brunswick Public Schools for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2019. This was the sixth consecutive year that the district has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Programs' requirements and we are submitting it to the GFOA to determine its eligibility for the fiscal year 2020-2021 certificate.

- C) Continued Excellence in Academics, Athletics and the Arts** - During the 2020- 2021 school year, the District continued to advance its reputation for excellence through a variety of accomplishments and achievements. See the accomplishments and achievements section for a number of those successes.

8. COVID-19 PANDEMIC

The COVID-19 Pandemic has caused the District to mitigate the transmission of the coronavirus through implementation of a variety of safety precautions affecting classrooms, buses, cafeterias, and shared spaces. These precautions include the implementation of remote and hybrid learning models, providing personal protective equipment (PPE) to staff, enforcing physical distancing in the buildings, improvements to air filtration, cautionary signage, enhanced cleaning of buildings, more frequent cleaning of surfaces, and sharing information with employees and students about safety protocols.

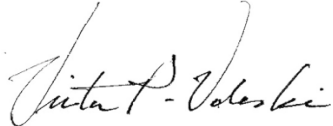
In addition, the District has provided hand sanitizer and distributed a range of PPE to staff including cloth masks, surgical masks, N95 masks, face shields, and lab coats as needed. Masks are required in all buildings.

The District has *followed the science* and will continued its vigilance in maintaining protocols that keep students and staff as safe as possible.

9. ACKNOWLEDGMENTS

We would like to express our appreciation to the members of the East Brunswick 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 dedicated services of our financial and accounting staff.

Respectfully submitted,



Victor P. Valeski, Ed.D.
Superintendent of Schools



Bernardo Giuliana, SFO, QPA
School Business Administrator/
Board Secretary

East Brunswick Public Schools

Accomplishments and Achievements

Year ended June 30, 2021

The District is proud to report the many successes and accomplishments that our students have achieved. The 2020-2021 school year achievements are listed below:

For Excellence in Academics...

- East Brunswick is the only district in the state to have 11 *Blue Ribbon Schools*. The schools are Bowne-Munro, Central, Chittick, Frost, Irwin, Lawrence Brook, Memorial and Warnsdorfer Elementary Schools, Hammarskjold Middle School, Churchill Junior High School and East Brunswick High School.
- Over 95% of graduates go on to college.
- EBHS/MCC Pathways Program – offered College Level Courses amassing 3,697 College Credits.
- Eighteen EBHS students were *National Merit Scholarship* Finalists.
- Two EBHS students were awarded a *National Merit Scholarship* for \$2,500.
- East Brunswick High School welcomed 131 new members into the *National Honor Society*.
- Seventeen students received their first-year pins for the Science Honor Society; twenty-three students received their second-year honor cords, and seventeen students received their first-year pins.
- The EBHS Math Honor Society Mu Alpha Theta induced forty-one members.
- World Language Honor Societies Inductees:
 - French Honor Society – 65 students
 - Spanish Honor Society – 141 students
 - Italian Honor Society – 39 students
 - German Honor Society – 37 students
- NJ Seal of Biliteracy - 70 high school seniors earned the distinction of the New Jersey Seal of Biliteracy (One student earned two Biliteracy Seals – One in Spanish and one in German):
 - Arabic – 1 student
 - Mandarin – 4 students
 - French – 6 students
 - German – 9 students
 - Italian – 3 students
 - Korean – 2 students
 - Russian – 2 students
 - Spanish – 43 students
 - Portuguese – 1 student

For Excellence in the Arts...

- Twenty-four EBHS students were inducted into the EBHS chapter of the *Tri-M Music Honors Society*.
- Two EBHS Seniors were selected to the NAFME All Eastern Orchestra.
- Three CJHS students and Two EBHS students received a GOLD Rating at NJ Arts Solo and Ensemble Festival.
- One HMS student placed third in the NJ Music Teachers Association Young Musicians Competition (11-14-year-old category).
- One CJHS student received a Bronze rating at the NJ Arts Solo and Ensemble Festival.
- One CJHS student won 2nd place in the Drama Notebook monologue writing contest.

For Excellence in Athletics...

- Six EBHS Athletes made 1st Team All-Conference for Track and Field.
- Boys Tennis was Sectional and Group IV State Champions.
- Girls Tennis was Sectional and Group IV State Champions.
- Girls Volleyball was Sectional Champions.
- Gymnastics and Volleyball Coaches were selected as GMC Coach of the Year.
- One student athlete was selected as Gymnastic of the Year by NJ.com.
- One student athlete was selected as Bowler of the Year by NJ.com.

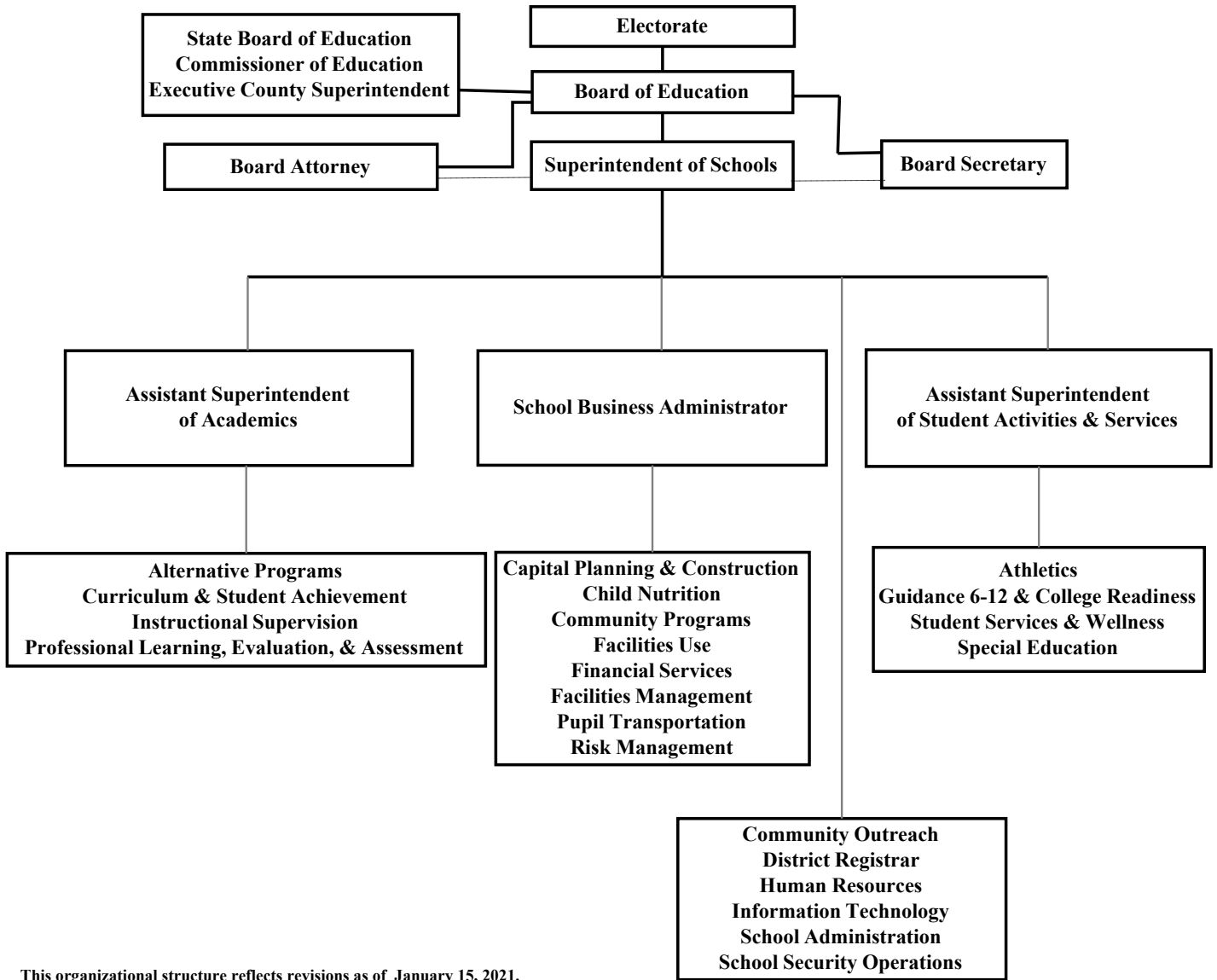
Staff Accomplishments...

- *The Certificate of Excellence in Financial Reporting* was awarded by the *Association of School Business Officials (ASBO) International* to the East Brunswick Public Schools for the eighth consecutive year.

For Excellence in Service to the Community...

- District Staff collected \$2,495 for Breast Cancer Research and Pediatric Cancer Research for the *Rutgers University Foundation*.

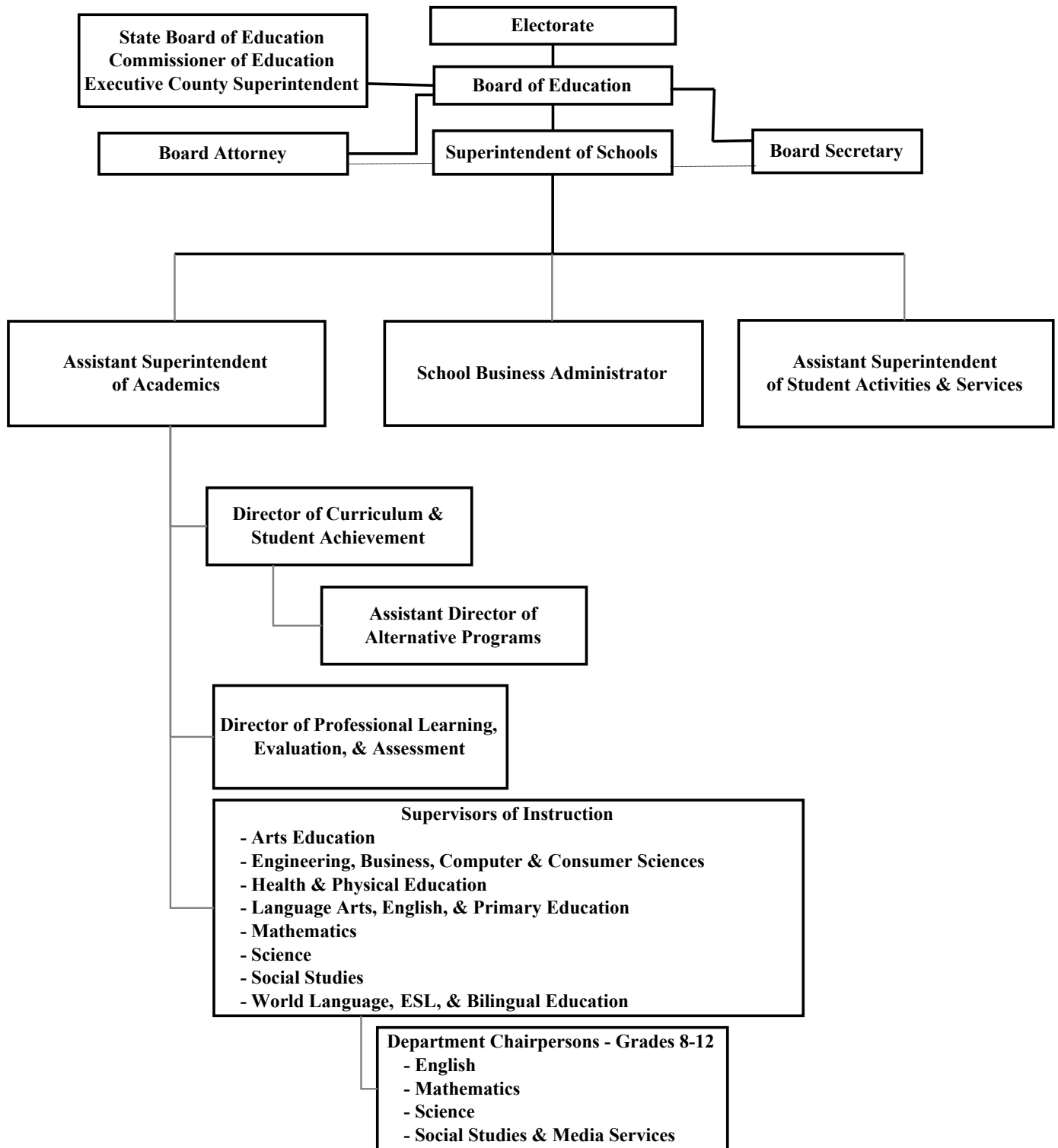
East Brunswick Public Schools
Organizational Chart
June 30, 2021



This organizational structure reflects revisions as of January 15, 2021.

Refer to position job descriptions for additional details.

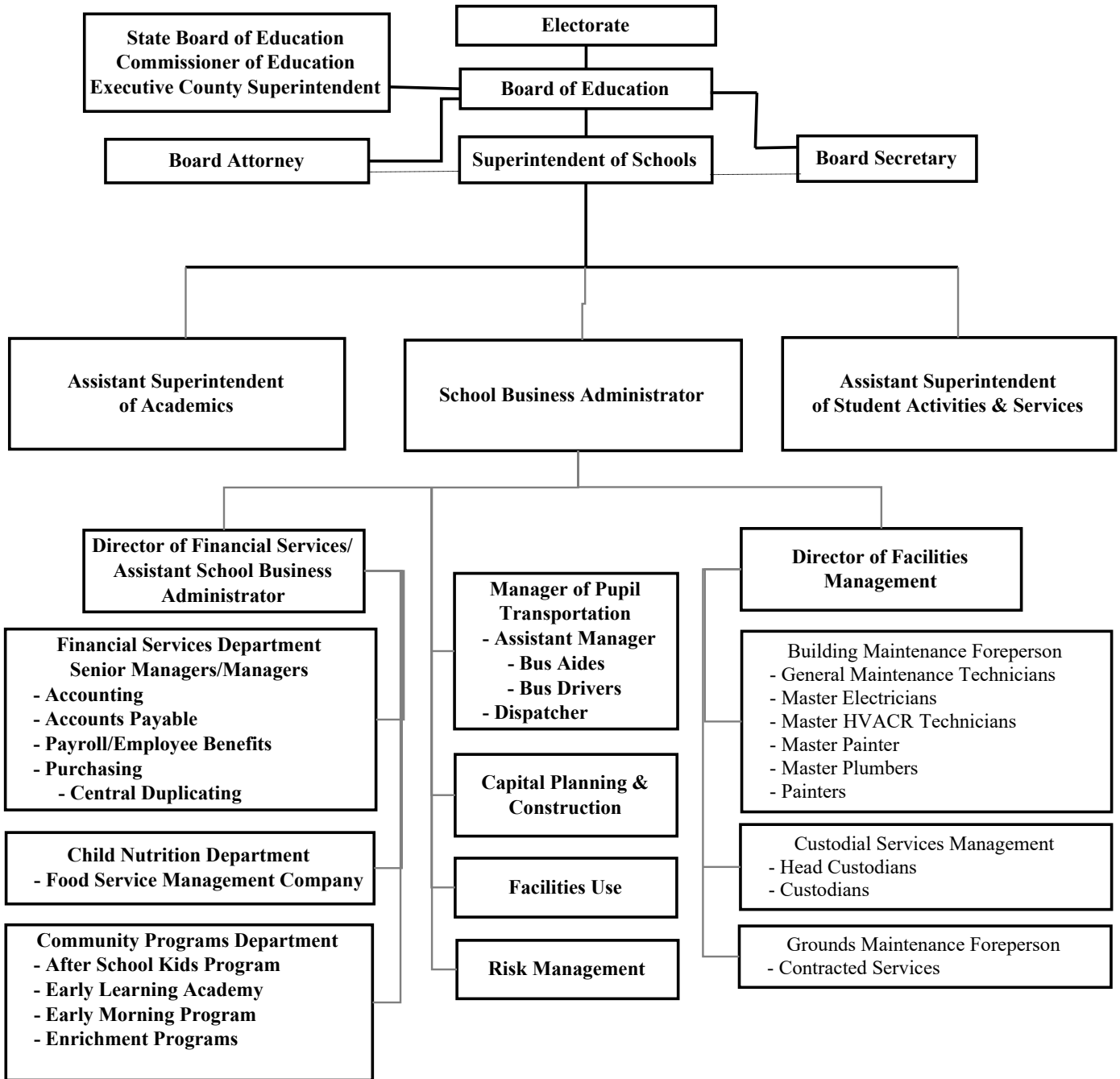
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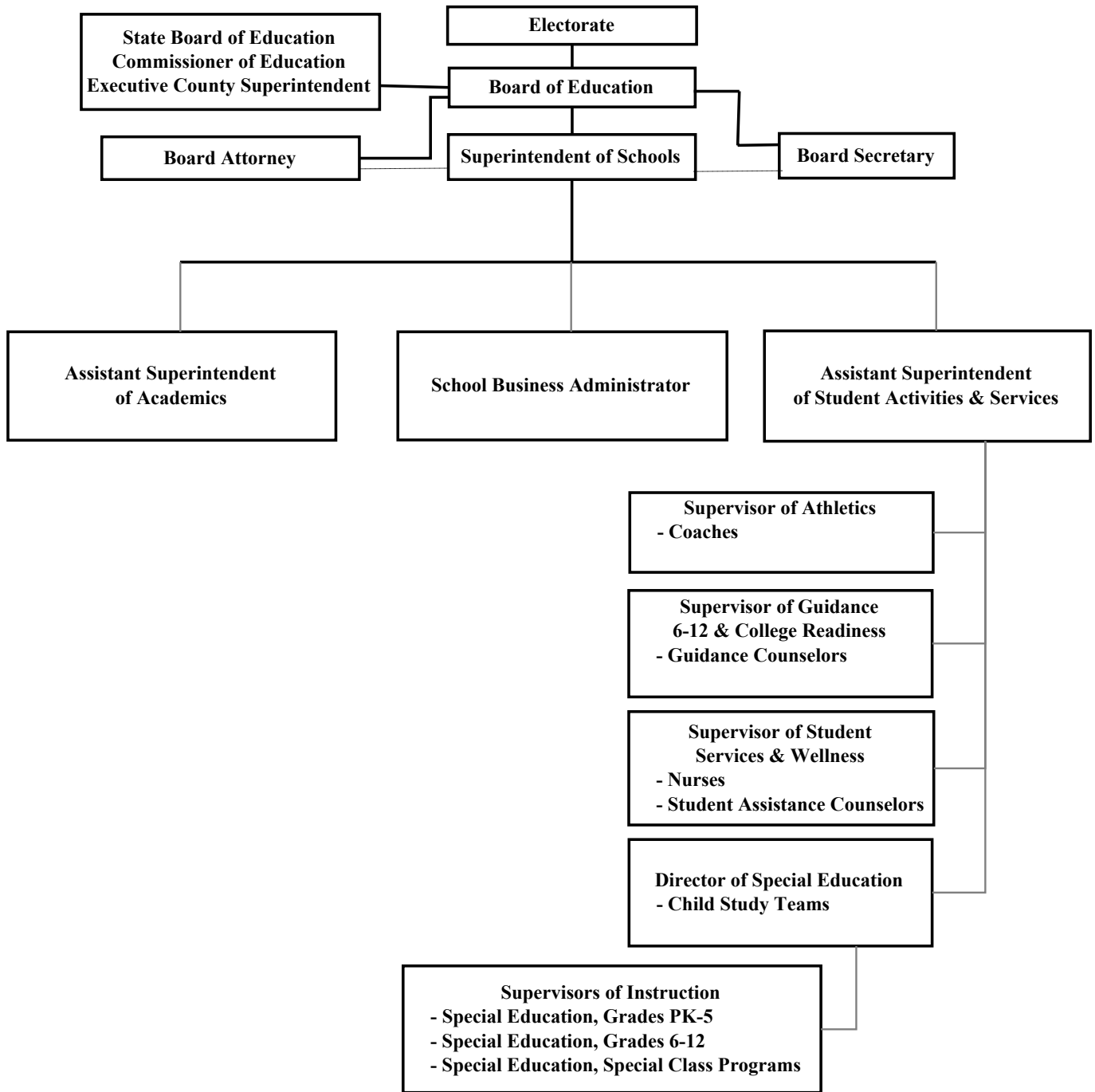
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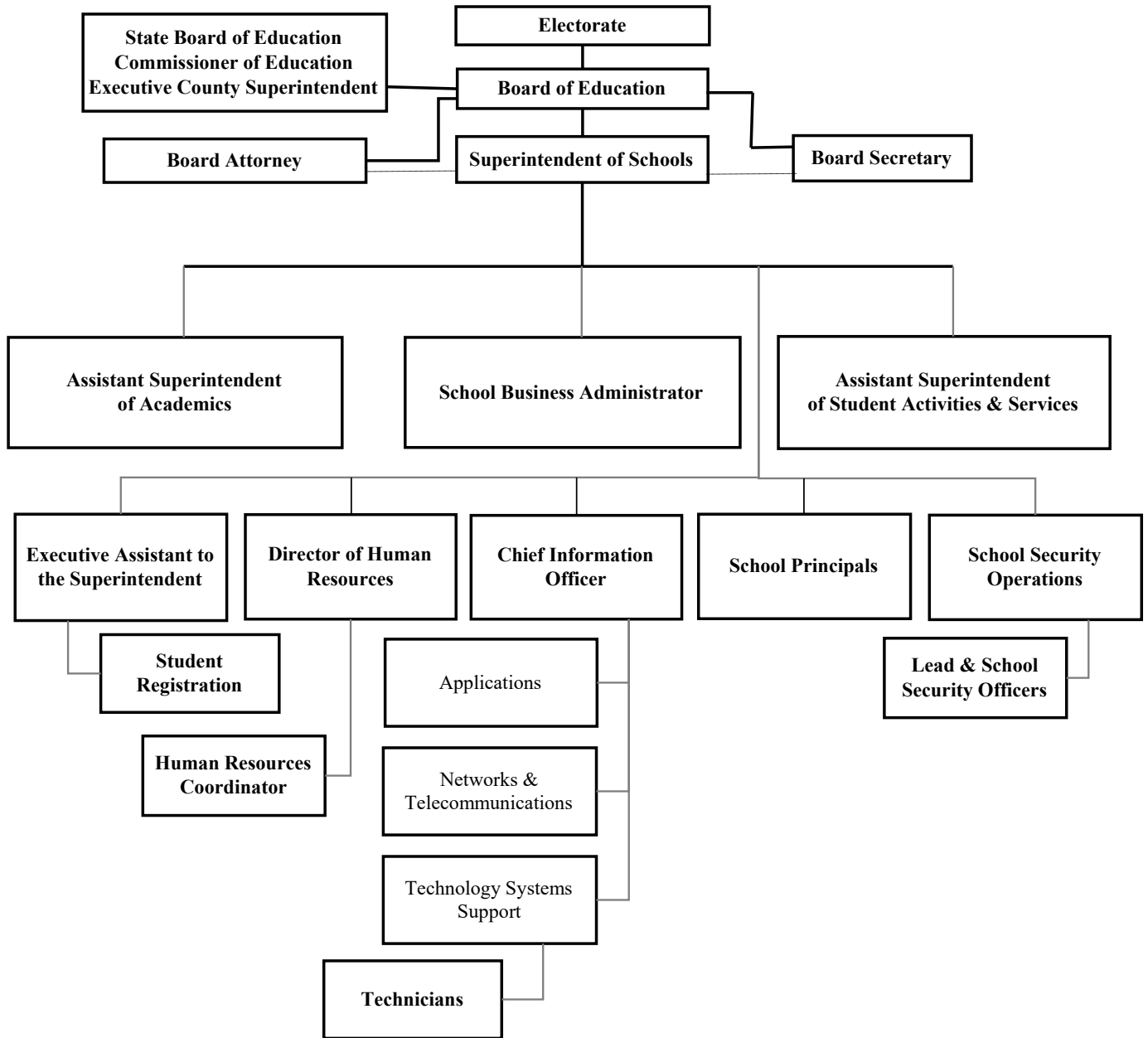
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East Brunswick Public Schools
Organizational Chart
June 30, 2021



This organizational structure reflects revisions as of January 15, 2021.

Refer to position job descriptions for additional details.

East Brunswick Public Schools
East Brunswick, New Jersey

Roster of Officials

June 30, 2021

Members of the Board of Education

Term Expires

Vicki Becker, President	2021
Laurie Lachs, Vice President.....	2023
Mark Carangelo.....	2023
Susanna Chiu.....	2023
Mark Csizmar	2022
Heather Guas.....	2022
Liwu Hong.	2022
Barbara Reiss.....	2021
Jeffrey Winston	2021

Other Officials

Victor P. Valeski, Ed.D., Superintendent of Schools

Bernardo Giuliana, SFO, QPA, School Business Administrator/Board Secretary

Louis Figueroa, Ed.D., Assistant Superintendent of Student Activities and Services

Joyce Boley, Ed.D., Assistant Superintendent of Academics

East Brunswick Public Schools
East Brunswick, New Jersey

Architect & Engineer

Parette Somjen Architects
439 US Highway 46 #4
Rockaway, New Jersey 07866

Van Cleef Engineering Associates, LLC
32 Brower Lane
Hillsborough, New Jersey 08844

Board Attorney

Matthew J. Giacobbe, Esq.
Cleary, Giacobbe, Alfieri, Jacobs, LLC
169 Ramapo Valley Road, Upper Level 105
Oakland, New Jersey 07436

Bond Counsel

C. Anthony Solimine, Esq.
Wilentz, Goldman & Spitzer, P.A.
90 Woodbridge Center Drive, Suite 900
Woodbridge, New Jersey 07095

Financial Advisor

Jennifer G. Edwards
Acacia Financial Group, Inc.
6000 Midlantic Drive, Suite 410 North
Mount Laurel, New Jersey 08054

Independent Auditor

Scott Clelland, CPA, PSA, RMA
Wiss & Company, LLP
100 Campus Drive
Florham Park, New Jersey 07932

Insurance Broker

Latonya Brennan, CSR
Arthur J. Gallagher Risk Management Services, LLC
707 State Road, Route 206
Princeton, New Jersey 08542

Official Depository

PNC Bank
Civic Center Office
555 Cranbury Road
East Brunswick, New Jersey 08816



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

East Brunswick Public Schools

**for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence.



W. Edward Chabal

W. Edward Chabal
President

David J. Lewis

David J. Lewis
Executive Director

Financial Section



Independent Auditors' Report

Honorable President and Members
of the Board of Education
East Brunswick Public Schools
East Brunswick, New Jersey
County of Middlesex

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the East Brunswick Public Schools, County of Middlesex, New Jersey (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and requirements 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 auditors' 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 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 and each major fund of the District as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 20 to the financial statements, during the fiscal year ended June 30, 2021, the District adopted new accounting guidelines, Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, which represents a change in accounting principle. As discussed in Note 20 to the financial statements, as of July 1, 2020, the District's government-wide financial statements net position and the fund balances of the general fund and special revenue fund were retroactively adjusted to reflect the impact of the change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance 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 combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2022 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.



Scott A. Clelland

Licensed Public School Accountant

No. 1049



WISS & COMPANY, LLP

March 10, 2022
Florham Park, New Jersey

Required Supplementary Information
Part I

East Brunswick Public Schools

Management's Discussion and Analysis Year Ended June 30, 2021

The discussion and analysis of East Brunswick Public School's (the "District") financial performance provides an overview of the District's financial performance during the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements and notes, which immediately follow this section.

Management's Discussion and Analysis ("MD&A") is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's ("GASB") Statement No. 34, *Basic Financial Statements-Management's Discussion and Analysis for State and Local Governments*. Certain comparative information between the current year and the prior fiscal year is presented in the MD&A, as required by GASB Statement No. 34.

Overview of the Financial Statements

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

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

The statement of net position (A-1) presents information on all of the assets, deferred outflows of resources, liabilities and deferred inflows of resources of the District, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities (A-2) presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

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

Governmental Activities — All of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities, construction and facilities improvements, self-insurance, and debt repayment.

Business-Type Activities — The District charges fees for certain services it provides. The Food Service, Community Programs and Facilities Rentals are reported here.

The government-wide financial statements can be found on pages 35-36 of this report.

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

Governmental funds. The District's activities are reported in governmental funds, which focus on how money flows into and out of the funds and balances left at year-end available for spending in the future years. These funds are reported using a modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The basic governmental fund financial statements can be found on pages 37-39 of this report.

Proprietary funds. The District maintains two proprietary fund types, three enterprise funds and one internal service fund. The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods or services be financed through user charges. The enterprise fund reports the operations of the food service, community education and facilities rentals programs. The self-insured internal service fund is used to record the activity of the District's medical benefits. Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 40 - 42 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 43 - 84 of this report.

Other information. The required supplementary information related to pensions and other postemployment benefits and the individual and combining statements referred to earlier in connection with the governmental and enterprise funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 85 - 118 of this report.

Financial Highlights

Key financial highlights for 2020-2021 are as follows:

In total, net position at June 30, 2021 was \$142,967,985, which represents a 5.1% increase from 2020. This is primarily due to principal payments on long-term debt in the amount of \$14,582,792, and the decrease in the net pension liability of \$4,070,487.

Governmental activities general revenues accounted for \$211,647,361 in revenue or 97.2% of all governmental activities revenue. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$6,196,835 or 2.8% of total governmental activities revenues of \$217,844,196.

Among major funds, the General Fund had \$184,984,126 in revenues and \$186,402,229 in expenditures. The General Fund's fund balance is \$22,729,973 as of June 30, 2021, a decrease of \$1,328,468 from the June 30, 2020 balance.

Notification was received that the two June 2021 state aid payments to the District in the total amount of \$2,002,563 would be delayed until the next school year. While, the State of New Jersey has taken action to withhold the final June payment each year since 2003, it expanded the withholding to both June payments in the 2009-2010 fiscal year, in order to avert a budget shortfall at the state level.

The District followed GASB Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the 2021 fiscal year resulting in the recording of revenue and expense in the amount of \$14,172,666 related to post-employment health benefits.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The following table provides a comparative summary of net position relating to the District's governmental and business-type activities at June 30, 2021 and 2020:

	Net Position					
	June 30, 2021			June 30, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 49,659,682	\$ 2,658,195	\$ 52,317,877	\$ 40,766,896	\$ 3,509,224	\$ 44,276,120
Capital assets, net	244,385,153	408,211	244,793,364	244,237,818	457,057	244,694,875
Total assets	<u>294,044,835</u>	<u>3,066,406</u>	<u>297,111,241</u>	<u>285,004,714</u>	<u>3,966,281</u>	<u>288,970,995</u>
Deferred outflows of resources	<u>9,957,445</u>		<u>9,957,445</u>	<u>12,030,616</u>		<u>12,030,616</u>
Liabilities:						
Current liabilities	26,286,897	965,149	27,252,046	25,320,191	1,062,844	26,383,035
Net pension liability	31,407,906		31,407,906	35,478,393		35,478,393
Long-term liabilities	90,838,853	138,177	90,977,030	90,651,018	129,153	90,780,171
Total liabilities	<u>148,533,656</u>	<u>1,103,326</u>	<u>149,636,982</u>	<u>151,449,602</u>	<u>1,191,997</u>	<u>152,641,599</u>
Deferred inflow of resources	<u>14,463,719</u>		<u>14,463,719</u>	<u>13,743,420</u>		<u>13,743,420</u>
Net position:						
Net investment in capital assets	162,985,803	408,211	163,394,014	155,044,226	457,057	155,501,283
Restricted	15,315,721		15,315,721	18,343,418		18,343,418
Unrestricted (deficit)	(37,296,619)	1,554,869	(35,741,750)	(41,545,336)	2,317,227	(39,228,109)
Total net position	<u>\$141,004,905</u>	<u>\$1,963,080</u>	<u>\$142,967,985</u>	<u>\$131,842,308</u>	<u>\$2,774,284</u>	<u>\$134,616,592</u>

Current and other assets increased in large part due to an increase in cash and cash equivalents and various receivable balances.

Capital assets increased as a result of the addition of capital assets and construction in progress exceeding depreciation expense in the current year.

Long-term liabilities increased as result of a new lease purchase obligation of \$3,600,000 and a new capital lease of \$13,685,000 in the current year, offset by principal payments made in the total amount of \$14,582,792 for bonds payable, capital leases and lease purchase obligations, combined.

Current liabilities increased in large part due to an increase in the current portion of long-term obligations due to the additional capital lease and lease purchase obligation principal payments, which will be paid in the 2021-2022 fiscal year on the new \$3,600,000 lease purchase obligation and \$13,685,000 capital lease that was issued in the 2020-2021 fiscal year.

The net pension liability decreased as a result of changes in the allocation as determined by the State of New Jersey Division of Pensions and Benefits as well as the result of actual investment performance during the year and a change in assumptions as compared to the prior year.

There was a decrease in restricted net position of \$3,027,697, which resulted largely from a decrease in excess surplus of \$3,184,308, which resulted from the maximum fund balance cap increasing from 2% to 4%.

There was an overall decrease of \$811,204 in net position reported in connection with the District's business-type activities. The Food Service program generated an increase in net position of \$205,966. The Community Programs program had a decrease in net position of \$994,439 and the Facilities Rentals program had a decrease in net position of \$22,731, which is a direct result of the COVID-19 pandemic. The following table provides a comparative summary of the changes in net position relating to the District's governmental and business-type activities for the years ended June 30, 2021 and 2020:

Changes in Net Position

	Year ended June 30, 2021			Year ended June 30, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,419,973	\$ 895,944	\$ 2,315,917	\$ 699,894	\$ 4,363,535	\$ 5,063,429
Operating Grants and Contributions	4,776,862	3,083,538	7,860,400	3,484,760	1,045,955	4,530,715
General Revenues:						
Property Taxes	139,039,043		139,039,043	136,503,916		136,503,916
Grants and Entitlements	72,206,494		72,206,494	53,986,819		53,986,819
Miscellaneous	401,824	2,400	404,224	984,811	80,371	1,065,182
Total Revenues	217,844,196	3,981,882	221,826,078	195,660,200	5,489,861	201,150,061
Expenses:						
Instruction	119,311,677		119,311,677	107,157,404		107,157,404
Support Services	88,154,769		88,154,769	80,369,076		80,369,076
Interest and other charges	2,590,700		2,590,700	2,817,287		2,817,287
Business-type activities		4,793,086	4,793,086		5,748,893	5,748,893
Total Expenses	210,057,146	4,793,086	214,850,232	190,343,767	5,748,893	196,092,660
Change in Net Position Before Special Item	7,787,050	(811,204)	6,975,846	5,316,433	(259,032)	5,057,401
Special item	-	-	-	100,000	-	100,000
Change in net position	7,787,050	(811,204)	6,975,846	5,416,433	(259,032)	5,157,401
Net Position—beginning (retroactively adjusted)	133,217,855	2,774,284	135,992,139	126,425,875	3,033,316	129,459,191
Net Position—ending	\$ 141,004,905	\$ 1,963,080	\$ 142,967,985	\$ 131,842,308	\$ 2,774,284	\$ 134,616,592

Governmental Activities

Property taxes made up 70.1% of total revenue for the fiscal year 2021. Federal, state and local grants and tuition and miscellaneous revenue accounted for the remainder. The total cost of all programs and services was \$210,057,146. Instruction accounted for 56.8% of total expenses.

Overall total revenues and expenses increased due to the impact of GASB 75, which required the District to record approximately \$14.7 million in revenues and expenses, which were contributions made on behalf of the District by the State for post-employment benefits compared to approximately \$749 thousand in the prior year. Additionally, the revenues increased due to an increase in the current year tax levy by approximately \$2.5 million.

Business-Type Activities

Revenue for the District's business-type activities was comprised of charges for services and federal and state reimbursements.

Food service revenue, which included no subsidy from the general fund, was greater than expenses by \$205,966. Charges for services, which consist of the amount paid by students and other patrons for daily food service and catering, represent 1% of total revenue and grants and contributions represent 99% of total revenue.

Community Programs expenses exceeded revenues by \$994,439.

The Facilities Rentals expenses exceeded revenues by \$22,731.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The District's fund balance amounts are classified as restricted, assigned or unassigned.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2021 as well as the amount and percentage of increases in relation to the prior year:

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase from 2020</u>	<u>Percent of Increase</u>
Local Sources	\$ 141,150,879	71.74%	\$ 2,703,172	1.95%
State Sources	50,986,422	25.92%	6,113,914	13.63%
Federal Sources	4,594,213	2.34%	1,417,142	44.61%
Total	<u>\$ 196,731,514</u>	<u>100.00%</u>	<u>\$ 10,234,228</u>	<u>5.49%</u>

The increase in local source revenue is mainly attributable to the increase in the local tax levy of \$2,535,127.

The increase in state source revenue is largely a result of an increase in the State of New Jersey's contribution to on-behalf TPAF pension contributions in the amount of \$4,475,981.

The increase in federal source revenue is mainly attributable to an increase in grant activity and revenue related to the COVID-19 pandemic.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2021, as well as the amount and percentage of increases and decreases in relation to the prior year:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2020</u>	<u>Percent of Increase (Decrease)</u>
Instruction	\$ 68,729,252	33.59%	\$ 587,949	0.86%
Support services	110,359,955	53.93%	8,461,291	8.30%
Capital Outlay	8,665,926	4.23%	(6,138,163)	(41.46)%
Debt Service	16,890,395	8.25%	4,793,877	39.63%
Total	\$ 204,645,528	100.00%	\$ 7,704,954	3.91%

The decrease in capital outlay is the result of the District undertaking less projects in the current year as compared with the prior year. Instruction expenditures, as adjusted for on-behalf expenditures related to TPAF pension costs assumed by the State, increased only slightly as a result of the District's efforts to continue to control costs. Support service expenditures increased as a result of increased costs for student and other support related services. The increase in debt service expenditures is the result of required principal and interest payments from capital leases, lease purchase obligations and bonds payable.

General Fund

The fund balance decreased by \$1,328,468 during the 2020-2021 fiscal year as a result of the timing of when expenditures were incurred on capital items funded in the general fund. As of June 30, 2021, the District has unassigned fund balance of \$6,273,366, which represents an increase of \$3,914,109 from the prior year, mainly due to the maximum unassigned fund balance increasing from 2% to 4%.

Special Revenue Fund

The fund balance in the Special Revenue Fund increased by \$10,789,090 mainly as a result of the new capital lease of \$13,685,000 and the \$3,600,000 lease purchase obligation issuance that took place in the 2020-2021 fiscal year.

Capital Projects Fund

As of June 30, 2021, the Capital Project's Fund Balance decreased by \$541,215 mainly as a result of expenditures incurred for existing ongoing projects with no significant offsetting revenues.

General Fund Budgetary Highlights

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

During the course of the 2020-2021 fiscal year, the District amended its General Fund budget as needed. The District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. The School Business Administrator, Superintendent of Schools, and Board of Education, must approve transfers from one program to another. Transfers were required due to:

- Staffing changes based on student needs.
- Accounting changes in maintenance and operations, such as transfers to Capital Projects.
- Changes in appropriations to prevent budget overruns, as well as to effect account coding corrections.

Budgetary transfers were made between budgetary line items and approved by the Board for various reasons including the following more significant transfers:

- State Source Revenues – Equalization Aid – a decrease of \$1,655,415 which was the result of the decrease in state aid after the budget was adopted.
- Instruction – Undistributed Instruction – Regular Programs – Purchased Professional/Education Services – an increase of \$723,931 was the result of the District outsourcing substitutes and therefore requiring funds to pay a third party.
- Undistributed Expenditures – Required Maintenance for School Facilities – Cleaning, Repair and Maintenance – increase of \$294,576 as a result of the requirements for sanitizing due to COVID-19, as well as the increase in cost for HVAC management system inspections as a result of the ESIP work.
- Undistributed Expenditures – Student Transportation Services – Vendors between home and school – an increase of \$379,050 was the result of the need for services. Outsourced routes are determined by cost benefit of doing them in-house and due to COVID-19, routes were added for social distancing purposes.
- Undistributed Expenditures – Student Transportation Services – ESCs & CTSA’s – Special Ed – a decrease of \$593,465. Outsourced routes are determined by cost benefit of doing them in-house and due to COVID-19, routes were reduced where students were attending remote instruction and did not require transportation.
- Undistributed Expenditures – Unallocated Benefits – Other Employee Benefits – a decrease of \$419,739 was the result of exit payments being budgeted on this line but moved to the appropriate function and program codes as individuals retire and receive payment.
- Undistributed Expenditures – Unallocated Benefits – Other Employee Benefits – a decrease of \$419,739 was the result of exit payments being budgeted on this line but moved to the appropriate function and program codes as individuals retire and receive payment.
- Capital Outlay – Facilities Acquisition and Construction Services – Architectural/Engineering Services and Other Purchased Professional and Technical Services – increases of \$1,612,792 and \$1,111,437, respectively, were the result of withdrawals from the capital reserve for various construction projects through FY21.
- Capital Outlay – Facilities Acquisition and Construction Services – Lease Purchase Agreement – Principal – an increase of \$2,645,000 was the result of required principal payments on the shared service agreement related to various construction projects.
- Other Financing Sources – Transfers In – an increase of \$1,516,955 was the result of the decrease in state aid, therefore, the District planning to transfer excess funds from enterprise funds.

Capital Assets and Debt Administration

Capital Assets

At the end of the 2020-2021 fiscal year, the District had capital assets of \$345,339,547, which includes school facilities, land, buildings, equipment and vehicles and construction in progress.

The following provides a summary of the capital assets held by the District at June 30, 2021 and 2020:

	Capital Assets			
	2021		2020	
	Governmental	Business-type	Governmental	Business-type
	Activities	Activities	Activities	Activities
Non-Depreciable Assets:				
Land	\$ 1,019,208		\$ 1,019,208	
Construction in Progress	10,613,736		29,979,403	
Depreciable Assets:				
Buildings and Improvements	313,205,526	\$ 700,560	287,472,383	\$ 700,560
Machinery and Equipment	19,243,246	557,271	17,220,012	557,271
Totals	<u>\$ 344,081,716</u>	<u>\$ 1,257,831</u>	<u>\$ 335,691,006</u>	<u>\$ 1,257,831</u>

Overall governmental capital assets increased \$8,390,710 from the 2019-2020 fiscal year mainly due to the increase in construction attributable to the CJHS, Irwin and Chittick Elementary HVAC and electrical

upgrades, CJHS and Lawrence Brook Elementary roof replacements, district-wide security system upgrades, RTU replacements, roof and flooring replacements, and various other improvements throughout the District.

Additional information on the District’s capital assets can be found in Note 5 to the basic financial statements.

Debt Administration

The District’s long-term liabilities are as follows for the governmental and business-type activities at June 30, 2021 and 2020:

	2021		2020	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Bonds payable (net)	\$ 71,146,031		\$ 76,333,377	
Net pension liability	31,407,906		35,478,393	
Obligations under capital leases	11,040,000		177,792	
Lease purchase obligations payable	19,320,000		22,740,000	
Compensated absences	3,144,144	\$ 147,169	3,226,510	\$ 141,390
Total long-term liabilities	\$ 136,058,081	\$ 147,169	137,956,072	\$ 141,390

During fiscal year 2021, the District’s governmental-type long-term liabilities decreased by \$1,897,991. The decrease is a result of the issuance of new capital lease purchase obligation of \$3,600,000 and a new capital lease of \$13,685,000, offset by debt retirements and the reduction in the net pension liability. The District’s credit rating has not recently changed and is currently at a Aa2 rating. Additional information on the District’s long-term liabilities can be found in Note 6 to the basic financial statements.

Current Concerns and Factors Bearing on the District’s Future

The East Brunswick Public School District is in excellent financial position. It has maintained a legally acceptable fund balance position. The District regularly seeks cost-savings and cost containment opportunities, which accrue to the annual budget in controlling costs. In addition, the District’s Community Programs Enterprise and the Facilities Rental Enterprise have provided valuable programs and services to the community while generating revenue and an annual net income, as well as maintaining a healthy retained earnings balance. While the COVID-19 Pandemic has severely curtailed revenue-generating opportunities during Fiscal Years 2020 and 2021, the two enterprises’ retained earnings have provided the financial wherewithal to sustain these functions through this time. In Fiscal Year 2021, the Community Programs enterprise resumed generating revenue to support the annual budget. We are confident that the enterprises will continue as a “going concern” into Fiscal Year 2022 and beyond.

During fiscal year 2019-2020, the District engaged Statistical Forecasting, LLC to conduct a comprehensive analysis of school enrollment projections. The study, completed in July 2019, projects grade-by-grade enrollments over a five-year period from 2019-2020 through 2023-2024. In addition, the study included the following:

- Examination of historical enrollment trends, both districtwide and by grade configuration (PK-5, 6-7, 8-9, and 10-12);
- Investigation of historical enrollment trends with respect to race and poverty status in each school;
- Tabulation of birth counts at the attendance area level;
- Computation of student yields by housing type (i.e., detached single family, townhouse/condominium, and apartment);
- Analysis of new housing starts and the impact on the school district; and,

- Projected enrollments, in a totally independent analysis, based on student yields and housing turnover rates (resales) in East Brunswick.

The study’s projected year-to-year increases in enrollment will have serious consequences on District facilities and class sizes. The table below exhibits 2018-2019 actual enrollment and the ensuing enrollment projections.

Fiscal Year	PK-5	6-7	8-9	10-12	PK-12
Actual Enrollment					
2018-2019	3,545	1,280	1,279	2,080	8,184

Baseline Projections					
2019-2020	3,660	1,343	1,244	2,055	8,302
2020-2021	3,707	1,344	1,322	1,999	8,372
2021-2022	3,782	1,326	1,391	1,958	8,457
2022-2023	3,832	1,347	1,391	1,964	8,534
2023-2024	3,864	1,397	1,372	2,068	8,701
2023-2024 Increase Over 2018-2019	319	117	93	-12	517

Projections Adjusted for Housing Growth					
2019-2020	3,682	1,349	1,249	2,065	8,345
2020-2021	3,779	1,364	1,343	2,032	8,518
2021-2022	3,885	1,352	1,422	2,003	8,662
2022-2023	3,931	1,374	1,420	2,008	8,753
2023-2024	3,962	1,427	1,399	2,114	8,902
2023-2024 Increase Over 2018-2019	417	147	120	34	718

Notwithstanding the enrollment decrease attributable to the pandemic, enrollments have begun to recover and more closely trend with the projections. At the elementary school level, the District enrollment is projected to increase the equivalent of an entire elementary school where facilities are already strained. The following are reminders of the impact to facilities:

- The Early Learning Academy was relocated out of the elementary schools to Hammarckjold Middle School to make room for elementary regular education and special education programs.
- Burgeoning class sizes continue to push on maximum thresholds.
- Ever-increasing special needs population requires classrooms that simply do not exist to accommodate any additional programs necessary to meet the needs of those children.

The District is facing an elementary school crisis insofar as classroom availability is concerned. As of the writing of this letter, there are no elementary classrooms available to support expanding enrollments or additional special needs class sections.

Pre-pandemic, the Board was actively discussing potential resolutions to accommodate a growing enrollment. However, the COVID-19 crisis required attention to be focused on keeping students and employees safe while implementing remote- and hybrid-learning models.

During Fiscal Year 2021, the Board re-engaged in discussing resolutions to elementary classroom shortages. On May 6, 2021, the Board authorized the Administration to commence planning for temporary classroom units to be placed at the Churchill Junior High School site for occupancy by September 2022. Additionally, the Board authorized a grade reconfiguration across the elementary, middle, and junior high schools as follows:

School	From	To
Elementary	Pre-K through Grade 5	Pre-K through Grade 4
Hammarskjold	Grades 6 and 7	Grades 5 and 6
Churchill	Grades 8 and 9	Grades 7 through 9

While the New Jersey Department of Education has approved the Temporary Classroom Units, the operative word is “temporary” as the use must be followed by a permanent facilities solution. Thus, the grade reconfiguration is expected to provide temporary relief while the Board plans a permanent resolution that will benefit students from Pre-K through Grade 12.

For the fiscal year ending June 30, 2021, local property taxes provided 80.5% of the funding to support the district’s General Fund operations. While the General Fund tax levy (the amount to be raised by taxes) increases are capped at two percent annually, the actual property tax impact to most property owners is greater. This has resulted from property valuations that are not reflective of current values. In fact, East Brunswick’s overall taxable property values are recorded at 24.82% of true value certified by the County of Middlesex on March 11, 2021. The Township of East Brunswick has suffered many tax appeals where major commercial property owners have successfully appealed valuations, thus resulting in property tax reductions to those property owners. The reduction in those property tax assessments merely redistributes the burden to the remaining property taxpayers in East Brunswick. While East Brunswick residents have been supportive of their schools and appreciate the quality education that is provided to students, the Township must undergo a property revaluation if it is to stabilize the impact of property tax increases for all property taxpayers. In addition, a concerted effort must be put forth to improve the Township’s business and industrial tax base, which will alleviate the residential property owners tax burden. This effort may currently be in process as the Township of East Brunswick is pursuing significant redevelopment plans, which reportedly will include upscale or specialty food markets; medium- and high-end restaurants; shuttle bus service; bike paths; a concert venue; special needs and/or senior housing; universal Wi-Fi; a community use building for recreational purposes; a hotel; and, residential units. The impact of those plans upon the school district are currently unknown and must be examined as soon as the residential plans are approved. Certainly, any residential construction will bring more students into the school district. Therefore, the information is critical to school facilities planning.

A charter school based in East Brunswick opened its doors at the beginning of the 2010-2011 school year. Hatikvah International Academy Charter School was approved as a K-5 school to serve up to 50 students per grade level. In its application in 2012-2013, it proposed increasing its enrollment and expanding grade levels, as well as extending its charter. The application underwent review by the New Jersey Department of Education Office of Charter Schools, after which the Commissioner of Education denied the expansion. Since then, the charter school has annually requested approval to expand grade levels and the number of students per grade. In fact, the Commissioner of Education granted a portion of the requested expansion for the 2015-2016 school year. It is unfortunate that this

charter school was granted an initial charter several years ago in the suburban community of East Brunswick having one of the best school districts in this State if not the entire country. The charter school did not serve any educational need then, and it does not now.

During its twelve years, the charter school's existence has required the cumulative appropriation of \$28,851,010 from the East Brunswick Public School District budget. This State-mandated diversion of local financial resources has come with significant and deleterious impacts to the school district beginning with the elimination of its model elementary world language program in the charter school's first year. The time has long passed to argue the merits of whether or not the initial charter should have been approved. However, the community should be reminded that the students enrolled in the charter school would receive a superior quality of education and supports if enrolled in the East Brunswick Public Schools.

East Brunswick's taxpayers largely provide the financial support for its public schools. For fiscal year 2022, the local funding share is 79.29% of the District's fiscal year 2022 General Fund budget. More and more, this suburban community's local funds and state aid allocation must be diverted to support a charter school for which there is absolutely no justifiable educational need.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the revenue it receives. If you have questions about this report or need additional information, you may contact Bernardo J. Giuliana, School Business Administrator/Board Secretary at East Brunswick Public Schools, 760 Route 18, Suite 108, East Brunswick, NJ 08816.

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2021.

East Brunswick Public Schools

Statement of Net Position

June 30, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 44,662,521	\$ 2,344,963	\$ 47,007,484
Cash held with fiscal agent	721,162		721,162
Accounts receivable	4,275,999	312,624	4,588,623
Inventory		608	608
Capital assets, non-depreciable	11,632,944		11,632,944
Capital assets, depreciable, net	232,752,209	408,211	233,160,420
Total assets	<u>294,044,835</u>	<u>3,066,406</u>	<u>297,111,241</u>
Deferred Outflows of Resources			
Deferred loss on refunding of debt	4,413,381		4,413,381
Pension deferrals	5,544,064		5,544,064
Total deferred outflows of resources	<u>9,957,445</u>		<u>9,957,445</u>
Total assets and deferred outflows of resources	<u>304,002,280</u>	<u>3,066,406</u>	<u>307,068,686</u>
Liabilities			
Accounts payable and accrued expenses	8,872,537	406,441	9,278,978
Payroll deductions and withholdings payable	681,303		681,303
Accrued interest payable	809,490		809,490
Accrued liability for insurance claims	1,881,000		1,881,000
Intergovernmental payable	44,850		44,850
Unearned revenue	186,395	549,716	736,111
Current portion of long-term obligations	13,811,322	8,991	13,820,313
Noncurrent portion of long-term obligations	90,838,853	138,178	90,977,031
Noncurrent liability - Net pension liability	31,407,906		31,407,906
Total liabilities	<u>148,533,656</u>	<u>1,103,326</u>	<u>149,636,982</u>
Deferred Inflow of Resources			
Pension deferrals	<u>14,463,719</u>		<u>14,463,719</u>
Net Position			
Net investment in capital assets	162,985,803	408,211	163,394,014
Restricted for:			
Capital Reserve	8,080,431		8,080,431
Unemployment claims reserve	438,330		438,330
Student activity reserve	563,782		563,782
Excess Surplus	5,515,692		5,515,692
Capital Projects	717,486		717,486
Unrestricted (deficit)	<u>(37,296,619)</u>	<u>1,554,869</u>	<u>(35,741,750)</u>
Total net position	<u>\$ 141,004,905</u>	<u>\$ 1,963,080</u>	<u>\$ 142,967,985</u>

See accompanying notes to basic financial statements.

East Brunswick Public Schools

Statement of Activities

Year ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities						
Instruction						
Regular Instruction	\$ 85,945,997	\$ 1,082,359	\$ 1,710,631	\$ (83,153,007)		\$ (83,153,007)
Special Education Instruction	25,140,440		1,597,626	(23,542,814)		(23,542,814)
Other Instruction	8,225,240		1,468,605	(6,756,635)		(6,756,635)
Support Services						
Tuition	5,555,069			(5,555,069)		(5,555,069)
Student and Instruction Related Services	32,137,788	337,614		(31,800,174)		(31,800,174)
School Administration	9,536,348			(9,536,348)		(9,536,348)
General and Business Administrative Services	10,262,786			(10,262,786)		(10,262,786)
Plant Operation and Maintenance	20,751,098			(20,751,098)		(20,751,098)
Pupil Transportation	9,859,627			(9,859,627)		(9,859,627)
Special Schools	52,053			(52,053)		(52,053)
Interest and other charges	2,590,700			(2,590,700)		(2,590,700)
Total governmental activities	<u>210,057,146</u>	<u>1,419,973</u>	<u>4,776,862</u>	<u>(203,860,311)</u>		<u>(203,860,311)</u>
Business-type activities						
Food Service	2,910,095	31,635	3,083,538		\$ 205,078	205,078
Community Programs	1,858,213	862,783			(995,430)	(995,430)
Facilities Rentals	24,778	1,526			(23,252)	(23,252)
Total business-type activities	<u>4,793,086</u>	<u>895,944</u>	<u>3,083,538</u>		<u>(813,604)</u>	<u>(813,604)</u>
Total primary government	<u>\$ 214,850,232</u>	<u>\$ 2,315,917</u>	<u>\$ 7,860,400</u>	<u>(203,860,311)</u>	<u>(813,604)</u>	<u>(204,673,915)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes				132,406,131		132,406,131
Property taxes, levied for debt service				6,632,912		6,632,912
Federal sources				147,369		147,369
State sources—unrestricted				72,059,125		72,059,125
Investment income				14,297	2,400	16,697
Miscellaneous				387,527		387,527
Total general revenues				<u>211,647,361</u>	<u>2,400</u>	<u>211,649,761</u>
Change in net position				7,787,050	(811,204)	6,975,846
Net Position—beginning (as retroactively adjusted - see n				133,217,855	2,774,284	135,992,139
Net Position—ending				<u>\$ 141,004,905</u>	<u>\$ 1,963,080</u>	<u>\$ 142,967,985</u>

See accompanying notes to basic financial statements.

Fund Financial Statements

Governmental Funds

East Brunswick Public Schools
Governmental Funds

Balance Sheet

June 30, 2021

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 25,275,892	\$ 16,473,468	\$ 741,515	\$ 112,461	\$ 42,603,336
Accounts receivable:					
State	2,904,539		82,154		2,986,693
Federal		800,097			800,097
Other	340,622				340,622
Total assets	<u>\$ 28,521,053</u>	<u>\$ 17,273,565</u>	<u>\$ 823,669</u>	<u>\$ 112,461</u>	<u>\$ 46,730,748</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 4,303,292	\$ 875,581	\$ 29,582		\$ 5,208,455
Payroll deductions and withholdings payable	681,303				681,303
Accrued expenditures	783,035	9,708			792,743
Intergovernmental payables:					
State		44,850			44,850
Unearned revenue	23,450	162,945			186,395
Total liabilities	<u>5,791,080</u>	<u>1,093,084</u>	<u>29,582</u>		<u>6,913,746</u>
Fund balances:					
Restricted for:					
Capital reserve	8,080,431				8,080,431
Unemployment compensation reserve	438,330				438,330
Excess Surplus - current year	1,165,692				1,165,692
Excess Surplus - designated for subsequent year's expenditures	4,350,000				4,350,000
Capital projects			794,087		794,087
Debt service				\$ 112,461	112,461
Student activities		563,782			563,782
Assigned to:					
Designated for subsequent years expenditures	300,000	15,616,699			15,916,699
Other purposes	2,122,154				2,122,154
Unassigned:					
General fund	6,273,366				6,273,366
Total fund balances	<u>22,729,973</u>	<u>16,180,481</u>	<u>794,087</u>	<u>112,461</u>	<u>39,817,002</u>
Total liabilities and fund balances	<u>\$ 28,521,053</u>	<u>\$ 17,273,565</u>	<u>\$ 823,669</u>	<u>\$ 112,461</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$344,081,716 and the accumulated depreciation is \$99,696,563.	244,385,153
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(809,490)
Long-term liabilities, including bonds payable, lease purchase obligations, capital leases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(104,650,175)
Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the bonds.	4,413,381
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	(8,919,655)
Accrued pension contributions for the June 30, 2021 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(2,278,621)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(31,407,906)
Internal service funds are used by the District to charge the costs of the self-insurance program to the individual fund. The activities of this fund are included in the Statement of Activities.	455,216
Net position of governmental activities	<u>\$ 141,004,905</u>

East Brunswick Public Schools
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2021

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 132,406,131			\$ 6,632,912	\$ 139,039,043
Tuition from individuals	71,482				71,482
Tuition from other LEA's	1,010,877				1,010,877
Investment income	14,184		\$ 113		14,297
Miscellaneous	596,622	\$ 418,671			1,015,293
Total local sources	134,099,296	418,671	113	6,632,912	141,150,992
State sources	50,737,461	248,961			50,986,422
Federal sources	147,369	4,446,844			4,594,213
Total revenues	184,984,126	5,114,476	113	6,632,912	196,731,627
Expenditures					
Current:					
Instruction:					
Regular instruction	45,334,402	1,728,025			47,062,427
Special education instruction	12,412,020	1,597,626			14,009,646
Other special instruction	4,436,582				4,436,582
Support services:					
Tuition	2,334,472				2,334,472
Student and instruction related services	17,182,002	1,827,771			19,009,773
School administration services	5,130,684				5,130,684
Other administrative services	6,276,522				6,276,522
Plant operations and maintenance	15,144,162				15,144,162
Pupil transportation	7,742,801				7,742,801
Employee benefits and on-behalf TPAF social security and pension, medical and disability contributions	54,693,024				54,693,024
Charter schools	3,220,597				3,220,597
Special schools	28,517				28,517
Capital outlay	2,208,962	6,456,964	451,693		9,117,619
Debt Service:					
Principal	9,842,792			4,385,000	14,227,792
Interest	414,690			2,247,913	2,662,603
Total expenditures	186,402,229	11,610,386	451,693	6,632,913	205,097,221
(Deficiency) of revenues (under) expenditures	(1,418,103)	(6,495,910)	(451,580)	(1)	(8,365,594)
Other financing sources (uses):					
Initiation of capital lease		17,285,000			17,285,000
Transfers in	89,635				89,635
Transfers (out)			(89,635)		(89,635)
Total other financing sources (uses)	89,635	17,285,000	(89,635)	-	17,285,000
Net change in fund balances	(1,328,468)	10,789,090	(541,215)	(1)	8,919,406
Fund Balance, July 1 (retroactively adjusted - see note 20)	24,058,441	5,391,391	1,335,302	112,462	30,897,596
Fund balances, June 30	\$ 22,729,973	\$ 16,180,481	\$ 794,087	\$ 112,461	\$ 39,817,002

The reconciliation of the fund balances of governmental funds to the net position of governmental activities in the statement of activities is presented in an accompanying schedule (B-3).

East Brunswick Public Schools
Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities

Year ended June 30, 2021

Total net change in fund balances - governmental funds (from B-2) \$ 8,919,406

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions exceeded depreciation expense and loss on capital asset disposals in the period.

Depreciation Expense	\$ (8,596,840)	
Loss on Capital Asset Disposals	(14,423)	
Capital Asset Additions	<u>8,758,598</u>	147,335

The issuance of long-term debt for general purposes provides current financial resources to governmental funds, however has no effect on net position.

Lease Purchase Obligations	(3,600,000)	
Obligations Under Capital Leases	<u>(13,685,000)</u>	(17,285,000)

Repayments of bond principal, lease purchase principal and capital lease principal are expenditures 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.

Serial Bonds Payable	4,740,000	
Lease Purchase Obligations	7,020,000	
Obligations Under Capital Leases	<u>2,822,792</u>	14,582,792

Governmental funds report the effect of premiums and similar items when the debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.

Amortization of Premium on Bonds		447,346
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Governmental funds report the effect of refunding transactions when the debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This represents the current year amortization related to the deferred loss of refunding.

Amortization of Deferred Loss on Refunding of Debt		(372,006)
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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.

(3,437)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

82,366

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

Pension expense		1,477,343
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The internal service fund is used by the District to charge the costs of the self-insurance program to the individual fund. The assets and liabilities of the internal service fund are included with governmental activities.

(209,095)

Change in net position of governmental activities (A-2) \$ 7,787,050

Proprietary Funds

East Brunswick Public Schools
Proprietary Funds

Statement of Net Position

June 30, 2021

	Business-Type Activities Major Enterprise Funds			Total	Governmental Activity
	Food Service	Community Programs	Facilities Rentals		Self-Insured Health Benefits
Assets					
Current assets:					
Cash and cash equivalents	\$ 1,068,155	\$ 705,214	\$ 571,594	\$ 2,344,963	\$ 2,059,185
Accounts receivable:					
State	19,409			19,409	
Federal	237,016			237,016	
Other	29,928	5,422	20,849	56,199	148,587
Inventory	608			608	
Restricted assets:					
Cash held by fiscal agent					721,162
Total current assets	<u>1,355,116</u>	<u>710,636</u>	<u>592,443</u>	<u>2,658,195</u>	<u>2,928,934</u>
Noncurrent assets:					
Capital assets:					
Depreciable:					
Equipment	1,191,838		65,993	1,257,831	
Accumulated depreciation	<u>(808,123)</u>		<u>(41,497)</u>	<u>(849,620)</u>	
Total capital assets, net	<u>383,715</u>		<u>24,496</u>	<u>408,211</u>	
Total assets	<u>1,738,831</u>	<u>710,636</u>	<u>616,939</u>	<u>3,066,406</u>	<u>2,928,934</u>
Liabilities					
Current liabilities:					
Accounts payable	198,812	189,569		388,381	592,718
Accrued salaries payable	8,960	9,080	20	18,060	
Unearned revenue	211,925	337,791		549,716	
Accrued liability - IBNR					1,881,000
Current portion of compensated absences	6,000	2,991		8,991	
Total current liabilities	<u>425,697</u>	<u>539,431</u>	<u>20</u>	<u>965,148</u>	<u>2,473,718</u>
Noncurrent liabilities:					
Compensated absences	97,135	39,740	1,303	138,178	
Total noncurrent liabilities	<u>97,135</u>	<u>39,740</u>	<u>1,303</u>	<u>138,178</u>	
Total liabilities	<u>522,832</u>	<u>579,171</u>	<u>1,323</u>	<u>1,103,326</u>	<u>2,473,718</u>
Net Position					
Investment in capital assets	383,715		24,496	408,211	
Unrestricted	832,284	131,465	591,120	1,554,869	455,216
Total net position	<u>\$ 1,215,999</u>	<u>\$ 131,465</u>	<u>\$ 615,616</u>	<u>\$ 1,963,080</u>	<u>\$ 455,216</u>

See accompanying notes to basic financial statements.

East Brunswick Public Schools
Proprietary Funds

Statement of Revenues, Expenses and Changes in Fund Net Position

Year ended June 30, 2021

	<u>Business-Type Activities</u>			<u>Total</u>	<u>Governmental</u>
	<u>Major Enterprise Funds</u>				<u>Activity</u>
	<u>Food Service</u>	<u>Community Programs</u>	<u>Facilities Rentals</u>		<u>Self-Insured Health Benefits</u>
Operating revenues:					
Local sources:					
Services provided by other funds					\$ 25,793,723
Daily sales non-reimbursable programs	\$ 31,635			\$ 31,635	
Rental			\$ 1,526	1,526	
Registration fees		\$ 862,783		862,783	
Total operating revenues	31,635	862,783	1,526	895,944	25,793,723
Operating expenses:					
Salaries	690,408	1,409,932	6,308	2,106,648	
Employee benefits	221,269	323,430	3,824	548,523	26,002,818
Purchased professional services	24,234			24,234	
Other purchased services	42,198	89,742	1,209	133,149	
Supplies and materials	7,575	34,863	7,260	49,698	
Registrations/Training/Travel		49		49	
Depreciation	42,669		6,177	48,846	
Other	6,626			6,626	
Cost of sales - reimbursable programs	1,875,116			1,875,116	
Miscellaneous		197		197	
Total operating expenses	2,910,095	1,858,213	24,778	4,793,086	26,002,818
Operating (loss)	(2,878,460)	(995,430)	(23,252)	(3,897,142)	(209,095)
Nonoperating revenues:					
State sources:					
State school lunch program	86,397			86,397	
Federal sources:					
School breakfast program	948,172			948,172	
National school lunch program	1,776,124			1,776,124	
School snack program	85,536			85,536	
Food donation program	187,309			187,309	
Interest income	888	991	521	2,400	
Total nonoperating revenues	3,084,426	991	521	3,085,938	
Change in net position	205,966	(994,439)	(22,731)	(811,204)	(209,095)
Total net position-beginning	1,010,033	1,125,904	638,347	2,774,284	664,311
Total net position-ending	<u>\$ 1,215,999</u>	<u>\$ 131,465</u>	<u>\$ 615,616</u>	<u>\$ 1,963,080</u>	<u>\$ 455,216</u>

See accompanying notes to basic financial statements.

East Brunswick Public Schools
Proprietary Funds

Statement of Cash Flows
Year ended June 30, 2021

	Business-Type Activities			Total	Governmental
	Major Enterprise Funds				Activity
	Food Service	Community Programs	Facilities Rentals		Self-Insured Health Benefits
Cash flows from operating activities					
Receipts for services provided to other funds					\$ 25,793,723
Receipts from customers	\$ 1,568	\$ 757,726	\$ 48,819	\$ 808,113	
Payments to employees	(680,031)	(1,403,686)	(9,475)	(2,093,192)	
Payments for employee benefits	(221,269)	(323,430)	(3,824)	(548,523)	(25,540,101)
Payments to suppliers	(1,929,629)	(138,735)	(9,871)	(2,078,235)	
Net cash (used in) provided by operating activities	<u>(2,829,361)</u>	<u>(1,108,125)</u>	<u>25,649</u>	<u>(3,911,837)</u>	<u>253,622</u>
Cash flows from noncapital financing activity					
Cash received from state and federal sources	2,949,701			2,949,701	
Net cash provided by noncapital financing activity	<u>2,949,701</u>			<u>2,949,701</u>	
Cash flows from investing activity					
Interest received	888	991	521	2,400	
Net cash provided by investing activity	<u>888</u>	<u>991</u>	<u>521</u>	<u>2,400</u>	
Net increase (decrease) in cash and cash equivalents	121,228	(1,107,134)	26,170	(959,736)	253,622
Cash, cash equivalents and restricted cash, beginning of year	946,927	1,812,348	545,424	3,304,699	2,526,725
Cash, cash equivalents and restricted cash, end of year	<u>\$ 1,068,155</u>	<u>\$ 705,214</u>	<u>\$ 571,594</u>	<u>\$ 2,344,963</u>	<u>\$ 2,780,347</u>
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:					
Operating loss	\$ (2,878,460)	\$ (995,430)	\$ (23,252)	\$ (3,897,142)	\$ (209,095)
Adjustments to reconcile operating loss to net cash (used in) provided by operating activities:					
Depreciation	42,669		6,177	48,846	
Change in assets and liabilities:					
(Increase) decrease in other accounts receivable	(24,318)	2,763	47,293	25,738	(35,522)
(Increase) in inventory	(608)			(608)	
Increase (decrease) in accounts payable	26,728	(13,884)	(1,402)	11,442	221,239
Increase (decrease) in accrued expenses	3,081	7,801	(3,205)	7,677	277,000
(Decrease) in unearned revenue	(5,749)	(107,820)		(113,569)	
Increase (decrease) in compensated absences	7,296	(1,555)	38	5,779	
Net cash (used in) provided by operating activities	<u>\$ (2,829,361)</u>	<u>\$ (1,108,125)</u>	<u>\$ 25,649</u>	<u>\$ (3,911,837)</u>	<u>\$ 253,622</u>

Noncash noncapital financing activities:

The District received \$187,309 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2021.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies

The financial statements of the East Brunswick Public Schools (the “District”) have been prepared in conformity with accounting principles generally accepted in the United States (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The District is a Type II school district located in the County of Middlesex, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (the “Board”). The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-12.

The financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District, as the primary government for financial reporting entity purposes, has control over all activities related to the East Brunswick Public Schools in East Brunswick Township, New Jersey. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District has no component units that are required to be included within the reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the District. For the most part, the effect of internal activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. The New Jersey Department of Education requires all funds be reported as major to promote consistency among school districts in the State of New Jersey.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, net pension liability and capital leases, are recorded only when payment is due.

Property taxes, interest, and state aid associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when the District receives cash.

The District has reported the following major governmental funds:

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Special Revenue Fund: The District maintains one special revenue fund, which includes the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes, other than debt service or capital projects. The revenue sources are derived from federal, state and local grant funds and lease purchase obligations and the fund balance accounts for the activities of these restricted sources.

Capital Projects Fund: The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to an expenditure for capital outlays, including the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds and state aid that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund: The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned to an expenditure for the principal and interest on long-term general obligation debt of governmental funds.

The District's Proprietary Fund is comprised of three enterprise fund programs, the Food Service Fund, the Community Program Fund and the Facilities Rentals Fund and the Self-Insurance Internal Service Fund. All are considered major fund programs.

The District reports the following enterprise funds:

Food Service Enterprise Fund: The food service fund accounts for all revenues and expenses pertaining to cafeteria operations. The food service 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.

Community Programs Enterprise Fund: The community programs fund accounts for financial activity related to providing child care services for District students before and after school, as well as, providing adults with lifelong learning opportunities.

Facilities Rentals Enterprise Fund: The facilities rentals fund accounts for financial activity related to rental activities at the District owned performing arts center.

The District reports the following internal service fund:

Self-Insured Health Benefits Fund: The self-insurance fund is used to record the activity of the District's health insurance expenses.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District enterprise funds are charges for sales of food, registration fees and rentals. Operating expenses for enterprise funds include the cost of sales, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District reports unearned revenue on its balance sheet and statements of net position. Unearned revenue arises when resources are received by the District before it has legal claim to them, as when federal assistance is received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and statements of net position and revenue is recognized.

D. Budgets/Budgetary Control

Ad Valorem (Property) taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." The County Board of Taxation is responsible for the assessment of properties and the Township Tax Collector is responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the Middlesex County office of the DOE for approval. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). 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 referred in N.J.A.C. 6A:23. The overexpenditure in the general fund is due to the inclusion of the non-budgeted on behalf payments

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary overexpenditures. All budget amendments must be approved by School Board resolution. Budget amendments were made during the year ended June 30, 2020 and were not significant.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States with the exception of the legally mandated revenue recognition of the last state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Open encumbrances at year-end are reappropriated in the subsequent year's budget. Unencumbered appropriations lapse at fiscal year-end. The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

E. Interfund Receivables/Payables

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

F. Inventories

Inventories, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. At June 30, 2021, the District had inventories in the Food Service Enterprise Fund of \$608.

G. Capital Assets

Capital assets, which include land, construction in progress, property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or through estimation procedures performed by an independent appraisal company. Donated capital assets, donated works of art and similar items, and capital assets received are reported at acquisition value on the date of acquisition. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Property, plant and equipment of the District is depreciated using the straight line method. The following estimated useful lives are used to compute depreciation:

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

	<u>Years</u>
Buildings and Improvements	20-50
Furniture and Equipment	7-20
Vehicles	8

H. Compensated Absences

A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. The District uses the “vesting method” for estimating its accrued sick and vacation leave liability. District employees are granted vacation and sick leave in varying amounts under the District’s personnel policies.

The liability for vested compensated absences of the District is recorded in the government-wide financial statements and includes salary related payments. The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

As of June 30, 2021, a liability existed for compensated absences in the government-wide financial statements in the amount of \$3,144,144 and a liability in the proprietary fund types in the amount of \$147,169.

I. Unearned Revenue

Unearned revenue in the general fund, food service enterprise fund, and community program enterprise fund represent fees received in advance for services to be provided. Unearned revenue in the special revenue fund represents cash received from federal, state and local sources, which have been received but not yet earned and outstanding encumbrances.

J. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. 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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

K. Deferred Loss on Refunding of Debt

Deferred loss on refunding arising from the issuance of refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. As of June 30, 2021, the District has recorded an unamortized balance of \$4,413,381 as a deferred outflow of resources and the amortization expense for the year ended June 30, 2021 was \$372,006.

L. Net Position

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

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category, including deferred amounts from the unamortized loss on refunding of debt and deferred amounts related to pensions. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

N. Fund Balances

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

- 1) Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

N. Fund Balances (continued)

- 2) Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- 3) Committed - includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revises or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- 4) Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- 5) Unassigned - includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

Of the \$22,729,973 of fund balances in the General Fund, \$2,122,154 of outstanding encumbrances has been assigned to other purposes, \$300,000 has been assigned as designated for subsequent year's expenditures, \$8,080,431 has been restricted for capital reserve, \$1,165,692 has been restricted for excess surplus – current year, \$4,350,000 has been restricted for excess surplus – designated for subsequent years expenditures, \$438,330 has been restricted for unemployment compensation reserve, and \$6,273,366 is classified as unassigned.

Of the \$16,180,481 of fund balances in the Special Revenue Fund, \$563,782 is restricted for student activities and \$15,616,699 is designated for subsequent years expenditures.

The \$794,087 Capital Projects fund balance at June 30, 2021 is restricted for capital projects. The District has contractual commitments in the amount of \$73,939 at June 30, 2021 to vendors related to ongoing construction projects that is reported as part of the restricted capital projects fund balance.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

N. Fund Balances (continued)

All of the \$112,461 Debt Service fund balance at June 30, 2021, is restricted for debt service.

O. Management Estimates

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

P. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey social security and post-retirement medical pension contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension contributions in the government-wide financial statements have been increased by \$7,148,998 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

Q. Calculation of Excess Surplus

The designation for restricted fund balance -- excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 was \$5,515,692. Of this amount, \$4,350,000 has been appropriated in the 2021/22 budget and the remaining \$1,165,692 is required to be appropriated in the 2022/23 budget.

R. GASB Pronouncements

Recently Issued Accounting Principles

The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after June 15, 2021. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* in June 2018. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for periods beginning after December 15, 2020. Management has not determined the impact of the Statement on the financial statements.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

The GASB issued Statement No. 91, *Conduit Debt Obligations* in May 2019. This Statement establishes a single method of reporting conduit debt obligations by issuers to eliminate diversity in practice. The requirements of this Statement are effective for periods beginning after December 15, 2021. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* in May 2020. This Statement provides guidance on accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has not determined the impact of the Statement on the financial statements.

S. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2021 through March 10, 2022, the date that the financial statements were available for issuance and the effects of those that provide additional pertinent information about conditions that existed at the balance sheet date, have been recognized in the accompanying financial statements.

As of June 30, 2021, District operations and the ways in which education is provided have been disrupted by the outbreak of the novel coronavirus COVID-19. Going forward, COVID-19 could further limit the District's operations, including unexpected deferrals of tax payments from the municipality, deferrals or reductions in state aid or an increase in expenses associated with this or any other potential infectious disease outbreak. District management cannot reasonably predict how long the Pandemic in New Jersey is expected to last and how the outbreak may impact the financial condition or operations of the District. District management continues to monitor the Pandemic and plans to take action to address any significant impact on future operations.

2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the Government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable and related unamortized premiums, capital leases and compensated absences, are not due and payable in the current period and therefore are not reported in the funds. The details of this \$104,650,175 difference are as follows:

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

2. Reconciliation of Government-Wide and Fund Financial Statements (continued)

Bonds payable	\$ 65,400,000
Unamortized premium on bonds	5,746,031
Capital lease obligations	11,040,000
Lease purchase obligations	19,320,000
Compensated absences	<u>3,144,144</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 104,650,175</u>

3. Deposits and Investments

Cash and cash equivalents include petty cash, change funds, amounts on deposit and short-term investments with original maturities of three months or less.

Deposits

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

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

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%.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

3. Deposits and Investments (continued)

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.

Operating cash accounts are held in the District's name by several commercial banking institutions. At June 30, 2021, the carrying amount of the District's deposits was \$47,007,484 and the bank balance was \$47,375,545. Of the bank balance, \$250,000 of the District's cash deposits on June 30, 2021 was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$46,297,072. \$828,473 held in the District agency accounts are not covered by GUDPA. The District also has \$721,162 of cash held by fiscal agents on its behalf which is not covered by the FDIC or GUDPA.

Pursuant to GASB Statement No. 40, *Deposit and Investment Risk Disclosures* ("GASB 40"), the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

The District does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the District's deposits were fully collateralized by funds held by the financial institution, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Investments

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

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

Custodial Credit Risk: The District does not have a policy for custodial credit risk other than to maintain a safekeeping account for the securities at a financial institution.

Credit Risk: The District does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The District did not have any funds invested in debt securities.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

3. Deposits and Investments (continued)

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer. At June 30, 2021, the District had no investments.

Interest Rate Risk: The District does not have a policy to limit interest rate risk. The District did not have any funds held as investments during the year ended June 30, 2021.

The District did not have any funds held as investments during or at the year ended June 30, 2021.

4. Capital Reserve Account

A capital reserve account was established by the Board by inclusion of \$410,363 in the 1996-1997 capital outlay budget 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 Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (July 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning balance, July 1, 2020	\$ 8,768,674
Increases:	
Interest earnings	1,688
Board approved deposit - June 2021 resolution	5,245,220
Return of unexpended capital outlay	<u>673,906</u>
Subtotal	14,689,488
Decreases:	
Board approved withdrawals – various dates	<u>(6,609,057)</u>
Ending balance, June 30, 2021	<u>\$ 8,080,431</u>

The June 30, 2021 LRFP balance of local support costs of uncompleted capital projects exceeded the June 30, 2021 capital reserve balance. The withdrawals from the capital reserve were for Department of Education approved facilities projects.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

5. Capital Assets

The District capitalizes all assets with an acquisition cost greater than \$2,000. The following schedule is a summarization of the changes in capital assets by source for the fiscal year ended June 30, 2021:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, not being Depreciated:					
Land	\$ 1,019,208				\$ 1,019,208
Construction in Progress	29,979,403	\$ 6,954,391		\$ (26,320,058)	10,613,736
Total Capital Assets not being Depreciated	<u>30,998,611</u>	<u>6,954,391</u>		<u>(26,320,058)</u>	<u>11,632,944</u>
Capital Assets, being Depreciated:					
Building and Improvements	285,856,100			27,349,426	313,205,526
Machinery and Equipment	18,836,295	1,804,207	\$ (367,888)	(1,029,368)	19,243,246
Total Capital Assets, being Depreciated	<u>304,692,395</u>	<u>1,804,207</u>	<u>(367,888)</u>	<u>26,320,058</u>	<u>332,448,772</u>
Less Accumulated Depreciation:					
Building and Improvements	(81,888,693)	(7,127,239)			(89,015,932)
Machinery and Equipment	(9,564,495)	(1,469,601)	353,465		(10,680,631)
Total Accumulated Depreciation	<u>(91,453,188)</u>	<u>(8,596,840)</u>	<u>353,465</u>		<u>(99,696,563)</u>
Total Capital Assets, being Depreciated, Net	<u>213,239,207</u>	<u>(6,792,633)</u>	<u>(14,423)</u>	<u>26,320,058</u>	<u>232,752,209</u>
Governmental Activities Capital Assets, Net	<u>\$ 244,237,818</u>	<u>\$ 161,758</u>	<u>\$ (14,423)</u>	<u>\$ -</u>	<u>\$ 244,385,153</u>
Business-Type Activities:					
Total Capital Assets, being Depreciated:					
Building and building improvements	\$ 700,560				\$ 700,560
Machinery and Equipment	557,271				557,271
Total Capital Assets, being Depreciated	<u>1,257,831</u>				<u>1,257,831</u>
Less Accumulated Depreciation:					
Building and Improvements	(475,851)	\$ (15,110)			(490,961)
Machinery and Equipment	(324,923)	(33,736)			(358,659)
Total Accumulated Depreciation	<u>(800,774)</u>	<u>(48,846)</u>			<u>(849,620)</u>
Total Business-Type Activities Capital Assets, Net	<u>\$ 457,057</u>	<u>\$ (48,846)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 408,211</u>

Total depreciation expense for the fiscal year ended June 30, 2021 for governmental activities was \$8,596,840 and for business-type activities was \$48,846. Depreciation for governmental activities was charged as follows in the Statement of Activities:

Regular instruction	\$ 3,405,263
Special education instruction	1,013,686
Other instruction	321,015
Student and instruction related services	1,375,477
School administration services	371,237
General and other administration services	454,146
Plant operation and maintenance	1,095,776
Pupil transportation	560,240
Total depreciation expense – governmental activities	<u>\$ 8,596,840</u>

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Long-Term Liabilities

During the fiscal year ended June 30, 2021, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Serial bonds payable	\$ 70,140,000		\$ 4,740,000	\$ 65,400,000	\$ 4,780,000
Unamortized premium on bonds	6,193,377		447,346	5,746,031	447,346
Obligations under capital leases	177,792	\$ 13,685,000	2,822,792	11,040,000	2,640,000
Lease purchase obligation payable	22,740,000	3,600,000	7,020,000	19,320,000	5,860,000
Compensated absences payable	3,226,510	167,233	249,599	3,144,144	83,976
Sub-total	102,477,679	17,452,233	15,279,737	104,650,175	13,811,322
Net pension liability	35,478,393		4,070,487	31,407,906	
Total governmental activities long-term liabilities	<u>\$ 137,956,072</u>	<u>\$ 17,452,233</u>	<u>\$ 19,350,224</u>	<u>\$ 136,058,081</u>	<u>\$ 13,811,322</u>
Business-Type Activities:					
Compensated absences payable	\$ 141,390	\$ 10,885	\$ 5,106	\$ 147,169	\$ 8,991
Total Business-Type activities long-term liabilities	<u>\$ 141,390</u>	<u>\$ 10,885</u>	<u>\$ 5,106</u>	<u>\$ 147,169</u>	<u>\$ 8,991</u>

The District expects to liquidate the obligations under capital leases, bonds related to the ESIP, and the net pension liability with payments made from the District’s general fund and the bonds payable and governmental activities lease purchase obligations payable from the debt service fund. The District expects to liquidate the compensated absences payable with payments made from the general fund, the food service enterprise fund, the community program enterprise fund and the facilities rentals enterprise fund.

A. Bonds Payable

Bonds are authorized in accordance with State law or 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 District are general obligation bonds.

2012 Issue

On November 20, 2012, the District issued \$60,560,000 Refunding School Bonds. The remaining outstanding Bonds mature annually through November 2034 in amounts ranging from \$3,045,000 to \$3,615,000. The Bonds bear interest rates ranging from 3.00% to 5.00%. As of June 30, 2021, the amount of defeased bonds still outstanding is \$45,861,000.

The Bonds maturing prior to November 1, 2023 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after November 1, 2023 are redeemable at the option of the Board in whole or in part, on any date on or after November 1, 2022 at par, plus unpaid accrued interest to the date fixed for redemption.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Long-Term Liabilities (continued)

A. Bonds Payable (continued)

2017 Issue

On February 28, 2017, the District issued \$5,515,000 Refunding School Bonds at an interest rate of 1.722% to advance refund \$5,365,000 of 2007 School Bonds. As of June 30, 2021, the amount of defeased bonds still outstanding is \$1,020,000. The outstanding amount of \$1,020,000 matures in May 2022.

2019 Issue

On February 6, 2019, the District issued School Energy Savings Improvement Program Refunding Bonds in the amount of \$8,135,000 to finance energy conservation measures pursuant to an Energy Savings Improvement Plan (“ESIP”) at interest rates ranging from 4.00% to 5.00%, due in annual installments ranging from \$390,000 to \$805,000 through August 1, 2034.

2020 Issue

On February 25, 2020, the District issued \$10,355,000 Refunding School Bonds at interest rates ranging from 3.00% to 5.00% to advance refund \$11,465,000 of 2010 School Bonds. As of June 30, 2021, the amount of defeased bonds outstanding is \$11,835,000. The savings from the refunding was \$3,031,632 with a net present value savings of \$2,554,504. The 2020 Refunding School Bonds mature in amounts ranging from \$325,000 to \$755,000 through May 15, 2040.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
2022	\$ 4,780,000	\$ 2,409,470	\$ 7,189,470
2023	3,845,000	2,205,531	6,050,531
2024	3,930,000	2,014,856	5,944,856
2025	3,960,000	1,852,706	5,812,706
2026	4,235,000	1,713,631	5,948,631
2027-2031	22,020,000	6,165,381	28,185,381
2032-2036	19,760,000	2,070,497	21,830,497
2037-2040	2,870,000	218,850	3,088,850
	<u>\$ 65,400,000</u>	<u>\$ 18,650,922</u>	<u>\$ 84,050,922</u>

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Long-Term Liabilities (continued)

B. Lease Purchase Obligations Payable

2015 Agreement

In May 2015, the Board of Education (the Lessee) entered into a lease purchase agreement with the Township of East Brunswick (the Lessor) to finance district-wide building improvements and renovations. Approval was obtained from the Commissioner of Education and the State of New Jersey Local Finance Board. The building is located on land owned by the Board of Education that has been leased to the Township of East Brunswick, pursuant to a ground lease agreement dated May 18, 2015.

Under the lease, the Board made its final payment on August 1, 2020.

2016 Agreement

In August 2016, the Board of Education (the Lessee) entered into a lease purchase agreement with the Township of East Brunswick (the Lessor) to finance district-wide building improvements, technology equipment, classroom furnishings and transportation and maintenance vehicles. In exchange, the Board of Education will permit use of its facilities for and by the Township of East Brunswick as specified in the agreement. Approval was obtained from the Commissioner of Education and the State of New Jersey Local Finance Board.

Under the lease, the Board is required to pay basic rent due on each August 1, which concludes on August 1, 2021. The lease carries an interest rate of 1.35%. The total principal amount of the lease was \$6,200,000.

Future Minimum Lease Payments - Future minimum lease payments for the next year under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2021 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 849,775
Less: Amount representing interest	(9,775)
Present Value of Net Minimum Lease Payments	<u><u>\$ 840,000</u></u>

2017 Agreement

In September 2017, the Board of Education (the Lessee) entered into a lease purchase agreement with the Township of East Brunswick (the Lessor) to finance district-wide building improvements, technology equipment, classroom furnishings and transportation and maintenance vehicles. In exchange, the Board of Education will permit use of its facilities for and by the Township of East Brunswick as specified in the agreement. Approval was obtained

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Long-Term Liabilities (continued)

B. Lease Purchase Obligations Payable (continued)

from the Commissioner of Education and the State of New Jersey Local Finance Board.

Under the lease, the Board is required to pay basic rent due on each October 1, through October 1, 2022. The lease carries an interest rate of 1.20%. The total principal amount of the lease was \$1,100,000.

Future Minimum Lease Payments - Future minimum lease payments for the next two years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2021 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 225,120
2023	220,000
Total Minimum Lease Payments	<u>445,120</u>
Less: Amount representing interest	(5,120)
Present Value of Net Minimum Lease Payments	<u>\$ 440,000</u>

2018 Agreement

In May 2018, the Board of Education (the Lessee) entered into a lease purchase agreement with the Township of East Brunswick (the Lessor) to finance district-wide building improvements, technology equipment, classroom furnishings and transportation and maintenance vehicles. In exchange, the Board of Education will permit use of its facilities for and by the Township of East Brunswick as specified in the agreement. Approval was obtained from the Commissioner of Education and the State of New Jersey Local Finance Board.

Under the lease, the Board is required to pay basic rent due on each July 1, through July 1, 2023. The lease carries an interest rate of 1.35%. The total principal amount of the lease was \$5,800,000.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Long-Term Liabilities (continued)

B. Lease Purchase Obligations Payable (continued)

Future Minimum Lease Payments - Future minimum lease payments for the next three years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2021 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 1,200,497
2023	1,160,000
2024	<u>1,160,000</u>
Total Minimum Lease Payments	3,520,497
Less: Amount representing interest	<u>(40,497)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$ 3,480,000</u></u>

2019 Agreement

In July 2019, the Board of Education (the Lessee) entered into a lease purchase agreement with the Township of East Brunswick (the Lessor) to finance District-wide building improvements, technology equipment, classroom furnishings and transportation and maintenance vehicles. In exchange, the Board of Education will permit use of its facilities for and by the Township of East Brunswick as specified in the agreement. Approval was obtained from the Commissioner of Education and the State of New Jersey Local Finance Board.

Under the lease, the Board is required to pay basic rent due on each July 1, which commences on July 1, 2020 and will conclude on July 1, 2024. The lease carries an interest rate of 1.200%. The total principal amount of the lease was \$14,600,000.

Future Minimum Lease Payments - Future minimum lease payments for the next four years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2021 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 3,055,921
2023	2,920,000
2024	2,920,000
2025	<u>2,920,000</u>
Total Minimum Lease Payments	11,815,921
Less: Amount representing interest	<u>(135,921)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$ 11,680,000</u></u>

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Long-Term Liabilities (continued)

C. Lease Purchase Obligations Payable (continued)

2021 Agreement

In July 2020, the Board of Education (the Lessee) entered into a lease purchase agreement with the Township of East Brunswick (the Lessor) to finance District-wide building improvements, technology equipment, classroom furnishings and transportation and maintenance vehicles. In exchange, the Board of Education will permit use of its facilities for and by the Township of East Brunswick as specified in the agreement. Approval was obtained from the Commissioner of Education and the State of New Jersey Local Finance Board.

Under the lease, the Board is required to pay basic rent due on each July 1, which commences on July 11, 2021 and will conclude on July 11, 2025. The lease carries an interest rate of 1.160%. The total principal amount of the lease was \$3,600,000. The District made an advance payment of the first principal payment due on July 11, 2021 in June 2021, resulting in an interest only payment being due July 11, 2021.

Future Minimum Lease Payments - Future minimum lease payments for the next five years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2021 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 41,894
2023	720,000
2024	720,000
2025	720,000
2026	720,000
Total Minimum Lease Payments	<u>2,921,894</u>
Less: Amount representing interest	<u>(41,894)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$ 2,880,000</u></u>

B. Capital Lease Obligations – Governmental Activities

The District entered into a Capital Lease on August 1, 2015 for transportation equipment in the amount of \$860,000. The final payment was made on August 1, 2020.

The District entered into a Capital Lease on October 28, 2020 for facilities in the amount of \$13,685,000, which is due in annual principal installments and for which final payment is due on April 15, 2025. Interest rate is at 1.350%.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Long-Term Liabilities (continued)

B. Capital Lease Obligations – Governmental Activities (continued)

Future Minimum Lease Payments - Future minimum lease payments for the next four years under the lease purchase agreement along with the present value of the 48 minimum lease payments as of June 30, 2021 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 2,789,040
2023	2,828,400
2024	2,876,748
2025	2,923,948
Total Minimum Lease Payments	11,418,136
Less: Amount representing interest	(378,136)
Present Value of Net Minimum Lease Payments	<u>\$ 11,040,000</u>

7. Pension Plans

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively, with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Pension Plans (continued)

fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

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

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS are 7.5%. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2021, the State of New Jersey contributed \$22,807,468 to the TPAF for post-retirement medical benefits and other pension costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$4,748,954 during the year

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Pension Plans (continued)

ended June 30, 2021 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the government-wide and fund financial statements.

The Board's actuarially determined contributions to PERS for each of the years ended June 30, 2021, 2020 and 2019 was \$2,278,641, \$2,106,941 and \$1,925,028s, respectively, equal to the required contributions for each year.

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Public Employee's Retirement System (PERS)

At June 30, 2021, the District reported a liability of \$31,407,906 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 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 school districts, actuarially determined. At June 30, 2020, the District's proportion was 0.1925992817 percent, which was a decrease of 0.0043007179 from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized full accrual pension expense of \$629,598 in the government-wide financial statements. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Pension Plans (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 571,886	\$ 111,072
Changes of assumptions	1,018,908	13,150,788
Net difference between projected and actual earnings on pension plan investments	1,073,547	
Changes in proportion and differences between District contributions and proportionate share of contributions	601,102	1,201,859
District contributions subsequent to the measurement date	2,278,621	
	\$ 5,544,064	\$ 14,463,719

\$2,278,621 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. The contributions made subsequent to the measurement date will be recognized as a reduction of the collective net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ (4,231,678)
2023	(3,739,695)
2024	(2,081,682)
2025	(941,941)
2026	(203,280)
	\$(11,198,276)

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 included in the measurement:

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Pension Plans (continued)

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

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%

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. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Pension Plans (continued)

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

combined to produce the long-term expected rate of return by weighting the expecting future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	100.00%	

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 on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Pension Plans (continued)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2020 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's proportionate share of the net pension liability associated with the District	\$ 39,537,314	\$ 31,407,906	\$ 24,509,881

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information

Collective balances of the Local Group at June 30, 2020 are as follows:

Deferred outflows of resources	\$ 2,347,583,337
Deferred inflows of resources	\$ 7,849,949,467
Net pension liability	\$ 16,435,616,426
District's Proportion	0.1925992817%

Collective pension expense for the Local Group for the measurement period ended June 30, 2020 is \$407,705,399.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years, respectively.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Pension Plans (continued)

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

Teachers Pensions and Annuity Fund (TPAF) – 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. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2021 was \$394,087,277. The District's proportionate share was \$0.

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 State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State's proportionate share of the TPAF net pension liability associated with the District was 0.5984730122 percent, which was a decrease of 0.0048661712 from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$24,506,025 for contributions incurred by the State.

Actuarial assumptions

The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Pension Plans (continued)

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

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%

Mortality Rates

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

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

Long-Term Expected Rate of Return

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Pension Plans (continued)

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

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	27.00%	7.71%
Non-U.S. developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term 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 plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Pension Plans (continued)

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

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 proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (4.40 percent) or 1-percentage-point higher (6.40 percent) than the current rate:

	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	\$ 462,901,660	\$ 394,087,277	\$ 336,948,482

Pension plan fiduciary net position

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

Additional Information

Collective balances of the Local Group at June 30, 2020 are as follows:

Deferred outflows of resources	\$ 9,589,140,982
Deferred inflows of resources	\$ 14,409,361,877
Net pension liability	\$ 65,848,796,740
State's proportionate share associated with the District	0.5984730122%

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Pension Plans (continued)

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

Collective pension expense-Local Group for the plan for the measurement period ended June 30, 2020 is \$4,114,319,534.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 is 7.99, 8.04, 8.29, 8.30, 8.30, 8.30, and 8.50 years, respectively.

8. Post-Retirement Benefits

Plan description and benefits provided

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for State Health Benefit Local Education Retired Employees 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 paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

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 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

8. Post-Retirement Benefits (continued)

Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In Fiscal Year 2020, the State paid PRM benefits for 143,053 State and local retirees. The total nonemployer OPEB liability does not include certain other postemployment obligations that are provided by the local education employers.

The State's contributions to the Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2021, 2020 and 2019 were \$5,439,422, \$4,957,090 and \$5,495,169 respectively, which equaled the required contributions for each year.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2020, the State contributed \$1.578 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have decreased from Fiscal Year 2019 amounts. Reductions are attributable to various cost savings initiatives implemented by the State, including the new Medicare Advantage contracts. The State has appropriated \$1.775 billion in Fiscal Year 2021 as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2020 total State OPEB liability to provide these benefits is \$65.5 billion, a decrease of \$10.5 billion of 13.8 percent from the \$76.0 billion liability recorded in Fiscal Year 2019.

Total OPEB Liability

The total non-employer (State) OPEB liability from New Jersey's plan is \$67,809,962,608.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

8. Post-Retirement Benefits (continued)

Changes in Total OPEB Liability

Below represents the changes in the State’s portion of the OPEB liability associated with the District for the year ended June 30, 2021:

	<u>Total OPEB Liability</u>
Beginning Total OPEB Liability, June 30, 2019	\$ 244,508,234
Changes for the year:	
Service cost	10,614,067
Interest cost	8,812,335
Difference between expected and actual experience	69,155,918
Changes of assumptions	72,935,796
Member contributions	210,692
Gross benefit payments	<u>(6,951,237)</u>
Net change in total OPEB liability	<u>154,777,571</u>
Ending Total OPEB Liability, June 30, 2020	<u>\$ 399,285,805</u>

Employees covered by benefit terms

The following employees were covered by the benefit terms:

<u>Local Education Group</u>	<u>June 30, 2020</u>
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	<u>-</u>
Total Plan Members	<u><u>366,108</u></u>

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020 and included in the June 30, 2020 audited financial statements of the State Health Benefit Local Education Retired Employees Plan. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial assumptions and other inputs

The total nonemployer OPEB liability in the June 30, 2019 actuarial valuation reported by the State in the State’s most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

8. Post-Retirement Benefits (continued)

	TPAF	PERS
Inflation rate:	2.50%	2.50%
Salary increases:		
Through 2026	1.55 - 4.45%	2.00 - 6.00%
	based on years of service	based on years of service
Thereafter	1.55 - 4.45%	3.00 - 7.00%
	based on years of service	based on years of service

Mortality Rates

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

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

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

8. Post-Retirement Benefits (continued)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

The following represents sensitivity of the Total Nonemployer OPEB liability associated with the District to changes in the discount rate and healthcare cost trend rate

The following presents the non-employer OPEB liability associated with the District as of June 30, 2020 calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current rate:

	At 1% decrease (1.21%)	At current discount rate (2.21%)	At 1% increase (3.21%)
Total OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 481,359,647	\$ 399,285,805	\$ 335,111,965

The following presents the non-employer OPEB liability associated with the District as of June 30, 2020 calculated using the healthcare cost trend rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	At 1% decrease	At Healthcare Cost Trend Rates	At 1% increase
Total OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 322,316,967	\$ 399,285,805	\$ 490,938,584

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

8. Post-Retirement Benefits (continued)

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

For the year ended June 30, 2021, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$7,860,244 for OPEB expenses incurred by the State.

Collective balances of the Education Group at June 30, 2020 are as follows:

Deferred outflows of resources	\$	24,023,298,802
Deferred inflows of resources	\$	19,101,933,244
Collective OPEB Expense	\$	3,337,755,596

District's Proportion	0.59%
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Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State, therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey.

9. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. As a result of the impact of COVID-19, the District has received funding under the Elementary and Secondary School Emergency Relief (ESSER) Fund and the Coronavirus Relief Fund (CRF). To the extent that the District has not complied with the rules and regulations governing the ESSER and CRF funds, money may be required to be returned. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

The District is also involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Board.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

10. Deferred Compensation Plans

The District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Sections 401(a), 403(b) and 457(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plans, all property and rights purchased with the amounts and all income attributable to these amounts are held in trust for the exclusive benefit of participating employees and their beneficiaries.

The plan administrators are as follows:

- A.I.G. Met Life Investment
- Franklin Templeton Group
- American Fund (Capital Guardian)
- Equitable
- ING

11. Risk Management

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

Property and Liability Insurance: The District maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverage over the past three years.

New Jersey Unemployment Compensation Insurance: The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The District's withholdings are recorded in the Unemployment Compensation Reserve in the general fund. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's trust fund for the current and previous two years:

Fiscal Year	Beginning Balance	Board Contribution	Federal Contribution	Employee Contribution	Interest	Deductions	Ending Balance
2020-2021	\$ 795,788	\$ 151,881		\$ 144,476	\$ 238	\$ 654,053	\$ 438,330
2019-2020	799,040	16,505	\$ 86,669	152,235	13,663	272,324	795,788
2018-2019	753,208	18,113		149,484	8,513	130,278	799,040

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

11. Risk Management (continued)

Self-Insurance: The District is self-insured for medical, prescription and dental benefits and has established an internal service fund to account for its self-insurance activities. At June 30, 2021, the accrued liability for unpaid medical, prescription and dental claims of \$1,881,000 has been recorded in the internal service fund financial statements for Incurred But Not Reported Claims (IBNR), which is subject to modification and/or assessment of existing or additional claims. The medical, prescription and dental benefits IBNR liability has been calculated by an actuary contracted by the District’s claims administrator. The actuary utilized a 10% margin to estimate the liabilities. The change in the IBNR for the year ended June 30, 2021 is as follows:

Fiscal Year	Beginning Balance	Current Year Claims and Estimates	Claim Payments	Ending Balance
2020-2021	\$ 1,604,000	\$ 26,279,818	\$ 26,002,818	\$ 1,881,000
2019-2020	1,479,000	24,643,011	24,518,011	1,604,000
2018-2019	1,188,000	22,093,647	21,802,647	1,479,000

12. Economic Dependency

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

13. Transfers to Capital Outlay

During the year ending June 30, 2021, the District transferred \$6,609,057 to the capital outlay accounts. The transfers were made from the capital reserve account to supplement capital projects certified in the budget for taxes pursuant to N.J.A.C. 6A:23A-8.4.

14. Transfers – Reconciliation

The following represents a reconciliation of transfers made during the 2021 fiscal year:

	<u>In</u>	<u>Out</u>
General Fund	\$ 89,635	
Capital Projects Fund		\$ 89,635
	<u>\$ 89,635</u>	<u>\$ 89,635</u>

The transfer from the capital projects fund to the general fund represents a transfer of interest earned in the capital projects fund on the Energy Savings Improvement Program bond proceeds.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

15. Restricted Assets

Funds held by a fiscal agent in the internal service fund are held by the District's insurance advisor for payment of future claims are classified as restricted assets.

16. Net Position - Net Investment in Capital Assets

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$162,985,803 indicated as part of the Governmental Activities net position is calculated as follows:

Capital assets, net of depreciation	\$ 244,385,153
Bonds payable (used to build or acquire capital assets)	(65,400,000)
Unused ESIP refunding bond proceeds	76,601
Deferred loss on refunding of debt	4,413,381
Unamortized deferred premium	(5,746,031)
Lease purchase obligations	(19,320,000)
Capital lease obligations	(11,040,000)
Designated for subsequent years expenditures - Special Revenue Fund (unused capital lease proceeds)	<u>15,616,699</u>
Total net investment in capital assets	<u>\$ 162,985,803</u>

17. Commitments

The District has contractual commitments at June 30, 2021 to various vendors, which are recorded in the General Fund as fund balance assigned to other purposes in the amount of \$2,122,154 and in the Capital Projects Fund as restricted for capital projects in the amount of \$73,939.

During the 2021 fiscal year, the New Jersey Department of Labor has been delayed in issuing bills to New Jersey governmental units and as such the District has not been billed for any quarters during the fiscal year. Unemployment claims for the fiscal year cannot be estimated, however, it is expected that the Federal Government, through the CARES act will reimburse the State of New Jersey between 50 and 75 percent of all claims incurred. Since the District has not received a bill related to fiscal year 2021, and the amounts due are not known, no provision has been made in the District's financial statements for any liability.

18. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. However, the county or municipality in which the school district is situated may have entered into

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

18. Tax Abatements (continued)

tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

The Township of East Brunswick recognized revenue of \$2,436,373 from the annual service charge in lieu of payment of taxes in 2020 and taxes in 2020 that otherwise would have been due on these long-term tax exemptions amounted to \$4,221,609 , based upon the assessed valuations of the long-term tax exemptions properties. A portion of the \$1,785,236 abatement would have been allocated to the District.

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

19. Liquidity, Management Plans and Intentions

Due to the COVID-19 Pandemic, the District closed its schools on March 16, 2020 and continued to provide online instruction to its students through the end of the school year. The Pandemic did not have a significant impact on the financial statements of the District for the year ended June 30, 2021. Management has taken steps to reduce certain expenses related to operating the District and also plans to utilize existing funds to balance its budget for the 2021-22 fiscal year, if needed. Management believes that the unassigned fund balance available as of June 30, 2021 and the anticipated revenues from state aid, taxes and other revenues will be sufficient to meet the District's financial needs for one year from the date of the issuance of this report.

20. Change in Accounting Principle / Retroactive Adjustments

Effective in the fiscal year ended June 30, 2021, the District implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. As part of this implementation, the activity in the Unemployment Compensation Insurance Trust fund, which had previously been

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

20. Change in Accounting Principle / Retroactive Adjustments (continued)

reported in the Fiduciary Funds is now reported in the General fund. In addition, the Student Activities activity is now reported in the Special Revenue Fund. The implementation of the Statement required a retroactive adjustments of prior year net position in the government-wide statement of activities and fund balance in the general fund and special revenue fund statement of revenues, expenditures and changes in fund balance.

Government-wide financial statements:

Beginning Net Position - July 1, 2020	<u>\$ 131,842,308</u>
Retroactive Adjustments for:	
Reserve for Unemployment Compensation	795,788
Reserve for Student Activities	<u>579,759</u>
	1,375,547
Beginning Net Position - July 1, 2020 (as adjusted)	<u>\$ 133,217,855</u>

Governmental Fund financial statements:

Beginning Fund Balance - July 1, 2020	<u>\$ 29,522,049</u>
Retroactive Adjustments for:	
Reserve for Unemployment Compensation	795,788
Reserve for Student Activities	<u>579,759</u>
	1,375,547
Beginning Fund Balance - July 1, 2020 (as adjusted)	<u>\$ 30,897,596</u>

Required Supplementary Information
Part II

East Brunswick Public Schools
Schedule of District's Proportionate Share of the Net Pension Liability
Public Employee's Retirement System
Required Supplementary Information

Last Ten Fiscal Years

	Year Ended June 30,				
	2012	2013	2014	2015	2016
Measurement date	N/A	N/A	6/30/2013	6/30/2014	6/30/2015
District's proportion of the net pension liability (asset) - Local Group	N/A	N/A	0.1930621676%	0.1931581586%	0.2001424156%
District's proportionate share of the net pension liability (asset)	N/A	N/A	\$ 36,898,016	\$ 36,164,490	\$ 44,927,962
District's covered payroll	\$ 13,907,475	\$ 13,261,244	\$ 13,047,120	\$ 13,447,670	\$ 13,368,140
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	N/A	N/A	282.81%	268.93%	336.08%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	N/A	N/A	48.72%	52.08%	47.93%

N/A - Information not available

East Brunswick Public Schools
 Schedule of District's Proportionate Share of the Net Pension Liability
 Public Employee's Retirement System
 Required Supplementary Information

Last Ten Fiscal Years

	Year Ended June 30,				
	2017	2018	2019	2020	2021
Measurement date	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
District's proportion of the net pension liability (asset) - Local Group	0.1977688257%	0.1940609018%	0.1925928900%	0.1968999996%	0.1925992817%
District's proportionate share of the net pension liability (asset)	\$ 58,573,454	\$ 45,174,276	\$ 37,920,580	\$ 35,478,393	\$ 31,407,906
District's covered payroll	\$ 13,252,553	\$ 13,301,469	\$ 13,711,055	\$ 13,282,994	\$ 14,092,514
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	441.98%	339.62%	276.57%	267.10%	222.87%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	40.14%	48.10%	53.60%	56.27%	58.32%

N/A - Information not available

East Brunswick Public Schools
 Schedule of District Contributions
 Public Employee's Retirement System
 Required Supplementary Information

Last Ten Fiscal Years

	Year Ended June 30,				
	2012	2013	2014	2015	2016
Contractually required contribution	\$ 1,514,573	\$ 1,589,566	\$ 1,454,684	\$ 1,590,486	\$ 1,720,688
Contributions in relation to the contractually required contribution	(1,514,573)	(1,589,566)	(1,454,684)	(1,590,486)	(1,720,688)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 13,261,244	\$ 13,047,120	\$ 13,447,670	\$ 13,368,140	\$ 13,252,553
Contributions as a percentage of covered payroll	11.42%	12.18%	10.82%	11.90%	12.98%

East Brunswick Public Schools
 Schedule of District Contributions
 Public Employee's Retirement System
 Required Supplementary Information

Last Ten Fiscal Years

	Year Ended June 30,				
	2017	2018	2019	2020	2021
Contractually required contribution	\$ 1,756,950	\$ 1,797,767	\$ 1,925,028	\$ 2,106,941	\$ 2,278,641
Contributions in relation to the contractually required contribution	(1,756,950)	(1,797,767)	(1,925,028)	(2,106,941)	(2,278,641)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 13,301,469	\$ 13,711,055	\$ 13,282,994	\$ 14,092,514	\$ 13,867,408
Contributions as a percentage of covered payroll	13.21%	13.11%	14.49%	14.95%	16.43%

East Brunswick Public Schools
 Schedule of the State's Proportionate Share of the Net Pension Liability Associated With the District
 Teachers' Pension and Annuity Fund
 Required Supplementary Information
 Last Ten Fiscal Years*

	Year Ended June 30,						
	2015	2016	2017	2018	2019	2020	2021
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.5894999659%	0.5738312934%	0.6048806937%	0.6044813962%	0.6031536811%	0.6033391834%	0.5984730122%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 315,068,546	\$ 362,685,882	\$ 475,837,667	\$ 407,563,154	\$ 383,713,416	\$ 370,274,952	\$ 394,087,277
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 315,068,546</u>	<u>\$ 362,685,882</u>	<u>\$ 475,837,667</u>	<u>\$ 407,563,154</u>	<u>\$ 383,713,416</u>	<u>\$ 370,274,952</u>	<u>\$ 394,087,277</u>
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%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Covered payroll information is not presented since the Teachers' Pension and Annuity Fund is a special funding situation in which the District does not make contributions to this plan.

East Brunswick Public Schools
 Schedule of the State's Proportionate Share of the Net OPEB Liability Associated With the District
 and Changes in the Total OPEB Liability and Related Ratios
 Public Employee's Retirement System and Teachers' Pension and Annuity Fund
 Required Supplementary Information

Last Ten Fiscal Years*

	Year Ended June 30,				
	2017	2018	2019	2020	2021
State's proportion of the net OPEB liability (asset) associated with the District	0.59%	0.59%	0.59%	0.59%	0.59%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 341,602,391	\$ 316,476,368	\$ 271,308,212	\$ 244,508,234	\$ 399,285,805
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 341,602,391</u>	<u>\$ 316,476,368</u>	<u>\$ 271,308,212</u>	<u>\$ 244,508,234</u>	<u>\$ 399,285,805</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Total OPEB Liability	<u>2017**</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Changes for the year:					
Service cost		\$ 13,993,198	\$ 11,568,347	\$ 10,215,878	\$ 10,614,067
Interest cost		10,034,571	11,619,732	10,755,390	8,812,335
Difference between expected and actual experience		-	(31,218,308)	(44,133,699)	69,155,918
Changes of assumptions		(42,093,447)	(30,133,975)	3,645,638	72,935,796
Member contributions		269,919	250,733	222,489	210,692
Gross benefit payments		(7,330,264)	(7,254,685)	(7,505,674)	(6,951,237)
Net change in total OPEB liability		<u>(25,126,023)</u>	<u>(45,168,156)</u>	<u>(26,799,978)</u>	<u>154,777,571</u>
Total OPEB liability - beginning		<u>341,602,391</u>	<u>316,476,368</u>	<u>271,308,212</u>	<u>244,508,234</u>
Total OPEB liability - ending		<u>\$ 316,476,368</u>	<u>\$ 271,308,212</u>	<u>\$ 244,508,234</u>	<u>\$ 399,285,805</u>
Covered-employee payroll		<u>\$ 76,607,296</u>	<u>\$ 77,683,234</u>	<u>\$ 77,951,256</u>	<u>\$ 80,713,138</u>
Total OPEB liability as a percentage of covered-employee payroll		<u>413.12%</u>	<u>349.25%</u>	<u>313.67%</u>	<u>494.70%</u>

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District should present information for those years for which information is available.

** information not available.

East Brunswick Public Schools
Notes to Required Supplementary Information
Year ended June 30, 2021

PUBLIC EMPLOYEES' RETIREMENT SYSTEM – PENSION

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 6.28% as of June 30, 2019 to 6.00% as of June 30, 2020.

TEACHERS PENSION AND ANNUITY FUND - PENSION

Benefit Changes

There were none.

Changes of Assumptions

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

OTHER POST-RETIREMENT BENEFIT PLAN - PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AND TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

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

Required Supplementary Information
Part III

Budgetary Comparison

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 132,406,131		\$ 132,406,131	\$ 132,406,131	
Tuition (from individuals)	75,000		75,000	71,482	\$ (3,518)
Tuition (other LEAS)	600,000		600,000	1,010,877	410,877
Investment income	500,000		500,000	12,496	(487,504)
Interest earned on capital reserve				1,688	1,688
Miscellaneous	410,000		410,000	596,622	186,622
Total - local sources	133,991,131		133,991,131	134,099,296	108,165
State sources:					
Extraordinary aid	750,000		750,000	2,634,106	1,884,106
Special education categorical aid	5,355,986		5,355,986	5,355,986	
Equalization aid	15,216,463	\$ (1,655,415)	13,561,048	13,561,048	
Security aid	176,418		176,418	176,418	
Transportation aid	1,491,445		1,491,445	1,491,445	
Additional Non-public school transportation aid				37,990	37,990
On-Behalf TPAF - Pension Contribution (non-budgeted)				17,357,027	17,357,027
On-Behalf TPAF - Post-Retirement Medical (non-budgeted)				5,439,422	5,439,422
On-Behalf TPAF - Long-Term Disability Insurance (non-budgeted)				11,019	11,019
Reimbursed TPAF social security contributions (non-budgeted)				4,748,954	4,748,954
Total - state sources	22,990,312	(1,655,415)	21,334,897	50,813,415	29,478,518
Federal sources:					
Medical assistance	147,872		147,872	147,369	(503)
Total - federal sources	147,872		147,872	147,369	(503)
Total revenues	157,129,315	(1,655,415)	155,473,900	185,060,080	29,586,180
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Preschool	446,099	(7,646)	438,453	438,452	1
Kindergarten	2,327,755	(44,480)	2,283,275	2,283,275	
Grades 1-5	14,696,756	(89,926)	14,606,830	13,915,599	691,231
Grades 6-8	10,883,445	(59,051)	10,824,394	10,737,781	86,613
Grades 9-12	15,676,979	(7,952)	15,669,027	15,507,205	161,822
Home instruction - regular programs:					
Salaries of teachers	27,716		27,716	1,253	26,463
Purchased professional-educational services	38,000	(605)	37,395	21,737	15,658
Undistributed instruction - regular programs:					
Other salaries for instruction		94,964	94,964	94,964	
Purchased professional-educational services	184,800	723,931	908,731	415,223	493,508
Purchased technical services	87,240	5,672	92,912	92,386	526
Other purchased services	613,995	64,086	678,081	518,799	159,282
General supplies	2,272,383	(86,595)	2,185,788	1,505,896	679,892
Textbooks	93,770	18,706	112,476	108,831	3,645
Other objects	6,970	(794)	6,176	1,874	4,302
Total instruction - regular programs	47,355,908	610,310	47,966,218	45,643,275	2,322,943

East Brunswick Public Schools
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures (continued)					
Current expenditures					
Special education:					
Learning and/or language disabilities:					
Salaries of teachers	\$ 655,237	\$ 7,370	\$ 662,607	\$ 662,607	
Other salaries for instruction	405,263	23,695	428,958	428,958	
Purchased professional - educational services		4,012	4,012	4,012	
Other purchased services	50		50		\$ 50
General supplies	1,600		1,600	1,580	20
Total learning and/or language disabilities	1,062,150	35,077	1,097,227	1,097,157	70
Behavioral disabilities:					
Salaries of teachers	220,600	20,577	241,177	241,177	
Other salaries for instruction	256,061	(56,224)	199,837	199,837	
Purchased professional - educational services		6,924	6,924	6,924	
General supplies	4,300		4,300	1,585	2,715
Total behavioral disabilities	480,961	(28,723)	452,238	449,523	2,715
Multiple disabilities:					
Salaries of teachers	494,992	(19,463)	475,529	428,838	46,691
Other salaries for instruction	187,571	(31,437)	156,134	156,134	
Purchased professional - educational services		900	900	896	4
Other purchased services	200		200		200
General supplies	5,750		5,750	3,783	1,967
Total multiple disabilities	688,513	(50,000)	638,513	589,651	48,862
Resource room/center:					
Salaries of teachers	8,403,676	(8,298)	8,395,378	7,857,357	538,021
Other salaries for instruction	497,489	(25,000)	472,489	441,312	31,177
Purchased professional - educational services		48,064	48,064	48,064	
Other purchased services	1,000		1,000		1,000
General supplies	22,400	620	23,020	16,417	6,603
Textbooks	1,800		1,800		1,800
Total resource room/center	8,926,365	15,386	8,941,751	8,363,150	578,601
Autism:					
Salaries of teachers	853,938		853,938	844,754	9,184
Other salaries for instruction	552,787	(130,000)	422,787	417,986	4,801
Purchased professional - educational services		13,602	13,602	13,602	
Other purchased services	200		200		200
General supplies	14,220	805	15,025	5,828	9,197
Total autism	1,421,145	(115,593)	1,305,552	1,282,170	23,382
Preschool disabilities - part time:					
Salaries of teachers	78,198	(9,479)	68,719	68,719	
Other salaries for instruction	96,042	(92,950)	3,092	3,092	
Purchased professional - educational services		128	128	128	
General supplies	385		385	240	145
Total preschool disabilities - part time	174,625	(102,301)	72,324	72,179	145

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures (continued)					
Current expenditures (continued):					
Special education (continued):					
Preschool disabilities - full time:					
Salaries of teachers	\$ 239,028	\$ 30,345	\$ 269,373	\$ 269,373	
Other salaries for instruction	241,349	(7,284)	234,065	234,065	
Purchased professional - educational services		8,416	8,416	8,416	
General supplies	1,420	300	1,720	840	\$ 880
Total preschool disabilities - full time	<u>481,797</u>	<u>31,777</u>	<u>513,574</u>	<u>512,694</u>	<u>880</u>
Home instruction - special education:					
Salaries of teachers	10,935	(400)	10,535	1,598	8,937
Purchased professional - educational services	75,000	4,898	79,898	43,898	36,000
Total home instruction - special education	<u>85,935</u>	<u>4,498</u>	<u>90,433</u>	<u>45,496</u>	<u>44,937</u>
Total special education	<u>13,321,491</u>	<u>(209,879)</u>	<u>13,111,612</u>	<u>12,412,020</u>	<u>699,592</u>
Basic skills/remedial - instruction:					
Salaries of teachers	2,365,100		2,365,100	2,224,292	140,808
Purchased professional - educational services	52,500	4,925	57,425	57,125	300
Other purchased services	100		100	100	
Purchased technical services	5,400	(5,400)			
General supplies	9,100		9,100	5,698	3,402
Total basic skills/remedial - instruction	<u>2,432,200</u>	<u>(475)</u>	<u>2,431,725</u>	<u>2,287,115</u>	<u>144,610</u>
Bilingual education - instruction:					
Salaries of teachers	827,855	(1,200)	826,655	819,605	7,050
Other purchased services	300		300	300	
Purchased professional - educational services		2,048	2,048	2,048	
General supplies	5,359		5,359	4,422	937
Total bilingual education - instruction	<u>833,514</u>	<u>848</u>	<u>834,362</u>	<u>826,075</u>	<u>8,287</u>
School - sponsored cocurricular activities:					
Salaries	342,416	(4,431)	337,985	337,985	
Purchased services	56,255		56,255	15,326	40,929
Supplies and materials	7,480		7,480	6,331	1,149
Other objects	5,500		5,500	1,291	4,209
Total school-sponsored cocurricular activities	<u>411,651</u>	<u>(4,431)</u>	<u>407,220</u>	<u>360,933</u>	<u>46,287</u>
School - sponsored athletics - instruction:					
Salaries	736,077		736,077	686,188	49,889
Purchased services	65,818	(7,772)	58,046	55,718	2,328
Supplies and materials	61,935	3,918	65,853	50,545	15,308
Other objects	5,000	(1,000)	4,000	4,000	
Transfers to cover deficit (agency funds)	67,083	(5,886)	61,197	55,521	5,676
Total school - sponsored athletics - instruction	<u>935,913</u>	<u>(10,740)</u>	<u>925,173</u>	<u>851,972</u>	<u>73,201</u>

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures (continued)					
Current expenditures (continued):					
Alternative Education:					
Salaries of teachers	\$ 203,040		\$ 203,040	\$ 132,666	\$ 70,374
Salaries	58,406		58,406		58,406
Total alternative education	<u>261,446</u>		<u>261,446</u>	<u>132,666</u>	<u>128,780</u>
Total instruction	65,552,123	\$ 385,633	65,937,756	62,514,056	3,423,700
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs w/in the state - regular	37,309		37,309	8,166	29,143
Tuition to other LEAs w/in the state - special	1,696,388		1,696,388	1,237,169	459,219
Tuition to CSSD and regional day schools	12,096		12,096	906	11,190
Tuition to private schools disabled - within state	1,018,662		1,018,662	986,415	32,247
Tuition - other	48,872	52,944	101,816	101,816	
Total instruction	<u>2,813,327</u>	<u>52,944</u>	<u>2,866,271</u>	<u>2,334,472</u>	<u>531,799</u>
Attendance and social work services:					
Salaries	279,959	11,797	291,756	291,756	
Other purchased services	8,552		8,552	4,958	3,594
Supplies and materials	550		550	172	378
Total attendance and social work services	<u>289,061</u>	<u>11,797</u>	<u>300,858</u>	<u>296,886</u>	<u>3,972</u>
Health services:					
Salaries	1,061,943	(47,720)	1,014,223	1,014,218	5
Purchased professional and technical services	474,996	(302,023)	172,973	140,263	32,710
Other purchased services	6,102	(707)	5,395	2,409	2,986
Supplies and materials	27,379	267,927	295,306	293,858	1,448
Total health services	<u>1,570,420</u>	<u>(82,523)</u>	<u>1,487,897</u>	<u>1,450,748</u>	<u>37,149</u>
Other support services - students - speech, OT, PT and related services:					
Salaries	1,505,169		1,505,169	1,383,145	122,024
Purchased professional - educational services	934,000	212,353	1,146,353	1,146,353	
Supplies and materials	11,090	(37)	11,053	9,292	1,761
Total other support services - students - speech, OT, PT and related services	<u>2,450,259</u>	<u>212,316</u>	<u>2,662,575</u>	<u>2,538,790</u>	<u>123,785</u>
Other support services - students - extraordinary:					
Salaries	1,794,588	(5,893)	1,788,695	1,594,374	194,321
Purchased professional - educational services	1,282,797	(33,210)	1,249,587	657,548	592,039
Supplies and materials	18,500	598	19,098	10,964	8,134
Other objects	1,000		1,000		1,000
Total other support services - students - extraordinary	<u>3,096,885</u>	<u>(38,505)</u>	<u>3,058,380</u>	<u>2,262,886</u>	<u>795,494</u>

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Guidance:					
Salaries of other professional staff	\$ 3,426,063	\$ (46,860)	\$ 3,379,203	\$ 3,264,854	\$ 114,349
Salaries of secretarial and clerical assistants	263,203	(8,140)	255,063	255,063	
Unused vacation payments to					
terminated/retired staff - normal retirements		31,323	31,323	31,323	
Purchased professional - educational services		5,760	5,760	5,760	
Other purchased professional and technical services	121,166	(6,090)	115,076	79,366	35,710
Other purchased services	14,994		14,994	4,675	10,319
Supplies and materials	20,589	(2,300)	18,289	10,206	8,083
Other objects	1,000		1,000	430	570
Total guidance	3,847,015	(26,307)	3,820,708	3,651,677	169,031
Child study teams:					
Salaries of other professional staff	2,393,854		2,393,854	2,302,565	91,289
Salaries of secretarial and clerical assistants	301,066	(4,023)	297,043	297,043	
Unused vacation payments to					
terminated/retired staff - normal retirements		264	264	264	
Purchased professional - educational services	85,000	16,491	101,491	98,891	2,600
Other purchased professional and technical services	20,133	403	20,536	20,536	
Other purchased services	12,850		12,850	5,501	7,349
Supplies and materials	19,250	1,427	20,677	19,779	898
Total child study teams	2,832,153	14,562	2,846,715	2,744,579	102,136
Improvement of instructional services:					
Salaries of supervisors of instruction	1,774,961	(28,062)	1,746,899	1,656,973	89,926
Salaries of other professional staff	353,413	(2,562)	350,851	350,851	
Salaries of secretarial and clerical assistants	379,965	(71,562)	308,403	308,403	
Other salaries	68,775	6,674	75,449	75,449	
Salaries of Facilitators, Math & Literacy coaches	310,129	(66,033)	244,096	244,096	
Unused vacation payments to					
terminated/retired staff - normal retirements		18,248	18,248	18,248	
Other purchased professional and technical services	67,566	(11,856)	55,710	45,020	10,690
Other purchased services	54,928		54,928	12,065	42,863
Supplies and materials	25,230	8,647	33,877	28,082	5,795
Other objects	14,572	5	14,577	13,709	868
Total improvement of instructional services	3,049,539	(146,501)	2,903,038	2,752,896	150,142
Educational media services/school library:					
Salaries	1,079,325	(131,800)	947,525	944,332	3,193
Other purchased professional and technical services	39,163	1,800	40,963	39,794	1,169
Other purchased services	4,745		4,745	2,016	2,729
Supplies and materials	146,519	1,690	148,209	128,769	19,440
Other objects	175		175	175	
Total educational media services / school library	1,269,927	(128,310)	1,141,617	1,114,911	26,706
Instructional staff training services:					
Salaries of other professional staff	159,520	93,913	253,433	253,433	
Purchased professional - educational services	25,000	42,068	67,068	67,068	
Unused vacation payments to					
terminated/retired staff - normal retirements		28,954	28,954	28,954	
Other purchased services	22,475		22,475	9,922	12,553
Supplies and materials	11,000	(68)	10,932	9,252	1,680
Total instructional staff training services	217,995	164,867	382,862	368,629	14,233

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Support services-general administration:					
Salaries	\$ 619,188	\$ 28,601	\$ 647,789	\$ 647,789	
Unused vacation payments to terminated/retired staff - normal retirements		29,914	29,914	29,914	
Legal services	400,625	(77,069)	323,556	306,206	\$ 17,350
Audit fees	75,000	70,000	145,000	84,000	61,000
Other purchased professional services	21,000	29,681	50,681	50,681	
Purchased technical services	17,307	(125)	17,182	17,085	97
Communications/telephone	310,720	4,657	315,377	306,183	9,194
BOE other purchased services	10,500		10,500	448	10,052
Miscellaneous purchased services	402,158	(5,306)	396,852	352,246	44,606
General supplies	14,475	1,375	15,850	3,984	11,866
BOE in-house training/meeting supplies	1,500		1,500	879	621
Miscellaneous expenditures	17,548		17,548	3,950	13,598
BOE membership dues/fees	36,345		36,345	34,498	1,847
Total support services-general administration	1,926,366	81,728	2,008,094	1,837,863	170,231
Support services-school administration:					
Salaries of principals / assistant principals	2,891,168	1,888	2,893,056	2,893,056	
Salaries of other professional staff	680,955	(68,952)	612,003	575,699	36,304
Salaries of secretarial and clerical assistants	1,510,841	(92,248)	1,418,593	1,418,593	
Unused vacation payments to terminated/retired staff - normal retirements		103,113	103,113	103,113	
Purchased professional and technical services	1,750	6,328	8,078	6,278	1,800
Other purchased services	84,774	37,798	122,572	73,354	49,218
Supplies and materials	41,352	10,016	51,368	41,296	10,072
Other objects	24,950	(2,600)	22,350	19,295	3,055
Total support services-school administration	5,235,790	(4,657)	5,231,133	5,130,684	100,449
Central services:					
Salaries	2,011,466		2,011,466	1,948,329	63,137
Purchased professional services	96,699	(16,879)	79,820	44,344	35,476
Purchased technical services	47,000	25,767	72,767	66,467	6,300
Miscellaneous purchased services	60,315	(1,069)	59,246	41,802	17,444
Supplies and materials	22,707	4,065	26,772	19,247	7,525
Interest on lease purchase agreements	285,657	81,885	367,542	348,053	19,489
Miscellaneous expenditures	7,895		7,895	7,487	408
Total central services	2,531,739	93,769	2,625,508	2,475,729	149,779
Administrative information technology:					
Salaries	1,695,151	(12,686)	1,682,465	1,682,465	
Purchased technical services	554,522	225	554,747	536,595	18,152
Other purchased services	37,035	9,380	46,415	36,660	9,755
Supplies and materials	352,267	(206,064)	146,203	55,062	91,141
Other objects	500		500	200	300
Total administrative information technology	2,639,475	(209,145)	2,430,330	2,310,982	119,348
Required maintenance for school facilities:					
Salaries	1,390,099	(75,000)	1,315,099	1,218,918	96,181
Unused vacation payments to terminated/retired staff - normal retirements		3,303	3,303	3,303	
Cleaning, repair and maintenance services	476,139	294,576	770,715	532,235	238,480
General supplies	427,595	8,916	436,511	419,018	17,493
Other objects	193,372	51,055	244,427	242,427	2,000
Total required maintenance for school facilities	2,487,205	282,850	2,770,055	2,415,901	354,154

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Custodial services:					
Salaries	\$ 1,481,229	\$ (69,246)	\$ 1,411,983	\$ 1,411,983	
Salaries of non-instructional aides	592,288	(112,602)	479,686	452,193	\$ 27,493
Unused vacation payments to terminated/retired staff - normal retirements		4,986	4,986	4,986	
Purchased professional and technical services	69,554	98,955	168,509	168,503	6
Cleaning, repair and maintenance services	3,849,023	15,212	3,864,235	3,862,629	1,606
Other purchased property services	74,000		74,000	71,057	2,943
Insurance	699,912	(46,308)	653,604	611,662	41,942
Miscellaneous purchased services	15,250	2,359	17,609	17,359	250
General supplies	234,698	85,304	320,002	310,150	9,852
Energy (electricity)	1,497,404		1,497,404	1,407,488	89,916
Energy (natural gas)	874,167		874,167	464,652	409,515
Other objects	10,800	(3,796)	7,004	7,004	
Interest ESIP Bonds	362,375		362,375	362,375	
Principal ESIP Bonds	355,000		355,000	355,000	
Total custodial services	10,115,700	(25,136)	10,090,564	9,507,041	583,523
Care and upkeep of grounds:					
Salaries	131,567	1,828	133,395	133,395	
Cleaning, repair and maintenance services	750,807	264,016	1,014,823	771,862	242,961
General supplies	111,283	(44,248)	67,035	53,991	13,044
Other objects	64,534		64,534	63,684	850
Total care and upkeep of grounds	1,058,191	221,596	1,279,787	1,022,932	256,855
Security:					
Salaries	2,602,884		2,602,884	2,242,124	360,760
Purchased professional and technical services	132,425	122,575	255,000	167,802	87,198
Cleaning, Repair, and Maintenance Services	216,435	(161,291)	55,144	45,233	9,911
General supplies	70,976	(1,200)	69,776	17,004	52,772
Other objects	108,478		108,478	102,318	6,160
Total security	3,131,198	(39,916)	3,091,282	2,574,481	516,801
Student transportation services:					
Salaries - Non-instructional Aides	157,055		157,055	117,901	39,154
Salaries for pupil transportation:					
Between home and school - regular	1,984,598		1,984,598	1,766,916	217,682
Other Purchased professional and technical services	27,230	2,248	29,478	19,923	9,555
Cleaning, Repair, and Maintenance Services	422,936	(136,646)	286,290	196,272	90,018
Lease Purchase Payments - School Buses	684,139	135,453	819,592	819,592	
Contracted services:					
Aid in lieu of payments-Nonpublic students	180,000		180,000	73,050	106,950
Vendors - between home and school	1,956,673	379,050	2,335,723	2,335,723	
Vendors - other than between home and school	495,402	39,501	534,903	100,950	433,953
Vendors - Special Ed	1,478,454	218,227	1,696,681	1,696,681	
ESCs & CTSAs - Special Ed	3,065,167	(593,465)	2,471,702	1,258,772	1,212,930
Miscellaneous purchased services - transportation	83,669		83,669	82,104	1,565
General supplies	1,000	15,756	16,756	16,645	111
Transportation Supplies	228,390	(813)	227,577	75,365	152,212
Other objects	2,675	175	2,850	2,500	350
Total student transportation services	10,767,388	59,486	10,826,874	8,562,394	2,264,480

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Unallocated benefits:					
Social security contributions	\$ 1,959,160	\$ (101,228)	\$ 1,857,932	\$ 1,792,769	\$ 65,163
Other retirement contributions - PERS	2,274,867		2,274,867	2,219,140	55,727
Unemployment compensation insurance	70,000	509,576	579,576	509,576	70,000
Worker's compensation	768,409	11,797	780,206	756,031	24,175
Health benefits	22,207,257	(171,162)	22,036,095	21,436,284	599,811
Tuition reimbursement	205,500	1,650	207,150	112,602	94,548
Other employee benefits	456,585	(419,739)	36,846	30,550	6,296
Unused sick payments to terminated/retired staff - normal retirements		279,650	279,650	279,650	
Total unallocated benefits	27,941,778	110,544	28,052,322	27,136,602	915,720
On-behalf payments:					
TPAF - Pension Contribution (non-budgeted)				17,357,027	(17,357,027)
TPAF - Post-Retirement Medical (non-budgeted)				5,439,422	(5,439,422)
TPAF - Long-Term Disability Insurance (non-budgeted)				11,019	(11,019)
Reimbursed TPAF social security contributions (non-budgeted)				4,748,954	(4,748,954)
Total on-behalf payments				27,556,422	(27,556,422)
Total undistributed expenditures	89,271,411	605,459	89,876,870	110,047,505	(20,170,635)
Total current expenditures	154,823,534	991,092	155,814,626	172,561,561	(16,746,935)
Capital outlay:					
Equipment:					
Regular programs - instruction:					
Grades 9-12	10,928		10,928	5,849	5,079
Undistributed instruction:					
Attend/Social Work/Health Guidance		70,400	70,400	70,400	
General administration		2,287	2,287	2,287	
Central services		2,676	2,676	2,676	
Administration information technology		166,354	166,354	166,354	
Required maintenance for school facilities		2,155	2,155	2,155	
Security		25,996	25,996	25,996	
Non-instructional equipment	28,918		28,918		28,918
Total equipment	39,846	269,868	309,714	275,717	33,997
Facilities acquisition and construction services:					
Salaries	13,784		13,784	13,684	100
Architectural/engineering services	90,000	1,612,792	1,702,792	425,779	1,277,013
Other purchased professional and technical services		136,102	136,102	104,793	31,309
Construction services	110,000	1,111,437	1,221,437	1,041,451	179,986
Supplies and materials	60,000		60,000		60,000
Lease purchase agreements - principal	5,737,592	2,645,000	8,382,592	8,382,592	
Assessment for Debt Service on SDA Funding	347,538		347,538	347,538	
Total facilities acquisition and construction services	6,358,914	5,505,331	11,864,245	10,315,837	1,548,408
Total expenditures - capital outlay	6,398,760	5,775,199	12,173,959	10,591,554	1,582,405
Special schools:					
Summer school - instruction:					
Salaries of teachers	48,774		48,774	28,517	20,257
Other salaries for instruction	13,869		13,869		13,869
Total summer school - instruction	62,643		62,643	28,517	34,126
Total special schools	62,643		62,643	28,517	34,126
Charter schools	3,203,954	16,643	3,220,597	3,220,597	
Total expenditures	164,488,891	6,782,934	171,271,825	186,402,229	(15,130,404)
(Deficiency) excess of revenues (under) over expenditures	(7,359,576)	(8,438,349)	(15,797,925)	(1,342,149)	14,455,776

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other financing sources:					
Transfers in	\$ 32,000	\$ 1,516,955	\$ 1,548,955		\$ (1,548,955)
Transfers in - Capital Projects Fund				\$ 89,635	89,635
Total other financing sources	<u>32,000</u>	<u>1,516,955</u>	<u>1,548,955</u>	<u>89,635</u>	<u>(1,459,320)</u>
(Deficiency) excess of revenues (under) over expenditures and other financing sources	(7,327,576)	\$ (6,921,394)	(14,248,970)	(1,252,514)	12,996,456
Fund Balances, July 1, (retroactively adjusted - see Note 20)	<u>25,985,050</u>		<u>25,985,050</u>	<u>25,985,050</u>	
Fund balances, June 30	<u>\$ 18,657,474</u>	<u>\$ (6,921,394)</u>	<u>\$ 11,736,080</u>	<u>\$ 24,732,536</u>	<u>\$ 12,996,456</u>
Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources					
Budgeted fund balance	\$ (5,313,146)	\$ (529,097)	\$ (5,842,243)	\$ 1,907,305	\$ 7,749,548
Budgeted fund balance - capital reserve	(2,014,430)	(3,920,721)	(5,935,151)	(688,243)	5,246,908
Adjustment for prior year encumbrances		(2,471,576)	(2,471,576)	(2,471,576)	
Total	<u>\$ (7,327,576)</u>	<u>\$ (6,921,394)</u>	<u>\$ (14,248,970)</u>	<u>\$ (1,252,514)</u>	<u>\$ 12,996,456</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital Reserve				\$ 8,080,431	
Unemployment Compensation				438,330	
Excess Surplus - Current Year				1,165,692	
Excess Surplus - Designated for Subsequent Year's Expenditures				4,350,000	
Assigned Fund Balance:					
Year-end Encumbrances				2,122,154	
Designated for Subsequent Year's Expenditures				300,000	
Unassigned Fund Balance				<u>8,275,929</u>	
				24,732,536	
Reconciliation to Governmental Funds Statements (GAAP):					
Last state aid payments not recognized on GAAP basis				<u>(2,002,563)</u>	
Fund balance per Governmental Funds (GAAP) (B-1)				<u>\$ 22,729,973</u>	

East Brunswick Public Schools
Special Revenue Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Federal sources	\$ 2,770,000	\$ 2,076,331	\$ 4,846,331	\$ 4,446,844	\$ (399,487)
State sources	243,000	50,811	293,811	248,961	(44,850)
Other sources	75,000	8,530,991	8,605,991	405,954	(8,200,037)
Total revenues	3,088,000	10,658,133	13,746,133	5,101,759	(8,644,374)
Expenditures:					
Current expenditures:					
Instruction:					
Salaries	464,508	104,585	569,093	505,338	63,755
Purchased professional educational services	90,000	9,100	99,100	68,260	30,840
Other purchased services	1,424,668	176,359	1,601,027	1,598,159	2,868
Supplies and materials	98,617	1,616,773	1,715,390	1,121,612	593,778
Textbooks	6,858	22,591	29,449	32,282	(2,833)
Total instruction	2,084,651	1,929,408	4,014,059	3,325,651	688,408
Support services:					
Salaries	97,067	25,382	122,449	99,561	22,888
Personal services - employee benefits	205,465	45,678	251,143	234,539	16,604
Purchased professional technical services	504,644	686,302	1,190,946	962,563	228,383
Purchased professional educational services	90,000	4,883	94,883	80,419	14,464
Other purchased services	11,399	1,922	13,321	7,839	5,482
Contract services - transportation	8,000	295	8,295	8,295	
Supplies and materials	64,764	73,521	138,285	80,964	57,321
Student activities				353,591	(353,591)
Total support services	981,339	837,983	1,819,322	1,827,771	(8,449)
Capital outlay:					
Facilities acquisition and construction services:					
Instructional equipment	22,010	424,636	446,646	84,686	361,960
Regular education - school buses		1,475,884	1,475,884	1,433,276	42,608
Purchased professional technical services		33,423	33,423		33,423
Other purchased professional / technical services		54,261	54,261	1,294	52,967
Construction services		5,895,686	5,895,686	4,924,991	970,695
Infrastructure		6,852	6,852		6,852
Total facilities acquisition and construction services	22,010	7,890,742	7,912,752	6,444,247	1,468,505
Total expenditures	3,088,000	10,658,133	13,746,133	11,597,669	2,148,464
(Deficiency) of revenues (under) expenditures	-	-	-	(6,495,910)	(6,495,910)
Other financing sources:					
Lease purchase obligation proceeds				17,285,000	17,285,000
Total other financing sources	-	-	-	17,285,000	17,285,000
Net change in fund balance	-	-	-	10,789,090	10,789,090
Fund Balance, July 1 (retroactively adjusted - see note 20)	5,391,391	-	5,391,391	5,391,391	
Fund Balance, June 30	\$ 5,391,391	\$ -	\$ 5,391,391	\$ 16,180,481	\$ 10,789,090
Recapitulation:					
Restricted:					
Student activities				\$ 563,782	
Legally restricted fund balance - designated for subsequent year's expenditures				15,616,699	
Total Fund Balance				\$ 16,180,481	

East Brunswick Public Schools
 Note to Required Supplementary Information

Budget to GAAP Reconciliation

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 (C-1, C-2)	\$ 185,060,080	\$ 5,101,759
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances (net) are recognized as expenditures, and the related revenue is recognized. Prior year		12,717
State aid payments from prior year recognized in prior year for budgetary purposes, and recognized for GAAP purposes in the current fiscal year.	1,926,609	
State aid payments recognized for budgetary purposes, not recognized for GAAP purposes	(2,002,563)	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (B-2)	\$ 184,984,126	\$ 5,114,476
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule (C-1, C-2)	\$ 186,402,229	\$ 11,597,669
Differences - budget to GAAP		
Encumbrances (net) for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year they are received for GAAP purposes. Prior year		12,717
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 186,402,229	\$ 11,610,386

Supplementary Information

Special Revenue Fund

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2021

	Title I Part A	Title II Part A	Title III Part A	Title III Immigrant	Title IV Part A	I.D.E.A.	
						Regular	Preschool
Revenues:							
Federal sources	\$ 632,391	\$ 143,200	\$ 47,852	\$ 10,577	\$ 29,762	\$ 2,002,825	\$ 90,526
State sources							
Other sources							
Total revenues	\$ 632,391	\$ 143,200	\$ 47,852	\$ 10,577	\$ 29,762	\$ 2,002,825	\$ 90,526
Expenditures:							
Instruction:							
Salaries	\$ 356,514		\$ 23,160	\$ 2,143			
Purchased professional/educational services						\$ 1,597,626	
Other purchased services							
Instructional supplies	13,430		1,743		\$ 999		
Textbooks							
Total instruction	369,944		24,903	2,143	999	1,597,626	
Support services:							
Salaries	32,857	\$ 4,874	16,275		612	39,675	\$ 1,306
Personal services-employee benefits	180,062	2,071	3,666	184	351	22,730	748
Purchased professional/technical services	48,172	130,485		8,250	27,800	342,794	88,472
Purchased professional/educational services							
Other purchased services		5,279	2,492				
Contracted services - transportation							
Supplies and materials	1,356	491	516				
Student activities							
Total support services	262,447	143,200	22,949	8,434	28,763	405,199	90,526
Capital outlay:							
Facilities acquisition and construction services							
Instructional equipment							
Regular education - school buses							
Other purchased professional / technical services							
Construction services							
Total facilities acquisition and construction services							
Total expenditures	632,391	143,200	47,852	10,577	29,762	2,002,825	90,526
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	-	-
Other financing sources:							
Lease purchase obligation							
Total other financing sources	-	-	-	-	-	-	-
Net changes in fund balance	-	-	-	-	-	-	-
Fund Balance, July 1 (retroactively adjusted - see note 20)	-	-	-	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2021

	COVID-19 Coronavirus Relief Fund		COVID-19	CARES	Adult Basic	Transportation	Compensatory
	LEA	Bridging the	Nonpublic	(ESSER)	Education		Education
	Reopen	Digital Divide	Technology				
Revenues:							
Federal sources	\$ 393,279	\$ 520,381	\$ 16,916	\$ 388,387	\$ 170,748	\$ 8,295	\$ 49,642
State sources							
Other sources							
Total revenues	\$ 393,279	\$ 520,381	\$ 16,916	\$ 388,387	\$ 170,748	\$ 8,295	\$ 49,642
Expenditures:							
Instruction:							
Salaries					\$ 123,521		
Purchased professional/educational services							\$ 49,642
Other purchased services							
Instructional supplies	\$ 393,279	\$ 520,381	\$ 16,916	\$ 76,187	9,892		
Textbooks					7,860		
Total instruction	393,279	520,381	16,916	76,187	141,273		49,642
Support services:							
Salaries					3,962		
Personal services—employee benefits					24,727		
Purchased professional/technical services				312,200			
Purchased professional/educational services							
Other purchased services					68		
Contracted services - transportation						\$ 8,295	
Supplies and materials					718		
Student activities							
Total support services			-	312,200	29,475	8,295	
Capital outlay:							
Facilities acquisition and construction services							
Instructional equipment							
Regular education - school buses							
Other purchased professional / technical services							
Construction services							
Total facilities acquisition and construction services							
Total expenditures	393,279	520,381	16,916	388,387	170,748	8,295	49,642
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	-	-
Other financing sources:							
Lease purchase obligation							
Total other financing sources	-	-	-	-	-	-	-
Net changes in fund balance	-	-	-	-	-	-	-
Fund Balance, July 1 (retroactively adjusted - see note 20)	-	-	-	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2021

	NJ Nonpublic Handicapped Services, Ch. 193							East Brunswick Education Fund	PTA Grants
	Supplemental Instruction	Examination and Classification	Corrective Speech	Nonpublic Textbook Aid	Nonpublic Nursing	Nonpublic Security			
Revenues:									
Federal sources									
State sources	\$ 18,618	\$ 26,008	\$ 14,582	\$ 24,422	\$ 39,829	\$ 67,565			
Other sources							\$ 17,795	\$ 33,926	
Total revenues	\$ 18,618	\$ 26,008	\$ 14,582	\$ 24,422	\$ 39,829	\$ 67,565	\$ 17,795	\$ 33,926	
Expenditures:									
Instruction:									
Salaries									
Purchased professional/educational services	\$ 18,618								
Other purchased services									
Supplies and materials									
Textbooks				\$ 24,422					
Total instruction	18,618			24,422			16,469	17,311	
Support services:									
Salaries									
Personal services-employee benefits									
Purchased professional/technical services									
Purchased professional/educational services		\$ 26,008	\$ 14,582		\$ 39,829				
Other purchased services									
Contracted services - transportation									
Supplies and materials						\$ 67,565	1,326	6,241	
Student activities									
Total support services		26,008	14,582		39,829	67,565	1,326	6,241	
Capital outlay:									
Facilities acquisition and construction services									
Instructional equipment									10,374
School Buses-Regular									
Other purchased professional / technical services									
Construction services									
Total facilities acquisition and construction services									10,374
Total expenditures	18,618	26,008	14,582	24,422	39,829	67,565	17,795	33,926	
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	-	-	-	-
Other financing sources:									
Lease purchase obligation									
Total other financing sources	-	-	-	-	-	-	-	-	-
Net changes in fund balance	-	-	-	-	-	-	-	-	-
Fund Balance, July 1 (retroactively adjusted - see note 20)	-	-	-	-	-	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2021

	Other Local	2014-2015 Lease Agreement Township of East Brunswick	2016-2017 Lease Agreement Township of East Brunswick	2017-2018 Lease Agreement Township of East Brunswick	2018-2019 Lease Agreement Township of East Brunswick	2019-2020 Lease Agreement Township of East Brunswick
Revenues:						
Federal sources						
State sources						
Other sources	\$ 16,619					
Total revenues	\$ 16,619	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:						
Instruction:						
Salaries						
Purchased professional/educational services						
Other purchased services	\$ 533					
Supplies and materials	726			\$ 636	\$ 2,453	\$ 51,190
Textbooks						
Total instruction	1,259			636	2,453	51,190
Support services:						
Salaries						
Personal services-employee benefits						
Purchased professional/technical services						4,390
Purchased professional/educational services						
Other purchased services						
Contracted services - transportation						
Supplies and materials	1,566					1,185
Student activities						
Total support services	1,566					5,575
Capital outlay:						
Facilities acquisition and construction services						
Instructional equipment	12,500					38,681
Regular education - school buses						542,001
Other purchased professional / technical servi	1,294					
Construction services						3,878,246
Total facilities acquisition and construction serv	13,794					4,458,928
Total expenditures	16,619			636	2,453	4,515,693
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	(636)	(2,453)	(4,515,693)
Other financing sources:						
Lease purchase obligation						
Total other financing sources	-	-	-	-	-	-
Net changes in fund balance	-	-	-	(636)	(2,453)	(4,515,693)
Fund Balance, July 1 (retroactively adjusted - see note 20)	-	216,851	462,036	3,312	116,490	5,025,548
Fund balance, June 30	\$ -	\$ 216,851	\$ 462,036	\$ 2,676	\$ 114,037	\$ 509,855

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2021

	2020-2021 Lease Agreement Township of East Brunswick		2020-2021 Lease Agreement Trust Bank	Student Activity Funds	Totals
Revenues:					
Federal sources					\$ 4,446,844
State sources					248,961
Other sources			\$ 337,614		405,954
Total revenues	\$ -	\$ -	\$ 337,614	\$	5,101,759
Expenditures:					
Instruction:					
Salaries				\$	505,338
Purchased professional/educational services					68,260
Other purchased services					1,598,159
Supplies and materials					1,121,612
Textbooks					32,282
Total instruction					3,325,651
Support services:					
Salaries					99,561
Personal services-employee benefits					234,539
Purchased professional/technical services					962,563
Purchased professional/educational services					80,419
Other purchased services					7,839
Contracted services - transportation					8,295
Supplies and materials					80,964
Student activities			\$ 353,591		353,591
Total support services			\$ 353,591		1,827,771
Capital outlay:					
Facilities acquisition and construction services					
Instructional equipment	\$ 23,131				84,686
Regular education - school buses	891,275				1,433,276
Other purchased professional / technical services					1,294
Construction services	1,046,745				4,924,991
Total facilities acquisition and construction services	1,961,151				6,444,247
Total expenditures	1,961,151		353,591		11,597,669
Excess/(deficiency) of revenues over/(under) expenditures	(1,961,151)		(15,977)		(6,495,910)
Other financing sources:					
Lease purchase obligation	3,600,000	\$ 13,685,000			17,285,000
Total other financing sources	3,600,000	13,685,000	-		17,285,000
Net changes in fund balance	1,638,849	13,685,000	(15,977)		10,789,090
Fund Balance, July 1 (retroactively adjusted - see note 20)	(1,012,605)	-	579,759		5,391,391
Fund balance, June 30	\$ 626,244	\$ 13,685,000	\$ 563,782	\$	16,180,481

Capital Projects Fund

East Brunswick Public Schools
Capital Projects Fund

Summary Schedule of Project Revenues, Expenditures,
Project Balance and Project Status

(Budgetary Basis)

Year ended June 30, 2021

Revenues	
Interest earned	\$ 113
Total Revenues and other financing sources	<u>113</u>
Expenditures	
Purchased professional and technical services	46,848
Construction services	<u>404,845</u>
Total expenditures	<u>451,693</u>
Deficiency of revenues under expenditures	(451,580)
Other Financing Uses	
Transfers out	<u>(89,635)</u>
Net change in fund balance	(541,215)
Fund Balance, July 1	<u>1,335,302</u>
Fund Balance, June 30	<u><u>\$ 794,087</u></u>

East Brunswick Public Schools
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Year ended June 30, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	5,881,595		\$ 5,881,595	\$ 5,881,595
Bond proceeds	22,095,000		22,095,000	22,095,000
Lease purchase	2,534,093		2,534,093	2,534,093
Premium on bond issuance	839,236		839,236	839,236
Transfer from (to) capital reserve	2,778,107		2,778,107	2,778,107
Interest earned	214,296	\$ 113	214,409	-
Miscellaneous	3,996,480		3,996,480	3,996,480
Total Revenues	<u>38,338,807</u>	<u>113</u>	<u>38,338,920</u>	<u>38,124,511</u>
Expenditures and other financing uses				
Legal	36,966		36,966	36,966
Other professional services	2,603,238		2,603,238	2,603,238
Purchased professional and technical services	791,801	46,848	838,649	838,649
Construction services	33,134,456	404,845	33,539,301	33,539,301
Other objects	38,051		38,051	38,051
Transfer to capital reserve	197,801		197,801	197,801
Costs of issuance	86,896		86,896	86,896
Total expenditures	<u>36,889,209</u>	<u>451,693</u>	<u>37,340,902</u>	<u>37,340,902</u>
Other Financing Sources (Uses)				
Special item	100,000		100,000	100,000
Transfers out	(114,296)	(89,635)	(203,931)	(203,931)
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,335,302</u>	<u>\$ (541,215)</u>	<u>\$ 794,087</u>	<u>\$ 679,678</u>

East Brunswick Public Schools
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Memorial Elementary School Replacement - Project No. 924

Year ended June 30, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 4,238,520		\$ 4,238,520	\$ 4,238,520
Bond proceeds	13,960,000		13,960,000	13,960,000
Lease purchase				
Premium on bond issuance				
Transfer from capital reserve	1,619,000		1,619,000	1,619,000
Litigation settlement	100,000		100,000	
Miscellaneous	3,996,480		3,996,480	3,996,480
Total Revenues	<u>23,914,000</u>		<u>23,914,000</u>	<u>23,814,000</u>
Expenditures and other financing uses				
Legal	36,966		36,966	36,966
Other professional services	2,485,071		2,485,071	2,485,071
Purchased professional and technical services	242,422	\$ 4,755	247,177	247,177
Construction services	20,954,232	62,981	21,017,213	21,017,213
Other objects	38,051		38,051	38,051
Transfer to capital reserve				
Costs of issuance				
Total expenditures	<u>23,756,742</u>	<u>67,736</u>	<u>23,824,478</u>	<u>23,824,478</u>
Other Financing Uses				
Transfers out	-	(89,522)	(89,522)	(89,522)
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 157,258</u>	<u>\$ (157,258)</u>	<u>\$ -</u>	<u>\$ (100,000)</u>
Additional project information				
Project number	924			
Grant date	January 4, 2010			
Bond authorization date	May 12, 2010			
Bonds Authorized	\$ 17,956,480			
Bonds Issued	13,960,000			
Original Authorized Cost	23,814,000			
Additional Authorized Cost	-			
Revised Authorized Cost	23,814,000			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	99.63%			
Original target completion date	2012			
Revised target completion date	Complete			

East Brunswick Public Schools
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Chittick Elementary School HVAC and Electrical Upgrades - Project No. 932

Year ended June 30, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 795,614		\$ 795,614	\$ 795,614
Bond proceeds				
Lease purchase	1,193,422		1,193,422	1,193,422
Premium on bond issuance				
Transfer from capital reserve	887,710		887,710	887,710
Interest earned				
Miscellaneous				
Total Revenues	<u>2,876,746</u>		<u>2,876,746</u>	<u>2,876,746</u>
Expenditures and other financing uses				
Legal				
Other professional services	60,726		60,726	60,726
Purchased professional and technical services	36,120		36,120	36,120
Construction services	2,188,664		2,188,664	2,188,664
Other objects				
Transfer to capital reserve	98,526		98,526	98,526
Costs of issuance				
Total expenditures	<u>2,384,036</u>		<u>2,384,036</u>	<u>2,384,036</u>
Other Financing Uses				
Transfers out				
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 492,710</u>	<u>\$ -</u>	<u>\$ 492,710</u>	<u>\$ 492,710</u>
Additional project information				
Project number	932			
Grant date	October 23, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 1,989,036			
Additional Authorized Cost	887,710			
Revised Authorized Cost	2,876,746			
Percentage Increase over Original				
Authorized Cost	44.63%			
Percentage completion	82.87%			
Original target completion date	2016			
Revised target completion date	2022			

East Brunswick Public Schools
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Irwin Elementary School HVAC and Electrical Upgrades - Project No. 941

Year ended June 30, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 847,461		\$ 847,461	\$ 847,461
Bond proceeds				
Lease purchase	1,340,671		1,340,671	1,340,671
Premium on bond issuance				
Transfer from capital reserve	271,397		271,397	271,397
Interest earned				
Miscellaneous				
Total Revenues	<u>2,459,529</u>		<u>2,459,529</u>	<u>2,459,529</u>
Expenditures and other financing uses				
Legal				
Other professional services	57,441		57,441	57,441
Purchased professional and technical services	33,757		33,757	33,757
Construction services	2,044,280		2,044,280	2,044,280
Other objects				
Transfer to capital reserve	99,275		99,275	99,275
Costs of issuance				
Total expenditures	<u>2,234,753</u>		<u>2,234,753</u>	<u>2,234,753</u>
Other Financing Uses				
Transfers out				
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 224,776</u>	<u>\$ -</u>	<u>\$ 224,776</u>	<u>\$ 224,776</u>
Additional project information				
Project number	941			
Grant date	October 23, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 2,118,653			
Additional Authorized Cost	340,876			
Revised Authorized Cost	2,459,529			
Percentage Increase over Original				
Authorized Cost	16.09%			
Percentage completion	90.86%			
Original target completion date	2016			
Revised target completion date	2022			

East Brunswick Public Schools
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Energy Savings Improvement Program - Project No. ESP

Year ended June 30, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant				
Bond proceeds	\$ 8,135,000		\$ 8,135,000	\$ 8,135,000
Lease purchase				
Premium on bond issuance	839,236		839,236	839,236
Transfer from capital reserve				
Interest earned	114,296	\$ 113	114,409	
Miscellaneous				
Total Revenues	<u>9,088,532</u>	<u>113</u>	<u>9,088,645</u>	<u>8,974,236</u>
Expenditures and other financing uses				
Legal				
Other professional services				
Purchased professional and technical services	479,502	42,093	521,595	521,595
Construction services	7,947,280	341,864	8,289,144	8,289,144
Other objects				
Transfer to capital reserve				
Costs of issuance	86,896		86,896	86,896
Total expenditures	<u>8,513,678</u>	<u>383,957</u>	<u>8,897,635</u>	<u>8,897,635</u>
Other Financing Uses				
Transfers out	<u>(114,296)</u>	<u>(113)</u>	<u>(114,409)</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 460,558</u>	<u>\$ (383,957)</u>	<u>\$ 76,601</u>	<u>\$ 76,601</u>
Additional project information				
Project number	ESP			
Grant date	N/A			
Bond authorization date	January 23, 2019			
Bonds Authorized	\$ 8,135,000			
Bonds Issued	8,135,000			
Premium	839,236			
Original Authorized Cost	8,135,000			
Revised Authorized Cost	9,017,705			
Percentage Increase over Original				
Authorized Cost	10.85%			
Percentage completion	97.90%			
Original target completion date	2020			
Revised target completion date	2022			

East Brunswick Public Schools
Capital Projects Fund

Summary Schedule of Project Expenditures
(Budgetary Basis)

From Inception and for the year ended June 30, 2021

Issue/Project Title	District Project Number	Original Date	Revised Appropriations	Expenditures to Date		Transfers Out		Unexpended Balance
				Prior Years	Current Year	Prior Years	Current Year	
Memorial Elementary School Replacement 09/10	924	1/4/2010	\$ 23,814,000	\$ 23,656,742	\$ 67,736		\$ 89,522	
Chittick Elementary School HVAC and Electrical Upgrades 14/15	932	10/23/2014	2,876,746	2,285,510		\$ 98,526		\$ 492,710
Irwin Elementary School HVAC and Electrical Upgrades 14/15	941	10/23/2014	2,459,529	2,135,478		99,275		224,776
Energy Savings Improvement Program	ESP	1/23/2019	8,974,236	8,513,678	383,957			76,601
Grand Total			<u>\$ 38,124,511</u>	<u>\$ 36,591,408</u>	<u>\$ 451,693</u>	<u>\$ 197,801</u>	<u>\$ 89,522</u>	<u>\$ 794,087</u>

Long-Term Debt

East Brunswick Public Schools
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2021

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2020	Retired	Balance June 30, 2021
			Date	Amount				
2012 Refunding of 2005 School Bonds	11/20/2012	\$ 60,560,000	11/1/2021	\$ 3,045,000	5.000%	\$ 49,590,000	\$ 3,020,000	\$ 46,570,000
			11/1/2022	3,075,000	5.000%			
			11/1/2023	3,110,000	5.000%			
			11/1/2024	3,105,000	3.000%			
			11/1/2025	3,425,000	3.000%			
			11/1/2026	3,380,000	3.000%			
			11/1/2027	3,350,000	4.000%			
			11/1/2028	3,340,000	4.000%			
			11/1/2029	3,305,000	3.000%			
			11/1/2030	3,615,000	3.000%			
			11/1/2031	3,560,000	3.000%			
			11/1/2032	3,505,000	3.125%			
			11/1/2033	3,460,000	4.000%			
			11/1/2034	3,295,000	4.000%			
2017 Refunding of 2007 School Bonds	2/28/2017	5,515,000	5/1/2022	1,020,000	1.722%	2,075,000	1,055,000	1,020,000
School Energy Savings Improvement Program - Obligation Refunding Bonds	2/6/2019	8,135,000	8/1/2021	390,000	5.000%	8,135,000	355,000	7,780,000
			8/1/2022	425,000	5.000%			
			8/1/2023	465,000	5.000%			
			8/1/2024	480,000	5.000%			
			8/1/2025	415,000	5.000%			
			8/1/2026	455,000	5.000%			
			8/1/2027	490,000	5.000%			
			8/1/2028	535,000	5.000%			
			8/1/2029	575,000	5.000%			
			8/1/2030	620,000	4.000%			
			8/1/2031	665,000	4.000%			
			8/1/2032	705,000	4.000%			
			8/1/2033	755,000	4.000%			
			8/1/2034	805,000	4.000%			
2020 Refunding of 2010 School Bonds	2/25/2020	10,355,000	5/15/2022	325,000	4.000%	10,340,000	310,000	10,030,000
			5/15/2023	345,000	4.000%			
			5/15/2024	355,000	4.000%			
			5/15/2025	375,000	5.000%			
			5/15/2026	395,000	5.000%			
			5/15/2027	420,000	5.000%			
			5/15/2028	445,000	5.000%			
			5/15/2029	470,000	5.000%			
			5/15/2030	495,000	5.000%			
			5/15/2031	525,000	5.000%			
			5/15/2032	555,000	4.000%			
			5/15/2033	575,000	4.000%			
			5/15/2034	600,000	4.000%			
			5/15/2035	625,000	4.000%			
			5/15/2036	655,000	4.000%			
			5/15/2037	685,000	3.000%			
5/15/2038	700,000	3.000%						
5/15/2039	730,000	3.000%						
5/15/2040	755,000	3.000%						
						<u>\$ 70,140,000</u>	<u>\$ 4,740,000</u>	<u>\$ 65,400,000</u>

East Brunswick Public Schools
Long-Term Debt

Schedule of Lease Purchase Obligations Payable

Year ended June 30, 2021

	Interest Rate	Amount of Original Issue	Balance July 1, 2020	Additions	Current Retired	Balance June 30, 2021
Capital Improvement Projects - Lease with East Brunswick Township	1.35%	\$ 5,800,000	\$ 1,160,000		\$ 1,160,000	
Capital Improvement Projects - 2016 Lease with East Brunswick Township	1.35%	6,200,000	1,680,000		840,000	\$ 840,000
Capital Improvement Projects - 2017 Lease with East Brunswick Township	1.20%	1,100,000	660,000		220,000	440,000
Capital Improvement Projects - 2018 Lease with East Brunswick Township	1.35%	5,800,000	4,640,000		1,160,000	3,480,000
Capital Improvement Projects - 2020 Lease with East Brunswick Township	1.20%	14,600,000	14,600,000		2,920,000	11,680,000
Capital Improvement Projects - 2021 Lease with East Brunswick Township	1.16%	3,600,000		\$ 3,600,000	720,000	2,880,000
			<u>\$ 22,740,000</u>	<u>\$ 3,600,000</u>	<u>\$ 7,020,000</u>	<u>\$ 19,320,000</u>

East Brunswick Public Schools
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:				
Local sources:				
Local tax levy	\$ 6,632,912	\$ 6,632,912	\$ 6,632,912	
Total revenues	<u>6,632,912</u>	<u>6,632,912</u>	<u>6,632,912</u>	
Expenditures:				
Principal on debt	4,385,000	4,385,000	4,385,000	
Interest on debt	<u>2,247,914</u>	<u>2,247,914</u>	<u>2,247,913</u>	\$ 1
Total expenditures	<u>6,632,914</u>	<u>6,632,914</u>	<u>6,632,913</u>	<u>1</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(2)</u>	<u>(2)</u>	<u>(1)</u>	<u>1</u>
Fund balance, July 1	<u>112,462</u>	<u>112,462</u>	<u>112,462</u>	
Fund balance, June 30	<u>\$ 112,460</u>	<u>\$ 112,460</u>	<u>\$ 112,461</u>	<u>\$ 1</u>

East Brunswick Public Schools
 Long-Term Debt
 Schedule of Obligations Under Capital Leases
 Year Ended June 30, 2021

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance June 30, 2021</u>
2015-16 US Bancorp Government Lease - Various Equipme	8/1/2015	5 Years	\$ 860,000	1.671 %	\$ 177,792		\$ 177,792	
Facilities Lease	10/28/2020	5 Years	13,685,000	1.350		<u>\$ 13,685,000</u>	<u>2,645,000</u>	<u>\$ 11,040,000</u>
					<u>\$ 177,792</u>	<u>\$ 13,685,000</u>	<u>\$ 2,822,792</u>	<u>\$ 11,040,000</u>

Statistical Section
(Unaudited)

Statistical Section
Unaudited

Contents

Financial Trends

These schedules contain historical trend information to help the reader understand how the District's financial performance and financial position have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

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.

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.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

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

East Brunswick Public Schools
 Net Position by Component
 Last Ten Fiscal Years

(accrual basis of accounting)
 Unaudited

	June 30,									
	2012	2013 Restated	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 100,224,934	\$ 114,047,274	\$ 115,774,538	\$ 118,166,184	\$ 130,190,096	\$ 136,473,915	\$ 142,447,803	\$ 150,002,200	\$ 155,044,226	\$ 162,985,803
Restricted	22,469,548	14,836,012	13,811,105	18,700,525	17,502,827	16,384,637	19,147,535	18,170,297	18,343,418	15,315,721
Unrestricted (deficit)	(2,552,220)	168,169	3,327,547	(34,087,398)	(38,447,639)	(40,955,477)	(41,425,952)	(41,746,622)	(41,545,336)	(37,296,619)
Total governmental activities net position	\$ 120,142,263	\$ 129,051,455	\$ 132,913,190	\$ 102,779,311	\$ 109,245,284	\$ 111,903,075	\$ 120,169,386	\$ 126,425,875	\$ 131,842,308	\$ 141,004,905
Business-type activities										
Investment in capital assets	\$ 247,811	\$ 201,309	\$ 170,296	\$ 186,262	\$ 440,722	\$ 487,181	\$ 502,498	\$ 490,034	\$ 457,057	\$ 408,211
Unrestricted	470,686	1,043,379	1,822,788	2,199,707	2,266,401	2,209,380	2,360,126	2,543,282	2,317,227	1,554,869
Total business-type activities net position	\$ 718,497	\$ 1,244,688	\$ 1,993,084	\$ 2,385,969	\$ 2,707,123	\$ 2,696,561	\$ 2,862,624	\$ 3,033,316	\$ 2,774,284	\$ 1,963,080
Government-wide										
Net investment in capital assets	\$ 100,472,745	\$ 114,248,583	\$ 115,944,834	\$ 118,352,446	\$ 130,630,818	\$ 136,961,096	\$ 142,950,301	\$ 150,492,234	\$ 155,501,283	\$ 163,394,014
Restricted	22,469,548	14,836,012	13,811,105	18,700,525	17,502,827	16,384,637	19,147,535	18,170,297	18,343,418	15,315,721
Unrestricted (deficit)	(2,081,534)	1,211,548	5,150,335	(31,887,691)	(36,181,238)	(38,746,097)	(39,065,826)	(39,203,340)	(39,228,109)	(35,741,750)
Total government-wide net position	\$ 120,860,760	\$ 130,296,143	\$ 134,906,274	\$ 105,165,280	\$ 111,952,407	\$ 114,599,636	\$ 123,032,010	\$ 129,459,191	\$ 134,616,592	\$ 142,967,985

Source: ACFR Schedule A-1 and District records.

GASB 63 was implemented in the 2013 fiscal year, which required the reclassification of balances previously reported as net assets to net position.

GASB 68 was implemented during the 2015 fiscal year, which required the restatement of beginning net position in the amount of \$36,898,016. This amount is not reflected in the June 30, 2014 Net Position, above.

GASB 84 was implemented during the 2021 fiscal year, which required a retroactive adjustment of beginning net position in the amount of \$1,375,547. This amount is not reflected in the June 30, 2020 Net Position, above.

East Brunswick Public Schools
Changes in Net Position
Last Ten Fiscal Years

(accrual basis of accounting)
Unaudited

	Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Instruction										
Regular	\$ 60,237,148	\$ 61,577,016	\$ 61,222,122	\$ 68,615,626	\$ 72,875,349	\$ 80,070,187	\$ 82,512,817	\$ 73,533,156	\$ 75,992,707	\$ 85,945,997
Special Education	14,203,357	16,765,399	18,002,997	21,564,452	23,574,092	24,696,833	25,112,417	24,221,633	24,195,306	25,140,440
Other Special Education	4,854,386	5,098,557	4,993,065	5,724,102	6,123,010	7,312,040	7,522,335	7,061,494	6,969,391	8,225,240
Support services:										
Tuition	4,697,912	4,015,981	3,585,012	2,583,902	2,423,489	2,627,104	2,532,463	2,936,393	2,747,159	2,334,472
Student & Instruction Related Services	17,549,487	22,618,275	23,070,531	26,533,976	28,307,168	33,274,760	32,243,803	30,835,965	28,629,194	32,137,788
School Administrative Services	7,158,663	7,071,530	6,916,828	7,732,508	8,390,585	8,954,594	9,438,744	8,712,715	8,326,857	9,536,348
General and Business Administrative Services	8,520,561	6,143,549	6,655,280	7,562,626	8,633,111	9,509,700	9,798,590	9,196,495	9,371,226	10,262,786
Plant Operations and Maintenance	11,495,597	11,686,068	13,791,457	14,699,178	15,438,680	17,248,552	18,667,797	18,695,399	18,656,056	20,751,098
Pupil Transportation	7,556,037	7,564,334	7,492,952	7,687,318	8,370,455	9,725,990	10,386,458	11,101,169	9,895,612	9,859,627
Special Schools								24,014	14,840	52,053
Charter Schools*	1,146,507	1,215,974	1,721,288	2,056,054	2,253,355	2,354,479	2,610,331	2,701,322	2,728,132	3,220,597
Interest and other charges	4,492,514	4,014,883	4,183,089	3,832,985	3,580,983	3,272,398	3,079,180	3,085,432	2,817,287	2,590,700
Total governmental activities	141,912,168	147,771,566	151,634,621	168,592,727	179,970,277	199,046,637	203,904,935	192,105,187	190,343,767	210,057,146
Business-type activities:										
Food service	2,545,286	2,590,808	2,566,676	2,754,647	2,680,889	2,934,130	3,010,836	3,222,140	2,688,518	2,910,095
ETTC Program	245,245									
Community Programs	1,724,445	1,888,113	1,855,711	2,163,566	2,447,648	2,641,014	2,833,842	2,815,848	2,830,324	1,858,213
Facilities Rentals**							234,894	327,386	429,023	230,051
Total business-type activities expense	4,514,976	4,478,921	4,422,387	4,918,213	5,128,537	5,810,038	6,172,064	6,467,011	5,748,893	4,793,086
Total district expenses	146,427,144	152,250,487	156,057,008	173,510,940	185,098,814	204,856,675	210,076,999	198,572,198	196,092,660	214,850,232
Program Revenues										
Governmental activities:										
Charges for services										
Instruction	311,056	346,709	306,837	358,579	475,978	868,256	1,042,113	895,102	699,894	1,082,359
Student and instruction related services										337,614
Operating grants and contributions	3,392,303	3,561,312	2,815,490	3,267,971	3,610,352	3,477,402	3,439,319	3,533,693	3,484,760	4,776,862
Capital grants and contributions						1,676,240	226,053			
Total governmental activities program revenues	3,703,359	3,908,021	3,122,327	3,626,550	4,086,330	6,021,898	4,707,485	4,428,795	4,184,654	6,196,835
Business-type activities:										
Charges for services										
Food service	2,006,262	1,940,913	1,895,886	1,936,567	1,981,236	2,089,646	2,102,393	2,249,304	1,597,544	31,635
ETTC Program	284,852									
Community Programs	2,030,824	2,398,119	2,689,454	2,979,625	3,109,991	2,963,049	3,383,839	3,621,566	2,409,690	862,783
Facilities Rentals**						601,910	728,881	928,397	356,301	1,526
Operating grants and contributions	649,303	732,776	784,488	793,844	857,304	911,506	1,017,532	1,083,113	1,045,955	3,083,538
Total business-type activities program revenues	4,971,241	5,071,808	5,369,828	5,710,036	5,948,531	6,566,111	7,232,645	7,877,980	5,409,490	3,979,482
Total district program revenues	8,674,600	8,979,829	8,492,155	9,336,586	10,034,861	12,588,009	11,940,130	12,306,775	9,594,144	10,176,317
Net (Expense) / Revenue										
Governmental activities										
	(138,208,809)	(143,863,545)	(148,512,294)	(164,966,177)	(175,883,947)	(193,024,739)	(199,197,450)	(187,676,392)	(186,159,113)	(203,860,311)
Business-type activities	456,265	592,887	947,441	791,823	819,994	756,073	1,060,581	1,410,969	(339,403)	(813,604)
Total government-wide net expense	\$ (137,752,544)	\$ (143,270,658)	\$ (147,564,853)	\$ (164,174,354)	\$ (175,063,953)	\$ (192,268,666)	\$ (198,136,869)	\$ (186,265,423)	\$ (186,498,516)	\$ (204,673,915)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 108,271,963	\$ 110,437,402	\$ 113,246,150	\$ 116,518,219	\$ 119,532,427	\$ 121,923,075	\$ 124,769,255	\$ 127,264,640	\$ 129,809,932	\$ 132,406,131
Taxes levied for debt service	8,406,922	8,383,979	8,122,565	7,698,287	8,406,666	8,254,263	7,655,421	7,371,342	6,693,984	6,632,912
Grants and contributions	28,249,227	31,656,765	30,310,681	46,511,588	51,579,165	65,567,501	72,722,934	60,150,455	53,986,819	72,206,494
Investment earnings		20,548	14,985	13,327	17,394	18,216	64,177	488,517	774,264	14,297
Miscellaneous income	5,570,134	647,814	479,648	588,893	638,028	601,196	1,573,749	369,672	210,547	387,527
Transfers	(14,964)	100,000	200,000	400,000	500,000	768,466	904,278	1,288,255		
Total governmental activities	150,483,282	151,246,508	152,374,029	171,730,314	180,673,680	197,132,717	207,689,814	196,932,881	191,475,546	211,647,361
Business-type activities:										
Investment earnings	876	875	955	1,062	1,160	1,831	6,812	47,978	80,371	2,400
Miscellaneous	(27,353)	64,634					2,948			
Transfers	(267,781)	(100,000)	(200,000)	(400,000)	(500,000)	(768,466)	(904,278)	(1,288,255)		
Total business-type activities	(294,258)	(34,491)	(199,045)	(398,938)	(498,840)	(766,635)	(894,518)	(1,240,277)	80,371	2,400
Special items									100,000	
Total government-wide	150,189,024	151,212,017	152,174,984	171,331,376	180,174,840	196,366,082	206,795,296	195,692,604	191,655,917	211,649,761
Change in Net Position										
Governmental activities	12,274,473	7,382,963	3,861,735	6,764,137	4,789,733	4,107,978	8,492,364	9,256,489	5,416,433	7,787,050
Business-type activities	162,007	558,396	748,396	392,885	321,154	(10,562)	166,063	170,692	(259,032)	(811,204)
Total district	\$ 12,436,480	\$ 7,941,359	\$ 4,610,131	\$ 7,157,022	\$ 5,110,887	\$ 4,097,416	\$ 8,658,427	\$ 9,427,181	\$ 5,157,401	\$ 6,975,846

Source: ACFR Schedules A-2 and District records

GASB 63 was implemented in the 2013 fiscal year, which required the reclassification of balances previously reported as net assets to net position.

GASB 75 was implemented in the 2018 fiscal year, which increased the grants and contributions and various expense lines from the previous year.

GASB 84 was implemented in the 2021 fiscal year, which increased the related services expense line and charges for services from the previous year.

*Charter school expenditures were included with tuition on ACFR Schedule A-2 in the year ended June 30, 2017.

**The activity of the Facilities Rentals Fund was included with the Community Programs Fund prior to the 2017 fiscal year.

East Brunswick Public Schools
Fund Balances - Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)
Unaudited

	June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted for										
Assigned to	\$ 8,562,302	\$ 13,013,648	\$ 11,481,907	\$ 14,201,020	\$ 15,583,672	\$ 15,274,268	\$ 18,355,206	\$ 17,391,140	\$ 17,468,674	\$ 14,034,453
Unassigned	7,445,100	2,323,488	5,486,090	5,658,436	2,337,847	3,516,683	2,765,172	3,013,885	3,434,722	2,422,154
Total general fund	<u>\$ 1,499,532</u>	<u>1,439,161</u>	<u>1,345,345</u>	<u>1,280,719</u>	<u>1,453,597</u>	<u>1,741,040</u>	<u>2,307,316</u>	<u>2,350,912</u>	<u>2,359,257</u>	<u>6,273,366</u>
	<u>\$ 17,506,934</u>	<u>16,776,297</u>	<u>\$ 18,313,342</u>	<u>\$ 21,140,175</u>	<u>\$ 19,375,116</u>	<u>\$ 20,531,991</u>	<u>\$ 23,427,694</u>	<u>\$ 22,755,937</u>	<u>\$ 23,262,653</u>	<u>\$ 22,729,973</u>
All Other Governmental Funds										
Restricted for:										
Special revenue fund *										\$ 563,782
Capital projects fund	\$ 6,275,902	\$ 1,525,699	\$ 2,329,198	\$ 4,499,505	\$ 1,919,155	\$ 1,110,369	\$ 792,329	\$ 7,158,718	\$ 1,335,302	794,087
Debt service fund	95,024	296,665	289,419	7	9,663	37,073	89,193	22,122	112,462	112,461
Assigned to:										
Special revenue fund	91,220	4,875,751	3,871,997	6,984,466	2,920,017	3,313,095	6,326,984	1,070,300	4,811,632	15,616,699
Total all other governmental funds	<u>\$ 6,462,146</u>	<u>\$ 6,698,115</u>	<u>\$ 6,490,614</u>	<u>\$ 11,483,978</u>	<u>\$ 4,848,835</u>	<u>\$ 4,460,537</u>	<u>\$ 7,208,506</u>	<u>\$ 8,251,140</u>	<u>\$ 6,259,396</u>	<u>\$ 17,087,029</u>

Source: ACFR Schedule B-1 and District records.

* The increase is due to the implementation of GASB 84, which required the reporting of student activities in the Special Revenue Fund.

East Brunswick Public Schools
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)
Unaudited

	Year ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax Levy	\$ 116,678,885	\$ 118,821,381	\$ 121,368,715	\$ 124,216,506	\$ 127,939,093	\$ 130,177,338	\$ 132,424,676	\$ 134,635,982	\$ 136,503,916	\$ 139,039,043
Tuition Charges	311,056	346,709	306,837	358,579	475,978	868,256	1,042,113	895,102	699,894	1,082,359
Miscellaneous	601,337	914,856	694,541	818,651	843,337	763,753	774,623	1,322,176	1,314,724	1,029,590
State Sources	27,776,857	31,715,955	30,290,748	32,775,963	36,100,049	37,042,942	40,010,830	43,261,558	44,872,508	50,986,422
Federal Sources	3,453,938	3,210,294	2,635,515	2,935,861	3,275,464	3,115,558	3,076,939	3,133,976	3,177,071	4,594,213
Total revenue	148,822,073	155,009,195	155,296,356	161,105,560	168,633,921	171,967,847	177,329,181	183,248,794	186,568,113	196,731,627
Expenditures										
Instruction										
Regular Instruction	42,612,785	42,875,279	42,331,154	42,609,345	43,161,359	43,480,565	44,932,487	44,555,848	46,205,968	47,062,427
Special Education Instruction	9,695,591	11,729,002	12,641,912	13,625,208	14,241,889	13,824,988	13,907,405	14,492,335	15,012,585	14,009,646
Other Instruction	3,357,934	3,502,369	3,408,525	3,505,574	3,579,677	3,935,738	4,020,042	4,105,261	4,194,618	4,436,582
Support Services:										
Tuition	4,697,912	4,015,981	3,585,012	2,583,902	2,423,489	2,627,104	2,532,463	2,936,393	2,747,159	2,334,472
Student and Instruction Related Services	11,775,157	16,258,531	16,556,932	17,091,007	17,647,875	19,461,012	18,483,757	19,086,322	18,257,127	19,009,773
School Administration Services	4,929,749	4,809,718	4,679,406	4,679,531	4,869,160	4,760,481	5,001,742	5,005,151	4,968,962	5,130,684
Business Administration Services	6,837,269	4,450,189	4,852,209	5,089,572	5,717,736	5,860,112	6,071,897	5,975,496	6,315,430	6,276,522
Plant Operations and maintenance	10,846,462	10,704,702	11,335,943	11,496,169	11,541,729	12,138,367	13,167,655	13,840,485	13,739,620	15,144,162
Pupil transportation	6,727,402	7,179,167	6,564,578	6,579,452	7,066,950	8,032,512	8,378,473	9,203,154	8,149,213	7,742,801
Employee Benefits	30,928,665	34,005,911	33,460,636	34,833,557	38,216,421	39,076,214	40,118,595	44,981,048	47,712,010	54,693,024
Special Schools								14,169	9,143	28,517
Charter Schools	1,146,507	1,215,974	1,721,288	2,056,054	2,253,355	2,354,479	2,610,331	2,701,322	2,728,132	3,220,597
Capital Outlay	16,229,966	12,406,577	4,562,211	12,547,621	15,196,326	10,016,035	7,182,391	12,618,881	20,727,505	9,117,619
Debt Service:										
Principal	4,292,974	4,517,976	6,675,699	6,942,671	8,893,503	9,369,352	10,088,849	10,660,960	9,363,240	14,227,792
Interest and other charges	4,554,572	4,401,548	3,880,821	3,695,700	3,584,654	3,287,554	3,054,263	2,876,687	2,622,429	2,662,603
Costs of issuance								86,896	110,849	
Total expenditures	158,632,945	162,072,924	156,256,326	167,335,363	178,394,123	178,224,513	179,550,350	193,140,408	202,863,990	205,097,221
Excess (Deficiency) of revenues over (under) expenditures	(9,810,872)	(7,063,729)	(959,970)	(6,229,803)	(9,760,202)	(6,256,666)	(2,221,169)	(9,891,614)	(16,295,877)	(8,365,594)
Other Financing sources (uses)										
Capital leases		6,106,500	2,089,513	7,850,000	860,000					17,285,000
Lease purchase issuance				5,800,000		6,200,000	6,900,000		14,600,000	
Refunding bonds issued		60,560,000				5,515,000		8,135,000	10,355,000	
Premium on bonds issued		5,832,318						839,236	1,799,553	
Payment to refunding bond escrow agent		(66,075,091)				(5,472,984)			(12,043,704)	
Insurance proceeds		45,334								
Non-Federal Cost Share Reimb. Program proceeds						14,761				
Transfers in	272,730	100,000	2,728,534	3,771,596	500,000	768,466	1,753,874	1,331,724	70,827	89,635
Transfers Out	(72,027)		(2,528,534)	(3,371,596)			(789,033)	(43,469)	(70,827)	(89,635)
Total other financing sources (uses)	200,703	6,569,061	2,289,513	14,050,000	1,360,000	7,025,243	7,864,841	10,262,491	14,710,849	17,285,000
Special item:									100,000	
SDA settlement									100,000	
Net change in fund balances	\$ (9,610,169)	\$ (494,668)	\$ 1,329,543	\$ 7,820,197	\$ (8,400,202)	\$ 768,577	\$ 5,643,672	\$ 370,877	\$ (1,485,028)	\$ 8,919,406
Debt service as a percentage of noncapital expenditures	6.21%	5.96%	6.96%	6.87%	7.65%	7.74%	7.73%	7.50%	6.57%	8.60%

Source: ACFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

East Brunswick Public Schools
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)
 Unaudited

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rentals	Miscellaneous	Annual Totals
2012	\$ 25,178	\$ 311,056	\$ 102,968	\$ 2,047,637	\$ 2,486,839
2013	20,548	346,709	162,047	440,433	969,737
2014	14,985	306,837	146,365	333,284	801,471
2015	13,327	358,579	146,556	442,337	960,799
2016	17,394	475,978	113,618	514,754	1,121,744
2017	18,216	868,256	108,755	471,373	1,466,600
2018	64,177	1,042,113	102,758	393,937	1,602,985
2019	445,048	895,102		587,457	1,927,607
2020	703,437	699,894		344,942	1,748,273
2021	14,184	1,082,359		596,622	1,693,165

Source: District Records

East Brunswick Public Schools
Assessed Value and Actual Value of Taxable Property
Last Ten Years

Unaudited

Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment
2012	\$ 13,483,800	\$ 1,498,633,500	\$ 2,787,000	\$ 303,218,900	\$ 91,231,200	\$ 21,457,100
2013	12,615,800	1,487,937,400	2,788,000	289,821,200	87,643,100	19,733,100
2014	14,019,200	1,484,263,200	2,191,300	285,010,100	85,197,400	19,733,100
2015	12,763,300	1,485,430,500	2,582,800	287,524,800	85,132,900	19,733,100
2016	13,442,700	1,489,679,700	2,568,400	286,964,750	83,421,100	19,733,100
2017	14,646,300	1,492,830,200	2,471,500	286,380,850	84,933,800	19,733,100
2018	14,581,900	1,495,898,800	2,394,300	281,670,250	84,108,700	19,733,100
2019	13,884,700	1,502,220,000	2,394,300	281,921,250	83,170,400	19,723,100
2020	15,528,800	1,508,031,500	2,392,700	275,828,650	78,054,500	19,983,300
2021	13,785,300	1,512,432,400	2,668,500	275,240,350	78,080,000	27,137,600

Source: District records, Abstract of Ratables, Table of Aggregates & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

East Brunswick Public Schools
Assessed Value and Actual Value of Taxable Property
Last Ten Years

Unaudited

Year Ended December 31,	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Ratio to True Value %	Aggregate True Value
2012	\$ 1,930,811,500	\$ 3,075,073	\$ 1,933,886,573	\$ 6.09	25.67	\$ 7,521,665,368
2013	1,900,538,600	2,654,186	1,903,192,786	6.31	26.39	7,201,737,779
2014	1,890,414,300	2,044,733	1,892,459,033	6.49	26.19	7,218,076,747
2015	1,893,167,400	2,143,448	1,895,310,848	6.65	26.64	7,106,484,234
2016	1,895,809,750	2,077,187	1,897,886,937	6.80	26.22	7,230,395,690
2017	1,900,995,750	2,031,934	1,903,027,684	6.90	25.34	7,501,956,393
2018	1,898,387,050	2,146,634	1,900,533,684	7.03	24.36	7,793,050,287
2019	1,903,313,750	2,227,252	1,905,541,002	7.12	25.03	7,604,130,044
2020	1,899,819,450	2,321,389	1,902,140,839	7.25	24.82	7,652,042,909
2021	1,909,344,150	2,410,316	1,911,754,466	7.21	24.82	7,692,764,504

Source: District records, Abstract of Ratables, Table of Aggregates & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

East Brunswick Public Schools
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Unaudited

Year Ended December 31,	East Brunswick Public Schools			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	East Brunswick Township	Middlesex County	Municipal Open Space	Middlesex County Open Space	
2012	\$ 5.655	\$ 0.434	\$ 6.089	\$ 1.811	\$ 1.255	\$ 0.019	\$ 0.116	\$ 9.290
2013	5.877	0.434	6.311	1.842	1.316	0.019	0.112	9.600
2014	6.071	0.418	6.489	1.948	1.391	0.019	0.114	9.961
2015	6.228	0.425	6.653	2.009	1.385	0.019	0.113	10.179
2016	6.362	0.439	6.801	2.139	1.358	0.020	0.113	10.431
2017	6.482	0.418	6.900	2.211	1.406	0.019	0.115	10.651
2018	6.631	0.395	7.026	2.218	1.447	0.019	0.119	10.829
2019	6.746	0.369	7.115	2.300	1.463	0.019	0.123	11.020
2020	6.895	0.351	7.246	2.307	1.437	0.020	0.120	11.130
2021	7.036	0.173	7.209	2.316	1.471	0.020	0.121	11.137

Source: District Records and Municipal Tax Collector

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.

East Brunswick Public Schools
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Brunswick Square Mall	\$ 24,264,600	1	1.27%	\$ 30,266,800	1	1.57%
Mid State Mall	15,460,000	2	0.81%	15,460,000	2	0.80%
Tower II	13,284,000	3	0.69%	15,159,200	3	0.78%
Tower I	10,000,000	4	0.52%	12,374,400	4	0.64%
East Brunswick UE, LLC	9,500,000	5	0.50%			
Wyndmoor Apartments	9,375,000	6	0.49%	7,769,400	7	0.40%
L.P.E. Partners	7,813,800	7	0.41%	9,038,400	6	0.47%
Summerhill Square LLC	7,377,100	8	0.39%			
JP Taylor, LLC	6,500,100	9	0.34%			
East Coast Cranbury Crossing	6,324,000	10	0.33%	6,000,000	8	0.31%
East Brunswick VF, LLC				9,500,000	5	0.49%
Toll JM EB, LLC				5,977,600	9	0.31%
Belmont Associates (K Mart)				5,880,600	10	0.30%
Total	<u>\$ 109,898,600</u>		<u>5.75%</u>	<u>\$ 117,426,400</u>		<u>6.07%</u>

Source: District ACFR & Municipal Tax Assessor

East Brunswick Public Schools
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		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	* \$ 108,271,963	\$ 108,271,963	100.00%	
2013	* 110,437,402	110,437,402	100.00%	
2014	* 113,246,150	113,246,150	100.00%	
2015	* 116,518,219	116,518,219	100.00%	
2016	127,939,093	127,939,093	100.00%	
2017	130,177,338	130,177,338	100.00%	
2018	132,424,676	132,424,676	100.00%	
2019	134,635,982	134,635,982	100.00%	
2020	136,503,916	136,503,916	100.00%	
2021	139,039,043	139,039,043	100.00%	

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

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

* Years presented prior to 2016 only include the General Fund tax levy.

East Brunswick Public Schools
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Unaudited

Governmental Activities							
Fiscal Year Ended June 30,	General Obligation Bonds	Unamortized Premium on Bonds	Capital Leases	Lease Purchase Obligations	Total District	Percentage of Personal Income ^a	Per Capita ^a
2012	\$ 91,626,000	\$ 5,647,165	\$ 2,674,110	\$ 9,473,858	\$ 103,773,968	*	\$ 2,170
2013	90,085,000	5,369,436	5,726,746	8,135,882	109,594,793	*	2,291
2014	86,775,000	5,091,707	5,845,897	6,740,545	104,730,878	*	2,186
2015	83,465,000	4,813,978	11,518,383	11,085,388	111,160,478	*	2,315
2016	79,585,000	4,258,520	8,882,423	9,567,845	102,849,246	*	2,146
2017	75,780,000	4,258,520	6,210,437	13,025,242	99,551,928	*	2,078
2018	71,660,000	4,785,059	3,599,203	16,567,789	96,085,512	*	2,011
2019	75,715,000	6,193,377	1,836,245	11,749,787	94,086,091	*	1,977
2020	70,140,000	5,746,031	177,792	22,740,000	99,251,169	*	2,055
2021	65,400,000	11,040,000	11,040,000	19,320,000	101,506,031	*	*

Source: District ACFR Schedules I-1, I-2 and I-4

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

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

* District personal income information is not available.

** Information for the noted year not available

East Brunswick Public Schools
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General ^d Obligation Bonds	Deductions ^c	Net General Bonded Debt Outstanding		
2012	\$ 91,626,000	\$ 95,024	\$ 91,530,976	4.74%	\$ 1,914
2013	95,732,165	5,943,830	89,788,335	4.72%	1,877
2014	92,144,436	5,658,855	86,485,581	4.57%	1,805
2015	88,556,707	5,091,714	83,464,993	4.41%	1,739
2016	84,398,978	4,823,641	79,575,337	4.20%	1,660
2017	80,316,249	4,573,322	75,742,927	3.98%	1,581
2018	75,918,520	4,347,713	71,570,807	3.77%	1,498
2019	80,500,059	4,807,181	75,692,878	3.98%	1,590
2020	76,333,377	6,305,839	70,027,538	3.69%	1,450
2021	71,146,031	5,858,492	65,287,539	3.42%	*

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

a See Exhibit J-6 for property tax data.

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

c Deductions are externally restricted for the payment of principal of the debt.

d Includes the unamortized premiums.

* Information for the noted year not available

East Brunswick Public Schools
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2021

Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
East Brunswick Township (as of 12/31/20)	\$ 111,107,500	100.000%	\$ 111,107,500
Other debt			
Middlesex County as of 12/31/20	437,455,272	6.509%	28,473,089
Middlesex County Utility Authority as of 12/31/20	117,044,139	3.851%	<u>4,507,067</u>
Subtotal, overlapping debt			144,087,656
East Brunswick Public Schools Direct Debt			<u>101,506,031</u>
Total direct and overlapping debt			<u><u>\$ 245,593,687</u></u>

Sources: District Records, East Brunswick Township Official Statement

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 East Brunswick. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

East Brunswick Public Schools
Legal Debt Margin Information,
Last Ten Fiscal Years

Unaudited

Legal Debt Margin Calculation for Fiscal Year 2021

Equalized valuation basis

	2021	\$	7,692,764,504
	2020		7,652,042,909
	2019		7,604,130,044
	[A]	\$	<u>22,948,937,457</u>
Average equalized valuation of taxable property	[A/3]	\$	<u>7,649,645,819</u>
Debt limit (4 % of average equalization value)		\$	305,985,833
Net bonded school debt	[C]		<u>75,030,050</u>
Legal debt margin	[B-C]	\$	<u>230,955,783</u>

	2012	2013	2014	2015	2016
Debt limit	\$ 318,290,884	\$ 306,089,007	\$ 292,553,065	\$ 287,017,317	\$ 287,399,422
Total net debt applicable to limit *	<u>95,622,480</u>	<u>99,431,980</u>	<u>95,851,497</u>	<u>92,553,180</u>	<u>88,385,795</u>
Legal debt margin	<u>\$ 222,668,404</u>	<u>\$ 206,657,027</u>	<u>\$ 196,701,568</u>	<u>\$ 194,464,137</u>	<u>\$ 199,013,627</u>
Total net debt applicable to the limit as a percentage of debt limit	30.04%	32.48%	32.76%	32.25%	30.75%
	2017	2018	2019	2020	2021
Debt limit	\$ 291,184,484	\$ 300,338,698	\$ 305,321,823	\$ 307,322,977	\$ 305,985,833
Total net debt applicable to limit *	<u>84,275,656</u>	<u>79,825,807</u>	<u>79,689,358</u>	<u>74,024,018</u>	<u>75,030,050</u>
Legal debt margin	<u>\$ 206,908,828</u>	<u>\$ 220,512,891</u>	<u>\$ 225,632,465</u>	<u>\$ 233,298,959</u>	<u>\$ 230,955,783</u>
Total net debt applicable to the limit as a percentage of debt limit	28.94%	29.36%	26.10%	24.09%	24.52%

* Includes bonds and notes authorized but not issued in the amount of \$3,996,480.

Source: Township Official Statement and District Records ACFR Schedule J-11

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

East Brunswick Public Schools
Demographic and Economic Statistics
Last Ten Fiscal Years

Unaudited

Year	Population **	Personal Income (thousands of dollars)	Per Capita Personal Income **	Unemployment Rate
2012	47,830	-	\$ 53,435	7.4%
2013	47,847	-	52,475	6.4%
2014	47,910	-	53,964	5.0%
2015	48,008	-	55,027	4.2%
2016	47,933	-	56,656	3.7%
2017	47,905	-	58,289	3.5%
2018	47,784	-	61,012	3.1%
2019	47,593	-	63,457	2.60%
2020	48,309	-	*	7.80%
2021	*	-	*	*

Source: NJ Department of Labor and Workforce Development

* Information for the noted years was not available.

** Prior year estimates revised.

Note: Per capita personal income is disclosed at the county level. Personal income and per capita personal income information was not available at the district level.

East Brunswick Public Schools
Principal Employers
Current Year and Nine Years Ago

Unaudited

Employer	2021 *			2012*		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Robert Wood Johnson University Hospital	5,000 - 5,249	1	0.00%	5,000 - 5,249	1	0.00%
Novo Nordisk	4,500 - 4,579	2	0.00%	4,500 - 4,749	2	0.00%
Wakefern Food Corporation	3,500 - 3,749	3	0.00%	3,500 - 3,749	3	0.00%
J.F.K. Medical Center	3,000 - 3,369	4	0.00%	2,500 - 2,749	6	0.00%
Bristol-Myers Squibb	3,000 - 3,249	5	0.00%	3,000 - 3,249	4	0.00%
St. Peter's Healthcare System	2,750 - 2,999	6	0.00%	2,750 - 2,999	5	0.00%
Silverline Building Products	2,250 - 2,299	7	0.00%	2,250 - 2,299	7	0.00%
Johnson & Johnson	2,000 - 2,249	8	0.00%	2,000 - 2,249	8	0.00%
Raritan Bay Medical Center	2,000 - 2,249	9	0.00%	2,000 - 2,249	9	0.00%
Home Depot	1,750 - 1,999	10	0.00%	n/a	n/a	0.00%
Ericsson				2,000 - 2,249	10	0.00%

Source: Middlesex County Department of Economic Development

* Note: Top ten employers by number of employees was not available at the municipal level, therefore we have presented the current year information at the county level. We have also presented the number of employees as a range, as an exact number of employees was unavailable.

East Brunswick Public Schools
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	Unaudited									
	2012*	2013*	2014*	2015	2016	2017*	2018	2019**	2020**	2021
Instruction										
Regular	503.7	500.2	504.7	510.2	516.2	605.8	562.5	571.5	565.3	561.1
Special education	206.5	216.5	224.5	230.5	238.5	268.3	257.1	254.0	268.7	264.0
Support Services:										
Student & instruction related services	198.2	199.7	204.2	205.7	206.7	214.3	235.0	242.4	246.5	225.9
General administrative services	7.9	7.9	7.9	7.9	7.9	7.9	9.0	9.0	8.5	6.5
School administrative services	60.6	60.6	60.6	60.6	60.6	56.4	57.2	57.2	55.7	53.8
Business administrative services	22.9	22.9	22.9	22.9	23.9	25.7	25.7	25.7	24.1	26.0
Information Technology	18.0	19.0	19.0	19.0	19.0	20.0	21.0	22.0	22.0	22.0
Plant operations and maintenance	152.8	157.8	157.8	157.8	157.8	144.5	121.0	129.8	130.1	151.1
Pupil transportation	37.3	37.3	37.3	37.3	37.3	39.5	45.1	45.0	46.3	43.9
Food Service	38.6	36.4	42.0	37.8	40.1	34.3	37.9	33.1	32.9	34.3
Adult and Community Programs	5.1	6.6	5.5	6.2	6.2	6.4	6.7	6.4	6.6	6.4
JMPAC	-	-	-	-	-	0.9	0.9	0.1	1.1	1.1
ETTC	2.0	-	-	-	-	-	-	-	-	-
Total	<u>1,253.6</u>	<u>1,264.9</u>	<u>1,286.3</u>	<u>1,295.9</u>	<u>1,314.2</u>	<u>1,424.0</u>	<u>1,379.0</u>	<u>1,396.1</u>	<u>1,407.7</u>	<u>1,396.1</u>

* Prior year reclassification

** Prior year revision

Source: District Personnel Records

East Brunswick Public Schools
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Junior High School	High School				
2012	8,468	\$ 133,555,433	\$ 15,772	3.18%	687	11.4	10.4	11.4	11.9	8,292.92	7,983.85	-2.39%	96.27%
2013	8,420	140,746,823	16,716	5.99%	672	11.1	10.0	11.0	12.0	8,212.62	7,859.09	-0.97%	95.70%
2014	8,439	141,137,595	16,724	0.05%	662	12.1	11.0	12.0	13.0	8,270.77	7,926.72	0.71%	95.84%
2015	8,399	144,149,371	17,163	2.62%	690	11.8	11.0	12.0	13.0	8,261.29	7,904.34	-0.11%	95.68%
2016	8,259	150,719,640	18,249	6.33%	717	10.4	10.0	11.0	12.0	8,107.92	7,769.14	-1.86%	95.82%
2017	8,089	155,551,572	19,230	5.37%	722	10.4	10.0	11.0	12.0	7,993.63	7,647.36	-1.41%	95.67%
2018	8,167	159,224,847	19,497	1.39%	723	10.1	11.0	11.0	12.0	8,048.68	7,654.10	0.69%	95.10%
2019	8,381	166,896,984	19,914	2.14%	724	10.6	10.0	11.0	12.0	8,301.65	7,900.57	3.14%	95.17%
2020	8,403	170,039,967	20,237	1.62%	735	10.5	12.0	11.0	12.0	8,217.80	7,958.95	-1.01%	96.85%
2021	8,279	179,089,207	21,632	6.89%	720	10.3	12.0	11.0	12.0	8,063.70	7,835.65	-1.88%	97.17%

Sources: District records, ASSA, NJ School Report Card, NJ School Performance Report

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

East Brunswick Public Schools
School Building Information
Last Ten Fiscal Years
Unaudited

	2012	2013	2014 *	2015	2016	2017	2018	2019	2020	2021
<u>District Building</u>										
<u>Elementary</u>										
Bowne-Munro (1952)										
Square Feet	32,015	32,015	32,738	32,738	32,738	32,738	32,738	32,738	32,738	32,738
Capacity (students)	242	242	270	270	270	270	270	270	270	270
Enrollment	238	237	213	215	205	209	224	219	250	240
Central (1949)										
Square Feet	73,266	73,266	78,283	78,283	78,283	78,283	78,283	78,283	78,283	78,283
Capacity (students)	552	552	532	532	532	532	532	532	532	532
Enrollment	424	407	426	438	418	416	399	414	433	429
Chittick (1969)										
Square Feet	49,127	49,127	52,241	52,241	52,241	52,241	53,058	53,058	53,058	53,058
Capacity (students)	383	383	550	550	550	550	550	550	550	550
Enrollment	515	462	453	417	397	414	437	500	509	471
Frost (1965)										
Square Feet	49,971	49,971	52,230	52,230	52,230	52,230	52,545	52,545	52,545	52,545
Capacity (students)	438	438	455	455	455	455	455	455	455	455
Enrollment	457	429	423	427	442	444	463	472	450	448
Irwin (1957)										
Square Feet	43,033	43,033	43,279	43,279	43,279	43,279	43,986	43,986	43,986	43,986
Capacity (students)	376	376	478	478	478	478	478	478	478	478
Enrollment	417	459	459	468	464	440	449	473	429	380
Lawrence Brook (1959)										
Square Feet	67,267	67,267	77,218	77,218	77,218	77,218	77,218	77,218	77,218	77,218
Capacity (students)	532	532	520	520	520	520	520	520	520	520
Enrollment	513	432	426	405	406	446	439	451	422	432
Memorial (2012)										
Square Feet	30,759	78,000	82,821	82,821	82,821	82,821	82,821	82,821	82,821	82,821
Capacity (students)	446	650	565	565	565	565	565	565	565	565
Enrollment	337	489	499	507	494	493	537	570	541	529
Warnsdorfer (1968)										
Square Feet	49,971	49,971	55,708	55,708	55,708	55,708	55,708	55,708	55,708	55,708
Capacity (students)	479	479	488	488	488	488	488	488	488	488
Enrollment	429	415	443	476	472	462	461	449	478	446
Total Elementary Schools										
Square Feet	395,409	442,650	474,518	474,518	474,518	474,518	476,357	476,357	476,357	476,357
Capacity (students)	3,448	3,652	3,858	3,858	3,858	3,858	3,858	3,858	3,858	3,858
Enrollment	3,330	3,330	3,342	3,353	3,298	3,324	3,409	3,548	3,512	3,375
<u>Middle School</u>										
Hammarskjold (2009)										
Square Feet	254,580	254,580	271,520	271,520	271,520	271,520	271,520	271,520	271,520	271,520
Capacity (students)	1,288	1,288	1,518	1,518	1,518	1,518	1,518	1,518	1,518	1,518
Enrollment	1,298	1,323	1,357	1,311	1,294	1,212	1,197	1,280	1,343	1,297
<u>Junior High School</u>										
Churchill Jr. High (1962)										
Square Feet	205,549	205,549	260,332	260,332	260,332	260,332	260,332	260,332	260,332	260,332
Capacity (students)	1,325	1,325	1,432	1,432	1,432	1,432	1,432	1,432	1,432	1,432
Enrollment	1,462	1,415	1,315	1,372	1,374	1,336	1,320	1,273	1,269	1,329
<u>High School</u>										
East Brunswick High (1958)										
Square Feet	257,727	257,727	360,422	360,422	360,422	360,422	360,422	360,422	360,422	360,422
Capacity (students)	1,582	1,582	2,724	2,724	2,724	2,724	2,724	2,724	2,724	2,724
Enrollment	2,208	2,186	2,225	2,165	2,101	2,055	2,052	2,082	2,066	2,023
<u>Other</u>										
Administration Building										
Square Feet	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Support Operations										
Square Feet	-	-	-	-	-	29,614	29,614	29,614	29,614	29,614

Number of Schools at June 30, 2021

- Elementary = 8
- Middle School = 1
- Junior High School = 1
- High School = 1
- Other = 2

Source: District records, ASSA, LRFP

* Square footage and capacity for each building have been updated to reflect the results of a District-Wide Capacity Study that was performed.

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of renovations and additions. Enrollment is based on the annual October district count.

East Brunswick Public Schools
Schedule of Required Maintenance
Last Ten Fiscal Years

Unaudited

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
East Brunswick High School	\$ 700,862	\$ 560,420	\$ 541,155	\$ 423,026	\$ 368,229	\$ 459,471	\$ 415,952	\$ 418,330	\$ 350,196	\$ 363,539
Churchill Junior High School	385,500	416,052	342,511	281,798	268,147	329,563	300,543	302,159	287,404	295,625
Hammarskjold School	446,323	383,963	359,302	293,000	277,384	348,852	313,353	315,145	339,632	351,406
Bowne-Munro School	55,495	49,128	49,203	40,076	33,445	41,444	37,782	37,998	42,023	42,089
Central School	130,713	121,223	110,613	88,024	81,914	100,193	90,344	90,861	96,169	97,621
Irwin School	74,517	68,511	69,173	58,937	46,594	54,788	49,947	50,232	56,485	57,479
Lawrence Brook School	158,489	129,693	123,090	91,806	78,886	97,753	89,115	89,625	88,295	90,433
Memorial School	137,337	115,232	111,569	86,970	84,610	105,652	95,581	96,128	105,383	43,033
Chittick School	88,259	85,357	89,491	76,794	53,369	66,134	60,290	60,634	64,484	67,793
Frost School	75,849	113,646	67,116	56,698	53,358	66,120	60,277	60,622	65,592	65,695
Warmsdorfer School	87,330	112,729	75,125	61,597	57,086	70,523	64,291	64,659	65,592	65,695
Total School Facilities	2,340,674	2,155,954	1,938,348	1,558,726	1,403,022	1,740,493	1,577,475	1,586,393	1,561,255	1,540,408
Other Facilities										
Administration	37,857	37,398	31,291	25,050	30,647	37,976	34,622	34,819	39,378	39,440
Support Operations	37,370	36,917	30,890	24,726	30,254	-	-	-	-	-
Total Other Facilities	75,227	74,315	62,181	49,776	60,901	37,976	34,622	34,819	39,378	39,440
Grand Total	\$ 2,415,901	\$ 2,230,269	\$ 2,000,529	\$ 1,608,502	\$ 1,463,923	\$ 1,778,469	\$ 1,612,097	\$ 1,621,212	\$ 1,600,633	\$ 1,579,848

Source: M1

East Brunswick Public Schools
Insurance Schedule
Year Ended June 30, 2021

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>MULTI-PERIL PACKAGE POLICY</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG POLICY NO. P-135AL ANNUAL PREMIUM: \$614,530		
<u>Section II - Commercial General Liability</u>		
Bodily Injury, Property Damage and Personal Injury	\$ 31,000,000	
Medical Expense	10,000	
Aggregate Child Molestation/Sexual Abuse	31,000,000	
Employee Benefits Legal Liability	31,000,000	
<u>Section III - Crime</u>		
Money and Securities	50,000	\$ 500
Employee Dishonesty	1,000,000	1,000
Depositors Forgery	1,000,000	1,000
Computer Fraud	1,000,000	1,000
<u>SCHOOL BOARD LEGAL</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG POLICY NO. E-135AL ANNUAL PREMIUM: \$253,926		
Wrongful Acts Liability - Each Occurrence	31,000,000	15,000
Annual Aggregate	31,000,000	
<u>CATASTROPHIC POLICY</u>		
FIREMAN'S FUND POLICY NO. USL007276202 ANNUAL PREMIUM: \$35,217		
Limit of Insurance (Group Aggregate)	25,000,000	
<u>PROPERTY INSURANCE</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG POLICY NO. P135AL ANNUAL PREMIUM: Included		
Blanket Building - Contents Coverage	419,096,027	10,000
Extra Expense	50,000,000	10,000
Flood & Earthquake	75,000,000	10,000
EDP	2,100,000	1,000
Energy Systems - Property Damage	419,096,027	10,000
Energy Systems - Extra Expense	10,000,000	10,000

East Brunswick Public Schools
Insurance Schedule
Year Ended June 30, 2021

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>AUTOMOBILE POLICY AND GARAGE KEEPERS</u>		
INCLUDED IN MULTI-PERIL PACKAGE POLICY BY EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG		
Bodily Injury and Property Damage	\$ 31,000,000	
Uninsured Motorist Coverage	1,000,000	
Comprehensive	Replacement	\$ 1,000
Collision	Replacement	1,000
Beazley POLICY NO. W1BE82200501 ANNUAL PREMIUM: \$21,528		
Legal Liability	1,000,000 each loss 3,000,000 aggregate	10,000
<u>WORKERS COMPENSATION</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG POLICY NO. W-135AL ESTIMATED DEPOSIT PREMIUM: \$734,513		
A. Worker's Compensation Insurance Under New Jersey State Laws		
B. Employer's Liability		
Bodily Injury - Each Accident	3,000,000	
Bodily Injury By Disease - Each Employee	3,000,000	
CHUBB INSURANCE POLICY NO. 64775774 (99071588) ANNUAL PREMIUM: \$40,766		
Supplemental Coverage:		
Reimbursement of Salary - Max Weekly Benefit		1,750
<u>PRIMARY UMBRELLA</u>		
INCLUDED IN MULTI-PERIL PACKAGE POLICY BY EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG		

East Brunswick Public Schools
Insurance Schedule
Year Ended June 30, 2021

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>STUDENT ACCIDENT INSURANCE</u>		
BOLLINGER POLICY NO. MCB5859349 ANNUAL PREMIUM: \$83,740	\$ 5,000,000	
Supplemental to primary family policy - full excess		
 <u>BONDS</u>		
SELECTIVE INSURANCE POLICY NO. B1005007 ANNUAL PREMIUM: \$2,100		
Bernardo J. Giuliana, Business Administrator / Board Secretary		750,000

Source: District Records

Single Audit Section



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

Honorable President and Members
of the Board of Education
East Brunswick Public Schools
East Brunswick, New Jersey
County of Middlesex

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the East Brunswick Public Schools, in the County of Middlesex, New Jersey (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 10, 2022.

Internal Control Over Financial Reporting

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

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 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.

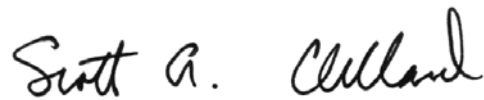
WISS & COMPANY, LLP

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

March 10, 2022
Florham Park, New Jersey

Report on Compliance For Each Major Federal and State Program and
Report on Internal Control Over Compliance Required by the Uniform Guidance and
New Jersey OMB Circular 15-08

Independent Auditors' Report

Honorable President and Members
of the Board of Education
East Brunswick Public Schools
East Brunswick, New Jersey
County of Middlesex

Report on Compliance for Each Major Federal and State Program

We have audited the East Brunswick Public Schools, in the County of Middlesex, New Jersey (the “District”) 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 its major federal and state programs for the 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 as prescribed by the Office of School Finance, Department of Education, State of New Jersey; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and New Jersey 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 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 and 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.

Opinion on Each Major Federal and 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 year ended June 30, 2021.

Report on Internal Control Over Compliance

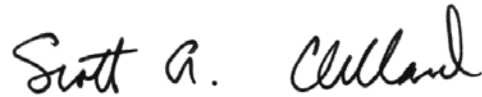
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the 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 New Jersey OMB Circular 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 a 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.

Purpose of this Report

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



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

March 10, 2022
Florham Park, New Jersey

East Brunswick Public Schools

Schedule of Expenditures of Federal Awards

Year ended June 30, 2021

Federal AL Number	Federal Award Identification Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2020	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2021	
											(Accounts Receivable)	Unearned Revenue
General Fund:												
U.S. Department of Health and Human Services												
- Passed-Through State Department of Education												
93.778	2005NJ5MAP	N/A	\$ 147,369	7/1/2020	6/30/2021		\$ 147,369	\$ (147,369)				
Medical Assistance Aid												
Total U.S. Department of Health and Human Services - Passed-Through State												
Department of Education												
Total General Fund												
Special Revenue Fund:												
U.S. Department of Education - Passed-Through State												
Department of Education												
Elementary and Secondary Education Act (ESEA):												
Title I, Part A - 2021												
84.010A	S010A200030	N/A	740,221	7/1/2020	9/30/2021		482,515	(652,391)		\$	(149,876)	
84.010A	S010A190030	N/A	727,501	7/1/2019	9/30/2020	\$ (112,393)	112,393					
Title I, Part A - 19/20												
84.367A	S367A200029	N/A	151,064	7/1/2020	9/30/2021		103,627	(143,200)			(39,573)	
84.367A	S367A190029	N/A	202,937	7/1/2019	9/30/2020	(106,572)	106,572					
Title II, Part A - 20/21												
Title II, Part A - 19/20												
84.365A	S365A200030	N/A	59,733	7/1/2020	9/30/2021		28,852	(47,852)			(19,000)	
84.365A	S365A190030	N/A	61,542	7/1/2019	9/30/2020	(3,020)	3,020					
Title III - 20/21												
Title III - 19/20												
84.365	S365A200030	N/A	13,024	7/1/2020	9/30/2021		8,352	(10,577)			(2,225)	
84.365	S365A190030	N/A	29,864	7/1/2019	9/30/2020	(226)	226					
Title III Immigrant - 20/21												
Title III Immigrant - 19/20												
84.424	S424A200031	N/A	49,904	7/1/2020	9/30/2021		29,600	(29,762)			(162)	
84.424	S424A190031	N/A	38,451	7/1/2019	9/30/2020	(13,033)	13,033					
Title IV, Part A - 19/20												
Special Education Grant Cluster:												
84.027A	H027A200100	N/A	2,024,469	7/1/2020	9/30/2021		1,620,180	(2,002,825)			(382,645)	
84.027A	H027A190100	N/A	1,913,623	7/1/2019	9/30/2020	(499,740)	499,740					
84.173	H173A200114	N/A	90,527	7/1/2020	9/30/2021		27,191	(90,526)			(63,335)	
84.173	H173A190114	N/A	65,984	7/1/2019	9/30/2020	(35,705)	35,705					
Total of Special Education Grant Cluster												
84.002A	V002A200031	N/A	202,000	7/1/2020	6/30/2021		89,908	(170,748)	\$	(1)	(80,841)	
84.002A	V002A190031	N/A	196,000	7/1/2019	6/30/2020	(70,307)	70,307					
Adult Basic Education												
Adult Basic Education												
84.425D	S425D200027	N/A	584,814	3/13/2020	9/30/2022		325,947	(388,387)			(62,440)	
Elementary and Secondary School Emergency Relief (ESSER):												
COVID-19 CARES Emergency Relief (ESSER I)												
Total U.S. Department of Education - Passed-Through State Department of Education												
U.S. Department of Treasury Passed Through the State												
Department of Education												
21.019	SLT0228	N/A	393,279	3/13/2020	12/31/2020		393,279	(393,279)				
21.019	S377A130031	N/A	520,381	7/16/2020	10/31/2020		520,381	(520,381)				
21.019	S377A130031	N/A	16,916	7/16/2020	10/31/2020		16,916	(16,916)				
COVID-19 CRF School Re-opening and Remote Learning												
COVID-19 CRF Bridging the Digital Divide												
COVID-19 CRF Nonpublic Technology Funds												
Total U.S. Department of Treasury Passed Through the State												
Department of Education												
Total Special Revenue Fund												

East Brunswick Public Schools

Schedule of Expenditures of Federal Awards

Year ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Federal Award Identification Number	Grant or State Project Number	Program or Award Amount	From	To	Balance June at June 30, 2020	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2021	
													(Accounts Receivable)	Unearned Revenue
U.S. Department of Agriculture--Passed-Through State Department of Agriculture														
Enterprise Fund:														
Child Nutrition Cluster:														
National School Lunch Program	10.555	211NJ304N1099	N/A	\$ 1,570,139	7/1/2020	6/30/2021			\$ 1,427,190	\$ (1,570,139)		\$	(142,949)	
National School Lunch Program	10.555	201NJ304N1099	N/A	638,468	7/1/2019	6/30/2020	\$ (74,420)		74,420					
COVID-19 - Unanticipated School Closures 2020-21	10.555	211NJ304N1099	N/A	205,985	7/1/2020	6/30/2021			205,985	(205,985)				
Aller School Snack Program	10.555	211NJ304N1099	N/A	85,536	7/1/2020	6/30/2021			65,716	(85,536)			(19,820)	
School Breakfast Program	10.553	211NJ304N1099	N/A	837,261	7/1/2020	6/30/2021			763,014	(837,261)			(74,247)	
School Breakfast Program	10.553	201NJ304N1099	N/A	131,326	7/1/2019	6/30/2020	(39,777)		39,777					
COVID-19 - Unanticipated School Closures 2020-21	10.553	211NJ304N1099	N/A	110,911	7/1/2020	6/30/2021			110,911	(110,911)				
Food Donation Program (NC)	10.555	211NJ304N1099	N/A	187,309	7/1/2020	6/30/2021			187,309	(187,309)				
Total Enterprise Fund and Total U.S. Department of Agriculture--Passed-Through State Department of Agriculture and Child Nutrition Cluster							(114,197)		2,874,322	(2,997,141)			(237,016)	
Total Federal Financial Awards Expenditures							\$ (955,193)		\$ 7,509,435	\$ (7,591,354)		(1)	\$ (1,037,113)	\$ -

NC - non-cash expenditures

The accompanying notes to schedules of federal awards and state financial assistance are an integral part of this schedule.

East Brunswick Public Schools
Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period From To	Award Amount	Balance June 30, 2020			Carryover/Walkover	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Memo	
				Unearned Revenue	(Accounts Receivable)	Due to Grantor						Balance June 30, 2021 (Accounts Receivable)	Due to Grantor
State Department of Education													
<i>General Fund:</i>													
Equalization Aid	21-495-034-5120-078	7/1/2020 6/30/2021	\$ 13,561,048				\$ 12,241,786	\$ (13,561,048)				\$ (1,319,262)	\$ (13,561,048)
Equalization Aid	20-495-034-5120-078	7/1/2019 6/30/2020	12,789,929	\$	(1,243,639)		1,243,639					(521,047)	(5,355,986)
Special Education Categorical Aid	21-495-034-5120-089	7/1/2020 6/30/2021	5,355,986		(520,794)		4,834,939	(5,355,986)					(5,355,986)
Special Education Categorical Aid	20-495-034-5120-089	7/1/2019 6/30/2020	5,355,986				520,794						(1,491,445)
Transportation Aid	21-495-034-5120-014	7/1/2020 6/30/2021	1,491,445		(145,022)		1,346,533	(1,491,445)				(145,092)	(1,491,445)
Transportation Aid	20-495-034-5120-014	7/1/2019 6/30/2020	1,491,445				145,022						(176,418)
Security Aid	21-495-034-5120-084	7/1/2020 6/30/2021	176,418		(17,154)		159,256	(176,418)				(17,162)	(176,418)
Security Aid	20-495-034-5120-084	7/1/2019 6/30/2020	176,418				17,154						(37,990)
Nonpublic School Transportation Aid	21-495-034-5120-014	7/1/2020 6/30/2021	37,990		(4,681)		4,681	(37,990)					(37,990)
Nonpublic School Transportation Aid	20-495-034-5120-014	7/1/2019 6/30/2020	4,681					(2,634,106)				(2,634,106)	(2,634,106)
Extraordinary Aid	21-495-034-5120-044	7/1/2020 6/30/2021	2,634,106		(1,776,348)		1,776,348	(2,634,106)					(17,357,027)
Extraordinary Aid	20-495-034-5120-044	7/1/2019 6/30/2020	2,634,106				1,776,348						(5,439,422)
On-Behalf TPAF - Pension Contribution	21-495-034-5094-002	7/1/2020 6/30/2021	17,357,027				17,357,027	(17,357,027)					(11,019)
On-Behalf TPAF - Pension Contribution	20-495-034-5094-001	7/1/2020 6/30/2021	3,439,422				5,439,422	(3,439,422)					(4,748,954)
On-Behalf TPAF - Long-Term Disability Insurance	21-495-034-5094-004	7/1/2020 6/30/2021	11,019				11,019	(11,019)					(232,443)
On-Behalf TPAF - Long-Term Disability Insurance	20-495-034-5094-004	7/1/2020 6/30/2021	11,019				11,019	(4,748,954)				(2,904,539)	(50,813,415)
Total General Fund			47,489,954		(3,707,638)		49,613,951	(50,813,415)				(2,002,563)	(50,813,415)
<i>Special Revenue Fund:</i>													
N.J. Nonpublic Aid:													
Auxiliary Services:													
English as a Second Language	21-100-034-5120-067	7/1/2020 6/30/2021	3,553				3,553						
English as a Second Language	20-100-034-5120-067	7/1/2019 6/30/2020	6,618		(6,340)	4,136	6,340		(4,136)			\$ 3,553	
Compensatory Education	21-100-034-5120-067	7/1/2020 6/30/2021	71,415				71,415	(49,642)				21,773	(49,642)
Compensatory Education	20-100-034-5120-067	7/1/2019 6/30/2020	56,783						(1,622)				
Home Instruction	21-100-034-5120-067	7/1/2020 6/30/2021	592		(592)		592						(8,295)
Home Instruction	20-100-034-5120-068	7/1/2020 6/30/2021	8,295				8,295						(8,295)
Transportation	21-100-034-5120-068	7/1/2020 6/30/2021	8,408		(8,400)		8,400						
Transportation	20-100-034-5120-068	7/1/2019 6/30/2020	8,408										
Handicapped Services													
Supplemental Instruction	21-100-034-5120-066	7/1/2020 6/30/2021	21,046				21,046	(18,618)				2,428	(18,618)
Supplemental Instruction	20-100-034-5120-066	7/1/2019 6/30/2020	18,618										(26,008)
Examination and Classification	21-100-034-5120-066	7/1/2020 6/30/2021	33,624				33,624	(26,008)				7,616	(26,008)
Examination and Classification	20-100-034-5120-066	7/1/2019 6/30/2020	23,598						(10,214)			5,469	(14,582)
Corrective Speech	21-100-034-5120-066	7/1/2020 6/30/2021	20,051			10,214	20,051	(14,582)					(24,422)
Corrective Speech	20-100-034-5120-066	7/1/2019 6/30/2020	28,253		(7,045)	15,493	7,045		(15,493)			197	(24,422)
Textbook Aid	21-100-034-5120-064	7/1/2020 6/30/2021	24,619				24,619	(24,422)					(39,829)
Textbook Aid	20-100-034-5120-064	7/1/2019 6/30/2020	21,664			131			(131)			1,379	(39,829)
Nursing Services	21-100-034-5120-070	7/1/2020 6/30/2021	41,208			1,413	41,208	(39,829)					(67,565)
Nursing Services	20-100-034-5120-070	7/1/2019 6/30/2020	39,867			203			(203)			2,435	(67,565)
Technology Services	21-100-034-5120-373	7/1/2020 6/30/2021	70,000				70,000	(67,565)					(248,961)
Security	21-100-034-5120-509	7/1/2020 6/30/2021	61,350			3,719			(3,719)				(248,961)
Security	20-100-034-5120-509	7/1/2019 6/30/2020	61,350		(14,817)	36,931	308,628	(248,961)	(36,931)			44,850	(248,961)
Total Special Revenue Fund													

East Brunswick Public Schools
Schedule of Expenditures of State Financial Assistance
Year ended June 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period From To	Award Amount	Balance June 30, 2020			Carryover/Walkover	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Balance June 30, 2021		Memo Cumulative Total Expenditures
				Unearned Revenue	(Accounts Receivable)	Due to Grantor						Unearned Revenue	(Accounts Receivable)	
State Department of Education														
<i>Capital Projects Fund:</i>														
Memorial School Replacement	SP-1170-120-09-00AZ	12/30/2009 Completion	4,238,520	\$	(211,926)	\$	211,926	\$						\$ (42,388,520)
Chitnick HVAC and Electrical Upgrades	1170-125-14-G1VF	10/23/2014 Completion	795,614		(39,781)							\$ (39,781)		(795,614)
Irwin HVAC and Electrical Upgrades	1170-090-14-G1VD	10/23/2014 Completion	847,461		(42,373)							(42,373)		(847,461)
Total Capital Projects Fund					(294,080)		211,926					(82,154)		(5,881,595)
<i>Enterprise Fund:</i>														
State School Lunch Program	21-100-010-3350-023	7/1/2020 6/30/2021	86,397				66,988	\$ (86,397)				(19,409)		(86,397)
State School Lunch Program	20-100-010-3350-023	7/1/2019 6/30/2020	22,563		(8,391)		8,391							
Total Enterprise Fund					(8,391)		75,379	(86,397)				(19,409)		(86,397)
Total Expenditures of State Financial Assistance				\$ -	(4,024,926)	\$ 36,931	\$ -	\$ 50,209,884	\$ (51,148,773)	\$ (36,931)	\$ -	\$ (3,006,102)	\$ 44,850	\$ (57,030,368)
State Financial Assistance Not Subject to Single Audit Determination:														
On-Behalf TPAF - Pension Contribution	495-034-5094-002	7/1/2020 6/30/2021	17,357,027				\$ 17,357,027	\$ (17,357,027)						\$ (17,357,027)
On-Behalf TPAF - Post-Retirement Medical	495-034-5094-001	7/1/2020 6/30/2021	5,439,422				5,439,422	(5,439,422)						(5,439,422)
On-Behalf TPAF - Long-Term Disability Insurance	495-034-5094-004	7/1/2020 6/30/2021	11,019				11,019	(11,019)						(11,019)
Total State Financial Assistance Subject to Single Audit Determination				\$ -	(4,024,926)	\$ 36,931	\$ -	\$ 27,402,416	\$ (28,341,305)	\$ (36,931)	\$ -	\$ (3,006,102)	\$ 44,850	\$ (34,222,900)

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this statement.

East Brunswick Public Schools

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

Year ended June 30, 2021

1. General

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal award and state financial assistance activity under programs of the federal and state government for the year ended June 30, 2021. The District is defined in Note 1 to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedules of expenditures of federal awards and state financial assistance.

2. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented, or used in the preparation of, the basic financial statements. Because the schedules present only selected portions of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District

3. Relationship to Basic Financial Statements

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

East Brunswick Public Schools

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2021

3. Relationship to Basic Financial Statements (continued)

The general fund is presented in the accompanying schedules on the modified accrual basis of accounting with the exception of the revenue recognition of the last two state aid payments in the current year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent 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 revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$75,954 for the general fund and \$12,717 for the special revenue fund. See the Note to Required Supplementary Information (C-3) for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general fund and special revenue fund.

Financial award revenues are reported in the District’s basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	\$ 147,369	\$ 50,737,461	\$ 50,884,830
Special Revenue Fund	4,446,844	248,961	4,695,805
Enterprise Fund – Food Service	2,997,141	86,397	3,083,538
Total financial award revenues	<u>\$ 7,591,354</u>	<u>\$ 51,072,819</u>	<u>\$ 58,664,173</u>

4. Relationship to Federal and State Financial Reports

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

East Brunswick Public Schools

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2021

5. Other

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions, respectively. TPAF Social Security Contributions represent the amounts reimbursed by the State for the employer's share of Social Security for TPAF members for the year ended June 30, 2021.

The post retirement pension medical benefits and long-term disability received on-behalf of the District for the year ended June 30, 2021 amounted to \$22,807,468. Since on-behalf post retirement pension medical and other long-term disability benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

6. Indirect Costs

The District charged indirect costs of \$6,624 to the Food Service Enterprise Fund. The District did not elect to use the 10% de minimis indirect cost rate allowed by the Uniform Guidance for any other grants.

East Brunswick Public Schools
Schedule of Findings and Questioned Costs
Year ended June 30, 2021

Part I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No
Significant deficiency(ies) identified? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified? _____ Yes X No
Significant deficiency(ies) identified? _____ Yes X None Reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major federal programs:

AL Number(s)	FAIN Number	Name of Federal Program or Cluster
84.027	H027A200100	IDEA Part B, Basic (Special Education Cluster)
84.173	H173A200114	IDEA Preschool (Special Education Cluster)
21.019	SLT0228	COVID-19 CRF School Re-opening and Remote Learning
21.019	S377A130031	COVID-19 CRF Bridging the Digital Divide
21.019	S377A130031	COVID-19 CRF Nonpublic Technology Funds
84.425D	S425D200027	COVID-19 CARES Emergency Relief (ESSER I)

East Brunswick Public Schools
Schedule of Findings and Questioned Costs
Year ended June 30, 2021

Part I - Summary of Auditors' Results

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

Auditee qualified as low-risk auditee? X Yes _____ No

East Brunswick Public Schools

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2021

Part I - Summary of Auditors' Results (continued)

State Financial Assistance

Internal control over major state programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None Reported

Type of auditors' report on compliance for major state programs: _____ Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 15-08? _____ Yes X No

Identification of major state programs:

GMIS/Program Number	Name of State Program or Cluster
495-034-5094-003	Reimbursed TPAF Social Security
495-034-5120-044	Extraordinary Aid

Dollar threshold used to distinguish between Type A and Type B programs: _____ \$850,239

Auditee qualified as low-risk auditee? X Yes _____ No

East Brunswick Public Schools
Schedule of Findings and Questioned Costs

Year ended June 30, 2021

Part II - Schedule of Financial Statement Findings

No compliance or internal control over financial reporting findings noted that are required to be reported under *Government Auditing Standards*.

East Brunswick Public Schools

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2021

**Part III - Schedule of Federal Award and State Financial Assistance
Findings and Questioned Costs**

No federal award or state financial assistance program internal control over compliance or compliance findings or questioned costs were noted that are required to be reported in accordance with 2 CFR 200 Section 516(a) or New Jersey State OMB Circular 15-08.

East Brunswick Public Schools
Summary Schedule of Prior Year Audit Findings
Year ended June 30, 2021

No prior year findings were noted.