

EAST WINDSOR REGIONAL SCHOOL DISTRICT

Hightstown, New Jersey
County of Mercer

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

East Windsor Regional School District

Hightstown, New Jersey

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

Prepared by

Business Office

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Introductory Section

“PRIDE IN PERFORMANCE”

East Windsor Regional School District

March 7, 2022

Honorable President and
Members of the Board of Education
East Windsor Regional School District
County of Mercer, New Jersey

Dear Board Members and Constituents:

We are pleased to submit the Annual Comprehensive Financial Report of the East Windsor Regional School District (hereafter the “District”) for the fiscal year ending June 30, 2021. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge, 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 the results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

The annual comprehensive financial report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District’s organizational chart and a list of principal officials. The Financial section includes the Independent Auditor’s Report, Management Discussion and Analysis (“MD&A”) and the basic financial statements including the government-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the basic financial statements and required supplementary information (RSI) and other supplementary information. The Statistical section includes selected financial and demographic information presented on a multi-year basis and is unaudited. 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 the New Jersey OMB 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 and compliance with applicable laws and regulations and findings and questioned costs, are included in the Single Audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: East Windsor Regional 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 Windsor Regional School District and all its schools constitute the District’s reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational as well as special education for handicapped and preschool handicapped children. The District had 5,019 students enrolled on October 15, 2020. Enrollment is defined as students on roll (both full and shared time count as one) and students placed out of district including Mercer County

Special Services School District. The following details the changes in the student enrollment of the District over the last ten years.

ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-12	5,072	- 0.06%
2012-13	5,072	+0.00%
2013-14	5,106	+0.67%
2014-15	5,019	-1.70%
2015-16	5,139	+2.39%
2016-17	5,221	+0.15%
2017-18	5,129	-0.17%
2018-19	5,113	-0.04%
2019-20	5,178	+0.13%
2020-21	5,019	-0.03%

2) ECONOMIC CONDITION AND OUTLOOK: New residential development has leveled off. Commercial development continues to increase and is helping to add to the tax base.

3) MAJOR INITIATIVES: Expenditures made during the 2020-2021 school year were designed to support the District's mission, goals and instructional action plans as well as the state's core curriculum standards. The 2020-21 goals were:

- Dance room in the high school
- Curriculum revisions and rewrites in many curricular areas;
- Expansion of individualized staff development opportunities to all teachers;
- Continuing a College and Career Readiness program with advisors to support struggling high school students: New to district, struggling students, first time Honors students
- Laboratory Science equipment to support Next Gen Science Programs (grades 6 to 12)
- Summer Programs in K-12 to support student learning gaps due to Covid
- Bringing in an outside vendor (Written Out Loud) to support students in writing and storytelling
- New teacher tablets to support instruction
- PSAT assessment funded for all 9 to 12 grade students;
- Continued to expand the ABA program, allowing for more students to remain in district as opposed to sending to an out-of-district school.
- Exterior Renovation Phase I at Perry L. Drew ES.
- Partial HVAC Renovation at Perry L. Drew ES.
- Interior Renovation of Grace N. Rogers ES.
- Window Replacement Phase II at Melvin H. Kreps MS.
- Interior Renovation Phase III of Melvin H. Kreps.
- Installation of New Tennis Courts at Hightstown HS.
- Implementation of \$2.6m technology refresh program.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining internal control 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 accounting principles generally accepted in the United States of America (GAAP). Internal control 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 awards and state financial assistance, the District also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control is also subject to periodic evaluation by the District management.

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

5. BUDGETARY CONTROLS: In addition to internal 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 legal level of budgetary controls is established at the line item accounts within each fund. Annual appropriated budgets are adopted for the general fund, the special revenue fund and debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end either are canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are 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 GASB. The accounting system of the District is organized based on funds and government-wide financial statements. These funds and government-wide financial statements are explained in "Notes to the Basic Financial Statements," Note 1.

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

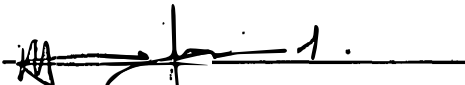
8. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

9. OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm Wiss & Company, LLP was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996, the Uniform Guidance and New Jersey Treasury Circular OMB 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.

10. COVID-19 PANDEMIC: The District began a program to prevent the transmission of the coronavirus in March 2020, beginning with cautionary signage and enhanced cleaning of buildings as well as more frequent cleaning of surfaces. As the pandemic continued, the District took a variety of safety precautions, including implementing remote learning, providing PPE to staff, enforcing physical distancing in the buildings, improving ventilation and HVAC systems, and sharing information with employees and students about safety protocols. The District has changed protocols for classrooms, buses, cafeterias, and shared spaces. Improvements to the ventilation and HVAC systems have included upgrades to MERV-13 filters wherever possible, and the installation of HEPA filtration. The District has also implemented more frequent cleaning and deployed more people to do cleaning. 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. Students and staff are screened before entering buildings and non-touch temperature taking has been instituted as well as daily health screening form. The District anticipates continued vigilance will be necessary and will examine any new options or protocols that become available to keep students and staff as safe as possible.

11. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the East Windsor Regional School District 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.

Respectfully submitted,



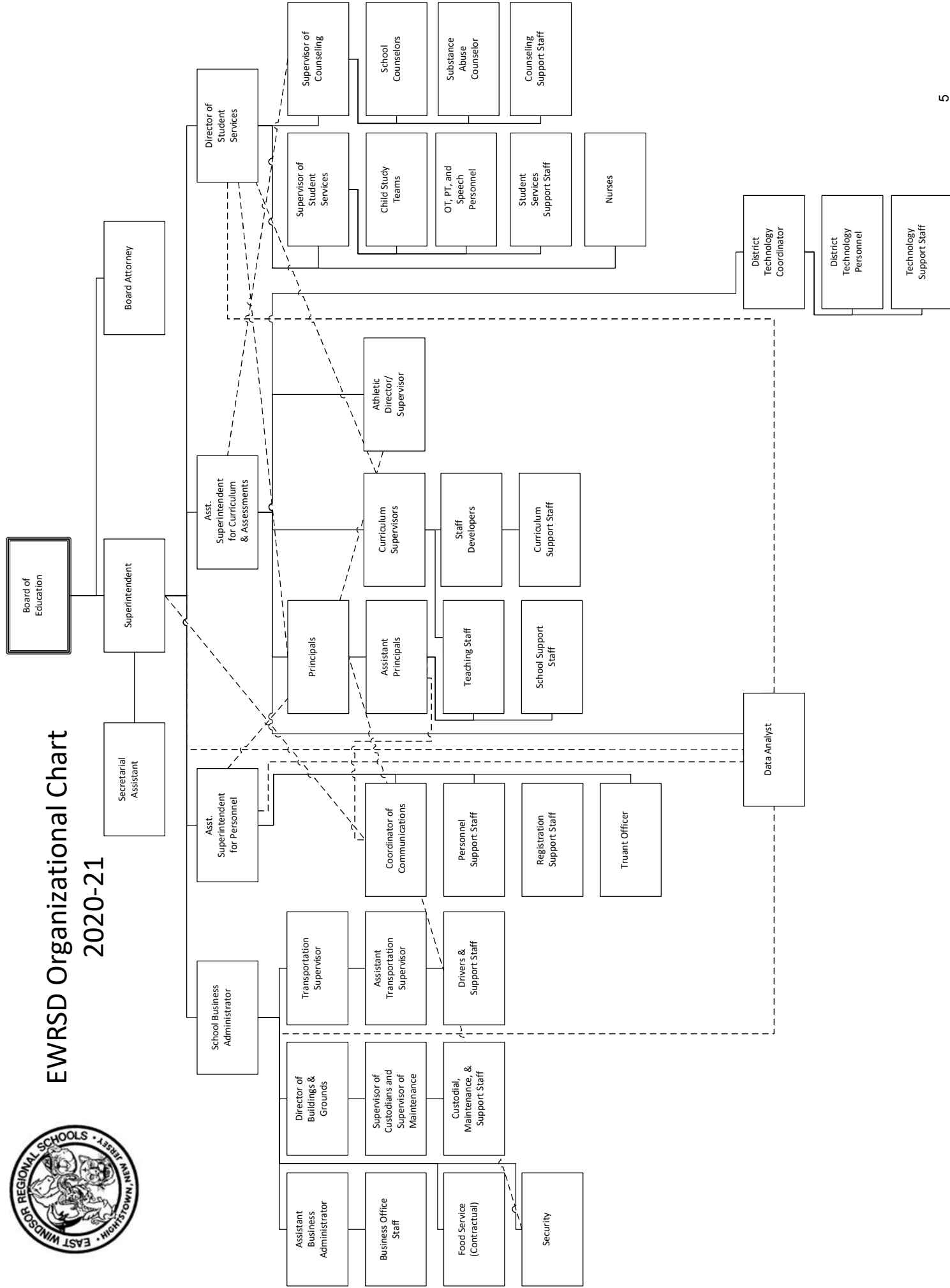
Mark Daniels
Superintendent



Paul Todd
Board Secretary/Business Administrator



EWRSD Organizational Chart 2020-21



**East Windsor Regional School District
Hightstown, New Jersey**

Roster of Officials

June 30, 2021

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Robert Laverty, President	2023
Christina “Tina” Lands, Vice President	2021
Jeanne Bourjolly	2023
Jenna Drake	2021
Bertrand Fougnyes	2022
Nicole LaRusso	2022
Colleen Murphy	2021
Ram K. Ramachandran	2022
Michael Weeks	2023

Other Officials

Mark Daniels, Superintendent

Paul Todd, Business Administrator / Board Secretary

Rosemary Della Sala, Assistant Business Administrator

David Rubin, Esq., Solicitor

**East Windsor Regional School District
Hightstown, New Jersey**

Independent Auditors and Advisors

Solicitor

David Rubin, Esq.
Busch Law Group, LLC
450 Main Street
Metuchen, NJ 08520

Independent Auditors

Wiss & Company, LLP
100 Campus Drive, Suite 400
Florham Park, NJ 07932

Official Depository

Provident Bank
509 Rt. 130 North
East Windsor, New Jersey 08520

Financial Section



Independent Auditors' Report

Honorable President and Members
of the Board of Education
East Windsor Regional School District
Hightstown, New Jersey
County of Mercer

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 Windsor Regional School District, County of Mercer, 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 of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities 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 19 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 19 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 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, 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

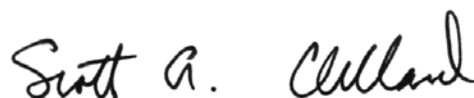
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state 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 7, 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 7, 2022
Florham Park, New Jersey

Required Supplementary Information – Part I
Management's Discussion and Analysis

East Windsor Regional School District
Hightstown, New Jersey

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

As management of the East Windsor Regional School District ("District"), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the year ended June 30, 2021. We encourage readers to consider the information presented, in conjunction with additional information that we have furnished in our letter of transmittal.

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

Financial Highlights

Key financial highlights for fiscal 2021 are as follows:

- Total net position of the governmental activities and business-type activities is \$77,436,241 at June 30, 2021. It is comprised of both current and capital assets and deferred outflows of resources less deferred inflows of resources and current and outstanding long-term liabilities (Schedule A-1).
- General revenues accounted for \$128,283,080 of total revenue or 95.6 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$5,824,711 or 4.4 percent of total revenues of \$134,107,796 (Schedule A-2).
- The District had \$120,333,988 in governmental fund expenditures (Schedule B-2). Of that amount, the General Fund expenditures totaled \$112,893,959, including \$17,461,585 in State on-behalf TPAF pension, medical, and disability and social security contributions. Grant-related expenditures in the special revenue fund totaled \$4,246,044. Business-type activities expenses were \$1,129,940 (Schedule B-5).
- The District maintains an internal service fund to provide service and fuel for the District's vehicles. This fund had \$268,432 in revenues and \$246,911 in expenses for supplies, fuel costs, and depreciation (Schedule B-5).
- The District transferred unrestricted funds during the year into restricted capital and maintenance reserves in the amount of \$2,000,000 and \$1,000,000, respectively to fund future capital and maintenance projects.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash 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).

The government-wide financial statements can be found on pages 19-20 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. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

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

governmental funds and governmental activities.

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

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund and the special revenue fund and as supplementary information for the debt service fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 21-23 of this report.

Proprietary funds. The District maintains proprietary fund types in the form of enterprise funds and one internal service fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for the operations of its food service and Kid Care, each of which are considered major funds of the District. Enterprise funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service fund provides services and fuel to the District's vehicles and limited other districts.

The proprietary fund financial statements can be found on pages 24-26 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 27-65 of this report.

Other information. The required supplementary information and combining statements referred to earlier in connection with governmental funds and proprietary funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 66-88 of this report.

The School District as a Whole

The Statement of Net Position provides the perspective of the District as a whole. Net position may serve as an indicator of a government's financial position. However, as noted earlier, net position is not the primary basis for decision making for each budget cycle.

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

The following table provides a summary of net position relating to the District’s governmental and business-type activities as of June 30, 2021 and 2020:

East Windsor Regional School District
Net Position
June 30,

	2021			2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 24,867,959	\$ 2,386,290	\$ 27,254,249	\$ 9,681,044	\$ 2,561,049	\$12,242,093
Restricted cash	1,965,000		1,965,000	9,610,919		9,610,919
Capital assets, net	100,332,419	125,340	100,457,759	99,730,427	146,261	99,876,688
Total assets	127,165,378	2,511,630	129,677,008	119,022,390	2,707,310	121,729,700
Deferred Outflows of Resources:						
Deferred loss on refunding of debt	16,244		16,244	725,310		725,310
Pension deferrals	4,424,872		4,424,872	5,195,874		5,195,874
Total deferred outflows	4,441,116		4,441,116	5,921,184		5,921,184
Liabilities:						
Current liabilities	5,968,850		5,968,850	3,113,449		3,113,449
Net pension liability	20,191,858		20,191,858	21,909,701		21,909,701
Unearned revenue	92,925	63,165	156,090	79,581	58,858	138,439
Long-term liabilities outstanding	21,383,158		21,383,158	23,397,272		23,397,272
Total liabilities	47,636,791	63,165	47,699,956	48,500,003	58,858	48,558,861
Deferred Inflows of Resources:						
Deferred gain on refunding of debt	201,606		201,606			
Pension deferrals	8,780,321		8,780,321	8,483,518		8,483,518
Total deferred inflows	8,981,927	-	8,981,927	8,483,518	-	8,483,518
Net Position:						
Net investment in capital assets	81,933,434	125,340	82,058,774	78,784,906	146,261	78,931,167
Restricted	12,553,088		12,553,088	11,004,607		11,004,607
Unrestricted (deficit)	(19,498,746)	2,323,125	(17,175,621)	(21,829,520)	2,502,191	(19,327,329)
Total net position	\$ 74,987,776	\$ 2,448,465	\$ 77,436,241	\$ 67,959,993	\$ 2,648,452	\$70,608,445

The largest portion of the District’s net position is its net investment in capital assets, e.g. land, construction in progress, buildings and improvements, and furniture and equipment, less any related debt (general obligation bonds payable and capital leases) used to acquire those assets that are still outstanding, which amounts to \$82,058,774. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District’s net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The net pension liability recorded as of June 30, 2021 is the result of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The decrease of \$1,717,843 from the

prior year relates to changes in the actuarial assumptions from the prior year and the pension funding status of the State of New Jersey.

Capital assets increased due to current year expenses that were capitalized relating to various capital projects exceeding depreciation.

An additional portion of the District's net position (restricted) represents resources that are subject to external restrictions on how they may be used, which total \$12,553,088 at June 30, 2021. Restricted net position increase is a result of additional funds being deposited into the capital reserve and maintenance reserve with balances of \$7,244,034 and \$1,646,099, respectively at June 30, 2021. It also increased due to the inclusion of the unemployment reserve, student activity reserve and scholarships being reported in the governmental funds due to the implementation of GASB No. 84. Furthermore, \$801,377 was restricted for subsequent year's expenditures from prior year excess fund balance, and \$832,477 was recognized as current year excess surplus to be utilized in the 2022-2023 budget. Lastly, \$285,195 is restricted for capital projects within the Capital Projects fund. The remaining balance of unrestricted net position may be used to meet the District's ongoing obligations to citizens and creditors.

Business-type assets decreased slightly from the prior year. Overall, the activity within the business-type activities decreased approximately \$200,000, mainly due to the ongoing pandemic. The increase in net position in the food service enterprise fund is attributed to decreased expenses from the prior year. The decrease in net position in the Kid Care Enterprise Fund was directly related to the District's reduction in revenue for the year ended June 30, 2021.

District activities. The key elements of the District's changes in net position for the years ended June 30, 2021 and 2020 are as follows:

East Windsor Regional School District						
Changes in Net Position						
Year Ended June 30,						
	2021			2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for services	\$ 734,046	\$ 125,910	\$ 859,956	\$ 799,128	\$ 1,078,332	\$ 1,877,460
Operating and capital grants and contributions	4,169,514	795,246	4,964,760	2,097,632	1,051,250	3,148,882
General revenues:						
Property taxes	70,060,848		70,060,848	68,790,610		68,790,610
Grants and contributions not restricted to specific programs	57,728,140		57,728,140	46,035,664		46,035,664
Other	485,295	8,797	494,092	538,346		538,346
Total Revenues	133,177,843	929,953	134,107,796	118,261,380	2,129,582	120,390,962
Expenses:						
Instructional services	80,581,332		80,581,332	69,787,127		69,787,127
Support services	46,594,327		46,594,327	41,395,776		41,395,776
Special schools	144,746		144,746	104,872		104,872
Interest and other charges on long-term debt	641,801		641,801	787,111		787,111
Food Service		592,415	592,415		1,496,245	1,496,245
Kid Care		537,525	537,525		548,797	548,797
Total Expenses	127,962,206	1,129,940	129,092,146	112,074,886	2,045,042	114,119,928
Change in net position	5,215,637	(199,987)	5,015,650	6,186,494	84,540	6,271,034
Net position-beginning of year (retroactively adjusted)	69,772,139	2,648,452	72,420,591	63,585,645	2,563,912	66,149,557
Net position-end of year	\$ 74,987,776	\$ 2,448,465	\$ 77,436,241	\$ 69,772,139	\$ 2,648,452	\$ 72,420,591

The increase in governmental activities revenues of approximately \$15 million is attributed to the increase in revenue related to GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which required the District to record revenue of \$8 million in revenues, which were contributions made on behalf of the District by the State for post-employment health benefits, which was an increase of approximately \$7.922 million. This increase includes an increase in the state aid, new pandemic and COVID related grant revenues, increases in grant revenue, and increases in the tax levy from the 2019/20 fiscal year of approximately \$7 million.

The increase in instructional services expenses is mainly the result of the increase in expenses related to GASB 75. The increase in support services expenses is mainly the result of the inclusion of student activities, scholarships, unemployment and payroll in special revenue fund and general fund due to the implementation of GASB 84 in the current year.

The activity in the business-type funds decreased during the 2021 fiscal year mostly due to effects from the COVID-19 pandemic.

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, and the increases in relation to the prior year:

Revenues				
Year Ended June 30, 2021				
Revenue	Amount	Percent of Total	Increase from 2020	Percent of Increase
Local sources	\$ 71,536,007	58.9%	\$ 1,366,650	2.0 %
State sources	45,880,450	37.8%	4,658,896	11.3%
Federal sources	4,037,209	3.3%	1,884,128	87.5%
Total	<u>\$ 121,453,666</u>	<u>100.0%</u>	<u>\$ 7,909,674</u>	<u>7.0 %</u>

The increase in state sources is mainly due to the increase in TPAF pension contributions made by the State on behalf of the District.

The increase in federal sources is mainly due CARES Act fund being expended and additional grant awards expended in the 2021 fiscal year when compared to the prior year.

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 and the increases in relation to the prior year:

Expenditures
Year Ended June 30, 2021

Expenditures	Amount	Percent of Total	Increase from 2020	Percent of Increase
Current expenditures:				
Instruction	\$ 43,766,876	36.4%	\$ 3,191,140	7.9%
Support services	66,829,277	55.5%	5,196,560	8.4%
Capital outlay	6,543,850	5.4%	1,197,597	22.4%
Debt service	3,193,985	2.7%	82,515	2.7%
Total	\$120,333,988	100.0%	\$ 9,667,832	8.7%

Capital outlay increased due to the purchase of equipment due to the ongoing pandemic. All other fluctuations are less than 10% and are considered immaterial.

General Fund Budgeting Highlights (Schedule C-1)

The District's budget is prepared according to New Jersey statutes. The most significant budgeted fund is the General Fund. During the year, the District received additional Federal and State Grant Funding in the current year.

Fiscal discipline freed up funds in some budget areas, allowing selected budgetary transfers to be made between budgetary line items and approved by the Board for various reasons including:

- Current Expense – Regular Programs – Undistributed Instruction – Purchased Technical Services transferred in \$1,006,497 due to the need to purchase additional instructional technology equipment.
- Undistributed Expenditures – Required Maint. for Sch. Facil. – Cleaning, Repair and Maintenance services transferred in \$1,367,026 due to repairs and a replacement to the existing HVAC equipment.
- Unallocated Benefits – Health Benefits - Due to more favorable premium costs from State Health Benefits, the District transferred out \$899,149 from the health benefits account.
- Capital Outlay – Undistributed Exp – Non-Instructional Services – School buses – Regular transferred in \$986,306 due to an increase in busing in the current year.
- Capital Outlay – Facilities Acquisition and Construction Services – Construction Services – The increase in the budget was mainly due to the roll over of prior years encumbrances and increased construction projects activity in the current year, resulting in a transfer of approximately \$4,400,000 to this account.

Capital Assets and Debt Administration

Capital Assets. At June 30, 2021, the District's governmental activities and business-type activities had capital assets of \$100,457,759 (net of accumulated depreciation), including land, construction in progress, school buildings and improvements, site and site improvements, machinery, equipment and vehicles.

The District's governmental activities and business-type activities capital assets, net of accumulated depreciation consisted of the following at June 30, 2021 and 2020:

	June 30	
	2021	2020
Land	\$ 149,550	\$ 149,550
Construction in progress	1,510,075	4,567,143
Buildings and improvements	92,493,394	89,046,969
Site and site improvements	2,299,251	2,595,998
Machinery, equipment and vehicles	3,880,149	3,370,707
Business-type	125,340	146,261
Total capital assets, net	<u>\$ 100,457,759</u>	<u>\$ 99,876,628</u>

More detailed information about the District's capital assets can be found in Note 4 to the basic financial statements.

Debt Administration and Long-term Liabilities. During the 2021 fiscal year, the District's governmental activities had outstanding long-term liabilities of \$41,575,016, of which \$3,269,657 was classified as the current portion.

At June 30, 2021 and 2020 the District's long-term liabilities consisted of:

	June 30	
	2021	2020
Bonds payable	\$ 18,370,000	\$ 19,875,000
Net pension liability	20,191,858	21,909,701
Lease obligations payable	1,768,888	500,786
Compensated absences payable	1,204,535	1,225,715
Unamortized bond premium	39,735	1,795,771
Total long-term liabilities	<u>\$ 41,575,016</u>	<u>\$ 45,306,973</u>

More detailed information about the District's long-term liabilities and outstanding debt can be found in Note 5 to the basic financial statements.

Requests for Information

This financial report is designed to provide a general overview of the East Windsor Regional School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the School Business Administrator, 25A Leshin Lane, Hightstown, NJ, 08520.

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 Windsor Regional School District

Statement of Net Position

June 30, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 22,025,734	\$ 2,144,476	\$ 24,170,210
Investments	49,075		49,075
Accounts receivable	2,757,461	198,723	2,956,184
Inventories	35,689	43,091	78,780
Restricted assets:			
Cash held by fiscal agent	1,965,000		1,965,000
Capital assets, non-depreciable	1,659,625		1,659,625
Capital assets, depreciable, net	98,672,794	125,340	98,798,134
Total assets	<u>127,165,378</u>	<u>2,511,630</u>	<u>129,677,008</u>
Deferred Outflows of Resources			
Deferred loss on refunding of debt	16,244		16,244
Pension deferrals	4,424,872		4,424,872
Total deferred outflows of resources	<u>4,441,116</u>		<u>4,441,116</u>
Liabilities			
Accounts payable and accrued expenses	5,321,634		5,321,634
Payroll deductions and withholdings payable	456,729		456,729
Unemployment claims payable	77,898		77,898
Accrued interest payable	112,463		112,463
Other liabilities	126		126
Unearned revenue	92,925	63,165	156,090
Net pension liability	20,191,858		20,191,858
Current portion of long-term obligations	3,269,657		3,269,657
Noncurrent portion of long-term obligations	18,113,501		18,113,501
Total liabilities	<u>47,636,791</u>	<u>63,165</u>	<u>47,699,956</u>
Deferred Inflows of Resources			
Deferred gain on refunding of debt	201,606		201,606
Pension deferrals	8,780,321		8,780,321
Total deferred inflows of resources	<u>8,981,927</u>		<u>8,981,927</u>
Net Position			
Net investment in capital assets	81,933,434	125,340	82,058,774
Restricted for:			
Capital projects	285,195		285,195
Capital reserve	7,244,034		7,244,034
Maintenance reserve	1,646,099		1,646,099
Unemployment claims reserve	1,376,521		1,376,521
Student activity reserve	297,800		297,800
Scholarship reserve	69,585		69,585
Excess surplus	1,633,854		1,633,854
Unrestricted (deficit)	(19,498,746)	2,323,125	(17,175,621)
Total net position	<u>\$ 74,987,776</u>	<u>\$ 2,448,465</u>	<u>\$ 77,436,241</u>

See accompanying notes to basic financial statements.

East Windsor Regional School District
Statement of Activities

Year ended June 30, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities						
Instruction						
Regular Instruction	\$ 51,771,380	\$ 696,870	\$ 1,654,467	\$ (49,420,043)	\$	\$ (49,420,043)
Special Education Instruction	19,296,243		1,503,017	(17,793,226)		(17,793,226)
Other Special Education Instruction	7,775,158			(7,775,158)		(7,775,158)
Other Instruction	1,738,551			(1,738,551)		(1,738,551)
Support Services						
Student and Instruction Related Services	18,184,520		927,051	(17,257,469)	6	(17,257,469)
School Administration	6,626,438			(6,626,438)		(6,626,438)
Other Administration Services	3,892,060			(3,892,060)		(3,892,060)
Plant Operation and Maintenance	11,855,706		84,979	(11,770,727)		(11,770,727)
Pupil Transportation	5,978,881	37,176		(5,941,705)		(5,941,705)
Charter Schools	56,722			(56,722)		(56,722)
Special Schools	144,746			(144,746)		(144,746)
Interest on long-term debt	641,801			(641,801)		(641,801)
Total governmental activities	<u>127,962,206</u>	<u>734,046</u>	<u>4,169,514</u>	<u>(123,058,646)</u>		<u>(123,058,646)</u>
Business-type activities						
Food service	592,415	32,247	795,246	\$	\$ 235,078	235,078
Kid Care	537,525	93,663			(443,862)	(443,862)
Total business-type activities	<u>1,129,940</u>	<u>125,910</u>	<u>795,246</u>	<u>(123,058,646)</u>	<u>(208,784)</u>	<u>(208,784)</u>
Total primary government	<u>\$ 129,092,146</u>	<u>\$ 859,956</u>	<u>\$ 4,964,760</u>	<u>(123,058,646)</u>	<u>(208,784)</u>	<u>(123,267,430)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes				67,102,563		67,102,563
Property taxes, levied for debt service				2,958,285		2,958,285
Federal sources				139,632		139,632
State sources—unrestricted				57,588,508	8,797	57,588,508
Investment income				164,539		173,336
Miscellaneous				320,756		320,756
Total general revenues				<u>128,274,283</u>	<u>8,797</u>	<u>128,283,080</u>
Change in net position				5,215,637	(199,987)	5,015,650
Net Position—beginning (as retroactively adjusted - see Note 19)				69,772,139	2,648,452	72,420,591
Net Position—ending				<u>\$ 74,987,776</u>	<u>\$ 2,448,465</u>	<u>\$ 77,436,241</u>

See accompanying notes to basic financial statements.

Fund Financial Statements

Governmental Funds

East Windsor Regional School District
Governmental Funds

Balance Sheet

June 30, 2021

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	
Assets				
Cash and cash equivalents	\$ 21,635,865	\$ 318,310	\$ 71,559	\$ 22,025,734
Investments		49,075		49,075
Accounts receivable:				
State	944,349		213,636	1,157,985
Federal		1,322,868		1,322,868
Other	233,028			233,028
Interfund	1,117,216			1,117,216
Restricted assets:				
Cash held by fiscal agent	1,965,000			1,965,000
Total assets	<u>\$ 25,895,458</u>	<u>\$ 1,690,253</u>	<u>\$ 285,195</u>	<u>\$ 27,870,906</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued expenses	\$ 3,729,393	\$ 127,479		\$ 3,856,872
Payroll deductions and withholdings payable	456,729			456,729
Unemployment claims payable	77,898			77,898
Intergovernmental payables:				
State		27,550		27,550
Other liabilities		126		126
Interfunds payable		1,074,798		1,074,798
Unearned revenue	10	92,915		92,925
Total liabilities	<u>4,264,030</u>	<u>1,322,868</u>		<u>5,586,898</u>
Fund balances:				
Restricted for:				
Excess surplus - current year	832,477			832,477
Excess surplus - prior year - designated for □ subsequent year's expenditures	801,377			801,377
Unemployment claims	1,376,521			1,376,521
Student activities		297,800		297,800
Scholarships		69,585		69,585
Capital reserve	7,244,034			7,244,034
Maintenance reserve	1,646,099			1,646,099
Capital projects			\$ 285,195	285,195
Assigned to:				
Designated for subsequent year's expenditures	159,414			159,414
Other purposes	7,761,270			7,761,270
Unassigned	1,810,236			1,810,236
Total fund balances	<u>21,631,428</u>	<u>367,385</u>	<u>285,195</u>	<u>22,284,008</u>
Total liabilities and fund balances	<u>\$ 25,895,458</u>	<u>\$ 1,690,253</u>	<u>\$ 285,195</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 \$180,217,006 and the accumulated depreciation is \$79,884,587.	100,332,419
Internal service funds are used by the District to charge the costs of the District's fuel facility fund to the individual funds. The assets and liabilities of the internal service funds are included with governmental activities.	36,851
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.	(112,463)
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.	(185,362)
Deferred pension costs in governmental activities are not financial resources and therefore are not reported in the funds.	(4,355,449)
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.	(1,437,212)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(20,191,858)
Long-term liabilities, including bonds payable, capital leases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(21,383,158)</u>
Net position of governmental activities (A-1)	<u>\$ 74,987,776</u>

East Windsor Regional School District
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	\$ 67,102,563			\$ 2,958,285	\$ 70,060,848
Transportation fees	37,176				37,176
Tuition	696,870				696,870
Rents and royalties	151,350				151,350
Interest on investments	164,539				164,539
Miscellaneous	169,406	\$ 255,818			425,224
Total local sources	68,321,904	255,818		2,958,285	71,536,007
State sources	45,761,816	16,119		102,515	45,880,450
Federal sources	139,632	3,897,577			4,037,209
Total revenues	114,223,352	4,169,514		3,060,800	121,453,666
Expenditures					
Instruction:					
Regular instruction	28,077,474	1,654,467			29,731,941
Special education instruction	7,434,853	1,503,017			8,937,870
Other special instruction	4,184,472				4,184,472
Other instruction	912,593				912,593
Support services:					
Tuition	4,792,165				4,792,165
Student and instruction related services	9,871,889	1,003,581			10,875,470
School administration services	3,605,471				3,605,471
Other administration services	2,544,884				2,544,884
Plant operations and maintenance	7,546,228				7,546,228
Pupil transportation	3,802,156				3,802,156
Employee benefits	16,063,946				16,063,946
On-behalf pension, medical and disability contributions	14,341,973				14,341,973
On-behalf TPAF social security contributions	3,119,612				3,119,612
Capital outlay	6,458,871	84,979			6,543,850
Special schools	80,650				80,650
Debt service:					
Principal				2,230,000	2,230,000
Interest				830,800	830,800
Cost of Issuance				133,185	133,185
Contribution to charter schools	56,722				56,722
Total expenditures	112,893,959	4,246,044		3,193,985	120,333,988
Excess (deficiency) of revenues over (under) expenditures	1,329,393	(76,530)		(133,185)	1,119,678
Other financing sources (uses):					
Payment to refunding bond escrow agent				(15,186,815)	(15,186,815)
Refunding bonds issued				15,320,000	15,320,000
Proceeds from capital lease	1,965,000				1,965,000
Total other financing sources (uses)	1,965,000			133,185	2,098,185
Net change in fund balances	3,294,393	(76,530)		-	3,217,863
Fund balances, July 1 (as retroactively adjusted - see Note 19)	18,337,035	443,915	\$ 285,195	-	19,066,145
Fund balances, June 30	<u>\$ 21,631,428</u>	<u>\$ 367,385</u>	<u>\$ 285,195</u>	<u>\$ -</u>	<u>\$ 22,284,008</u>

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 Windsor Regional School District
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)	\$	3,217,863
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital additions 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 in the period.</p>		
	Depreciation expense	\$ (4,611,998)
	Capital asset additions	<u>5,222,216</u>
		610,218
Loss on disposal of capital assets		(8,166)
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. This represents the change from the prior year.</p>		
		201,820
<p>The issuance of long-term debt for general and refunding purposes provides current financial resources to governmental funds, however has no effect on net position.</p>		
	Refunding bonds issued	(15,320,000)
	Bonds refunded	<u>14,595,000</u>
		(725,000)
<p>Governmental Funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:</p>		
	Amortization of premium on bonds	1,756,036
	Deferred interest on bond refunding	(227,393)
	Amortization of deferred loss on defeasance	<u>(683,279)</u>
		845,364
<p>The Internal Service Fund is used by the District to service and charge the cost of fuel to other funds. The activity of this fund is included in the Statement of Activities.</p>		
	Change in net position	21,521
	Depreciation, included above	<u>2,366</u>
		23,887
<p>The proceeds from lease purchase agreements and capital leases are a financing source in the governmental funds. They are not revenue in the statement of activities; lease purchase agreements and capital leases increase long-term liabilities in the statement of net position.</p>		
	Obligations under capital leases	(2,465,786)
<p>The obligations of capital leases and the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. These transactions, however, have no effect on net position.</p>		
	Repayment of long-term debt	2,230,000
	Payments on capital leases	<u>696,898</u>
		2,926,898
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (sick and 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).</p>		
		21,180
<p>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.</p>		
	Pension expense	<u>567,359</u>
Change in net position of governmental activities (A-2)	\$	<u>5,215,637</u>

Proprietary Funds

East Windsor Regional School District
Proprietary Funds

Statement of Net Position

June 30, 2021

	Major Funds			Governmental Activities
	Business-Type Activities - Enterprise Funds			
	Food Service	Kid Care	Totals	Internal Service Fund
Assets				
Current assets:				
Cash and cash equivalents	\$ 1,535,085	\$ 609,391	\$ 2,144,476	
Accounts receivable:				
State	1,970		1,970	
Federal	194,520		194,520	
Other		2,233	2,233	\$ 43,580
Inventories	43,091		43,091	35,689
Total current assets	<u>1,774,666</u>	<u>611,624</u>	<u>2,386,290</u>	<u>79,269</u>
Noncurrent assets:				
Equipment	1,123,626		1,123,626	67,380
Accumulated depreciation	(998,286)		(998,286)	(38,306)
Total capital assets, net	<u>125,340</u>	<u>-</u>	<u>125,340</u>	<u>29,074</u>
Total assets	<u>1,900,006</u>	<u>611,624</u>	<u>2,511,630</u>	<u>108,343</u>
Liabilities				
Current liabilities:				
Interfund payable				42,418
Unearned revenue	56,865	6,300	63,165	
Total current liabilities	<u>56,865</u>	<u>6,300</u>	<u>63,165</u>	<u>42,418</u>
Total liabilities	<u>56,865</u>	<u>6,300</u>	<u>63,165</u>	<u>42,418</u>
Net Position				
Investment in capital assets	125,340		125,340	29,074
Unrestricted	1,717,801	605,324	2,323,125	36,851
Total net position	<u>\$ 1,843,141</u>	<u>\$ 605,324</u>	<u>\$ 2,448,465</u>	<u>\$ 65,925</u>

East Windsor Regional School District
Proprietary Funds

Statements of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2021

	<u>Major Funds</u>			<u>Governmental Activities Internal Service Fund</u>
	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Food Service</u>	<u>Kid Care</u>	<u>Totals</u>	
Operating revenues:				
Local sources:				
Daily sales reimbursable programs	\$ 23,683		\$ 23,683	
Daily sales non-reimbursable programs	8,564		8,564	
Tuition		\$ 93,663	93,663	
Charges for services				\$ 268,432
Total operating revenues	32,247	93,663	125,910	268,432
Operating expenses				
Salaries	207,540	328,115	535,655	
Employee benefits	77,633	25,214	102,847	
Purchased professional services		11,742	11,742	11,428
Facility usage fee		150,000	150,000	
Management and admin services	51,506		51,506	
Supplies and materials	29,173	22,454	51,627	233,117
Depreciation	20,921		20,921	2,366
Cost of sales - non-reimbursable programs	2,184		2,184	
Cost of sales - reimbursable programs	195,417		195,417	
Miscellaneous	8,041		8,041	
Total operating expenses	592,415	537,525	1,129,940	246,911
Operating (loss) income	(560,168)	(443,862)	(1,004,030)	21,521
Non-operating revenues:				
Interest and investment revenue	8,797		8,797	
State sources:				
State school lunch program	12,541		12,541	
Federal sources:				
School breakfast program	197,734		197,734	
National school lunch program	309,359		309,359	
HHFKA	5,381		5,381	
Emergency operating costs	144,834		144,834	
Pandemic electronic benefit transfer	3,068		3,068	
Food donation program	122,329		122,329	
Total nonoperating revenues	804,043		804,043	
Change in net position	243,875	(443,862)	(199,987)	21,521
Total net position-beginning	1,599,266	1,049,186	2,648,452	44,404
Total net position-ending	<u>\$ 1,843,141</u>	<u>\$ 605,324</u>	<u>\$ 2,448,465</u>	<u>\$ 65,925</u>

See accompanying notes to basic financial statements.

East Windsor Regional School District
Proprietary Funds

Statement of Cash Flows

Year Ended June 30, 2021

	Major Funds			Governmental Activities Internal Service Fund
	Business-Type Activities - Enterprise Funds			
	Food Service	Kid Care	Total	
Cash flows from operating activities:				
Receipts from customers	\$ 32,779	\$ 97,438	\$ 130,217	\$ 257,513
Payments to employees	(207,540)	(353,329)	(560,869)	
Payments for benefits	(77,633)	(184,196)	(261,829)	
Payments to suppliers	(287,573)		(287,573)	(263,454)
Net cash (used in) operating activities	(539,967)	(440,087)	(980,054)	(5,941)
Cash flows from noncapital financing activities:				
Cash received from state and federal sources	636,001		636,001	
Transfer from other funds				5,941
Net cash provided by noncapital financing activities	636,001		636,001	5,941
Cash flows from investing activities				
Interest received	8,797		8,797	
Net cash provided by investing activities	8,797		8,797	
Net increase (decrease) in cash and cash equivalents	104,831	(440,087)	(335,256)	-
Cash and cash equivalents, beginning of year	1,430,254	1,049,478	2,479,732	-
Cash and cash equivalents, end of year	<u>\$ 1,535,085</u>	<u>\$ 609,391</u>	<u>\$ 2,144,476</u>	<u>\$ -</u>
Reconciliation of operating (loss) income to net cash (used in) operating activities:				
Operating (loss) income	\$ (560,168)	\$ (443,862)	\$ (1,004,030)	\$ 21,521
Adjustments to reconcile operating (loss) income to net cash (used in) operating activities:				
Depreciation	20,921		20,921	2,366
Change in assets and liabilities:				
(Increase) in other accounts receivable				(10,919)
Decrease (increase) in inventory	10,261		10,261	(18,909)
(Decrease) increase in unearned revenue	(10,981)	3,775	(7,206)	
Net cash (used in) operating activities	<u>\$ (539,967)</u>	<u>\$ (440,087)</u>	<u>\$ (980,054)</u>	<u>\$ (5,941)</u>

Noncash noncapital financing activities:

The District received \$128,086 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2021.

East Windsor Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2021

1. Summary of Significant Accounting Policies

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

The more significant of the District’s accounting policies are disclosed below:

A. Reporting Entity

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 oversight responsibility and control over all activities related to the East Windsor Regional School District. 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.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. 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 Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments 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 (DOE) 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 all revenue to be available if they are collected within 60 days of the end of the current fiscal year. 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, the 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.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

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 subfund.

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.

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 reports the following major proprietary funds:

Food Service Enterprise Fund: The food service enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. This 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 or other entities on a continuing basis are financed or recovered primarily through user charges.

Kid Care Enterprise Fund: This fund accounts for the revenues and expenses pertaining to the District's extended day care program.

Fueling Facility Internal Service Fund: The District's internal service fund provides services and fuel for the District's vehicles, and certain limited outside parties through shared service agreements.

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

As a general rule the effect of internal activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) fees 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.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the District enterprise funds are charges for sales of food and tuition. 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 nonoperating revenues and expenses.

The District reports unearned revenue on its statement of net position and balance sheet. 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.

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 voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable."

The County Board of Taxation is responsible for the assessment of properties and the Township of East Windsor and Borough of Hightstown Tax Collectors are 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.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds and submitted to the county office. 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.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

All budget amendments must be approved by School Board resolution and certain others require approval by the County Superintendent of Schools. Budgetary transfers were made during the current year in accordance with statutory guidelines. The amendments made by the District were part of the normal course of operations.

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

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

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

E. Cash, Cash Equivalents and Investments

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

Investments are stated at fair value in accordance with the GASB. The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value.

F. 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.

G. Inventories

Inventories that benefit future periods, other than those recorded in the proprietary fund, are recorded as an expenditure during the year of purchase.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

Proprietary funds inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. At June 30, 2021, the unused Food Donation Program commodities of \$22,504 are reported as unearned revenue in the food service enterprise fund.

H. Capital Assets

Capital assets, which include land, construction in progress, site and site improvements, buildings 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 are valued at their 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.

Capital assets, being depreciated, of the District are depreciated using the straight-line method. The following estimated useful lives are used to compute depreciation:

	<u>Years</u>
Machinery and equipment	2-20
Buildings	40
Building improvements	20
Vehicles	5-10

I. Compensated Absences

A liability for compensated absences that is 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 earn vacation and sick leave in varying amounts under the District’s existing collective bargaining agreements. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after one year of service.

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 \$1,204,535 and no liability existed for compensated absences in the proprietary fund types.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

J. 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 future periods 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 loss from the 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 two items that qualify for reporting in this category, including deferred gain from the refunding of debt and deferred amounts related to pensions.

K. Long-Term Obligations

In the government-wide financial statements, and proprietary funds 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.

L. Deferred Gain/Loss on Defeasance of Debt

Deferred gains and losses on defeasance of debt arising from the issuance of refunding bonds are recorded as a deferred outflows and inflows of resources. They are 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 reported an unamortized loss on the refunding of debt balance of \$16,244 as a deferred outflow of resources and \$201,606 gain on the refunding of debt as a deferred inflow of resources. Amortization expense for the year ended June 30, 2021 was \$683,279.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

M. Unearned Revenue

Unearned revenue in the general fund and special revenue fund represents cash which has been received but not yet earned. Unearned revenue in the food service enterprise fund represents unused food donation commodities and student deposits made for the use of purchasing food in a future period. Unearned revenue in the Kid Care Enterprise Fund represents cash which has been received but not yet earned.

N. 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 is reported 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.

O. 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.
- 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.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

- 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 \$21,631,428 of fund balances in the General Fund, \$7,761,270 of encumbrances which is assigned to other purposes, \$801,377 has been classified as restricted excess surplus – prior year – designated for subsequent year's expenditures, \$832,477 has been classified as restricted excess surplus – current year, \$8,890,133 has been classified as restricted for maintenance reserve and capital reserve in the amounts of \$1,646,099 and \$7,244,034, respectively, \$1,376,521 has been classified as restricted for unemployment claims, \$159,414 is assigned to designated for subsequent year's expenditures, \$1,810,236 is unassigned.

Of the \$367,385 of fund balances in the Special Revenue Fund, \$297,800 is classified as restricted for student activities and \$69,585 is classified as restricted for scholarships.

All of the fund balance in the Capital Projects Fund of \$285,195 is restricted for capital projects.

P. 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.

Q. On-Behalf Payments

Revenues and expenditures of the general fund include payments made or reimbursed by the State of New Jersey for social security and post-retirement medical and 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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

pension contributions in the government-wide financial statements have been increased by \$4,231,540 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.

R. 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 fund balance of the General Fund 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 District has excess fund balance at June 30, 2021 in the amount of \$1,633,854. Of this amount, \$801,377 has been appropriated in the 2021/22 budget and the remaining \$832,477, which was generated during the 2021 fiscal year, will be appropriated in the 2022/23 budget.

S. GASB Pronouncements

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 yet determined the impact of this 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.

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.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

T. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and March 7, 2022, the date that the financial statements were available for issuance. The effect of those events and transactions that provide additional pertinent information about conditions that existed at the balance sheet and statement of net position date, have been recognized in the accompanying financial statements.

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, unamortized premiums, and compensated absences payable are not due and payable in the current period and therefore are not reported in the funds.

The details of this \$21,383,158 difference are as follows:

Bonds payable	\$	18,370,000
Premium on bonds		39,735
Obligations under capital leases		1,768,888
Compensated absences payable		1,204,535
Net adjustment to reduce fund balance-total governmental funds to arrive at net position - governmental activities	\$	<u>21,383,158</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.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. N.J.S.A. 17:9-41 et. seq. establishes the requirements for

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

3. Deposits and Investments (continued)

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.

Deposits

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

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

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

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

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

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

At June 30, 2021 the carrying amount of the District's deposits was \$24,170,210 and the bank balance was \$28,220,709 (not including mutual funds). Of the bank balance, \$251,869 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 \$26,435,873. \$1,532,968 held in the District's agency accounts are not covered by GUDPA. The District also has \$1,965,000 of funds held with fiscal agent at June 30, 2021 related to capital lease funds not utilized by the District.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

3. Deposits and Investments (continued)

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 financial institutions, 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.

The following presents the investments held in the Special Revenue Fund at June 30, 2021:

Investment Type	Fair Value	Investment Maturities Less than 1 year
Mutual Funds	\$49,075	\$49,075
Total investments	\$49,075	\$49,075

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles for governmental entities. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

3. Deposits and Investments (continued)

The following table sets forth by level, within fair value hierarchy, the investment assets at fair value as of June 30, 2021:

	Assets at Fair Value As of June 30, 2021	
	<u>Level 1</u>	<u>Total</u>
Mutual Funds	<u>\$49,075</u>	<u>\$49,075</u>
	<u>\$49,075</u>	<u>\$49,075</u>

Custodial Credit Risk: All of the District's investments are uncollateralized. Pursuant to GASB 40, the NJCMF, which is a pooled investment, is exempt from custodial credit risk exposure. The District does not have a policy for custodial credit risk for its investment.

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 mutual funds are not rated by a rating agency.

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer. At June 30, 2021, no more than 5% of the District's investments were in any one security.

Interest Rate Risk: The District does not have a policy to limit interest rate risk, however, its practice is typically to invest in investments with short maturities.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

4. Capital Assets

The following is a summarization of the governmental activities changes in capital assets for the fiscal year ended June 30, 2021:

	Beginning Balance	Increases	Transfers/ Dispositions	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 149,550			\$ 149,550
Construction in progress	4,567,143	\$ 4,271,294	\$ (7,328,362)	1,510,075
Total capital assets, not being depreciated	4,716,693	4,271,294	(7,328,362)	1,659,625
Capital assets, being depreciated				
Site and site improvements	5,909,082			5,909,082
Buildings and building improvements	151,572,342		7,328,362	158,900,704
Machinery, equipment, and vehicles	12,810,943	950,922	(81,650)	13,680,215
Machinery, equipment - Internal Service	67,380			67,380
Total capital assets being depreciated	170,359,747	950,922	7,246,712	178,557,381
Less accumulated depreciation for:				
Site and site improvements	3,313,084	296,747		3,609,831
Buildings and building improvements	62,525,373	3,881,937		66,407,310
Machinery, equipment, and vehicles	9,471,676	430,948	(73,484)	9,829,140
Machinery, equipment - Internal Service	35,940	2,366		38,306
Total accumulated depreciation	75,346,073	4,611,998	(73,484)	79,884,587
Total capital assets being depreciated, net	95,013,674	(3,661,076)	7,320,196	98,672,794
Governmental activities capital assets, net	\$ 99,730,367	\$ 610,218	\$ (8,166)	\$ 100,332,419

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

4. Capital Assets (continued)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$	1,900,771
Special Education Instruction		571,400
Other Special Instruction		267,514
Other Instruction		58,342
Student and Instruction Related Services		695,272
School Administration Services		230,499
Other Administration Services		162,695
Plant Operations and Maintenance		482,432
Pupil Transportation		243,073
	<u>\$</u>	<u>4,611,998</u>

The following is a summarization of the business-type activities changes in capital assets for the fiscal year ended June 30, 2021:

	Beginning Balance	Increases	Ending Balance
Business-type activities			
Capital assets, being depreciated:			
Equipment	\$ 1,123,626		\$ 1,123,626
Less accumulated depreciation for:			
Equipment	977,365	\$ 20,921	998,286
Total business-type activities			
capital assets, net	<u>\$ 146,261</u>	<u>\$ (20,921)</u>	<u>\$ 125,340</u>

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

5. 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:					
Compensated absences payable	\$ 1,225,715	\$ 98,044	\$ 119,224	\$ 1,204,535	\$ 60,227
Bonds payable	19,875,000	15,320,000	16,825,000	18,370,000	2,555,000
Premium on bonds	1,795,771		1,756,036	39,735	19,462
Obligations under capital leases	500,786	1,965,000	696,898	1,768,888	634,968
Subtotal	23,397,272	17,383,044	19,397,158	21,383,158	3,269,657
Net pension liability	21,909,701		1,717,843	20,191,858	
Total governmental activities long-term liabilities	<u>\$ 45,306,973</u>	<u>\$ 17,383,044</u>	<u>\$ 21,115,001</u>	<u>\$ 41,575,016</u>	<u>\$ 3,269,657</u>

The District expects to liquidate the balance in compensated absences with payments made from the District's general fund. Obligations under capital leases will be liquidated with payments from the general fund. Bonds payable will be liquidated with payments from the debt service fund. The net pension liability will be liquidated with payments from the general fund.

Bonds Payable

Bonds are authorized in accordance with State law or by the voters of the municipalities through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. The principal and interest of these bonds will be paid from the debt service fund as required by New Jersey statutes.

Bonds payable at June 30, 2021 are comprised of the following issues:

\$29,900,000, 2012 refunding bonds, due in a final installment of \$1,890,000 on March 1, 2022 at an interest rate of 5.00%. These bonds were issued to provide resources to refund a portion of the District's outstanding debt. As of June 30, 2021, no defeased debt remains outstanding.

\$3,280,000, 2015 refunding bonds, due in annual installments ranging from \$375,000 to \$395,000 through July 15, 2023 at an interest rate of 3.00%. These bonds were issued to provide resources to refund a portion of the District's outstanding debt. As of June 30, 2021, \$1,215,000 of defeased debt remains outstanding.

In February 2021, the District issued \$15,320,000 of 2021 refunding bonds in order to refund bonds outstanding related to its 2012 outstanding bonds. Principal on the bonds are due in annual installments ranging from \$270,000 to \$2,290,000 through March 1, 2029 at interest rates ranging from 0.50% to 1.80%.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

5. Long-Term Liabilities (continued)

The result of the refunding is a total savings of \$1,276,053 and net present value savings of \$1,212,257 over the next eight years. As of June 30, 2021, \$14,595,000 of defeased debt remains outstanding.

Principal and interest due on all bonds outstanding at June 30, 2021 are as follows:

	Principal	Interest	Total
Fiscal year ending June 30:			
2022	\$ 2,555,000	\$ 300,344	\$ 2,855,344
2023	2,680,000	189,336	2,869,336
2024	2,640,000	164,281	2,804,281
2025	2,235,000	141,419	2,376,419
2026	2,155,000	119,405	2,274,405
2027-2029	6,105,000	197,462	6,302,462
	\$ 18,370,000	\$ 1,112,247	\$ 19,482,247

Capital Leases

Governmental Funds

During the 2021 fiscal year, the District entered into a capital lease with TD Equipment Finance, Inc., in the amount of \$1,965,000 with an interest rate of 0.10%.

During the 2020 fiscal year, the District entered into a capital lease with Apple Financial Services, in the amount of \$500,786 with an interest rate of 0%.

The following is a schedule of the future minimum lease payments under these capital leases and the present value of the net future minimum lease payments at June 30, 2021:

Fiscal Year	Amounts
Year Ending June 30:	
2022	\$ 649,465
2023	649,465
2024	499,048
Total minimum lease payment	1,797,978
Less amount representing interest	29,090
Present value of net future minimum lease payments	\$ 1,768,888

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

5. Long-Term Liabilities (continued)

Bonds Authorized But Not Issued

As of June 30, 2021, the District does not have any authorized but not issued bonds.

6. 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 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 Employee's 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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

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 Board is a non-contributing employer of the TPAF.

During the year ended June 30, 2021, the State of New Jersey contributed \$14,341,973 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 \$3,119,612 during the year ended June 30, 2021 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. 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 were \$1,354,533, \$1,182,892, and \$1,059,837, 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 this purpose, benefit payments (including refunds of employee contributions) are

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

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 \$20,191,858 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 0.1238203338 percent, which was an increase of 0.0022246321 from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized full accrual pension expense of \$787,174 in the government-wide financial statements. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 655,047	\$ 8,454,522
Difference between expected and actual experience	367,661	71,407
Net difference between projected and actual earnings on pension plan investments	690,174	
Changes in proportion and differences between District contributions and proportionate share of contributions	1,274,778	254,392
District contributions subsequent to the measurement date	1,437,212	
	\$ 4,424,872	\$ 8,780,321

\$1,437,212 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

Year ended June 30:	
2022	\$ (2,254,926)
2023	(1,971,533)
2024	(1,023,427)
2025	(439,344)
2026	(103,431)
	\$ (5,792,661)

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:

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 of the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

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 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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

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 and 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.

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

The following presents the District's proportionate share of the net pension liability as of June 30, 2020 calculated using the discount rate as disclosed on the previous page as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (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	\$ 25,418,181	\$ 20,191,858	\$ 15,757,180

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	0.1238203338%

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

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

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 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.

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, 2020 was \$243,539,614. 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 0.3698467189 percent, which was an increase of 0.0093206129 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 \$14,341,973 for contributions incurred by the State.

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

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (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 Divisions 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 Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (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, and the municipal bond rate was applied to project benefit payments after that date in determining the total pension liability.

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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

6. Pension Plans (continued)

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	\$ 286,065,799	\$ 243,539,614	\$ 208,228,755

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
District's Proportion	0.3698467189%

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.

7. Post-Retirement Benefits

Plan descriptions 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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Post-Retirement Benefits (continued)

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.

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 \$3,419,898, \$3,063,402 and \$3,283,646, 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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Post-Retirement Benefits (continued)

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 Nonemployer OPEB Liability

The total nonemployer OPEB liability from New Jersey's plan is \$67,809,962,608.

Changes in Total OPEB Liability

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2021:

	<u>Total OPEB Liability</u>
Beginning Total OPEB Liability, June 30, 2019	\$ 149,521,614
Charges for the year:	
Service cost	6,173,234
Interest	5,379,553
Difference between actual and expected	37,640,891
Changes in assumptions or other inputs	43,512,065
Member contributions	125,695
Benefit payments	<u>(4,146,972)</u>
Net changes	<u>88,684,466</u>
Ending Total OPEB Liability, June 30, 2020	<u>\$ 238,206,080</u>

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Post-Retirement Benefits (continued)

Employees covered by benefit terms

The following employees were covered by the benefit terms:

Local Education Group	June 30, 2020
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	-
Total Plan Members	366,108

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective total OPEB liability on the Statement of Net Position. The State's proportionate share of the total OPEB liability associated with the District as of June 30, 2021 was \$238,206,080. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

Actuarial assumptions and other inputs

The total nonemployer OPEB liability in the 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:

	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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Post-Retirement Benefits (continued)

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.

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 total non-employer OPEB liability to changes in the discount rate and health care cost rate

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2020 calculated using a 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 discount 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)	\$ 287,169,725	\$ 238,206,080	\$ 199,921,226

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2020 calculated using a healthcare cost trend rate as disclosed above as well as what the total non-employer OPEB

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

7. Post-Retirement Benefits (continued)

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 healthcare cost trend 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)	\$ 192,287,981	\$ 238,206,080	\$ 292,884,331

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 Local 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		0.35%

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.

8. Interfund Receivables and Payables

The total interfund accounts receivable and payable for the District at June 30, 2021 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 1,117,216	
Special Revenue Fund		\$ 1,074,798
Internal Service Fund - Fueling Facility		42,418
	\$ 1,117,216	\$ 1,117,216

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

8. Interfund Receivables and Payables (continued)

The interfund receivable in the General Fund of \$1,117,216 is comprised of an interfund payable from the special revenue fund in the amount of \$1,074,798 and internal service fund – fueling facility in the amount of \$42,418, which represent short-term loans to provide the funds with sufficient cash flow until cash is received for accounts receivable. All interfunds are expected to be repaid within one year.

9. Economic Dependency

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

10. 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 collectibility 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 or final eligible cost requirements governing the respective grants or funding; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

In addition, the District received funding from the New Jersey Schools Development Authority (NJSDA), in connection with certain approved projects. The costs associated with the funding received from the NJSDA are subject to a final review of eligible costs and compliance by the New Jersey Department of Education and the NJSDA. To the extent that the District has not complied with the rules and regulations governing the NJSDA funds or has not met the final eligible costs requirement, refunds of any money received may be required.

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.

11. Risk Management

The District is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

11. Risk Management (continued)

Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds and does not retain risk of loss. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverages over the past three years. A complete schedule of insurance coverage can be found in the statistical section of this report.

The District participates in the NJSBA Insurance Group and public entity risk pool. The risk pool provides its members with the following coverages:

Property – Blanket Building & Grounds	General and Automobile Liability
Boiler and Machinery	Workers' Compensation
School Board Legal Liability	Crime Coverage

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.

12. Deferred Compensation Plans

The Board offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts unearned under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Aetna/ING Direc	American Century	Ameriprise Financial	AIM Investments
AXA Equitable	H.C. Copeland/Metlife #64	Fidelity	Valic
Janus Group	Lincoln Financial	Lincoln Investment	Prudential
NEA/Security Benefit	Oppenheimer	Metlife Annuity #78	Putnam
Travelers/Metlife #79	United Way	USAA Life	Vanguard
Great American/Galic			

Participant's rights under the plans are equal to those of general creditors in an amount equal to the fair market value of the deferred account of each participant. The District has no liability for losses under the plan.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

13. Maintenance Reserve Account

A maintenance reserve account was established by the District by way of a Board approved resolution on June 8, 2009 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP).

Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line – item appropriation amounts, or both. The 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-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

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

Beginning balance July 1, 2020	\$ 2,366,099
Withdrawals:	
Approved in 2020-21 budget	(1,720,000)
Deposits:	
Deposit into Maintenance Reserve (June 2021 Board Resolution)	1,000,000
Ending balance, June 30, 2021	<u>\$ 1,646,099</u>

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2021. The District has not budgeted any of the June 30, 2021 maintenance reserve balance in its 2021-22 fiscal year budget.

14. Capital Reserve Account

A capital reserve account was established by the District in July 1, 2001, by way of a Board resolution, and issued 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 (June 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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

14. Capital Reserve Account (continued)

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 July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance July 1, 2020	\$ 6,744,034
Withdrawals:	
Capital Outlay – Budgeted Withdrawal	(1,500,000)
Deposits:	
Deposit into Capital Reserve (June 2021 Board Resolution)	<u>2,000,000</u>
Ending balance, June 30, 2021	<u><u>\$ 7,244,034</u></u>

The June 30, 2021 long-range facility plan (LRFP) balance of local support costs of uncompleted projects exceeds the amount set aside in the capital reserve. The District has budgeted \$2,000,000 of the June 30, 2021 capital reserve balance in its 2021-22 fiscal year budget.

15. Commitments

The District has contracts with several vendors for goods and services that have not been received as of June 30, 2021. These encumbrances, in the amount of \$7,761,270, are recorded as part of the assigned to other purposes on the general fund balance sheet.

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.

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 \$81,933,434 indicated as part of the Governmental Activities net position is calculated as follows:

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

16. Net Position - Net Investment in Capital Assets (continued)

Capital assets, net of depreciation	\$ 100,332,419
Bonds payable (used to build or acquire capital assets)	(18,370,000)
Unamortized premium	(39,735)
Capital lease cash held at June 30, 2021	1,965,000
Capital leases payable	(1,768,888)
Deferred gain on defeasance of debt	(185,362)
Total net investment in capital assets	<u>\$ 81,933,434</u>

17. Tax Abatements

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

East Windsor Township 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 East Windsor Township are for affordable housing projects and other permitted purposes. Taxes abated include municipal, local school and county taxes.

East Windsor Township recognized revenue of \$987,913 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 amount to \$576,036, based upon the assessed valuations of the long-term tax exemptions properties. A portion of the \$411,877 abatement would have been allocated to the District. Hightstown Borough does not currently have any such long-term tax exemptions in place.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2021

18. 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 statement 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.

19. 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 guidance regarding 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 reported in the Fiduciary Funds is not reported in the General Fund. In addition, the Student Activities and Scholarship Funds are now reported in the Special Revenue Fund. The implementation of the Statement required a retroactive adjustment of prior year net position in the government-wide governmental activities financial statements, and fund balance in the governmental funds statement of revenues, expenditures and changes in fund balance.

Government-wide financial statements:	
Beginning Net Position - July 1, 2020	<u>\$ 67,959,993</u>
Retroactive Adjustments for:	
Reserve for Unemployment Compensation	1,368,231
Reserve for Scholarships	39,398
Reserve for Student Activities	<u>404,517</u>
	<u>1,812,146</u>
Beginning Net Position - July 1, 2020 (as adjusted)	<u><u>\$ 69,772,139</u></u>
Governmental Fund financial statements:	
Beginning Fund Balance - July 1, 2020	<u>\$ 17,253,999</u>
Retroactive Adjustments for:	
Reserve for Unemployment Compensation	1,368,231
Reserve for Scholarships	39,398
Reserve for Student Activities	<u>404,517</u>
	<u>1,812,146</u>
Beginning Fund Balance - July 1, 2020 (as adjusted)	<u><u>\$ 19,066,145</u></u>

Required Supplementary Information – Part II

**Schedules Related to Accounting and Reporting for
Pensions (GASB 68) and Other Post-Employment Benefits
Other Than Pensions (GASB 75)**

East Windsor Regional School District
 Schedule of the 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,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability (asset) - Local Group	0.1238203338%	0.1215957017%	0.1189222327%	0.1144046609%	0.1187251190%	0.1176478520%	0.1180527689%	0.1139395185%	n/a	n/a
District's proportionate share of the net pension liability (asset)	\$ 20,191,858	\$ 21,909,701	\$ 23,415,195	\$ 26,631,576	\$ 35,162,975	\$ 26,409,585	\$ 22,102,707	\$ 21,776,106	n/a	n/a
District's covered-employee payroll	\$ 8,874,466	\$ 8,696,143	\$ 8,291,053	\$ 8,047,029	\$ 7,900,026	\$ 8,106,472	\$ 8,075,037	\$ 7,919,559	\$ 7,668,007	\$ 7,558,262
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	227.53%	251.95%	282.42%	330.95%	445.10%	325.78%	273.72%	274.97%	n/a	n/a
Plan fiduciary net position as a percentage of the total pension liability - Local Group	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%	n/a	n/a

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

East Windsor Regional School District
Schedule of District Contributions
Public Employee's Retirement System
Required Supplementary Information

Last Ten Fiscal Years

	Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 1,354,533	\$ 1,182,892	\$ 1,059,837	\$ 1,054,737	\$ 1,046,372	\$ 1,021,477	\$ 983,231	\$ 868,532	\$ 934,611	\$ 837,121
Contributions in relation to the contractually required contribution	(1,354,533)	(1,182,892)	(1,059,837)	(1,054,737)	(1,046,372)	(1,021,477)	(983,231)	(868,532)	(934,611)	(837,121)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 8,517,559	\$ 8,874,466	\$ 8,696,143	\$ 8,291,053	\$ 8,047,029	\$ 7,900,026	\$ 8,106,472	\$ 8,075,037	\$ 7,919,559	\$ 7,668,007
Contributions as a percentage of covered-employee payroll	15.90%	13.33%	12.19%	12.72%	13.00%	12.93%	12.13%	10.76%	11.80%	10.92%

East Windsor Regional School District
 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,									
	2021	2020	2019	2018	2017	2016	2015	2014		
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.3698467189%	0.3605261060%	0.3553317756%	0.3697162402%	0.3616411567%	0.3588673050%	0.3524449084%	0.3442334350%		
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
State's proportionate share of the net pension liability (asset) associated with the District	\$ 243,539,614	\$ 221,258,274	\$ 226,054,443	\$ 249,276,021	\$ 284,489,960	\$ 226,819,461	\$ 188,370,333	\$ 173,972,871		
Total proportionate share of the net pension liability (asset) associated with the District	\$ 243,539,614	\$ 221,258,274	\$ 226,054,443	\$ 249,276,021	\$ 284,489,960	\$ 226,819,461	\$ 188,370,333	\$ 173,972,871		
Plan fiduciary net position as a percentage of the total pension liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%		

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 Windsor Regional School District
 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 Employees' Retirement System and Teachers' Pension and Annuity Fund
 Required Supplementary Information

Last Ten Fiscal Years*

	Year Ended June 30,				
	2021	2020	2019	2018	2017
State's proportion of the net OPEB liability (asset) associated with the District	0.35%	0.36%	0.36%	0.35%	0.36%
District's proportionate share of the net OPEB liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability (asset) associated with the District	\$ 238,206,080	\$ 149,521,614	\$ 164,014,658	\$ 190,341,937	\$ 206,215,591
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 238,206,080</u>	<u>\$ 149,521,614</u>	<u>\$ 164,014,658</u>	<u>\$ 190,341,937</u>	<u>\$ 206,215,591</u>

Plan fiduciary net position as a percentage of the total OPEB liability - 0.00% 0.00% 0.00% 0.00% 0.00%

	2021	2020	2019	2018	2017**
Total OPEB Liability					
Service cost	\$ 6,173,234	\$ 5,428,315	\$ 5,976,104	\$ 7,223,585	
Interest cost	5,379,553	6,472,080	6,953,062	6,022,931	
Changes of assumptions and experience and other inputs	81,152,956	(21,939,627)	(35,022,328)	(24,873,787)	
Member contributions	125,695	136,056	151,577	162,340	
Gross benefit payments	(4,146,972)	(4,589,868)	(4,385,694)	(4,408,723)	
Net change in total OPEB liability	88,084,466	(14,493,044)	(26,327,279)	(15,873,654)	
Total OPEB liability - beginning	149,521,614	164,014,658	190,341,937	206,215,591	
Total OPEB liability - ending	<u>\$ 238,206,080</u>	<u>\$ 149,521,614</u>	<u>\$ 164,014,658</u>	<u>\$ 190,341,937</u>	
Covered-employee payroll	\$ 50,438,549	\$ 48,450,339	\$ 47,091,773	\$ 45,239,473	
Total OPEB liability as a percentage of covered-employee payroll	472.27%	308.61%	348.29%	420.74%	

* 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 Windsor Regional School District

Notes to Required Supplementary Information
Year Ended June 30, 2021

1. PENSION - PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

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

2. PENSION – TEACHERS' PENSION AND ANNUITY FUND

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.

3. 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 Schedules

**East Windsor Regional School District
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>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 67,102,563		\$ 67,102,563	\$ 67,102,563	
Tuition from other LEAs within the State	378,843		378,843	696,870	\$ 318,027
Transportation fees from other LEAs within the State	60,000		60,000	37,176	(22,824)
Rents and Royalties	385,000		385,000	151,350	(233,650)
Interest Earned on Investments	200		200	164,539	164,339
Miscellaneous	198,216		198,216	169,406	(28,810)
Total - Local Sources	68,124,822		68,124,822	68,321,904	197,082
State Sources:					
Equalization Aid	19,839,849		19,839,849	19,839,849	
Categorical Special Education Aid	4,472,603		4,472,603	4,472,603	
Transportation Aid	2,095,914		2,095,914	2,095,914	
Security Aid	1,255,961		1,255,961	1,255,961	
Additional Non-Public Transportation Aid				42,340	42,340
Extraordinary Aid	210,000		210,000	749,944	539,944
TPAF Pension (On-Behalf - Non-Budgeted)				10,912,790	10,912,790
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				3,419,898	3,419,898
TPAF Non-contributory Insurance (On-Behalf - Non-Budgeted)				9,285	9,285
TPAF Social Security (Reimbursed - Non-Budgeted)				3,119,612	3,119,612
Total - State Sources	27,874,327		27,874,327	45,918,196	18,043,869
Federal Sources:					
Medical Assistance Program	117,689		117,689	139,632	21,943
Total - Federal Sources	117,689		117,689	139,632	21,943
Total Revenues	96,116,838		96,116,838	114,379,732	18,262,894
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	1,142,375	\$ 50,000	1,192,375	1,124,680	67,695
Grades 1-5 - Salaries of Teachers	8,857,234	184,912	9,042,146	8,703,292	338,854
Grades 6-8 - Salaries of Teachers	6,139,011	16,500	6,155,511	6,058,115	97,396
Grades 9-12 - Salaries of Teachers	8,846,179	(176,877)	8,669,302	8,598,339	70,963
Regular Programs - Home Instruction					
Salaries of Teachers	23,000		23,000	1,384	21,616
Purchased Professional-Educational Services	67,000	13,180	80,180	21,152	59,028
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	989,285	197,937	1,187,222	1,125,544	61,678
Purchased Technical Services	214,705	1,006,497	1,221,202	1,129,132	92,070
Other Purchased Services	2,700		2,700	2,700	
General Supplies	1,787,374	(573,650)	1,213,724	963,359	250,365
Textbooks	523,210	(156,945)	366,265	347,302	18,963
Other Objects	8,850	565	9,415	5,175	4,240
TOTAL REGULAR PROGRAMS - INSTRUCTION	28,600,923	562,119	29,163,042	28,077,474	1,085,568
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	670,155	(109,967)	560,188	557,886	2,302
Other Salaries for Instruction	175,521	16,920	192,441	175,655	16,786
General Supplies	4,000		4,000	3,836	164
Total Learning and/or Language Disabilities	849,676	(93,047)	756,629	737,377	19,252
Multiple Disabilities					
Salaries of Teachers	121,864	154,252	276,116	276,116	
Other Salaries for Instruction	145,978	15,544	161,522	157,271	4,251
General Supplies	4,000	(2,820)	1,180	1,119	61
Total Multiple Disabilities	271,842	166,976	438,818	434,506	4,312

East Windsor Regional School District
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>
Resource Room/Resource Center					
Salaries of Teachers	\$ 4,727,346	\$ (215,802)	\$ 4,511,544	\$ 4,511,544	
Other Salaries for Instruction	286,933	103,668	390,601	383,176	\$ 7,425
Purchased Professional-Educational Services	270,000	(200,464)	69,536	69,536	
General Supplies	5,000	(4,000)	1,000	954	46
Total Resource Room/Resource Center	5,289,279	(316,598)	4,972,681	4,965,210	7,471
Autism					
Salaries of Teachers	490,615	(31,959)	458,656	458,656	
Other Salaries for Instruction	125,971	219,979	345,950	343,213	2,737
General Supplies	10,000	(5,700)	4,300	4,261	39
Total Autism	626,586	182,320	808,906	806,130	2,776
Preschool Disabilities - Part-Time					
Salaries of Teachers	377,275	1,875	379,150	379,150	
Other Salaries for Instruction	196,225	(82,030)	114,195	108,480	5,715
General Supplies	4,000		4,000	4,000	
Total Preschool Disabilities - Part-Time	577,500	(80,155)	497,345	491,630	5,715
TOTAL SPECIAL EDUCATION - INSTRUCTION	7,614,883	(140,504)	7,474,379	7,434,853	39,526
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,057,945	(126,732)	931,213	931,213	
Total Basic Skills/Remedial - Instruction	1,057,945	(126,732)	931,213	931,213	
Bilingual Education - Instruction					
Salaries of Teachers	2,890,070	327,297	3,217,367	3,217,367	
Other Salaries for Instruction	35,019	1,031	36,050	32,929	3,121
Purchased Professional-Educational Services	7,500	(3,036)	4,464	416	4,048
General Supplies	79,320	(47,501)	31,819	757	31,062
Textbooks	24,200	1,790	25,990	1,790	24,200
Total Bilingual Education - Instruction	3,036,109	279,581	3,315,690	3,253,259	62,431
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	365,350	15,556	380,906	274,232	106,674
Purchased Services	5,500		5,500		5,500
Supplies and Materials	56,250	123	56,373	37,004	19,369
Other Objects	36,350		36,350	5,297	31,053
Total School-Spon. Cocurricular Actvts. - Inst.	463,450	15,679	479,129	316,533	162,596
School-Spon. Athletics					
Salaries	672,086	(10,204)	661,882	469,594	192,288
Purchased Services	90,900	(8,826)	82,074	59,934	22,140
Supplies and Materials	65,095	11,902	76,997	54,642	22,355
Other Objects	12,370		12,370	11,890	480
Total School-Spon. Athletics	840,451	(7,128)	833,323	596,060	237,263
Other Supplementary/At-Risk Program- Instruction					
Salaries of Teachers	60,000	(60,000)			
General Supplies	10,000	43,946	53,946		53,946
Total Other Supplementary/At-Risk Program- Instruction	70,000	(16,054)	53,946		53,946
TOTAL INSTRUCTION	41,683,761	566,961	42,250,722	40,609,392	1,641,330

East Windsor Regional School District
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>
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State - Regular	\$ 14,000		\$ 14,000		\$ 14,000
Tuition to Other LEAs Within the State - Special		\$ 27,654	27,654	\$ 27,654	
Tuition to County Voc. School Dist. - Regular	735,265	(38,635)	696,630	670,896	25,734
Tuition to CSSD and Regional Day Schools	3,412,682	(531,416)	2,881,266	2,657,600	223,666
Tuition to Private Schools for the Disabled - Within State	1,625,767	(122,215)	1,503,552	1,219,667	283,885
Tuition - State Facilities	39,872		39,872	39,872	
Tuition - Other	150,000	97,165	247,165	176,476	70,689
Total Undistributed Expenditures - Instruction	5,977,586	(567,447)	5,410,139	4,792,165	617,974
Undistributed Expend. - Attend. and Social Work					
Salaries	152,100	(36,172)	115,928	90,462	25,466
Purchased Professional and Technical Services	7,095		7,095	6,627	468
Travel	500		500		500
Supplies and Materials	3,500		3,500	1,706	1,794
Total Undistributed Expend. - Attend. and Social Work	163,195	(36,172)	127,023	98,795	28,228
Undist. Expend. - Health Services					
Salaries	769,369	(16,697)	752,672	743,393	9,279
Purchased Professional and Technical Services	38,510	1,418	39,928	36,586	3,342
Supplies and Materials	20,105	(1,064)	19,041	14,247	4,794
Total Undistributed Expenditures - Health Services	827,984	(16,343)	811,641	794,226	17,415
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries	788,172	(69,846)	718,326	667,406	50,920
Purchased Professional - Educational Services	14,500	(14,500)			
Supplies and Materials	5,000	(760)	4,240	3,814	426
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	807,672	(85,106)	722,566	671,220	51,346
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	510,046	(169,801)	340,245	325,390	14,855
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	510,046	(169,801)	340,245	325,390	14,855
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	1,639,575	117,592	1,757,167	1,757,167	
Salaries of Secretarial and Clerical Assistants	82,854	(2,532)	80,322	77,909	2,413
Purchased Professional - Educational Services		699	699	699	
Other Purchased Prof. and Tech. Services	25,000	(2,820)	22,180	22,180	
Other Purchased Services	2,600	(2,600)			
Supplies and Materials	36,775	(26,474)	10,301	10,192	109
Other Objects	1,200	(355)	845	845	
Total Undist. Expend. - Guidance	1,788,004	83,510	1,871,514	1,868,992	2,522
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	2,143,977	75,277	2,219,254	2,219,254	
Salaries of Secretarial and Clerical Assistants	173,459	(3,134)	170,325	159,766	10,559
Purchased Prof. - Educational Services	914,820	(223,700)	691,120	608,168	82,952
Other Purchased Prof. and Tech. Services	41,000	(11,000)	30,000	27,371	2,629
Other Purchased Services	25,000	(21,780)	3,220	2,560	660
Supplies and Materials	57,500	33,792	91,292	72,999	18,293
Other Objects	7,000	(218)	6,782	6,782	
Total Undist. Expend. - Child Study Teams	3,362,756	(150,763)	3,211,993	3,096,900	115,093
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisors of Instruction	892,376	(18,591)	873,785	870,255	3,530
Salaries of Secretarial and Clerical Assistants	63,486	14,304	77,790	63,462	14,328
Other Salaries	87,508	(25,947)	61,561	11,952	49,609
Purchased Prof. - Educational Services	112,500	50,778	163,278	157,098	6,180
Other Purchased Services	1,200		1,200		1,200
Supplies and Materials	30,120	4,378	34,498	9,114	25,384
Other Objects	14,534	(846)	13,688	10,021	3,667
Total Undist. Expend. - Improvement of Inst. Serv.	1,201,724	24,076	1,225,800	1,121,902	103,898

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	\$ 1,214,925	\$ 31,416	\$ 1,246,341	\$ 1,114,949	\$ 131,392
Purchased Professional and Technical Services	490,820	75,671	566,491	494,344	72,147
Supplies and Materials	27,955	17,019	44,974	38,686	6,288
Total Undist. Expend. - Edu. Media Serv./Sch. Library	1,733,700	124,106	1,857,806	1,647,979	209,827
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction	241,811	(7,152)	234,659	220,677	13,982
Purchased Professional - Educational Services	12,000	3,750	15,750	11,851	3,899
Other Purchased Services	183,440	(77,954)	105,486	13,957	91,529
Total Undist. Expend. - Instructional Staff Training Serv.	437,251	(81,356)	355,895	246,485	109,410
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	287,214	26,674	313,888	313,888	
Legal Services	90,000	9,970	99,970	74,106	25,864
Audit Fees	68,700		68,700	68,650	50
Architectural/Engineering Services	50,000	58,332	108,332	50,123	58,209
Other Purchased Professional Services	26,000	7,057	33,057	31,249	1,808
Communications/Telephone	268,000	25,535	293,535	280,049	13,486
Board of Education Other Purchased Services	14,000	(12,662)	1,338	1,199	139
Miscellaneous Purchased Services	274,706	4,537	279,243	277,812	1,431
General Supplies	7,750	(2,994)	4,756	1,204	3,552
Miscellaneous Expenditures	18,000	21,525	39,525	30,968	8,557
Board of Education Dues and Fees	26,700		26,700	26,663	37
Total Undist. Expend. - Supp. Serv. - General Admin.	1,131,070	137,974	1,269,044	1,155,911	113,133
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	2,436,598	(154,291)	2,282,307	2,282,307	
Salaries - Other Professional Staff	121,056	(35,243)	85,813	85,813	
Salaries of Secretarial and Clerical Assistants	978,890	164,204	1,143,094	1,143,094	
Unused Vacation Payment to Terminated/Retired Staff		29,026	29,026	29,026	
Purchased Prof. and Tech. Services	73,500	(61,158)	12,342	11,342	1,000
Other Purchased Services	7,500	(7,460)	40	40	
Supplies and Materials	15,500	(9,440)	6,060	4,859	1,201
Other Objects	61,778	(12,788)	48,990	48,990	
Total Undist. Expend. - Support Serv. - School Admin.	3,694,822	(87,150)	3,607,672	3,605,471	2,201
Undist. Expend. - Central Services					
Salaries	1,076,342	(9,719)	1,066,623	1,005,558	61,065
Purchased Professional Services	25,300	4,840	30,140	23,170	6,970
Purchased Technical Services	167,000	(14,521)	152,479	132,705	19,774
Misc Purchased Services	19,200	(5,200)	14,000	4,030	9,970
Supplies and Materials	51,250	(3,942)	47,308	45,231	2,077
Interest on Lease Purchase Agreements	15,000		15,000		15,000
Miscellaneous Expenditures	8,555		8,555	6,313	2,242
Total Undist. Expend. - Central Services	1,362,647	(28,542)	1,334,105	1,217,007	117,098
Undist. Expend. - Technology Admin.					
Salaries	173,178	2,282	175,460	170,972	4,488
Purchased Technical Services	10,000		10,000		10,000
Other Purchased Services	3,000		3,000	994	2,006
Total Undist. Expend. - Technology Admin.	186,178	2,282	188,460	171,966	16,494
Undist. Expend. - Required Maint. for Sch. Facil.					
Salaries	1,466,949	39,411	1,506,360	1,402,372	103,988
Cleaning, Repair and Maintenance Services	315,240	1,367,026	1,682,266	971,461	710,805
General Supplies	300,150	128,088	428,238	387,254	40,984
Other Objects	14,200	15,277	29,477	29,034	443
Total Undist. Expend. - Required Maint. for Sch. Facil.	2,096,539	1,549,802	3,646,341	2,790,121	856,220

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Custodial Services					
Salaries	\$ 2,291,903	\$ (76,675)	\$ 2,215,228	\$ 2,134,296	\$ 80,932
Unused Vacation Payment to Terminated/Retired Staff		8,594	8,594	8,594	
Purchased Professional - Technical Services	100,000	(88,605)	11,395	2,395	9,000
Cleaning, Repair and Maintenance Services	38,200	(15,300)	22,900	14,654	8,246
Other Purchased Property Services	92,000	2,116	94,116	55,583	38,533
Insurance	367,528	(2,394)	365,134	365,134	
Travel	8,500	(4,901)	3,599	3,599	
General Supplies	238,516	160,029	398,545	366,041	32,504
Natural Gas	350,000	(25,000)	325,000	303,881	21,119
Electricity	1,100,000	(93,000)	1,007,000	859,180	147,820
Gasoline	30,000	(7,000)	23,000	18,819	4,181
Total Undist. Expend. - Custodial Services	4,616,647	(142,136)	4,474,511	4,132,176	342,335
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	106,000	(41,190)	64,810		64,810
Cleaning, Repair and Maintenance Services	138,600	(81,881)	56,719	56,489	230
General Supplies	40,400	12,010	52,410	43,979	8,431
Total Undist. Expend. - Care and Upkeep of Grounds	285,000	(111,061)	173,939	100,468	73,471
Undist. Expend. - Security					
Salaries	685,578	(137,611)	547,967	522,818	25,149
Purchased Professional and Technical Services	22,000	(8,865)	13,135	645	12,490
General Supplies	252,000	(249,647)	2,353		2,353
Total Undist. Expend. - Security	959,578	(396,123)	563,455	523,463	39,992
Undist. Expend. - Student Transportation Serv.					
Salaries for Non-Instructional Aids	195,603	23,334	218,937	170,307	48,630
Salaries for Pupil Trans. (Between Home and School) - Regular	1,570,123	190,586	1,760,709	1,599,821	160,888
Salaries for Pupil Trans. (Between Home and School) - Sp. Ed.	335,445	(36,918)	298,527	284,304	14,223
Salaries for Pupil Trans. (Other than Between Home and School)	505,521	(112,487)	393,034	378,662	14,372
Other Purchased Professional and Technical Services	29,924	25,240	55,164	50,128	5,036
Cleaning, Repair and Maintenance Services	20,241	(3,800)	16,441	11,764	4,677
Contracted Services Aid In Lieu of Payment for Non-public School Students	130,000		130,000	94,743	35,257
Contracted Services (Between Home and School) - Vendors	63,000	(37,434)	25,566	25,566	
Contracted Services (Sp. Ed.) - Joint Agreements	1,604,500	(590,178)	1,014,322	880,079	134,243
Contracted Services (Regular Students) - ESCs	250,000	236,621	486,621	46,141	440,480
Travel	5,000	(1,000)	4,000		4,000
Miscellaneous Purchased Services - Transportation	86,500	(20,000)	66,500	65,596	904
General Supplies	187,500	(9,649)	177,851	82,032	95,819
Transportation Supplies	160,000	(45,337)	114,663	105,861	8,802
Other Objects	8,500		8,500	7,152	1,348
Total Undist. Expend. - Student Transportation Serv.	5,151,857	(381,022)	4,770,835	3,802,156	968,679
Unallocated Benefits					
Group Insurance	4,000	1,000	5,000	4,353	647
Social Security Contributions	1,000,000	(34,533)	965,467	949,661	15,806
TPAF Contributions ERIP	20,000		20,000	3,998	16,002
Other Retirement Contributions - PERS	1,300,000	54,533	1,354,533	1,354,533	
Other Retirement Contributions - ERIP	10,000		10,000	3,265	6,735
Other Retirement Contributions - Regular	60,000		60,000	58,864	1,136
Worker's Compensation	482,354	(38,663)	443,691	443,691	
Health Benefits	14,162,791	(899,149)	13,263,642	12,974,881	288,761
Tuition Reimbursement	75,000	14,802	89,802	61,479	28,323
Other Employee Benefits	180,000	91,676	271,676	209,221	62,455
Total Unallocated Benefits	17,294,145	(810,334)	16,483,811	16,063,946	419,865
On-behalf Contributions					
TPAF Pension Contributions (On-behalf - Non-Budgeted)				10,912,790	(10,912,790)
TPAF Post Retirement Medical (On-behalf - Non-Budgeted)				3,419,898	(3,419,898)
TPAF Non-contributory Insurance (On-behalf - Non-Budgeted)				9,285	(9,285)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				3,119,612	(3,119,612)
Total On-behalf Contributions				17,461,585	(17,461,585)
TOTAL UNDISTRIBUTED EXPENDITURES	53,588,401	(1,141,606)	52,446,795	65,688,324	(13,241,529)
TOTAL GENERAL CURRENT EXPENSE	95,272,162	(574,645)	94,697,517	106,297,716	(11,600,199)

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Regular Programs-Instruction					
Grades 1-5	\$ 2,000	\$ 3,886	\$ 5,886	\$ 2,907	\$ 2,979
Grades 6-8	8,000	(8,000)			
Grades 9-12	6,000	145,346	151,346	151,346	
Special Education-Instruction					
School- Spons. and Other Instructional Programs		4,033	4,033		4,033
Undistributed Expenditures					
Support Services - Child Study Teams	15,000	(2,121)	12,879	12,879	
Support Services - Instructional Staff		5,720	5,720	5,720	
Central Services		5,559	5,559	5,559	
Req. Maint. of School Facilities	75,000	209,438	284,438	122,297	162,141
Custodial Services	12,000	26,591	38,591	38,591	
Undistributed Exp.-Care and Upkeep of Grounds	18,000	21,418	39,418	39,418	
Undistributed Exp.-Security		178,107	178,107	178,107	
Undistributed Exp.-Non-Instructional Services					
Non-Instructional Equipment		5,704	5,704	5,704	
School buses-regular	400,000	986,306	1,386,306	530,489	855,817
Total Equipment	536,000	1,581,987	2,117,987	1,093,017	1,024,970
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	250,000	507,741	757,741	576,632	181,109
Construction Services	3,650,000	4,424,721	8,074,721	4,585,577	3,489,144
Other Objects - Debt Service Assessment	203,645		203,645	203,645	
Total Facilities Acquisition and Construction Services	4,103,645	4,932,462	9,036,107	5,365,854	3,670,253
TOTAL CAPITAL OUTLAY	4,639,645	6,514,449	11,154,094	6,458,871	4,695,223
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	45,000	27,289	72,289	72,289	
Other Salaries of Instruction	15,000	(5,062)	9,938	8,361	1,577
Total Summer School Instruction	60,000	22,227	82,227	80,650	1,577
TOTAL SPECIAL SCHOOLS	60,000	22,227	82,227	80,650	1,577
Contribution to Charter Schools	44,278	13,849	58,127	56,722	1,405
TOTAL EXPENDITURES	100,016,085	5,975,880	105,991,965	112,893,959	(6,901,994)
(Deficiency) Excess of Revenues (Under) Over Expenditures	(3,899,247)	(5,975,880)	(9,875,127)	1,485,773	11,360,900
Other Financing Sources:					
Proceeds from Capital Lease (nonbudgeted)				1,965,000	1,965,000
Total Other Financing Sources				1,965,000	1,965,000
(Deficiency) Excess of Revenues (Under) Over Expenditures and Other Financing Sources	(3,899,247)	(5,975,880)	(9,875,127)	3,450,773	13,325,900
Fund Balance, July 1 (Retroactively adjusted, see note 19)	20,691,398		20,691,398	20,691,398	
Fund Balance, June 30	\$ 16,792,151	\$ (5,975,880)	\$ 10,816,271	\$ 24,142,171	\$ 13,325,900
Recapitulation of (Deficiency) Excess of Revenues (Under) Over Expenditures:					
Budgeted Fund Balance	\$ (877,098)		\$ (877,098)	\$ 9,767,112	\$ 10,644,210
Adjustment for Prior Year Encumbrances, net cancellations		\$ (6,246,339)	(6,246,339)	(6,246,339)	
Withdrawal Maintenance Reserve	(1,720,000)		(1,720,000)	(1,720,000)	
Withdrawal Capital Reserve	(1,302,349)	270,459	(1,031,890)	(1,350,000)	(318,110)
Deposit Maintenance Reserve	100		100	1,000,000	999,900
Deposit Capital Reserve	100		100	2,000,000	1,999,900
Total	\$ (3,899,247)	\$ (5,975,880)	\$ (9,875,127)	\$ 3,450,773	\$ 13,325,900
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Excess Surplus Designated for Subsequent Year's Expenditures				\$ 801,377	
Excess Surplus-current year				832,477	
Capital Reserve				7,244,034	
Maintenance Reserve				1,646,099	
Unemployment Compensation Claims				1,376,521	
Assigned to:					
Designated for Subsequent Year's Expenditures				159,414	
Year End Encumbrances				7,761,270	
Unassigned Fund Balance				<u>4,320,979</u>	
				24,142,171	
Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:					
Final State Aid Payments Not Realized on GAAP Basis				<u>(2,510,743)</u>	
Fund balance per Government Funds (GAAP)				<u>\$ 21,631,428</u>	

**East Windsor Regional School District
Special Revenue 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>
Revenues					
Federal sources	\$ 5,391,093		\$ 5,391,093	\$ 3,511,426	\$ 1,879,667
State sources	45,598		45,598	16,119	29,479
Local sources	69,832		69,832	243,190	(173,358)
Total revenues	<u>5,506,523</u>		<u>5,506,523</u>	<u>3,770,735</u>	<u>1,735,788</u>
Expenditures					
Current expenditures:					
Instruction:					
Salaries:					
Salaries of teachers	368,002	\$ (3,000)	365,002	93,449	271,553
Purchased professional services	367,387	275	367,662	3,199	364,463
Other purchased services	1,732,376	(10,000)	1,722,376	1,646,156	76,220
General supplies	1,494,776	1,975	1,496,751	1,037,230	459,521
Textbooks	511		511	511	
Total instruction	<u>3,963,052</u>	<u>(10,750)</u>	<u>3,952,302</u>	<u>2,780,545</u>	<u>1,171,757</u>
Support services:					
Salaries	22,000		22,000	22,000	
Personal services—employee benefits	27,738		27,738	7,149	20,589
Purchased professional services	153,931	750	154,681	36,055	118,626
Other purchased professional services	10,792		10,792	798	9,994
Supplies and materials	1,242,129	10,000	1,252,129	627,383	624,746
Scholarships awarded	17,259		17,259	17,259	
Student activities	281,230		281,230	281,230	
Total support services	<u>1,755,079</u>	<u>10,750</u>	<u>1,765,829</u>	<u>991,874</u>	<u>773,955</u>
Capital outlay:					
Noninstructional equipment	86,881	-	86,881	74,846	12,035
Total capital outlay	<u>86,881</u>	<u>-</u>	<u>86,881</u>	<u>74,846</u>	<u>12,035</u>
Total expenditures	<u>5,805,012</u>	<u>-</u>	<u>5,805,012</u>	<u>3,847,265</u>	<u>1,957,747</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (298,489)</u>	<u>\$ -</u>	<u>\$ (298,489)</u>	(76,530)	<u>\$ (221,959)</u>
Fund Balance July 1, (retroactively adjusted - see note 19)				<u>443,915</u>	
Fund Balance, June 30, 2021				<u>\$ 367,385</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 69,585	
Student activities				297,800	
Total Fund Balance				<u>\$ 367,385</u>	

East Windsor Regional School District
 Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2021

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 114,379,732	\$ 3,770,735
Differences - Budgetary to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior year		413,485
Current year		(14,706)
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	2,354,363	
Current year	(2,510,743)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	\$ 114,223,352	\$ 4,169,514
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 112,893,959	\$ 3,847,265
Differences - Budgetary to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior year		413,485
Current year		(14,706)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 112,893,959	\$ 4,246,044

Supplementary Information

Special Revenue Fund

East Windsor Regional School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2021

	E.S.E.A.				I.D.E.A.				COVID-19 CARES Act				COVID-19 Coronavirus Relief Fund											
	Title II A		Title III		Title III		Title IV		Part B		Preschool		Elementary and Secondary School Emergency Relief Fund I		Elementary and Secondary School Emergency Relief Fund II		Bridging the Digital Divide		School Reopening and Remote Learning		COVID-19 Nonpublic Technology			
	Part A	Title II A	Title III	Title III	Immigrant	Title III	Immigrant	Title IV	Basic	Basic	Preschool	Elementary and Secondary School Emergency Relief Fund I	Elementary and Secondary School Emergency Relief Fund II	Bridging the Digital Divide	School Reopening and Remote Learning	COVID-19 Nonpublic Technology								
Revenues:																								
Local sources																								
State sources																								
Federal sources																								
Total revenues	\$ 393,840	\$ 32,457	\$ 161,119	\$ 161,119	\$ 8,725	\$ 8,725	\$ 89	\$ 1,403,379	\$ 1,403,379	\$ 104,628	\$ 315,996	\$ 680,949	\$ 12,177	\$ 395,073	\$ 2,994									
Expenditures:																								
Instruction:																								
Salaries of teachers	\$ 38,415		\$ 5,056								\$ 49,978													
Purchased professional services																								
Other purchased services																								
Instructional supplies	330,486		142,291	\$ 8,725						\$ 99,638														
Textbooks																								
Total instruction	368,901		147,347	8,725						99,638	49,978	680,949	12,177											
Undistributed:																								
Support services:																								
Salaries	22,000																							
Personal services-employee benefits	2,939		387																					
Purchased professional services		\$ 14,080	9,625																					
Other purchased professional services			798																					
Supplies and materials		18,377	2,962				\$ 89																	
Student activities																								
Scholarships awarded																								
Total support services	24,939	32,457	13,772				89				266,018													
Capital outlay:																								
Facilities acquisition and construction services:																								
Noninstructional equipment																								
Total capital outlay																								
Total expenditures	\$ 393,840	\$ 32,457	\$ 161,119	\$ 161,119	\$ 8,725	\$ 8,725	\$ 89	\$ 1,403,379	\$ 1,403,379	\$ 104,628	\$ 315,996	\$ 680,949	\$ 12,177	\$ 395,073	\$ 2,994									
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1 (retroactively adjusted - see Note 19)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

East Windsor Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2021

	Nonpublic Aid		Security	Safety Grant	Student Activities	Scholarships	Other Local	Totals
	Textbooks	Nursing						
Revenues:								
Local sources	\$ 1,170	\$ 9,180	\$ 2,599	\$ 3,170	\$ 9,235	\$ 174,513	\$ 47,446	\$ 243,190
State sources								16,119
Federal sources								3,511,426
Total revenues	\$ 1,170	\$ 9,180	\$ 2,599	\$ 3,170	\$ 9,235	\$ 174,513	\$ 47,446	\$ 3,770,735
Expenditures:								
Instruction:								
Salaries of teachers			\$ 2,599				\$ 600	\$ 93,449
Purchased professional services								3,199
Other purchased services								1,646,156
Instructional supplies	\$ 659						2,088	1,037,230
Textbooks	511							511
Total instruction	1,170		2,599				2,688	2,780,545
Undistributed:								
Support services:								
Salaries								22,000
Personal services-employee benefits								7,149
Purchased professional services	\$ 9,180	\$ 3,170						36,055
Other purchased professional services								798
Supplies and materials				\$ 9,235	\$ 281,230		2,977	627,383
Student activities								281,230
Scholarships awarded						\$ 17,259		17,259
Total support services	9,180	3,170		9,235	281,230	17,259	2,977	991,874
Capital outlay:								
Facilities acquisition and construction services:								
Noninstructional equipment							6,331	74,846
Total capital outlay							6,331	74,846
Total expenditures	\$ 1,170	\$ 9,180	\$ 2,599	\$ 3,170	\$ 9,235	\$ 281,230	\$ 17,259	\$ 3,847,265
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	(106,717)	30,187	(76,530)
Fund Balance, July 1 (retrospectively adjusted - see Note 19)	-	-	-	-	-	404,517	39,398	443,915
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 297,800	\$ 69,585	\$ 367,385

Capital Projects Fund

East Windsor Regional School District
 Capital Projects Fund
 Summary Schedule of Project Revenues, Expenditures,
 Project Balance and Project Status
 (Budgetary Basis)
 Year ended June 30, 2021

Reconciliation of budgetary basis to GAAP basis:

Fund Balance, Budgetary Basis at June 30, 2021	\$ 302,109
Less: Revenue not recognized on a GAAP basis	(16,914)
Fund Balance - June 30, 2021 GAAP Basis	<u>\$ 285,195</u>

East Windsor Regional School District
Capital Projects Fund

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

From Inception and for the year ended June 30, 2021

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 1,612,185		\$ 1,612,185	\$ 1,612,185
Capital Lease Proceeds				
Transfer from Capital Reserve	2,574,589		2,574,589	2,574,589
Total Revenues	<u>4,186,774</u>	-	<u>4,186,774</u>	<u>4,186,774</u>
Expenditures and Other Financing Uses				
Purchased Professional Services				
Construction Services	3,884,710		3,884,710	
Other Expense				
Transfers Out				
Total Expenditures	<u>3,884,710</u>	-	<u>3,884,710</u>	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 302,064</u>	<u>\$ -</u>	<u>\$ 302,064</u>	<u>\$ 4,186,774</u>
Other Revenue - 2016	45		45	
Budgetary Fund Balance	<u>\$ 302,109</u>		<u>\$ 302,109</u>	

East Windsor Regional School District
Capital Projects Fund

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

Telecommunication Replacement for Various Schools

From Inception and for the year ended June 30, 2021

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 226,679		\$ 226,679	\$ 226,679
Capital Lease Proceeds				
Transfer from Capital Reserve	340,872		340,872	340,872
Total Revenues	<u>567,551</u>	<u>-</u>	<u>567,551</u>	<u>567,551</u>
Expenditures and Other Financing Uses				
Purchased Professional Services				
Construction Services	520,550		520,550	
Other Expense				
Transfer Out to Debt Service Fund				
Total Expenditures	<u>520,550</u>	<u>-</u>	<u>520,550</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 47,001</u>	<u>\$ -</u>	<u>\$ 47,001</u>	<u>\$ 567,551</u>
Additional project information				
Project number	050-14-1001;055-14-1002;060-14-1003;070-14-1004;075-14-1005			
Grant date	January 6, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 578,390			
Additional Authorized Cost	\$ (10,839)			
Revised Authorized Cost	\$ 567,551			
Percentage Increase over Original Authorized Cost	-2%			
Percentage completion	100%			
Original target completion date	December 2016			
Revised target completion date	Complete			

East Windsor Regional School District
Capital Projects Fund

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

Roof and Door Replacement for Various Schools

From Inception and for the year ended June 30, 2021

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 1,385,506		\$ 1,385,506	\$ 1,385,506
Capital Lease Proceeds				
Transfer from Capital Reserve	2,233,717		2,233,717	2,233,717
Total Revenues	<u>3,619,223</u>	<u>-</u>	<u>3,619,223</u>	<u>3,619,223</u>
Expenditures and Other Financing Uses				
Purchased Professional Services				
Construction Services	3,364,160		3,364,160	
Other Expense				
Transfer Out to Debt Service Fund				
Total Expenditures	<u>3,364,160</u>	<u>-</u>	<u>3,364,160</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 255,063</u>	<u>\$ -</u>	<u>\$ 255,063</u>	<u>\$ 3,619,223</u>
Additional project information				
Project number	050-14-1007;055-14-1008;070-14-1010;075-14-1011			
Grant date	2/24/2014			
Bond authorization date	12/10/2014			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 3,619,223			
Additional Authorized Cost				
Revised Authorized Cost	\$ 3,619,223			
Percentage Increase over Original Authorized Cost		0%		
Percentage completion		100%		
Original target completion date	June 2016			
Revised target completion date	Complete			

East Windsor Regional School District
Capital Projects Fund

Summary Schedule of Project Expenditures

Year ended June 30, 2021

<u>Issue/Project Title</u>	<u>Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>	
			<u>Prior Year</u>	<u>Unexpended Balance</u>
Telecommunication Replacement for Various Schools	1/27/14	\$ 567,551	\$ 520,550	\$ 47,001
Roof Replacement for Various Schools	5/12/14	3,619,223	3,364,160	255,063
		<u>\$ 4,186,774</u>	<u>\$ 3,884,710</u>	302,064
Other				<u>45</u>
				<u>\$ 302,109</u>

Long-Term Debt

East Windsor Regional School District
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	Issued	Retired	Balance June 30, 2021
			Date	Amount					
2012 Refunding Bonds	2/7/2012	\$ 29,900,000	3/1/2022	\$ 1,890,000	5.00%	\$ 18,315,000		\$ 16,425,000	\$ 1,890,000
2015 Refunding Bonds	3/18/2015	3,280,000	7/15/2021	395,000	3.00%	1,560,000		400,000	1,160,000
			7/15/2022	390,000	3.00%				
			7/15/2023	375,000	3.00%				
2021 Refunding	2/24/2021	15,320,000	3/1/2022	270,000	0.50%				
			3/1/2023	2,290,000	0.60%				
			3/1/2024	2,265,000	0.80%				
			3/1/2025	2,235,000	1.00%				
			3/1/2026	2,155,000	1.10%				
			3/1/2027	2,105,000	1.40%				
			3/1/2028	2,030,000	1.50%				
			3/1/2029	1,970,000	1.80%				
						\$ 15,320,000		15,320,000	
						<u>\$ 19,875,000</u>	<u>\$ 15,320,000</u>	<u>\$ 16,825,000</u>	<u>\$ 18,370,000</u>

East Windsor Regional School District
 Long-Term Debt

Schedule of Obligations Under Capital Leases

Year ended June 30, 2021

	Interest Rate	Amount of Original Issue	Balance July 1, 2020	Issued	Retired	Balance June 30, 2021
Apple Financial Services - Education Finance	0.00%	\$ 500,786	\$ 500,786		\$ 199,952	\$ 300,834
TD Equipment Finance	0.10%	1,965,000		\$ 1,965,000	496,946	1,468,054
			<u>\$ 500,786</u>	<u>\$ 1,965,000</u>	<u>\$ 696,898</u>	<u>\$ 1,768,888</u>

East Windsor Regional School District
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:					
Local sources:					
Local tax levy	\$ 2,958,285		\$ 2,958,285	\$ 2,958,285	
State sources:					
Debt Service Aid Type II	<u>102,515</u>		<u>102,515</u>	<u>102,515</u>	
Total revenues	<u>3,060,800</u>		<u>3,060,800</u>	<u>3,060,800</u>	
Expenditures:					
Cost of issuance				133,185	\$ (133,185)
Principal on bonds	2,230,000		2,230,000	2,230,000	
Interest on bonds	<u>830,800</u>		<u>830,800</u>	<u>830,800</u>	
Total expenditures	<u>3,060,800</u>		<u>3,060,800</u>	<u>3,193,985</u>	<u>(133,185)</u>
(Deficiency) of revenues under expenditures	<u>-</u>		<u>-</u>	<u>(133,185)</u>	<u>(133,185)</u>
Other financing sources (uses):					
Payment to refunding bonds escrow agent				(15,186,815)	(15,186,815)
Refunding bonds issued				<u>15,320,000</u>	<u>15,320,000</u>
Total other financing sources (uses):				<u>133,185</u>	<u>133,185</u>
Net change in fund balances				-	-
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Statistical Section
(Unaudited)**

Statistical Section
Unaudited

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

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 Windsor Regional School District
 Net Position by Component
 Last Ten Fiscal Years

(Accrual Basis of Accounting)
 Unaudited

	2012	2013	2014	2015 (As restated)	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 67,200,853	\$ 64,359,111	\$ 63,790,253	\$ 66,115,732	\$ 69,467,999	\$ 72,406,375	\$ 72,810,331	\$ 75,373,950	\$ 78,784,906	\$ 81,933,434
Restricted	1,358,893	1,197,379	12,504,920	9,808,188	10,665,161	11,385,023	28,407,639	10,937,952	11,004,607	12,553,088
Unrestricted (deficit)	5,036,348	11,961,799	1,321,990	(17,505,642)	(20,297,232)	(23,932,469)	(24,778,738)	(24,538,403)	(21,829,520)	(19,498,746)
Total governmental activities net position	\$ 73,596,094	\$ 77,518,289	\$ 77,617,163	\$ 58,418,278	\$ 59,835,928	\$ 59,858,929	\$ 76,439,232	\$ 61,773,499	\$ 67,959,993	\$ 74,987,776
Business-type activities										
Investment in capital assets	\$ 427,651	\$ 374,041	\$ 32,670	\$ 278,395	\$ 237,717	\$ 255,267	\$ 216,040	\$ 181,316	\$ 146,261	\$ 125,340
Unrestricted	1,360,951	1,234,892	1,338,750	1,223,267	1,517,967	1,794,993	1,993,734	2,382,596	2,502,191	2,323,125
Total business-type activities net position	\$ 1,788,602	\$ 1,608,933	\$ 1,371,420	\$ 1,501,662	\$ 1,755,684	\$ 2,050,260	\$ 2,209,774	\$ 2,563,912	\$ 2,648,452	\$ 2,448,465
Government-wide										
Net investment in capital assets	\$ 67,628,504	\$ 64,733,152	\$ 64,111,923	\$ 66,394,127	\$ 69,705,716	\$ 72,661,642	\$ 73,026,371	\$ 75,555,266	\$ 78,931,167	\$ 82,058,774
Restricted	1,358,893	1,197,379	12,504,920	9,808,188	10,665,161	11,385,023	28,407,639	10,937,952	11,004,607	12,553,088
Unrestricted (deficit)	6,397,299	13,196,691	2,660,740	(16,282,375)	(18,779,265)	(22,137,476)	(22,785,004)	(22,155,807)	(19,327,329)	(17,175,621)
Total government-wide net position	\$ 75,384,696	\$ 79,127,222	\$ 79,277,583	\$ 59,919,940	\$ 61,591,612	\$ 61,909,189	\$ 78,649,006	\$ 64,337,411	\$ 70,608,445	\$ 77,436,241

Source: ACFR Schedule A-1 and District records.

GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position. This required presentation did not impact any of the balances from prior years.

GASB 68 was implemented during the 2015 fiscal year, which required the restatement of beginning net position in the amount of \$22,102,707. 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 retrospective adjustment of beginning net position in the amount of \$1,399,107. This amount is not reflected in the June 30, 2020 Net Position, above.

East Windsor Regional School District
Changes in Net Position
Last Ten Fiscal Years

(Accrual Basis of Accounting)
Unaudited

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Instruction										
Regular	\$ 24,762,899	\$ 25,042,178	\$ 25,711,382	\$ 25,670,386	\$ 43,048,737	\$ 48,218,048	\$ 49,708,064	\$ 46,264,449	\$ 44,153,643	\$ 51,771,380
Special Education	5,468,678	5,889,788	6,190,211	6,096,653	18,572,594	17,694,893	18,895,740	18,269,286	23,667,122	27,071,401
Other Instruction	2,247,777	2,881,786	2,965,778	2,992,569	6,747,736	7,808,512	8,499,028	7,962,224	1,966,362	1,738,551
Adult/Continuing Education Programs	978,725	1,062,581	1,127,451	1,197,485	27,184	2,197	3,473			
Support services:										
Tuition	5,117,547	5,534,737	6,103,650	6,491,066						
Student and Instruction Related Services	7,332,658	7,619,049	7,643,146	7,829,405	13,487,234	15,681,851	17,371,718	15,418,777	16,037,004	18,184,520
School Administrative Services	2,588,907	2,746,109	2,916,851	3,042,989	6,227,047	6,460,488	6,365,761	6,365,761	5,880,643	6,626,438
General and Business Administrative Services	624,850	642,886	806,864	987,075	2,505,451	3,718,895	3,664,616	3,328,359	3,215,601	3,892,060
Central Services	1,108,804	1,216,913	1,030,751	979,006						
Administrative Information Technology	2,400	8,650	197,839	235,688						
Plant Operations and Maintenance	6,358,065	7,540,292	7,498,827	7,230,915	9,715,746	10,536,268	10,937,635	10,835,855	10,282,857	11,855,706
Pupil Transportation	2,975,875	3,345,266	3,717,215	3,491,546	4,153,905	5,892,631	6,266,659	6,312,275	5,931,103	5,978,881
Other Support Services	5,500	6,500								
Transfers to Charter Schools	21,904	35,589	11,137	9,751	46,778	59,443	50,430	50,430	48,568	56,722
Special Schools	31,247	33,247	38,685	42,676	9,765	115,976	108,738	100,065	104,872	144,746
Interest on Long-Term Debt	1,658,548	1,445,522	1,357,907	1,532,276	1,124,003	1,005,821	926,240	845,734	787,111	641,801
Unallocated Employee Benefits	19,353,724	19,902,244	19,412,671	29,249,738						
Unallocated Amortization of Bond Costs	(33,828)	(95,599)	(115,974)	(119,329)						
Unallocated Depreciation	4,006,499	3,868,597	3,816,984	3,842,200						
Unallocated Compensated Absences	(177,261)	665,839	(55,173)	(237,384)						
Loss/Adjustment to Fixed Assets			1,283,869	2,509,558						
Total governmental activities	84,433,518	89,390,174	91,860,071	103,064,518	105,668,153	117,182,358	123,264,671	115,753,215	112,074,886	127,962,206
Business-type activities:										
Food Service	1,708,043	2,089,683	1,655,075	1,681,029	1,778,459	1,858,803	1,855,771	1,850,931	1,496,245	592,410
Kid Care	514,615	525,226	714,803	753,458	737,167	526,130	565,987	555,112	548,797	537,525
Total business-type activities expense	2,222,658	2,614,909	2,369,878	2,434,487	2,515,626	2,384,933	2,421,668	2,406,043	2,045,042	1,129,935
Total district expenses	86,656,176	92,005,083	94,229,949	105,499,005	108,183,779	119,567,291	125,686,339	118,159,258	114,119,928	129,092,141
Program Revenues										
Governmental activities:										
Charges for services	1,341,045	1,388,295	1,289,218	1,146,167	525,533	618,167	553,987	613,972	799,128	734,046
Operating grants and contributions	2,273,215	2,269,808	2,100,542	18,026,976	2,021,484	2,113,637	2,277,674	2,137,277	2,097,632	4,169,514
Capital grants and contributions					751,239	903,611				
Total governmental activities program revenues	3,614,260	3,658,103	3,389,760	19,173,143	3,298,256	3,635,415	2,831,661	2,751,249	2,896,760	4,903,560
Business-type activities:										
Charges for services										
Food service	844,718	794,854	816,347	756,272	751,380	781,171	821,284	881,280	626,563	32,247
Kid Care	781,268	727,527	847,004	866,156	841,422	638,994	603,502	645,438	451,769	93,663
Operating grants and contributions	855,844	912,859	988,014	1,073,302	1,174,301	1,259,344	1,156,396	1,233,463	1,051,250	795,241
Total business-type activities program revenues	2,481,830	2,435,240	2,651,365	2,675,730	2,767,103	2,679,509	2,581,182	2,760,181	2,129,582	921,151
Total district program revenues	6,096,090	6,093,343	6,041,125	21,848,873	6,065,359	6,314,924	5,412,843	5,511,430	5,026,342	5,824,711
Net (Expense)/Revenue										
Governmental activities	(80,819,258)	(85,732,071)	(88,470,311)	(83,891,375)	(102,569,897)	(113,546,943)	(120,433,010)	(113,001,966)	(109,178,126)	(123,058,646)
Business-type activities	259,172	(179,669)	281,487	241,243	251,477	294,576	159,514	354,138	84,540	(208,784)
Total government-wide net expense	(80,560,086)	(85,911,740)	(88,188,824)	(83,650,132)	(102,318,420)	(113,252,367)	(120,273,496)	(112,647,828)	(109,093,586)	(123,267,430)

East Windsor Regional School District
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
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes	\$ 56,953,654	\$ 57,937,456	\$ 59,096,205	\$ 60,278,129	\$ 61,483,692	\$ 62,713,366	\$ 63,717,633	\$ 64,741,986	\$ 65,786,826	\$ 67,102,563
Property taxes levied for debt service	3,477,380	3,364,921	3,231,358	3,201,658	3,167,898	3,124,874	3,054,895	3,046,318	3,003,784	2,958,285
Unrestricted grants and contributions	24,113,975	26,214,282	25,840,199	20,526,963	38,936,163	46,732,774	53,216,994	46,762,945	46,035,664	57,728,140
Investment earnings	5,491	47,851	4,698	19,457	33,883	52,598	108,526	253,906	361,548	164,539
Miscellaneous income	74,470	1,747,468	458,385	318,898	165,911	946,332	265,265	181,078	176,798	320,756
Transfers		342,288	230,000	400,000						
Total governmental activities	84,624,970	89,654,266	88,860,845	84,745,105	103,787,547	113,569,944	120,363,313	114,986,233	115,364,620	128,274,283
Business-type activities:										
Investment income					2,545					8,797
Transfers		(342,288)	(230,000)	(400,000)						
Total business-type activities										
Total government-wide	84,624,970	89,311,978	88,630,845	84,345,105	103,790,092	113,569,944	120,363,313	114,986,233	115,364,620	128,283,080
Change in Net Position										
Governmental activities	3,805,712	3,922,195	390,534	853,730	1,417,650	23,001	(69,697)	1,984,267	6,186,494	5,215,637
Business-type activities	259,172	(521,957)	51,487	(158,757)	254,022	294,576	159,514	354,138	84,540	(199,987)
Total district	\$ 4,064,884	\$ 3,400,238	\$ 442,021	\$ 694,973	\$ 1,671,672	\$ 317,577	\$ 89,817	\$ 2,338,405	\$ 6,271,034	\$ 5,015,650

Source: ACFR Schedules A-2 and District records

GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position.

GASB No. 75 was implemented in the 2018 fiscal year, which increased the unrestricted grants and contributions and various expense lines from the previous year. This required presentation did not impact any of the balances from prior years.

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

East Windsor Regional School District
Fund Balances - Governmental Funds
Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)
Unaudited

	As of June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ 7,583,719	\$ 10,866,901	\$ 10,139,379	\$ 9,848,926	\$ 8,831,520	\$ 10,836,908	\$ 11,472,444	\$ 10,652,757	\$ 10,719,412	\$ 11,900,508
Assigned to	2,424,858	3,891,165	2,651,497	4,313,306	3,732,985	2,479,687	2,776,584	3,438,211	6,249,392	7,920,684
Unassigned	381,295	367,106	489,774	238,946	318,702	254,557	243,346			1,810,236
Total general fund	<u>\$ 10,389,872</u>	<u>\$ 15,125,172</u>	<u>\$ 13,280,650</u>	<u>\$ 14,401,178</u>	<u>\$ 12,883,207</u>	<u>\$ 13,571,152</u>	<u>\$ 14,492,374</u>	<u>\$ 14,090,968</u>	<u>\$ 16,968,804</u>	<u>\$ 21,631,428</u>
All Other Governmental Funds										
Restricted for:										
Special revenue fund *			\$ 2,836,234	\$ 364,249	\$ 1,833,641	\$ 536,629	\$ 285,195	\$ 285,195	\$ 285,195	\$ 367,385
Capital projects fund			489,774	1	25,968	25,967				285,195
Debt service fund										
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,326,008</u>	<u>\$ 364,250</u>	<u>\$ 1,859,609</u>	<u>\$ 562,596</u>	<u>\$ 285,195</u>	<u>\$ 285,195</u>	<u>\$ 285,195</u>	<u>\$ 652,580</u>

Source: ACFR Schedule B-1 and District records.

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

East Windsor Regional School District
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	\$ 60,431,034	\$ 61,302,377	\$ 62,327,563	\$ 63,479,787	\$ 64,651,590	\$ 65,838,240	\$ 66,772,528	\$ 67,788,304	\$ 68,790,610	\$ 70,060,848
Transportation Fees	63,778,000	79,835	61,721,000	43,521,24	83,599	146,570	111,460	98,967	51,412	37,176
Tuition Charges	643,297	633,498	541,560	560,407	441,934	471,597	442,527	515,005	747,716	696,870
Interest on Investments	5,491	4,806	4,698		33,883	52,598	108,526	253,906	361,548	164,539
Rents & Royalties					23,011	38,469	66,758	13,460		151,350
Miscellaneous	161,779	1,807,862	485,027	375,525	1,375,584	961,561	226,041	164,677	204,611	425,224
State Sources	23,479,316	26,347,826	25,843,624	28,221,958	28,646,863	30,302,752	32,266,716	37,546,828	41,221,554	45,880,450
Federal Sources	2,820,565	2,118,915	2,070,475	2,098,887	2,048,759	2,176,690	2,529,762	2,207,442	2,153,081	4,037,209
Total revenue	87,605,260	92,295,119	91,334,668	94,780,086	97,305,223	99,988,477	102,324,318	108,626,851	113,543,992	121,453,666
Expenditures										
Instruction										
Regular Instruction	24,762,899	25,042,178	25,711,382	25,670,386	25,349,163	25,946,098	26,259,020	27,354,545	27,380,721	29,731,941
Special Education Instruction	5,468,678	5,889,788	6,190,211	6,096,653	7,875,334	7,450,145	7,780,064	8,225,324	8,382,494	8,937,870
Other Special Instruction					2,851,959	2,851,959	3,195,190	3,265,287	3,668,783	4,184,472
Other Instruction	2,247,777	2,881,786	2,965,778	2,992,569	1,100,372	1,185,551	1,137,566	1,187,644	1,143,738	912,593
Community Svc Program/Operations	978,725	1,062,581	1,127,451	1,197,485	15,899	2,057	3,250			
Support Services:										
Tuition	5,117,547	5,534,737	6,103,650	6,491,066	5,652,013	5,163,274	5,495,412	5,754,332	5,497,365	4,792,165
Student and Instruction Related Services	7,332,658	7,619,049	7,643,146	7,829,405	7,949,697	8,655,610	9,023,052	9,299,784	10,262,079	10,875,470
General administration	874,850	892,886	1,056,864	1,487,075	3,062,994	3,342,918	3,502,028	3,618,698	3,562,179	3,605,471
School Administration Services	2,588,907	2,746,109	2,916,851	3,042,989						
Central services	1,108,804	1,216,913	1,034,212	979,006	2,210,539	2,335,756	2,324,464	2,281,641	2,295,407	2,544,884
Other Admin Services	2,400	8,650	197,839	235,688						
Admin. Information Technology	5,720,704	6,271,234	6,809,832	6,699,051	6,749,160	6,616,091	6,650,372	7,267,385	7,475,062	7,546,228
Plant operations and maintenance	2,975,875	3,345,266	3,717,215	3,491,546	3,782,275	3,564,618	3,797,700	4,282,557	4,283,391	3,802,156
Pupil transportation										
Business and Other Support Services	5,500	6,500	19,446,606	20,805,829	22,452,902	24,860,559	25,768,632	28,278,639	28,143,033	33,525,531
Employee Benefits	19,382,683	19,933,593	11,317	9,751	46,778	59,443	59,443	50,430	48,568	56,722
Transfer to Charter School	21,904	35,589			5,274,048	4,945,610	3,430,388	4,945,610	5,346,253	6,543,850
Capital Outlay	1,315,593	1,871,098	4,461,944	8,513,481	5,067,632	60,978	56,091	58,356	65,633	80,650
Special Schools	31,247	33,247	38,685	42,676	48,765	60,978	56,091	58,356	65,633	80,650
Debt Service:										
Principal	1,692,408	1,525,903	1,367,153	2,020,000	2,065,000	2,070,000	2,105,000	2,145,000	2,180,000	2,230,000
Interest and other charges	1,935,000	1,985,000	2,005,000	1,394,335	1,208,585	1,171,125	1,092,825	1,013,025	931,450	963,985
Total expenditures	83,564,159	87,902,107	92,805,136	98,989,240	97,327,834	100,597,545	101,680,497	109,028,257	110,666,156	120,333,988
Excess (Deficiency) of revenues over (under) expenditures	4,041,101	4,393,012	(1,470,468)	(4,209,154)	(22,611)	(609,068)	643,821	(401,406)	2,877,836	1,119,678
Other Financing sources (uses)										
Lease proceeds										
Payment to bond refunding escrow agent										
Refunding bonds issued										
Transfers In		342,288	2,804,589	535,632	2,547,303		251,057			
Transfers Out			(2,574,589)		(2,547,303)		(251,057)			
Total other financing sources (uses)										
Net change in fund balances	\$ 4,041,101	\$ 4,735,300	\$ 991,532	\$ (1,351,456)	\$ (22,611)	\$ (609,068)	\$ 643,821	\$ (401,406)	\$ 2,877,836	\$ 3,217,863
Debt service as a percentage of noncapital expenditures	4.41%	4.08%	3.82%	3.77%	3.55%	3.40%	3.25%	3.03%	2.95%	2.81%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
Unaudited**

FISCAL YEAR ENDED JUNE 30,	PRIOR YEAR REFUNDS	RENTAL OF FACILITIES	TUITION	TRANSPORTATION FEES	INTEREST EARNINGS	MISCELLANEOUS	Annual
							Totals
2021	\$	151,350	696,870	37,176	164,539	169,406	\$ 1,219,341
2020	\$ 39,212	13,460	747,716	51,412	361,548	124,126	1,337,474
2019		44,172	422,463	98,967	253,906	105,526	925,034
2018		66,758	442,527	111,460	108,526	198,507	927,778
2017	499,994	38,469	471,597	146,570	52,598	407,869	1,617,097
2016		23,011	441,934	83,599	33,856	142,855	725,255
2015		19,457	560,407	43,521		318,898	942,283
2014	378,518	50,626	541,560	61,721	4,698	29,241	1,066,364
2013	1,397,230	43,045				355,044	1,795,319
2012		28,320				51,641	79,961

Source: District records

East Windsor Regional School District
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

FISCAL YEAR ENDED JUNE 30	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	PERS. PROP.	TOTAL ASSESSED VALUE	TAX EXEMPT PROPERTY	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE ^b	ACTUAL (COUNTY EQUALIZED) VALUE
2021	\$ 35,117,100	\$ 2,019,677,100	\$ 10,102,900	\$ 1,220,600	\$ 400,481,800	\$ 188,851,700	\$ 171,420,800	\$ 4,542,688	\$ 2,831,414,688	\$ 2,38,573,400	\$ 2,831,414,688	\$ 2.16	\$ 2,966,235,819
2020	29,514,800	2,016,561,800	10,808,800	1,279,900	401,985,050	186,547,700	169,966,300	4,443,653	2,821,108,003	244,492,800	2,821,108,003	2.14	3,047,818,651
2019	29,623,500	2,015,198,300	11,011,700	1,299,700	405,311,650	179,166,200	169,288,300	4,507,360	2,816,006,710	245,033,200	2,816,006,710	2.11	2,816,006,710
2018	38,039,700	2,014,170,300	10,542,400	1,324,700	420,630,150	151,870,200	169,889,900	4,591,136	2,811,058,486	199,219,200	2,811,058,486	2.09	2,862,184,819
2017	53,385,400	2,008,698,197	10,283,500	1,299,900	416,028,050	104,470,200	158,328,000	4,679,638	2,757,172,885	199,061,000	2,757,172,885	2.09	2,801,966,101
2016	40,292,200	2,004,509,297	10,264,300	1,327,800	418,307,250	103,107,300	158,328,000	4,571,469	2,740,673,616	193,193,200	2,740,673,616	2.07	2,700,842,361
2015	36,112,600	2,007,679,679	17,725,000	1,675,100	421,826,350	105,287,300	158,560,400	4,536,175	2,753,402,604	193,637,200	2,753,402,604	2.01	2,755,402,604
2014	33,339,600	2,009,223,497	15,586,700	1,844,800	427,125,450	105,284,400	158,844,400	4,913,771	2,756,162,718	187,119,800	2,756,162,718	1.97	2,668,935,276
2013	42,318,800	2,017,628,000	11,084,300	1,860,900	434,078,250	109,538,400	152,967,200	4,448,001	2,774,273,851	186,132,200	2,774,273,851	1.92	2,772,380,870
2012	46,305,400	2,048,055,300	11,100,600	1,858,600	441,903,650	112,938,400	152,967,200	4,455,660	2,819,584,810	185,285,000	2,819,584,810	1.87	2,918,188,719
Hightstown													
2021	\$ 2,318,700	\$ 316,258,000	\$ 13,373,200	\$ 4,012,500	\$ 56,615,600	\$ 4,012,500	\$ 13,373,200	\$ 3,594,397	\$ 396,172,397	\$ 156,451,300	\$ 396,172,397	\$ 2.34	\$ 456,086,805
2020	2,365,800	314,503,000	13,373,200	4,193,400	56,067,000	4,193,400	13,373,200	3,284,099	394,686,499	148,641,300	394,686,499	2.28	463,643,730
2019	2,436,800	314,070,100	13,373,200	3,167,900	54,258,400	3,167,900	13,373,200	3,381,420	393,687,620	146,638,200	393,687,620	2.21	393,687,820
2018	2,529,900	312,979,100	13,349,900	3,582,656	57,485,900	3,167,900	13,349,900	3,582,656	393,095,356	146,682,000	393,095,356	2.16	408,925,687
2017	2,652,000	312,888,100	13,043,900	3,416,396	57,330,600	3,149,400	13,043,900	3,416,396	392,180,396	146,885,100	392,180,396	2.20	412,573,255
2016	3,121,500	310,610,300	13,043,900	3,767,600	57,167,600	3,149,400	13,043,900	3,374,648	390,467,348	147,275,600	390,467,348	2.20	414,616,885
2015	3,096,100	310,248,700	13,043,900	3,909,700	57,030,300	3,149,400	13,043,900	2,963,474	389,531,874	193,367,200	389,531,874	2.19	415,636,477
2014	2,562,400	311,352,900	13,043,900	3,909,700	57,641,600	3,909,700	13,043,900	3,348,297	391,858,797	143,473,200	391,858,797	2.19	424,168,371
2013	2,650,500	311,548,000	13,043,900	3,909,700	57,767,400	3,909,700	13,043,900	3,647,607	392,567,107	143,249,900	392,567,107	2.13	422,747,231
2012	4,038,700	385,259,000	14,740,200	6,454,300	66,571,600	6,454,300	14,740,200	4,266,822	481,330,622	154,530,900	481,330,622	1.71	464,031,521
East Windsor & Hightstown													
2021	\$ 37,435,800	\$ 2,335,935,100	\$ 10,102,900	\$ 1,220,600	\$ 457,097,400	\$ 192,864,200	\$ 184,794,000	\$ 8,137,055	\$ 3,227,587,055	\$ 395,024,700	\$ 3,227,587,055	\$ 4.50	\$ 3,422,322,324
2020	31,880,600	2,331,064,800	10,808,800	1,279,900	458,932,050	190,741,100	183,339,500	7,727,752	3,215,794,502	393,134,100	3,215,794,502	4.42	3,511,462,381
2019	32,090,300	2,329,268,400	11,011,700	1,299,700	459,570,050	182,934,100	182,661,500	7,888,780	3,209,694,330	391,671,400	3,209,694,330	4.32	3,209,694,330
2018	40,569,600	2,327,149,400	10,542,400	1,324,700	478,116,050	155,038,100	183,239,800	8,173,792	3,204,153,842	345,901,200	3,204,153,842	4.25	3,271,110,906
2017	56,037,400	2,321,286,297	10,283,500	1,299,900	473,358,650	107,619,600	171,371,900	8,096,034	3,149,353,281	345,946,100	3,149,353,281	4.29	3,214,539,356
2016	43,413,700	2,315,119,597	10,264,300	1,327,800	475,474,850	106,256,700	171,371,900	7,912,117	3,131,140,964	340,468,800	3,131,140,964	4.27	3,115,459,246
2015	39,208,700	2,317,928,379	17,725,000	1,675,100	478,856,650	108,438,700	171,604,300	7,499,649	3,142,934,478	387,004,400	3,142,934,478	4.20	3,169,039,081
2014	35,902,000	2,320,576,397	15,586,700	1,844,800	484,767,050	109,194,200	171,888,200	8,262,068	3,148,021,515	330,593,000	3,148,021,515	4.16	3,093,104,147
2013	44,969,300	2,329,176,000	11,034,300	1,860,900	491,845,650	113,848,100	166,011,000	8,095,608	3,166,840,958	329,382,100	3,166,840,958	4.05	3,195,128,101
2012	50,344,100	2,433,314,300	11,100,600	1,858,600	508,475,250	119,392,700	167,107,400	8,722,482	3,300,915,432	339,815,900	3,300,915,432	3.58	3,382,202,240

Source: Municipal Tax Assessors

a. Taxable Value of Machinery, Implements and equipment of Telephone, Telegraph and Messenger System Companies
b. Tax Rates are per \$100

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

(Rate per \$100 of Assessed Value)

Unaudited

EAST WINDSOR REGIONAL SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES		
FISCAL YEAR ENDED JUNE 30,	BASIC RATE	TOTAL DIRECT SCHOOL TAX RATE	BOROUGH OR TOWNSHIP	MERCER COUNTY	TOTAL DIRECT & OVERLAPPING TAX RATE
East Windsor					
2021	\$ 2.16	\$ 2.16	\$ 0.43	\$ 0.71	\$ 3.28
2020	2.14	2.14	0.43	0.71	3.29
2019	2.11	2.11	0.43	0.71	3.25
2018	2.09	2.09	0.43	0.69	3.21
2017	2.09	2.09	0.43	0.60	3.12
2016	2.07	2.07	0.43	0.58	3.08
2015	2.01	2.01	0.43	0.57	3.02
2014	1.97	1.97	0.46	0.64	3.06
2013	1.92	1.92	0.55	0.65	3.12
2012	1.87	1.87	0.42	0.64	2.93
Hightstown					
2021	\$ 2.34	\$ 2.34	\$ 1.35	\$ 0.78	\$ 4.52
2020	2.28	2.28	1.35	0.78	4.41
2019	2.21	2.21	1.33	0.75	4.29
2018	2.16	2.16	1.29	0.71	4.16
2017	2.20	2.20	1.22	0.62	4.04
2016	2.20	2.20	1.18	0.71	4.09
2015	2.19	2.19	1.16	0.62	4.06
2014	2.19	2.19	1.18	0.71	4.09
2013	2.13	2.13	1.13	0.70	3.96
2012	1.71	1.71	0.90	0.58	3.19

Source: Municipal Tax Collectors

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO**
Unaudited

NOT AVAILABLE

**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 TAX LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2021	\$ 70,060,848	\$ 70,060,848	100.00%	
2020	68,790,610	68,790,610	100.00%	
2019	67,788,304	67,788,304	100.00%	
2018	66,772,528	66,772,528	100.00%	
2017	65,838,240	65,838,240	100.00%	
2016	64,651,590	64,651,590	100.00%	
2015	63,479,787	63,479,787	100.00%	
2014	62,327,563	62,327,563	100.00%	
2013	61,302,377	61,302,377	100.00%	
2012	60,431,034	60,431,034	100.00%	

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

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**
Unaudited

YEAR ENDED JUNE 30,	GENERAL OBLIGATIONS		TOTAL DISTRICT	PER CAPITA INCOME	PERCENTAGE OF PERSONAL INCOME ^a	DISTRICT POPULATION	PER CAPITA ^a
	BONDS	CAPITAL LEASES					
2021	\$ 18,370,000	\$ 1,768,888	\$ 20,138,888	\$ 74,218	2.47%	30,045	\$ 1,833
2020	19,875,000	500,786	20,375,786	69,344	2.13%	32,592	1,477
2019	22,055,000	880,389	22,935,389	56,102	1.71%	32,757	959
2018	24,200,000	1,745,534	25,945,534	54,894	1.33%	33,025	733
2017	26,305,000	2,595,703	28,900,703	53,673	0.20%	32,933	799
2016	28,375,000		28,375,000	N/A	N/A	N/A	N/A
2015	30,440,000		30,440,000	N/A	N/A	N/A	N/A
2014	32,480,000		32,480,000	N/A	N/A	33,103	N/A
2013	34,485,000		34,485,000	56,906	1.83%	33,160	1,041
2012	36,470,000		36,470,000	55,714	1.98%	32,984	1,106

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

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

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Unaudited

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2021	\$ 18,370,000		\$ 18,370,000	0.569%	\$ 611
2020	19,875,000		19,875,000	0.618%	610
2019	22,050,000		22,050,000	0.687%	673
2018	24,200,000		24,200,000	0.755%	733
2017	26,305,000	\$ 25,967	26,279,033	0.835%	799
2016	28,375,000	25,968	28,349,032	0.905%	867
2015	30,440,000		30,440,000	1.873%	N/A
2014	32,480,000		32,480,000	1.690%	N/A
2013	34,485,000		34,485,000	2.122%	1,040
2012	36,470,000		36,470,000	2.244%	1,106

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

Source: Assessed valuations were provided by the Abstract of Ratables, County Board of Taxation.

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of December 31, 2020**

Unaudited

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:	\$ 667,964,480		
Township of East Windsor		6.5278%	\$ 43,603,278
Borough of Hightstown		0.9930%	6,633,067
Other Debt: M.C.I.A.	61,194,065		
Township of East Windsor		6.5278%	3,994,616
Borough of Hightstown		0.9930%	607,674
Subtotal, Overlapping Debt			54,838,635
East Windsor Regional School District Direct Debt			18,370,000
Total Direct & Overlapping Debt			\$ 73,208,635

* As of December 31, 2020

Sources: Assessed value data used to estimate applicable percentages provided by County of Mercer,
Debt outstanding data provided by each governmental unit.

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Unaudited

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt limit	\$ 135,246,390	\$ 133,230,232	\$ 129,271,259	\$ 128,014,788	\$ 126,653,836	\$ 126,096,951	\$ 126,360,057	\$ 130,131,016	\$ 135,939,871	\$ 141,794,070
Total Net Debt Applicable to Limit	18,370,000	19,875,000	22,055,000	24,200,000	26,279,033	28,375,000	30,440,000	32,480,000	34,485,000	36,470,000
Legal Debt Margin	\$ 116,876,390	\$ 113,355,232	\$ 107,216,259	\$ 103,814,788	\$ 100,374,803	\$ 97,721,951	\$ 95,920,057	\$ 97,651,016	\$ 101,454,871	\$ 105,324,070
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	13.58%	14.92%	17.06%	18.90%	20.75%	22.50%	24.09%	24.96%	25.37%	25.72%

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized valuation basis			Total
	2021	2020	2019	
Average Equalized Valuation of Taxable Property	\$ 2,966,235,819	\$ 3,047,818,651	\$ 2,816,006,710	\$ 3,422,322,324
Debt limit (4 % of Average Equalization Value)	456,086,505	463,643,730	393,687,820	3,511,462,381
Net Bonded School Debt	8,830,061,180	2,943,353,727	1,313,418,055	3,209,694,530
Legal Debt Margin	\$ 2,943,353,727	\$ 437,806,018	\$ 3,381,159,745	\$ 135,246,390
				\$ 18,370,000
				\$ 116,876,390

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

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**
Unaudited

EAST WINDSOR

<u>YEAR</u>	<u>POPULATION (a)</u>	<u>PER CAPITA PERSONAL INCOME (b)</u>	<u>UNEMPLOYMENT RATE (C)</u>
2021	30,045	\$ 74,218	6.40%
2020	32,592	69,344	2.40%
2019	32,757	56,102	5.70%
2018	33,025	54,894	3.40%
2017	32,933	53,673	3.60%
2016	32,690	N/A	3.70%
2015	N/A	N/A	N/A
2014	33,103	N/A	4.60%
2013	33,160	56,906	5.11%
2012	32,984	55,933	6.35%

Source:

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

^b Per capita information provided by US Dept of Commerce, Bureau of Economic Analysis

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

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**
Unaudited

NOT AVAILABLE

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**
Unaudited

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction:										
Regular	371	328	353	356	346	335	320	339	333	326
Special Education	84	140	82	73	72	71	72	72	69	49
Other Special Education Aides	32	28	28	30	29	28	29	28	28	40
Other Instruction/ Nurse	8	9	9	9	9	8	8	8	6	6
Guidance	20	20	20	19	17	15	15	17	17	17
Support Services:										
Student & Instruction Related Services	50	47	47	44	42	46	39	41	41	8
General Administration	6	8	8	8	8	7	7	10	9	9
School Administrative Services	16	17	17	18	18	16	15	15	14	13
Other Administrative Services	12	10	9	8	10	9	10	9	8	8
Central Services	21	13	20	16	17	15	15	20	19	19
Administrative Information Technology	1	1	1	1	1	1	1	1	1	1
Plant Operations & Maintenance	55	59	53	51	53	53	53	54	55	55
Pupil Transportation	72	73	69	65	66	68	74	65	63	59
Other Support Services VA	31	36	31	34	34	34	34	30	25	26
Campus Monitor	7	7	7	6	6	6	6	6	6	6
Computer Technician	7	7	7	7	6	6	6	6	6	6
Courier	1	1	1	1	1	1	1	1	1	1
Duplicating Eq. Operator	1	1	1	1	1	1	1	1	1	1
Child Care	16	30	29	26	31	22	23	23	22	22
Custodial Supervisor	1	1	1	1	1	1	1	1	1	1
Director of Buildings & Grounds	1	1	1	1	1	1	1	1	1	1
Lunch Monitors	25	39	34	29	27	17	16	19	16	8
Total	838	876	828	804	796	761	747	767	742	682

Source: District Personnel Records

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
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	SENIOR HIGH SCHOOL				
2021	5,019	\$ 110,596,153	\$ 22,035	9.10%	455	10.1	11.0	12.3	4,969	4,806	-3.42%	96.71%
2020	5,178	102,208,453	19,739	3.29%	483	9.8	11.7	11.3	5,139	4,979	0.41%	96.83%
2019	5,113	95,267,251	18,632	0.54%	435	11.4	11.5	11.8	5,101	4,960	1.60%	97.01%
2018	5,129	95,052,284	18,532	2.38%	429	10.1	10.8	10.8	5,094	4,882	0.04%	95.85%
2017	5,221	92,082,372	17,637	2.24%	418	14.8	12.2	12.4	5,160	4,947	1.67%	95.89%
2016	5,139	88,986,617	17,316	5.29%	411	14.8	12.2	12.4	5,075	5,022	-0.07%	97.00%
2015	5,019	85,139,792	16,963	1.00%	411	14.8	12.2	12.4	5,112	5,059	9.20%	97.00%
2014	5,106	82,520,106	16,161	-0.31%	411	14.6	11.1	11.7	5,091	4,892	0.61%	96.09%
2013	5,072	82,520,106	16,212	4.50%	402	16.5	13.6	12.4	5,060	4,840	1.83%	95.65%
2012	5,072	78,621,158	15,513	2.34%	387	14.4	12.5	11.7	4,969	4,768	-0.08%	95.95%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

Unaudited

DISTRICT BUILDINGS	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<u>Elementary Schools:</u>										
McKnight ES (1970):										
Square Feet	84,596	84,596	84,596	84,596	84,596	84,596	84,596	84,596	98,976	98,976
Capacity (Students)	660	660	660	660	660	660	660	660	660	660
Enrollment	539	555	521	521	521	521	508	644	695	640
Drew ES (1975):										
Square Feet	92,224	92,224	92,224	92,224	92,224	92,224	92,224	92,244	105,244	105,244
Capacity (Students)	728	728	728	728	728	728	728	728	728	728
Enrollment (a)	567	580	666	666	666	666	668	671	571	569
Walter C Black ES (1949):										
Square Feet	78,697	78,697	78,697	78,697	78,697	78,697	78,697	78,570	97,335	97,335
Capacity (Students)	615	615	615	615	615	615	615	615	615	615
Enrollment	491	521	539	539	539	539	541	488	485	512
Rogers ES (1924):										
Square Feet	103,470	103,470	103,470	103,470	103,470	103,470	103,470	107,908	105,091	105,091
Capacity (Students)	698	698	698	698	698	698	698	543	543	543
Enrollment	561	610	680	680	680	680	686	699	710	728
<u>Middle School:</u>										
Kreps Middle School (1968):										
Square Feet	205,021	205,021	205,021	205,021	205,021	205,021	205,021	205,021	205,021	205,021
Capacity (Students)	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135
Enrollment	1,237	1,239	1,245	1,245	1,245	1,245	1,256	1,105	1,203	1,229
<u>High School:</u>										
Highstown High School (1966):										
Square Feet	271,758	271,758	271,758	271,758	271,758	271,758	262,435	262,435	259,660	259,660
Capacity (Students)	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274
Enrollment	1,520	1,580	1,526	1,526	1,526	1,526	1,527	1,458	1,426	1,394
<u>Other Buildings:</u>										
Transportation (1979):										
Square Feet	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	200	200
Central Administration (1846):										
Square Feet	4,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150	1,690	1,690
Maintenance (1986)										
Square Feet	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	1,575	1,575

Number of Schools at June 30, 2021:

- Elementary = 4
- Middle School = 1
- Senior High School = 1
- Other = 3

Source: District Facilities Office

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

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

Unaudited

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

FISCAL YEAR	BLACK ELEMENTARY SCHOOL	DREW ELEMENTARY SCHOOL	MC KNIGHT ELEMENTARY SCHOOL	ROGERS ELEMENTARY SCHOOL	KREPS ELEMENTARY SCHOOL	HIGHTSTOWN HIGH SCHOOL	TOTAL
2021	\$ 262,722	\$ 307,881	\$ 282,415	\$ 345,424	\$ 684,442	\$ 907,237	\$ 2,790,121
2020	222,591	260,851	239,276	292,660	579,893	768,655	2,363,926
2019	214,415	251,325	230,487	281,910	558,592	740,423	2,277,152
2018	185,263	217,108	199,151	243,582	482,647	639,755	1,967,506
2017	174,446	204,806	187,825	239,584	455,200	603,372	1,865,233
2016	222,783	261,555	239,869	305,970	581,330	770,561	2,382,068
2015	219,651	187,368	204,248	167,112	609,527	722,102	2,110,008
2014	220,461	258,830	237,370	302,782	575,273	736,373	2,331,089
2013	158,520	186,108	170,678	217,711	413,643	523,880	1,670,540
2012	107,308	125,382	115,216	148,844	280,132	488,891	1,265,773
Total	\$ 1,988,160	\$ 2,261,214	\$ 2,106,535	\$ 2,545,579	\$ 5,220,679	\$ 6,901,249	\$ 21,023,416

Source: District records and M-1

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2021
Unaudited**

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
Multiperil Package Policy:		
Property - Blank Building & Contents	\$ 268,178,993	\$ 5,000
Demolition/Increase Cost of Construction	25,000,000	5,000
Extra Expense	50,000,000	5,000
Valuable Papers	10,000,000	5,000
Satellite Dishes	Included	5,000
Commercial General Liability		
Per Occurrence	31,000,000	
Policy Aggregate	31,000,000	
Commercial Crime Coverage		
Blkt Faithful Perf	500,000	1,000
Forgery, M&S, Comp	100,000/250,000	1,000
Underground Storage Tank Liability:		
Per Occurrence	1,000,000	10,000
Policy Aggregate	1,000,000	
Computers and Schedule Equipment:		
Data Processing Equipment	3,800,000	1,000
Commercial Auto:		
Liability	31,000,000	
Physical Damage	Actual Cash Value	1,000
Boiler and Machinery	268,012,967	5,000
School Board Legal Liability:		
Coverage A	31,000,000	30,000
Coverage B	100,000/300,000	30,000
Professional Nurses Liability:		
Per Occurrence	11,000,000	
Policy Aggregate	11,000,000	
Public Employees' Faithful Performance Bonds:		
Board Secretary- School Business Administrator	400,000	
Workers Compensation Excess Liability	Statutory	
Group Accident	5,000,000	Excess
	Each Accident	
CAP Policy	50,000,000	Excess

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 Windsor Regional School District
Hightstown, New Jersey
County of Mercer

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 Windsor Regional School District, in the County of Mercer, 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 7, 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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.

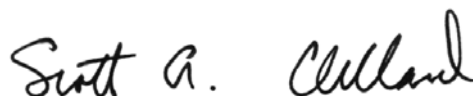
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and 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 7, 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 Windsor Regional School District
Hightstown, New Jersey
County of Mercer

Report on Compliance for Each Major Federal and State Program

We have audited the East Windsor Regional School District's, in the County of Mercer, 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 the District's 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of 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

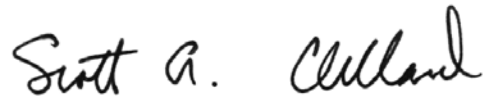
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the 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 7, 2022
Florham Park, New Jersey

East Windsor Regional School District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal Grant or Pass-Through Grant/Program Title	Federal Number	FEDSIN Number	Grant or State Process Number	Program or Award Amount	Grant Period From	To	Balance at June 30, 2020	Carryover (With) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Accounts Receivable	Unearned Revenue	Due to Grantor
U.S. Department of Health and Human Services															
Passed-through State Department of Education															
General Fund:															
Medical Assistance Program (SEMAP)	93778	2005NSMAP	N/A	\$ 128,897	7/1/20	6/30/21			\$ 128,897	\$ (128,897)					
COVID-19 CARES Act Medical Assistance Program (SEMAP)	93778	2005NSMAP	N/A	107,335	7/1/20	6/30/21			107,335	(107,335)					
Total General Fund									128,897	(128,897)					
Special Revenue Fund:															
U.S. Department of Education															
Passed-through State Department of Education															
Special Revenue Fund:															
Title I, Part A	84-010A	S010A190000	N/A	573,002	7/1/20	9/30/21	\$ (400,504)		239,471	(393,840)			\$ (154,369)		
Title I, Part A	84-010A	S010A190000	N/A	6,80715	7/1/19	9/30/20			400,504						
Title II, Part A Improving Teacher Quality	84-367A	S367A200029	N/A	291,189	7/1/20	9/30/21			16,342	(32,457)			(16,115)		
Title II, Part A Improving Teacher Quality	84-367A	S367A190029	N/A	189,558	7/1/19	9/30/20	(4,207)		4,207						
Language Instruction for English Learners and Immigrant Students:															
Title III	84-365A	S365A200000	N/A	196,588	7/1/20	9/30/21			116,629	(161,119)			(44,490)		
Title III	84-365A	S365A190000	N/A	108,261	7/1/19	9/30/20	(51,576)		51,576				(8,725)		
Title III, Immigrant	84-365A	S365A200000	N/A	21,775	7/1/20	9/30/21			168,206	(102,842)			(53,132)		
Subtotal Language Instruction for English Learners and Immigrant Students:							(51,576)		168,206	(102,842)			(61,857)		
Title IV	84-424A	S424A200031	N/A	57,516	7/1/20	9/30/21			1,720	(89)			(89)		
Title IV	84-424A	S424A190031	N/A	33,001	7/1/19	9/30/20	(1,720)		1,720	(89)			(89)		
Subtotal Title IV							(1,720)		1,720	(89)			(89)		
Special Education Grant Cluster:															
IDEA, Part B, Basic Regular	84-027A	H027A200100	N/A	1,412,859	7/1/20	9/30/21	(416,200)		1,001,153	(1,403,379)	\$ (796)		(393,226)		
IDEA, Part B, Special Regular	84-027A	H027A200100	N/A	1,091,162	7/1/20	9/30/21			71,336	(104,628)			(33,292)		
IDEA, Part B, Preschool	84-173	H173A200114	N/A	109,162	7/1/20	9/30/21	(416,200)		1,098,575	(1,598,007)	(796)		(426,518)		
Subtotal of Special Education Grant Cluster:							(416,200)		1,098,575	(1,598,007)	(796)		(829,836)		
Elementary and Secondary School Emergency Relief (ESSER) Cluster:															
COVID-19 Bridging the Digital Divide	84-425D	S425D200027	21E0045	12,177	7/1/20	10/31/20			12,177	(12,177)			(680,949)		
COVID-19 ESSER II	84-425D	S425D200027	N/A	1,818,272	3/1/20	9/30/23	(105,973)		415,652	(515,996)			(63,329)		
COVID-19 CARES Emergency Relief (ESSER I)	84-425D	S425D200027	N/A	444,769	3/1/20	3/30/22	(105,973)		427,829	(1,002,132)			(687,368)		
Subtotal Elementary and Secondary School Emergency Relief (ESSER) Cluster:							(217,146)		2,756,903	(3,113,389)	(796)		(1,377,574)		
Total U.S. Department of Education Passed Through the State Department of Education							(880,322)		3,154,975	(3,511,426)	(801)		(1,377,574)		
U.S. Department of Treasury Passed-Through State Department of Education															
Department of Education															
COVID-19 Coronavirus Relief Fund	21019	SLT0228	N/A	395,078	3/1/20	12/30/20			395,078	(395,078)	(5)				
COVID-19 Nonpublic Technology Funds	21019	S377A130061	N/A	2,994	7/1/20	10/31/20			2,994	(2,994)	(5)				
Total U.S. Department of Treasury Passed Through the State Department of Education									398,072	(398,072)	(10)				
Total Special Revenue Fund							(880,322)		3,154,975	(3,511,426)	(801)		(1,377,574)		
U.S. Department of Agriculture															
Passed-through State Department of Agriculture															
Enterprise Fund:															
Child Nutrition Program Cluster:															
Noncash Assistance (Commodities)	10555	211NF34N1099	N/A	128,086	7/1/20	6/30/21			128,086	(105,582)				\$ 22,504	
Food Donation (NC)	10555	201NF34N1099	N/A	166,006	7/1/19	6/30/20	16,747			(16,747)					
Food Donation (NC)	10555	201NF34N1099	N/A	144,834	7/1/20	6/30/21									
Cash Assistance:															
COVID-19 Emergency Operational Costs Reimbursement Program	10553	211NF34N1099	N/A	173,731	7/1/20	6/30/21			156,277	(173,731)			(14,454)		
School Breakfast Program	10553	211NF34N1099	N/A	24,003	7/1/20	6/30/21			24,003	(24,003)					
COVID-19 - Unanticipated School Closures 2020-21	10553	201NF34N1099	N/A	124,838	7/1/19	6/30/20	(9,717)				9,717				
School Breakfast Program	10553	201NF34N1099	N/A	12,573	7/1/19	6/30/20			9,717	(9,717)					
COVID-19 - Unanticipated School Closures 2019-20	10555	211NF34N1099	N/A	271,336	7/1/20	6/30/21			242,713	(271,336)			(28,623)		
National School Lunch Program	10555	211NF34N1099	N/A	38,023	7/1/20	6/30/21			38,023	(38,023)					
COVID-19 - Unanticipated School Closures 2020-21	10555	211NF34N1099	N/A	92,227	7/1/19	6/30/20	(15,143)				15,143				
National School Lunch Program	10555	201NF34N1099	N/A	3,381	7/1/19	6/30/20			15,452	(15,452)					
COVID-19 - Unanticipated School Closures 2019-20	10555	211NF34N1099	N/A	22,674	7/1/19	6/30/20	(309)		4,840	(5,381)			(541)		
Healthy Hunger-Free Kids Act	10555	201NF34N1099	N/A	22,674	7/1/19	6/30/20	(309)				309				
Healthy Hunger-Free Kids Act	10555	201NF34N1099	N/A	22,674	7/1/19	6/30/20	(309)				309				
Total Child Nutrition Programs Cluster							(8,422)		619,111	(729,632)	-		(91,452)	22,504	
COVID-19 Pandemic EBT	10649	202121890041	N/A	3,068	7/1/20	6/30/21				(3,068)					
Total Enterprise Fund							(8,422)		619,111	(782,705)			(91,452)	22,504	
Total Federal Financial Awards Expenditures							\$ (988,744)	\$ -	\$ 3,913,718	\$ (4,433,763)	\$ (801)	\$ -	\$ (1,532,094)	\$ 22,504	\$ -
NC - represents noncash expenditures															

The accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

East Windsor Regional School District
Schedule of Expenditures of State Financial Assistance
Year ended June 30, 2021

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2020		Carryover/(Walkover) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2021		MEMO	
				Unearned Revenue (Accts Receivable)	Due to Grantor						Intergovernmental (Accounts Receivable)	Unearned Revenue		Due to Grantor
State Department of Education														
General Fund:														
Equitization Aid	21-495-034-5120-078	\$ 19,839,849	7/1/20	6/30/21			\$ 18,039,236	\$ (19,839,849)					\$ (1,800,613)	\$ 19,839,849
Equitization Aid	20-495-034-5120-078	18,305,200	7/1/19	6/30/20			1,654,709	(4,472,603)					(405,922)	4,472,603
Special Education Categorical Aid	21-495-034-5120-089	4,472,603	7/1/20	6/30/21			4,066,681							
Special Education Categorical Aid	20-495-034-5120-089	4,472,603	7/1/19	6/30/20			399,934	(749,944)						749,944
Extraordinary Aid	21-100-034-5120-473	749,944	7/1/20	6/30/21										
Extraordinary Aid	20-100-034-5120-473	586,896	7/1/19	6/30/20			586,896	(1,255,961)					(113,988)	1,255,961
Security Aid	21-495-034-5120-084	1,255,961	7/1/20	6/30/21			1,141,973	(1,255,961)						
Security Aid	20-495-034-5120-084	1,255,961	7/1/19	6/30/20			112,306	(2,095,914)					(190,220)	2,095,914
Transportation Aid	21-495-034-5120-014	2,095,914	7/1/20	6/30/21			1,905,694							
Transportation Aid	20-495-034-5120-014	2,095,914	7/1/19	6/30/20			187,414	(10,912,790)						10,912,790
One-Behalf Teachers' Pension and Annuity Fund	21-495-034-5094-002	10,912,790	7/1/20	6/30/21			3,419,898	(3,419,898)						3,419,898
One-Behalf Teachers' Pension and Annuity Fund - Post Retirement Medical	21-495-034-5094-001	3,419,898	7/1/20	6/30/21			9,285	(9,285)						9,285
One-Behalf Teachers' Pension and Annuity Fund - Non-contributory Insurance	21-495-034-5094-004	9,285	7/1/20	6/30/21			2,967,547	(3,119,612)					(152,065)	3,119,612
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	3,119,612	7/1/20	6/30/21			151,184	(42,340)						42,340
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	3,088,449	7/1/19	6/30/20										
Other State Aid-Add'l NP Transportation	21-495-034-5120-014	42,340	7/1/20	6/30/21			24,071	(24,071)						
Other State Aid-Add'l NP Transportation	20-495-034-5120-014	24,071	7/1/19	6/30/20										
Total General Fund							45,579,618	(45,918,196)					(2,510,743)	45,918,196
Special Revenue Fund:														
State Department of Education:														
NJ Nonpublic Aid:														
Textbook Aid	21-100-034-5120-064	5,498	7/1/20	6/30/21				(1,170)						1,170
Textbook Aid	20-100-034-5120-064	4,397	7/1/19	6/30/20			5,498			\$ (2,150)		\$ 4,328		9,180
Nursing Services Aid	21-100-034-5120-070	9,180	7/1/20	6/30/21			9,180	(9,180)						9,180
Technology Initiative	20-100-034-5120-373	3,276	7/1/19	6/30/20						(378)				3,170
Security Aid	21-100-034-5120-509	15,750	7/1/20	6/30/21			15,750	(3,170)						
Security Aid	20-100-034-5120-509	13,650	7/1/19	6/30/20						(13,650)				
Nonpublic Handicapped Aid (Chapter 193) Examination and Classification	21-100-034-5120-066	9,470	7/1/20	6/30/21			9,470	(3,599)						2,899
Examination and Classification	20-100-034-5120-066	7,433	7/1/19	6/30/20			743			(7,061)				
State Department of Agriculture: Grow Healthy Mini Grant	021-0245	3,771	4/1/11	6/30/12									3,771	
Total Special Revenue Fund							40,641	(16,119)					(23,239)	16,119

**East Windsor Regional School District
Schedule of Expenditures of State Financial Assistance
Year ended June 30, 2021**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Unearned Revenue (Assets Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Intergovernmental (Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Reservable	MEMO	Cumulative Total Expenditures
Capital Projects Fund:																
Schools Development Authority:																
SDA Grant High School - Telecommunication	12-45-050-14-1001-Q04	\$ 129,125	2014	Completion	\$ (103,299)						\$ (103,299)				\$ 116,213	
SDA Grant High School - Roof and Door Replacement	12-45-050-14-1007-Q04	210,993	2014	Completion	(39,850)						(39,850)				208,645	
SDA Grant Keeps Middle School - Roof and Door Replacement	12-45-070-14-1010-Q04	1,144,372	2014	Completion	(56,292)						(56,292)				1,143,445	
SDA Grant Drew Elementary School - Roof and Door Replacement	12-45-075-14-1011-Q04	30,140	2014	Completion	(14,195)						(14,195)				29,416	
Total Capital Projects Fund					<u>(213,636)</u>						<u>(213,636)</u>				<u>1,381,506</u>	
Debt Service Fund:																
Debt Service Aid	21-495-034-5120-075	102,515	7/1/20	6/30/21			\$ 102,515	\$ (102,515)							102,515	
Total Debt Service Fund							<u>102,515</u>	<u>(102,515)</u>							<u>102,515</u>	
Enterprise Fund:																
State Department of Agriculture:																
National School Lunch Program (State Share)	21-100-010-3350-023	12,541	7/1/20	6/30/21			10,571	(12,541)			(1,970)				24,257	
National School Lunch Program (State Share)	20-100-010-3350-023	23,563	7/1/19	6/30/20	(6,319)		6,319									
Total Enterprise Fund					<u>(6,319)</u>		<u>16,890</u>	<u>(12,541)</u>			<u>(1,970)</u>				<u>24,257</u>	
Total State Financial Assistance Expenditures					<u>\$ (3,337,212)</u>		<u>\$ 45,739,664</u>	<u>\$ (46,049,371)</u>			<u>\$ (1,159,855)</u>				<u>\$ (2,510,743)</u>	<u>\$ 47,442,593</u>
State Financial Assistance Not Subject to Single Audit Determination:																
One-Behalf Teachers' Pension and Annuity Fund	21-495-034-5094-002	10,912,790	7/1/20	6/30/21			10,912,790	(10,912,790)							10,912,790	
Retirement Medical	21-495-034-5094-001	3,419,898	7/1/20	6/30/21			3,419,898	(3,419,898)							3,419,898	
One-Behalf Teachers' Pension and Annuity Fund - Non-contributory Insurance	21-495-034-5094-004	9,285	7/1/20	6/30/21			9,285	(9,285)							9,285	
Total State Financial Assistance Subject to Single Audit Determination					<u>\$ (3,337,212)</u>		<u>\$ 31,397,691</u>	<u>\$ (31,707,398)</u>			<u>\$ (1,159,855)</u>				<u>\$ (2,510,743)</u>	<u>\$ 61,784,566</u>

East Windsor Regional School District

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

Year ended June 30, 2021

1. Basis of Presentation

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.

The information in these schedules are presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB 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, they are not intended to and do not present the financial position, changes in net position, or cash flows of the District.

2. Summary of Significant Accounting Policies

The expenditures reported on the accompanying schedules of expenditures of federal awards and state financial assistance (Schedules) 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. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and New Jersey OMB Circular 15-08, wherein certain types of expenditures are allowable or are limited as to reimbursement. These bases of accounting is described in Note 1 to the District's basic financial statements.

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,

East Windsor Regional School District

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

Year ended June 30, 2021

3. Relationship to Basic Financial Statements (continued)

whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis of accounting with the exception of the revenue recognition of the two last 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 state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$156,380 for the general fund and \$398,779 for the special revenue fund. See note to Required Supplementary Information (C-3) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. The adjustment to reconcile from budgetary basis accounts receivable to GAAP basis accounts receivable is \$14,706 for the special revenue fund. This is a result of recognizing encumbrances as expenditures on the budgetary basis but not the GAAP basis. Financial award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 139,632	\$ 45,761,816	\$ 45,901,448
Special Revenue Fund	3,897,577	16,119	3,913,696
Debt Service Fund		102,515	102,515
Food Service Enterprise Fund	782,705	12,541	795,246
Total award revenues	<u>\$ 4,819,914</u>	<u>\$ 45,892,991</u>	<u>\$ 50,712,905</u>

4. Relationship to Federal and State Financial Reports

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

East Windsor Regional School District

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

Year ended June 30, 2021

5. Adjustments

The adjustments presented on schedule K-3 are the result of the cancellations of prior year encumbrances or reallocations of grants misallocation in prior years.

6. 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 amount reimbursed by the State for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2021.

The post retirement pension, disability insurance and medical benefits received on-behalf of the District for the year ended June 30, 2021 amounted to \$14,341,973. Since on-behalf post retirement pension, disability insurance and medical 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 required to be reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

7. Indirect Costs

The District did not elect to use the 10% de minimis indirect cost rate as allowed by the Uniform Guidance.

East Windsor Regional School District
 Schedule of Findings and Questioned Costs
 Year ended June 30, 2021

Part I – Summary of Auditor’s Results

Financial Statements Section

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	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____	None Reported
Noncompliance material to financial statements noted?	_____	Yes	_____ <u>X</u> _____	No

Federal Awards Section

Internal control over major federal programs:

Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____	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
21.019	S377A130031	COVID-19 Coronavirus Relief Fund, COVID-19 Non-Public Technology Funds
84.425D	S425D200027	COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Cluster

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

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

East Windsor Regional School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2021

Part I – Summary of Auditor’s Results (continued)

State Financial Assistance Section

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 issued on compliance for major state programs: _____ Unmodified _____

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

Identification of major state programs:

GMIS/Program Number	Name of State Program or Cluster
	General State Aid Cluster:
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid

Dollar threshold used to distinguish between Type A and Type B programs: _____ \$951,222 _____

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

East Windsor Regional School District

Schedule of Findings and Questioned Costs (continued)

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 Windsor Regional School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2021

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

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

East Windsor Regional School District
Summary Schedule of Prior Year Audit Findings
Year ended June 30, 2021

No prior year findings were noted.