

**SCHOOL DISTRICT
OF**

**CRANBURY
TOWNSHIP**

**Cranbury Board of Education
Cranbury, New Jersey**

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

**Annual Comprehensive
Financial Report**

of the

Cranbury Township Board of Education

Cranbury, New Jersey

For the Fiscal Year Ended June 30, 2022

**Prepared by
Cranbury Township Board of Education
Finance Department**

CRANBURY TOWNSHIP SCHOOL DISTRICT

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Introductory Section



January 30, 2023

Honorable President and Members of the Board of Education
Cranbury Township School District
23 North Main Street
Cranbury, New Jersey 08512

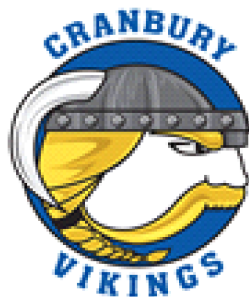
Dear Members of the Board:

The Annual Comprehensive Financial Report (ACFR) of the Cranbury Township School District for the fiscal year ending 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. 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 the operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of federal regulations, cost principals, and audit requirements for federal awards (uniform guidance): and the State of New Jersey Circular OMB 15-08. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

Cranbury Township School District is an independent reporting entity within the criteria adopted by the GASB as established by the NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Cranbury Township Board of Education and the Cranbury Elementary School constitute the District's reporting entity.



The Cranbury Township School District is a comprehensive PK – 8 Public School District. High School students attend Princeton High School through a sending-receiving contract with Princeton Public Schools in Mercer County. High School students include regular, vocational, and special education students. The school district completed the 2021-2022 fiscal year with a total enrollment of 715 students. In prior years, student enrollment at the Cranbury School has seen its ebbs and flows having been decreasing steadily, then increasing slightly. During the 2021-2022 school year, student enrollment at the Cranbury School and at the high school level saw slight increases, with the predominant change coming at the PK-8 Grade Level. A recent demographic study predicted enrollment across all grade levels may realize this slight decrease until steadying out respectively. The increase realized here aligns more closely with enrollment figures reported prior to the 2020-2021 school year. The following data illustrates the changes in student enrollment of the district over the past ten years.

STUDENT ENROLLMENT

<u>Fiscal Year</u>	<u>PK-8 Enrollment</u>	<u>Percent Change</u>	<u>High School Enrollment</u>	<u>Percent Change</u>	<u>Total Enrollment</u>
2011-2012	581	-4.60%	266	-1.48%	847
2012-2013	557	-4.13%	256	-3.76%	813
2013-2014	556	-0.18%	254	-0.78%	810
2014-2015	518	-6.83%	246	-3.15%	764
2015-2016	494	-4.63%	273	10.98%	767
2016-2017	468	-5.26%	277	1.47%	745
2017-2018	477	1.92%	276	-0.36%	753
2018-2019	479	0.42%	270	-2.10%	749
2019-2020	479	0.00%	250	-7.41%	729



2020-2021	458	-4.38%	243	-2.80%	701
2021-2022	472	3.06%	244	0.41%	715

2. ECONOMIC CONDITION AND OUTLOOK:

During the 2021-2022 school year, the Cranbury Township School District received \$910,267 in State Aid funds for the 2022-2023 Budget, which is 4.57% of the General Fund total budget. Given the recent economic climate and the fiscal state of the State, future budgets will most likely continue to be funded by the local taxpayer. Cranbury Township Board of Education continues to prioritize initiatives to optimize operating expenditures. The District has completed numerous ROD Grant projects in recent years that provided approximately 40% subsidy, and is working on submitting another application as the program was announced for the upcoming year. The District recently completed our new Auxiliary Gymnasium addition, funded solely through Capital Reserve Funds to make way for the upcoming bond referendum projects, Full STEAM Ahead, which successfully passed in December of 2021. Construction of those bond referendum projects will commence in the Summer of 2023. We remain steadfast in our commitment to proactively plan for capital projects and are proactively reviewing our most recent Long Range Facilities Plan (LRFP) that will guide our decision-making moving forward. Furthermore, as a result of the Cranbury Township Board of Education’s strong fiscal position, the district has been designated and has held its AAA credit rating since October 2010, solidified again in early 2022 prior to the sale of the Series 2022 Bonds. This rating will benefit the District with lower costs on future financing.

3. MAJOR INITIATIVES:

Cranbury School uses a comprehensive, standards-based core curriculum consisting of English Language Arts, world language, mathematics, science and social studies. These subjects are taught in a thoughtful progression from kindergarten through eighth grade. In addition to the core curriculum, students are also instructed in art, vocal music, instrumental music (grades 4-8), computer literacy, physical education, health/family life, self awareness management education (grades K-5), study skills, and media science. Supplemental support and services are available before, during, and after school hours.

There are a number of key strategies used within the school that encourage and challenge all students to develop their full potential. Instruction is child-centered and based on current research. Multi-sensory learning strategies and materials, progress monitoring through a Response to Intervention (RTI) framework and a



flexible continuum of enrichment and acceleration opportunities are designed to actively challenge and engage students within the learning continuum while also building their competence and confidence. We will continue to expand key educational strategies and overarching frameworks during the 2022-23 school year. The Connected Action Roadmap (CAR) model guides the work of teacher teams - collaborative planning; conversations about student learning; classroom-based assessment development; and the monitoring of student learning results. All curricula are maintained in a searchable database that allows for on-going analysis and revision and enables the public to view our program of studies. We continue to expand the breadth and depth of the use of this important technology. During the 2022-2023 school year, the District will continue to execute action plans for various goals of the Strategic Plan.

4. **INTERNAL ACCOUNTING CONTROLS:**

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

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations 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 structure including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. **BUDGETARY CONTROLS:**

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



An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. These amounts to be re-appropriated are reported as reservations of fund balance on June 30, 2022.

6. ACCOUNTING SYSTEM AND REPORT:

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 and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

7. CASH MANAGEMENT:

The investment policy of the District is guided in large part by statute as detailed in "Notes to the Financial Statements," Note 2. 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 Government Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

8. RISK MANAGEMENT:

The Cranbury Township School District carries various forms of insurance, including but not limited to general liability, hazard and theft insurance on property and contents, and fidelity bonds.

9. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accounts. The accounting firm of Inverso & Stewart, LLC, performs the annual statutory audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations, cost principles, and audit requirements for federal awards (uniform guidance): and State of New Jersey Circular OMB 15-08. The auditor's report on the general purpose financial statements and combining and individual fund statements



and schedules is in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

10. ACKNOWLEDGEMENTS:

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

Respectfully submitted:

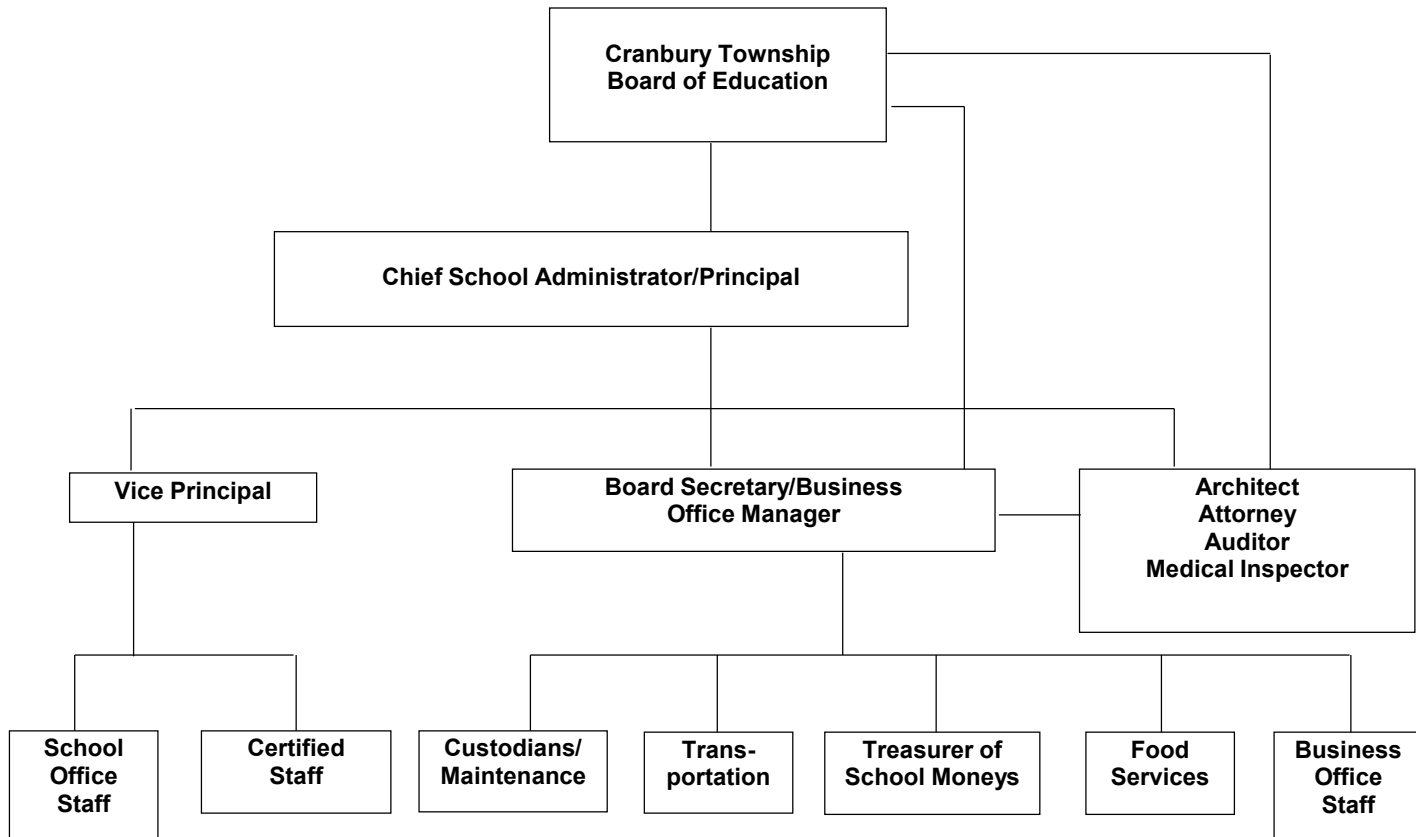
A handwritten signature in black ink that reads "David P. Weidele".

David P. Weidele, Q.P.A., R.P.P.S.
Board Secretary/School Business Administrator

A handwritten signature in black ink that reads "Jennifer K. Diszler Ed.D.". The signature is written in a cursive style.

Jennifer K. Diszler, Ed.D.
Chief School Administrator/Principal

CRANBURY TOWNSHIP BOARD OF EDUCATION
Organizational Chart
(Unit Control)





CRANBURY TOWNSHIP SCHOOL DISTRICT

Roster of Officials
June 30, 2022

Members of the Board of Education:	Term Expires
Dr. Pramod Chivate, President	2022
Dominique Jones, Vice President	2024
Emma Bossard	2024
Rob Christopher	2023
Laura Hoffman	2022
Katherine Lara	2024
Lindsay McDowell	2022
Colleen Raymond	2023
Lisa Rue	2023
 Other Officials:	
Susan L. Genco, Ed. D., Chief School Administrator, Principal	7/1/2021 - 6/30/2022
Jennifer K. Diszler, Ed. D., Incoming Chief School Administrator/Principal	Effective 9/1/2022
Nicole Petrone, Business Administrator/Board Secretary	7/1/2021 - 12/17/2021
Nicole Petrone, Interim Business Administrator/Board Secretary	12/20/2021 - 2/18/2022
Nicholas Puleio, Interim Business Administrator/Board Secretary	1/3/2022 - 2/18/2022
David P. Weidele, Business Administrator/Board Secretary	1/31/2022 - 6/30/2022
Michele Waldron, Assistant Principal	7/1/2021 - 6/30/2022
Jennifer A. Casazza, Ed. D., Incoming Assistant Principal	Effective 9/1/2022
Denise Marabello, Treasurer of School Monies	



CRANBURY TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

Inverso & Stewart, LLC
651 Route 73 North, Suite 402
Marlton, NJ 08053

Attorney

Cornell, Merlino, McKeever, & Osborne, LLC
238 St. Paul Street
Westfield, NJ 07090

Architect

Parette Somjen Architects
439 Route 46 East
Rockaway, NJ 07866

Broker of Record

CBIZ Insurance Services, Inc.
44 Baltimore Street
Cumberland, MD 21502

Official Depositories

Investors Bank
18 Princeton-Hightstown Road
East Windsor, NJ 08520

Lakeland Bank
74 North Main Street
Cranbury, NJ 08512

Financial Section

INVERSO & STEWART, LLC

Certified Public Accountants

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Marlton, New Jersey 08053
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E-Mail: rinverso@inversocpa.com

**-Member of-
American Institute of CPAs
New Jersey Society of CPAs**

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

I 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 Cranbury Township School District (the "District"), in the County of Middlesex, State of New Jersey, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the District, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Emphasis of Matter

Adoption of New Accounting Principle

As discussed in Note 20 to the financial statements, during the fiscal year ended June 30, 2022, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. My opinions are not modified with respect to this matter.

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

My 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 my 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 generally accepted auditing standards and *Government Auditing Standards* and in accordance with accounting principles and practices prescribed by the Office of School Finance, Department of Education, State of New Jersey 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 generally accepted auditing standards, I:

- 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 my 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.

I am 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 I 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, budgetary comparison information, and the schedules related to accounting and reporting for pensions and other post-employment benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey and are not a required part of the basic financial statements. The accompanying schedules of federal awards and state financial assistance, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated January 30, 2023, on my consideration of the District’s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
January 30, 2023

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Cranbury School District
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

As management of the Board of Education of the Township of Cranbury, New Jersey (School District), we offer readers of the School District’s financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$12,796,770 (*net position*).
- Governmental activities have a deficit unrestricted net position of \$774,877. The accounting treatments in the governmental funds for compensated absences payable, pension liability, and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 4% of its adopted budget as unrestricted fund balance are primarily responsible for this minimal amount.
- The total net position of the School District increased by \$1,550,847 or a 13.79% increase from the prior fiscal year-end balance. The majority of the increase is attributable the payment of current debt obligations and the capital projects program.
- Fund balance of the School District’s governmental funds increased by \$18,839,496 resulting in an ending fund balance of \$24,559,355. This increase was mainly the result of bond proceeds in the Capital Fund.
- Business-type activities have unrestricted net position of \$48,506, which may be used to meet the School District’s ongoing obligations of the enterprise-related activities (Food Service Fund).
- The School District’s long-term obligations increased by \$17,493,470 which is the direct result of current year payments on existing debt obligations and a new issue of 2023 school bonds, the increase in compensated absences payable, and the decrease in net pension liability.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District’s basic financial statements. Comparison to the prior year’s activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover all or most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities consolidate the Food Service Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund - the Enterprise Fund. The fund financial statements of the enterprise fund provide the same information as the district-wide financial statements, only in more detail.

The School District's enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

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

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements and equipment. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2023. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2023.

The assets of the primary government activities exceeded liabilities by \$12,730,613 with a deficit unrestricted net position balance of \$774,877. As mentioned earlier, the minimal unrestricted net position is primarily due to the accounting treatment for compensated absences payable, net pension liability and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 4% of its adopted budget as unrestricted fund balance.

The net position of the primary government does not include internal balances.

A net investment of \$(8,922,919), in land, improvements, buildings and equipment which provide the services to the School District's public school students, represents 76.91% of the School District's net position. Net position of \$22,428,409 has been restricted as follows:

Restricted for Future Capital Projects	\$ 21,018,403
Restricted for Future Tuition Costs	900,000
Restricted for Future Maintenance Costs	412,917
Restricted for Future Debt Costs	14,121
Restricted for Unemployment Compensation	54,291
Restricted for Student Activities	25,021
Restricted for Scholarships	<u>3,656</u>
	<u>\$ 22,428,409</u>

**Comparative Summary of Net Position
As of June 30, 2022 and 2021**

	Governmental Activities		Business-Type Activities		District-Wide	
	2022	2021	2022	2021	2022	2021
ASSETS						
Current assets	\$ 24,630,560	\$ 5,792,778	\$ 55,917	\$ 49,015	\$ 24,686,477	\$ 5,841,793
Capital assets	<u>10,043,459</u>	<u>9,519,705</u>	<u>17,651</u>	<u>6,172</u>	<u>10,061,110</u>	<u>9,525,877</u>
Total assets	<u>34,674,019</u>	<u>15,312,483</u>	<u>73,568</u>	<u>55,187</u>	<u>34,747,587</u>	<u>15,367,670</u>
Deferred Outflows of Resources	<u>318,616</u>	<u>489,449</u>			<u>318,616</u>	<u>489,449</u>
LIABILITIES						
Current liabilities	845,980	682,990	7,411	23,334	853,391	706,324
Noncurrent liabilities	<u>20,189,662</u>	<u>2,661,330</u>	<u>7,411</u>	<u>23,334</u>	<u>20,189,662</u>	<u>2,661,330</u>
Total Liabilities	<u>21,035,642</u>	<u>3,344,320</u>	<u>7,411</u>	<u>23,334</u>	<u>21,043,053</u>	<u>3,367,654</u>
Deferred Inflows of Resources	<u>1,226,380</u>	<u>1,243,542</u>			<u>1,226,380</u>	<u>1,243,542</u>
Net Position	<u>\$ 12,730,613</u>	<u>\$ 11,214,070</u>	<u>\$ 66,157</u>	<u>\$ 31,853</u>	<u>\$ 12,796,770</u>	<u>\$ 11,245,923</u>

Cranbury School District
Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		District-Wide	
	2022	2021	2022	2021	2022	2021
Revenues:						
Charges for services	\$ -	\$ 22,000	\$ 3,691	\$ 2,823	\$ 3,691	\$ 24,823
Operating Grants and contributions	5,044,702	5,985,962	263,524	95,648	5,308,226	6,081,610
Capital Grants and contributions					-	-
Property taxes	18,534,639	18,089,829			18,534,639	18,089,829
State aid - unrestricted	1,071,067	846,617			1,071,067	846,617
Other revenues	114,710	115,282	89	24	114,799	115,306
Total Revenues	24,765,118	25,059,690	267,304	98,495	25,032,422	25,158,185
Expenses:						
Governmental Activities:						
Instruction	5,883,445	5,557,718			5,883,445	5,557,718
Tuition	5,340,150	6,015,636			5,340,150	6,015,636
Related Services	1,591,904	1,385,374			1,591,904	1,385,374
Administrative Services	970,236	979,542			970,236	979,542
Operations and Maintenance	1,218,705	1,019,795			1,218,705	1,019,795
Transportation	1,339,688	990,806			1,339,688	990,806
Employee benefits	6,627,564	7,805,411			6,627,564	7,805,411
Special Schools	7,847	9,067			7,847	9,067
Interest on debt	153,839	36,500			153,839	36,500
Other	115,197	115,039			115,197	115,039
Business-Type Activities:						
Food Service			233,000	120,186	233,000	120,186
Total Expenses	23,248,575	23,914,888	233,000	120,186	23,481,575	24,035,074
Increase (Decrease) in Net Position before transfers	1,516,543	1,144,802	34,304	(21,691)	1,550,847	1,123,111
Adjustment to fixed assets					-	-
Transfers		(38,259)		38,259		
Change in Net Position	1,516,543	1,106,543	34,304	16,568	1,550,847	1,123,111
Net Position, July 1	11,214,070	10,023,196	31,853	15,285	11,245,923	10,038,481
Prior Period Adjustment		84,331			-	84,331
Net Position, July 1 Restated	11,214,070	10,107,527	31,853	15,285	11,245,923	10,122,812
Net Position, June 30	\$ 12,730,613	\$ 11,214,070	\$ 66,157	\$ 31,853	\$ 12,796,770	\$ 11,245,923

Governmental Activities

Governmental activities increased the net position of the School District by \$1,516,543 during the current fiscal year, thereby accounting for most of the total gain in the net position of the School District. Key elements of the increase in net position for governmental activities are as follows:

- An increase in long term debt obligations in the amount of \$17,493,470.
- Results of operations of the governmental funds \$18,839,496.

Business-type Activities

Business-type activities increased the School District's net position by \$34,304. Key elements of the increase in net position for governmental activities are as follows:

- The Food Services Fund operated at a gain for this fiscal year.

Financial Analysis of the Governmental Funds

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

Governmental Funds - The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$24,559,355, an increase of \$18,839,496 in comparison with the prior year. This increase is primarily the results of operations in the general fund.

The unassigned fund balance for the School District at the end of the fiscal year represents the General Fund unassigned fund balance of \$604,237. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) restricted cash reserved for future capital outlay expenditures \$21,018,403, 2) reserved for encumbrances \$1,526,709, 3) reserved for future maintenance costs \$412,917, 4) reserved for future debt service payments \$14,121, 5) reserved for future tuition payments \$900,000, 6) reserved for unemployment compensation \$54,291, 7) reserved for student activities \$25,021 and 8) reserved for scholarships \$3,656.

The General Fund is the chief operating fund of the School District. As discussed earlier, the balance in the unassigned fund balance is due, primarily, to the accounting treatment of the June state aid payments as discussed in the notes to the basic financial statements, and state statutes that prohibit New Jersey school districts from maintaining more than 4% of its adopted budget as unassigned fund balance.

General Fund Budgetary Highlights

At the end of the current fiscal year, unassigned fund balance (budgetary basis) of the general fund was \$669,968, while total fund balance (budgetary basis) was \$6,260,146. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance (budgetary basis) and total fund balance (budgetary basis) to total General Fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$21,483,169. Unassigned fund balance (budgetary basis) represents 3.19% of expenditures while total fund balance (budgetary basis) represents 29.14% of that same amount.

Capital Assets and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2022, totaled \$10,012,881 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings and equipment. The total increase in the District's investment in capital assets for the current fiscal year was \$487,004, or 5.11%. The increase is due to the purchase of assets less current year depreciation expense.

**Capital Assets/Leases (net of accumulated depreciation/amortization)
June 30, 2022 and 2021**

	Governmental Activities		Business-Type Activities		District-Wide	
	2022	2021	2022	2021	2022	2021
Land	\$ 451,596	\$ 451,596	\$ -	\$ -	\$ 451,596	\$ 451,596
Const. in Progress					-	-
Site Improvements	692,309	744,909			692,309	744,909
Building and Building Improvements	8,677,440	8,149,771			8,677,440	8,149,771
Equipment	173,885	173,429	17,651	6,172	191,536	179,601
Leases	48,229	72,784			48,229	72,784
Capital Assets, net	<u>\$ 10,043,459</u>	<u>\$ 9,592,489</u>	<u>\$ 17,651</u>	<u>\$ 6,172</u>	<u>\$ 10,061,110</u>	<u>\$ 9,598,661</u>

Additional information on the School District’s capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Long-term debt – During the fiscal year ended June 30, 2022, the School District had total bonded debt outstanding of \$18,917,000 backed by the full faith and credit of the School District. General obligation bonds for the School District increased during the current fiscal year due to the issuance of 2023 school bonds and normal schedule of payments. In addition, the School District had \$166,048 in compensated absences payable as of June 30, 2022.

Additional information on the School District’s long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Economic Factors and Next Year’s Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District’s budget for the 2022-23 fiscal year:

- The 2022-23 budget maintains all programs and services and classroom aides. All areas of spending were maintained level or reduced from the prior year with the following exceptions: regular education salaries, out-of-district special education tuition, staff training, co-curricular and athletics and maintenance and operations.
- For the 2022-23 fiscal year, Cranbury Township Board of Education received \$910,267 in State Aid, which represents only 4.57% of the total budget. The 2022-23 General Fund budget increased by \$192,014 or a 0.97% increase. The 2022 tax rate increased by .023 from the previous year.
- The Cranbury Township School district has committed itself to strong financial controls. The School District spends much time monitoring its budget, scrutinizing spending requests, and has been implementing even stronger internal controls. The School District commits itself to constantly reviewing the ways in which it conducts business, and making improvements whenever possible, in order to meet future challenges and minimize instructional spending.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Cranbury School District Business Administrator, 23A North Main Street, Cranbury, New Jersey, 08755.

Basic Financial Statements

District-Wide Financial Statements

CRANBURY TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 21,019,927	\$ 58,021	\$ 21,077,948
Internal Balances	34,520	(34,520)	
Accounts Receivables, net	466,935	27,478	494,413
Inventory		4,938	4,938
Restricted assets:			
Cash and cash equivalents	3,109,178		3,109,178
Capital assets, net	9,995,230	17,651	10,012,881
Right-to-use lease assets, net	48,229		48,229
Total Assets	<u>34,674,019</u>	<u>73,568</u>	<u>34,747,587</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources from pensions	<u>318,616</u>	<u>-</u>	<u>318,616</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>34,992,635</u>	<u>73,568</u>	<u>35,066,203</u>
LIABILITIES:			
Accounts payable:			
Other	56,716		56,716
Related to pensions	151,876		151,876
Intergovernmental Accounts payable:			
State	930		930
Accrued Liabilities:			
Interest payable	143,247		143,247
Unearned revenue	13,559	7,411	20,970
Noncurrent liabilities:			
Due within one year	479,652		479,652
Due beyond one year	<u>20,189,662</u>		<u>20,189,662</u>
Total Liabilities	<u>21,035,642</u>	<u>7,411</u>	<u>21,043,053</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows of resources from pensions	<u>1,226,380</u>	<u>-</u>	<u>1,226,380</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>22,262,022</u>	<u>7,411</u>	<u>22,269,433</u>
NET POSITION:			
Net investment in capital assets	(8,922,919)	17,651	(8,905,268)
Restricted for:			
Capital projects	21,018,403		21,018,403
Maintenance	412,917		412,917
Tuition	900,000		900,000
Unemployment Compensation	54,291		54,291
Debt Service	14,121		14,121
Student Activities	25,021		25,021
Scholarships	3,656		3,656
Unrestricted (Deficit)	<u>(774,877)</u>	<u>48,506</u>	<u>(726,371)</u>
Total Net Position	<u>\$ 12,730,613</u>	<u>\$ 66,157</u>	<u>\$ 12,796,770</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

CRANBURY TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:							
Instruction:							
Regular	\$ 4,487,069	\$ -	\$ 66,254	\$ -	\$ (4,420,815)	\$ -	\$ (4,420,815)
Special Education	1,110,082		118,883		(991,199)		(991,199)
Other instruction	286,294				(286,294)		(286,294)
Support Services:							
Tuition	5,340,150				(5,340,150)		(5,340,150)
Student & instruction related services	1,591,904		173,388		(1,418,516)		(1,418,516)
General administrative services	454,125				(454,125)		(454,125)
School administrative services	265,992				(265,992)		(265,992)
Central administrative services	250,119				(250,119)		(250,119)
Plant operations and maintenance	1,218,705				(1,218,705)		(1,218,705)
Pupil transportation	1,339,688				(1,339,688)		(1,339,688)
Unallocated employee benefits	6,627,564		4,686,177		(1,941,387)		(1,941,387)
Special Schools	7,847				(7,847)		(7,847)
Interest on long-term debt	153,839				(153,839)		(153,839)
Unallocated depreciation and amortization	115,197				(115,197)		(115,197)
Total Governmental Activities	<u>23,248,575</u>	<u>-</u>	<u>5,044,702</u>	<u>-</u>	<u>(18,203,873)</u>	<u>-</u>	<u>(18,203,873)</u>
Business-Type Activities:							
Food service	233,000	3,691	263,524	-	-	34,215	34,215
Total Business-Type Activities	<u>233,000</u>	<u>3,691</u>	<u>263,524</u>	<u>-</u>	<u>-</u>	<u>34,215</u>	<u>34,215</u>
Total Primary Government	<u>\$ 23,481,575</u>	<u>\$ 3,691</u>	<u>\$ 5,308,226</u>	<u>\$ -</u>	<u>(18,203,873)</u>	<u>34,215</u>	<u>(18,169,658)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					18,067,639		18,067,639
Taxes levied for debt service					467,000		467,000
Federal and State aid unrestricted					1,071,067		1,071,067
Investment and Interest earnings - restricted					11,992		11,992
Miscellaneous					102,718	89	102,807
Total general revenues, special items, extraordinary items and transfers					<u>19,720,416</u>	<u>89</u>	<u>19,720,505</u>
Change in Net Position					1,516,543	34,304	1,550,847
Net Position - July 1,					11,214,070	31,853	11,245,923
Net Position - June 30					<u>\$ 12,730,613</u>	<u>\$ 66,157</u>	<u>\$ 12,796,770</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

Fund Financial Statements

CRANBURY TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 5,710,734	\$ 28,677	\$ 18,389,694	\$ -	\$ 24,129,105
Interfund Accounts Receivable					
General Fund		154,028			154,028
Special Revenue Fund	285,991				285,991
Capital Projects Fund	53,431			14,121	67,552
Enterprise Fund	34,520				34,520
Intergovernmental Accounts Receivables:					
State	317,529				317,529
Federal		143,552			143,552
Other Accounts Receivable	5,854				5,854
Total Assets	\$ 6,408,059	\$ 326,257	\$ 18,389,694	\$ 14,121	\$ 25,138,131
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Accounts Payable			53,431		53,431
General Fund		285,991			285,991
Special Revenue Fund	154,028				154,028
Debt Service Fund			14,121		14,121
Intergovernmental Accounts Payable					
State		930			930
Accounts Payable:					
Payroll Deductions and Withholdings Payable	4,707				4,707
Unemployment Claims Payable	28,692				28,692
Other	23,317				23,317
Unearned Revenue	2,900	10,659			13,559
Total Liabilities	213,644	297,580	67,552		578,776
Fund Balances:					
Restricted:					
Capital Reserve	2,696,261				2,696,261
Maintenance Reserve	412,917				412,917
Tuition Reserve	900,000				900,000
Unemployment Compensation	54,291				54,291
Capital projects			16,924,514		16,924,514
Debt service				14,121	14,121
Student Activities		25,021			25,021
Scholarships		3,656			3,656
Assigned to:					
Other Purposes	1,526,709		1,397,628		2,924,337
Unassigned	604,237				604,237
Total Fund Balances	6,194,415	28,677	18,322,142	14,121	24,559,355
Total Liabilities and Fund Balances	\$ 6,408,059	\$ 326,257	\$ 18,389,694	\$ 14,121	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$21,809,857 and the accumulated depreciation is \$11,814,627. 9,995,230

Leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$72,784 and the accumulated amortization is \$24,555. 48,229

Accrued interest on debt is not due and payable in the current period and therefore is not reported as a liability in the funds. (143,247)

Accounts payable related to the April 1, 2023 required PERS contribution that is not to be liquidated with current financial resources. (151,876)

The District's proportionate share of net pension assets and liabilities as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:

Deferred Outflows of resources from Pensions	\$ 318,616	
Net Pension Liability	(1,536,888)	
Deferred Inflows of resources from Pensions	(1,226,380)	(2,444,652)

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:

General Obligation Bonds	(18,917,000)	
Leases Payable	(49,378)	
Compensated Absences Payable	(166,048)	
		(19,132,426)

Net position of governmental activities **\$ 12,730,613**

CRANBURY TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local property tax levy	\$ 18,067,639	\$ -	\$ -	\$ 467,000	\$ 18,534,639
Tuition charges	11,900				11,900
Rents and royalties					
Interest earned on capital reserve	10,519				10,519
Interest earned on maintenance reserve	1,242				1,242
Other restricted miscellaneous revenues	231				231
Unrestricted miscellaneous revenues	76,697		14,121		90,818
Federal sources		296,930			296,930
State sources	3,818,172	3,501			3,821,673
Local sources		58,094			58,094
Total Revenues	21,986,400	358,525	14,121	467,000	22,826,046
EXPENDITURES:					
Current expense:					
Regular instruction	4,018,514	66,254			4,084,768
Special education instruction	991,199	118,883			1,110,082
Other instruction	286,294				286,294
Support services and undistributed costs:					
Tuition	5,340,150				5,340,150
Student & instruction related services	1,496,507	95,397			1,591,904
General administrative services	422,870				422,870
School administrative services	265,992				265,992
Central administrative services	248,892				248,892
Plant operations and maintenance	1,092,610				1,092,610
Pupil transportation	1,330,381				1,330,381
Employee benefits	5,041,590				5,041,590
Capital outlay	940,323	77,989	139,858		1,158,170
Special schools	7,847				7,847
Debt service:					
Principal				440,000	440,000
Interest and other charges				27,000	27,000
Total Expenditures	21,483,169	358,523	139,858	467,000	22,448,550
Excess (Deficiency) of Revenues over (under) Expenditures	503,231	2	(125,737)		377,496
Other Financing Sources (Uses):					
Proceeds of serial bonds			18,462,000		18,462,000
Transfers in				14,121	14,121
Transfers out			(14,121)		(14,121)
Total Other Financing Sources (Uses)			18,447,879	14,121	18,462,000
Net Change in Fund Balances	503,231	2	18,322,142	14,121	18,839,496
Fund Balances - July 1	5,691,184	28,675			5,719,859
Fund Balances - June 30	\$ 6,194,415	\$ 28,677	\$ 18,322,142	\$ 14,121	\$ 24,559,355

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

CRANBURY TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2022

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 18,839,496

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

Governmental Funds report capital outlays 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 exceeded depreciation in the current period.

Depreciation expense	\$ (585,349)	
Capital outlay additions	<u>1,060,874</u>	475,525

Capital outlays related to leases are reported in the governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as amortization expense. This is the amount by which capital outlays exceeded amortization in the current fiscal year.

Amortization expense	(24,555)	
Lease Asset Additions	<u>-</u>	(24,555)

Repayment of long-term debt 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.

440,000

Repayment of leases 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.

23,406

The proceeds of a bond issue is an other financing source of revenue in the governmental funds but is not reported in the statement of activities.

(18,462,000)

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. This amount is the net effect of the difference in the treatment of interest on long-term debt.

(126,839)

Net differences between pension system contributions recognized in the fund statement of revenues, expenditures and changes in fund balances and the statement of activities.

353,098

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

(1,588)

Change in net position of Governmental Activities

\$ 1,516,543

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

CRANBURY TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-Type Activities Enterprise Funds
	Food Service Fund
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 58,021
Intergovernmental receivables:	
State	15,120
Federal	12,358
Inventories	4,938
Total current assets	90,437
Noncurrent assets:	
Machinery and equipment (net of accumulated depreciation)	17,651
Total noncurrent assets	17,651
Total Assets	108,088
LIABILITIES:	
Current liabilities:	
Interfund payable	34,520
Unearned revenue	7,411
Total current liabilities	41,931
NET POSITION:	
Net investment in capital assets	17,651
Unrestricted	48,506
Total Net Position	\$ 66,157

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

CRANBURY TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2022

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Food Service Fund</u>
Operating Revenues:	
Charges for Services:	
Daily sales:	
Reimbursable programs	\$ -
Non-reimbursable programs	1,593
Special functions	2,098
	3,691
Operating Expenses:	
Salaries	77,789
Employee benefits	20,114
Management fee	15,574
Supplies and materials	11,919
Miscellaneous	13,302
Depreciation	531
Cost of sales - reimbursable programs	92,432
Cost of sales - nonreimbursable programs	1,339
	233,000
Total Operating Expenses	233,000
Operating Income (Loss)	(229,309)
Non-Operating Revenues:	
State sources:	
State school lunch program	5,513
Federal sources:	
Food distribution program	8,665
National school lunch program	234,302
EM Schools	1,792
PEBT Administrative Costs	1,242
CNP School Meals Equipment	12,010
Local sources:	
Interest earned	89
	263,613
Total Non-Operating Revenues	263,613
Changes in Net Position	34,304
Net Position - July 1, 2021	31,853
Net Position - June 30, 2022	\$ 66,157

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

CRANBURY TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2022

	Business-Type Activities Enterprise Funds
	Food Service Fund
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 2,093
Cash payments to employees for services	(97,903)
Cash payments to suppliers for goods and services	(105,528)
Net Cash Provided by (used for) Operating Activities	(201,338)
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	6,327
Cash received from federal sources	250,385
Miscellaneous	
Net Cash Provided by (used for) Noncapital Financing Activities	256,712
Cash Flow Provided by Investing Activities:	
Interest on Cash Equivalents	89
Net Increase (Decrease) in Cash and Cash Equivalents	55,463
Cash and Cash Equivalents - July 1, 2021	2,558
Cash and Cash Equivalents - June 30, 2022	\$ 58,021
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Operating Income (Loss)	\$ (229,309)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (used for) Operating Activities:	
Depreciation	531
Federal Commodities	8,665
Change in Assets and Liabilities:	
(Increase) Decrease in Inventories	688
Increase (Decrease) in Unearned Revenue	(1,597)
Increase (Decrease) in Interfund Payables	34,009
Increase (Decrease) in Accounts Payables	(14,325)
Net Cash Provided by (used for) Operating Activities	\$ (201,338)

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Cranbury Township School District (“School District”) is a Type II district located in the County of Middlesex, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board of Education is comprised of nine members elected to three-year terms. These terms are staggered so that three member’s terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 8. Students in grades 9 through 12 attend on a tuition basis, the Princeton Regional High School District. The Cranbury Township School District has an approximate enrollment at June 30, 2022 of 477 students.

The primary criteria for including activities within the School District’s reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control.

Component Units – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government’s management determines that it would be misleading to exclude them. GASB Statement No. 80, *Blending Requirements for Certain Component Units* - an Amendment of GASB Statement No. 14 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criteria requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

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

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

Government-wide Statements - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net position presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program.

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Government-wide Statements (Continued) - Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School 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. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

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

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

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund - The Special Revenue Fund is used to account for and report the proceeds of specific revenues sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund - The Capital Projects Fund is used to account and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds - Proprietary funds are used to account for the School District’s ongoing activities, which are similar to those in the private sector.

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

The School District’s enterprise funds are:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

All proprietary funds are accounted for on a cost of services or “capital maintenance” measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into investment in capital assets, net of related debt, and unrestricted net position, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position.

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

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

Fund Financial Statements (Continued) – Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e. revenues) and decreases (i.e. expenses) in net total position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange 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 a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that 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 School District, available means expected to be received within sixty days after fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of restricted formula aids recorded in the special revenue fund, 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 fiscal 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.

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as unearned revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets/Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. 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. 6:23A-16.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets/Budgetary Control (Continued) - Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund. 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 budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1, Exhibit C-2 and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances – governmental funds. Note that the School District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the one or more June state aid payments.

Encumbrances - Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, and all eligibility and time requirements satisfied are reflected on the balance sheet as unearned grant 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.

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured.

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents and Investments (Continued) - All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

Tuition Receivable - Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2022 and 2021 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

Inventories - Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out basis.

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed and is not recorded since any amounts are considered immaterial to the basic financial statements.

Inventories recorded in the government-wide financial statements and in the proprietary fund types are recorded as expenditures when consumed rather than when purchased.

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2022.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Deferred Outflows/Inflows of Resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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 School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Capital Assets - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and the proprietary fund statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure.

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued) - Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land and Improvements	10-20 years	N/A
Buildings and Improvements	10-50 years	N/A
Furniture and Equipment	5-20 years	12 years
Vehicles	5-10 years	4-6 years

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.

Compensated Absences - Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and are recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full, from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

Net Position - Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or law or regulations of other governments.

Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

It is the School District’s policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

Fund Balance – The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District’s classifications, and policies for determining such classifications, are as follows:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2022.

Restricted – This fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District’s highest level of decision-making authority, which for the School District is the Board of Education. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action imposing the commitment.

Assigned – This fund balance classification includes amounts that are constrained by the School District’s *intent* to be used for specific purposes but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the Business Administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

Unassigned – This fund balance classification is the residual classification for the General Fund. It represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the School District’s policy to spend restricted fund balances first. Likewise, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and federal and state subsidy reimbursements for the food service program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses.

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfunds – Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Recently Issued Accounting Pronouncements – In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosure regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is currently evaluating the impact of the adoption of this Statement on the District’s financial statements.

In June 2022 the GASB issued Statement 100, *Accounting Changes and Error Corrections- An Amendment of GASB Statement No. 62* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

In June 2022 the GASB issued Statement 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District’s deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17.9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA.

However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District’s amount on deposit of \$24,968,412, as of June 30, 2022, \$500,000 was insured under FDIC and the remaining balance of \$24,468,412 was collateralized under GUDPA.

3. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District 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 School District’s approved Long-Range Facilities Plan (LRFP). Upon submission of the LRFP to the New Jersey Department of Education, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both.

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

3. CAPITAL RESERVE ACCOUNT (Continued)

A school 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-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Balance July 1, 2021		\$	3,522,374
Increased by:			
Interest Earned	\$		10,519
Unspent Appropriations			53,742
Transfer from Capital Projects			-
Board Resolution		<u>1,332,000</u>	
			<u>1,396,261</u>
			4,918,635
Decreased by:			
Budget Withdrawal			<u>2,222,374</u>
Balance June 30, 2022		<u>\$</u>	<u>2,696,261</u>

The June 30, 2022 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

4. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2022 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Accounts receivable at June 30, 2022 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Fund	Total
Intergovernmental					
State	\$ 317,529	\$ -	\$ -	\$ 15,120	\$ 332,649
Federal	-	143,552	-	12,358	155,910
Other	<u>5,854</u>	-	-	-	<u>5,854</u>
Total	<u>\$ 323,383</u>	<u>\$ 143,552</u>	<u>\$ -</u>	<u>\$ 27,478</u>	<u>\$ 494,413</u>

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Deletions/ Adjustments</u>	<u>Balance June 30, 2022</u>
Governmental Activities:				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 451,596	\$ -	\$ -	\$ 451,596
Construction in progress				
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets not being depreciated	451,596			451,596
<i>Capital Assets, being depreciated:</i>				
Site Improvements	1,361,914			1,361,914
Building and Improvements	17,370,813	1,045,768		18,416,581
Equipment	1,564,660	15,106		1,579,766
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets being depreciated	20,297,387	1,060,874		21,358,261
<i>Less Accumulated Depreciation:</i>				
Site Improvements	(617,005)	(52,600)		(669,605)
Building and Improvements	(9,221,042)	(518,099)		(9,739,141)
Equipment	(1,391,231)	(14,650)		(1,405,881)
	<hr/>	<hr/>	<hr/>	<hr/>
Total accumulated depreciation	(11,229,278)	(585,349)		(11,814,627)
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets being depreciated, net	9,068,109	475,525		9,543,634
	<hr/>	<hr/>	<hr/>	<hr/>
Governmental Activities Capital Assets, Net	<u>\$ 9,519,705</u>	<u>\$ 475,525</u>	<u>\$ -</u>	<u>\$ 9,995,230</u>
 Business-Type Activities:				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$ 82,894	\$ 12,010	\$ -	\$ 94,904
Less accumulated depreciation	(76,722)	(531)		(77,253)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Capital Assets, being depreciated, net	6,172	11,479		17,651
	<hr/>	<hr/>	<hr/>	<hr/>
Business-Type Activities Capital Assets, Net	<u>\$ 6,172</u>	<u>\$ 11,479</u>	<u>\$ -</u>	<u>\$ 17,651</u>

Depreciation expense in the amount of \$585,349 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 403,247
Transportation	9,307
Administration	28,799
Business Services	28,799
Unallocated	<hr/> 115,197
Total depreciation expense	<u><u>\$ 585,349</u></u>

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

6. LEASE ASSETS

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	(Restated) Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Governmental Activities:				
Lease Assets, being Amortized:				
Machinery and Equipment	\$ 72,784	\$ -	\$ -	\$ 72,784
Total Lease Assets Being Amortized	72,784	-	-	72,784
 Governmental Activities				
Lease Assets	72,784	-	-	72,784
 Less Accumulated Amortization for:				
Machinery and Equipment		(24,555)	-	(24,555)
Total Accumulated Amortization	-	(24,555)	-	(24,555)
 Governmental Activities Lease Assets, Net	\$ 72,784	\$ (24,555)	\$ -	\$ 48,229

Amortization expense in the amount of \$24,555 was charged to governmental functions as follows:

Function	Amount
Regular Instruction	\$ 20,872
Administration	2,456
Central Services	1,227
	\$ 24,555

7. INVENTORY

Inventory in the food service fund at June 30, 2022 consisted of the following:

Food	\$ 2,888
Supplies	2,050
	\$ 4,938

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

8. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2022, the following changes occurred in long-term obligations:

	(Restated) Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 164,460	\$ 3,846	\$ 2,258	\$ 166,048	\$ -
General Obligation Bonds	895,000	18,462,000	440,000	18,917,000	455,000
Leases Payable	72,784		23,406	49,378	24,652
Net Pension Liability	2,043,600	-	506,712	1,536,888	-
	<u>\$ 3,175,844</u>	<u>\$ 18,465,846</u>	<u>\$ 972,376</u>	<u>\$ 20,669,314</u>	<u>\$ 479,652</u>

Bonds Payable - Bonds and loans are authorized in accordance with State law by the voters of the School District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Outstanding bonds issued by the School District are as follows:

2010 Refunding Bonds dated July 15, 2010 in the amount of \$455,000 due in annual installments through July 15, 2022, bearing an interest rate of 4.00%.

2023 School Bonds dated March 9, 2022 in the amount of \$18,462,000 due in annual installments through August 15, 2041, bearing from 1.50% to 2.95%.

As of June 30, 2022, principal and interest due on bonds outstanding is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 455,000	\$ 417,948	\$ 872,948
2024	857,000	431,624	1,288,624
2025	785,000	417,346	1,202,346
2026	800,000	401,496	1,201,496
2027	820,000	385,296	1,205,296
2028-2032	4,450,000	1,667,681	6,117,681
2033-2037	5,050,000	1,144,872	6,194,872
2038-2042	5,700,000	419,439	6,119,439
	<u>\$ 18,917,000</u>	<u>\$ 5,285,702</u>	<u>\$ 24,202,702</u>

As of June 30, 2022, the School District had no authorizations to issue additional bonded debt.

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid.

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

8. LONG-TERM OBLIGATIONS (Continued)

Leases Payable:

The School District has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

On September 1, 2018, the School District entered a 60-month lease as lessee for the use of copiers. As of July 1, 2021, an initial lease liability was recorded in the amount of \$36,625. The School District is required to make monthly payments of \$1,495. The lease has an interest rate of 5.35%. The value of the right to use asset as of June 30, 2022, was \$19,721 with accumulated amortization of \$16,904.

On February 1, 2021, the School District entered a 60-month lease as lessee for the use of a postage meter. As of July 1, 2021, an initial lease liability was recorded in the amount of \$15,078. The School District is required to make quarterly payments of \$897. The lease has an interest rate of 6.32%. The value of the right to use asset as of June 30, 2022, was \$11,788 with accumulated amortization of \$3,290.

On May 1, 2021, the School District entered a 60-month lease as lessee for the use of copiers. As of July 1, 2021, an initial lease liability was recorded in the amount of \$21,082. The School District is required to make monthly payments of \$423. The lease has an interest rate of 6.32%. The value of the right to use asset as of June 30, 2022, was \$16,720 with accumulated amortization of \$4,362.

As of June 30, 2022, the District had leases outstanding as follows:

<u>Purpose</u>	<u>Commencement Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Total Value</u>
Copiers	September 1, 2018	August 1, 2023	5.35%	\$ 20,246
Postage Meter	February 1, 2021	January 1, 2026	3.00%	11,901
Copiers	May 1, 2021	April 1, 2026	6.32%	17,231
Total				<u>\$ 49,378</u>

The future annual lease obligations as of June 30, 2022, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 24,652	\$ 1,947	\$ 26,599
2024	10,712	937	11,649
2025	8,128	531	8,659
2026	5,886	135	6,021
Total	<u>\$ 49,378</u>	<u>\$ 3,550</u>	<u>\$ 52,928</u>

9. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS). In addition, several School District employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. For additional information about TPAF, please refer to the Division's annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. 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's designated purpose is to provide retirement, death and disability, and medical benefits to qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, 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 member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

Contributions - The contribution requirements of plan members are determined by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the member contribution rate was 7.50% in State fiscal year 2022. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2022 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2021, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2022 was \$1,321,841 and was paid by April 1, 2022. School District employee contributions to the pension plan during the fiscal year ended June 30, 2022 were \$396,733.

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

9. PENSION PLANS (Continued)

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

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to 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 Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

At June 30, 2022, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

For the year ended June 30, 2022, the School District recognized pension expense of \$510,254 and revenue of \$510,254 for support provided by the State. Although the School District does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the School District.

The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	06/30/21	06/30/20
Collective deferred outflows of resources	\$ 6,230,825,389	\$ 9,458,881,999
Collective deferred inflows of resources	27,221,092,460	14,424,322,612
Collective net pension liability (Non-Employer – State of New Jersey)	48,165,991,182	65,993,498,688
State's portion of the net pension liability that was associated with the School District	21,684,859	29,676,125
State's portion of the net pension liability that was associated with the School District as a percentage of the collective net pension liability	.0451061338%	.0450670721%

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

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

9. PENSION PLANS (Continued)

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

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.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 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 TPAF's 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>
US Equity	27.00%	8.09%
Non-U.S. Developed Markets 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%	.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

Discount rate. The discount rate used to measure the State's total pension liability was 7.000% 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 (State of New Jersey) will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied rate was applied to projected benefit payments after that date in determining the total pension liability.

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

9. PENSION PLANS (Continued)

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

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2021, the pension plans measurement date, attributable to the School District is \$0.00, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) that the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	25,656,810	21,684,859	18,348,669
	\$ 25,656,810	\$ 21,684,859	\$ 18,348,669

Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Public Employees' Retirement System (PERS)

Plan Description - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting Membership in the PERS is mandatory for substantially all full-time employees of the Authority, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS. For additional information about PERS, please refer to Division's annual financial statements, which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

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

The following represents the membership tiers for PERS:

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

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62, and tier 5 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 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

Contributions - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. The School District's 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.

Based on the most recent PERS measurement date of June 30, 2021, the School Districts contractually required contribution to the pension plan for the fiscal year ended June 30, 2022 was \$151,933 and was paid by April 1, 2022. School District employee contributions to the pension plan during the fiscal year ended June 30, 2022 were \$64,525.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Longterm Disability</u>	<u>Total Liability Paid by District</u>
2022	\$ 18,397	\$ 126,533	\$ 7,003	\$ -	\$ 151,933
2021	15,651	114,814	6,626	-	137,091
2020	11,372	105,236	6,283	687	123,578

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

At June 30, 2022, the School District reported a liability of \$1,536,888 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. The School District's proportion of the of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

For the year ended June 30, 2022, the School District recognized pension expense of (\$201,166). At June 30, 2022, the School District reported a liability of \$1,536,888 for its proportionate share of the PERS net pension liability and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 24,239	\$ 11,002
Changes of assumptions	8,004	547,142
Net Difference between projected and actual earnings on pension plan investments		404,857
Changes in proportion	134,497	263,379
District contributions subsequent to the measurement date	151,876	
Total	\$ 318,616	\$ 1,226,380

\$151,876 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2022, the plan measurement date is June 30, 2021) will be recognized as a reduction of the net liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Outflows (Inflows) of Resources
2023	\$ (730,025)
2024	(548,821)
2025	84,887
2026	227,599
2027	(93,280)
Total	\$ (1,059,640)

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Year of Pension Plan Deferral:		
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	
June 30, 2020	5.16	-
June 30, 2021	5.13	5.13
Changes of assumptions		
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	
Differences between projected and actual investment earnings on pension plan investments		
June 30, 2016	-	5.00
June 30, 2017	-	5.00
June 30, 2018	-	5.00
June 30, 2019	-	5.00
June 30, 2020	-	5.00

Additional Information

Collective balances at June 30, 2021 and 2020 are as follows:

	<u>6/30/2021</u>	<u>6/30/2020</u>
Collective deferred outflows of resources	\$ 818,359,815	\$ 2,590,600,991
Collective deferred inflows of resources	\$ 11,243,411,487	\$ 12,009,239,423
Collective net pension liability	\$ 11,972,782,878	\$ 16,435,616,426
School District's Proportion	.0129733494%	.0125317478%

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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	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 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.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 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.

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Best estimates of arithmetic rates of return for each major asset class included in PERS's 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>
US Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market 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%	1.95%
Risk Mitigation Strategies	3.00%	3.35%
Total	100.00%	

Discount rate. The discount rate used to measure the State's 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 nonemployer contributing entity will be made based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied all projected benefit payments to determining the total pension liability.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate. The following presents the School District's proportionate share of the net pension liability measured as of June 30, 2021, calculated using the discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
School District's proportionate share of the net pension liability	\$ 2,092,930	\$ 1,536,888	\$ 1,065,008

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

9. PENSION PLANS (Continued)

Defined Contribution Retirement Program (DCRP) (Continued)

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District’s contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The School District’s contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Year</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2022	\$ 9,498	\$ 9,498
2021	6,696	6,696
2020	5,150	5,150

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description and Benefits Provided

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a “pay-as-you-go” basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as “the employers”) for which the State is legally obligated to pay for benefits. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen’s Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L.1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan is administered on a “pay-as-you-go” basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

Contributions

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP).

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$60,007,650,970 for this special funding situation.

Plan Membership

As of June 30, 2020, the program membership consisted of the following:

Active Plan Members	213,901
Retirees	<u>150,427</u>
	<u><u>364,328</u></u>

Total Non-Employer OPEB Liability

The State of New Jersey, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State ACFR on the Office of Management and Budget webpage: nj.gov/treasury/omb/fr.shtml.

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial assumptions and other imputes - The total OPEB liability in the June 30, 2021 actuarial valuation reported by the State in the State’s most recently issued ACFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation rate	2.50%		
	TPAF/ABP	PERS	PFRS
Salary Increases Through 2026	1.55 – 4.45% based on service years	2.00 – 6.00% based on service years	3.25 – 15.25% based on service years
Thereafter	2.75 – 5.65% based on service years	3.00 - 7.00% based on service years	Not Applicable

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational improvement projections from the central year using the Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate - The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in the Total Nonemployer OPEB Liability

The table below summarizes the State's proportionate share of the change in the total nonemployer OPEB liability associated with the School District:

	<u>Total OPEB Liability</u>
Balance as of June 30, 2020	\$ 29,747,506
Changes for the years'	
Service Cost	1,348,726
Interest	661,808
Changes of benefit terms	(27,154)
Differences between expected and actual experience	(5,739,673)
Changes in assumptions	25,170
Gross Benefit Payments	(521,319)
Contributions from the Non-employer	N/A
Contributions from the Member	16,919
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	<u>\$ (4,235,523)</u>
Balance at 06/30/2021	<u><u>\$ 25,511,983</u></u>

Sensitivity of the total nonemployer OPEB liability to changes in the discount rate - The following presents the total nonemployer OPEB liability as of June 30, 2021, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease (1.16%)</u>	<u>Current Discount Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 30,559,351	\$ 25,511,983	\$ 21,537,484

Sensitivity of the total nonemployer OPEB liability to changes in the healthcare cost trend rate - The following presents the total nonemployer OPEB liability as of June 30, 2021 calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of the Total Nonemployer OPEB Liability Associated with the School District	\$ 20,652,033	\$ 25,511,983	\$ 32,038,537

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

For the year ended June 30, 2021, the School District recognized \$1,629,984 in OPEB expense and revenue, in the government-wide financial statements, for the State’s proportionate share of the OPEB Plan’s OPEB Expense, associated with the School District. This expense and revenue were based on the OPEB Plan’s June 30, 2021 measurement date.

In accordance with GASBS No. 75, the School District’s proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District.

At June 30, 2021, the State’s proportionate share of the total nonemployer OPEB liability’s deferred outflows of resources and deferred inflows of resources, associated with the School District, from the following sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ 1,830,603	\$ (788,495)
Differences between expected and actual experience	3,845,818	(7,656,600)
Changes of assumptions	4,327,784	(2,737,198)
Total	\$ 10,004,205	\$ (11,182,293)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to State’s proportionate share of the total nonemployer OPEB Liability, associated with the School District, will be recognized in OPEB expense as follows:

For the year ended:	
2022	\$ (266,718)
2023	(266,718)
2024	(266,718)
2025	(266,718)
2026	(189,633)
Thereafter	78,417
Total	\$ (1,178,088)

Detailed information about the pension plan’s sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2022, the School District has recognized as revenues and expenditures on-behalf payments made by the state for normal retirement costs, post-retirement medical costs and long-term disability insurance related to TPAF, in the fund statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs and long-term disability insurance were \$1,920,488, \$448,704, and \$796, respectively. In addition, \$377,117 on-behalf payments were made by the state for the employer’s share of social security contributions for TPAF members, as calculated on their base salaries.

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

12. RISK MANAGEMENT

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

Property and Liability Insurance - The School District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

Joint Insurance Pool - The School District is a member of the New Jersey School Alliance Insurance Fund, a public entity risk pool currently operating as a common risk management and insurance program. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Annual Comprehensive Financial Report.

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

A complete schedule of insurance coverage can be found in the "Statistical Section" of this report.

The Fund publishes its own financial report which can be obtained by writing to: School Alliance Insurance Fund, c/o PEGAS, 51 Everett Drive, Lawrenceville, New Jersey, 08648.

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

The following is a summary of the School District's unemployment compensation contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the current and previous two fiscal years:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Employee Contributions</u>	<u>Board Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	\$ 231	\$ -	\$ -	\$ -	\$ 54,291
2021	280	-	-	-	54,060
2020	172	11,246	-	11,112	53,780

13. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, available to all permanent School District employees, permit participants to defer a portion of their current salary to future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and are administered by a third party therefore they are not reflected on the financial statements of the School District.

14. COMPENSATED ABSENCES

The School District accounts for compensated absences (e.g. unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

14. COMPENSATED ABSENCES (Continued)

School District employees are granted varying amounts of vacation and sick leave in accordance with the School District’s personnel policy. Upon termination, employees are paid for accrued vacation. The School District’s policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with the School District’s agreements with the various employee unions.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2022, the liability for compensated absences in the governmental activities was \$166,048.

15. INTERFUND BALANCES AND TRANSFERS

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2023. The following interfund balances were recorded on the various balance sheets as of June 30, 2022:

Fund	Interfunds Receivable	Interfunds Payable
General	\$ 373,942	\$ 154,028
Special Revenue	154,028	285,991
Capital Projects	-	67,552
Debt Service	14,121	-
Proprietary	-	34,520
Total	\$ 542,091	\$ 542,091

16. CONTINGENCIES

The School District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School District may be required to reimburse the grantor government.

At June 30, 2022, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, unearned revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

17. TAX ABATEMENTS

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

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

17. TAX ABATEMENTS (Continued)

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

As of December 31, 2021, the Township of Cranbury had no tax abatements.

18. DEFICIT UNRESTRICTED NET POSITION

As of June 30, 2022, a deficit of \$774,877 existed in the Unrestricted Net Position of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Position reported on Exhibited A-1 is as follows:

Balances, June 30, 2022:	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds)	
Unassigned	\$ 604,237
Assigned	1,526,709
Liabilities:	
Net Pension Differences	(2,596,528)
Accrued Interest Payable	(143,247)
Compensated Absences	(166,048)
Unrestricted Net Position (Deficit)	<u><u>\$ (774,877)</u></u>

19. FUND BALANCES

RESTRICTED

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund:

Capital Reserve – As of June 30, 2022, the balance in the capital reserve account is \$2,696,261 and is restricted for future capital outlay expenditures for capital projects in the School District's approved Long-Range Facilities Plan.

Tuition Reserve – In accordance with N.J.A.C. 6A:23-3.1(f)(8), the School District has restricted fund balance at June 30, 2022 in the amount of \$900,000 for tuition adjustments. Of this amount \$450,000 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2023. This reserve represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated cost of the respective contract year.

Maintenance Reserve Account – As of June 30, 2022, the balance in the maintenance reserve account is \$412,917. Of this amount \$50,000 has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2023. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

Unemployment Compensation – As of June 30, 2022, the balance in unemployment compensation is \$54,291. These funds are restricted for the purpose of financing unemployment claims.

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

19. FUND BALANCES (Continued)

RESTRICTED

Student Activities – As of June 30, 2022, the balance in the student activities account is \$25,021.

Scholarships – As of June 30, 2022, the balance in the scholarship account is \$3,656.

Capital Projects Fund – As of June 30, 2022, the balance is \$16,924,514

Debt Service Fund – As of June 30, 2022, the balance is \$14,121.

ASSIGNED

As stated in Note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund:

Other Purposes – As of June 30, 2022 the School District has \$1,526,709 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Capital Projects Fund:

Other Purposes – As of June 30, 2022, the School District has \$1,397,628 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund – As of June 30, 2022, \$604,237 of general fund balance was unassigned.

**Cranbury Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

20. PRIOR PERIOD ADJUSTMENT

GASB Statement No. 87, *Leases* was implemented during the fiscal year ended June 30, 2022. As a result of this implementation, a right-to-use asset and a lease liability were created. The ending balances as of June 30, 2021, were restated due to this implementation as follows:

	Balance June 30, 2021 as Previously Reported	Retroactive Adjustments	Balance June 30, 2021 as Restated
<u>Statement of Net Position - Governmental Activities:</u>			
Assets:			
Lease Assets, Net	\$ -	\$ 72,784	\$ 72,784
Total Assets	15,312,483	72,784	15,385,267
Noncurrent Liabilities:			
Due Within One Year	441,730	23,406	465,136
Due Beyond One Year	2,661,330	49,378	2,710,708
Total Liabilities	3,344,320	72,784	3,417,104

Required Supplementary Information - Part II

Budgetary Comparison Schedules

CRANBURY TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
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:					
Local sources:					
Local Tax Levy	\$ 18,067,639	\$ -	\$ 18,067,639	\$ 18,067,639	\$ -
Tuition	10,000		10,000	11,900	1,900
Rents and Royalties	3,000		3,000		(3,000)
Interest earned on capital reserve				10,519	10,519
Interest earned on maintenance reserve				1,242	1,242
Other restricted Misc. Revenues				231	231
Unrestricted Misc. Revenues	35,000		35,000	76,697	41,697
Total local sources	18,115,639		18,115,639	18,168,228	52,589
State sources:					
Special Education aid	599,298		599,298	599,298	
Security Aid	13,756		13,756	13,756	
Transportation Aid	163,336		163,336	163,336	
Extraordinary aid				287,444	287,444
Nonpublic transportation aid				8,990	8,990
Lead testing aid				2,625	2,625
On-behalf TPAF pension contrib.. (non-budgeted)				1,920,488	1,920,488
On-behalf TPAF post retirement med.. (non-budgeted)				448,704	448,704
On-behalf TPAF LTDI (non-budgeted)				796	796
Reimbursed TPAF social security contribution (non-budgeted)				377,117	377,117
Total state sources	776,390		776,390	3,822,554	3,046,164
TOTAL REVENUES	18,892,029	-	18,892,029	21,990,782	3,098,753
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	297,263	1,975	299,238	248,568	50,670
Grades 1-5	1,818,585	2,896	1,821,481	1,784,242	37,239
Grades 6-8	1,304,439	(5,810)	1,298,629	1,292,708	5,921
Regular Programs - Home Instruction:					
Salaries of teachers	5,000		5,000	728	4,272
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	61,256		61,256	54,603	6,653
Purchased technical services	239,695	7,000	246,695	231,384	15,311
Other purchased services	140,915	(8,620)	132,295	126,262	6,033
General supplies	288,206	1,620	289,826	251,970	37,856
Textbooks	39,000		39,000	27,949	11,051
Other objects		100	100	100	
Total - Regular Programs - Instruction	4,194,359	(839)	4,193,520	4,018,514	175,006
Special Education Instruction:					
Learning and/or Language Disabilities:					
Salaries of teachers	74,440	360	74,800	74,800	
Total learning and/or language disab.	74,440	360	74,800	74,800	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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CRANBURY TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2022

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource room/resource center:					
Salaries of teachers	\$ 774,425	\$ (301)	\$ 774,124	\$ 710,523	\$ 63,601
Other salaries for instruction	209,868		209,868	162,616	47,252
General supplies	13,000		13,000	9,535	3,465
Total resource room/resource center	<u>997,293</u>	<u>(301)</u>	<u>996,992</u>	<u>882,674</u>	<u>114,318</u>
Preschool Disabilities - Part-Time:					
Salaries of teachers	58,827	(100)	58,727	30,750	27,977
Other salaries for instruction					
General supplies	3,000		3,000	2,975	25
Total preschool disabilities - part-time	<u>61,827</u>	<u>(100)</u>	<u>61,727</u>	<u>33,725</u>	<u>28,002</u>
Total Special Education - Instruction	<u>1,133,560</u>	<u>(41)</u>	<u>1,133,519</u>	<u>991,199</u>	<u>142,320</u>
Home Instruction:					
Purchased professional educational services					
Total resource room/resource center	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	146,352		146,352	144,624	1,728
General supplies	3,000		3,000	1,643	1,357
Total basic skills/remedial - instruction	<u>149,352</u>		<u>149,352</u>	<u>146,267</u>	<u>3,085</u>
School-Sponsored Cocurricular Act - Instruction:					
Salaries	71,220	383	71,603	47,600	24,003
Supplies and materials	1,000		1,000	1,000	
Other objects	5,000		5,000	2,650	2,350
Total school-sponsored cocurr. act. - instruct.	<u>77,220</u>	<u>383</u>	<u>77,603</u>	<u>51,250</u>	<u>26,353</u>
School-Sponsored Athletics - Instruction:					
Salaries	89,920		89,920	72,500	17,420
Purchased services	7,400		7,400	6,638	762
Supplies and materials	20,000		20,000	9,639	10,361
Total school-sponsored athletics - instruct.	<u>117,320</u>		<u>117,320</u>	<u>88,777</u>	<u>28,543</u>
Total Instruction	<u>5,671,811</u>	<u>(497)</u>	<u>5,671,314</u>	<u>5,296,007</u>	<u>375,307</u>
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - reg.	4,395,505		4,395,505	4,395,505	
Tuition to other LEAs within the state - spec	582,315	(8,483)	573,832	568,437	5,395
Tuition to private school for the disabled - w/i	646,654	(159,993)	486,661	376,208	110,453
Total undistributed expenditures - instruction	<u>5,624,474</u>	<u>(168,476)</u>	<u>5,455,998</u>	<u>5,340,150</u>	<u>115,848</u>
Attendance and Social Work Services:					
Salaries	3,000	(3,000)			
Purchased professional and technical services		3,000	3,000		3,000
Total attendance and social work services	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Health Services:					
Salaries	93,581	4,161	97,742	97,128	614
Purchased professional and technical services	619,415	(22,811)	596,604	363,894	232,710
Supplies and materials	35,000		35,000	2,082	32,918
Other objects	100		100		100
Total health services	<u>748,096</u>	<u>(18,650)</u>	<u>729,446</u>	<u>463,104</u>	<u>266,342</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

CRANBURY TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2022

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Speech, OT, PT, & Related Services:					
Salaries	\$ 177,308	\$ 1,392	\$ 178,700	\$ 178,300	\$ 400
Purchased professional educational services		6,600	6,600	6,600	
Supplies and materials	2,000		2,000	1,840	160
Total speech, ot, pt & related services	179,308	7,992	187,300	186,740	560
Guidance:					
Salaries of other professional staff	126,545		126,545	123,554	2,991
Supplies and materials	4,500		4,500	3,027	1,473
Total guidance	131,045		131,045	126,581	4,464
Child Study Teams:					
Salaries of other professional staff	357,847	(1,392)	356,455	294,059	62,396
Salaries of secretarial and clerical assistants	56,944		56,944	39,964	16,980
Purchased professional educational services	-				
Other Purchased Services	500		500	104	396
Supplies and materials	6,891		6,891	4,096	2,795
Other objects	1,814		1,814	25	1,789
Total child study teams	423,996	(1,392)	422,604	338,248	84,356
Improvement of Instructional Services:					
Salaries supervisor of Instruction	219,324		219,324	208,383	10,941
Salaries of secretarial and clerical assistants	68,761		68,761	52,280	16,481
Other purchased services	1,000		1,000	722	278
Supplies and materials	2,000		2,000	1,925	75
Other objects	2,422		2,422	2,152	270
Total improvement of instructional services	293,507		293,507	265,462	28,045
Educational Media Services/School Library:					
Salaries	66,662	939	67,601	67,501	100
Supplies and materials	11,900		11,900	11,720	180
Total educational media services/school library	78,562	939	79,501	79,221	280
Instructional Staff Training Services:					
Other Salaries	11,754	(2,455)	9,299	9,299	
Other purchased services	51,629	648	52,277	26,437	25,840
Supplies and materials	-	1,425	1,425	1,415	10
Total instructional staff training services	63,383	(382)	63,001	37,151	25,850
General Administration:					
Salaries	245,639	15,000	260,639	260,227	412
Legal services	60,000	(11,053)	48,947	48,944	3
Audit fees	26,000	(170)	25,830	25,400	430
Other purchased prof. services	48,736	2,240	50,976	43,658	7,318
Communications / telephone	27,000	(3,150)	23,850	23,540	310
Other purchased services	1,000	(90)	910	68	842
General supplies	4,500	336	4,836	4,836	
Miscellaneous expenditures	13,604	2,744	16,348	16,197	151
Total general administration	426,479	5,857	432,336	422,870	9,466

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

CRANBURY TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2022

Table with 6 columns: (Continued from prior page), Original Budget, Budget Transfers, Final Budget, Actual, and Variance Final to Actual. Rows include School Administration, Central services, Required Maintenance School Facilities, Custodial Services, Care and Upkeep of Grounds, Security, Total operation & maint. of plant services, and Student Transportation Services.

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

CRANBURY TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2022

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Allocated Benefits - Employee Benefits					
Special Programs - Instruction					
Health benefits	\$ 420,200	\$ (420,200)	\$ -	\$ -	\$ -
Other employee benefits	44,450	(44,450)	-	-	-
Total Special Programs - Instruction	<u>464,650</u>	<u>(464,650)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Child Study Teams					
Health benefits	91,000	(91,000)	-	-	-
Total Child Study Teams	<u>91,000</u>	<u>(91,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Improvement of Instruction Services					
Health benefits	91,500	(91,500)	-	-	-
Total Improvement of Instruction Services	<u>91,500</u>	<u>(91,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Custodial Services					
Health benefits	63,500	(63,500)	-	-	-
Other employee benefits	7,000	(7,000)	-	-	-
Total Custodial Services	<u>70,500</u>	<u>(70,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total allocated benefits	<u>717,650</u>	<u>(717,650)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unallocated Benefits - Employee Benefits					
Social security contributions	140,000		140,000	116,089	23,911
Other retirement contributions - PERS	160,000	(6,000)	154,000	152,918	1,082
Other retirement contributions - reg.	4,000	6,000	10,000	9,498	502
Workmen's compensation	78,088		78,088	74,940	3,148
Health benefits	1,549,915	628,744	2,178,659	1,829,544	349,115
Tuition reimbursement	40,000	(13,668)	26,332	10,799	15,533
Sick payment to terminated/retired emp.					
Other employee benefits	16,900	84,394	101,294	100,697	597
Total unallocated benefits	<u>1,988,903</u>	<u>699,470</u>	<u>2,688,373</u>	<u>2,294,485</u>	<u>393,888</u>
On-behalf TPAF pension contr. (non-budgeted)				1,920,488	(1,920,488)
On-behalf TPAF post retirement medical (non-budgeted)				448,704	(448,704)
On-behalf TPAF LTDI (non-budgeted)				796	(796)
Reimbursed TPAF social security contr. (non-budgeted)				377,117	(377,117)
Total Undistributed Expenditures	<u>13,801,338</u>	<u>(20,247)</u>	<u>13,781,091</u>	<u>15,238,992</u>	<u>(1,457,901)</u>
Total General Current Expense	<u>19,473,149</u>	<u>(20,744)</u>	<u>19,452,405</u>	<u>20,534,999</u>	<u>(1,082,594)</u>
CAPITAL OUTLAY:					
Equipment					
Undist. Expenditures:					
Support Services Students Regular		12,050	12,050	11,022	1,028
Required Maintenance for School Facilities	-	4,084	4,084	4,084	-
Total Equipment	<u>-</u>	<u>16,134</u>	<u>16,134</u>	<u>15,106</u>	<u>1,028</u>
Facilities acquisition and construction services					
Legal Services		19,699	19,699	19,699	-
Architectural/Engineering Services	168,000	28,579	196,579	169,266	27,313
Purchased Professional and Technical Services		3,000	3,000	2,500	500
Construction Services	45,279	2,175,706	2,220,985	714,444	1,506,541
Assessment for Debt Service on SDA Funding	19,308		19,308	19,308	-
Total Facilities acquisition and construction	<u>232,587</u>	<u>2,226,984</u>	<u>2,459,571</u>	<u>925,217</u>	<u>1,534,354</u>
Total Capital Outlay	<u>232,587</u>	<u>2,243,118</u>	<u>2,475,705</u>	<u>940,323</u>	<u>1,535,382</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

**CRANBURY TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2022**

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
SUMMER SCHOOL:					
Summer School - Instruction					
Salaries of teachers	\$ 12,887	\$ -	\$ 12,887	\$ 7,847	\$ 5,040
Other salaries of instruction	1,122	-	1,122		1,122
General supplies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Summer School - Instruction	<u>14,009</u>	<u>-</u>	<u>14,009</u>	<u>7,847</u>	<u>6,162</u>
Adult School - Support Services					
Supplies and materials		-			-
Total Adult School - Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer of Funds to Charter Schools	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>19,719,745</u>	<u>2,222,374</u>	<u>21,942,119</u>	<u>21,483,169</u>	<u>458,950</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>(827,716)</u>	<u>(2,222,374)</u>	<u>(3,050,090)</u>	<u>507,613</u>	<u>3,557,703</u>
Other Financing Sources/(uses):					
Operating transfer in					
Operating transfer out					
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	<u>(827,716)</u>	<u>(2,222,374)</u>	<u>(3,050,090)</u>	<u>507,613</u>	<u>3,557,703</u>
Fund Balance - July 1	<u>5,752,533</u>		<u>5,752,533</u>	<u>5,752,533</u>	
Fund Balance - June 30	<u>\$ 4,924,817</u>	<u>\$ (2,222,374)</u>	<u>\$ 2,702,443</u>	<u>\$ 6,260,146</u>	<u>\$ 3,557,703</u>
Recapitulation:					
Restricted:					
Capital Reserve:					
Designated for Subsequent Year's Expenditures				\$ -	
Capital Reserve				2,696,261	
Maintenance Reserve					
Designated for Subsequent Year's Expenditures				50,000	
Maintenance Reserve				362,917	
Tuition Reserve 2022-2023				450,000	
Tuition Reserve 2023-2024				450,000	
Unemployment Compensation				54,291	
Assigned:					
Year-end encumbrances				1,526,709	
Designated for Subsequent Year's Expenditures					
Unassigned				<u>669,968</u>	
				6,260,146	
Reconciliation on Governmental Fund Statements (GAAP):					
Less: State Aid Payment not Recognized on GAAP Basis				<u>(65,731)</u>	
Fund Balance per Government Fund (GAAP)				<u>\$ 6,194,415</u>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

CRANBURY TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources	\$ -	\$ -	\$ -	\$ 58,134	\$ 58,134
State sources	4,565	10,492	15,057	3,501	(11,556)
Federal sources	327,453	432,156	759,609	296,890	(462,719)
Total Revenues	332,018	442,648	774,666	358,525	(416,141)
EXPENDITURES:					
Instruction:					
Salaries of teachers	60,238	128,954	189,192	25,980	163,212
Purchased prof. - educational services	6,240	12,307	18,547	3,655	14,892
General supplies	9,194	158,623	167,817	37,773	130,044
Tuition	124,283	12,752	137,035	117,189	19,846
Textbooks	825	(285)	540	540	-
Total Instruction	200,780	312,351	513,131	185,137	327,994
Support Services:					
Employee Benefits	20,500	-	20,500		20,500
Purchased professional - tech. services	16,734	95,035	111,769	33,880	77,889
Purchased property services		10,626	10,626		10,626
Supplies and Materials		24,636	24,636	3,425	21,211
Student activities				57,842	(57,842)
Scholarship awards				250	(250)
Total Support Services	37,234	130,297	167,531	95,397	72,134
Facilities Acquisition and Construction Services:					
Instructional equipment	33,989		33,989	33,359	630
Non-Instructional equipment	60,015	-	60,015	44,630	15,385
Total Facilities Acq. and Const. Services	94,004	-	94,004	77,989	16,015
Total Expenditures	332,018	442,648	774,666	358,523	416,143
Total Outflows	332,018	442,648	774,666	358,523	416,143
Excess (Deficiency) of Revenues over (under) Expenditures and other financing sources (uses)	-	-	-	2	2
Fund Balance, July 1				28,675	
Fund Balance, June 30				<u>\$ 28,677</u>	
Recapitulation:					
Restricted:					
Student Activities				\$ 25,021	
Scholarships				3,656	
Total Fund Balance				<u>\$ 28,677</u>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

CRANBURY TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2022

**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 schedules	\$ 21,990,782	\$ 358,525
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	61,349	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(65,731)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 21,986,400</u>	<u>\$ 358,525</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 21,483,169	\$ 358,523
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year		
Prior Year		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 21,483,169</u>	<u>\$ 358,523</u>

Required Supplementary Information - Part III
Schedules Related to Accounting and Reporting
For Pensions and
Other Post Employment Benefits

CRANBURY TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Nine Fiscal Years

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0129733494%	0.1253174780%	0.0126339378%	0.0152284623%	0.0149499154%	0.0129197259%	0.0121686786%	0.0125510444%	0.0139526012%
District's proportionate share of the net pension liability (asset)	\$ 1,536,888	\$ 2,043,600	\$ 2,276,444	\$ 2,998,408	\$ 3,480,101	\$ 3,826,452	\$ 2,731,624	\$ 2,349,899	\$ 2,666,619
District's covered-employee payroll	847,216	881,606	919,127	941,136	910,885	1,030,788	989,428	928,450	887,959
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	181.40%	231.80%	247.67%	318.59%	382.06%	371.22%	276.08%	253.10%	300.31%
Plan fiduciary net position as a percentage of the total pension liability	51.51%	42.90%	42.04%	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

CRANBURY TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Contributions
Public Employees Retirement System
Last Nine Fiscal Years

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 151,876	\$ 151,933	\$ 137,091	\$ 123,578	\$ 151,474	\$ 141,855	\$ 114,777	\$ 104,618	\$ 103,469
Contributions in relation to the contractually required contributions	<u>(151,876)</u>	<u>(151,933)</u>	<u>(137,091)</u>	<u>(123,578)</u>	<u>(151,474)</u>	<u>(141,855)</u>	<u>(114,777)</u>	<u>(104,618)</u>	<u>(103,469)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 847,216	\$ 881,606	\$ 919,127	\$ 941,136	\$ 910,885	\$ 1,030,788	\$ 989,428	\$ 928,450	\$ 887,959
Contributions as a percentage of covered-employee payroll	17.93%	17.23%	14.92%	13.13%	16.63%	13.76%	11.60%	11.27%	11.65%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

CRANBURY TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Nine Fiscal Years

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.0451061338%	0.0450670721%	0.0456556571%	0.0428747118%	0.0449280571%	0.0432671705%	0.0459134656%	0.0475144512%	0.0512708298%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 21,684,859</u>	<u>\$ 29,676,125</u>	<u>\$ 28,019,308</u>	<u>\$ 27,275,971</u>	<u>\$ 30,292,116</u>	<u>\$ 34,036,711</u>	<u>\$ 29,019,271</u>	<u>\$ 25,394,928</u>	<u>\$ 25,911,874</u>
Total	<u><u>\$ 21,684,859</u></u>	<u><u>\$ 29,676,125</u></u>	<u><u>\$ 28,019,308</u></u>	<u><u>\$ 27,275,971</u></u>	<u><u>\$ 30,292,116</u></u>	<u><u>\$ 34,036,711</u></u>	<u><u>\$ 29,019,271</u></u>	<u><u>\$ 25,394,928</u></u>	<u><u>\$ 25,911,874</u></u>
District's covered-employee payroll	\$ 5,205,041	\$ 4,814,185	\$ 5,065,474	\$ 4,887,649	\$ 4,783,383	\$ 4,544,492	\$ 4,489,338	\$ 4,582,660	\$ 4,382,804
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

This schedule does not contain ten years of information as GASB 68 was implemented during the fiscal year ended June 30, 2015.

CRANBURY TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the District
and Changes in the Total OPEB Liability and Related Ratios
Public Employee's Retirement System and Teachers' Pension and Annuity Fund
Last Five Fiscal Years

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
State's proportion of the net OPEB liability (asset) associated with the District	0.04%	0.04%	0.04%	0.04%	0.04%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 25,511,983	\$ 29,747,506	\$ 17,905,233	\$ 19,249,857	\$ 21,013,156
Total proportionate share of the net OPEB liability (asset) associated with the District	\$ 25,511,983	\$ 29,747,506	\$ 17,905,233	\$ 19,249,857	\$ 21,013,156
Plan fiduciary net position as a percentage of the total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability					
Service Cost	\$ 1,348,726	\$ 766,385	\$ 753,595	\$ 802,473	\$ 968,553
Interest	661,808	644,794	763,911	772,182	668,610
Changes in benefit terms	(27,154)				
Difference between expected and actual experiences	(5,739,673)	5,499,430	(2,595,754)	(631,993)	
Changes of assumptions	25,170	5,433,847	266,968	(2,209,017)	(2,879,406)
Member Contributions	16,919	15,697	16,293	17,790	17,922
Benefit payments	(521,319)	(517,880)	(549,637)	(514,734)	(486,709)
Net Change in total OPEB Liability	\$ (4,235,523)	\$ 11,842,273	\$ (1,344,624)	\$ (1,763,299)	\$ (1,711,030)
Total OPEB Liability - beginning	\$ 29,747,506	\$ 17,905,233	\$ 19,249,857	\$ 21,013,156	\$ 22,724,186
Total OPEB Liability - ending	\$ 25,511,983	\$ 29,747,506	\$ 17,905,233	\$ 19,249,857	\$ 21,013,156
District's covered-employee payroll	6,052,257	5,695,791	5,984,601	5,828,785	5,694,268
Total OPEB Liability as a percentage of covered-employee payroll	421.53%	522.27%	299.19%	330.26%	369.02%

This schedule does not contain ten years of information as GASB 75 was implemented during the fiscal year ended June 30, 2018.

CRANBURY TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information – Part III
For the Fiscal Year Ended June 30, 2022

Teacher’s Pension and Annuity Fund (TPAF)

Changes of benefit term: There were none.

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

Public Employees’ Retirement System (PERS)

Changes of benefit term: There were none.

Changes of assumptions: The discount rate remained at 7.00% as of June 30, 2020, and June 30, 2021.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

Other Supplementary Information

Special Revenue Fund

CRANBURY TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year ended June 30, 2022

	Nonpublic Textbook	Nonpublic Nursing	Nonpublic Technology	Nonpublic Security	CRRSA Learning Acceleration	ARP ESSER III	ARP Accelerated Learning	ARP Mental Health	Totals E1a	Totals
REVENUES:										
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,094	\$ 58,094
State sources	540	1,008	378	1,575	-	-	-	-	-	3,501
Federal sources	-	-	-	-	15,076	11,570	7,775	9,375	253,134	296,930
Total Revenues	540	1,008	378	1,575	15,076	11,570	7,775	9,375	311,228	358,525
EXPENDITURES:										
Instruction:										
Salaries of teachers					15,076				10,904	25,980
Purchased professional - educational serv.		1,008	378	1,575					694	3,655
General supplies						11,570			26,203	37,773
Tuition									117,189	117,189
Textbooks	540									540
Total Instruction	540	1,008	378	1,575	15,076	11,570			154,990	185,137
Support Services:										
Salaries										
Purchased professional - technical serv.							7,775	9,375	16,730	33,880
Supplies and Materials									3,425	3,425
Student activities									57,842	57,842
Scholarship awards									250	250
Total Support Services							7,775	9,375	78,247	95,397
Facilities Acquisition and Const. Serv.:										
Instructional equipment										
Non- Instructional equipment									33,359	33,359
									44,630	44,630
Total Facilities Acq. and Const. Serv.									77,989	77,989
Total Expenditures	540	1,008	378	1,575	15,076	11,570	7,775	9,375	311,226	358,523
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-	-	-	-	2	2
Fund Balance, July 1	-	-	-	-	-	-	-	-	28,675	28,675
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,677	\$ 28,677

**CRANBURY TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
for the Fiscal Year ended June 30, 2022**

	ESSER II	Title I	Title IIA	Title IV	IDEA Basic	ARP IDEA Preschool	Student Activity Fund	Scholarship Fund	Totals
REVENUES:									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,081	\$ 13	\$ 58,094
State sources	-	-	-	-	-	-	-	-	-
Federal sources	77,989	36,107	11,568	8,587	117,189	1,694	-	-	253,134
Total Revenues	77,989	36,107	11,568	8,587	117,189	1,694	58,081	13	311,228
EXPENDITURES:									
Instruction:									
Salaries of teachers		10,904							10,904
Purchased professional - educational serv.		694							694
General supplies		24,509				1,694			26,203
Tuition					117,189				117,189
Textbooks									
Total Instruction		36,107			117,189	1,694			154,990
Support Services:									
Salaries									
Purchased professional - technical serv.			11,568	5,162					16,730
Supplies and materials				3,425					3,425
Student activities							57,842		57,842
Scholarship awards								250	250
Total Support Services			11,568	8,587			57,842	250	78,247
Facilities Acquisition and Const. Serv.:									
Instructional equipment	33,359								33,359
Non- Instructional equipment	44,630								44,630
Total Facilities Acq. and Const. Serv.	77,989								77,989
Total Expenditures	77,989	36,107	11,568	8,587	117,189	1,694	57,842	250	311,226
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	-	-	-	-	-	-	239	(237)	2
Fund Balance, July 1	-	-	-	-	-	-	24,782	3,893	28,675
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,021	\$ 3,656	\$ 28,677

Capital Projects Fund
Detail Statements

CRANBURY TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year ended June 30, 2022

Revenues and Other Financing Sources:

Proceeds of Serial Bonds	\$ 18,462,000
Interest earned on investments	14,121
Total revenues and other financing sources	<u>18,476,121</u>

Expenditures and Other Financing (Uses):

Purchased professional services	139,858
Construction services	-
Transfer to Debt Service Fund	14,121
Total expenditures and other financing (uses)	<u>153,979</u>

Excess (deficiency) or revenues over (under) expenditures	18,322,142
Fund Balance - July 1, 2021	<u>-</u>
Fund Balance - June 30, 2022	<u>\$ 18,322,142</u>

CRANBURY TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Construction and Various Improvements to the District's Facilities
From Inception and for the Fiscal Year ended June 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
Bond proceeds	\$ -	\$ 18,462,000	\$ 18,462,000	\$ 18,462,000
	<u>-</u>	<u>18,462,000</u>	<u>18,462,000</u>	<u>18,462,000</u>
Expenditures and Other Financing Uses:				
Purchased professional services	-	139,858	139,858	139,858
Construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>139,858</u>	<u>139,858</u>	<u>139,858</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 18,322,142</u>	<u>\$ 18,322,142</u>	<u>\$ 18,322,142</u>
Additional project information:				
Bond Authorization Date		12/14/21		
Bonds Authorized	\$	18,462,000		
Bonds Issued	\$	18,462,000		
Original Authorized Cost	\$	18,462,000		
Additional Authorized Cost	\$	-		
Revised Authorized Cost	\$	18,462,000		
Percentage Increase over Original Authorized Cost		0.00%		
Percentage Completion		0.00%		
Original target completion date		09/05/24		
Revised target completion date		N/A		

CRANBURY TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
 Summary Statement of Project Expenditures
 Year Ended June 30, 2022

Issue/Project Title	Appropriations	Expenditures to Date		Transfers	Balance
		Prior Years	Current Year		
Construction and Various Improvements to the District's Facilities	\$ 18,462,000	\$ -	\$ 139,858		\$ 18,322,142
	<u>\$ 18,462,000</u>	<u>\$ -</u>	<u>\$ 139,858</u>	<u>\$ -</u>	<u>\$ 18,322,142</u>

Proprietary Funds

CRANBURY TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Net Position
June 30, 2022

	Food Service Fund
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 58,021
Accounts receivable:	
State	15,120
Federal	12,358
Interfund	-
Inventories	4,938
Total Current Assets	90,437
Noncurrent Assets:	
Equipment	94,904
Less - accumulated depreciation	(77,253)
Total Noncurrent Assets	17,651
Total Assets	108,088
 LIABILITIES:	
Current liabilities:	
Accounts Ppayable	-
Interfund payable	34,520
Unearned revenue	7,411
Total current liabilities	41,931
 NET POSITION:	
Net investment in capital assets	17,651
Unrestricted	48,506
Total Net Position	\$ 66,157

CRANBURY TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2022

	<u>Food Service Fund</u>
OPERATING REVENUES:	
Charges for Services:	
Daily sales reimbursable programs:	
School lunch	\$ -
Daily sales non-reimbursable programs	
Adult and a la carte sales	1,593
Special functions	<u>2,098</u>
Total Operating Revenues	<u>3,691</u>
OPERATING EXPENSES:	
Salaries	77,789
Employee benefits	20,114
Management fee	15,574
Supplies and materials	11,919
Direct expenses	13,302
Depreciation	531
Cost of sales - reimbursable programs	92,432
Cost of sales - nonreimbursable programs	<u>1,339</u>
Total Operating Expenses	<u>233,000</u>
Operating Income (Loss)	<u>(229,309)</u>
Non-Operating Revenues:	
State sources:	
State school lunch program	5,513
Federal sources:	
Food Distribution Program	8,665
National school lunch program	234,302
EM Schools	1,792
PEBT Administrative Costs	1,242
CNP School Meals Equipment	12,010
Local sources:	
Board contribution	-
Interest earned	<u>89</u>
Total Non-Operating Revenues	<u>263,613</u>
Changes in Net Position	34,304
Net Position - July 1, 2021	<u>31,853</u>
Net Position - June 30, 2022	<u><u>\$ 66,157</u></u>

CRANBURY TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022

	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 2,093
Cash payments to employees for services	(97,903)
Cash payments to suppliers for goods and services	<u>(105,528)</u>
Net cash provided by (used for) operating activities	<u>(201,338)</u>
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	6,327
Cash received from federal sources	250,385
Miscellaneous	-
Net cash provided by noncapital financing activities	<u>256,712</u>
Cash Flow Provided by Investing Activities:	
Interest on cash equivalents	<u>89</u>
Net increase (decrease) in cash and cash equivalents	55,463
Cash and cash equivalents - July 1, 2021	<u>2,558</u>
Cash and cash equivalents - June 30, 2022	<u><u>\$ 58,021</u></u>
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for)	
Operating Activities:	
Operating income (loss)	\$ (229,309)
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:	
Depreciation	531
Federal Commodities	8,665
Change in assets and liabilities:	
(Increase) decrease in inventories	688
Increase (decrease) in unearned revenue	(1,597)
Increase (decrease) in interfund payable	34,009
Increase (decrease) in accounts payable	<u>(14,325)</u>
Net cash provided by (used for) operating activities	<u><u>\$ (201,338)</u></u>

Long-Term Debt Schedules

**CRANBURY TOWNSHIP SCHOOL DISTRICT
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2022**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2021	Issued	Retired	Balance June 30, 2022
			Date	Amount					
2010 Refunding of 2002 Bonds	07/15/10	\$ 3,880,000	07/15/22	\$ 455,000	4.000%	\$ 895,000	\$ -	\$ 440,000	\$ 455,000
2023 School Bonds	03/09/22	18,462,000	08/15/23	857,000	1.500%		18,462,000		
			08/15/24	785,000	2.000%				
			08/15/25	800,000	2.000%				
			08/15/26	820,000	2.000%				
			08/15/27	845,000	2.000%				
			08/15/28	865,000	2.000%				
			08/15/29	890,000	2.000%				
			08/15/30	910,000	2.000%				
			08/15/31	940,000	2.000%				
			08/15/32	965,000	2.125%				
			08/15/33	985,000	2.450%				
			08/15/34	1,010,000	2.550%				
			08/15/35	1,030,000	2.600%				
			08/15/36	1,060,000	2.700%				
			08/15/37	1,085,000	2.750%				
			08/15/38	1,110,000	2.800%				
			08/15/39	1,135,000	2.850%				
			08/15/40	1,170,000	2.875%				
08/15/41	1,200,000	2.950%							
						<u>\$ 895,000</u>	<u>\$ 18,462,000</u>	<u>\$ 440,000</u>	<u>\$ 18,917,000</u>

**CRANBURY TOWNSHIP SCHOOL DISTRICT
Schedule of Obligations Under Leases
For the Fiscal Year Ended June 30, 2022**

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2022</u>
Copiers	5.35%	\$ 78,552	\$ 36,625		\$ 16,379	\$ 20,246
Copiers	6.32%	21,700	21,081		3,850	17,231
Postage Meter	3.00%	16,590	15,078		3,177	11,901
			<u>\$ 72,784</u>	<u>\$ -</u>	<u>\$ 23,406</u>	<u>\$ 49,378</u>

CRANBURY TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 467,000	\$ -	\$ 467,000	\$ 467,000	\$ -
Total Revenues	467,000		467,000	467,000	
EXPENDITURES:					
Regular debt service:					
Interest	27,000		27,000	27,000	-
Redemption of principal	440,000		440,000	440,000	
Total Expenditures	467,000		467,000	467,000	
Excess (Deficiency) of revenues over (under) expenditures					
Other Financing Sources:					
Operating transfers in				14,121	14,121
Total Other Financing Sources				14,121	14,121
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):				14,121	14,121
Fund Balance - July 1, 2021					
Fund Balance - June 30, 2022	\$ -	\$ -	\$ -	\$ 14,121	\$ 14,121

Statistical Section

Cranbury Township School District
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

EXHIBIT J-1

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net investment in capital assets	\$ 5,438,135	\$ 5,758,720	\$ 6,706,807	\$ 8,664,482	\$ 8,655,111	\$ 8,661,308	\$ 8,923,364	\$ 8,745,977	\$ 8,624,705	\$ (8,922,919)
Restricted for:										
Special Revenue	-	-	-	-	-	-	-	-	28,675	28,677
Capital projects	1,692,372	2,763,012	2,500,478	2,991,225	3,126,027	3,666,535	2,586,953	2,099,616	3,522,374	21,018,403
Debt service	-	35	-	-	-	-	-	-	-	14,121
Other purposes	1,995,182	1,211,341	1,062,259	1,142,905	1,381,358	1,570,271	1,702,895	1,971,205	1,465,735	1,367,208
Unrestricted	47,618	92,818	(2,472,584)	(2,462,954)	(2,760,952)	(2,932,459)	(2,959,577)	(2,793,602)	(2,427,419)	(774,877)
Total governmental activities net position	<u>\$ 9,173,307</u>	<u>\$ 9,825,926</u>	<u>\$ 7,796,960</u>	<u>\$ 10,335,658</u>	<u>\$ 10,401,544</u>	<u>\$ 10,965,655</u>	<u>\$ 10,253,635</u>	<u>\$ 10,023,196</u>	<u>\$ 11,214,070</u>	<u>\$ 12,730,613</u>
Business-type activities:										
Net investment in capital assets	\$ 8,768	\$ 9,634	\$ 6,476	\$ 4,751	\$ 4,460	\$ 4,170	\$ 4,025	\$ 6,322	\$ 6,172	\$ 17,651
Unrestricted	26,102	17,645	11,185	1,207	3,044	3,007	150	8,963	25,681	48,506
Total business-type activities net position	<u>\$ 34,870</u>	<u>\$ 27,279</u>	<u>\$ 17,661</u>	<u>\$ 5,958</u>	<u>\$ 7,504</u>	<u>\$ 7,177</u>	<u>\$ 4,175</u>	<u>\$ 15,285</u>	<u>\$ 31,853</u>	<u>\$ 66,157</u>
District-wide:										
Net investment in capital assets	\$ 5,446,903	\$ 5,768,354	\$ 6,713,283	\$ 8,669,233	\$ 8,659,571	\$ 8,665,478	\$ 8,927,389	\$ 8,752,299	\$ 8,630,877	\$ (8,905,268)
Restricted:										
Special Revenue	-	-	-	-	-	-	-	-	28,675	28,677
Capital projects	1,692,372	2,763,012	2,500,478	2,991,225	3,126,027	3,666,535	2,586,953	2,099,616	3,522,374	21,018,403
Debt service	-	35	-	-	-	-	-	-	-	14,121
Other purposes	1,995,182	1,211,341	1,062,259	1,142,905	1,381,358	1,570,271	1,702,895	1,971,205	1,465,735	1,367,208
Unrestricted	73,720	110,463	(2,461,399)	(2,461,747)	(2,757,908)	(2,929,452)	(2,959,427)	(2,784,639)	(2,401,738)	(726,371)
Total district net position	<u>\$ 9,208,177</u>	<u>\$ 9,853,205</u>	<u>\$ 7,814,621</u>	<u>\$ 10,341,616</u>	<u>\$ 10,409,048</u>	<u>\$ 10,972,832</u>	<u>\$ 10,257,810</u>	<u>\$ 10,038,481</u>	<u>\$ 11,245,923</u>	<u>\$ 12,796,770</u>

Cranbury Township School District
 Changes in Net Position, Last Ten Fiscal Years
 (accrual basis of accounting)

EXHIBIT J-2

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 3,823,319	\$ 3,879,413	\$ 4,015,513	\$ 3,864,869	\$ 3,966,279	\$ 4,329,827	\$ 4,278,202	\$ 4,286,497	\$ 4,205,934	\$ 4,487,069
Special education	887,449	909,186	942,112	962,243	971,695	993,264	1,051,182	1,053,672	1,085,642	1,110,082
Other instruction	280,789	315,516	274,212	277,800	276,418	291,380	289,490	306,844	266,142	286,294
Support Services:										
Tuition	4,449,711	4,810,835	4,998,471	5,098,442	5,112,774	5,131,722	5,566,450	5,497,372	6,015,636	5,340,150
Student & instruction related services	1,066,856	1,054,179	1,117,388	1,219,322	1,250,378	1,210,523	1,395,969	1,446,336	1,385,374	1,591,904
School administrative services	193,913	196,656	228,646	216,814	225,415	237,086	246,213	249,733	257,958	265,992
General and business administrative services	550,985	578,542	574,301	591,716	641,492	664,123	740,931	743,062	721,584	704,244
Plant operations and maintenance	2,142,972	1,675,342	1,735,858	1,174,218	1,345,041	1,106,820	2,079,332	2,172,017	1,019,795	1,218,705
Pupil transportation	651,928	743,547	733,998	555,751	672,492	655,612	996,729	955,678	990,806	1,339,688
Unallocated employee benefits	2,797,811	2,564,719	2,787,835	2,920,647	3,556,094	7,349,139	6,701,736	6,194,309	7,805,411	6,627,564
Special schools	-	-	-	-	-	6,143	5,168	3,376	9,067	7,847
Interest on long-term debt	219,440	177,637	167,925	123,800	99,600	81,075	69,458	53,275	36,500	153,839
Unallocated depreciation	69,285	92,663	89,181	104,501	112,224	113,248	114,579	115,366	115,039	115,197
Total governmental activities expenses	<u>17,134,458</u>	<u>16,998,235</u>	<u>17,665,440</u>	<u>17,110,123</u>	<u>18,229,902</u>	<u>22,169,962</u>	<u>23,535,439</u>	<u>23,077,537</u>	<u>23,914,888</u>	<u>23,248,575</u>
Business-type activities:										
Food service	203,142	176,818	158,090	160,694	176,722	183,868	164,592	151,810	120,186	233,000
Total business-type activities expense	<u>203,142</u>	<u>176,818</u>	<u>158,090</u>	<u>160,694</u>	<u>176,722</u>	<u>183,868</u>	<u>164,592</u>	<u>151,810</u>	<u>120,186</u>	<u>233,000</u>
Total district expenses	<u>\$ 17,337,600</u>	<u>\$ 17,175,053</u>	<u>\$ 17,823,530</u>	<u>\$ 17,270,817</u>	<u>\$ 18,406,624</u>	<u>\$ 22,353,830</u>	<u>\$ 23,700,031</u>	<u>\$ 23,229,347</u>	<u>\$ 24,035,074</u>	<u>\$ 23,481,575</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ -	\$ -	\$ 4,000	\$ 4,000	\$ -	\$ -	\$ -	\$ 8,000	\$ 22,000	\$ -
Operating grants and contributions	1,239,441	1,035,215	1,133,028	1,270,471	1,472,796	5,309,935	4,615,413	4,308,843	5,985,962	5,044,702
Capital grants and contributions	-	-	441,446	627,548	-	-	-	-	-	-
Total governmental activities program revenues	<u>1,239,441</u>	<u>1,035,215</u>	<u>1,578,474</u>	<u>1,902,019</u>	<u>1,472,796</u>	<u>5,309,935</u>	<u>4,615,413</u>	<u>4,316,843</u>	<u>6,007,962</u>	<u>5,044,702</u>

(Continued)

Cranbury Township School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

EXHIBIT J-2

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type activities:										
Charges for services:										
Food service	\$ 148,391	\$ 139,900	\$ 124,002	\$ 123,412	\$ 127,945	\$ 152,721	\$ 129,485	\$ 95,511	\$ 2,823	\$ 3,691
Operating grants and contributions	29,593	24,994	22,666	25,452	21,544	26,675	24,369	24,908	95,648	263,524
Total business type activities program revenues	<u>177,984</u>	<u>164,894</u>	<u>146,668</u>	<u>148,864</u>	<u>149,489</u>	<u>179,396</u>	<u>153,854</u>	<u>120,419</u>	<u>98,471</u>	<u>267,215</u>
Total district program revenues	<u>\$ 1,417,425</u>	<u>\$ 1,200,109</u>	<u>\$ 1,725,142</u>	<u>\$ 2,050,883</u>	<u>\$ 1,622,285</u>	<u>\$ 5,489,331</u>	<u>\$ 4,769,267</u>	<u>\$ 4,437,262</u>	<u>\$ 6,106,433</u>	<u>\$ 5,311,917</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (15,895,017)	\$ (15,963,020)	\$ (16,086,966)	\$ (15,208,104)	\$ (16,757,106)	\$ (16,860,027)	\$ (18,920,026)	\$ (18,760,694)	\$ (17,906,926)	\$ (18,203,873)
Business-type activities	(25,158)	(11,924)	(11,422)	(11,830)	(27,233)	(4,472)	(10,738)	(31,391)	(21,715)	34,215
Total district-wide net expense	<u>\$ (15,920,175)</u>	<u>\$ (15,974,944)</u>	<u>\$ (16,098,388)</u>	<u>\$ (15,219,934)</u>	<u>\$ (16,784,339)</u>	<u>\$ (16,864,499)</u>	<u>\$ (18,930,764)</u>	<u>\$ (18,792,085)</u>	<u>\$ (17,928,641)</u>	<u>\$ (18,169,658)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 15,091,151	\$ 14,936,156	\$ 15,122,858	\$ 15,492,532	\$ 15,744,175	\$ 16,257,137	\$ 16,846,983	\$ 17,280,028	\$ 17,625,629	\$ 18,067,639
Taxes levied for debt service	896,425	902,670	877,890	883,975	461,700	467,100	471,700	465,700	464,200	467,000
Unrestricted grants and contributions	776,383	640,628	509,385	504,346	540,386	552,753	728,279	684,375	846,617	1,071,067
Investment earnings	1,902	1,634	1,642	1,662	1,665	1,666	30,757	27,728	280	11,992
Miscellaneous income	148,119	134,551	107,714	864,287	103,727	149,482	137,787	112,396	115,002	102,718
Transfers	-	-	-	-	(28,661)	(4,000)	(7,500)	(39,972)	(38,259)	-
Total governmental activities	<u>16,913,980</u>	<u>16,615,639</u>	<u>16,619,489</u>	<u>17,746,802</u>	<u>16,822,992</u>	<u>17,424,138</u>	<u>18,208,006</u>	<u>18,530,255</u>	<u>19,013,469</u>	<u>19,720,416</u>
Business-type activities:										
Miscellaneous	13,298	4,333	1,804	127	118	145	236	157	24	89
Adjustments to fixed assets	-	-	-	-	-	-	-	2,372	-	-
Transfers	-	-	-	-	28,661	4,000	7,500	39,972	38,259	-
Total business-type activities	<u>13,298</u>	<u>4,333</u>	<u>1,804</u>	<u>127</u>	<u>28,779</u>	<u>4,145</u>	<u>7,736</u>	<u>42,501</u>	<u>38,283</u>	<u>89</u>
Total district-wide	<u>\$ 16,927,278</u>	<u>\$ 16,619,972</u>	<u>\$ 16,621,293</u>	<u>\$ 17,746,929</u>	<u>\$ 16,851,771</u>	<u>\$ 17,428,283</u>	<u>\$ 18,215,742</u>	<u>\$ 18,572,756</u>	<u>\$ 19,051,752</u>	<u>\$ 19,720,505</u>
Change in Net Position:										
Governmental activities	\$ 1,018,963	\$ 652,619	\$ 532,523	\$ 2,538,698	\$ 65,886	\$ 564,111	\$ (712,020)	\$ (230,439)	\$ 1,106,543	\$ 1,516,543
Business-type activities	(11,860)	(7,591)	(9,618)	(11,703)	1,546	(327)	(3,002)	11,110	16,568	34,304
Total district-wide	<u>\$ 1,007,103</u>	<u>\$ 645,028</u>	<u>\$ 522,905</u>	<u>\$ 2,526,995</u>	<u>\$ 67,432</u>	<u>\$ 563,784</u>	<u>\$ (715,022)</u>	<u>\$ (219,329)</u>	<u>\$ 1,123,111</u>	<u>\$ 1,550,847</u>

**Cranbury Township School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years**
(modified accrual basis of accounting)

EXHIBIT J-3

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Restricted for:										
Capital reserve	\$ 1,692,372	\$ 2,259,918	\$ 2,055,891	\$ 2,747,291	\$ 2,952,559	\$ 3,534,439	\$ 2,454,857	\$ 2,099,616	\$ 3,522,374	\$ 2,696,261
Future tuition payments	500,000	550,000	600,000	600,000	700,000	800,000	850,000	900,000	900,000	900,000
Maintenance reserve	600,000	511,187	411,187	511,187	611,187	699,987	657,537	608,269	511,675	412,917
Unemployment Compensation	-	-	-	-	-	-	-	-	54,060	54,291
Assigned for:										
Year-end encumbrances	151,887	150,154	36,537	19,390	70,171	70,284	195,358	404,687	227,716	1,526,709
Designated for subsequent year's budget	5,145	-	14,535	12,328	-	-	-	58,249	-	-
Unassigned	285,937	306,235	321,667	319,394	336,273	324,086	396,542	476,729	475,359	604,237
Total general fund	\$ 3,235,341	\$ 3,777,494	\$ 3,439,817	\$ 4,209,590	\$ 4,670,190	\$ 5,428,796	\$ 4,554,294	\$ 4,547,550	\$ 5,691,184	\$ 6,194,415
All Other Governmental Funds										
Restricted for:										
Student Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,782	\$ 25,021
Scholarships	-	-	-	-	-	-	-	-	3,893	3,656
Assigned for:										
Year-end encumbrances	571,585	152,278	82,014	154,200	83,734	-	-	-	-	1,397,628
Designated for subsequent year's budget	-	35	-	-	-	-	-	-	-	-
Unassigned, reported in:										
Capital projects fund	166,565	350,816	362,573	89,734	89,734	132,096	132,096	-	-	16,924,514
Debt service fund	-	-	-	-	-	-	-	-	-	14,121
Total all other governmental funds	\$ 738,150	\$ 503,129	\$ 444,587	\$ 243,934	\$ 173,468	\$ 132,096	\$ 132,096	\$ -	\$ 28,675	\$ 18,364,940

Cranbury Township School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

EXHIBIT J-4

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax levy	\$ 15,987,576	\$ 15,838,826	\$ 16,000,748	\$ 16,376,507	\$ 16,205,875	\$ 16,724,237	\$ 17,318,683	\$ 17,745,728	\$ 18,089,829	\$ 18,534,639
Tuition charges	-	-	-	-	-	-	8,000	8,000	22,000	11,900
Interest earnings	1,902	1,634	1,642	1,662	1,665	1,666	30,757	27,728	15,443	11,761
Miscellaneous	148,119	134,551	111,714	868,287	103,727	151,111	132,771	114,852	99,839	91,049
Local sources	-	-	-	-	-	-	-	-	33,643	58,094
State sources	1,822,137	1,496,632	1,931,820	2,218,032	1,803,643	1,962,079	2,336,788	2,432,787	2,957,120	3,821,673
Federal sources	193,687	179,211	152,039	184,333	209,539	159,462	164,465	171,096	233,967	296,930
Total revenue	18,153,421	17,650,854	18,197,963	19,648,821	18,324,449	18,998,555	19,991,464	20,500,191	21,451,841	22,826,046
Expenditures										
Instruction										
Regular Instruction	3,514,447	3,564,839	3,607,904	3,499,117	3,663,208	3,928,611	3,849,352	3,895,175	3,821,057	4,084,768
Special education instruction	887,449	909,186	942,112	962,243	971,695	993,264	1,051,182	1,053,672	1,085,642	1,110,082
Other special instruction	280,789	315,516	274,212	277,800	276,418	291,380	289,490	306,844	266,142	286,294
Support Services:										
Tuition	4,449,711	4,810,835	4,998,471	5,098,442	5,112,774	5,131,722	5,566,450	5,497,372	6,015,636	5,340,150
Student & instruction related services	1,066,856	1,054,179	1,117,388	1,219,322	1,250,378	1,210,523	1,395,969	1,446,336	1,385,374	1,591,904
School administrative services	193,913	196,656	203,379	216,814	225,415	237,086	246,213	249,733	257,958	265,992
General and business admin.services	505,939	532,211	549,034	539,466	585,380	607,499	683,641	685,379	664,065	671,762
Plant operations and maintenance	1,042,209	1,039,487	1,297,131	1,095,818	1,132,395	1,004,997	1,085,676	996,697	1,000,487	1,092,610
Pupil transportation	645,234	736,553	727,304	549,058	665,798	648,849	987,424	946,373	981,500	1,330,381
Other support services	2,797,811	2,564,719	2,810,475	2,917,375	3,218,447	3,444,011	3,783,288	3,873,334	4,311,940	5,041,590
Special Schools	-	-	-	-	5,404	6,143	5,168	3,376	9,067	7,847
Capital outlay	719,680	716,906	1,188,847	1,820,271	336,642	306,136	1,442,913	1,179,068	62,536	1,158,170
Debt service:										
Principal	678,985	709,843	710,000	745,000	355,000	375,000	395,000	405,000	420,000	440,000
Interest and other charges	219,440	192,792	167,925	138,975	106,700	92,100	76,700	60,700	44,200	27,000
Total expenditures	17,002,463	17,343,722	18,594,182	19,079,701	17,905,654	18,277,321	20,858,466	20,599,059	20,325,604	22,448,550
Excess (Deficiency) of revenues over (under) expenditures	1,150,958	307,132	(396,219)	569,120	418,795	721,234	(867,002)	(98,868)	1,126,237	377,496
Other Financing sources (uses)										
Proceeds from serial bonds	-	-	-	-	-	-	-	-	-	18,462,000
Transfers in	-	209,088	662,169	1,397,698	-	-	-	247,352	-	14,121
Transfers out	-	(209,088)	(662,169)	(1,397,698)	(28,661)	(4,000)	(7,500)	(287,324)	(38,259)	(14,121)
Total other financing sources (uses)	-	-	-	-	(28,661)	(4,000)	(7,500)	(39,972)	(38,259)	18,462,000
Net change in fund balances	\$ 1,150,958	\$ 307,132	\$ (396,219)	\$ 569,120	\$ 390,134	\$ 717,234	\$ (874,502)	\$ (138,840)	\$ 1,087,978	\$ 18,839,496
Debt service as a percentage of noncapital expenditures	5.52%	5.43%	5.04%	5.12%	2.63%	2.60%	2.43%	2.40%	2.29%	2.19%

Source: District records

Cranbury Township School District
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

EXHIBIT J-5

<u>Fiscal Year Ending June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Tuition Refund</u>	<u>Prior Year Refunds</u>	<u>Rentals</u>	<u>Donations</u>	<u>Camp Fees</u>	<u>Miscellaneous</u>	<u>Total</u>
2013	\$ 34,134	\$ -	\$ -	\$ 53,831	\$ 55,900	\$ 4,293	\$ -	\$ 1,863	\$ 150,021
2014	43,449	-	2,000	39,843	50,700	-	-	193	136,185
2015	48,733	4,000	-	4,581	50,325	-	-	5,717	113,356
2016	37,434	4,000	5,209	770,637	49,680	-	-	2,989	869,949
2017	48,221	-	-	3,353	50,725	-	-	3,093	105,392
2018	56,134	4,000	21,062	1,489	63,573	-	-	4,890	151,148
2019	82,609	8,000	-	15,369	49,450	-	6,800	6,316	168,544
2020	75,574	8,000	-	6,393	50,670	-	3,400	4,087	148,124
2021	34,055	22,000	4,933	62,813	7,613	-	-	5,868	137,282
2022	30,597	11,900	-	18,634	1,450	-	-	38,008	100,589
	<u>\$ 490,940</u>	<u>\$ 61,900</u>	<u>\$ 33,204</u>	<u>\$ 976,943</u>	<u>\$ 430,086</u>	<u>\$ 4,293</u>	<u>\$ 10,200</u>	<u>\$ 73,024</u>	<u>\$ 2,080,590</u>

Source: District records

Cranbury Township School District
 Assessed Value and Actual Value of Taxable Property,
 Last Ten Fiscal Years

EXHIBIT J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2013	\$ 10,174,400	\$ 703,300,000	\$ 30,428,100	\$ 2,867,300	\$ 229,943,500	\$ 564,889,800	\$ 622,300	\$ 1,542,225,400	\$ 1,978,191	\$ 1,544,203,591	\$ 68,453,451	\$ 1.031	\$ 1,494,986,311
2014	10,174,400	702,804,100	28,964,100	2,860,500	224,113,600	560,981,000	622,300	1,530,520,000	1,779,393	1,532,299,393	68,452,351	1.039	1,561,888,554
2015	21,772,400	704,045,500	29,613,400	2,830,800	224,047,500	558,454,900	622,300	1,541,386,800	1,934,189	1,543,320,989	68,713,851	1.049	1,467,820,463
2016	33,634,300	703,161,600	29,971,400	2,755,200	229,019,000	552,041,900	622,300	1,551,205,700	1,893,004	1,553,098,704	75,758,151	1.049	1,559,947,896
2017	40,279,100	704,245,100	31,533,900	2,697,000	217,751,100	592,852,500	622,300	1,589,981,000	2,001,388	1,591,982,388	75,958,451	1.035	1,525,848,058
2018	40,941,000	703,535,100	30,432,200	2,616,500	226,680,000	594,639,400	622,300	1,599,466,500	1,923,340	1,601,389,840	78,114,151	1.063	1,630,433,601
2019	26,598,100	704,441,300	30,416,100	2,672,800	224,075,800	769,713,000	622,300	1,758,539,400	1,928,442	1,760,467,842	81,683,651	0.996	1,825,460,397
2020	3,060,600	720,341,500	30,360,000	2,594,200	240,036,900	848,944,700	622,300	1,845,960,200	1,974,681	1,847,934,881	81,847,151	0.975	1,906,757,838
2021	13,064,600	727,070,500	28,244,700	2,507,400	239,202,200	902,079,600	622,300	1,912,791,300	1,926,352	1,914,717,652	94,088,500	0.957	2,094,637,321
2022	11,548,100	737,966,500	27,910,500	2,627,800	243,300,200	905,854,600	622,300	1,929,830,000	2,025,023	1,931,855,023	91,088,500	0.980	2,017,687,662

Source:
 Municipal Tax Assessor

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

- a Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies
- b Tax rates are per \$100 of assessed valuation.
- c Not available.
- R Revaluation

Cranbury Township School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

EXHIBIT J-7

Fiscal Year Ended June 30,	CranburySchool District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Township of Cranbury	Middlesex County	
2013	\$ 0.973	\$ 0.058	\$ 1.031	\$ 0.429	\$ 0.372	\$ 1.832
2014	0.981	0.058	1.039	0.460	0.406	1.905
2015	0.991	0.058	1.049	0.470	0.379	1.898
2016	1.019	0.030	1.049	0.489	0.395	1.933
2017	1.006	0.029	1.035	0.499	0.383	1.917
2018	1.034	0.029	1.063	0.500	0.406	1.969
2019	0.969	0.027	0.996	0.399	0.404	1.799
2020	0.950	0.025	0.975	0.399	0.406	1.780
2021	0.933	0.024	0.957	0.399	0.433	1.789
2022	0.945	0.035	0.980	0.400	0.402	1.782

Source: Municipal Tax Collector

**Cranbury Township School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

EXHIBIT J-8

Taxpayer	2022		Taxpayer	2013	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Cranbury Brickyard, LLC	\$ 135,451,000	7.01%	Keystone Properties, LLC	\$ 129,802,900	8.41%
Cedarbrook Corporate Center	129,999,900	6.73%	Cedar Brook Corporate Center	119,961,400	7.77%
Prologis	127,150,900	6.58%	Sudler Management	61,187,500	3.97%
Keystone	118,560,400	6.14%	Deka/Rock Exit 8A LTD Partnership	51,028,100	3.31%
Alfieri	90,236,400	4.67%	Exeter 258 Prospect Plains, LLC	42,333,600	2.74%
Sudler Management	85,603,300	4.43%	RREEF America REIT Corp	38,677,100	2.51%
CLPF Cranbury Station Park	59,778,200	3.09%	Kerzner Associates, LLC	37,924,600	2.46%
Duke Realty	44,987,900	2.33%	Security Capital Industrial Trust	35,983,100	2.33%
Prospect Plains ILP	42,333,600	2.19%	Morris Cranbury Assoc. Ltd.	32,208,700	2.09%
Kerzner Associates, LLC	41,456,600	2.15%	Prologis Development	31,111,000	2.02%
Total	\$ 875,558,200	47.67%	Total	\$ 580,218,000	37.60%

Source: Municipal Tax Assessor

**Cranbury Township School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

EXHIBIT J-9

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Calendar Year</u>	<u>Collected within the Fiscal Year of the Levy ^a</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2013	\$ 15,987,576	\$ 15,987,576	100.00%	-
2014	15,838,826	15,838,826	100.00%	-
2015	16,000,748	16,000,748	100.00%	-
2016	16,376,507	16,376,507	100.00%	-
2017	16,205,875	16,205,875	100.00%	-
2018	16,724,237	16,724,237	100.00%	-
2019	17,318,683	17,318,683	100.00%	-
2020	17,745,728	17,745,728	100.00%	-
2021	18,089,829	18,089,829	100.00%	-
2022	18,534,639	18,534,639	100.00%	-

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

a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statutes, 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.

**Cranbury Township School District
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years**

EXHIBIT J-10

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^b	Per Capita ^c
	General Obligation Bonds ^a	Financed Purchases/ Leases			
2013	\$ 5,009,843	\$ -	\$ 5,009,843	2.48%	\$ 1,290
2014	4,300,000	-	4,300,000	2.07%	1,105
2015	3,590,000	-	3,590,000	1.69%	923
2016	2,845,000	-	2,845,000	1.30%	732
2017	2,490,000	-	2,490,000	1.11%	643
2018	2,115,000	-	2,115,000	0.87%	530
2019	1,720,000	-	1,720,000	0.68%	423
2020	1,315,000	-	1,315,000	0.48%	317
2021	895,000	72,784	967,784	d	245
2022	18,917,000	49,379	18,966,379	d	d

Sources:

- a District Records
- b Personal Income has been estimated based upon the municipal population and per capita personal income.
- c Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.
- d Unavailable

**Cranbury Township School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years**

EXHIBIT J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable ^b	Per Capita ^c
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding ^a		
2013	\$ 5,009,843	\$ -	\$ 5,009,843	0.32%	\$ 1,290
2014	4,300,000	-	4,300,000	0.28%	1,105
2015	3,590,000	-	3,590,000	0.23%	923
2016	2,845,000	-	2,845,000	0.18%	732
2017	2,490,000	-	2,490,000	0.16%	643
2018	2,115,000	-	2,115,000	0.13%	530
2019	1,720,000	-	1,720,000	0.10%	423
2020	1,315,000	-	1,315,000	0.07%	317
2021	895,000	-	895,000	0.05%	227
2022	18,917,000	-	18,917,000	0.98%	d

Sources:

- a District Records
- b Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- c Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.
- d Not Available.

**Cranbury Township School District
 Ratios of Overlapping Governmental Activities Debt
 As of December 31, 2021**

EXHIBIT J-12

<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 Cranbury	\$ 19,829,459 (1)	100.000%	\$ 19,829,459
Middlesex County General Obligation Debt	423,106,469 (1)	1.767% (2)	7,476,291
			<hr/>
Subtotal, overlapping debt			27,305,750
Cranbury School District Direct Debt			<hr/> 455,000
Total direct and overlapping debt			<hr/> \$ 27,760,750 <hr/>

Sources:

- (1) Entity's Audit Report
- (2) The County percentage is based upon a calculation reflecting the Township's share of the 2021 Equalized Valuation. The source for this computation was the 2021 County Abstract of Ratables, provided by the County Board of Taxation.

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized valuation basis (1)
	2019 1,816,110,090
	2020 2,001,515,366
	2021 1,989,382,527
	<u>\$ 5,807,007,983</u>
Average equalized valuation of taxable property	<u>\$ 1,935,669,328</u>
Debt limit (3% of average equalized valuation) (2)	58,070,080
Net bonded school debt (3)	<u>18,917,000</u>
Legal debt margin	<u>\$ 39,153,080</u>

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 52,641,830	\$ 47,083,121	\$ 44,963,842	\$ 45,539,537	\$ 44,689,479	\$ 46,327,289	\$ 47,434,964	\$ 50,800,131	\$ 58,070,080	\$ 58,070,080
Total net debt applicable to limit (3)	<u>5,009,843</u>	<u>4,300,000</u>	<u>3,590,000</u>	<u>2,845,000</u>	<u>2,490,000</u>	<u>2,115,000</u>	<u>1,720,000</u>	<u>1,315,000</u>	<u>895,000</u>	<u>18,917,000</u>
Legal debt margin	<u>\$ 47,631,987</u>	<u>\$ 42,783,121</u>	<u>\$ 41,373,842</u>	<u>\$ 42,694,537</u>	<u>\$ 42,199,479</u>	<u>\$ 44,212,289</u>	<u>\$ 45,714,964</u>	<u>\$ 49,485,131</u>	<u>\$ 57,175,080</u>	<u>\$ 39,153,080</u>
Total net debt applicable to the limit as a percentage of debt limit	9.52%	9.13%	7.98%	6.25%	5.57%	4.57%	3.63%	2.59%	1.54%	32.58%

Sources:

- (1) Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 8 district.
- (3) District Records

**Cranbury Township School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

EXHIBIT J-14

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2013	3,883	\$ 202,362,545	\$ 52,115	3.9%
2014	3,890	208,118,890	53,501	5.1%
2015	3,889	212,113,838	54,542	4.0%
2016	3,886	218,420,402	56,207	3.3%
2017	3,875	224,319,875	57,889	3.4%
2018	3,993	241,764,171	60,547	3.3%
2019	4,065	254,733,225	62,665	2.5%
2020	4,153	276,755,920	66,640	6.3%
2021	3,943	e	e	4.2%
2022	e	e	e	e

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income has been established based upon the municipal population and per capita personal income presented.
- ^c Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development
- ^e Information not available

**Cranbury Township School District
 Full-time Equivalent District Employees by Function/Program,
 Last Ten Fiscal Years**

EXHIBIT J-16

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instruction										
Regular	50	50	49	47	47	48	48	49	49	48
Special education	14	14	21	22	22	22	23	24	24	22
Support Services:										
Student & instruction related services	12	11	12	12	13	13	13	13	14	14
School administrative services	5	5	5	6	6	5	6	6	6	6
Plant operations and maintenance	7	7	7	7	7	5	5	5	5	5
Pupil transportation	1	1	1	1	1	1	1	1	1	1
Business and other support services	3	3	4	4	4	4	4	4	4	4
Total	92	91	99	99	100	98	100	102	103	100

Source:
 District Personnel Records

**Cranbury Township School District
Operating Statistics,
Last Ten Fiscal Years**

EXHIBIT J-17

Fiscal Year	Resident Enrollment	Operating Expenditures^a	Cost Per Pupil	Percentage Change	Teaching Staff^b	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE)^c	Average Daily Attendance (ADA)^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2013	813	\$ 15,384,358	\$ 18,923	3.08%	64	1:10	554.1	535.2	-4.82%	96.59%
2014	810	15,724,181	19,413	2.59%	64	1:10	549.7	530.9	-0.80%	96.58%
2015	764	16,527,410	21,633	11.44%	70	1:10	515.3	496.3	-6.52%	96.31%
2016	767	16,375,455	21,350	-1.31%	69	1:10	492.3	475.0	-4.29%	96.49%
2017	745	17,107,312	22,963	7.55%	69	1:10	466.3	448.1	-5.66%	96.10%
2018	753	17,504,085	23,246	1.23%	70	1:10	473.1	453.4	1.19%	95.85%
2019	749	18,943,853	25,292	8.80%	71	1:10	471.6	452.1	-0.29%	95.87%
2020	729	18,954,291	26,000	2.80%	73	1:10	484.2	469.8	3.92%	97.03%
2021	696	19,798,868	28,447	9.41%	73	1:10	459.5	450.6	-4.09%	98.06%
2022	699	20,823,380	29,790	0.00%	70	1:10	476.5	453.4	3.60%	95.15%

Sources: District records

Note: Enrollment based on annual October district count.

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

N/A Information not available

**Cranbury Township School District
 School Building Information
 Last Ten Fiscal Years**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>District Building</u>										
<u>Elementary</u>										
Cranbury Township Elementary (1982)										
Square Feet	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment	554	550	515	492	466	473	472	484	460	476

Number of Schools at June 30, 2022
 Elementary = 1
 Middle School = 0
 Senior High School = 0
 Other = 0

Source: District Facilities Office

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

* School Facilities	Fiscal Year										Total
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Cranbury Public School	\$ 104,430	\$ 87,203	\$ 168,359	\$ 105,876	\$ 77,806	\$ 63,915	\$ 65,662	\$ 86,274	\$ 140,532	\$ 100,327	\$ 900,057
Total School Facilities	\$ 104,430	\$ 87,203	\$ 168,359	\$ 105,876	\$ 77,806	\$ 63,915	\$ 65,662	\$ 86,274	\$ 140,532	\$ 100,327	\$ 900,057

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

Source: District records

**Cranbury Township School District
Insurance Schedule
June 30, 2022**

EXHIBIT J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1)		
Property-Blanket Building and Contents	\$ 500,000,000	\$ 2,500
Flood/Earthquake	10,000,000/25,000,000	25,000
Automobile Physical Damage	In Blanket Limit	1,000
Automobile Liability	5,000,000	-
Builders Risk	25,000,000	2,500
General Liability	5,000,000	-
Employee Benefits Liability	5,000,000	1,000
Crime - Forgery, Theft, Computer Fraud	50,000	1,000
Crime - Blanket Dishonesty Bond	500,000	1,000
Excess General Liability and Auto	5,000,000	-
School Leaders' Professional Liability	5,000,000	10,000
Excess School Leaders' Professional Liability	5,000,000	-
Workers' Compensation	5,000,000	10,000
Employers Liability	5,000,000	-
Excess Liability	30,000,000	-
Electronic Data Processing Equipment/Cyber	In Blanket Limit	2,500
Pollution Liability	2,000,000	25,000
Student Accident Insurance (2)	500,000/5,000,000	-
Surety Bonds (3)		
Treasurer	205,000	-
Board Secretary	205,000	-

- (1) School Alliance Insurance Fund
- (2) Zurich Insurance Company
- (2) Selective Insurance Company

Source: District records

Single Audit Section

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Certified Public Accountants

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American Institute of CPAs
New Jersey Society of CPAs

**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 AUDITOR'S REPORT

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cranbury Township School District (the "District"), in the County of Middlesex, State of New Jersey, 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 my report thereon dated January 30, 2023.

Report on Internal Control Over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I 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 from material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
January 30, 2023

INVERSO & STEWART, LLC

Certified Public Accountants

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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT
 ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
 STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program***Opinion on Each Major State Program***

I have audited Cranbury Township School District's (the "District"), in the County of Middlesex, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on the District's major state programs for the year ended June 30, 2022. The District's major state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned costs.

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

Basis for Opinion on Each Major State Program

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. My responsibilities under those standards and the Circular 15-08-OMB are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major state program. My 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 state programs.

Auditor's Responsibilities for the Audit of Compliance

My 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 my 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 generally accepted auditing standards, Government Auditing Standards, and the N.J. Circular 15-08-OMB 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, 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 state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and N.J. Circular 15-08-OMB, I:

- 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 I 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 N.J. Circular 15-08-OMB, 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.

I am 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 I 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 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 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 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.

My 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 my audit I did not identify any deficiencies in internal control over compliance that I 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.

My 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.

Purpose of this Report

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

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
January 30, 2023

CRANBURY TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2021			Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2022		
						(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I:															
Fiscal Year 2022	84.010	S010A210030	ESSA097022	\$ 36,452	7/1/21 - 9/30/22	\$ -	\$ -	\$ -	\$ -	\$ 8,818	\$ (36,107)	\$ -	\$ (27,289)	\$ -	\$ -
Fiscal Year 2021	84.010	S010A200030	ESSA097021	29,236	7/1/20 - 9/30/21	(3,339)	-	-	-	3,339	-	-	-	-	-
Title II A:															
Fiscal Year 2022	84.367A	S367A210029	ESSA097022	11,568	7/1/21 - 9/30/22					11,568	(11,568)		-		
Title IV:															
Fiscal Year 2022	84.424	S424A210031	ESSA097022	10,000	7/1/21 - 9/30/22					5,987	(8,587)		(2,600)		
I.D.E.A. Part B - Basic:															
Fiscal Year 2022	84.027A	H027A210100	IDEA097022	117,189	7/1/21 - 9/30/22					112,341	(117,189)		(4,848)		
Fiscal Year 2021	84.027A	H027A200100	IDEA097021	133,467	7/1/20 - 9/30/21	(26,884)				26,884			-		
I.D.E.A. Part B - Preschool:															
Fiscal Year 2021	84.173A	H173A200114	IDEA097021	5,782	7/1/20 - 9/30/21	(151)				151			-		
ARP I.D.E.A. Part B - Preschool:															
Fiscal Year 2022	84.173X	H173X200114	IDEA097022	1,694	7/1/21 - 9/30/22					1,694	(1,694)		-		
Coronavirus Response and Relief Supplemental Act:															
CRRSA - ESSER II															
Fiscal Year 2022	84.425D	S425D210027	N/A	94,004	3/13/20 - 9/30/23						(77,989)		(77,989)		
CRRSA - Learning Acceleration															
Fiscal Year 2022	84.425D	S425D210027	N/A	25,000	3/13/20 - 9/30/23						(15,076)		(15,076)		
American Rescue Plan:															
ARP - ESSER III															
Fiscal Year 2022	84.425U	S425U210027	N/A	211,269	3/13/20 - 9/30/24					11,570	(11,570)		-		
ARP - Accelerated Learning															
Fiscal Year 2022	84.425U	S425U210027	N/A	56,951	3/13/20 - 9/30/24					1,400	(7,775)		(6,375)		
ARP - Mental Health															
Fiscal Year 2022	84.425U	S425U210027	N/A	45,000	3/13/20 - 9/30/24						(9,375)		(9,375)		
Total U.S. Department of Education						(30,374)				183,752	(296,930)		(143,552)		
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program:															
Fiscal Year 2022	10.555	221NJ304N1099	N/A	8,665	7/1/21 - 6/30/22					8,665	(8,665)		-		
National School Lunch Program															
Fiscal Year 2022	10.555	221NJ304N1099	N/A	234,302	7/1/21 - 6/30/22					219,182	(234,302)		(15,120)		
Fiscal Year 2021	10.555	211NJ304N1099	N/A	82,555	7/1/20 - 6/30/21	(28,169)				28,169					
EM Schools															
Fiscal Year 2022	10.555	202121H170341	N/A	1,792	7/1/21 - 6/30/22					1,792	(1,792)				
P-EBT															
Fiscal Year 2022	10.649	2022225900941	N/A	1,242	7/1/21 - 6/30/22					1,242	(1,242)				
NSLP Equipment Assistance															
Fiscal Year 2022	10.579	211NJ354N8103	N/A	15,590	7/1/21 - 6/30/22						(12,010)		(12,010)		
Total U.S. Department of Agriculture						(28,169)				259,050	(258,011)		(27,130)		
Total Federal Awards						\$ (58,543)	\$ -	\$ -	\$ -	\$ 442,802	\$ (554,941)	\$ -	\$ (170,682)	\$ -	\$ -

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

CRANBURY TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year ended June 30, 2022

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2021			Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2022		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
State Department of Education													
General Fund:													
Special Education Categorical Aid	22-495-034-5120-089	\$ 599,298	7/1/21- 6/30/22	\$ -	\$ -	\$ -	\$ -	\$ 548,560	\$ (599,298)	\$ -	\$ (50,738)	\$ -	\$ -
Special Education Categorical Aid	21-495-034-5120-089	482,495	7/1/20- 6/30/21	(44,877)				44,877					
Transportation Aid	22-495-034-5120-014	163,336	7/1/21- 6/30/22					149,508	(163,336)		(13,828)		
Transportation Aid	21-495-034-5120-014	163,336	7/1/20- 6/30/21	(15,192)				15,192			-		
Security Aid	22-495-034-5120-084	13,756	7/1/21- 6/30/22					12,591	(13,756)		(1,165)		
Security Aid	21-495-034-5120-084	13,756	7/1/20- 6/30/21	(1,280)				1,280			-		
Extraordinary Special Education Costs	22-495-034-5120-044	287,444	7/1/21- 6/30/22						(287,444)		(287,444)		
Extraordinary Special Education Costs	21-495-034-5120-044	178,752	7/1/20- 6/30/21	(178,752)				178,752			-		
Nonpublic Transportation Aid	22-495-034-5120-014	8,990	7/1/21- 6/30/22						(8,990)		(8,990)		
Nonpublic Transportation Aid	21-495-034-5120-014	8,990	7/1/20- 6/30/21	(8,990)				8,990			-		
Lead Testing	22-495-034-5120-104	2,625	7/1/21- 6/30/22						(2,625)		(2,625)		
On-behalf TPAF Post Retirement Medical	22-495-034-5094-001	448,704	7/1/21- 6/30/22					448,704	(448,704)		-		
On-behalf TPAF Pension Contribution	22-495-034-5094-002	1,920,488	7/1/21- 6/30/22					1,920,488	(1,920,488)		-		
On-behalf TPAF LTDI	22-495-034-5094-004	796	7/1/21- 6/30/22					796	(796)		-		
Reimbursed TPAF Social Security Contr.	22-495-034-5094-003	377,117	7/1/21- 6/30/22					358,646	(377,117)		(18,471)		
Reimbursed TPAF Social Security Contr.	21-495-034-5094-003	348,800	7/1/20- 6/30/21	(24,146)				24,146			-		
Total General Fund				(273,237)	-	-	-	3,712,530	(3,822,554)	-	(383,261)	-	-
Special Revenue Fund:													
SDA Emergent Need & Capital Maint.	EG-0311-D02	10,626	7/1/21- 6/30/22					10,626			10,626		
Nonpublic Textbook Aid	22-100-034-5120-064	540	7/1/21- 6/30/22					540	(540)		-		
Nonpublic Technology Aid	22-100-034-5120-373	378	7/1/21- 6/30/22					378	(378)		-		
Nonpublic Security Aid	22-100-034-5120-509	1,575	7/1/21- 6/30/22					1,575	(1,575)		-		
Nonpublic Nursing Aid	22-100-034-5120-070	1,008	7/1/21- 6/30/22					1,008	(1,008)		-		
Auxiliary Services:													
Transportation	21-100-034-5120-068	89	7/1/20- 6/30/21			89				89			
Handicapped Services:													
Corrective Speech	21-100-034-5120-066	911	7/1/20- 6/30/21			911				911			
Corrective Speech	22-100-034-5120-066	930	7/1/21- 6/30/22					930					930
Total Special Revenue Fund				-	-	1,000	-	15,057	(3,501)	1,000	-	10,626	930
Total Department of Education				(273,237)	-	1,000	-	3,727,587	(3,826,055)	1,000	(383,261)	10,626	930
State Department of Agriculture													
Enterprise Fund:													
National School Lunch Program (State Share)													
Fiscal Year 2022	22-100-010-3350-023	5,513	7/1/21 - 6/30/22					5,165	(5,513)		(348)		
Fiscal Year 2021	21-100-010-3350-023	4,289	7/1/20 - 6/30/21	(1,163)				1,163			-		
Total Department of Agriculture				(1,163)				6,328	(5,513)		(348)		
Total State Financial Assistance				\$ (274,400)	\$ -	\$ 1,000	\$ -	\$ 3,733,915	\$ (3,831,568)	\$ 1,000	\$ (383,609)	\$ 10,626	\$ 930
Less: State Financial Expenditures Not Subject to Major Program Determination													
On-Behalf TPAF Contribution - Pension (Non-Budgeted)													
(1,920,488)													
On-Behalf TPAF Contribution - LTDI (Non-Budgeted)													
(796)													
On-Behalf TPAF Contribution - Post-Retirement Medical (Non-Budgeted)													
(448,704)													
Total State Financial Expenditures Subject to Major Program Determination													
\$ (1,461,580)													

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

**Cranbury Township School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2022**

1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Cranbury Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule 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*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The school district has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when the 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more of the June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or two June state aid payments in the current budget year, consistent with *N.J.S.A. 18A:22-44.2*.

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is (\$4,382) in the general fund and \$-0- in the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ -	\$ 3,818,172	\$ 3,818,172
Special Revenue	296,930	3,501	300,431
Food Service	<u>258,011</u>	<u>5,513</u>	<u>263,524</u>
Total	<u>\$ 554,941</u>	<u>\$ 3,827,186</u>	<u>\$ 4,382,127</u>

**Cranbury Township School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2022
(Continued)**

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2022. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2022.

6. MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

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

Section I --Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weaknesses identified? yes X no
- 2) Significant deficiencies identified? yes X none reported

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

NOT APPLICABLE

Internal Control over major programs:

- 1) Material weakness(es) identified? yes no
- 2) Significant deficiencies identified? yes none reported

Type of auditor's report on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? yes no

Identification of major programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to distinguish between type A and type B programs: _____

Auditee qualified as low-risk auditee? yes no

CRANBURY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Section 1 -- Summary of Auditor's Results (Cont'd)

State Awards Section

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

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weakness? yes X none reported

Type of auditor's report on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08 as applicable? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>22-495-034-5120-089</u>	State Aid Public Cluster: <u>Special Education Categorical Aid</u>
<u>22-495-034-5120-084</u>	<u>Security Aid</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
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**CRANBURY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section 2 -- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

No findings and/or questioned costs identified.

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

**Section 3 -- Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by 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 Circular 15-08-OMB.

FEDERAL AWARDS:

A federal single audit was not required.

STATE AWARDS:

No findings and/or questioned costs identified.

**CRANBURY TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**

This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, 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 Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings.

FEDERAL AWARDS

A federal single audit was not required.

STATE AWARDS

There were no prior year audit findings.