

**BRANCBURG TOWNSHIP  
SCHOOL DISTRICT**

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

**Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2022**

**Annual Comprehensive  
Financial Report**

**of the**

**Branchburg Township School District**

**Branchburg, New Jersey**

**For the Fiscal Year Ended June 30, 2022**

**Prepared by**

**Branchburg Township School District Board of Education**

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
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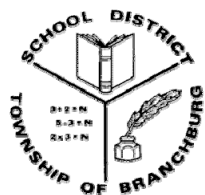
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INTRODUCTORY SECTION  
(UNAUDITED)

# ***BRANCBURG TOWNSHIP SCHOOL DISTRICT***

***“Excellence in Education”***



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

- *Office of the Interim Business Administrator/Board Secretary*  
(908) 722-3335

November 30, 2022

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

Dear Board Members:

The comprehensive annual financial report of the Branchburg Township School District (District) for the fiscal year ended June 30, 2022 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

Honorable President and  
Members of the Board of Education  
Branchburg Township School District  
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November 30, 2022

## 1. REPORTING ENTITY AND ITS SERVICES:

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

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

## 2. 2021-2022 MAJOR INITIATIVES:

The vision of Branchburg Township School District is "Excellence in Education." The mission of the Branchburg Township School District is to inspire our children to learn, think, grow, and excel in life. In pursuit of this vision and mission, our major initiatives for the 2021-2022 school term are outlined below, along with highlights of our resulting accomplishments.

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

To this end, we worked to:

- Continue to utilize assessments that identify the diverse needs of students.
- Establish a culture of data driven instruction, using formative and summative assessments aligned to grade level benchmarks.
- Identify instructional programs that address the continuum of learners.

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

To this end, we:

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



Honorable President and  
Members of the Board of Education  
Branchburg Township School District  
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3) To fully utilize technology to strengthen our instructional programs.

To this end, we:

- Upgraded technology/devices across the District and expanded software subscription licenses to transform technology use from substitution and augmentation to that of more authentic learning experiences through modification and redefinition.

### 3. INTERNAL ACCOUNTING CONTROLS:

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

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

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

### 4. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriations budget approved by a vote of the Board of Education. Annual appropriations budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. Project length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year ended June 30, 2021 is reflected in the financial section.

Honorable President and  
Members of the Board of Education  
Branchburg Township School District  
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An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments and assignments at June 30, 2021.

#### 5. ACCOUNTING SYSTEM AND REPORTS:

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

#### 6. CASH MANAGEMENT:

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

#### 7. RISK MANAGEMENT:

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

#### 8. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.


Honorable President and  
Members of the Board of Education  
Branchburg Township School District  
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November 30, 2022


The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Governmental Auditing Standards* are included in the single audit section of this report.

9. ACKNOWLEDGEMENTS:

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

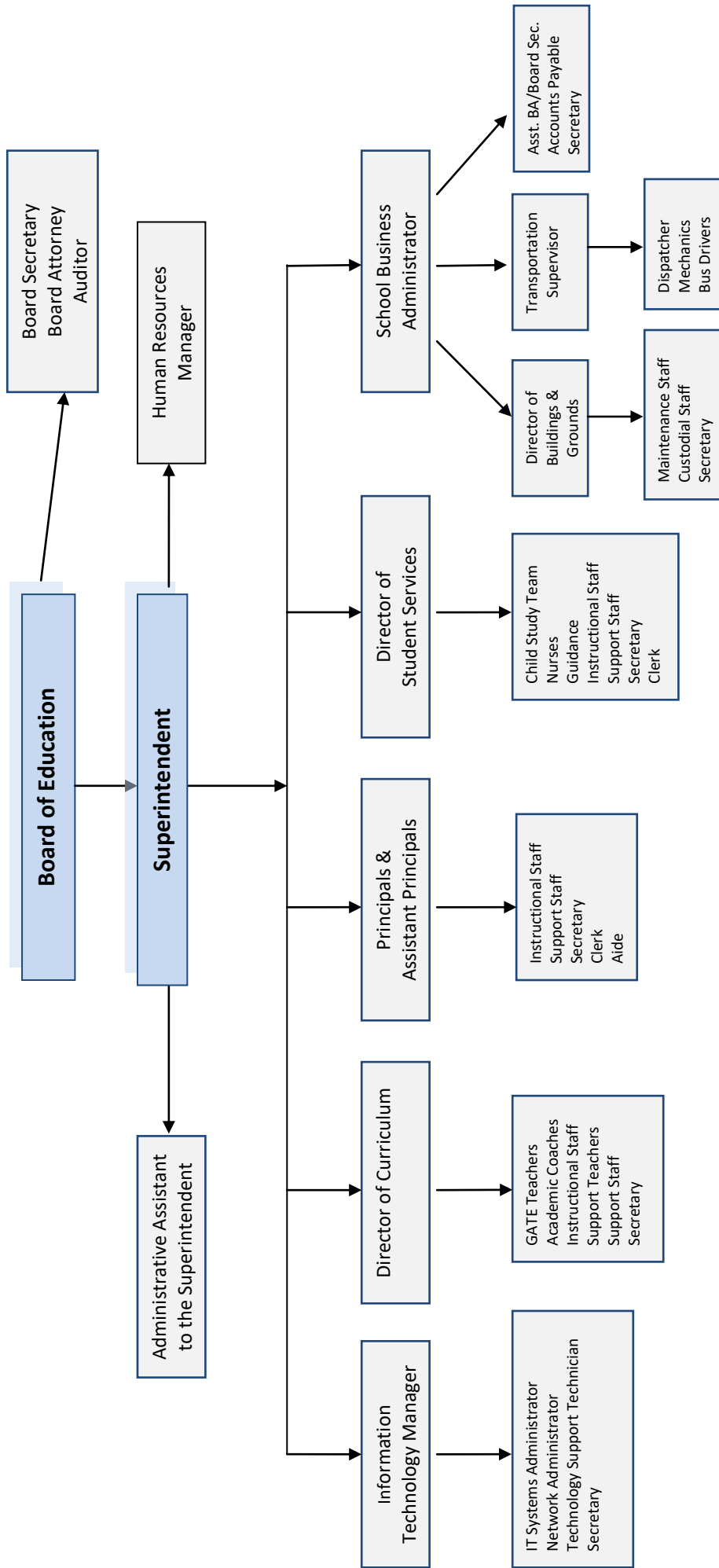
Respectfully submitted,

  
\_\_\_\_\_  
Dr. Karen Chase  
Superintendent of Schools

  
\_\_\_\_\_  
Beverly Vlietstra  
Interim Business Administrator/  
Board Secretary

# Branchburg Township School District

## 2022-2023 Organizational Chart



Updated 9.7.22

# BRANCBURG TOWNSHIP SCHOOL DISTRICT

## ROSTER OF OFFICIALS

JUNE 30, 2022

### MEMBERS OF THE BOARD OF EDUCATION

### TERM EXPIRES

Theresa Joyce, President	January 2025
Catherine Curcio, Vice President (Resigned 5/12/2022)	January 2024
Vincent Carpentier	January 2024
Kristen Fabriczi, Vice President (effective 5/12/2022)	January 2025
Robert Maider	January 2024
Carmela Noto	January 2025
Olga Phelps	January 2023
Keerti Purohit	January 2023
Jonathan Sarles	January 2023
Olajompo Moloye-Olabisi (appointed 6/23/2022)	January 2023

### OTHER OFFICIALS

### TITLE

Dr. Elizabeth Nastus	Interim Superintendent of Schools
Thomas M. Venanzi	Interim School Business Administrator/Board Secretary
David B. Rubin, Esq.	Board Attorney
Tina Neely	Director of Student Services
Jennifer Anderson	Director of Curriculum
Matthew Barbosa	Principal, Branchburg Central Middle School
Kristen Kries	Principal, Stony Brook School
Dee Shoher	Principal, Whiton Elementary School

**BRANCBURG TOWNSHIP SCHOOL DISTRICT**

**CONSULTANTS AND ADVISORS**

**ATTORNEY**

David B. Rubin, Esq.  
450 Main Street.,  
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Metuchen, New Jersey 08840

**AUDIT FIRM**

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Mount Arlington, New Jersey 07856-1320

**BOND COUNSEL**

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90 Woodbridge Center Drive  
Suite 900, Box 10  
Woodbridge, New Jersey 07095-0958

**FINANCIAL ADVISOR**

Phoenix Advisors  
4 West Park Street  
Bordentown, New Jersey 08505

**OFFICIAL DEPOSITORY**

TD Bank  
Milltown Road  
Bridgewater, New Jersey 08807

FINANCIAL SECTION

## Independent Auditors' Report

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

### **Report on the Audit of the Financial Statements**

#### ***Qualified Opinion***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Branchburg Township School District (the “District”), in the County of Somerset, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2022, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Qualified Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the “Office”) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

#### ***Matter Giving Rise to Qualified Opinion***

The District’s note disclosure on postemployment benefits other than pensions (OPEB) (Note 19) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan (“SHBP”) has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey (the “Division”), as of the date of this report. The District is in a “special funding situation” in that the OPEB contributions, expenses and related liability are the sole responsibility of the State of New Jersey, not the District and therefore does not affect the District’s net position. An estimated release date for the June 30, 2021 OPEB information has not been announced by the Division. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.



### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are 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.

The Schedule of Changes in the State’s Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios (Exhibit L-5) do not contain the June 30, 2021 OPEB information as the related GASB No. 75 report for SHBP has not been released by the State as of the date of this report. The District is in a “special funding situation” in that the OPEB contributions, expenses and related liability are the sole responsibility of the State of New Jersey, not the District and therefore does not affect the District’s net position. An estimated release date for the June 30, 2021 OPEB information has not been announced by the Division. This required supplementary information is required to be presented to supplement the basic financial statements in accordance with accounting principles generally accepted in the United States of America. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 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 District's internal control over financial reporting and compliance.

November 30, 2022  
Mt. Arlington, New Jersey

*Nisivoccia, LLP*  
NISIVOCCIA, LLP

*Kathryn L. Mantell*  
\_\_\_\_\_  
Kathryn L. Mantell  
Licensed Public School Accountant #884  
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022**

This section of the Branchburg Township School District’s (the “District’s”) annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

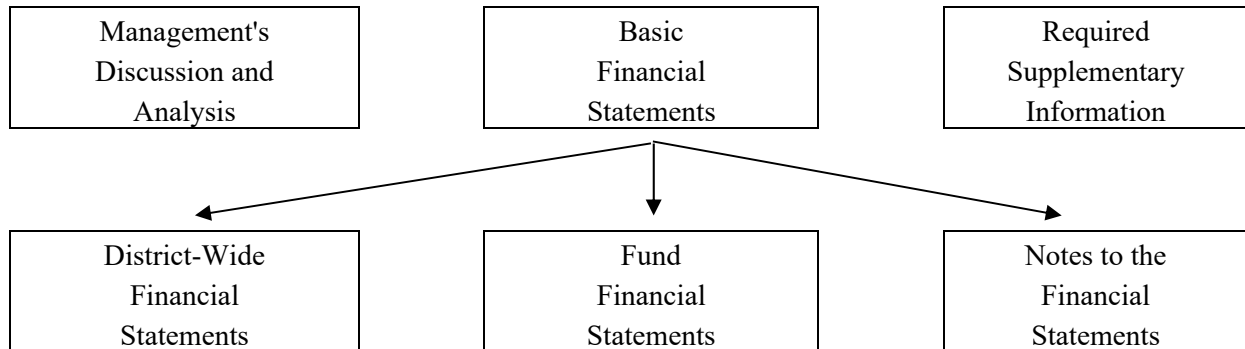
**Overview of the Financial Statements**

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

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

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

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



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

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022**

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

**Figure A-2**

*Major Features of the District-Wide and Fund Financial Statements*

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022**

**District-Wide Statements**

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

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

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

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

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

**Fund Financial Statements**

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

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

The District has two kinds of funds:

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022**

**Notes to the Basic Financial Statements**

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

**Financial Analysis of the District as a Whole**

*Net Position.* The District's combined net position was \$29,292,886 on June 30, 2022, \$3,303,080 or 12.71% more than the year before (See Figure A-3). Net position from governmental activities increased \$3,188,052 and net position from business-type activities increased \$115,028 (See Figure A-4). Net investment in capital assets increased \$1,240,629, restricted net position decreased \$931,930 and unrestricted net position increased \$2,994,381.

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

	Government Activities		Business-Type Activities		Total School District		Percent Change
	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	
Current and Other Assets	\$ 15,493,792	\$ 14,922,436	\$ 218,425	\$ 117,118	\$ 15,712,217	\$ 15,039,554	
Capital Assets, Net	37,368,539	37,597,382	34,544	42,044	37,403,083	37,639,426	
Total Assets	<u>52,862,331</u>	<u>52,519,818</u>	<u>252,969</u>	<u>159,162</u>	<u>53,115,300</u>	<u>52,678,980</u>	0.83%
Deferred Outflows of Resources	1,307,774	1,577,033			1,307,774	1,577,033	-17.07%
Other Liabilities	1,016,340	1,100,334	19,248	40,469	1,035,588	1,140,803	
Long-Term Liabilities	21,084,395	24,193,884			21,084,395	24,193,884	
Total Liabilities	<u>22,100,735</u>	<u>25,294,218</u>	<u>19,248</u>	<u>40,469</u>	<u>22,119,983</u>	<u>25,334,687</u>	-12.69%
Deferred Inflows of Resources	3,010,205	2,931,520			3,010,205	2,931,520	2.68%
Net Position:							
Net Investment in Capital Assets	23,306,431	22,058,302	34,544	42,044	23,340,975	22,100,346	
Restricted	8,821,554	9,753,484			8,821,554	9,753,484	
Unrestricted/(Deficit)	<u>(3,068,820)</u>	<u>(5,940,673)</u>	<u>199,177</u>	<u>76,649</u>	<u>(2,869,643)</u>	<u>(5,864,024)</u>	
Total Net Position	<u>\$ 29,059,165</u>	<u>\$ 25,871,113</u>	<u>\$ 233,721</u>	<u>\$ 118,693</u>	<u>\$ 29,292,886</u>	<u>\$ 25,989,806</u>	12.71%



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022**

**Financial Analysis of the District as a Whole**

*Changes in net position.* The District's combined net position increased by \$3,303,080, or 12.71%, over the course of the fiscal year. Net investment in capital assets increased \$1,240,629 due to a \$1,510,000 net reduction in bonded debt from current year maturities and \$1,666,350 in capital additions (net of deletions) (\$1,666,350 from governmental and \$-0- from business-type activities) offset by \$1,902,693 in depreciation (\$1,895,193 from governmental and \$7,500 from business-type activities) and a decrease in deferred amount on refunding of \$33,028. Restricted net position decreased by \$931,930 mainly due to a decrease of \$1,241,203 in capital reserve offset by an increase in maintenance reserve of \$300,000. The \$2,994,381 increase in unrestricted net position is due primarily to increases in year-end encumbrances, budgeted fund balance and unassigned net position and a decrease in the net pension liability offset by a decrease in deferred outflows related to pensions (See Figure A-4).

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

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	
Revenue:							
Program Revenue:							
Charges for Services	\$ 214,898	\$ 142,750	\$ 113,259	\$ 4,796	\$ 328,157	\$ 147,546	
Operating Grants/Contributions	11,283,103	11,358,239	646,580	177,266	11,929,683	11,535,505	
General Revenue:							
Property Taxes	44,807,928	44,349,936			44,807,928	44,349,936	
Unrestricted Federal/State Aid	288,851	364,961			288,851	364,961	
Other	1,013,033	416,948	2,557	5,905	1,015,590	422,853	
Total Revenue	<u>57,607,813</u>	<u>56,632,834</u>	<u>762,396</u>	<u>187,967</u>	<u>58,370,209</u>	<u>56,820,801</u>	2.73%
Expenses:							
Instruction	23,215,658	23,175,390			23,215,658	23,175,390	
Pupil and Instruction Services	19,698,428	18,631,724			19,698,428	18,631,724	
Administrative and Business	3,379,874	3,642,536			3,379,874	3,642,536	
Maintenance and Operations	2,665,324	2,371,133			2,665,324	2,371,133	
Transportation	3,329,548	2,168,731			3,329,548	2,168,731	
Other	2,130,929	2,112,437	647,368	224,055	2,778,297	2,336,492	
Total Expenses	<u>54,419,761</u>	<u>52,101,951</u>	<u>647,368</u>	<u>224,055</u>	<u>55,067,129</u>	<u>52,326,006</u>	5.24%
Change in Net Position	<u>\$3,188,052</u>	<u>\$4,530,883</u>	<u>\$ 115,028</u>	<u>\$ (36,088)</u>	<u>\$3,303,080</u>	<u>\$4,494,795</u>	-26.51%

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022**

**Governmental Activities**

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

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

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

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

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

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

	<u>Total Costs of Services</u>		<u>Net Cost of Services</u>	
	<u>2021/2022</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2020/2021</u>
Instruction	\$ 23,215,658	\$ 23,175,390	\$ 14,465,784	\$ 14,568,947
Pupil and Instruction Services	19,698,428	18,631,724	18,370,985	17,285,314
Administration and Business	3,379,874	3,642,536	2,705,949	2,838,068
Maintenance and Operations	2,665,324	2,371,133	2,665,324	2,371,133
Transportation	3,329,548	2,168,731	2,582,789	1,425,063
Other	2,130,929	2,112,437	2,130,929	2,112,437
	<u>\$ 54,419,761</u>	<u>\$ 52,101,951</u>	<u>\$ 42,921,760</u>	<u>\$ 40,600,962</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022**

**Business-Type Activities**

- Net position from the District's business-type activities (Food Service program) increased \$115,028 due to the significant increase in subsidy reimbursements which was offset by a similar increase in service expenses. (Refer to Figure A-4).

**Financial Analysis of the District's Funds**

The District's General Fund fund balance increased \$680,834 primarily due to unexpended appropriations due to savings and by being fiscally responsible and efficient in what discretionary purchases the District makes.

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

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

**General Fund Budgetary Highlights**

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

**Capital Assets**

The District's capital assets decreased \$236,343 – from \$37,639,426 to \$37,403,083 – or 0.63%, over the course of the fiscal year. (See Figure A-6.) (More detailed information about the District's capital assets is presented in Note 8 to the basic financial statements.)

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022**

**Capital Assets**

**Figure A-6  
Capital Assets (Net of Depreciation)**

	Government Activities		Business-Type Activities		Total School District		Percent Change
	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	
Land	\$ 2,367,600	\$ 2,367,600			\$ 2,367,600	\$ 2,367,600	
Construction in Progress	4,543,032	2,626,456			4,543,032	2,626,456	
Site Improvements	849,736	923,293			849,736	923,293	
Buildings and Building Improvements	27,902,142	29,384,586			27,902,142	29,384,586	
Furniture, Machinery & Equipment	1,706,029	2,295,447	\$ 34,544	\$ 42,044	1,740,573	2,337,491	
<b>Total Capital Assets, Net</b>	<b>\$ 37,368,539</b>	<b>\$ 37,597,382</b>	<b>\$ 34,544</b>	<b>\$ 42,044</b>	<b>\$ 37,403,083</b>	<b>\$ 37,639,426</b>	<b>-0.63%</b>

The decrease in capital assets was attributable to current year depreciation of \$1,902,693 (\$1,895,193 from its governmental and \$7,500 from its business-type activities) which was offset by capital asset acquisitions (net of deletions) of \$1,666,350 (\$1,666,350 from its governmental and \$-0- from its business-type activities).

**Long-Term Liabilities**

The District's long-term liabilities decreased \$3,109,489 – from \$24,193,884 to \$21,084,395 – or 12.85%, over the course of the fiscal year. (See Figure A-7.) (More detailed information about the District's long-term liabilities is presented in Note 9 to the financial statements.)

**Figure A-7  
Outstanding Long-Term Liabilities**

	Total School District		Percent Change
	2021/2022	2020/2021	
General Obligation Bonds (Financed with Property Taxes)	\$ 14,335,000	\$ 15,845,000	
Unamortized Bond Issuance Premium	1,581,064	1,776,901	
Net Pension Liability	4,435,178	5,853,205	
Other Long-term Liabilities	733,153	718,778	
	<b>\$ 21,084,395</b>	<b>\$ 24,193,884</b>	<b>-12.85%</b>

The decrease in long-term liabilities was attributable to a decrease in the net pension liability of \$1,418,027, a decrease in bonds of \$1,510,000 and a decrease in unamortized bond issuance premium of \$195,837 offset by an increase in compensated absences payable of \$14,375.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022**

**Factors Bearing on the District's Future**

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

Many factors were considered by the District's administration during the process of developing the fiscal year 2021-2022 budget. The primary factors were:

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

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

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

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

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

**Contacting the District's Financial Management**

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 6,086,750	\$ 163,267	\$ 6,250,017
Receivable from State Government	1,070,828	949	1,071,777
Receivable from Federal Government	304,199	41,753	345,952
Other Accounts Receivable	110,462	125	110,587
Inventories		12,331	12,331
Restricted Assets - Cash and Cash Equivalents	7,921,553		7,921,553
Capital Assets:			
Sites (Land) and Construction in Progress	6,910,632		6,910,632
Depreciable Site Improvements, Building & Building Improvements & Furniture, Machinery & Equipment	30,457,907	34,544	30,492,451
<b>Total Assets</b>	<b>52,862,331</b>	<b>252,969</b>	<b>53,115,300</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding	272,892		272,892
Deferred Outflows - Pensions	589,884		589,884
Deferred Outflows - District Contribution Subsequent to the Measurement Date - Pensions	444,998		444,998
<b>Total Deferred Outflows of Resources</b>	<b>1,307,774</b>		<b>1,307,774</b>
<b>LIABILITIES:</b>			
Accrued Interest Payable	267,325		267,325
Accounts Payable	738,538	87	738,625
Payable to State Government	9,861		9,861
Unearned Revenue	616	19,161	19,777
Noncurrent Liabilities:			
Due Within One Year	1,705,838		1,705,838
Due Beyond One Year	19,378,557		19,378,557
<b>Total Liabilities</b>	<b>22,100,735</b>	<b>19,248</b>	<b>22,119,983</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Inflows Related to Pensions	3,010,205		3,010,205
<b>Total Deferred Inflows of Resources</b>	<b>3,010,205</b>		<b>3,010,205</b>



BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2022  
(Continued)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
NET POSITION:			
Net Investment in Capital Assets	\$ 23,306,431	\$ 34,544	\$ 23,340,975
Restricted for:			
Capital Projects	4,783,102		4,783,102
Debt Service	1		1
Tuition Reserve	1,800,000		1,800,000
Excess Surplus	900,000		900,000
Emergency Reserve	120,000		120,000
Maintenance Reserve	423,800		423,800
Unemployment Compensation	745,095		745,095
Student Activities	49,556		49,556
Unrestricted/(Deficit)	<u>(3,068,820)</u>	<u>199,177</u>	<u>(2,869,643)</u>
Total Net Position	<u>\$ 29,059,165</u>	<u>\$ 233,721</u>	<u>\$ 29,292,886</u>

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>							
<b>Instruction:</b>							
Regular	\$ 14,670,478	\$ 136,778	\$ 3,454,540		\$ (11,215,938)		\$ (11,215,938)
Special Education	5,478,617		4,454,222		(887,617)		(887,617)
Other Special Instruction	2,068,717		477,150		(1,591,567)		(1,591,567)
School-Sponsored/Other Instruction	997,846		227,184		(770,662)		(770,662)
<b>Support Services:</b>							
Tuition	13,979,905				(13,979,905)		(13,979,905)
Student & Instruction Related Services	5,718,523	78,120	1,249,323		(4,391,080)		(4,391,080)
General Administration Services	881,777		119,365		(762,412)		(762,412)
School Administration Services	1,849,726		424,231		(1,425,495)		(1,425,495)
Central Services	585,908		130,329		(455,579)		(455,579)
Administrative Information Technology	62,463				(62,463)		(62,463)
Plant Operations and Maintenance	2,665,324				(2,665,324)		(2,665,324)
Pupil Transportation	3,329,548		746,759		(2,582,789)		(2,582,789)
Transfer of Funds to Charter Schools	55,412				(55,412)		(55,412)
Interest on Long-Term Debt	489,368				(489,368)		(489,368)
Unallocated Depreciation	1,586,149				(1,586,149)		(1,586,149)
<b>Total Governmental Activities</b>	<b>54,419,761</b>	<b>214,898</b>	<b>11,283,103</b>		<b>(42,921,760)</b>		<b>(42,921,760)</b>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-type Activities:							
Food Service Program	\$ 647,368	\$ 113,259	\$ 646,580		\$ 112,471	\$ 112,471	\$ 112,471
Total Business-type Activities	647,368	113,259	646,580		112,471	112,471	112,471
Total Primary Government	\$ 55,067,129	\$ 328,157	\$ 11,929,683	\$ - 0 -	\$ (42,921,760)	112,471	(42,809,289)
General Revenue:							
Property Taxes, Levied for General Purposes, Net					42,761,764		42,761,764
Taxes Levied for Debt Service					2,046,164		2,046,164
Federal and State Aid not Restricted					288,851		288,851
Miscellaneous Income					1,013,033	2,557	1,015,590
Total General Revenue					46,109,812	2,557	46,112,369
Change in Net Position					3,188,052	115,028	3,303,080
Net Position - Beginning					25,871,113	118,693	25,989,806
Net Position - Ending					\$ 29,059,165	\$ 233,721	\$ 29,292,886

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

FUND FINANCIAL STATEMENTS

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 6,086,749		\$ 1	\$ 6,086,750
Receivables From State Government	1,070,828			1,070,828
Receivables From Federal Government		\$ 304,199		304,199
Interfund Receivable	310,561			310,561
Other Accounts Receivable	93,925	16,537		110,462
Restricted Cash and Cash Equivalents	7,871,997	49,556		7,921,553
<b>Total Assets</b>	<b>\$ 15,434,060</b>	<b>\$ 370,292</b>	<b>\$ 1</b>	<b>\$ 15,804,353</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 293,242	\$ 298		\$ 293,540
Interfund Payable		310,561		310,561
Payable to State Government		9,861		9,861
Unearned Revenue	600	16		616
<b>Total Liabilities</b>	<b>293,842</b>	<b>320,736</b>		<b>614,578</b>
<b>Fund Balances:</b>				
Restricted for:				
Capital Reserve	4,783,102			4,783,102
Maintenance Reserve	423,800			423,800
Emergency Reserve	120,000			120,000
Tuition Reserve - For 2023-2024	900,000			900,000
Tuition Reserve - For 2022-2023	900,000			900,000
Debt Service Fund			\$ 1	1
Excess Surplus - For 2023-2024	900,000			900,000
Unemployment Compensation	745,095			745,095
Student Activities		49,556		49,556

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Assigned:				
For Subsequent Year's Expenditures	\$ 905,541			\$ 905,541
Year-end Encumbrances	2,777,362			2,777,362
Unassigned	2,685,318			2,685,318
Total Fund Balances	\$ 15,140,218	\$ 49,556	\$ 1	\$ 15,189,775
Total Liabilities and Fund Balances	\$ 15,434,060	\$ 370,292	\$ 1	\$ 15,804,353

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

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

Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:  
Deferred Outflows of Resources Related to Pensions 589,884  
Deferred Inflows of Resources Related to Pensions (3,010,205)

Interest on long-term debt is not accrued in Governmental Funds, but rather is recognized as an expenditure when due.  
The Deferred Amount on the Refunding is not reported as an expenditure in the Governmental Funds in the year of the expenditure. (267,325)

Net Position - Governmental Activities 272,892  
\$ 29,059,165

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUE:</b>				
Local Sources:				
Local Tax Levy	\$ 42,761,764		\$ 2,046,164	\$ 44,807,928
Tuition	136,778			136,778
Transportation Fees From Other LEAs	277,317			277,317
Interest Earned on Capital Reserve Funds	2,199			2,199
Restricted Miscellaneous Revenue	28,223			28,223
Unrestricted Miscellaneous Revenue	705,294	\$ 84,934		790,228
Total - Local Sources	43,911,575	84,934	2,046,164	46,042,673
State Sources	11,060,492	6,307	95,216	11,162,015
Federal Sources		1,066,037		1,066,037
Total Revenue	54,972,067	1,157,278	2,141,380	58,270,725
<b>EXPENDITURES:</b>				
Current:				
Regular Instruction	8,272,935	544,241		8,817,176
Special Education Instruction	3,012,467	442,155		3,454,622
Other Special Instruction	1,234,478			1,234,478
School-Sponsored/Other Instruction	600,493			600,493
Support Services and Undistributed Costs:				
Tuition	13,979,905			13,979,905
Student & Instruction Related Services	3,451,960	186,375		3,638,335
General Administration Services	672,781			672,781
School Administration Services	1,106,890			1,106,890
Central Services	357,777			357,777
Administrative Information Technology	62,463			62,463

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>EXPENDITURES:</b>				
Current:				
Support Services and Undistributed Costs:				
Plant Operations and Maintenance	\$ 2,425,820			\$ 2,425,820
Pupil Transportation	2,657,367			2,657,367
Unallocated Benefits	13,933,340			13,933,340
Capital Outlay	2,467,145			2,467,145
Transfer to Charter School	55,412			55,412
Debt Service:				
Principal			\$ 1,510,000	1,510,000
Interest and Other Charges			634,837	634,837
Total Expenditures	54,291,233	\$ 1,172,771	2,144,837	57,608,841
Excess/(Deficit) of Revenue over/under Expenditures	680,834	(15,493)	(3,457)	661,884
Fund Balance—July 1	14,459,384	65,049	3,458	14,527,891
Fund Balance—June 30	\$ 15,140,218	\$ 49,556	\$ 1	\$ 15,189,775

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



BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ 660,609

Amounts Reported for Governmental Activities in the Statement Activities (Exhibit A-2) are Different Because:

Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differ from deletions and depreciation in the period.

	Depreciation Expense	\$ (1,895,193)
	Deletion of Capital Assets, Net of Accumulated Depreciation	(423,753)
	Capital Outlays	<u>2,090,103</u>
		(228,843)

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

Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities (+).

The governmental funds report the effect of the deferred amount on refunding relative to an advance refunding when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities (-).

Interest on long-term debt in the Statement of Activities is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction to the reconciliation (-). When the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).

The governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	1,418,027
Change in Deferred Outflows	(268,148)
Change in Deferred Inflows	<u>(78,685)</u>
Change in Net Position of Governmental Activities (from Exhibit A-2)	<u>\$ 3,186,777</u>

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2022

	Business-Type Activities - Enterprise Funds Food Service
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 163,267
Accounts Receivable:	
State	949
Federal	41,753
Other	125
Inventories	12,331
 Total Current Assets	 218,425
Non-Current Assets:	
Capital Assets	439,885
Less: Accumulated Depreciation	(405,341)
 Total Non-Current Assets	 34,544
 Total Assets	 252,969
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable - Vendors	87
Unearned Revenue - Prepaid Sales	17,381
Unearned Revenue - Donated Commodities	1,780
 Total Current Liabilities	 19,248
<b>NET POSITION:</b>	
Investment in Capital Assets	34,544
Unrestricted	199,177
 Total Net Position	 \$ 233,721

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Non-Reimbursable Programs	\$ 113,259
Total Operating Revenue	113,259
Operating Expenses:	
Cost of Sales - Reimbursable Programs	286,823
Cost of Sales - Non-Reimbursable Programs	21,589
Salaries, Benefits & Payroll Taxes	273,709
Supplies and Materials	9,335
Food Service Management Fee	17,326
Purchased Professional Services	31,086
Depreciation	7,500
Total Operating Expenses	647,368
Operating (Loss)	(534,109)
Non-Operating Revenue:	
State Sources:	
COVID-19 Seamless Summer Option	13,577
Federal Sources:	
COVID-19 Seamless Summer Option	585,446
Food Distribution Program	41,622
COVID-19 Pandemic P-EBT Administrative Costs	1,242
COVID-19 Emergency Operational Costs Reimbursement Program	4,693
Local Sources:	
Interest Income	2,557
Total Non-Operating Revenue	649,137
Change in Net Position	115,028
Net Position - Beginning of Year	118,693
Net Position - End of Year	\$ 233,721

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Business-Type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 92,189
Payments to Employees	(273,709)
Payments to Suppliers	(314,911)
Net Cash Used for Operating Activities	<u>(496,431)</u>
Cash Flows from Investing Activities:	
Interest Income	2,557
Net Cash Provided by Investing Activities	<u>2,557</u>
Cash Flows from Noncapital Financing Activities:	
Cash Received from State and Federal Reimbursements	576,863
Net Cash Provided by Noncapital Financing Activities	<u>576,863</u>
Net Increase in Cash and Cash Equivalents	82,989
Cash and Cash Equivalents, July 1	<u>80,278</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 163,267</u></u>
Reconciliation of Operating Loss to Net Cash	
Used for Operating Activities:	
Operating Loss	\$ (534,109)
Adjustment to Reconcile Operating Loss to Net Cash	
Used for Operating Activities:	
Depreciation	7,500
Federal Food Distribution Program	41,622
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable - Other	238
Decrease in Inventory	9,539
(Decrease) in Unearned Revenue	(21,308)
Increase in Accounts Payable	87
Net Cash Used for Operating Activities	<u><u>\$ (496,431)</u></u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received \$31,417 and utilized \$41,622 of commodities from the Federal Food Distribution Program for the fiscal year ended June 30, 2022.

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

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

District-Wide Financial Statements: (Cont'd)

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

Fund Financial Statements:

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

The District reports the following governmental funds:

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

As required by the NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by Board resolution.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

B. Basis of Presentation: (Cont'd)

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

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

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

The District reports the following proprietary funds:

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

C. Measurement Focus and Basis of Accounting:

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service funds. The budgets for the fiscal year ended June 30, 2022 was submitted to the County office and approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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



BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 54,999,352	\$ 1,278,333
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.		
Current Year Encumbrances		(122,331)
Prior Year Encumbrances		1,276
Prior Year State Aid payments recognized for GAAP Statements	239,300	
Current Year State Aid payments recognized for Budgetary purposes, not recognized for GAAP Statements	<u>(266,585)</u>	
Total Revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 54,972,067</u>	<u>\$ 1,157,278</u>
Uses/Outflows of Resources:		
Actual amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 54,291,233	\$ 1,293,826
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Current Year Encumbrances		(122,331)
Prior Year Encumbrances		1,276
Total Expenditures as reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 54,291,233</u>	<u>\$ 1,172,771</u>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

E. Cash and Cash Equivalents and Investments:

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

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

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

H. Encumbrances:

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

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year-end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2022.

K. Capital Assets:

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

K. Capital Assets: (Cont'd)

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

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

L. Lease Assets:

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Long Term Liabilities:

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

N. Accrued Salaries and Wages:

Certain District employees, who provide services to the District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned undisbursed amounts be retained in a separate bank account. These amounts were disbursed to employees in June; therefore, the amount earned by these employees but not disbursed as of June 30, 2022 was \$-0-.

O. Compensated Absences:

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

O. Compensated Absences: (Cont'd)

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

P. Leases Payable:

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

Q. Unearned Revenue:

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

R. Fund Balance Appropriated:

General Fund: Of the \$15,140,218 General Fund balance at June 30, 2022, \$2,777,362 is assigned for encumbrances and \$905,541 has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2023; \$4,783,102 is restricted in the capital reserve account; \$423,800 is restricted in the maintenance reserve account; \$120,000 is restricted in the emergency reserve account; \$1,800,000 is restricted in the tuition reserve account of which \$900,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2023 and \$900,000 will be appropriated as anticipated revenue for the year ending June 30, 2024; \$900,000 is restricted for current year excess surplus in accordance with N.J.S.A 18A:7F-7 (S1701) and will be appropriated and included as anticipated revenue for the year ending June 30, 2024; \$745,095 is restricted for unemployment compensation; and \$2,685,318 is unassigned fund balance which is \$266,585 less than the calculated maximum unassigned fund balance due to the final two state aid payments that are not recognized on the GAAP basis until the fiscal year ending June 30, 2023.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2022 is \$49,556 and is restricted for student activities.

Debt Service Fund: The \$1 fund balance in the Debt Service Fund at June 30, 2022 is restricted.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2003, C.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus at June 30, 2022 as detailed above.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

R. Fund Balance Appropriated: (Cont'd)

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$266,585 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

S. Deficit Net Position:

The District has a deficit in unrestricted net position of \$3,068,820 in governmental activities, which is primarily due to accrued interest payable, compensated absences payable, unamortized bond premiums, and net pension liability and the related deferred inflows and outflows. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

T. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources for Pensions and Deferred Amount on Refunding at June 30, 2022. The District had deferred inflows of resources at June 30, 2022 for Pensions.

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

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

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

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

BRANCBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

U. Fund Balance Restrictions, Commitments and Assignments:

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the members of the Board of Education at a public meeting in order to remove or change the commitment of resources. The District had no committed resources at June 30, 2022.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2022.

V. Revenue - Exchange and Nonexchange Transactions:

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

W. Operating Revenue and Expenses:

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

X. Management Estimates:

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

Y. Pensions:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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



BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

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

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

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

Deposits:

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

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

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

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

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

Investments:

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

Investments: (Cont'd)

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

Investments: (Cont'd)

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

As of June 30, 2022, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Restricted Cash and Cash Equivalents</u>	<u>Total</u>
Checking and Savings Accounts	<u>\$ 6,250,017</u>	<u>\$ 7,921,553</u>	<u>\$14,171,570</u>

During the period ended June 30, 2022, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2022, was \$14,171,570 and the bank balance was \$15,014,626.

NOTE 4. MAINTENANCE RESERVE ACCOUNT

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

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 4. MAINTENANCE RESERVE ACCOUNT (Cont'd)

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

The activity of the maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$	123,800
Increased by:		
Deposit approved by Board Resolution - June 2022		300,000
Ending Balance, June 30, 2022	\$	423,800

NOTE 5. CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$	6,324,305
Increased by:		
Interest Earnings	\$	2,199
Transfer by Board Resolution June 2022		1,415,477
		1,417,676
		7,741,981
Decreased by:		
Budgeted Withdrawal		(2,958,879)
Ending Balance, June 30, 2022	\$	4,783,102

The balance in the capital reserve account as of June 30, 2022 does not exceed the LRFP balance of local support costs of uncompleted capital projects. Withdrawals from the capital reserve were for use in DOE approved facilities projects, consistent with the District's LRFP.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 6. EMERGENCY RESERVE ACCOUNT

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

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

The activity of the emergency reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$ 120,000
Ending Balance, June 30, 2022	<u>\$ 120,000</u>

NOTE 7. TUITION RESERVE ACCOUNT

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

The District established a \$900,000 tuition reserve during 2020/2021 which will be used to pay for any tuition adjustments for the fiscal year ending June 30, 2023 and a \$900,000 tuition reserve during 2021/2022 which will be used to pay for any tuition adjustments for the fiscal year ending June 30, 2024.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 8. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2022 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 2,367,600			\$ 2,367,600
Construction in Progress	2,626,456	\$ 1,916,576		4,543,032
Total Capital Assets not Being Depreciated	<u>4,994,056</u>	<u>1,916,576</u>		<u>6,910,632</u>
Capital Assets Being Depreciated:				
Site Improvements	2,037,332	5,183		2,042,515
Buildings and Building Improvements	59,988,463	50,864		60,039,327
Machinery and Equipment	8,843,730	117,480	\$ (423,753)	8,537,457
Total Capital Assets Being Depreciated	<u>70,869,525</u>	<u>173,527</u>	<u>(423,753)</u>	<u>70,619,299</u>
Governmental Activities Capital Assets	<u>75,863,581</u>	<u>2,090,103</u>	<u>(423,753)</u>	<u>77,529,931</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,114,039)	(78,740)		(1,192,779)
Buildings and Building Improvements	(30,603,877)	(1,533,308)		(32,137,185)
Machinery and Equipment	(6,548,283)	(283,145)		(6,831,428)
Total Accumulated Depreciation	<u>(38,266,199)</u>	<u>(1,895,193)</u>		<u>(40,161,392)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$37,597,382</u>	<u>\$ 194,910</u>	<u>\$ (423,753)</u>	<u>\$37,368,539</u>
Business -Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 443,047		(3,162)	\$ 439,885
Less: Accumulated Depreciation	(401,003)	\$ (7,500)	3,162	(405,341)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 42,044</u>	<u>\$ (7,500)</u>	<u>\$ -0-</u>	<u>\$ 34,544</u>

The District had no active capital projects as of June 30, 2022.

Depreciation expense was charged to governmental functions as follows:

Student & Instruction Related Services	\$ 56,193
Plant Operations and Maintenance	54,054
Pupil Transportation	198,797
Unallocated Depreciation	1,586,149
	<u>\$ 1,895,193</u>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2022, the following changes occurred in the long-term liabilities reported in the District-wide financial statements:

	Balance June 30, 2021	Accrued	Retired	Balance June 30, 2022
Serial Bonds Payable	\$ 15,845,000		\$ 1,510,000	\$ 14,335,000
Unamortized Bond Issuance Premium	1,776,901		195,837	1,581,064
Net Pension Liability	5,853,205		1,418,027	4,435,178
Compensated Absences Payable	718,778	\$ 14,375		733,153
	\$ 24,193,884	\$ 14,375	\$ 3,123,864	\$ 21,084,395

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and will be retired through the Debt Service Fund. The current portion of bonds payable is \$1,510,000 and the long-term portion is \$12,825,000.

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

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

The District had bonds outstanding as of June 30, 2022 as follows:

	<u>Serial Bonds</u>		
Purpose	Final Maturity	Interest Rates	Amount
Refunding Bonds of 2016	07/15/31	2.50% to 5.00%	\$ 11,095,000
Refunding Bonds of 2019	02/01/26	4.00%	3,240,000
			\$ 14,335,000

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
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NOTE 9. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

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

Fiscal Year	Bonds		Total
	Principal	Interest	
2023	\$ 1,510,000	\$ 581,538	\$ 2,091,538
2024	1,615,000	516,888	2,131,888
2025	1,745,000	441,862	2,186,862
2026	1,885,000	360,288	2,245,288
2027	1,120,000	272,188	1,392,188
2028-2032	6,460,000	565,481	7,025,481
	<u>\$ 14,335,000</u>	<u>\$ 2,738,245</u>	<u>\$ 17,073,245</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2022, the District has no bonds authorized but not issued.

C. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a current and long-term liability and will be liquidated through the General Fund. The current portion of the liability is \$-0- and the long-term portion is \$733,153.

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

D. Unamortized Bond Issuance Premium

The unamortized bond issuance premium is recorded in the of the governmental fund types is recorded in the noncurrent liabilities of the governmental fund types and the current portion is balance of the governmental funds is \$195,838 and the long-term portion is \$1,385,226.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the noncurrent liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2022 is \$-0- and the long-term portion is \$4,435,178. See Note 11 for further information on the PERS.

NOTE 10. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2022, the District made transfers to capital outlay accounts in the amount of \$4,974 for equipment which did not require County Superintendent approval.



BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
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NOTE 11. PENSION PLANS

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

A. Public Employees’ Retirement System (PERS)

Plan Description

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service,

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$438,451 for 2022.

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

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

At June 30, 2022, the District reported a liability of \$4,435,178 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the District's proportion was 0.0374%, which was a decrease of 0.0015% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the District recognized an actual pension benefit of \$632,745.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	5.48		\$ (187,432)
	2018	5.63		(351,395)
	2019	5.21		(309,991)
	2020	5.16		(730,134)
	2021	5.13	\$ 23,098	
			<u>23,098</u>	<u>(1,578,952)</u>
Difference Between Expected and Actual Experience	2017	5.48	5,574	
	2018	5.63		(13,382)
	2019	5.21	23,696	
	2020	5.16	40,678	
	2021	5.13		(18,369)
			<u>69,948</u>	<u>(31,751)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018	5.00		(34,645)
	2019	5.00		11,179
	2020	5.00		251,936
	2021	5.00		(1,396,813)
				<u>(1,168,343)</u>
Changes in Proportion	2017	5.48		(88,136)
	2018	5.63	94,102	
	2019	5.21	131,324	
	2020	5.16		(143,023)
	2021	5.13	271,412	
			<u>496,838</u>	<u>(231,159)</u>
District Contribution Subsequent to the Measurement Date	2021	1.00	444,998	
			<u>\$ 1,034,882</u>	<u>\$ (3,010,205)</u>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2022	\$ (1,046,510)
2023	(747,205)
2024	(509,466)
2025	(382,967)
2026	148
	\$ (2,686,000)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2021 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2021		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 6,043,155	\$ 4,435,178	\$ 3,075,119

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Special Funding Situation (Cont'd)

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. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

During the fiscal year ended 2022, the State of New Jersey contributed \$4,981,349 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$1,387,041.

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

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

At June 30, 2022, the State's proportionate share of the net pension liability associated with the District was \$58,946,684. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the District's proportion was 0.1226%, which was a decrease of 0.0005% from its proportion measured as of June 30, 2020.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		58,946,684
Total	\$	58,946,684

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the District in the amount of \$1,387,041 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2022 financial statements.



BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.50	\$ 153,774,925	
	2015	8.30	926,219,611	
	2016	8.30	3,000,278,784	
	2017	8.30		\$ 5,282,196,290
	2018	8.29		3,527,661,165
	2019	8.04		2,510,940,613
	2020	7.99	1,209,286,241	
	2021	7.93		12,903,483,645
			<u>5,289,559,561</u>	<u>24,224,281,713</u>
Difference Between Expected and Actual Experience	2014	8.50		1,464,605
	2015	8.30	57,204,429	
	2016	8.30		37,311,034
	2017	8.30	93,981,436	
	2018	8.29	618,845,893	
	2019	8.04		97,553,990
	2020	7.99		6,444,940
	2021	7.93	171,234,070	
			<u>941,265,828</u>	<u>142,774,569</u>
Net Difference Between Projected and Actual	2018	5.00		96,030,373
Investment Earnings on Pension Plan Investments	2019	5.00		(72,441,385)
	2020	5.00		(724,186,621)
	2021	5.00		3,554,633,811
				<u>2,854,036,178</u>
			<u>\$ 6,230,825,389</u>	<u>\$ 27,221,092,460</u>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

Ending June 30,	Total
2022	\$ (2,914,282,899)
2023	(3,500,098,875)
2024	(4,665,036,366)
2025	(4,192,375,542)
2026	(2,350,648,872)
Thereafter	(3,367,824,517)
	\$ (20,990,267,071)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 – 4.45% based on years of service
Thereafter	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

Discount Rate-TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2021 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	June 30, 2021		
	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	\$ 69,743,774	\$ 58,946,684	\$ 49,877,808

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District made pension contributions of \$30,344 for the fiscal year ended June 30, 2022. Employee contributions to DCRP amounted to \$65,718 for the fiscal year ended June 30, 2022.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 12. DEFERRED COMPENSATION

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

- AXA Equitable
- Lincoln Investment Planning
- Fidelity Investments

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

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balance remained on the balance sheet at June 30, 2022:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 310,561	
Special Revenue Fund		\$ 310,561
	\$ 310,561	\$ 310,561

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

NOTE 14. TAX CALENDAR

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

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

BRANCBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 15. RISK MANAGEMENT

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

The District maintains insurance coverage for property, liability, and surety bonds. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report. Health Benefits are provided to the employees through the State of New Jersey Health Benefits Plan.

Property and Liability Insurance

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

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

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

The June 30, 2022 financial information was not available as of the date of the audit. Selected financial information for the Group as of June 30, 2021 is as follows:

	<u>New Jersey Schools Insurance Group</u>
Total Assets	<u>\$ 409,725,069</u>
Net Position	<u>\$ 171,872,738</u>
Total Revenue	<u>\$ 136,646,172</u>
Total Expenses	<u>\$ 104,006,539</u>
Change in Net Position	<u>\$ 32,639,633</u>
Member Dividends	<u>\$ 6,346,945</u>

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 15. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions and Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	\$ - 0 -	\$ 87,643	\$ 59,420	\$ 745,095
2021	- 0 -	85,284	57,309	716,872
2020	- 0 -	68,215	30,643	688,897

NOTE 16. ACCOUNTS PAYABLE

The following accounts payable existed on the various balance sheets as of June 30, 2022:

	<u>Governmental Funds</u>		<u>District Contribution</u>	<u>Business-type Activities</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Subsequent to Measurement Date</u>	<u>Total Governmental Activities</u>	<u>Proprietary Funds</u>	
Vendors	\$ 284,391	298		\$ 284,689	\$ 87	\$ 284,776
Payroll Deductions and Withholdings	8,851			8,851		8,851
Due to:						
State of New Jersey			\$ 444,998	444,998		444,998
	<u>\$ 293,242</u>	<u>\$ 298</u>	<u>\$ 444,998</u>	<u>\$ 738,538</u>	<u>\$ 87</u>	<u>\$ 738,625</u>

NOTE 17. ECONOMIC DEPENDENCY

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 18. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

Encumbrances

At June 30, 2022, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

General Fund	Special Revenue	Total Governmental Funds
\$ 2,777,362	\$ 122,331	\$ 2,899,693

On the District’s Governmental Funds Balance Sheet as of June 30, 2021, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund. Encumbrances in the Special Revenue Fund of \$122,331 are not recognized on the GAAP basis and are reflected either as a reduction in grants receivables or an increase in unearned revenue.

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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



BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

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

Plan Description and Benefits Provided (Cont'd)

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

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

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2019, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	149,304
Active Plan Members	<u>216,804</u>
Total	<u><u>366,108</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

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

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%		
		TPAF/ABP	PERS
Salary Increases:			
Through 2026		1.55 - 4.45%	2.00 - 6.00%
		based on service	based on service
		years	years
Thereafter		1.55 - 4.45%	3.00 - 7.00%
		based on service	based on service
		years	years

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

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-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.

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 rate 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 rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

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

Discount Rate

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

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

	Total OPEB Liability
Balance at June 30, 2019	\$ 55,488,661
Changes for Year:	
Service Cost	2,073,973
Interest on the Total OPEB Liability	1,989,224
Changes of Assumptions	15,883,821
Differences between Expected and Actual Experience	12,987,978
Gross Benefit Payments by the State	(1,513,827)
Contributions from Members	45,884
Net Changes	31,467,053
Balance at June 30, 2020	\$ 86,955,714

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2020, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
Total OPEB Liability Attributable to the District	\$ 104,829,602	\$ 86,955,714	\$ 72,980,055

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

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

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2020, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 70,193,585	\$ 86,955,714	\$ 106,915,684

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

For the fiscal year ended June 30, 2022 the District recognized OPEB expense of \$4,111,661 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District’s proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2020 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

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

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

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 5,277,204
	2018	9.51		4,644,936
	2019	9.29	\$ 626,088	
	2020	9.24	14,164,793	
			<u>14,790,881</u>	<u>9,922,140</u>
Differences Between Expected and Actual Experience	2018	9.51		4,390,910
	2019	9.29		7,369,089
	2020	9.24	13,202,143	
			<u>13,202,143</u>	<u>11,759,999</u>
Changes in Proportion	N/A	N/A	<u>2,648,854</u>	<u>2,689,256</u>
			<u>\$ 30,641,878</u>	<u>\$ 24,371,395</u>

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

Fiscal Year Ending June 30,	Total
2021	\$ 55,706
2022	55,706
2023	55,706
2024	55,706
2025	55,706
Thereafter	<u>6,032,355</u>
	<u>\$ 6,310,885</u>

SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
District's Proportion - Net Pension Liability	0.0379983601%	0.037806674%	0.0387375657%	0.0341224439%	0.0355635074%	0.0366751574%	0.0358929711%	0.0374387265%
District's Proportionate Share - Net Pension Liability	\$ 7,114,332	\$ 8,486,841	\$ 11,472,956	\$ 7,943,160	\$ 7,002,277	\$ 6,654,279	\$ 5,853,205	\$ 4,435,178
District's Covered Employee Payroll	\$ 2,552,695	\$ 2,625,017	\$ 2,354,627	\$ 2,413,370	\$ 2,620,336	\$ 2,580,221	\$ 2,664,785	\$ 2,584,546
District's Proportionate Share - Net Pension Liability as a Percentage of its Covered Employee Payroll	278.70%	323.31%	487.25%	329.13%	267.23%	257.90%	219.65%	171.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%

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

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

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 313,253	\$ 325,036	\$ 346,437	\$ 321,635	\$ 355,910	\$ 361,202	\$ 392,652	\$ 438,451
Contributions in Relation to the Contractually Required Contribution	(313,253)	(325,036)	(346,437)	(321,635)	(355,910)	(361,202)	(392,652)	(438,451)
Contribution Deficiency (Excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's Covered Employee Payroll	\$ 2,625,017	\$ 2,354,627	\$ 2,413,370	\$ 2,620,336	\$ 2,580,221	\$ 2,664,785	\$ 2,584,546	\$ 2,598,337
Contributions as a Percentage of Covered Employee Payroll	11.93%	13.80%	14.35%	12.27%	13.79%	13.55%	15.19%	16.87%

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



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

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
State's Proportion - Net Pension Liability Attributable to the District	0.1299495616%	0.1308605445%	0.1282080348%	0.1304605284%	0.1256523106%	0.1238740318%	0.1231441819%	0.1226135266%
State's Proportionate Share - Net Pension Liability Attributable to the District	\$ 69,453,811	\$ 82,709,452	\$ 100,856,603	\$ 87,961,192	\$ 79,937,301	\$ 76,022,663	\$ 81,088,962	\$ 58,946,684
District's Covered Employee Payroll	\$ 12,821,832	\$ 13,262,413	\$ 12,997,930	\$ 12,736,975	\$ 13,297,398	\$ 13,482,431	\$ 13,553,278	\$ 13,475,218
State's Proportionate Share - Net Pension Liability Attributable to the District as a Percentage of its Covered Employee Payroll	541.68%	623.64%	775.94%	690.60%	601.15%	563.86%	598.30%	437.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%

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

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

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 3,737,267	\$ 5,050,157	\$ 7,577,970	\$ 6,093,506	\$ 4,660,065	\$ 4,484,020	\$ 5,042,457	\$ 1,387,041
Contributions in relation to the Contractually Required Contribution	(707,480)	(1,026,484)	(1,416,115)	(1,850,415)	(2,436,303)	(2,701,023)	(3,564,227)	(4,981,349)
Contribution Deficiency/(Excess)	\$ 3,029,787	\$ 4,023,673	\$ 6,161,855	\$ 4,243,091	\$ 2,223,762	\$ 1,782,997	\$ 1,478,230	\$ (3,594,308)
District's Covered Employee Payroll	\$ 13,262,413	\$ 12,997,930	\$ 12,736,975	\$ 13,297,398	\$ 13,482,431	\$ 13,553,278	\$ 13,475,218	\$ 14,110,481
Contributions as a percentage of Covered Employee Payroll	5.33%	7.90%	11.12%	13.92%	18.07%	19.93%	26.45%	35.30%

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

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

	Fiscal Year Ending June 30,		
	2017	2018	2019
	2020		
Service Cost	\$ 2,654,071	\$ 2,203,307	\$ 1,945,936
Interest Cost	2,153,533	2,489,404	2,368,879
Changes in Assumptions	(8,849,265)	(4,264,527)	827,340
Differences between Expected and Actual Experience		(6,894,939)	(8,084,640)
Member Contributions	58,083	55,528	50,492
Gross Benefit Payments	(1,577,383)	(1,606,624)	(1,513,827)
Net Change in Total OPEB Liability	(5,560,961)	(8,017,851)	(4,595,329)
Total OPEB Liability - Beginning	73,662,802	68,101,841	60,083,990
Total OPEB Liability - Ending	\$ 68,101,841	\$ 60,083,990	\$ 55,488,661
District's Covered Employee Payroll*	\$ 15,352,557	\$ 15,150,345	\$ 15,917,734
Total OPEB Liability as a Percentage of Covered Employee Payroll	444%	397%	345%
			541%

\* - Covered payroll for the fiscal years ending June 30, 2017, 2018, 2019, and 2020 are based on the payroll on the June 30, 2016, 2017, 2018, and 2019 census data.

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2020 was 2.21%. The discount rate for June 30, 2019 was 3.50%, a change of -1.29%.

The mortality rates in the valuation as of June 30, 2020 were based on the following:

Pre-retirement 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. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-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.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

Changes of Actuarial Assumptions (Cont'd)

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

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The health care trend rates in the valuation as of June 30, 2020 were based on the following:

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 rate 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 rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

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

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

BUDGETARY COMPARISON SCHEDULES

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 42,761,764		\$ 42,761,764	\$ 42,761,764	
Tuition From Individuals	60,000		60,000	52,300	\$ (7,700)
Tuition From Other LEAs Within the State	25,000		25,000	84,478	59,478
Transportation Fees From Other LEAs				277,317	277,317
Rents and Royalties	185,000		185,000	219,066	34,066
Unrestricted Miscellaneous Revenues	40,000		40,000	486,228	446,228
Interest Earned on Capital Reserve Funds				2,199	2,199
Other Restricted Miscellaneous Revenues				28,223	28,223
<b>Total Revenues from Local Sources</b>	<b>43,071,764</b>		<b>43,071,764</b>	<b>43,911,575</b>	<b>839,811</b>
Revenues from State Sources:					
Categorical Transportation Aid	708,668		708,668	708,668	
Extraordinary Aid				1,032,838	1,032,838
Categorical Special Education Aid	1,850,306		1,850,306	1,850,306	
Categorical Security Aid	193,608		193,608	193,608	
Nonpublic Transportation				37,990	37,990
TPAF Post Retirement Contributions (Non-Budgeted)				1,180,265	1,180,265
TPAF Pension Contributions (Non-Budgeted)				4,981,349	4,981,349
TPAF Non-Contributory Insurance (Non-Budgeted)				70,280	70,280
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,824	1,824
Reimbursed TPAF Social Security Contributions				1,030,649	1,030,649
<b>Total Revenues from State Sources</b>	<b>2,752,582</b>		<b>2,752,582</b>	<b>11,087,777</b>	<b>8,335,195</b>
<b>TOTAL REVENUE</b>	<b>45,824,346</b>		<b>45,824,346</b>	<b>54,999,352</b>	<b>9,175,006</b>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>GENERAL CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 720,810	\$ (39,141)	\$ 681,669	\$ 669,662	\$ 12,007
Grades 1-5 - Salaries of Teachers	4,009,336	211,109	4,220,445	4,174,138	46,307
Grades 6-8 - Salaries of Teachers	2,692,570	41,208	2,733,778	2,680,907	52,871
Regular Programs - Home Instruction:					
Salaries of Teachers	3,500	6,655	10,155	4,790	5,365
Purchased Professional-Educational Services	7,500	13,244	20,744	17,994	2,750
Regular Programs - Undistributed Instruction:					
Purchased Technical Services	15,550	(4,000)	11,550	800	10,750
Other Purchased Services (400-500 series)	177,488	(21,500)	155,988	151,051	4,937
General Supplies	625,119	675	625,794	531,117	94,677
Textbooks	54,300		54,300	41,917	12,383
Other Objects	800		800	559	241
<b>Total Regular Programs - Instruction</b>	<b>8,306,973</b>	<b>208,250</b>	<b>8,515,223</b>	<b>8,272,935</b>	<b>242,288</b>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	177,355	(107,882)	69,473	65,140	4,333
Other Salaries for Instruction	27,671	30,465	58,136	44,616	13,520
General Supplies	13,140		13,140	4,933	8,207
<b>Total Learning and/or Language Disabilities</b>	<b>218,166</b>	<b>(77,417)</b>	<b>140,749</b>	<b>114,689</b>	<b>26,060</b>
Behavioral Disabilities:					
Salaries of Teachers	62,580	(62,580)			
General Supplies	2,000	(2,000)			
<b>Total Behavioral Disabilities</b>	<b>64,580</b>	<b>(64,580)</b>			



BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	\$ 2,454,395	\$ (18,033)	\$ 2,436,362	\$ 2,401,127	\$ 35,235
Other Salaries for Instruction	216,948	(19,750)	197,198	189,675	7,523
General Supplies	32,127	(4,715)	27,412	15,249	12,163
Total Resource Room/Resource Center	2,703,470	(42,498)	2,660,972	2,606,051	54,921
Autism:					
Salaries of Teachers	63,845		63,845	62,768	1,077
Other Salaries for Instruction	32,136	(32,136)			
General Supplies	3,000		3,000	625	2,375
Total Autism	98,981	(32,136)	66,845	63,393	3,452
Preschool Disabilities - Part-Time:					
Salaries of Teachers	147,935	100	148,035	147,300	735
Other Salaries for Instruction	56,043	29,700	85,743	81,034	4,709
General Supplies	3,000		3,000		3,000
Total Preschool Disabilities - Part-Time	206,978	29,800	236,778	228,334	8,444
TOTAL SPECIAL EDUCATION - INSTRUCTION	3,292,175	(186,831)	3,105,344	3,012,467	92,877
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,072,820	25,500	1,098,320	1,062,663	35,657
Other Salaries for Instruction	19,801	17,700	37,501	36,362	1,139
Total Basic Skills/Remedial - Instruction	1,092,621	43,200	1,135,821	1,099,025	36,796
Bilingual Education - Instruction:					
Salaries of Teachers	160,145		160,145	135,453	24,692
General Supplies	1,000		1,000		1,000
Total Bilingual Education - Instruction	161,145		161,145	135,453	25,692

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	\$ 107,505	\$ 1,300	\$ 108,805	\$ 106,665	\$ 2,140
Supplies and Materials	7,309	(1,300)	6,009	2,333	3,676
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	114,814		114,814	108,998	5,816
School-Sponsored Athletics - Instruction:					
Salaries	82,065		82,065	66,641	15,424
Supplies and Materials	15,360		15,360	8,793	6,567
Total School-Sponsored Athletics - Instruction	97,425		97,425	75,434	21,991
Before/After School Programs - Support Services:					
Salaries	15,360	8,500	23,860	22,350	1,510
Total Before/after School Programs - Support Svcs	15,360	8,500	23,860	22,350	1,510
Total Before/after School Programs	15,360	8,500	23,860	22,350	1,510
Other Supplemental/At Risk Programs - Instruction:					
Salaries of Teachers		5,125	5,125	2,160	2,965
Salaries of Teacher Tutors	392,250	156	392,406	389,951	2,455
Purchased Professional & Technical Services	16,500	(10,406)	6,094	1,600	4,494
General Supplies	500		500		500
Total Other Suppl/At-Risk Prog - Instruction	409,250	(5,125)	404,125	393,711	10,414
Total Other Supplemental/At-Risk Programs	409,250	(5,125)	404,125	393,711	10,414
TOTAL INSTRUCTION	13,489,763	67,994	13,557,757	13,120,373	437,384

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	\$ 11,047,776		\$ 11,047,776	\$ 11,037,617	\$ 10,159
Tuition to Other LEAs Within the State-Special	1,717,511	(146,703)	1,570,808	1,499,958	70,850
Tuition to County Voc. School Dist.-Regular	37,868	7,633	45,501	45,500	1
Tuition to County Voc. School Dist.-Special	87,050	(23,150)	63,900	63,900	
Tuition to Priv. Sch. for the Handicap. W/I State	1,759,340	(44,100)	1,715,240	1,373,879	341,361
Total Undistributed Expenditures - Instruction	14,649,545	(206,320)	14,443,225	13,979,905	463,320
Undistributed Expend. - Attend. & Social Work:					
Purchased Professional and Technical Services	10,000	(5,000)	5,000	320	4,680
Total Undist. Expend. - Attendance and Social Work	10,000	(5,000)	5,000	320	4,680
Undistributed Expenditures - Health Services:					
Salaries	260,000	(200)	259,800	254,179	5,621
Purchased Professional and Technical Services	5,500		5,500	5,500	
Supplies and Materials	10,218		10,218	8,683	1,535
Total Undist. Expenditures - Health Services	275,718	(200)	275,518	268,362	7,156
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	539,606	200	539,806	532,443	7,363
Purchased Professional - Educational Services	37,500	6,230	43,730	43,367	363
Supplies and Materials	12,000		12,000	6,066	5,934
Total Undist. Expend. - Speech, OT, PT, Related Svcs	589,106	6,430	595,536	581,876	13,660
Undist. Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Salaries	199,076	(32,700)	166,376	146,348	20,028
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	199,076	(32,700)	166,376	146,348	20,028

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Guidance:					
Salaries of Other Professional Staff	\$ 425,750	\$ (6,200)	\$ 419,550	\$ 407,517	\$ 12,033
Total Undist Expend. - Guidance	<u>425,750</u>	<u>(6,200)</u>	<u>419,550</u>	<u>407,517</u>	<u>12,033</u>
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	618,790	97,596	716,386	652,629	63,757
Salaries of Secretarial and Clerical Assistants	135,213	1,000	136,213	122,888	13,325
Purchased Professional - Educational Services	335,457	(10,954)	324,503	205,570	118,933
Other Purchased Services (400-500 series)	27,415		27,415	22,733	4,682
Supplies and Materials	10,500		10,500	7,553	2,947
Other Objects	1,300		1,300	1,134	166
Total Undist Expend. - Child Study Team	<u>1,128,675</u>	<u>87,642</u>	<u>1,216,317</u>	<u>1,053,456</u>	<u>162,861</u>
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	154,528	12,785	167,313	153,981	13,332
Salaries of Other Professional Staff	144,441	(55,956)	88,485	50,247	38,238
Salaries of Secretarial and Clerical Assistants	67,206		67,206	66,456	750
Purchased Professional - Educational Services	10,000		10,000	6,386	3,614
Other Purchased Services (400-500 series)	103,699		103,699	96,044	7,655
Supplies and Materials	3,000		3,000	2,136	864
Other Objects	4,000		4,000	1,541	2,459
Total Undist. Expend.-Improv. of Inst. Serv.	<u>486,874</u>	<u>(43,171)</u>	<u>443,703</u>	<u>376,791</u>	<u>66,912</u>
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	582,337	39,846	622,183	600,861	21,322
Supplies and Materials	13,005		13,005	9,934	3,071
Total Undist Expend-Edu. Media Serv./Sch. Library	<u>595,342</u>	<u>39,846</u>	<u>635,188</u>	<u>610,795</u>	<u>24,393</u>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Instructional Staff Training Services:					
Salaries of Other Professional Staff	\$ 14,000	-	\$ 14,000	\$ 4,695	\$ 9,305
Purchased Professional - Educational Service	50,000		50,000	1,800	48,200
Other Purchased Services (400-500 series)	25,000		25,000		25,000
<b>Total Undist. Expend.-Instructional Staff Training Services</b>	<b>89,000</b>		<b>89,000</b>	<b>6,495</b>	<b>82,505</b>
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	350,790	(24,100)	326,690	308,821	17,869
Legal Services	60,000	16,000	76,000	62,787	13,213
Audit Fees	43,750	2,350	46,100	46,100	
Other Purchased Professional Services	46,000	(7,900)	38,100	10,100	28,000
Communications / Telephone	72,820	32,000	104,820	103,266	1,554
BOE Other Purchased Services	10,500	650	11,150	4,015	7,135
Other Purch. Serv. (400-500 series other than 530 & 585)	95,969	6,300	102,269	101,675	594
General Supplies	4,008	(2,150)	1,858	755	1,103
BOE In-house training/ Meeting Supplies	1,000	(50)	950	255	695
Miscellaneous Expenditures	17,648	(2,000)	15,648	14,807	841
BOE Membership Dues and Fees	23,000	(2,000)	21,000	20,200	800
<b>Total Undist. Expend.-Support Serv.-Gen. Admin.</b>	<b>725,485</b>	<b>19,100</b>	<b>744,585</b>	<b>672,781</b>	<b>71,804</b>
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	635,103	19,000	654,103	652,211	1,892
Salaries of Other Professional Staff		21,628	21,628	21,628	
Salaries of Secretarial and Clerical Assistants	418,149	5,600	423,749	423,726	23
Other Purchased Services (400-500 series)	10,325	(5,200)	5,125	1,055	4,070
Supplies and Materials	5,594	(1,000)	4,594	3,578	1,016
Other Objects	5,880		5,880	4,692	1,188
<b>Total Undist. Expend.-Support Serv.-School Adm.</b>	<b>1,075,051</b>	<b>40,028</b>	<b>1,115,079</b>	<b>1,106,890</b>	<b>8,189</b>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Central Services:					
Salaries	\$ 341,075	\$ 11,300	\$ 352,375	\$ 337,186	\$ 15,189
Purchased Professional Services	3,900	3,070	6,970	4,375	2,595
Miscellaneous Purchased Services (400-500 series other than 594)	17,200	230	17,430	8,277	9,153
Supplies and Materials	10,000		10,000	5,927	4,073
Other Objects	2,860		2,860	2,012	848
Total Undist. Expend. - Central Services	<u>375,035</u>	<u>14,600</u>	<u>389,635</u>	<u>357,777</u>	<u>31,858</u>
Undist. Expend. - Admin. Info. Technology:					
Purchased Technical Services	73,022	(14,700)	58,322	42,309	16,013
Other Purchased Services (400-500 series)	49,300		49,300	20,046	29,254
Supplies and Materials	17,200		17,200	108	17,092
Other Objects	75		75	75	75
Total Undist. Expend. - Admin. Info. Technology	<u>139,597</u>	<u>(14,700)</u>	<u>124,897</u>	<u>62,463</u>	<u>62,434</u>
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	402,805	(11,000)	391,805	381,779	10,026
Cleaning, Repair, and Maintenance Services	376,780	(13,352)	363,428	319,582	43,846
Lead Testing of Drinking Water		6,119	6,119	6,119	
General Supplies	132,071	500	132,571	66,121	66,450
Other Objects	63,863	18,000	81,863	81,645	218
Total Undist. Expend.- Required Maint. for School Facilities	<u>975,519</u>	<u>267</u>	<u>975,786</u>	<u>855,246</u>	<u>120,540</u>
Undist. Expend.-Custodial Services:					
Salaries	179,059	(2,000)	177,059	143,715	33,344
Cleaning, Repair, and Maintenance Services	866,356	33,222	899,578	874,245	25,333
Other Purchased Property Services	17,100	26,791	43,891	33,646	10,245
Insurance	59,200	(6,700)	52,500	50,952	1,548
Miscellaneous Purchased Services	20,880		20,880	12,488	8,392

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services:					
General Supplies	\$ 129,774	\$ (11,000)	\$ 118,774	\$ 66,205	\$ 52,569
Energy (Natural Gas)	123,000	24,338	147,338	109,091	38,247
Energy (Electricity)	426,000	6,171	432,171	278,492	153,679
Other Objects	1,550	500	2,050	1,740	310
Total Undist. Expend.-Custodial Services	<u>1,822,919</u>	<u>71,322</u>	<u>1,894,241</u>	<u>1,570,574</u>	<u>323,667</u>
Total Undist. Expend.-Oper. And Maint. Of Plant Serv.	<u>2,798,438</u>	<u>71,589</u>	<u>2,870,027</u>	<u>2,425,820</u>	<u>444,207</u>
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch)-Reg.	866,143	236,876	1,103,019	1,064,472	38,547
Sal. for Pupil Trans. (Bet. Home and Sch)-Spl. Ed.	239,168	(10,000)	229,168	209,735	19,433
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	95,180	12,000	107,180	67,965	39,215
Other Purchased Professional and Technical Services	67,337	(21,500)	45,837	29,390	16,447
Cleaning, Repair, and Maint. Services	103,867	(98,500)	5,367	4,720	647
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studs	125,000	10,000	135,000	130,999	4,001
Contr Serv.-Aid in Lieu of Payments-Choice Stud.	2,000		2,000	2,000	
Contract. Serv.(Spl. Ed. Students)-Vendors	245,000	(245,000)			
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA's	538,821	394,102	932,923	842,638	90,285
Misc. Purchased Serv. - Transportation	42,950	(42,350)	600	524	76
General Supplies	585,578	(415,100)	170,478	143,876	26,602
Transportation Supplies	192,950		192,950	158,141	34,809
Other Objects	4,838		4,838	2,907	1,931
Total Undist. Expend.-Student Trans. Serv.	<u>3,108,832</u>	<u>(179,472)</u>	<u>2,929,360</u>	<u>2,657,367</u>	<u>271,993</u>
UNALLOCATED BENEFITS					
Social Security Contributions	260,609	130,000	390,609	386,494	4,115
Other Retirement Contributions - PERS	413,081	40,000	453,081	452,290	791
Other Retirement Contributions - Regular	19,583	21,000	40,583	40,481	102

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>UNALLOCATED BENEFITS</b>					
Workers Compensation	\$ 166,989	\$ (8,100)	\$ 158,889	\$ 158,771	\$ 118
Health Benefits	6,065,950	(155,352)	5,910,598	5,457,141	453,457
Tuition Reimbursement	85,000		85,000	45,836	39,164
Other Employee Benefits	28,040		28,040	17,545	10,495
Unused Sick Payment to Terminated/Retired Staff	70,000	52,600	122,600	110,415	12,185
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>7,109,252</b>	<b>80,148</b>	<b>7,189,400</b>	<b>6,668,973</b>	<b>520,427</b>
<b>ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)</b>					
TPAF Post Retirement Contributions (Non-Budgeted)				1,180,265	(1,180,265)
TPAF Pension Contributions (Non-Budgeted)				4,981,349	(4,981,349)
TPAF Non-Contributory Insurance (Non-Budgeted)				70,280	(70,280)
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,824	(1,824)
Reimbursed TPAF Social Security Contributions				1,030,649	(1,030,649)
<b>TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)</b>				<b>7,264,367</b>	<b>(7,264,367)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>7,109,252</b>	<b>80,148</b>	<b>7,189,400</b>	<b>13,933,340</b>	<b>(6,743,940)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>33,780,776</b>	<b>(128,380)</b>	<b>33,652,396</b>	<b>38,648,303</b>	<b>(4,995,907)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>47,270,539</b>	<b>(60,386)</b>	<b>47,210,153</b>	<b>51,768,676</b>	<b>(4,558,523)</b>
<b>CAPITAL OUTLAY</b>					
Equipment:					
Grades 6-8		2,184	2,184	2,184	
Undistributed:					
Undistributed Expenditures - Admin. Info. Tech.	52,000		52,000	12,587	39,413
Undist. Expend. - Required Maint for School Fac.	8,000		8,000	5,709	2,291



BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CAPITAL OUTLAY</b>					
Equipment:					
Undist. Expend.-Student Trans.- Non-Inst. Equip.	\$ 76,299	\$ 110,790	\$ 187,089	\$ 75,698	\$ 111,391
School Buses - Regular	294,733	(108,000)	186,733	186,085	648
Total Equipment	<u>431,032</u>	<u>4,974</u>	<u>436,006</u>	<u>282,263</u>	<u>153,743</u>
Facilities Acquisition and Construction Serv.:					
Other Purchased Prof. and Tech. Services	396		396	396	
Construction Services	4,892,285	(125,000)	4,767,285	2,141,762	2,625,523
Supplies and Materials	20,000		20,000		20,000
Land and Improvements	525,000	125,000	650,000		650,000
Other Objects	42,724		42,724	42,724	
Total Facilities Acquisition and Const. Serv.	<u>5,480,405</u>		<u>5,480,405</u>	<u>2,184,882</u>	<u>3,295,523</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>5,911,437</u>	<u>4,974</u>	<u>5,916,411</u>	<u>2,467,145</u>	<u>3,449,266</u>
Transfer of Funds to Charter Schools					
		\$ 55,412	\$ 55,412	\$ 55,412	
		<u>55,412</u>	<u>55,412</u>	<u>55,412</u>	
<b>TOTAL EXPENDITURES</b>	<u>\$ 53,181,976</u>		<u>53,181,976</u>	<u>54,291,233</u>	<u>\$ (1,109,257)</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	<u>(7,357,630)</u>		<u>(7,357,630)</u>	<u>708,119</u>	<u>8,065,749</u>
Fund Balance, July 1	<u>14,698,684</u>		<u>14,698,684</u>	<u>14,698,684</u>	
Fund Balance, June 30	<u>\$ 7,341,054</u>	<u>- 0 -</u>	<u>\$ 7,341,054</u>	<u>\$ 15,406,803</u>	<u>\$ 8,065,749</u>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2023-2024	\$ 900,000				
Capital Reserve	4,783,102				
Maintenance Reserve	423,800				
Tuition Reserve - For 2022-2023	900,000				
Tuition Reserve - For 2023-2024	900,000				
Emergency Reserve	120,000				
Unemployment Compensation	745,095				
Assigned Fund Balance:					
Year End Encumbrances	2,777,362				
Designated for Subsequent Year's Expenditures	905,541				
Unassigned Fund Balance	<u>2,951,903</u>				
				<u>15,406,803</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis			<u>(266,585)</u>		
Fund Balance per Governmental Funds (GAAP)					<u>\$ 15,140,218</u>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
Local Sources	\$ 6,550	\$ 78,400	\$ 84,950	\$ 84,934	\$ (16)
State Sources	9,029	8,725	17,754	6,307	(11,447)
Federal Sources	1,257,943	635,365	1,893,308	1,187,092	(706,216)
Total Revenue	1,273,522	722,490	1,996,012	1,278,333	(717,679)
Expenditures:					
Instruction:					
Salaries of Teachers	767,469	(147,966)	619,503	306,362	313,141
Purchased Professional and Technical Services	85,000	12,355	97,355	23,363	73,992
Other Purchased Services		221,376	221,376	221,376	
Tuition	345,174	77,106	422,280	421,280	1,000
General Supplies	43,257	(2,419)	40,838	19,171	21,667
Textbooks	1,039	881	1,920	880	1,040
Total Instruction	1,241,939	161,333	1,403,272	992,432	410,840
Support Services:					
Salaries of Other Professional Staff	1,734	82,199	83,933	38,340	45,593
Purchased Professional/Educational Services	29,849	(1,698)	28,151	5,792	22,359
Personal Services - Employee Benefits		197,442	197,442	119,026	78,416
Other Purchased Services		205,094	205,094	44,623	160,471
Student Activities		93,613	93,613	93,613	
Total Support Services	31,583	576,650	608,233	301,394	306,839
Total Expenditures	1,273,522	737,983	2,011,505	1,293,826	717,679
Excess (Deficiency) of Revenue Over (Under) Expenditures	\$ - 0 -	\$ (15,493)	\$ (15,493)	\$ (15,493)	\$ - 0 -

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 54,999,352	\$ 1,278,333
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.		
Current Year Encumbrances		(122,330)
Prior Year Encumbrances		1,275
Prior Year State Aid Payments recognized for GAAP statements	239,300	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(266,585)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 54,972,067</u>	<u>\$ 1,157,278</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 54,291,233	\$ 1,293,826
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year Encumbrances		(122,330)
Prior Year Encumbrances		1,275
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 54,291,233</u>	<u>\$ 1,172,771</u>

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budget for the fiscal year ended June 30, 2022 was submitted to the County office and was approved by a vote by the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments and transfers must be made by school Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the of the annual budgets during the year).

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

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

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

SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)

SPECIAL REVENUE FUND

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	E.S.E.A		IDEA, Part B		ACERS
	Title IIA	Title IV	Basic	Preschool	
REVENUE:					
Local Sources					
State Sources					
Federal Sources	\$ 44,623	\$ 12,610	\$ 364,281	\$ 20,552	\$ 221,376
Total Revenue	44,623	12,610	364,281	20,552	221,376
EXPENDITURES:					
Instruction:					
Salaries of Teachers		12,610			
Purchased Professional and Technical Services				16,518	221,376
Other Purchased Services			364,281		
Tuition				4,034	
General Supplies					
Textbooks					
Total Instruction		12,610	364,281	20,552	221,376
Support Services:					
Salaries of Other Professional Staff					
Purchased Professional and Educational Services					
Personal Services - Employee Benefits	44,623				
Other Purchased Services					
Student Activities					
Total Support Services	44,623				
Total Expenditures	\$ 44,623	\$ 12,610	\$ 364,281	\$ 20,552	\$ 221,376

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Education Stabilization Aid					
	COVID 19 - ARP		COVID 19 - CRRSA			
	ESSER III	Mental Health	ESSER II	Learning Acceleration	Mental Health	Nonpublic
REVENUE:						
Local Sources						
State Sources						
Federal Sources	\$ 187,176	\$ 2,734	\$ 219,698	\$ 12,637	\$ 39,617	\$ 1,893
Total Revenue	187,176	2,734	219,698	12,637	39,617	2,820
EXPENDITURES:						
Instruction:						
Salaries of Teachers	121,664	2,734	143,481		25,873	
Purchased Professional and Technical Services				6,845		
Other Purchased Services						
Tuition						
General Supplies						2,820
Textbooks						
Total Instruction	121,664	2,734	143,481	6,845	25,873	2,820
Support Services:						
Salaries of Other Professional Staff	36,447					1,893
Purchased Professional and Educational Services				5,792		
Personal Services - Employee Benefits	29,065		76,217		13,744	
Other Purchased Services						
Student Activities						
Total Support Services	65,512		76,217	5,792	13,744	1,893
Total Expenditures	\$ 187,176	\$ 2,734	\$ 219,698	\$ 12,637	\$ 39,617	\$ 2,820



BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	IDEA Part B - ARP	Nonpublic	Nonpublic	Nonpublic	Local	Student	Totals
	Basic	Preschool	Textbooks	Technology	Grants	Activities	June 30, 2022
REVENUE:							
Local Sources					\$ 6,814	\$ 78,120	\$ 84,934
State Sources	\$ 56,999	\$ 4,789	\$ 880	\$ 714			6,307
Federal Sources							1,187,092
Total Revenue	56,999	4,789	880	714	6,814	78,120	1,278,333
EXPENDITURES:							
Instruction:							
Salaries of Teachers							306,362
Purchased Professional							23,363
and Technical Services							221,376
Other Purchased Services	56,999	4,789		714	6,814		421,280
Tuition							19,171
General Supplies							880
Textbooks			880				
Total Instruction	56,999	4,789	880	714	6,814		992,432
Support Services:							
Salaries of Other							38,340
Professional Staff							5,792
Purchased Professional							119,026
and Educational Services							44,623
Personal Services - Employee Benefits						93,613	93,613
Other Purchased Services							
Student Activities							
Total Support Services						93,613	301,394
Total Expenditures	\$ 56,999	\$ 4,789	\$ 880	\$ 714	\$ 6,814	\$ 93,613	\$ 1,293,826

CAPITAL PROJECTS FUND  
(NOT APPLICABLE)

PROPRIETARY FUNDS

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2022

	<u>Business-Type Activities - Enterprise Funds Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 163,267
Accounts Receivable:	
State	949
Federal	41,753
Other	125
Inventories	<u>12,331</u>
Total Current Assets	<u>218,425</u>
Capital Assets:	
Furniture & Equipment	439,885
Less: Accumulated Depreciation	<u>(405,341)</u>
Total Capital Assets, Net	<u>34,544</u>
Total Assets	<u>252,969</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable	87
Unearned Revenue - Prepaid Sales	17,381
Unearned Revenue - Donated Commodities	<u>1,780</u>
Total Current Liabilities	<u>19,248</u>
<b>NET POSITION:</b>	
Investment in Capital Assets	34,544
Unrestricted	<u>199,177</u>
Total Net Position	<u><u>\$ 233,721</u></u>

BRANCHBURG BOARD OF EDUCATION  
ENTERPRISE FUNDS  
STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Business-Type Activities - Enterprise Funds Food Service</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Non-Reimbursable Programs	\$ 113,259
Total Operating Revenue	<u>113,259</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	286,823
Cost of Sales - Non-Reimbursable Programs	21,589
Salaries, Benefits & Payroll Taxes	273,709
Supplies and Materials	9,335
Food Service Management Fee	17,326
Purchased Professional/Technical Services	31,086
Depreciation	7,500
Total Operating Expenses	<u>647,368</u>
Operating (Loss)	<u>(534,109)</u>
Non-Operating Revenue:	
State Sources:	
COVID-19 Seamless Summer Option	13,577
Federal Sources:	
COVID-19 Seamless Summer Option	585,446
Food Distribution Program	41,622
COVID-19 Pandemic P-EBT Administrative Costs	1,242
COVID-19 Emergency Operational Costs Reimbursement Program	4,693
Local Sources:	
Interest Income	2,557
Total Non-Operating Revenue	<u>649,137</u>
Change in Net Position	115,028
Net Position - Beginning of Year	<u>118,693</u>
Net Position - End of Year	<u>\$ 233,721</u>

BRANCBURG TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Business-Type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 92,189
Payments to Employees	(273,709)
Payments to Suppliers	(314,911)
	(496,431)
Net Cash Used for Operating Activities	(496,431)
Cash Flows from Investing Activities:	
Interest Income	2,557
	2,557
Net Cash Provided by Investing Activities	2,557
Cash Flows from Noncapital Financing Activities:	
Cash Received from State and Federal Reimbursements	576,863
	576,863
Net Cash Provided by Noncapital Financing Activities	576,863
Net Increase in Cash and Cash Equivalents	82,989
Cash and Cash Equivalents, July 1	80,278
Cash and Cash Equivalents, June 30	\$ 163,267
Reconciliation of Operating Loss to Net Cash	
Used for Operating Activities:	
Operating Loss	\$ (534,109)
Adjustment to Reconcile Operating Loss to Net Cash	
Used for Operating Activities:	
Depreciation	7,500
Federal Food Distribution Program	41,622
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable - Other	238
Decrease in Inventory	9,539
(Decrease) in Unearned Revenue	(21,308)
Increase in Accounts Payable	87
	87
Net Cash Used for Operating Activities	\$ (496,431)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received \$31,417 and utilized \$41,622 of commodities from the Federal Food Distribution Program for the fiscal year ended June 30, 2022.

FIDUCIARY ACTIVITIES  
(NOT APPLICABLE)

LONG-TERM DEBT



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

Purpose	Date of Issue	Original Issue	Maturities of Bonds				Interest Rate	Balance July 1, 2021	Retired or Matured	Balance June 30, 2022
			Outstanding		Amount	Rate				
			Date	June 30, 2022						
Refunding Bonds of 2016	03/15/2016	\$ 15,490,000	7/15/22	\$ 750,000	3.600%					
			7/15/23	830,000	5.000%					
			7/15/24	915,000	5.000%					
			7/15/25	1,020,000	5.000%					
			7/15/26	1,120,000	5.000%					
			7/15/27	1,185,000	5.000%					
			7/15/28	1,245,000	5.000%					
			7/15/29	1,295,000	2.500%					
			7/15/30	1,345,000	3.336%					
			7/15/31	1,390,000	3.270%		\$ 12,050,000	\$ 955,000	\$ 11,095,000	
Refunding Bonds of 2019	11/06/2019	4,370,000	2/1/23	760,000	4.000%					
			2/1/24	785,000	4.000%					
			2/1/25	830,000	4.000%					
			2/1/26	865,000	4.000%		3,795,000	555,000	3,240,000	
							\$ 15,845,000	\$ 1,510,000	\$ 14,335,000	

BRANCBURG TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOT APPLICABLE

BRANCBURG TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOT APPLICABLE

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original</u>	<u>Budget</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
	<u>Budget</u>	<u>Transfers</u>	<u>Budget</u>	<u>Budget</u>	<u>Final to Actual</u>
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 2,046,164		\$ 2,046,164	\$ 2,046,164	
State Sources:					
Debt Service State Aid Support	95,216		95,216	95,216	
Total Revenue	<u>2,141,380</u>		<u>2,141,380</u>	<u>2,141,380</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	634,838		634,838	634,837	\$ 1
Redemption of Principal	1,510,000		1,510,000	1,510,000	
Total Regular Debt Service	<u>2,144,838</u>		<u>2,144,838</u>	<u>2,144,837</u>	<u>1</u>
Total Expenditures	<u>2,144,838</u>		<u>2,144,838</u>	<u>2,144,837</u>	<u>1</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(3,458)		(3,458)	(3,457)	1
Fund Balance, July 1	3,458		3,458	3,458	
Fund Balance, June 30	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 1</u>	<u>\$ 1</u>
Restricted Fund Balance			<u>\$ 1</u>		<u>\$ 1</u>

**STATISTICAL SECTION**  
**(UNAUDITED)**

This part of the District's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

**Contents**

	<b><u>Exhibit</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	J-1 thru J-5
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	J-6 thru J-9
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 thru J-13
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
<b>Operating Information</b> These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(Accrual Basis of Accounting)*

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 12,313,755	\$ 12,688,164	\$ 14,152,600	\$ 16,567,660	\$ 16,012,567	\$ 16,297,353	\$ 16,297,353	\$ 19,771,236	\$ 22,058,302	\$ 23,306,431
Restricted	4,451,389	4,266,609	2,933,223	4,063,944	5,870,211	7,188,636	7,188,636	11,188,146	9,753,484	8,821,554
Unrestricted (Deficit)	721,738	(6,503,523)	(7,196,220)	(9,743,207)	(9,582,706)	(8,531,601)	(8,531,601)	(9,619,152)	(5,940,673)	(3,068,820)
<b>Total Governmental Activities Net Position</b>	<b>\$ 17,486,882</b>	<b>\$ 10,451,250</b>	<b>\$ 9,889,603</b>	<b>\$ 10,888,397</b>	<b>\$ 12,300,072</b>	<b>\$ 14,954,388</b>	<b>\$ 14,954,388</b>	<b>\$ 21,340,230</b>	<b>\$ 25,871,113</b>	<b>\$ 29,059,165</b>
<b>Business-Type Activities:</b>										
Investment in Capital Assets	\$ 108,593	\$ 117,919	\$ 117,109	\$ 104,770	\$ 54,191	\$ 47,878	\$ 47,878	\$ 46,384	\$ 42,044	\$ 34,544
Unrestricted	216,248	205,450	177,409	205,660	205,536	174,569	174,569	108,397	76,649	199,177
<b>Total Business-Type Activities Net Position</b>	<b>\$ 324,841</b>	<b>\$ 323,369</b>	<b>\$ 294,518</b>	<b>\$ 310,430</b>	<b>\$ 259,727</b>	<b>\$ 222,447</b>	<b>\$ 222,447</b>	<b>\$ 154,781</b>	<b>\$ 118,693</b>	<b>\$ 233,721</b>
<b>District-Wide:</b>										
Net Investment in Capital Assets	\$ 12,422,348	\$ 12,806,083	\$ 14,269,709	\$ 16,672,430	\$ 16,066,758	\$ 16,345,231	\$ 16,345,231	\$ 19,817,620	\$ 22,100,346	\$ 23,340,975
Restricted	4,451,389	4,266,609	2,933,223	4,063,944	5,870,211	7,188,636	7,188,636	11,188,146	9,753,484	8,821,554
Unrestricted (Deficit)	937,986	(6,298,073)	(7,018,811)	(9,537,547)	(9,377,170)	(8,357,032)	(8,357,032)	(9,510,755)	(5,864,024)	(2,869,643)
<b>Total District-Wide Net Position</b>	<b>\$ 17,811,723</b>	<b>\$ 10,774,619</b>	<b>\$ 10,184,121</b>	<b>\$ 11,198,827</b>	<b>\$ 12,559,799</b>	<b>\$ 15,176,835</b>	<b>\$ 15,176,835</b>	<b>\$ 21,495,011</b>	<b>\$ 25,989,806</b>	<b>\$ 29,292,886</b>

Source: Branchburg Township School District financial reports.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 11,581,107	\$ 11,292,106	\$ 12,601,388	\$ 13,313,817	\$ 14,629,510	\$ 14,740,212	\$ 13,836,624	\$ 13,731,029	\$ 14,703,672	\$ 14,670,478
Special Education	3,765,366	4,539,183	5,035,984	4,926,087	5,475,316	5,559,645	5,310,525	5,518,643	5,759,941	5,478,617
Other Special Instruction	1,693,233	1,521,015	1,603,234	1,947,619	2,032,737	2,082,557	2,291,491	2,238,614	1,955,901	2,068,717
School-Sponsored/Other Instruction	181,921	267,367	449,652	648,398	740,733	821,798	837,708	869,722	755,876	997,846
Support Services:										
Tuition	12,443,083	12,753,265	13,260,547	12,987,601	12,863,308	12,181,091	12,094,127	12,580,922	13,006,329	13,979,905
Student & Instruction Related Services	4,536,021	4,344,120	5,066,063	5,454,740	6,107,872	6,372,612	5,800,427	5,579,116	5,625,395	5,718,523
School Administration Services	1,600,538	1,519,679	1,804,833	1,710,545	2,102,409	2,144,192	2,025,079	2,113,871	2,041,423	1,849,726
General Administration Services	685,898	787,418	886,590	925,050	794,698	953,315	938,301	883,649	883,913	881,777
Central Services and Administrative Information Technology	906,253	790,336	919,708	728,440	851,691	912,960	722,657	709,847	717,200	648,371
Plant Operations and Maintenance	1,820,123	1,904,141	2,296,007	2,315,820	2,145,436	2,558,894	2,433,608	2,210,817	2,371,133	2,665,324
Pupil Transportation	2,422,786	2,584,224	2,920,064	2,714,783	2,887,552	2,923,879	4,298,042	2,266,449	2,168,731	3,329,548
Capital Outlay		34,194								
Charter Schools										55,412
Interest On Long-Term Debt	1,200,262	1,157,988	1,156,024	1,360,087	1,023,964	739,820	696,742	604,965	546,308	489,368
Unallocated Depreciation	1,440,329	1,394,239	1,428,878	1,462,332	1,432,741	1,426,185	1,460,818	1,566,129	1,566,129	1,586,149
Total Governmental Activities Expenses	44,276,920	44,889,275	49,428,972	50,495,319	53,087,967	53,417,160	52,746,149	50,873,773	52,101,951	54,419,761
Business-Type Activities:										
Food Service	700,556	646,166	665,162	646,424	690,795	713,950	709,721	562,101	224,055	647,368
Community Education	64,436									
Total Business-Type Activities Expenses	764,992	646,166	665,162	646,424	690,795	713,950	709,721	562,101	224,055	647,368

BRANCHBURG TOWNSHIP SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

*(Accrual Basis of Accounting)*

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total District-Wide Expenses	\$ 45,041,912	\$ 45,535,441	\$ 50,094,134	\$ 51,141,743	\$ 53,778,762	\$ 54,131,110	\$ 53,455,870	\$ 51,435,874	\$ 52,326,006	\$ 55,067,129
Program Revenues:										
Governmental Activities:										
Charges For Services	174,100	154,218	117,608	152,146	209,061	140,303	172,206	129,602	142,750	214,898
Operating Grants and Contributions	5,493,585	5,269,020	8,493,488	9,772,045	12,470,399	13,178,050	11,400,304	10,014,379	11,358,239	11,283,103
Capital Grants and Contributions		55,470	71,615							
Total Governmental Activities Program Revenues	5,667,685	5,478,708	8,682,711	9,924,191	12,679,460	13,318,353	11,572,510	10,143,981	11,500,989	11,498,001
Business-Type Activities:										
Charges for Services:										
Food Service	559,399	555,927	544,113	592,524	567,854	540,541	544,508	345,002	4,796	113,259
Community Education	72,295									
Operating Grants and Contributions	100,137	87,321	90,134	94,357	111,120	117,903	118,069	97,143	177,266	646,580
Total Business-Type Activities Program Revenues	731,831	643,248	634,247	686,881	678,974	658,444	662,577	442,145	182,062	759,839
Total District-Wide Program Revenues	6,399,516	6,121,956	9,316,958	10,611,072	13,358,434	13,976,797	12,235,087	10,586,126	11,683,051	12,257,840
Net Revenue/(Expense) - Governmental Activities	(38,609,235)	(39,410,567)	(40,746,261)	(40,571,128)	(40,408,507)	(40,098,807)	(41,173,639)	(40,729,792)	(40,600,962)	(42,921,760)
Net Revenue/(Expense) - Business-Type Activities	(33,161)	(2,918)	(30,915)	40,457	(11,821)	(55,506)	(47,144)	(119,956)	(41,993)	112,471
Total District-Wide Net Revenue/(Expense)	(38,642,396)	(39,413,485)	(40,777,176)	(40,530,671)	(40,420,328)	(40,154,313)	(41,220,783)	(40,849,748)	(40,642,955)	(42,809,289)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	36,283,559	36,801,457	37,536,975	38,963,858	39,622,347	40,216,682	40,694,329	41,508,216	42,338,380	42,761,764
Taxes Levied for Debt Service	2,092,418	2,102,973	2,205,081	2,130,355	2,109,741	1,944,055	1,968,552	2,018,709	2,011,556	2,046,164



BRANCHBURG TOWNSHIP SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

*(Accrual Basis of Accounting)*

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Federal and State Aid not Restricted	\$ 291,803	\$ 299,973	\$ 335,832	\$ 341,210	\$ 360,773	\$ 353,564	\$ 294,851	\$ 288,812	\$ 364,961	\$ 288,851
Investment Earnings	6,832	6,832	5,641	8,504	19,001	63,573	180,049	180,049	180,049	180,049
Miscellaneous Income	375,600	358,702	101,085	112,631	78,941	175,249	243,810	160,728	236,899	1,013,033
Other Item - SDA Grants Cancelled	(1,885)			(13,317)						
Transfers				26,681						
Total Governmental Activities General Revenues and Other Changes in Net Position	39,043,380	39,569,937	40,184,614	41,569,922	42,190,803	42,753,123	43,381,591	44,156,514	45,131,845	46,109,812
Business-Type Activities:										
Investment Earnings	2,082	1,446	2,064	2,136	5,465	18,226	56,579	42,855	5,905	2,557
Transfers				(26,681)						
Total Business-Type Activities General Revenues and Other Changes in Net Position	2,082	1,446	2,064	(24,545)	5,465	18,226	56,579	42,855	5,905	2,557
Total District-Wide General Revenues and Other Changes in Net Position	39,045,462	39,571,383	40,186,678	41,545,377	42,196,268	42,771,349	43,438,170	44,199,369	45,137,750	46,112,369
Change in Net Position:										
Governmental Activities	434,145	159,370	(561,647)	998,794	1,782,296	2,654,316	2,207,952	3,426,722	4,530,883	3,188,052
Business-Type Activities	(31,079)	(1,472)	(28,851)	15,912	(6,356)	(37,280)	9,435	(77,101)	(36,088)	115,028
Total District-Wide Change in Net Position	\$ 403,066	\$ 157,898	\$ (590,498)	\$ 1,014,706	\$ 1,775,940	\$ 2,617,036	\$ 2,217,387	\$ 3,349,621	\$ 4,494,795	\$ 3,303,080

Source: Branchburg Township School District financial reports.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

*(Modified Accrual Basis of Accounting)*

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Restricted	\$ 4,395,786	\$ 4,046,207	\$ 2,854,349	\$ 4,063,944	\$ 5,857,500	\$ 7,175,925	\$ 7,253,119	\$ 11,117,772	\$ 9,684,977	\$ 8,771,997
Assigned	367,149	588,804	814,758	643,224	932,857	1,846,471	1,903,745	509,745	2,598,751	3,682,903
Unassigned	789,724	655,013	654,189	680,232	1,075,839	1,127,697	1,190,788	1,097,765	2,175,656	2,685,318
<b>Total General Fund</b>	<b>\$ 5,552,659</b>	<b>\$ 5,290,024</b>	<b>\$ 4,323,296</b>	<b>\$ 5,387,400</b>	<b>\$ 7,866,196</b>	<b>\$ 10,150,093</b>	<b>\$ 10,347,652</b>	<b>\$ 12,725,282</b>	<b>\$ 14,459,384</b>	<b>\$ 15,140,218</b>
Other Governmental Funds:										
Restricted for:										
Special Revenue Fund								\$ 62,271	\$ 65,049	\$ 49,556
Debt Service Fund								8,103	3,458	1
Restricted	\$ 55,603	\$ 1	\$ 49,101		\$ 12,711	\$ 12,711				
Committed	29,774	220,401	29,773							
<b>Total Other Governmental Funds</b>	<b>\$ 85,377</b>	<b>\$ 220,402</b>	<b>\$ 78,874</b>	<b>\$ - 0 -</b>	<b>\$ 12,711</b>	<b>\$ 12,711</b>	<b>\$ - 0 -</b>	<b>\$ 70,374</b>	<b>\$ 68,507</b>	<b>\$ 49,557</b>
<b>Total All Governmental Funds</b>	<b>\$ 5,638,036</b>	<b>\$ 5,510,426</b>	<b>\$ 4,402,170</b>	<b>\$ 5,387,400</b>	<b>\$ 7,878,907</b>	<b>\$ 10,162,804</b>	<b>\$ 10,347,652</b>	<b>\$ 12,795,656</b>	<b>\$ 14,527,891</b>	<b>\$ 15,189,775</b>

Source: Branchburg Township School District financial reports.

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

UNAUDITED

(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues:</b>										
Tax Levy	\$ 38,375,977	\$ 38,904,430	\$ 39,742,056	\$ 41,094,213	\$ 41,732,088	\$ 42,160,737	\$ 42,662,881	\$ 43,526,925	\$ 44,349,936	\$ 44,807,928
Tuition	174,100	154,218	117,608	152,146	209,061	140,303	172,206	129,602	114,906	136,778
Transportation Fees From Other LEAs										277,317
Interest Earned on Investments	6,822	5,678	4,486	6,847	15,929	55,460	159,582	102,926	16,270	
Interest Earned on Capital Reserve Funds	784	1,154	1,155	1,657	3,072	8,113	20,467	11,268	1,717	2,199
Miscellaneous	397,261	395,573	122,360	143,398	102,995	201,493	279,336	230,298	443,193	818,451
State Sources	5,231,918	4,888,618	5,257,349	5,571,808	6,182,076	6,737,988	7,462,539	7,700,578	9,315,477	11,162,015
Federal Sources	524,203	698,974	592,524	487,007	463,187	528,205	520,590	481,876	697,316	1,066,037
<b>Total Revenue</b>	<b>44,711,065</b>	<b>45,048,645</b>	<b>45,837,538</b>	<b>47,457,076</b>	<b>48,708,408</b>	<b>49,832,299</b>	<b>51,277,601</b>	<b>52,183,473</b>	<b>54,938,815</b>	<b>58,270,725</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	7,753,939	7,772,386	7,955,251	7,894,098	7,719,036	7,874,096	7,984,258	7,792,083	8,457,065	8,817,176
Special Education Instruction	2,651,711	3,231,971	3,273,576	2,984,395	2,994,216	3,072,883	3,111,861	3,306,859	3,319,950	3,454,622
Other Special Instruction	1,119,462	1,019,463	964,216	1,096,442	1,034,996	1,056,649	1,257,445	1,267,485	1,065,124	1,234,478
School-Sponsored/Other Instruction	132,002	184,228	274,810	372,395	384,868	429,005	465,096	498,528	417,331	600,493
<b>Support Services:</b>										
Tuition	12,443,083	12,753,265	13,260,547	12,987,601	12,863,308	12,181,091	12,094,127	12,580,922	13,006,329	13,979,905
Student & Instruction-Related Services	3,175,024	3,069,273	3,131,629	3,155,510	3,184,792	3,424,723	3,277,555	3,274,709	3,182,748	3,638,335
General Administration Services	572,880	670,472	693,985	708,491	562,971	648,940	665,179	657,021	633,845	672,781
School Administration Services	1,098,884	1,051,393	1,077,939	967,675	1,066,325	1,093,830	1,127,759	1,201,810	1,127,719	1,106,890
Central Services	398,009	359,335	344,400	366,049	380,936	385,689	348,622	365,800	365,999	357,777
Administrative Information Technology	335,077	280,473	266,495	111,774	113,714	120,141	101,573	80,768	52,978	62,463
Plant Operations and Maintenance	1,629,510	1,758,171	1,926,153	1,881,080	1,755,110	2,129,316	2,032,049	1,961,192	2,073,474	2,425,820
Pupil Transportation	2,170,791	2,223,660	2,152,300	1,850,927	1,736,612	1,789,017	1,768,816	1,727,872	1,560,361	2,657,367
Unallocated Benefits	7,949,606	7,760,772	8,334,630	8,872,757	9,492,374	10,357,174	10,947,691	11,080,365	12,912,584	13,933,340
Capital Outlay	575,916	781,293	1,033,513	955,716	729,429	941,054	3,834,778	2,585,332	2,919,535	2,467,145
Debt Service:										
Principal	1,075,000	1,125,000	1,165,000	1,235,000	1,505,000	1,215,000	1,285,000	1,410,000	1,420,000	1,510,000
Interest and Other Charges	1,174,544	1,135,100	1,091,350	1,045,300	693,214	829,794	790,944	695,891	691,538	634,837
Charter Schools										55,412
<b>Total Expenditures</b>	<b>44,255,438</b>	<b>45,176,255</b>	<b>46,945,794</b>	<b>46,485,210</b>	<b>46,216,901</b>	<b>47,548,402</b>	<b>51,092,753</b>	<b>50,486,637</b>	<b>53,206,580</b>	<b>57,608,841</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>455,627</b>	<b>(127,610)</b>	<b>(1,108,256)</b>	<b>971,866</b>	<b>2,491,507</b>	<b>2,283,897</b>	<b>184,848</b>	<b>1,696,836</b>	<b>1,732,235</b>	<b>661,884</b>

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

UNAUDITED  
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other Financing Sources/(Uses):										
NJEDA/SDA Grants (Cancelled)	\$ (1,885)			\$ (13,317)				\$ 4,370,000		
Refunding Bonds Issued				15,490,000				(4,635,000)		
School Bonds Defeased				(17,100,000)				(108,245)		
Bond Issuance Costs				(141,823)				(66,951)		
Deferred Amount on Refunding				(375,417)				440,196		
Original Issuance Bond Premium	56,310	\$ 246,231		2,127,240						
Transfers In	(56,310)	(246,231)		43,137						
Transfers Out				(16,456)						
Total Other Financing Sources/(Uses)	(1,885)	- 0 -	- 0 -	13,364	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
Excess (Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	\$ 453,742	\$ (127,610)	\$ (1,108,256)	\$ 985,230	\$ 2,491,507	\$ 2,283,897	\$ 184,848	\$ 1,696,836	\$ 1,732,235	\$ 661,884
Debt Service As a % of Noncapital Expenditures	5.43%	5.36%	5.17%	5.27%	5.07%	4.59%	4.59%	4.60%	4.38%	4.05%

Source: Branchburg Township School District financial reports.

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition	Transportation	Rentals- Use of Facilities	Prior Year Refunds	Other	Total
2013	\$ 7,606	\$ 174,100		\$ 280,139	\$ 42,456	\$ 45,399	\$ 549,700
2014	6,832	154,218		270,624		88,078	519,752
2015	5,641	117,608		22,552		78,533	224,334
2016	8,504	152,146		50,670		61,961	273,281
2017	19,001	209,061		73,190		5,751	307,003
2018	63,573	140,303		131,390		35,110	370,376
2019	180,049	172,206		163,953		79,857	596,065
2020	114,194	129,602		182,133		44,450	470,379
2021	17,987	114,906		209,811		189,150	531,854
2022	17,381	136,778	\$ 277,317	219,066		499,269	1,149,811

Source: Branchburg Township School District financial reports.

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

Year End Dec. 31	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized) Valuation
2012	\$ 10,114,500	\$ 1,988,890,400	\$ 29,705,100	\$ 1,422,300	\$ 222,675,600	\$ 506,046,700	\$ 21,245,000	\$ 2,780,099,600	\$ 5,555,411	\$ 2,785,655,011	\$ 188,005,600	\$ 1.38	\$ 2,932,080,663
2013	9,576,300	1,965,401,200	29,377,200	1,359,600	217,471,500	521,820,300	20,000,000	2,765,006,100	5,153,713	2,770,159,813	203,243,200	1.40	2,839,007,795
2014	10,326,400	1,988,040,700	29,649,700	1,316,100	222,821,400	556,367,300	22,000,000	2,830,521,600	4,079,639	2,834,601,239	203,369,800	1.39	2,877,475,796
2015	22,535,500	1,995,476,000	29,974,800	1,316,000	225,697,700	576,756,700	25,000,000	2,876,756,700	4,200,235	2,880,956,935	202,713,800	1.40	2,931,494,083
2016	18,910,800	2,045,433,700	27,597,700	1,310,300	243,296,400	593,317,700	28,000,000	2,957,866,600	4,323,235	2,962,189,835	204,654,700	1.40	3,017,020,874
2017	18,131,400	2,086,801,600	27,847,300	1,281,300	249,325,500	612,645,000	28,500,000	3,024,532,100	4,439,637	3,028,971,737	201,582,200	1.39	3,056,724,791
2018	15,502,500	2,130,749,600	28,511,800	1,306,700	251,093,600	626,334,800	29,925,000	3,083,424,000	4,536,447	3,087,960,447	202,414,600	1.37	3,119,278,203
2019	5,536,500	2,192,152,800	28,891,600	1,285,900	264,305,000	639,030,600	31,660,000	3,162,862,400	4,580,000	3,167,442,400	205,126,700	1.36	3,229,028,884
2020	4,428,300	2,231,354,500	30,879,100	1,233,900	278,969,200	669,334,400	33,920,000	3,250,119,400	4,689,100	3,254,808,500	229,919,800	1.35	3,348,263,449
2021	6,880,000	2,291,351,400	30,969,000	1,205,200	265,958,600	737,416,700	36,800,000	3,370,580,900	4,757,650	3,375,338,550	233,150,100	1.33	3,440,430,304

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

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

<sup>b</sup> Tax rates are per \$100 of assessed value.

Source: Branchburg Township Tax Assessor.

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

Year Ended December 31,	Branchburg Township School District				Overlapping Rates		Total Direct and Overlapping Tax Rate
	Direct Rate		Total Direct	Township of Branchburg		Somerset County	
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>		Branchburg	Somerset County		
2012	\$ 1.31	0.07	\$ 1.38	\$ 0.36	\$ 0.39	\$	2.12
2013	1.32	0.08	1.40	0.37	0.39		2.15
2014	1.31	0.08	1.39	0.37	0.40		2.16
2015	1.33	0.07	1.40	0.37	0.40		2.18
2016	1.33	0.07	1.40	0.39	0.41		2.19
2017	1.32	0.06	1.39	0.39	0.40		2.18
2018	1.31	0.06	1.37	0.39	0.40		2.16
2019	1.30	0.06	1.36	0.39	0.40		2.15
2020	1.29	0.06	1.35	0.39	0.41		2.14
2021	1.27	0.06	1.33	0.38	0.40		2.11

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a General Fund tax levy. The levy when added to other components of the District's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

- <sup>a</sup> The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.
- <sup>b</sup> Rates for debt service are based on each year's requirements.

Source: Branchburg Township Tax Collector and School Business Administrator.

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

	2022		2013		% of Total District Net Valuation Taxable
	Taxpayer	Taxable Assessed Value	Taxpayer	Taxable Assessed Value	
Roche & Genetech Inc.		\$ 113,251,700	Roche & Genetech Inc.	\$ 87,992,000	3.03%
Imclone Systems Corp.		74,328,400	Imclone Systems Corp.	84,323,900	2.90%
Cellco Partnership (Verizon)		46,640,000	Maurice M. Weil, Trustee	27,366,100	0.94%
S/K Old York Road Associates		36,800,000	S/K Old York Road Associates	25,500,000	0.88%
Transco Gas Pipeline Co.		32,587,100	Cellco Partnership (Verizon)	17,300,000	0.60%
Briad Lodging Group Branchburg II		26,513,000	AZ Electronic	14,838,300	0.51%
Global Wells Inv Grp LLC c/o TSEN		25,785,000	Branchburg Commons	15,785,000	0.54%
Allergen Sales LLC		23,380,000	Transcontinental	30,174,300	1.04%
Friedrich D&Weill J, Suc-Co-Trustees		22,800,000	Branchburg Sierra Assoc.	13,205,000	0.45%
Schutz Container Sytems Incorporated		22,005,000	Advance at Branchburg	13,203,300	0.45%
Total		\$ 424,090,200		\$ 329,687,900	11.34%

Source: Branchburg Township Tax Assessor.



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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 38,375,977	\$ 38,375,977	100.00%	\$ - 0 -
2014	38,904,430	38,904,430	100.00%	- 0 -
2015	39,742,056	39,742,056	100.00%	- 0 -
2016	41,094,213	41,094,213	100.00%	- 0 -
2017	41,732,088	41,732,088	100.00%	- 0 -
2018	42,160,737	42,160,737	100.00%	- 0 -
2019	42,662,881	42,662,881	100.00%	- 0 -
2020	43,526,925	43,526,925	100.00%	- 0 -
2021	44,349,936	44,349,936	100.00%	- 0 -
2022	44,807,928	44,807,928	100.00%	- 0 -

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Financed Purchases/ Leases	Bond Anticipation Notes (BANs)			
2013	\$ 28,080,000	\$ 159,260	\$ - 0 -	\$ 28,239,260	2.46%	\$ 1,941
2014	26,955,000	80,892	- 0 -	27,035,892	2.23%	1,862
2015	25,790,000	- 0 -	- 0 -	25,790,000	2.02%	1,783
2016	22,945,000	- 0 -	- 0 -	22,945,000	1.72%	1,584
2017	21,440,000	- 0 -	- 0 -	21,440,000	1.49%	1,482
2018	20,225,000	- 0 -	- 0 -	20,225,000	1.33%	1,391
2019	18,940,000	- 0 -	- 0 -	18,940,000	1.18%	1,302
2020	17,265,000	- 0 -	- 0 -	17,265,000	1.05%	1,190
2021	15,845,000	- 0 -	- 0 -	15,845,000	0.95%	1,074
2022	14,335,000	- 0 -	- 0 -	14,335,000	0.86%	1,074

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

<sup>a</sup> See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the previous calendar year.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation Taxable <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2013	\$ 28,080,000	\$ - 0 -	\$ 28,080,000	1.01%	\$ 1,926
2014	26,955,000	- 0 -	26,955,000	0.97%	1,853
2015	25,790,000	- 0 -	25,790,000	0.91%	1,776
2016	22,945,000	- 0 -	22,945,000	0.80%	1,586
2017	21,440,000	- 0 -	21,440,000	0.72%	1,480
2018	20,225,000	- 0 -	20,225,000	0.67%	1,398
2019	18,940,000	- 0 -	18,940,000	0.61%	1,302
2020	17,265,000	- 0 -	17,265,000	0.55%	1,190
2021	15,845,000	- 0 -	15,845,000	0.49%	1,074
2022	14,335,000	- 0 -	14,335,000	0.42%	972

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

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

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

BRANCBURG TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2021  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable *</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Township of Branchburg	\$10,056,927.83	100.00%	\$ 10,056,928
Somerset County General Obligation Debt	\$268,745,720.00	5.39%	<u>14,479,212</u>
Subtotal, Overlapping Debt			24,536,140
Branchburg School District Direct Debt			<u>14,890,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 39,426,140</u></u>

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

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

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

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 90,935,178	\$ 88,198,109	\$ 87,142,102	\$ 88,649,952	\$ 90,391,503	\$ 92,073,543	\$ 94,204,077	\$ 97,625,179	\$ 100,961,815	\$ 108,420,285
Total Net Debt Applicable to Debt Limit	28,080,000	26,955,000	25,790,000	22,945,000	21,440,000	20,225,000	18,940,000	17,265,000	15,845,000	14,335,000
Legal Debt Margin	\$ 62,855,178	\$ 61,243,109	\$ 61,352,102	\$ 65,704,952	\$ 68,951,503	\$ 71,848,543	\$ 71,848,543	\$ 75,264,077	\$ 85,116,815	\$ 94,085,285

Total Net Debt Applicable to Debt Limit as a % of the Debt Limit	30.88%	30.56%	29.60%	25.88%	23.72%	21.97%	20.11%	17.68%	15.69%	13.22%
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Legal Debt Margin Calculation for Fiscal Year 2022

	Branchburg Township		
	Equalized Valuation Basis		
	2019	2020	2021
Average Equalized Valuation of Taxable Property	\$ 3,396,179,963	\$ 3,454,633,716	\$ 3,991,214,802
Debt Limit (3%* of Average Equalization Value)	\$ 101,881,935	\$ 103,638,113	\$ 119,734,441
Net Bonded School Debt as of June 30, 2022	\$ 108,420,285	\$ 14,335,000	\$ 94,085,285
Legal Debt Margin	\$ 3,614,009,494	\$ 3,614,009,494	\$ 3,614,009,494

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

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

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

<u>Year</u>	<u>Township Population<sup>a</sup></u>	<u>Somerset County Per Capita Personal Income<sup>b</sup></u>	<u>Township Personal Income<sup>c</sup></u>	<u>Township Unemployment Rate<sup>d</sup></u>
2013	14,549	\$ 78,867	\$ 1,147,435,983	5.60%
2014	14,520	83,386	1,210,764,720	4.40%
2015	14,465	88,399	1,278,691,535	4.20%
2016	14,486	92,352	1,337,811,072	3.80%
2017	14,470	99,210	1,435,568,700	3.50%
2018	14,543	104,620	1,521,488,660	3.40%
2019	14,548	110,466	1,607,059,368	2.70%
2020	14,512	112,825	1,637,316,400	6.80%
2021	14,752	112,825	** 1,664,394,400	4.40%
2022	14,752	* 112,825	** 1,664,394,400	*** N/A

N/A - Information is not available.

\* - Latest population data available (2021) was used for calculation purposes.

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

\*\*\* - Latest available population data (2021) and latest available Somerset County per capita personal income (2020) was used for calculation purposes.

Sources:

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

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

	2021		2012			
	Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
AT&T		4,100	2.46%	AT&T	3,000	1.84%
Janssen Pharmaceuticals, Inc.		1,800	1.08%	Verizon Wireless	930	0.57%
The Chubb Corporation		1,800	1.08%	Dendrite	700	0.43%
Johnson and Johnson Pharmaceuticals		1,700	1.02%	Fiddler's Elbow Country Club	210	0.13%
Bloomberg (Princeton Engineering Office)		1,380	0.83%	Trump National	400	0.25%
Ethicon, Inc.		1,100	0.66%	Fabron Technologies	200	0.12%
E-Z Go		1,050	0.63%	Hamilton Farms	175	0.11%
Personal Products Company (J&J)		1,000	0.60%	Kings	120	0.07%
Ortho Clinical Diagnostics		1,000	0.60%	Bedminster Township Board of Education	100	0.06%
Hooper Homes Inc.		900	0.54%	Loral Skynet	80	0.05%
		<u>15,830</u>	<u>9.51%</u>		<u>5,915</u>	<u>3.63%</u>
Total County Employment		<u>166,372</u>		Total County Employment	<u>163,100</u>	

Source: NJ Department of Labor and Workforce Development Office of Research and Information.

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

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction:										
Regular	109.5	110.0	107.3	106.4	108.0	104.8	104.0	107.2	113.0	107.0
Special Education	32.7	49.7	50.5	45.0	45.0	47.3	46.4	45.5	45.0	45.0
Other Special Education	16.0	16.0	18.2	19.7	17.0	15.0	18.0	17.8	21.8	38.0
Support Services:										
Student & Instruction Related Services	58.0	44.6	40.5	42.9	43.0	43.3	47.7	47.4	34.8	35.0
School Administration Services	14.3	13.8	14.0	14.0	13.8	3.0	3.0	3.0	13.0	13.0
General Administration Services	3.0	3.0	3.0	3.0	3.0	13.8	13.8	12.5	3.0	3.0
Central Services and Administrative Information Technology	5.6	6.0	5.5	5.4	9.7	9.0	8.3	8.9	8.4	9.5
Plant Operations and Maintenance	6.0	6.0	9.2	8.6	8.0	7.5	8.7	9.1	9.8	8.5
Pupil Transportation	25.5	25.5	29.7	30.2	28.0	27.0	28.5	29.0	27.2	27.5
<b>Total</b>	<b>270.5</b>	<b>274.6</b>	<b>277.9</b>	<b>275.2</b>	<b>275.4</b>	<b>270.5</b>	<b>278.4</b>	<b>280.4</b>	<b>276.0</b>	<b>286.5</b>

Source: Branchburg Township School District personnel records.



BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>b</sup>	Percent Change	Teaching Staff <sup>c</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>d</sup>	Average Daily Attendance (ADA) <sup>d</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle				
2013	2,472	\$ 41,429,978	\$ 16,760	2.59%	158	12:1	10:1	1,696	1,630	-2.36%	96.11%
2014	2,422	42,134,862	17,397	3.80%	162	11:1	9:1	1,624	1,562	-4.25%	96.18%
2015	2,328	43,655,931	18,753	7.79%	160	10:1	9:1	1,557	1,497	-4.13%	96.15%
2016	2,236	43,249,194	19,342	3.14%	162	9:1	9:1	1,459	1,407	-6.29%	96.44%
2017	2,166	43,289,258	19,986	3.33%	153	9:1	10:1	1,462	1,406	0.21%	96.17%
2018	2,191	44,562,554	20,339	1.77%	152	9:1	10:1	1,444	1,382	-1.23%	95.71%
2019	2,097	45,182,031	21,546	5.94%	163	9:1	8:1	1,439	1,382	-0.35%	96.04%
2020	2,031	45,795,414	22,548	4.65%	164	8:1	8:1	1,384	1,346	-3.82%	97.25%
2021	2,031	48,175,507	23,720	5.20%	177	8:1	8:1	1,384	1,346	0.00%	97.25%
2022	1,941	52,996,859	27,304	15.11%	177	9:1	9:1	1,297	1,233	-6.29%	95.07%

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

<sup>a</sup> Operating expenditures equal total expenditures less debt service and capital outlay.

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

<sup>c</sup> Teaching staff includes only full-time equivalents of certificated staff.

<sup>d</sup> Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Source: Branchburg Township School District records.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

<u>District Building</u>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Old York Elementary School	*	*	*	*	*	*	*	*	*	*
Square Feet										
Capacity (Students)	*	*	*	*	*	*	*	*	*	*
Enrollment	*	*	*	*	*	*	*	*	*	*
Stony Brook Elementary School										
Square Feet	47,368	47,368	47,368	47,368	47,368	47,368	47,368	47,368	47,368	47,368
Capacity (Students)	398	398	398	398	398	398	398	398	398	398
Enrollment	360	360	350	326	337	342	316	265	284	284
Whiton Elementary School										
Square Feet	90,321	90,321	90,321	90,321	90,321	90,321	90,321	90,321	90,321	90,321
Capacity (Students)	792	792	792	792	792	792	792	792	792	792
Enrollment	733	660	647	615	629	593	624	613	614	580
Central Middle School										
Square Feet	141,310	141,310	141,310	141,310	141,310	141,310	141,310	141,310	141,310	141,310
Capacity (Students)	733	733	733	733	733	733	733	733	733	733
Enrollment	603	604	566	524	501	500	499	504	486	429

Number of Schools at June 30, 2022:

Elementary = 2  
 Middle School = 1

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

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

Source: Branchburg Township School District Facilities Office.

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

Undistributed Expenditures:

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

Fiscal Year	Central Middle School	Old York Elementary School	Stony Brook Elementary School	Whiton Elementary School	Total All Facilities
2013	\$ 173,357	\$ 48,910	\$ 66,191	\$ 130,587	\$ 419,045
2014	169,426	46,418	87,106	100,798	403,748
2015	206,601	68,850	88,361	191,394	555,206
2016	198,555	72,799	79,390	159,864	510,608
2017	160,792	59,481	68,161	141,017	429,451
2018	190,531	61,925	87,254	485,391	825,101
2019	234,259	80,937	98,128	185,330	598,654
2020	223,896	89,030	100,178	127,558	540,662
2021	265,935	75,914	106,286	206,374	654,509
2022	276,960	115,882	123,936	338,468	855,246

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

BRANCBURG TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2022  
UNAUDITED

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

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

Source: Branchburg Township School District records.

SINGLE AUDIT SECTION

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Branchburg Township School District, in the County of Somerset (the "District") as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2022. That report included a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

**Report on Internal Control Over Financial Reporting**

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

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

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

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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 30, 2022  
Mt. Arlington, New Jersey

*Nisivoccia, LLP*

NISIVOCCIA, LLP

*Kathryn L. Mantell*

Kathryn L. Mantell

Licensed Public School Accountant #884

Certified Public Accountant

Report on Compliance For Each Major Federal and State Program;  
Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

Independent Auditors' Report

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

**Report on Compliance for Each Major Federal and State Program**

***Opinion on Each Major Federal and State Program***

We have audited the Branchburg Township School District's (the District's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2022. 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.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2022.

***Basis for Opinion on Each Major Federal and State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.



### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

November 30, 2022  
Mt. Arlington, New Jersey

*Nisivoccia, LLP*  
NISIVOCCIA, LLP

*Kathryn L. Mantell*  
\_\_\_\_\_  
Kathryn L. Mantell  
Licensed Public School Accountant #884  
Certified Public Accountant

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2021		Cash Received	Budgetary Expenditures	Balance June 30, 2022	
					Accounts Receivable	Unearned Revenue			(Budgetary Accounts Receivable)	Budgetary Unearned Revenue
U.S. Department of Agriculture:										
Passed-through State Department of Agriculture:										
Child Nutrition Cluster:										
Federal Food Distribution Program	10.555	N/A	7/1/21-6/30/22	\$ 31,417	\$	31,417	\$ (29,637)	\$	1,780	
Federal Food Distribution Program	10.555	N/A	7/1/20-6/30/21	25,250	\$	11,985	(11,985)			
COVID-19:										
Seamless Summer Option	10.555	N/A	7/1/21-6/30/22	585,446		543,693	(585,446)	\$ (41,753)		
Seamless Summer Option	10.555	N/A	7/1/20-6/30/21	149,227	\$	(13,660)				
Emergency Operational Costs						4,693	(4,693)			
Reimbursement Program	10.555	N/A	7/1/21-6/30/22	4,693		593,463	(631,761)	(41,753)	1,780	
Subtotal Child Nutrition Cluster										
COVID-19 Pandemic P-EBT						1,242	(1,242)			
Administrative Costs	10.649	N/A	7/1/21-6/30/22	1,242		594,705	(633,003)	(41,753)	1,780	
Total Enterprise Funds										
U.S. Department of Education										
Passed-through State Department of Education:										
Special Education Cluster:										
I.D.E.A. Part B, Basic	84.027	IDEA-0510-22	7/1/21-9/30/22	364,281		329,390	(364,281)	(34,891)		
I.D.E.A. Part B, Preschool	84.173	IDEA-0510-22	7/1/21-9/30/22	20,552		20,534	(20,537)	(3)		
I.D.E.A. Part B, Preschool	84.173	IDEA-0510-21	7/1/20-9/30/21	20,611		15	(15)			
COVID-19 - ARP - I.D.E.A. Part B, Basic	84.027X	IDEA-0510-22	7/1/21-9/30/22	56,999		56,999	(56,999)			
COVID-19 - ARP - I.D.E.A. Part B, Preschool	84.173X	IDEA-0510-22	7/1/21-9/30/22	4,866		285	(4,789)	(4,504)		
Total Special Education Cluster						407,223	(446,621)	(39,398)		
ESEA Consolidated:										
Title I	84.010	ESEA-0510-21	7/1/20-9/30/21	102,988		22,671				
Title II - Part A	84.367A	ESEA-0510-22	7/1/21-9/30/22	47,396		37,387	(44,623)	(7,236)		
Title II - Part A	84.367A	ESEA-0510-21	7/1/20-9/30/21	35,117		5,683				
Title IV	84.424	ESEA-0510-22	7/1/21-9/30/22	12,610		9,909	(12,610)	(2,701)		
Title IV	84.424	ESEA-0510-21	7/1/20-9/30/21	8,326		1,640				
Subtotal ESEA Consolidated						77,290	(57,233)	(9,937)		
Education Stabilization Fund:										
COVID-19 - CRRSA:										
ESSER II	84.425D	S425D210027	3/12/20-9/30/23	219,699		133,184	(219,698)	(86,514)		
Learning Acceleration	84.425D	S425D210027	3/12/20-9/30/23	25,000		5,260	(12,637)	(7,377)		
Mental Health	84.425D	S425D210027	3/12/20-9/30/23	45,000		23,951	(39,617)	(15,666)		
COVID-19 - ARP:										
ESSER III	84.425U	S425U210027	3/12/20-9/30/24	493,759		141,446	(187,176)	(45,730)		
NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/12/20-9/30/24	45,000		2,202	(2,734)	(532)		
Total Education Stabilization Fund						306,043	(461,862)	(155,819)		
Total U.S. Department of Education						790,556	(965,716)	(205,154)		

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2021		Balance June 30, 2022		Amounts Provided to Subrecipients
					Accounts Receivable	Unearned Revenue	(Budgetary Accounts Receivable)	Budgetary Unearned Revenue	
U.S. Department of Treasury: Passed-through State Department of Education: COVID-19 ACSERS (Additional or Compensatory Special Education and Related Services to Students with Disabilities)	21.027	N/A	7/1/21-6/30/22	\$ 221,376		\$ (221,376)	\$ (221,376)		
Total U.S. Department of Treasury						(221,376)	(221,376)		
Total Special Revenue Fund				\$ 790,556		(1,187,092)	(426,530)		
Total Federal Awards				\$ (43,654)	\$ 11,985	\$ (1,820,095)	\$ (468,283)	\$ 1,780	\$ - 0 -

N/A - Not applicable/available.

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2021			Balance June 30, 2022			MEMO	
				Budgetary			GAAP			Budgetary Accounts Receivable	Cumulative Total Expenditures
				Budgetary Accounts Receivable	Due to Grantor	Cash Received	Budgetary Expenditures	Paid to Grantor	GAAP Accounts Receivable		
<b>New Jersey Department of Education</b>											
<b>General Fund:</b>											
Special Education											
Categorical Aid	22-495-034-5120-089	7/1/21-6/30/22	\$ 1,850,306	\$ 1,671,106	\$ (1,850,306)	\$ 179,200	\$ 1,850,306				
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	708,668	640,034	(708,668)	68,634	708,668				
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	193,608	174,857	(193,608)	18,751	193,608				
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	1,032,838		(1,032,838)		1,032,838				
Nonpublic Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	37,990		(37,990)		37,990				
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	1,030,649	1,030,649	(1,030,649)						
On-Behalf TPAF Post Retirement Contributions	22-495-034-5094-001	7/1/21-6/30/22	1,180,265		(1,180,265)						
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	7/1/21-6/30/22	4,981,349		(4,981,349)						
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	7/1/21-6/30/22	70,280		(70,280)						
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	7/1/21-6/30/22	1,824		(1,824)						
Special Education											
Categorical Aid	21-495-034-5120-089	7/1/20-6/30/21	1,564,948	\$ 151,787	\$ 151,787		1,564,948				
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	708,668	68,735	68,735		708,668				
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	193,608	18,778	18,778		193,608				
School Development Authority:											
Securing Our Children's Future Bond Act	N/A	7/1/20-6/30/21	75,961	75,961	75,961		75,961				
Nonpublic Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	34,800	34,800	34,800		34,800				
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	864,971	864,971	864,971		864,971				
<b>Total General Fund State Aid</b>				4,731,678	(11,087,777)	1,337,413	1,070,828	1,337,413			
Special Revenue Fund:											
N.J. Nonpublic Aid:											
Textbook Aid	22-100-034-5120-064	9/1/21 - 6/30/22	1,920	1,920	(880)						
Textbook Aid	21-100-034-5120-064	9/1/20 - 6/30/21	1,039	\$ 26	\$ (26)				\$ 1,040		
Nursing Aid	22-100-034-5120-070	9/1/21 - 6/30/22	3,584	3,584	(1,893)				1,691		
Nursing Aid	21-100-034-5120-070	9/1/20 - 6/30/21	1,734	291	(291)						
Technology Aid	22-100-034-5120-373	9/1/21 - 6/30/22	1,344	1,344	(714)				630		
Security Aid	22-100-034-5120-509	9/1/21 - 6/30/22	5,600	5,600	(2,820)				2,780		
Security Aid	21-100-034-5120-509	9/1/20 - 6/30/21	2,975	33	(33)						
Handicapped Services:											
Corrective Speech	22-100-034-5120-066	9/1/21 - 6/30/22	3,720	3,720					3,720		
<b>Total Special Revenue Fund</b>				16,168	(6,307)	9,861			9,861		
<b>Total</b>				1,215,032	(11,087,777)	1,337,413	1,070,828	1,337,413			
				350	(350)	9,861			9,861		
				3,720					3,720		
				11,705					11,705		

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2021			Balance June 30, 2022			MEMO		
				Budgetary Accounts Receivable	Due to Grantor	Cash Received	Budgetary Expenditures	Paid to Grantor	GAAP Accounts Receivable	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
<b>Debt Service Fund:</b>												
Debt Service State Aid Support	22-495-034-5120-075	7/1/21-6/30/22	\$ 95,216	\$ 95,216	\$ 95,216	\$ (95,216)	\$ 949	\$ 949	\$ 949	\$ 95,216		
Total Debt Service Fund				95,216	95,216	(95,216)	949	949	949	95,216		
<b>Enterprise Fund:</b>												
COVID-19 Seamless Summer Option	22-100-010-3350-023	7/1/21-6/30/22	13,577	12,628	12,628	(13,577)	\$ 949	\$ 949	\$ 949	13,577		
COVID-19 Seamless Summer Option	21-100-010-3350-023	7/1/20-6/30/21	6,869	947	947					6,869		
Total Enterprise Fund				13,575	13,575	(13,577)	949	949	949	20,446		
Total State Awards Subject to Single Audit Determination				\$ 1,215,979	\$ 350	\$ 4,856,637	\$(11,202,877)	\$ (350)	\$ 1,071,777	\$ 9,861	\$ 14,658,100	
<b>Less: State Awards Not Subject to Single Audit Major Program Determination</b>												
On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Post Retirement Contributions	22-495-034-5094-001	7/1/21-6/30/22				1,180,265						
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	7/1/21-6/30/22				4,981,349						
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	7/1/21-6/30/22				70,280						
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	7/1/21-6/30/22				1,824						
Subtotal - On-Behalf TPAF Pension System Contributions						6,233,718						
Total State Awards Subject to Single Audit Major Program Determination										\$ (4,969,159)		

N/A - Not applicable/available.

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

BRANCBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards include federal and state grant activity of the Board of Education, Branchburg Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2022. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments for the prior year and for the current budget year, which is mandated pursuant to P.L. 2003, C.97. For GAAP purposes, the current year payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$27,285) for the General Fund and (\$121,055) for the Special Revenue Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and the special revenue funds.

BRANCBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 11,060,492	\$ 11,060,492
Special Revenue Fund	\$ 1,066,037	6,307	1,072,344
Debt Service Fund		95,216	95,216
Proprietary Funds - Food Service Enterprise	<u>633,003</u>	<u>13,577</u>	<u>646,580</u>
Total Awards	<u>\$ 1,699,040</u>	<u>\$ 11,175,592</u>	<u>\$ 12,874,632</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2022.



BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over the major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and NJ OMB 15-08*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following awards:

	<u>Assistance Listing/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
State:				
New Jersey Department of Education				
General Fund:				
Special Education Categorical Aid	22-495-034-5120-089	7/1/21-6/30/22	\$ 1,850,306	\$ 1,850,306
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	193,608	193,608

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

Summary of Auditors' Results: (Cont'd)

	<u>Assistance Listing/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Federal:				
Special Education Cluster:				
I.D.E.A. Part B, Basic	84.027	7/1/21-9/30/22	\$ 364,281	\$ 364,281
I.D.E.A. Part B, Preschool	84.173	7/1/21-9/30/22	20,552	20,537
I.D.E.A. Part B, Preschool	84.173	7/1/20-9/30/21	20,611	15
COVID-19 ARP - I.D.E.A. Part B, B	84.027X	7/1/21-9/30/22	56,999	56,999
COVID-19 ARP - I.D.E.A. Part B, P	84.173X	7/1/21-9/30/22	4,866	4,789
Child Nutrition Cluster:				
Federal Food Distribution Program	10.555	7/1/21-6/30/22	31,417	29,637
Federal Food Distribution Program	10.555	7/1/20-6/30/21	25,250	11,985
COVID-19:				
Seamless Summer Option	10.555	7/1/21-6/30/22	585,446	585,446
Emergency Operational Costs Reimbursement Program	10.555	7/1/21-6/30/22	4,693	4,693

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

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Status of Prior Year Findings:

There were no prior year findings.