

EAST BRUNSWICK PUBLIC SCHOOLS



Excellence in Academics, Athletics, and the Arts

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

760 State Highway 18, East Brunswick, New Jersey 08816

East Brunswick Public Schools

East Brunswick Board of Education East Brunswick, New Jersey

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2022

Prepared by

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East Brunswick Public Schools
Department of Financial Services

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Introductory Section

East Brunswick Public Schools

760 Route 18
East Brunswick, New Jersey 08816

March 28, 2023

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

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

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

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

1. REPORTING ENTITY AND ITS SERVICES

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

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

<u>School</u>	<u>Year Built</u>	<u>FY2022 Grades</u>	<u>FY2023 Grades</u>
Bowne-Munro Elementary School	1952	K to 5	K to 4
Central Elementary School	1949	K to 5	K to 4
Chittick Elementary School	1969	K to 5	K to 4
Frost Elementary School	1965	K to 5	K to 4
Irwin Elementary School	1957	K to 5	K to 4
Lawrence Brook Elementary School	1959	K to 5	K to 4
Memorial Elementary School	2012	K to 5	K to 4
Warnsdorfer Elementary School	1968	K to 5	K to 4
Hammarskjold Middle School	2009	6 & 7	5 & 6
Churchill Junior High School	1962	8 & 9	7 to 9
East Brunswick High School	1958	10 to 12	10 to 12

The District completed fiscal year 2021-2022 with an average daily enrollment of 8,093 students, or 29 students more than the previous year's enrollment. The District has experienced an upward turn in the number of new enrollments in comparison to the COVID-19 Pandemic decrease. The following details the changes in the District's student enrollment over the last five years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment Student Enrollment</u>	<u>Percent Change</u>
2021-2022	8,093.0	0.36%
2020-2021	8,064.0	(1.87%)
2019-2020	8,218.0	(1.01%)
2018-2019	8,302.0	3.14%
2017-2018	8,049.0	0.01%

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

The District re-engaged Statistical Forecasting, LLC to conduct a comprehensive analysis of school enrollment projections. The study was completed in June 2022 and updated as of January 3, 2023. It projects grade-by-grade enrollments over a five-year period from 2022-2023 through 2026-2027. In addition, the study included the following:

- Examination of historical enrollment trends, both districtwide and by grade configuration (PK-4, 5-6, 7-9, and 10-12);
- Investigation of historical enrollment trends with respect to race and poverty status in each school;
- Tabulation of birth counts at the attendance area level;
- Computation of student yields by housing type (i.e., detached single family,

townhouse/condominium, and apartment);

- Analysis of new housing starts and the impact on the school district; and,
- Projected enrollments, in a totally independent analysis, based on student yields and housing turnover rates (resales) in East Brunswick.

The study’s projected year-to-year increases in enrollment will have serious consequences on District facilities and class sizes. The table below exhibits 2021-2022 actual enrollment and the ensuing enrollment projections.

Note that a new grade configuration became effective with the 2022-2023 school year, which impacts the District’s eight elementary schools, Hammarskjold Upper Elementary School (formerly the middle school), and Churchill Junior High School.

<i>Actual Enrollment</i>					
<i>Fiscal Year</i>	<i>PK-5</i>	<i>6-7</i>	<i>8-9</i>	<i>10-12</i>	<i>PK-12</i>
<i>2021-2022</i>	<i>3,406</i>	<i>1,275</i>	<i>1,363</i>	<i>2,024</i>	<i>8,058</i>

<i>Baseline Projections</i>					
<i>Fiscal Year</i>	<i>PK-4</i>	<i>5-6</i>	<i>7-9</i>	<i>10-12</i>	<i>PK-12</i>
<i>2022-2023</i>	<i>2,666</i>	<i>1,299</i>	<i>2,000</i>	<i>1,991</i>	<i>7,956</i>
<i>2023-2024</i>	<i>2,646</i>	<i>1,307</i>	<i>1,982</i>	<i>2,078</i>	<i>8,013</i>
<i>2024-2025</i>	<i>2,677</i>	<i>1,228</i>	<i>2,046</i>	<i>2,091</i>	<i>8,042</i>
<i>2025-2026</i>	<i>2,770</i>	<i>1,168</i>	<i>2,060</i>	<i>2,090</i>	<i>8,088</i>
<i>2026-2027</i>	<i>2,795</i>	<i>1,196</i>	<i>2,017</i>	<i>2,072</i>	<i>8,080</i>
<i>2026-2027 Change Over 2021-2022</i>	<i>-611</i>	<i>-79</i>	<i>+654</i>	<i>+48</i>	<i>+22</i>

<i>Projections Adjusted for Housing Growth</i>					
<i>Fiscal Year</i>	<i>PK-4</i>	<i>5-6</i>	<i>7-9</i>	<i>10-12</i>	<i>PK-12</i>
<i>2022-2023</i>	<i>2,666</i>	<i>1,299</i>	<i>2,000</i>	<i>1,991</i>	<i>7,956</i>
<i>2023-2024</i>	<i>2,683</i>	<i>1,321</i>	<i>2,000</i>	<i>2,097</i>	<i>8,101</i>
<i>2024-2025</i>	<i>2,744</i>	<i>1,256</i>	<i>2,085</i>	<i>2,128</i>	<i>8,213</i>
<i>2025-2026</i>	<i>2,860</i>	<i>1,211</i>	<i>2,119</i>	<i>2,145</i>	<i>8,335</i>
<i>2026-2027</i>	<i>2,901</i>	<i>1,253</i>	<i>2,099</i>	<i>2,146</i>	<i>8,399</i>
<i>2026-2027 Change Over 2021-2022</i>	<i>-505</i>	<i>-22</i>	<i>+736</i>	<i>+122</i>	<i>+341</i>

Prior to the grade-level realignment, class sizes were being pushed upward to undesirable thresholds and the availability of classrooms for new sections was virtually non-existent. The grade-level realignment provided sorely needed classroom space at the elementary level.

During Fiscal Year 2021, the Board re-engaged in discussing resolutions to elementary classroom shortages. On May 6, 2021, the Board authorized the Administration to commence planning for Temporary Classroom Units to be placed at the Churchill Junior High School site for occupancy by September 2022.

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

The Township of East Brunswick is pursuing significant redevelopment plans, which are reported to include upscale or specialty food markets; medium- and high-end restaurants; shuttle bus service; bike paths; a concert venue; special needs and/or senior housing; universal Wi-Fi; a community use building for recreational purposes; a hotel; and, residential units.

Representatives from the East Brunswick Planning and Engineering Department provided information to the District’s demographer regarding current and future residential development. A list of approved housing developments, location, affected elementary attendance area, number of units, housing type, bedroom distribution (if available), and project status is shown in the table below. The table excludes new houses to be built on single in-fill lots, or the subdivision of existing lots, or homes that are built after the demolition of an existing older home.

Approved Residential Developments in East Brunswick

Subdivision/Developer (Location)	Elementary Attendance Area	Number of Units	Bedroom Distribution	Housing Type	Notes/Status
Abdelshahid (Hardenburg Lane)	Wamsdorfer	3	N/A	Detached Single-Family	One unit under construction
Bartel/Dunhams Cove (Dunhams Corner Road)	Central	8	N/A	Detached Single-Family	Under construction
Bruno (Dutch Road)	Wamsdorfer	3	N/A	Detached Single-Family	Approved but not under construction
Clark Farm (Stage Coach Run/ Lanterns Lane)	Wamsdorfer	12	N/A	Detached Single-Family	Approved in 2008. Nothing has been constructed due to very high water table. Unclear whether the project will move forward.
Enclave at East Brunswick (Old Bridge Turnpike/ May Road)	Chittick	17	N/A	Detached Single-Family	Under construction. Ten homes are built and occupied.
Hidden Oaks, LLC (Harts Lane)	Lawrence Brook	275	Market-Rate Apts. (220) 78 1-BR 142 2-BR Affordable Apts. (55) 11 1-BR 33 2-BR 11 3-BR	Apartments (market-rate and affordable)	Has received Preliminary and Final Site Plan approval. 55 units will be set aside for Low-Moderate Income households. Tree permit has been approved and land cleared.
Hidden Pond (Dutch Road)	Wamsdorfer	8	N/A	Detached Single-Family	Under construction. Five homes are built and occupied.
HD Summerhill (a.k.a. Mack-Call) (377 Summerhill Road)	Frost	96	41 1-BR 50 2-BR 5 3-BR	Apartments (market-rate and affordable)	Under construction. 24 units will be set aside for Low-Moderate Income households.
Tices Developers Urban Renewal, LLC (a.k.a. Garden Homes) (110 Tices Lane)	Lawrence Brook	520	Market-Rate Units (416) 28 0-BR 122 1-BR 234 2-BR 32 3-BR Affordable Units. (104) 26 1-BR 58 2-BR 20 3-BR	Apartments and Duplexes (504) (market-rate and affordable) Townhouses (16)	Under construction. 104 units will be set aside for Low-Moderate Income households.
Total			942 Units		

Source: East Brunswick Planning and Engineering Department/Township Administrator

Notes: Bolded text reflects a change in status from the July 2019 demographic study.

Developments shaded blue are new since the July 2019 demographic study.

As of this letter date, the Tices Developers Urban Renewal, LLC project is ahead of schedule and expected to begin occupancy by September 2023. The number of students that the development will yield cannot be known but can be substantial.

In addition, there are plans by the township to redevelop two additional areas on the northern end of the Route 18 corridor located at the former Gap store site and at the former Loehmann’s Plaza, as shown in table below. Vermella East Brunswick Phase I (located at the former Gap store site) was approved in October 2022 and will consist of 306 multi-family units with a mix of 0-3 bedrooms. Vermella Phase II (located at the former Loehmann’s Plaza) has not yet submitted an application to the Planning Board. As such, the type of units and bedroom distribution of this development is unknown. While each site would have a commercial and residential component, only the residential components are shown in the table. The two developments will consist of approximately 806 multi-family units. Most of the units will consist of one or two bedrooms. The new community would have two bus depots to provide accessible transportation for commuters into New York City.

Potential Redevelopment Projects in East Brunswick

Subdivision/ Developer (Location)	Elementary Attendance Area	Number of Units	Bedroom Distribution	Housing Type	Notes
Vermella East Brunswick Phase I (251 Route 18)	Lawrence Brook	306	28 0-BR 140 1-BR 131 2-BR 7 3-BR	Apartments (market-rate)	Redevelopment of former Gap store site. Phase I was approved by the Planning Board on 10/12/22.
Vermella East Brunswick Phase II (233 Route 18)	Lawrence Brook	500	Mostly 1-2 BR	Multi-Family	Redevelopment of former Loehmann’s Plaza. Vermella Phase II has not yet submitted an application to the Planning Board and therefore is not approved. Exact bedroom distribution is unknown.
Total			806 Units		

Source: East Brunswick Planning and Engineering Department/ Township Administrator

The precise impact of the approved residential developments upon the school district are currently unknown and must be examined as soon as the residential plans are approved. Certainly, any residential construction will bring more students into the school district. Therefore, the information is critical to school facilities planning.

A charter school based in East Brunswick opened its doors at the beginning of the 2010-2011 school year. Hatikvah International Academy Charter School was approved as a K-5 school and has since expanded to be a grades K-8 school. It is unfortunate that this charter school was granted an initial charter several years ago in the suburban community of East Brunswick having one of the best school districts in this State if not the entire country. The charter school did not serve any educational need then, and it does not now.

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

if enrolled in the East Brunswick Public Schools.

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

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

2. ECONOMIC CONDITION AND OUTLOOK:

The Township of East Brunswick's total labor force increased 5.90% to 27,374 in 2021 from 25,850 in 2020, as reported by the New Jersey Department of Labor and Workforce Development. The employment rate for 2021 was 95.0% as compared with 92.2% in 2020, and the unemployment rate for 2021 decreased to 5.0% from 7.8% in 2020. East Brunswick's employment and unemployment rates reflect the post-COVID-19 Pandemic rebounding experienced by the local economy and is reflective of data that has been reported statewide and nationally. In short, the general economic viability of the community is strong, and has rebounded as was expected.

The Township of East Brunswick reported certificates of occupancy (COs) issued for new residential units to be 2,896 for the calendar year 2021, as compared with 20 for the calendar year 2020. This represents a 143.8% increase in comparison to last year. (Between 2017 and 2018, the demand increased by 105.6%.)

Economic data provided by the Township of East Brunswick indicates that the construction value and building permits issued for new units, additions and remodeling for the entire 2021 calendar year totaled \$118,250,195 and 2,889, respectively, as compared to \$66,145,014 and 653 for the 2020 calendar year. This represents an increase of 2,236 permits and an increase in construction value of \$52,105,181.

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

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

3. MAJOR INITIATIVES

The District has been aggressive in pursuing the maximum level of State grant funds for all qualifying projects since State's school facilities grants were reinstated in 2008. To date, East Brunswick has been successful in receiving grant approvals on all qualifying projects and for the maximum qualifying amount. The grant funds have benefitted East Brunswick taxpayers by reducing the local financial obligation for the projects. In fact, over \$3.1 million in State grant funds – a full 40% of estimated project costs – have funded security vestibules at all eleven school locations, a myriad of infrastructure improvements and building upgrades that have been

completed throughout the District. While the State has not continued the grant program, the District is poised to avail itself of such funding opportunities when and if they again become available.

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

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

Central Elementary School: certain window replacements.

Chittick Elementary School: window and exterior door replacements, HVAC upgrades to corridors, and playground improvements.

Churchill Junior High School: window and exterior door replacements, HVAC and electrical upgrades, roof replacement, temporary classroom units, and retaining wall design.

East Brunswick High School: new roof-top units, stadium field and track replacements, new girls softball and field hockey complex, and new high school planning.

Frost Elementary School: window and exterior door replacements, multi-purpose room and kitchen renovations, and HVAC upgrades to corridors.

Hammarskjold Upper Elementary School (formerly middle school): roof-top unit replacements, and kiln room improvements.

Irwin Elementary School: HVAC upgrades to corridors.

Lawrence Brook Elementary School: courtyard renovation.

Warnsdorfer Elementary School: window and exterior door replacements, and HVAC upgrades to corridors.

Support Operations Facility: warehouse air conditioning.

Administration Building: security improvements, exterior door replacements, restroom and elevator upgrades, and window replacements.

Finally, technology has a significant role in instruction and is integrated throughout the District's operations. It is an absolute necessity upon which there is heavy reliance to continually achieve success in District operations and instruction. In 2019-2020, the COVID-19 pandemic pushed the

District into utilizing its recently implemented learning management system (LMS) to support remote teaching and learning in grades eight through 12. The pandemic caused the District to speedily implement its one-to-one initiative resulting in the assignment of individual Lenovo laptop computers to each student in grades 8 through 12 and Chromebooks to each student in grades K through 7. The District's pre-pandemic foresight moving toward implementing these systems enabled it to be *ahead of the curve* and a leader capable of supporting student learning throughout the COVID-19 Pandemic.

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

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

Seven years ago, the District engaged in a study of its Facilities Management operations, which includes building maintenance (electrical, general maintenance, HVAC, and plumbing), grounds maintenance, and custodial services. While the report is confidential due to certain personnel discussions contained therein, the District has been committed to implementing the recommendations as evidenced by the steady implementation of a reorganization plan. The overall objective has been to provide high-quality support to improve maintenance of the District's overall property investment and infrastructure both inside and out. While change is sometimes a slow and challenging process, the plan has resulted in substantive improvements that have taken hold and continue to benefit the District's properties.

4. INTERNAL CONTROL

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

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

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

5. BUDGETARY CONTROLS

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as reported as assigned fund balance at June 30, 2022.

6. ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized based on funds. These funds and the government-wide financial statements are explained in "Notes to the Basic Financial Statements," Note 1.

7. OTHER INFORMATION

- A) Independent Audit** - State statutes require an annual audit to be performed by independent certified public accountants or registered municipal accountants. The accounting firm of PKF O'Connor Davies, LLP was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1986, the Federal Uniform Guidance and New Jersey's OMB Circular 15-08. The auditors' report on the basic financial statements, required supplementary information and other supplementary information are included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

- B) Awards** – The International Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2021. In order to be awarded this certificate, the District published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States and applicable legal requirements. This is the ninth year in a row the District has received this award.

This Certificate is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Programs' requirements and we are submitting it to ASBO to determine its eligibility for the fiscal year 2021-2022 award.

In addition, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to East Brunswick Public Schools for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2021. This was the seventh year that the district has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Programs' requirements and we are submitting it to the GFOA to determine its eligibility for the fiscal year 2021-2022 certificate.

- C) Continued Excellence in Academics, Athletics and the Arts** - During the 2021-2022 school year, the District continued to advance its reputation for excellence through a variety of accomplishments and achievements. See the accomplishments and achievements section for a number of those successes.

8. COVID-19 PANDEMIC

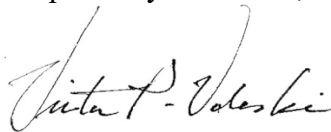
During the COVID-19 Pandemic, the District mitigated the transmission of the coronavirus through implementation of a variety of safety precautions affecting classrooms, buses, cafeterias, and shared spaces. These precautions included the implementation of remote and hybrid learning models, providing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

The District *followed the science* and, through its vigilance in maintaining protocols, students and staff were kept as safe as possible.

9. ACKNOWLEDGMENTS

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

Respectfully submitted,



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



Bernardo Giuliana, SFO, QPA
Assistant Superintendent for Business
and Support Operations

East Brunswick Public Schools

Accomplishments and Achievements

Year ended June 30, 2022

The District is proud to report the many successes and accomplishments that our students have achieved. The 2021-2022 school year achievements are listed below:

For Excellence in Academics...

- East Brunswick is the only district in the state to have 11 *Blue Ribbon Schools*. The schools are Bowne-Munro, Central, Chittick, Frost, Irwin, Lawrence Brook, Memorial and Warnsdorfer Elementary Schools, Hammarskjold Middle School, Churchill Junior High School and East Brunswick High School.
- Over 92% of graduates go on to college.
- EBHS/MCC Pathways Program – offered College Level Courses amassing 4,253 College Credits.
- Sixteen EBHS students were *National Merit Scholarship* Finalists.
- One EBHS student was awarded a *National Merit Scholarship* for \$2,500.
- East Brunswick High School welcomed 182 new members into the *National Honor Society*.
- One EBHS senior placed first in the Securities Industry and Financial Markets Association Annual National Stock Market Game.
- Fourteen EBHS students received their first-year pins for the Science Honor Society and nine EBHS students received their second-year honor cords.
- The EBHS Math Honor Society Mu Alpha Theta inducted fifty-one members.
- One EBHS senior earned their Associate Degree from pursuing credits through our Dual Enrollment Program.
- World Language Honor Societies Inductees:
 - French Honor Society - 62 students
 - Spanish Honor Society - 105 students
 - Italian Honor Society - 14 students.
 - German Honor Society - 34 students
- NJ Seal of Biliteracy - 63 high school seniors earned the distinction of the New Jersey Seal of Biliteracy (Three students earned two Biliteracy Seals: One student for Spanish and Hindi, One student for Spanish and German, and One student for Chinese and Mandarin).

For Excellence in the Arts...

- Fifty-three EBHS students were inducted into the EBHS chapter of the *Tri-M Music Honors Society*.
- Two CJHS students and thirteen EBHS students were selected to the CJMEA High School Region Orchestra.
- One CJHS student and one EBHS student were selected to the New Jersey All-State Symphonic Band.
- One CJHS student was selected to the New Jersey All-State Wind Ensemble.
- Ten EBHS students were selected to the All-State Orchestra.
- Nine students were selected in the All-State Intermediate Orchestra.

For Excellence in Athletics...

- Red Division Champions:
 - Girls Tennis
 - Girls Soccer
 - Girls Volleyball
 - Field Hockey
 - Gymnastics
 - Boys' Track—Relay Champs
 - Girls' Track—Relay Champs
- GMC Champions:
 - Girls Gymnastics
 - Girls Soccer
 - Girls Volleyball
 - Field Hockey
 - Boys' Winter Track
 - Boys' Swimming
 - Girls' Track Relay Champs
 - Girls' Bowling
- Sectional Champions:
 - Gymnastics
 - Girls Volleyball
 - Boys Tennis
 - Boys' Track
 - Girls' Winter Track--Girls Shuttle Hurdles 1st at Group 4 Relays and set a new school record

For Excellence in Athletics-continued...

- State Champions:
 - Boys tennis
 - Gymnastics
 - Boys Track
 - Boys Tennis - Overall Doubles State Champions
- Coaches Recognition:
 - Kevin Brady - 400 career wins - *Girls Soccer*
 - Kevin Brady - Coach of the Year Red Division - *Girls Soccer*
 - Christian Portera- GMC Coach of the Year - *Girls Volleyball*
 - Christian Portera- Coach of the year RED Division - *Girls Volleyball*
 - Nadine Murray - GMC Coach of the Year - *Gymnastics*
 - Andy Steinfeld - Coach of the Year, My Central Jersey.com
 - Amy Brehm - Red Division Coach of the Year - *Girls Bowling*
 - Pasquale DiGioacchino - Coach of the Year – *Track*
 - Laura Calderone-Girls' Coach of the Year - *Winter Track*
- Team Awards
 - Girls Gymnastics - Spirit Award Winner/Sportsmanship Award for the GMC
 - Girls Tennis - #8 in NJ final ranking NJ.COM
 - Girls Softball - Northstar Classic Softball Championship at Hamilton.
 - Girls Soccer - Team of the Year NJ.com
 - Girls Softball - Sportsmanship Award
 - Cheerleading - First Place at the St. John Vianney High School Jayne A. Shalkowski "Legacy" Cheer competition.
 - Cheerleading - First Place at the IMPACT Cheer and Dance Competition
 - Boys Cross Country - Red Division Sportsmanship Award

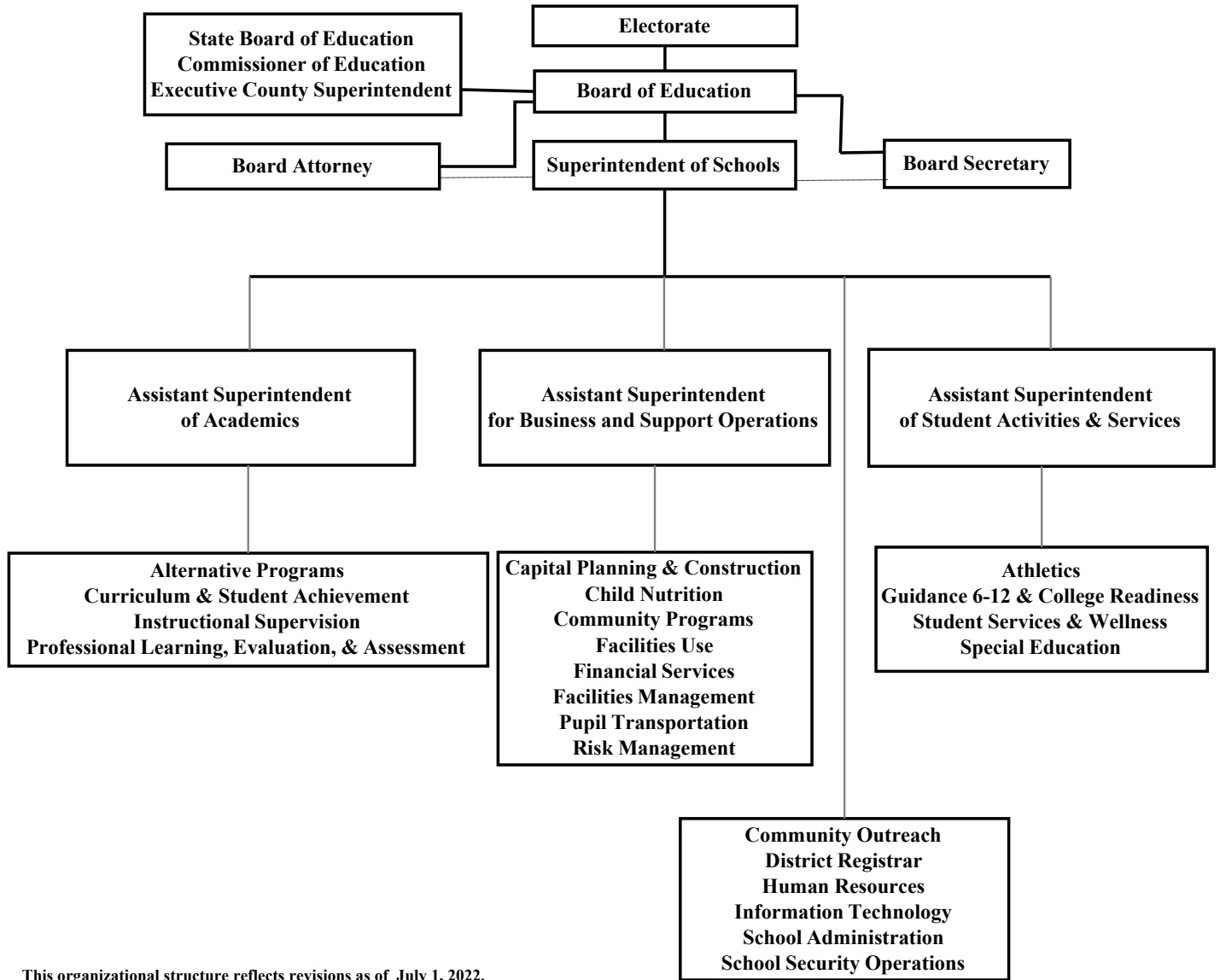
Staff Accomplishments...

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

For Excellence in Service to the Community...

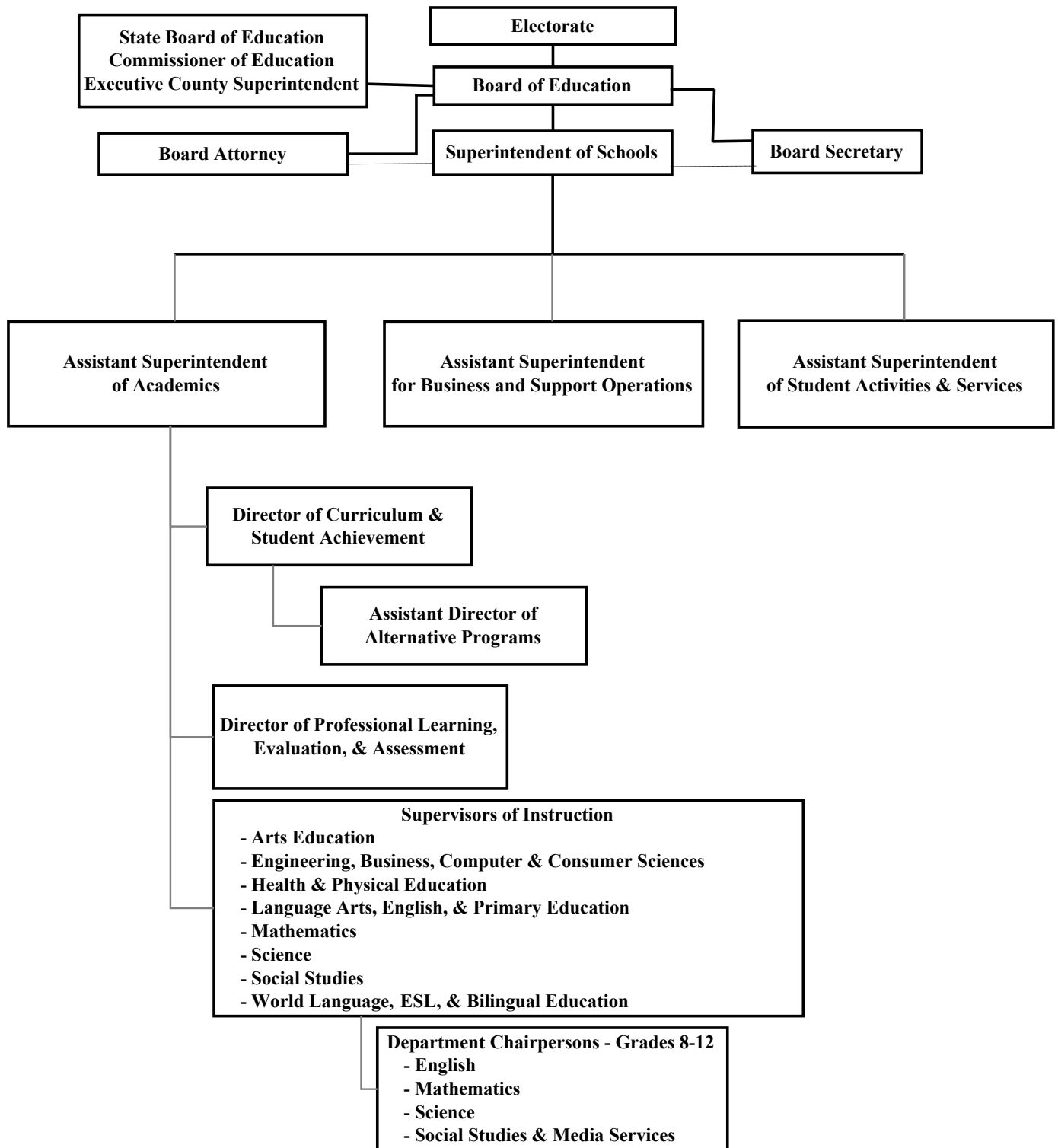
- District Staff collected \$2,375 for Breast Cancer Research and Pediatric Cancer Research for the *Rutgers University Foundation*.

East Brunswick Public Schools
 Organization Chart
 June 30, 2022



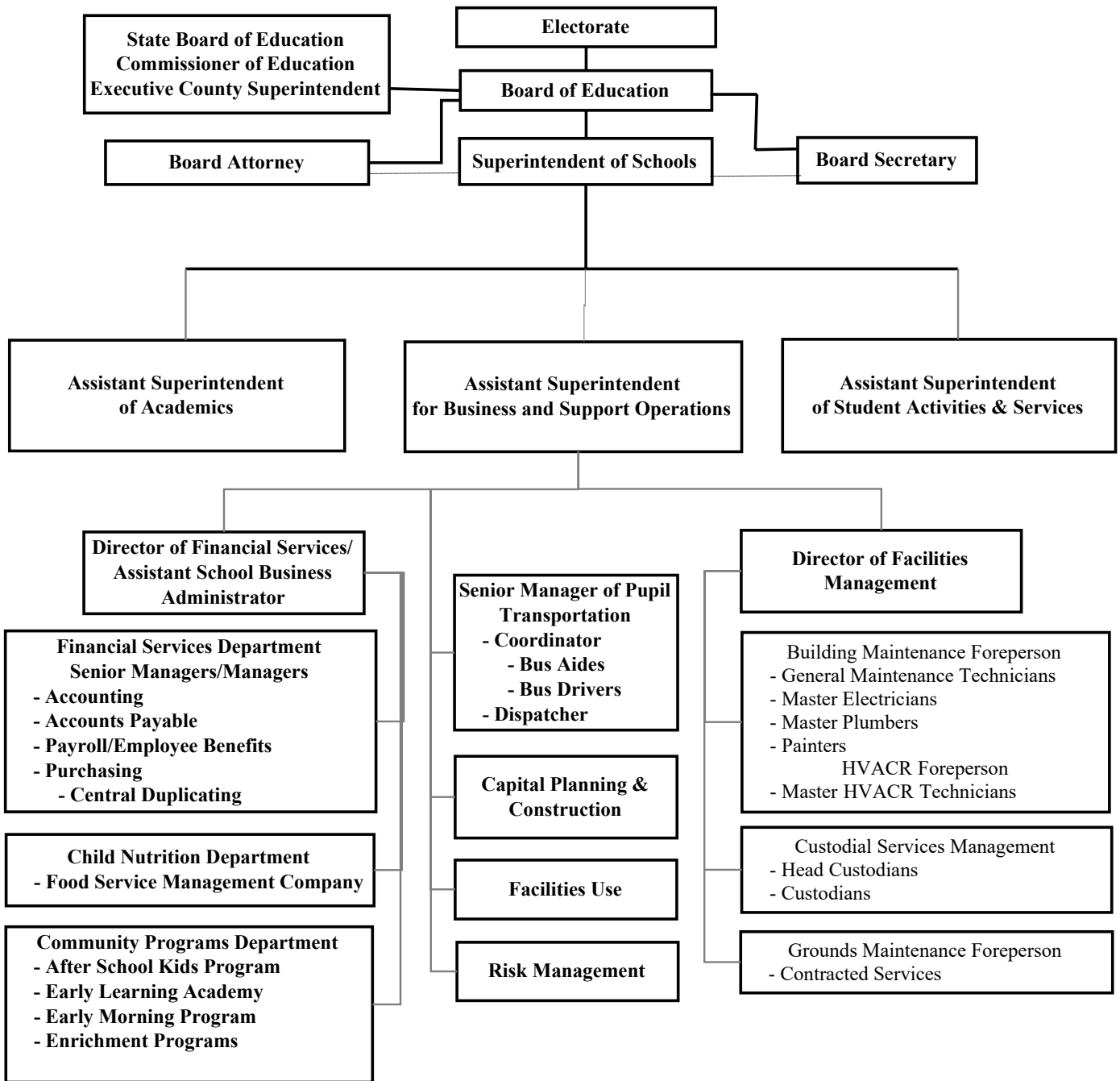
This organizational structure reflects revisions as of July 1, 2022.

Refer to position job descriptions for additional details.



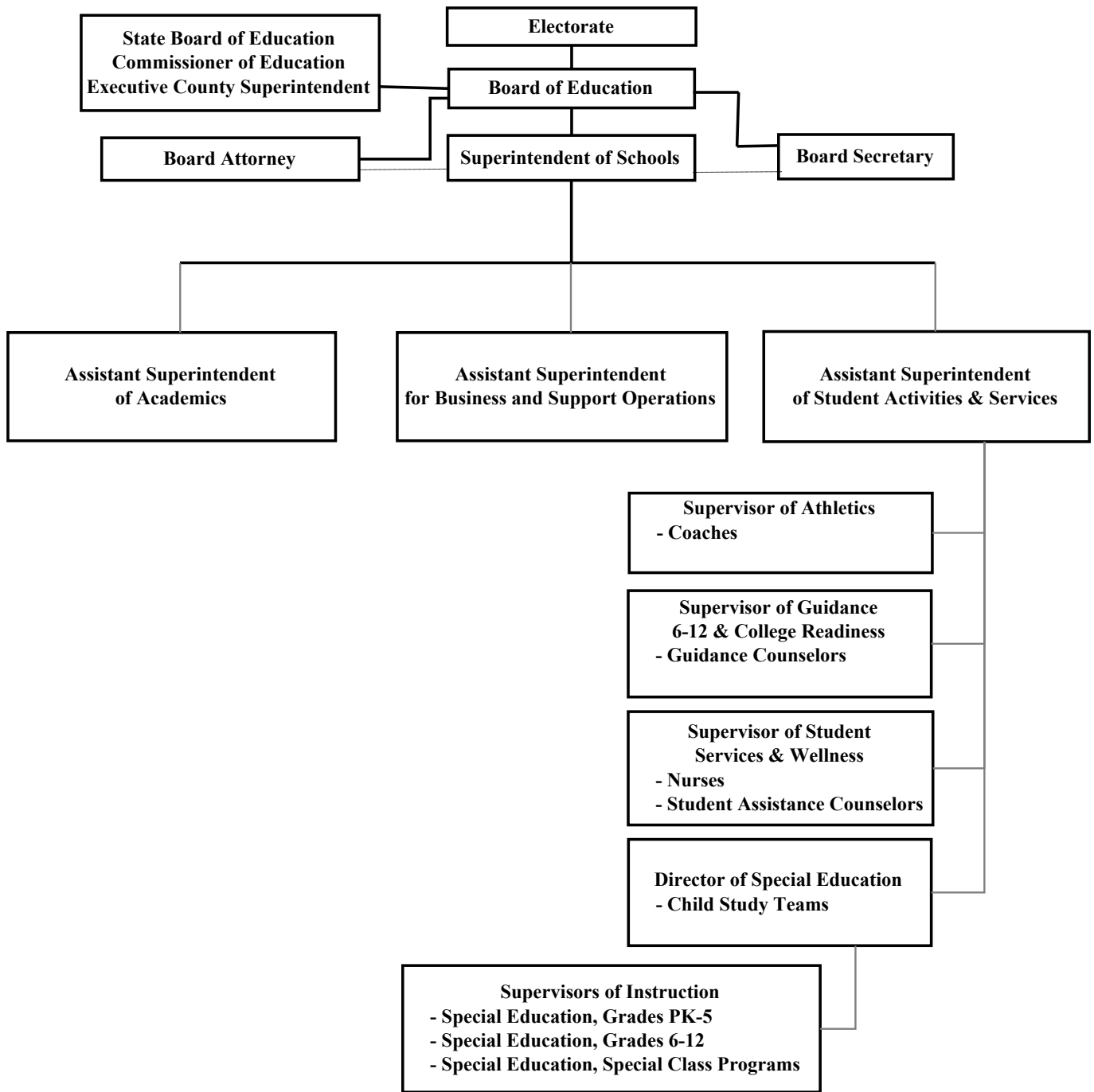
This organizational structure reflects revisions as of July 1, 2022.

Refer to position job descriptions for additional details.



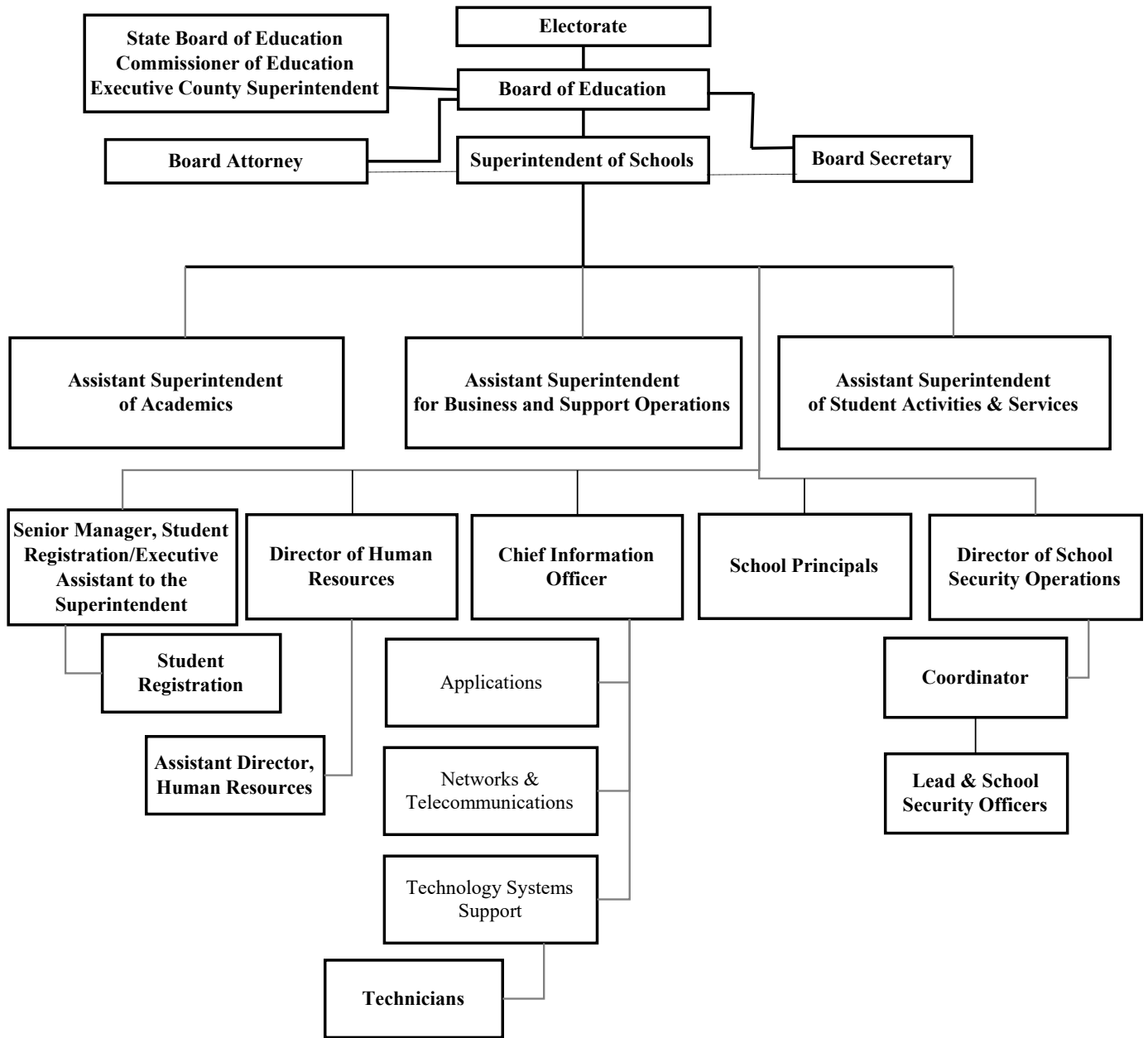
This organizational structure reflects revisions as of July 1, 2022.

Refer to job descriptions for position reporting lines.



This organizational structure reflects revisions as of July 1, 2022.

Refer to position job descriptions for additional details.



This organizational structure reflects revisions as of July 1, 2022.

Refer to position job descriptions for additional details.

East Brunswick Public Schools
East Brunswick, New Jersey

Roster of Officials

June 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Laurie Lachs, President.....	2023
Heather Guas, Vice President.....	2022
Vicki Becker.....	2024
Mark Carangelo.....	2023
Susanna Chiu.....	2023
Mark Csizmar.....	2022
Liwu Hong.....	2022
Barbara Reiss.....	2024
Jeffrey Winston.....	2024

Other Officials

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

Bernardo Giuliana, SFO, QPA, Assistant Superintendent for Business & Support
Operations/Board Secretary

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

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

East Brunswick Public Schools
East Brunswick, New Jersey

Architect & Engineer

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

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

Board Attorney

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

Bond Counsel

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

Financial Advisor

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

Independent Auditor

Scott Clelland, CPA, PSA, RMA
PKF O'Connor Davies, LLP
20 Commerce Drive, Suite 301
Cranford, New Jersey 07016

Insurance Broker

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

Official Depository

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



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

East Brunswick Public Schools

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.**

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



A handwritten signature in black ink, reading 'William A. Sutter'.

William A. Sutter
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**East Brunswick Public Schools
New Jersey**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

Financial Section



Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the East Brunswick Public Schools (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the District as of June 30, 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

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

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.

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | www.pkfod.com

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

**Honorable President and Members
of the Board of Education
East Brunswick Public Schools**

Page 2

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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

**Honorable President and Members
of the Board of Education
East Brunswick Public Schools**

Page 3

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2022. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

**Honorable President and Members
of the Board of Education
East Brunswick Public Schools**

Page 4

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 28, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Cranford, New Jersey
March 28, 2023

Scott A. Clelland

Scott A. Clelland, CPA
Licensed Public School Accountant, No. 1049

Required Supplementary Information
Part I

East Brunswick Public Schools

Management's Discussion and Analysis Year Ended June 30, 2022

The discussion and analysis of East Brunswick Public School's (the "District") financial performance provides an overview of the District's financial performance during the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements and notes, which immediately follow this section.

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

Overview of the Financial Statements

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

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

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

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

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

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

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

The government-wide financial statements can be found on schedules A-1 and A-2 of this report.

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

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

The basic governmental fund financial statements can be found on schedules B-1, B-2 and B-3 of this report.

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

The basic proprietary fund financial statements can be found on schedules B-4, B-5 and B-6 of this report.

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

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

Financial Highlights

Key financial highlights for 2021-2022 are as follows:

In total, net position at June 30, 2022 was \$162,353,003, which represents a 13.6% increase from 2021. This is primarily due to principal payments on long-term debt in the amount of \$13,280,000, and the decrease in the net pension liability of \$8,358,373.

Governmental activities general revenues accounted for \$206,707,519 in revenue or 95.7% of all governmental activities revenue. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$9,314,592 or 4.3% of total governmental activities revenues of \$216,022,111.

Among major funds, the General Fund had \$205,071,658 in revenues and \$201,096,970 in expenditures. The General Fund's fund balance is \$27,422,146 as of June 30, 2022, an increase of \$4,692,173 from the June 30, 2021 balance.

Notification was received that the two June 2022 state aid payments to the District in the total amount of \$2,543,965 would be delayed until the next school year. While, the State of New Jersey has taken action to withhold the final June payment each year since 2003, it expanded the withholding to both June payments in the 2009-2010 fiscal year, in order to avert a budget shortfall at the state level.

The District followed GASB Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and during the 2022 fiscal year the District recorded revenue and expense in the amount of \$14,058,174 related to post-employment health benefits.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The following table provides a comparative summary of net position relating to the District's governmental and business-type activities at June 30, 2022 and 2021:

	June 30, 2022			June 30, 2021		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets						
	\$ 58,342,759	\$ 4,976,418	\$ 63,319,177	\$ 49,659,682	\$ 2,658,195	\$ 52,317,877
Capital assets, net	238,841,116	391,113	239,232,229	244,385,153	408,211	244,793,364
Total assets	297,183,875	5,367,531	302,551,406	294,044,835	3,066,406	297,111,241
Deferred outflows of resources	7,669,030		7,669,030	9,957,445		9,957,445
Liabilities:						
Current liabilities	26,549,793	992,187	27,541,980	26,286,897	965,149	27,252,046
Net pension liability	23,049,533		23,049,533	31,407,906		31,407,906
Long-term liabilities	81,953,977	119,662	82,073,639	90,838,853	138,177	90,977,030
Total liabilities	131,553,303	1,111,849	132,665,152	148,533,656	1,103,326	149,636,982
Deferred inflow of resources	15,202,281		15,202,281	14,463,719		14,463,719
Net position:						
Net investment in capital assets	170,257,553	391,113	170,648,666	162,985,803	408,211	163,394,014
Restricted	10,433,686		10,433,686	15,315,721		15,315,721
Unrestricted (deficit)	(22,593,918)	3,864,569	(18,729,349)	(37,296,619)	1,554,869	(35,741,750)
Total net position	\$ 158,097,321	\$ 4,255,682	\$ 162,353,003	\$ 141,004,905	\$ 1,963,080	\$ 142,967,985

Current and other assets increased in large part due to an increase in cash and cash equivalents and various receivable balances due to the results of current year operations.

Capital assets, net decreased as a result of depreciation expense exceeding the addition of capital assets in the current year.

Long-term liabilities decreased as result of a new financed purchase of \$4,200,000, offset by a decrease in net pension liability of \$8,358,373 and principal payments made in the total amount of \$13,280,000 for bonds payable and financed purchases payable.

Current liabilities increased slightly, which was due to an increase in the current portion of long-term obligations due.

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

There was a decrease in restricted net position of \$4,882,035, which resulted largely from a decrease in excess surplus of \$3,314,098 and capital reserve.

There was an overall increase of \$2,292,602 in net position reported in connection with the District's business-type activities. The Food Service program generated an increase in net position of \$1,476,053. The Community Programs program had an increase in net position of \$443,566, the Facilities Rentals program had an increase in net position of \$240,788, and the newly-established Technology program had a net position of \$132,195 in its first year of operations. The following table provides a comparative summary of the changes in net position relating to the District's governmental and business-type activities for the years ended June 30, 2022 and 2021:

Changes in Net Position

	Year ended June 30, 2022			Year ended June 30, 2021		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,312,529	\$ 3,966,686	\$ 5,279,215	\$ 1,419,973	\$ 895,944	\$ 2,315,917
Operating Grants and Contributions	8,002,063	4,948,091	12,950,154	4,776,862	3,083,538	7,860,400
General Revenues:						
Property Taxes	142,930,850		142,930,850	139,039,043		139,039,043
Grants and Entitlements	60,603,307		60,603,307	72,206,494		72,206,494
Miscellaneous	3,173,362	335	3,173,697	401,824	2,400	404,224
Total Revenues	216,022,111	8,915,112	224,937,223	217,844,196	3,981,882	221,826,078
Expenses:						
Instruction	110,099,320		110,099,320	119,311,677		119,311,677
Support Services	86,620,089		86,620,089	88,154,769		88,154,769
Interest and other charges	2,210,286		2,210,286	2,590,700		2,590,700
Business-type activities		6,622,510	6,622,510		4,793,086	4,793,086
Total Expenses	198,929,695	6,622,510	205,552,205	210,057,146	4,793,086	214,850,232
Change in net position	17,092,416	2,292,602	19,385,018	7,787,050	(811,204)	6,975,846
Net Position—beginning	141,004,905	1,963,080	142,967,985	133,217,855	2,774,284	135,992,139
Net Position—ending	\$ 158,097,321	\$ 4,255,682	\$ 162,353,003	\$ 141,004,905	\$ 1,963,080	\$ 142,967,985

Governmental Activities

Property taxes made up 66.2% of total revenue for the fiscal year 2022. Federal, state and local grants and tuition and miscellaneous revenue accounted for the remainder. The total cost of all programs and services was \$198,929,695. Instruction accounted for 55.3% of total expenses.

Overall, change in net position increased \$17,092,416 from the prior year, mainly due to a decrease in expenses attributable to the impact of GASB 68. The District recorded a \$7.1 million expense in the prior year, as compared to a \$18.1 million benefit in the current year.

Business-Type Activities

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

Food service revenue, which included no subsidy from the general fund, was greater than expenses by \$1,476,053. Charges for services, which consist of the amount paid by students and other patrons

for daily food service and catering, represent 9.4% of total revenue and grants and contributions represent 90.6% of total revenue.

Community Programs revenues exceeded expenses by \$443,566.

The Facilities Rentals revenues exceeded expenses by \$240,788.

Technology Program revenues exceeded expenses by \$132,195.

Financial Analysis of the District's Funds

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

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

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2022 as well as the amount and percentage of increases in relation to the prior year:

Revenue	Amount	Percent of Total	Increase from 2021	Percent of Increase
Local Sources	\$ 149,942,521	68.14%	\$ 8,791,529	6.35%
State Sources	65,131,952	29.60%	14,145,530	31.52%
Federal Sources	4,984,195	2.26%	389,982	12.27%
Total	<u>\$ 220,058,668</u>	100.00%	<u>\$ 23,327,041</u>	12.51%

The increase in local source revenue is mainly attributable to the increase in miscellaneous income related to the lease agreements with the Township of East Brunswick of \$5,305,689 and the increase in the local tax levy of \$3,891,807.

The increase in state source revenue is largely a result of an increase in the State of New Jersey's contribution to on-behalf TPAF pension contributions in the amount of \$14,145,530.

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

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2022, as well as the amount and percentage of increases and decreases in relation to the prior year:

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2021	Percent of Increase (Decrease)
Instruction	\$ 70,649,922	32.61%	\$ 5,141,267	7.55%
Support Services	126,961,352	58.60%	13,380,800	13.13%
Capital Outlay	3,707,356	1.71%	(4,958,570)	(41.46)%
Debt Service	15,337,969	7.08%	(1,552,426)	(12.83)%
Total	<u>\$ 216,656,599</u>	100.00%	<u>\$ 12,011,071</u>	6.10%

The increase in instruction expenditures, as adjusted for on-behalf expenditures related to TPAF pension costs assumed by the State, increased due to increased costs for instruction purposes. Support service expenditures increased as a result of increased costs for student and other support related services. The decrease in capital outlay is the result of the District incurring less costs on outstanding projects as they approach completion as compared with the prior year. The decrease in debt service expenditures is the result of required principal and interest payments from financed purchases payable, lease purchase obligations, and bonds payable.

General Fund

The fund balance increased by \$4,692,173 during the 2021-2022 fiscal year as a result of the timing of when expenditures were incurred on capital items funded in the general fund. As of June 30, 2022, the District has unassigned fund balance of \$6,647,576, which represents an increase of \$374,210 from the prior year.

Special Revenue Fund

The fund balance in the Special Revenue Fund increased by \$3,731,113 mainly as a result of the \$4,200,000 financed purchase that took place in the 2021-2022 fiscal year.

Capital Projects Fund

As of June 30, 2022, the Capital Project's Fund Balance decreased by \$785,810 mainly as a result of transfers out to the general fund for close-out of projects.

General Fund Budgetary Highlights

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

During the course of the 2021-2022 fiscal year, the District amended its General Fund budget as needed. The District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. The School Business Administrator, Superintendent of Schools, and Board of Education must approve transfers from one program to another. Transfers were required due to:

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

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

- State Source Revenues – Securing Our Children's Bond Act – an increase of \$465,045 was a result of the District being awarded the grant after the District budgeted revenue sources.
- Instruction – Regular Programs – Grades 1-5 – Salaries – a decrease of \$734,494 was a result of transfers to other salary accounts to accommodate staffing changes due to student needs.
- Undistributed Expenditures – Security – Salaries – an increase of \$472,804 was a result of the return to a regular school year as compared to the prior year that was impacted by the pandemic. In the prior year, hourly school security officers had worked decreased hours as the result of school closures. In the current year, the budget was increased to accommodate for regular hours.

- Undistributed Expenditures – Care and upkeep of grounds – Cleaning, repair, and maintenance of services – an increase of \$616,885 was the result of outsourced snow removal and more snowstorms than anticipated.
- Undistributed Expenditures – Student Transportation Services – ESCs & CTSA’s – Special Ed – a decrease of \$716,853. Outsourced routes are determined by cost benefit of doing them in-house and due to COVID-19, routes were reduced where students were attending remote instruction and did not require transportation.
- Undistributed Expenditures – Unallocated Benefits – Health Benefits – a decrease of \$625,235 was the result of unanticipated funds needed to complete mold remediation at various schools as well as to cover costs for increased charter school enrollments.
- Undistributed Expenditures – Unallocated Benefits – Other Employee Benefits – a decrease of \$419,632 was the result of exit payments being budgeted on this line but moved to the appropriate function and program codes as individuals retire and receive payment.
- Capital Outlay – Facilities Acquisition and Construction Services – Architectural/Engineering Services – an increase of \$2,234,921 was the result of withdrawals from the capital reserve for various construction projects through FY22.
- Capital Outlay – Facilities Acquisition and Construction Services – Construction Services – an increase of \$4,483,031 was the result of withdrawals from the capital reserve for various construction projects through FY22.
- Capital Outlay – Facilities Acquisition and Construction Services – Buildings other than lease purchase – an increase of \$465,045 was the result of the establishment of a budget for the Securing Our Children’s Bond Act program.

Capital Assets and Debt Administration

Capital Assets

At the end of the 2021-2022 fiscal year, the District had capital assets of \$349,411,165, which includes school facilities, land, buildings, equipment and vehicles and construction in progress.

The following provides a summary of the capital assets held by the District at June 30, 2022 and 2021:

	Capital Assets			
	2022		2021	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Non-Depreciable Assets:				
Land	\$ 1,019,208		\$ 1,019,208	
Construction in Progress	4,531,112		10,613,736	
Depreciable Assets:				
Buildings and Improvements	322,706,536	\$ 700,560	313,205,526	\$ 700,560
Machinery and Equipment	19,865,468	588,281	19,243,246	557,271
Totals	<u>\$ 348,122,324</u>	<u>\$ 1,288,841</u>	<u>\$ 344,081,716</u>	<u>\$ 1,257,831</u>

Overall governmental capital assets increased \$4,071,618 from the 2020-2021 fiscal year mainly due to the increase in construction attributable to the CJHS classroom units; EBHS and HMS RTU replacements; HMS media center repairs; and District-wide window/door replacements; as well as other improvements throughout the District.

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

Debt Administration

The District's long-term liabilities are as follows for the governmental and business-type activities at June 30, 2022 and 2021:

	2022		2021	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Bonds payable (net)	\$ 65,918,685		\$ 71,146,031	
Net pension liability	23,049,533		31,407,906	
Financed purchases payable	26,060,000		30,360,000	
Compensated absences	3,010,620	\$ 130,866	3,144,144	\$ 147,169
Total long-term liabilities	<u>\$ 118,038,838</u>	<u>\$ 130,866</u>	<u>\$ 136,058,081</u>	<u>\$ 147,169</u>

During fiscal year 2022, the District's governmental-type long-term liabilities decreased by \$18,019,243. The decrease is a result of the issuance of a new financed purchase of \$4,200,000, offset by debt retirements of approximately \$14 million and the reduction in the net pension liability of approximately \$8.4 million. The District's credit rating has not recently changed and is currently at a Aa2 rating. Additional information on the District's long-term liabilities can be found in Note 6 to the basic financial statements.

Current Concerns and Factors Bearing on the District's Future

The East Brunswick Public School District is in excellent financial position. It has maintained a legally acceptable fund balance position. The District regularly seeks cost-savings and cost containment opportunities, which accrue to the annual budget in controlling costs. In addition, the District's Community Programs Enterprise and the Facilities Rental Enterprise have provided valuable programs and services to the community while generating revenue and an annual net income, as well as maintaining a healthy retained earnings balance. While the COVID-19 Pandemic has severely curtailed revenue-generating opportunities during Fiscal Years 2020 and 2021, the two enterprises' retained earnings provided the financial wherewithal to sustain these functions through that time. During Fiscal Years 2021 and 2022, the Community Programs enterprise resumed generating revenue to support the annual budget. We are confident that the enterprises will continue as a "going concern" into Fiscal Year 2023 and beyond.

The District re-engaged Statistical Forecasting, LLC to conduct a comprehensive analysis of school enrollment projections. The study was completed in June 2022 and updated as of January 3, 2023. It projects grade-by-grade enrollments over a five-year period from 2022-2023 through 2026-2027. In addition, the study included the following:

- Examination of historical enrollment trends, both districtwide and by grade configuration (PK-4, 5-6, 7-9, and 10-12);
- Investigation of historical enrollment trends with respect to race and poverty status in each school;
- Tabulation of birth counts at the attendance area level;
- Computation of student yields by housing type (i.e., detached single family, townhouse/condominium, and apartment);
- Analysis of new housing starts and the impact on the school district; and,
- Projected enrollments, in a totally independent analysis, based on student yields and housing turnover rates (resales) in East Brunswick.

The study's projected year-to-year increases in enrollment will have serious consequences on District facilities and class sizes. The table below exhibits 2021-2022 actual enrollment and the ensuing enrollment projections.

Note that a new grade configuration became effective with the 2022-2023 school year, which impacts the District's eight elementary schools, Hammarskjold Upper Elementary School (formerly the middle school), and Churchill Junior High School.

Actual Enrollment					
Fiscal Year	PK-5	6-7	8-9	10-12	PK-12
2021-2022	3,406	1,275	1,363	2,024	8,058

Baseline Projections					
Fiscal Year	PK-4	5-6	7-9	10-12	PK-12
2022-2023	2,666	1,299	2,000	1,991	7,956
2023-2024	2,646	1,307	1,982	2,078	8,013
2024-2025	2,677	1,228	2,046	2,091	8,042
2025-2026	2,770	1,168	2,060	2,090	8,088
2026-2027	2,795	1,196	2,017	2,072	8,080
2026-2027 Change Over 2021-2022	-611	-79	+654	+48	+22

Projections Adjusted for Housing Growth					
Fiscal Year	PK-4	5-6	7-9	10-12	PK-12
2022-2023	2,666	1,299	2,000	1,991	7,956
2023-2024	2,683	1,321	2,000	2,097	8,101
2024-2025	2,744	1,256	2,085	2,128	8,213
2025-2026	2,860	1,211	2,119	2,145	8,335
2026-2027	2,901	1,253	2,099	2,146	8,399
2026-2027 Change Over 2021-2022	-505	-22	+736	+122	+341

Prior to the grade-level realignment, class sizes were being pushed upward to undesirable thresholds and the availability of classrooms for new sections was virtually non-existent. The grade-level realignment provided sorely needed classroom space at the elementary level.

During Fiscal Year 2021, the Board re-engaged in discussing resolutions to elementary classroom shortages. On May 6, 2021, the Board authorized the Administration to commence planning for Temporary Classroom Units to be placed at the Churchill Junior High School site for occupancy by September 2022.

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

The Township of East Brunswick is pursuing significant redevelopment plans, which are reported to include upscale or specialty food markets; medium- and high-end restaurants; shuttle bus service; bike paths; a concert venue; special needs and/or senior housing; universal Wi-Fi; a community use building for recreational purposes; a hotel; and, residential units.

Representatives from the East Brunswick Planning and Engineering Department provided information to the District’s demographer regarding current and future residential development. A list of approved housing developments, location, affected elementary attendance area, number of units, housing type, bedroom distribution (if available), and project status is shown in the table below. The table excludes new houses to be built on single in-fill lots, or the subdivision of existing lots, or homes that are built after the demolition of an existing older home.

Approved Residential Developments in East Brunswick

Subdivision/Developer (Location)	Elementary Attendance Area	Number of Units	Bedroom Distribution	Housing Type	Notes/Status
Abdelshahid (Hardenburg Lane)	Warnsdorfer	3	N/A	Detached Single-Family	One unit under construction
Bartel/Dunhams Cove (Dunhams Corner Road)	Central	8	N/A	Detached Single-Family	Under construction
Bruno (Dutch Road)	Warnsdorfer	3	N/A	Detached Single-Family	Approved but not under construction
Clark Farm (Stage Coach Run/ Lanterns Lane)	Warnsdorfer	12	N/A	Detached Single-Family	Approved in 2008. Nothing has been constructed due to very high water table. Unclear whether the project will move forward.
Enclave at East Brunswick (Old Bridge Turnpike/ May Road)	Chittick	17	N/A	Detached Single-Family	Under construction. Ten homes are built and occupied.
Hidden Oaks, LLC (Harts Lane)	Lawrence Brook	275	Market-Rate Apts. (220) 78 1-BR 142 2-BR Affordable Apts. (55) 11 1-BR 33 2-BR 11 3-BR	Apartments (market-rate and affordable)	Has received Preliminary and Final Site Plan approval. 55 units will be set aside for Low-Moderate Income households. Tree permit has been approved and land cleared.
Hidden Pond (Dutch Road)	Warnsdorfer	8	N/A	Detached Single-Family	Under construction. Five homes are built and occupied.
HD Summerhill (a.k.a. Mack-Call) (377 Summerhill Road)	Frost	96	41 1-BR 50 2-BR 5 3-BR	Apartments (market-rate and affordable)	Under construction. 24 units will be set aside for Low-Moderate Income households.
Tices Developers Urban Renewal, LLC (a.k.a. Garden Homes) (110 Tices Lane)	Lawrence Brook	520	Market-Rate Units (416) 28 0-BR 122 1-BR 234 2-BR 32 3-BR Affordable Units. (104) 26 1-BR 58 2-BR 20 3-BR	Apartments and Duplexes (504) (market-rate and affordable) Townhouses (16)	Under construction. 104 units will be set aside for Low-Moderate Income households.
Total				942 Units	

Source: East Brunswick Planning and Engineering Department/Township Administrator

Notes: Bolded text reflects a change in status from the July 2019 demographic study.

Developments shaded blue are new since the July 2019 demographic study.

As of this letter date, the Tices Developers Urban Renewal, LLC project is ahead of schedule and expected to begin occupancy by September 2023. The number of students that the development will yield cannot be known but can be substantial.

In addition, there are plans by the township to redevelop two additional areas on the northern end of the Route 18 corridor located at the former Gap store site and at the former Loehmann’s Plaza, as shown in table below. Vermella East Brunswick Phase I (located at the former Gap store site) was approved in October 2022 and will consist of 306 multi-family units with a mix of 0-3 bedrooms. Vermella Phase II (located at the former Loehmann’s Plaza) has not yet submitted an application to the Planning Board. As such, the type of units and bedroom distribution of this development is unknown. While each site would have a commercial and residential component, only the residential components are shown in the table. The two developments will consist of approximately 806 multi-family units. Most of the units will consist of one or two bedrooms. The new community would have two bus depots to provide accessible transportation for commuters into New York City.

Potential Redevelopment Projects in East Brunswick

Subdivision/ Developer (Location)	Elementary Attendance Area	Number of Units	Bedroom Distribution	Housing Type	Notes
Vermella East Brunswick Phase I (251 Route 18)	Lawrence Brook	306	28 0-BR 140 1-BR 131 2-BR 7 3-BR	Apartments (market-rate)	Redevelopment of former Gap store site. Phase I was approved by the Planning Board on 10/12/22.
Vermella East Brunswick Phase II (233 Route 18)	Lawrence Brook	500	Mostly 1-2 BR	Multi-Family	Redevelopment of former Loehmann's Plaza. Vermella Phase II has not yet submitted an application to the Planning Board and therefore is not approved. Exact bedroom distribution is unknown.
Total			806 Units		

Source: East Brunswick Planning and Engineering Department/ Township Administrator

The precise impact of the approved residential developments upon the school district are currently unknown and must be examined as soon as the residential plans are approved. Certainly, any residential construction will bring more students into the school district. Therefore, the information is critical to school facilities planning.

For the fiscal year ending June 30, 2022, local property taxes provided 79.29% of the funding to support the district's General Fund operations. While the General Fund tax levy (the amount to be raised by taxes) increases are capped at two percent annually, the actual property tax impact to most property owners is greater. This has resulted from property valuations that are not reflective of current values. In fact, East Brunswick's overall taxable property values are recorded at 22.16% of true value based on the *Amended Table of Equalized Valuations 2022 (As Amended by Tax Court Appeals)*. The Township of East Brunswick has suffered many tax appeals where major commercial property owners have successfully appealed valuations, thus resulting in property tax reductions to those property owners. The reduction in those property tax assessments merely redistributes the burden to the remaining property taxpayers in East Brunswick. While East Brunswick residents have been supportive of their schools and appreciate the quality education that is provided to students, the Township must undergo a property revaluation if it is to stabilize the impact of property tax increases for all property taxpayers. In addition, a concerted effort must be put forth to improve the Township's business and industrial tax base, which will alleviate the residential property owners tax burden. This effort may currently be in process as the Township of East Brunswick is pursuing significant redevelopment plans, which reportedly will include upscale or specialty food markets; medium- and high-end restaurants; shuttle bus service; bike paths; a concert venue; special needs and/or senior housing; universal Wi-Fi; a community use building for recreational purposes; a hotel; and, residential units. The impact of those plans upon the school district are currently unknown and must be examined as soon as the residential plans are approved. Certainly, any residential construction will bring more students into the school district. Therefore, the information is critical to school facilities planning.

A charter school based in East Brunswick opened its doors at the beginning of the 2010-2011 school year. Hatikvah International Academy Charter School was approved as a K-5 school and has since expanded to be a grades K-8 school. It is unfortunate that this charter school was granted an initial charter several years ago in the suburban community of East Brunswick having one of the best school districts in this State if not the entire country. The charter school did not serve any educational need then, and it does not now.

During its twelve years, the charter school's existence has required the cumulative appropriation of \$28,851,010 from the East Brunswick Public School District budget. This State-mandated diversion of local financial resources has come with significant and deleterious impacts to the school district beginning with the elimination of its model elementary world language program in the charter school's first year. The time has long passed to argue the merits of whether or not the initial charter should

have been approved. However, the community should be reminded that the students enrolled in the charter school would receive a superior quality of education and supports if enrolled in the East Brunswick Public Schools.

East Brunswick's taxpayers largely provide the financial support for its public schools. For fiscal year 2023, the local funding share is 75.96% of the District's fiscal year 2023 General Fund budget. More and more, this suburban community's local funds and state aid allocation must be diverted to support a charter school for which there is absolutely no justifiable educational need.

Requests for Information

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

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2022.

East Brunswick Public Schools

Statement of Net Position

June 30, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 48,724,899	\$ 4,589,129	\$ 53,314,028
Cash held with fiscal agent	801,782		801,782
Accounts receivable	8,816,078	387,289	9,203,367
Capital assets, non-depreciable	5,550,320		5,550,320
Capital assets, depreciable, net	233,290,796	391,113	233,681,909
Total assets	<u>297,183,875</u>	<u>5,367,531</u>	<u>302,551,406</u>
Deferred Outflows of Resources			
Deferred loss on refunding of debt	4,044,858		4,044,858
Pension deferrals	3,624,172		3,624,172
Total deferred outflows of resources	<u>7,669,030</u>		<u>7,669,030</u>
Total assets and deferred outflows of resources	<u>304,852,905</u>	<u>5,367,531</u>	<u>310,220,436</u>
Liabilities			
Accounts payable and accrued expenses	10,116,025	383,306	10,499,331
Payroll deductions and withholdings payable	695,522		695,522
Accrued interest payable	650,630		650,630
Accrued liability for insurance claims	1,827,000		1,827,000
Intergovernmental payable	19,746		19,746
Unearned revenue	205,542	597,677	803,219
Long-term liabilities:			
Due within one year	36,084,861	11,204	36,096,065
Due beyond one year	81,953,977	119,662	82,073,639
Total liabilities	<u>131,553,303</u>	<u>1,111,849</u>	<u>132,665,152</u>
Deferred Inflow of Resources			
Pension deferrals	<u>15,202,281</u>		<u>15,202,281</u>
Net Position			
Net investment in capital assets	170,257,553	391,113	170,648,666
Restricted for:			
Capital Reserve	7,114,758		7,114,758
Unemployment compensation reserve	547,727		547,727
Student activity reserve	569,607		569,607
Excess Surplus	2,201,594		2,201,594
Unrestricted (deficit)	<u>(22,593,918)</u>	<u>3,864,569</u>	<u>(18,729,349)</u>
Total net position	<u>\$ 158,097,321</u>	<u>\$ 4,255,682</u>	<u>\$ 162,353,003</u>

See accompanying notes to basic financial statements.

East Brunswick Public Schools

Statement of Activities

Year ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities						
Instruction						
Regular Instruction	\$ 79,325,498	\$ 679,571	\$ 4,786,376	\$ (73,859,551)		\$ (73,859,551)
Special Education Instruction	23,272,993		1,879,383	(21,393,610)		(21,393,610)
Other Instruction	7,500,829		1,336,304	(6,164,525)		(6,164,525)
Support Services						
Tuition	5,687,724			(5,687,724)		(5,687,724)
Student and Instruction Related Services	30,189,905	632,958		(29,556,947)		(29,556,947)
School Administration	8,407,020			(8,407,020)		(8,407,020)
General and Business Administrative Services	9,340,082			(9,340,082)		(9,340,082)
Plant Operation and Maintenance	21,355,069			(21,355,069)		(21,355,069)
Pupil Transportation	11,605,075			(11,605,075)		(11,605,075)
Special Schools	35,214			(35,214)		(35,214)
Interest and other charges	2,210,286			(2,210,286)		(2,210,286)
Total governmental activities	<u>198,929,695</u>	<u>1,312,529</u>	<u>8,002,063</u>	<u>(189,615,103)</u>		<u>(189,615,103)</u>
Business-type activities						
Food Service	3,985,393	513,177	4,948,091		\$ 1,475,875	1,475,875
Community Programs	2,324,188	2,767,667			443,479	443,479
Technology	66,979	199,174			132,195	132,195
Facilities Rentals	245,950	486,668			240,718	240,718
Total business-type activities	<u>6,622,510</u>	<u>3,966,686</u>	<u>4,948,091</u>		<u>2,292,267</u>	<u>2,292,267</u>
Total primary government	<u>\$ 205,552,205</u>	<u>\$ 5,279,215</u>	<u>\$ 12,950,154</u>	<u>(189,615,103)</u>	<u>2,292,267</u>	<u>(187,322,836)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes				136,587,587		136,587,587
Property taxes, levied for debt service				6,343,263		6,343,263
Federal sources				93,527		93,527
State sources—unrestricted				60,509,780		60,509,780
Investment income				11,123	335	11,458
Miscellaneous				3,162,239		3,162,239
Total general revenues				<u>206,707,519</u>	<u>335</u>	<u>206,707,854</u>
Change in net position				17,092,416	2,292,602	19,385,018
Net Position—beginning				141,004,905	1,963,080	142,967,985
Net Position—ending				<u>\$ 158,097,321</u>	<u>\$ 4,255,682</u>	<u>\$ 162,353,003</u>

See accompanying notes to basic financial statements.

Fund Financial Statements

Governmental Funds

East Brunswick Public Schools
Governmental Funds

Balance Sheet

June 30, 2022

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 28,093,535	\$ 18,857,585	\$ 8,277	\$ 8,729	\$ 46,968,126
Accounts receivable:					
State	3,560,561				3,560,561
Federal	13,975	1,821,523			1,835,498
Other	1,448,330	1,971,689			3,420,019
Total assets	<u>\$ 33,116,401</u>	<u>\$ 22,650,797</u>	<u>\$ 8,277</u>	<u>\$ 8,729</u>	<u>\$ 55,784,204</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 4,697,547	\$ 2,528,113			\$ 7,225,660
Payroll deductions and withholdings payable	695,522				695,522
Accrued expenditures payable	276,711	10,277			286,988
Intergovernmental payables:					
State		19,746			19,746
Unearned revenue	24,475	181,067			205,542
Total liabilities	<u>5,694,255</u>	<u>2,739,203</u>			<u>8,433,458</u>
Fund balances:					
Restricted for:					
Capital reserve	7,114,758				7,114,758
Unemployment compensation reserve	547,727				547,727
Excess Surplus - current year	1,035,902				1,035,902
Excess Surplus - designated for subsequent year's expenditures	1,165,692				1,165,692
Capital projects			\$ 8,277		8,277
Debt service				\$ 8,729	8,729
Student activities		569,607			569,607
Assigned to:					
Subsequent years expenditures	3,479,308	19,341,987			22,821,295
Other purposes	7,431,183				7,431,183
Unassigned:					
General fund	6,647,576				6,647,576
Total fund balances	<u>27,422,146</u>	<u>19,911,594</u>	<u>8,277</u>	<u>8,729</u>	<u>47,350,746</u>
Total liabilities and fund balances	<u>\$ 33,116,401</u>	<u>\$ 22,650,797</u>	<u>\$ 8,277</u>	<u>\$ 8,729</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$348,122,324 and the accumulated depreciation is \$109,281,208. 238,841,116

Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds. (650,630)

Long-term liabilities, including bonds payable, financed purchases payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds. (94,989,305)

Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the bonds. 4,044,858

Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds. (11,578,109)

Accrued pension contributions for the June 30, 2022 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position. (2,381,038)

Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds. (23,049,533)

Internal service funds are used by the District to charge the costs of the self-insurance program to the individual fund. The activities of this fund are included in the Statement of Activities. 509,216

Net position of governmental activities \$ 158,097,321

East Brunswick Public Schools
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2022

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 136,587,587			\$ 6,343,263	\$ 142,930,850
Tuition from individuals	91,516				91,516
Tuition from other LEA's	588,055				588,055
Investment income	11,118		\$ 5		11,123
Miscellaneous	3,099,513	\$ 3,212,743		8,726	6,320,982
Total local sources	<u>140,377,789</u>	<u>3,212,743</u>	<u>5</u>	<u>6,351,989</u>	<u>149,942,526</u>
State sources	64,600,342	531,610			65,131,952
Federal sources	93,527	4,890,668			4,984,195
Total revenues	<u>205,071,658</u>	<u>8,635,021</u>	<u>5</u>	<u>6,351,989</u>	<u>220,058,673</u>
Expenditures					
Current:					
Instruction:					
Regular instruction	46,793,356	4,155,064			50,948,420
Special education instruction	13,104,233	1,879,383			14,983,616
Other special instruction	4,717,886				4,717,886
Support services:					
Tuition	1,779,546				1,779,546
Student and instruction related services	18,268,257	2,055,434			20,323,691
School administration services	5,208,377				5,208,377
Other administrative services	6,435,417				6,435,417
Plant operations and maintenance	17,307,062				17,307,062
Pupil transportation	9,666,862				9,666,862
Employee benefits and on-behalf TPAF social security and pension, medical and disability contributions	62,309,564				62,309,564
Charter schools	3,908,178				3,908,178
Special schools	22,655				22,655
Capital outlay	2,693,329	1,014,027	68,330		3,775,686
Debt Service:					
Principal	8,500,000			4,390,000	12,890,000
Interest	382,248			2,065,721	2,447,969
Total expenditures	<u>201,096,970</u>	<u>9,103,908</u>	<u>68,330</u>	<u>6,455,721</u>	<u>216,724,929</u>
Excess (Deficiency) of revenues over (under) expenditures	3,974,688	(468,887)	(68,325)	(103,732)	3,333,744
Other financing sources (uses):					
Financed purchases proceeds		4,200,000			4,200,000
Transfers in	717,485				717,485
Transfers (out)			(717,485)		(717,485)
Total other financing sources (uses)	<u>717,485</u>	<u>4,200,000</u>	<u>(717,485)</u>	<u>-</u>	<u>4,200,000</u>
Net change in fund balances	4,692,173	3,731,113	(785,810)	(103,732)	7,533,744
Fund balances, July 1	22,729,973	16,180,481	794,087	112,461	39,817,002
Fund balances, June 30	<u>\$ 27,422,146</u>	<u>\$ 19,911,594</u>	<u>\$ 8,277</u>	<u>\$ 8,729</u>	<u>\$ 47,350,746</u>

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

East Brunswick Public Schools
Governmental Funds

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

Year ended June 30, 2022

Total net change in fund balances - governmental funds (from B-2) \$ 7,533,744

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

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

Depreciation Expense	\$ (9,589,897)	
Loss on Capital Asset Disposals	(148)	
Capital Asset Additions	<u>4,046,008</u>	
		(5,544,037)

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

Financed purchases		(4,200,000)
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Repayments of bond principal and financed purchases payable are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Serial Bonds Payable	4,780,000	
Financed Purchases Payable	<u>8,500,000</u>	
		13,280,000

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

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

Amortization of Deferred Loss on Refunding of Debt		(368,523)
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Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.

158,860

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

133,524

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

Pension expense		5,597,502
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The internal service fund is used by the District to charge the costs of the self-insurance program to the individual fund. The assets and liabilities of the internal service fund are included with governmental activities.

54,000

Change in net position of governmental activities (A-2) \$ 17,092,416

Proprietary Funds

East Brunswick Public Schools
Proprietary Funds

Statement of Net Position

June 30, 2022

	Business-Type Activities					Governmental
	Major Enterprise Funds					Activity
	Food Service	Community Programs	Technology	Facilities Rentals	Total	Internal Service Fund Self-Insured Health Benefits
Assets						
Current assets:						
Cash and cash equivalents	\$ 2,474,604	\$ 1,063,320	\$ 131,484	\$ 919,721	\$ 4,589,129	\$ 1,756,773
Accounts receivable:						
State	6,039				6,039	
Federal	322,049				322,049	
Other	6,947	2,498	18,206	31,550	59,201	
Restricted assets:						
Cash held by fiscal agent						801,782
Total current assets	<u>2,809,639</u>	<u>1,065,818</u>	<u>149,690</u>	<u>951,271</u>	<u>4,976,418</u>	<u>2,558,555</u>
Noncurrent assets:						
Capital assets:						
Depreciable:						
Equipment	1,222,848			65,993	1,288,841	
Accumulated depreciation	<u>(850,884)</u>			<u>(46,844)</u>	<u>(897,728)</u>	
Total capital assets, net	<u>371,964</u>			<u>19,149</u>	<u>391,113</u>	
Total assets	<u>3,181,603</u>	<u>1,065,818</u>	<u>149,690</u>	<u>970,420</u>	<u>5,367,531</u>	<u>2,558,555</u>
Liabilities						
Current liabilities:						
Accounts payable	214,554	62,559	17,495	22,071	316,679	222,339
Accrued salaries payable	24,646	18,787		23,194	66,627	
Unearned revenue	165,021	365,101		67,555	597,677	
Accrued liability - IBNR						1,827,000
Current portion of compensated absences	8,100	3,104			11,204	
Total current liabilities	<u>412,321</u>	<u>449,551</u>	<u>17,495</u>	<u>112,820</u>	<u>992,187</u>	<u>2,049,339</u>
Noncurrent liabilities:						
Compensated absences	77,230	41,236		1,196	119,662	
Total noncurrent liabilities	<u>77,230</u>	<u>41,236</u>		<u>1,196</u>	<u>119,662</u>	
Total liabilities	<u>489,551</u>	<u>490,787</u>	<u>17,495</u>	<u>114,016</u>	<u>1,111,849</u>	<u>2,049,339</u>
Net Position						
Investment in capital assets	371,964			19,149	391,113	
Unrestricted	2,320,088	575,031	132,195	837,255	3,864,569	509,216
Total net position	<u>\$ 2,692,052</u>	<u>\$ 575,031</u>	<u>\$ 132,195</u>	<u>\$ 856,404</u>	<u>\$ 4,255,682</u>	<u>\$ 509,216</u>

See accompanying notes to basic financial statements.

East Brunswick Public Schools
Proprietary Funds

Statement of Revenues, Expenses and Changes in Fund Net Position

Year ended June 30, 2022

	Business-Type Activities				Total	Governmental
	Major Enterprise Funds					Internal Service
	Food Service	Community Programs	Technology	Facilities Rentals		Fund
					Self-Insured Health Benefits	
Operating revenues:						
Local sources:						
Services provided by other funds						\$ 25,837,265
Daily sales non-reimbursable programs	\$ 513,177				\$ 513,177	
Rental				\$ 485,351	485,351	
Special functions				1,317	1,317	
Registration fees		\$ 2,767,667			2,767,667	
Miscellaneous			\$ 199,174		199,174	
Total operating revenues	513,177	2,767,667	199,174	486,668	3,966,686	25,837,265
Operating expenses:						
Salaries	973,563	1,763,233	5,896	211,331	2,954,023	
Employee benefits	244,852	330,406	3,462	21,361	600,081	25,783,265
Purchased professional services	20,244				20,244	
Other purchased services	72,183	197,367		515	270,065	
Supplies and materials	5,608	32,499	57,621	7,370	103,098	
Registrations/Training/Travel	87	485			572	
Depreciation	42,760			5,347	48,107	
Indirect cost	15,455				15,455	
Cost of sales - reimbursable programs	2,610,641				2,610,641	
Miscellaneous		198		26	224	
Total operating expenses	3,985,393	2,324,188	66,979	245,950	6,622,510	25,783,265
Operating (loss) income	(3,472,216)	443,479	132,195	240,718	(2,655,824)	54,000
Nonoperating revenues:						
State sources:						
State school lunch program	89,468				89,468	
Federal sources:						
School breakfast program	741,731				741,731	
National school lunch program	3,795,743				3,795,743	
Emergency operational cost program	44,007				44,007	
P-EBT administrative cost	6,198				6,198	
Food donation program	270,944				270,944	
Interest income	178	87		70	335	
Total nonoperating revenues	4,948,269	87		70	4,948,426	
Change in net position	1,476,053	443,566	132,195	240,788	2,292,602	54,000
Total net position-beginning	1,215,999	131,465		615,616	1,963,080	455,216
Total net position-ending	<u>\$ 2,692,052</u>	<u>\$ 575,031</u>	<u>\$ 132,195</u>	<u>\$ 856,404</u>	<u>\$ 4,255,682</u>	<u>\$ 509,216</u>

See accompanying notes to basic financial statements.

East Brunswick Public Schools
Proprietary Funds

Statement of Cash Flows

Year ended June 30, 2022

	Business-Type Activities				Total	Governmental
	Major Enterprise Funds					Internal Service
	Food Service	Community Programs	Technology	Facilities Rentals		Fund
					Self-Insured Health Benefits	
Cash flows from operating activities						
Receipts for services provided to other funds						\$ 25,837,265
Receipts from customers	\$ 489,252	\$ 2,797,898	\$ 180,968	\$ 543,522	\$ 4,011,640	
Payments to employees	(975,679)	(1,751,914)	(5,896)	(188,263)	(2,921,752)	
Payments for employee benefits	(244,852)	(330,406)	(3,462)	(21,361)	(600,081)	(26,059,057)
Payments to suppliers	(2,707,868)	(357,559)	(40,126)	14,159	(3,091,394)	
Net cash (used in) provided by operating activities	(3,439,147)	358,019	131,484	348,057	(2,601,587)	(221,792)
Cash flows from noncapital financing activity						
Cash received from state and federal sources						4,876,428
Net cash provided by noncapital financing activity						4,876,428
Cash flows from investing activities						
Interest received	178	87		70	335	
Purchase of capital assets	(31,010)				(31,010)	
Net cash provided by investing activities	(30,832)	87	-	70	(30,675)	
Net increase (decrease) in cash and cash equivalents	1,406,449	358,106	131,484	348,127	2,244,166	(221,792)
Cash, cash equivalents and restricted cash, beginning of year	1,068,155	705,214	-	571,594	2,344,963	2,780,347
Cash, cash equivalents and restricted cash, end of year	<u>\$ 2,474,604</u>	<u>\$ 1,063,320</u>	<u>\$ 131,484</u>	<u>\$ 919,721</u>	<u>\$ 4,589,129</u>	<u>\$ 2,558,555</u>
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:						
Operating (loss) income	\$ (3,472,216)	\$ 443,479	\$ 132,195	\$ 240,718	\$ (2,655,824)	\$ 54,000
Adjustments to reconcile operating (loss) income to net cash						
(used in) provided by operating activities:						
Depreciation	42,760			5,347	48,107	
Change in assets and liabilities:						
(Increase) decrease in other accounts receivable	22,981	2,924	(18,206)	(10,701)	(3,002)	148,587
(Increase) in inventory	608				608	
Increase (decrease) in accounts payable	15,742	(127,010)	17,495	22,070	(71,703)	(370,379)
Increase (decrease) in accrued expenses	15,689	9,709		23,175	48,573	(54,000)
(Decrease) in unearned revenue	(46,906)	27,307		67,555	47,956	
Increase (decrease) in compensated absences	(17,805)	1,610		(107)	(16,302)	
Net cash (used in) provided by operating activities	<u>\$ (3,439,147)</u>	<u>\$ 358,019</u>	<u>\$ 131,484</u>	<u>\$ 348,057</u>	<u>\$ (2,601,587)</u>	<u>\$ (221,792)</u>

Noncash noncapital financing activities:

The District received \$270,944 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2022.

See accompanying notes to basic financial statements.

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2022

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

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

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

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

The District has reported the following major governmental funds:

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

The District reports the following enterprise funds:

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

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

Technology Enterprise Fund: The technology fund accounts for the collection of fees for device coverage as well as technology fines and for the incurrence of costs associated with claims for technology devices issued to students.

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

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

The District reports the following internal service fund:

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

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

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

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

D. Budgets/Budgetary Control

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

D. Budgets/Budgetary Control (continued)

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the Middlesex County office of the DOE for approval. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referred in N.J.A.C. 6A:23. The over-expenditure in the general fund is due to the inclusion of the non-budgeted on behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures. All budget amendments must be approved by School Board resolution. Budget amendments were made during the year ended June 30, 2022 and were not significant.

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

E. Interfund Receivables/Payables

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

F. Inventories

Inventories, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. At June 30, 2022, the District did not have any inventory in the Food Service Enterprise Fund.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

G. Capital Assets

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

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

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

H. Compensated Absences

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

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

As of June 30, 2022, a liability existed for compensated absences in the government-wide financial statements in the amount of \$3,010,620 and a liability in the proprietary fund types in the amount of \$130,866.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

I. Unearned Revenue

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

J. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

K. Deferred Loss on Refunding of Debt

Deferred loss on refunding arising from the issuance of refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. As of June 30, 2022, the District has recorded an unamortized balance of \$4,044,858 as a deferred outflow of resources and the amortization expense for the year ended June 30, 2022 was \$368,523.

L. Net Position

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

M. Deferred Outflows/Inflows of Resources

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

N. Fund Balances

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

- 1) **Nonspendable** – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
- 2) **Restricted** – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- 3) **Committed** – includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revises or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- 4) **Assigned** – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

N. Fund Balances

- 5) Unassigned – includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

Of the \$27,422,146 of fund balances in the General Fund, \$7,431,183 of outstanding encumbrances has been assigned to other purposes, \$3,479,308 has been assigned as designated for subsequent year's expenditures, \$7,114,758 has been restricted for capital reserve, \$1,035,902 has been restricted for excess surplus – current year, \$1,165,692 has been restricted for excess surplus – designated for subsequent years expenditures, \$547,727 has been restricted for unemployment compensation reserve, and \$6,647,576 is classified as unassigned.

Of the \$19,911,594 of fund balances in the Special Revenue Fund, \$569,607 is restricted for student activities and \$19,341,987 is assigned and designated for subsequent years expenditures. All of the \$8,277 Capital Projects fund balance at June 30, 2022 is restricted for capital projects. All of the \$8,729 Debt Service fund balance at June 30, 2022 is restricted for debt service.

O. Management Estimates

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

P. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey social security and post-retirement medical pension contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension contributions in the government-wide financial statements have been decreased by \$18,148,736 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

Q. Calculation of Excess Surplus

The designation for restricted fund balance -- excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 was \$2,201,594. Of this amount, \$1,165,692 has been appropriated in the 2022/23 budget and the remaining \$1,035,902 is required to be appropriated in the 2023/24 budget.

R. GASB Pronouncements

GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. Management of the District have reviewed the GASB and have determined that it did not have an impact on the District.

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

The GASB issued Statement No. 99, *Omnibus 2022* in April 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective for period beginning after June 15, 2022. Management has not yet determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 101, *Compensated Absences* in June 2022. 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 periods beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has not determined the impact of the Statement on the financial statements.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

1. Summary of Significant Accounting Policies (continued)

S. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2022 through March 28, 2023, the date that the financial statements were available for issuance and the effects of those that provide additional pertinent information about conditions that existed at the balance sheet date, have been recognized in the accompanying financial statements.

On August 3, 2022, the District issued \$41,355,000 Refunding School Bond, Series 2022, with an interest rate of 2.430%, which refunded the \$60,560,000 Refunding of 2005 School Bond, Series 2012. The refunding resulted in a net present value savings of approximately \$4,499,374 over the remaining life of the 2005 bond (through 2034). As part of the refunding, the District was required to make one last principal and interest payment of \$3,075,000 and \$76,875, respectively, for a total payment of \$3,151,875 for the 2005 bond on November 1, 2022.

2. Reconciliation of Government-Wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the Government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable and related unamortized premiums, financed purchases payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds. The details of this \$94,989,305 difference are as follows:

Bonds payable	\$ 60,620,000
Unamortized premium on bonds	5,298,685
Financed purchases payable	26,060,000
Compensated absences	<u>3,010,620</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 94,989,305</u>

3. Deposits and Investments

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

3. Deposits and Investments (continued)

Deposits

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

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

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

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

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

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

Operating cash accounts are held in the District's name by several commercial banking institutions. At June 30, 2022, the carrying amount of the District's deposits was \$51,314,028 and the bank balance was \$53,314,028. Of the bank balance, \$250,000 of the District's cash deposits on June 30, 2022 was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$52,880,086. \$1,045,249 held in the District agency accounts are not covered by GUDPA. The District also has \$801,782 of cash held by fiscal agents on its behalf which is not covered by the FDIC or GUDPA.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

3. Deposits and Investments (continued)

Deposits (continued)

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

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

Investments

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

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

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

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

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer. At June 30, 2022, the District had no investments.

Interest Rate Risk: The District does not have a policy to limit interest rate risk.

The District did not have any funds held as investments during or at the year ended June 30, 2022.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

4. Capital Reserve Account

A capital reserve account was established by the Board by inclusion of \$410,363 in the 1996-1997 capital outlay budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (July 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning balance, July 1, 2021	\$	8,080,431
Increases:		
Interest earnings		362
Board approved deposit - June 2022 resolution		5,420,910
Project Close-outs		717,485
Return of unexpended capital outlay		828,790
Subtotal		<u>15,047,978</u>
Decreases:		
Board approved withdrawals – various dates		<u>(7,933,220)</u>
Ending balance, June 30, 2022	\$	<u><u>7,114,758</u></u>

The June 30, 2022 LRFP balance of local support costs of uncompleted capital projects exceeded the June 30, 2022 capital reserve balance. The withdrawals from the capital reserve were for Department of Education approved facilities projects.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

5. Capital Assets

The District capitalizes all assets with an acquisition cost greater than \$2,000. The following schedule is a summarization of the changes in capital assets by source for the fiscal year ended June 30, 2022:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, not being Depreciated:					
Land	\$ 1,019,208				\$ 1,019,208
Construction in Progress	10,613,736	\$ 3,672,024		\$ (9,754,648)	4,531,112
Total Capital Assets not being Depreciated	<u>11,632,944</u>	<u>3,672,024</u>		<u>(9,754,648)</u>	<u>5,550,320</u>
Capital Assets, being Depreciated:					
Building and Improvements	313,205,526	8,852		9,492,158	322,706,536
Machinery and Equipment	19,243,246	365,132	\$ (5,400)	262,490	19,865,468
Total Capital Assets, being Depreciated	<u>332,448,772</u>	<u>373,984</u>	<u>(5,400)</u>	<u>9,754,648</u>	<u>342,572,004</u>
Less Accumulated Depreciation:					
Building and Improvements	(89,015,932)	(8,053,681)			(97,069,613)
Machinery and Equipment	(10,680,631)	(1,536,216)	5,252		(12,211,595)
Total Accumulated Depreciation	<u>(99,696,563)</u>	<u>(9,589,897)</u>	<u>5,252</u>		<u>(109,281,208)</u>
Total Capital Assets, being Depreciated, Net	<u>232,752,209</u>	<u>(9,215,913)</u>	<u>(148)</u>	<u>9,754,648</u>	<u>233,290,796</u>
Governmental Activities Capital Assets, Net	<u>\$ 244,385,153</u>	<u>\$ (5,543,889)</u>	<u>\$ (148)</u>	<u>\$ -</u>	<u>\$ 238,841,116</u>
Business-Type Activities:					
Total Capital Assets, being Depreciated:					
Building and building improvements	\$ 700,560				\$ 700,560
Machinery and Equipment	557,271	\$ 31,010			588,281
Total Capital Assets, being Depreciated	<u>1,257,831</u>	<u>31,010</u>			<u>1,288,841</u>
Less Accumulated Depreciation:					
Building and Improvements	(490,961)	\$ (15,110)			(506,071)
Machinery and Equipment	(358,660)	(32,997)			(391,657)
Total Accumulated Depreciation	<u>(849,621)</u>	<u>(48,107)</u>			<u>(897,728)</u>
Total Business-Type Activities Capital Assets, Net	<u>\$ 408,210</u>	<u>\$ (17,097)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 391,113</u>

Total depreciation expense for the fiscal year ended June 30, 2022 for governmental activities was \$9,589,897 and for business-type activities was \$48,107.

Depreciation for governmental activities was charged as follows in the Statement of Activities:

Regular instruction	\$ 3,770,237
Special education instruction	1,108,804
Other instruction	349,129
Student and instruction related services	1,503,975
School administration services	385,425
General and other administration services	476,228
Plant operation and maintenance	1,280,741
Pupil transportation	715,358
Total depreciation expense – governmental activities	<u>\$ 9,589,897</u>

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Serial bonds payable	\$ 65,400,000		\$ 4,780,000	\$ 60,620,000	\$ 3,845,000
Unamortized premium on bonds	5,746,031		447,346	5,298,685	447,346
Financed purchases payable	30,360,000	\$ 4,200,000	8,500,000	26,060,000	8,575,000
Compensated absences payable	3,144,144	198,834	332,358	3,010,620	167,982
Sub-total	104,650,175	4,398,834	14,059,704	94,989,305	13,035,328
Net pension liability	31,407,906		8,358,373	23,049,533	
Total governmental activities long-term liabilities	<u>\$136,058,081</u>	<u>\$ 4,398,834</u>	<u>\$22,418,077</u>	<u>\$118,038,838</u>	<u>\$ 13,035,328</u>
Business-Type Activities:					
Compensated absences payable	\$ 147,169	\$ 16,907	\$ 33,210	\$ 130,866	\$ 11,204
Total Business-Type activities long-term liabilities	<u>\$ 147,169</u>	<u>\$ 16,907</u>	<u>\$ 33,210</u>	<u>\$ 130,866</u>	<u>\$ 11,204</u>

The District expects to liquidate the financed purchases payable and the net pension liability with payments made from the District's general fund and the bonds payable from the debt service fund. The District expects to liquidate the compensated absences payable with payments made from the general fund, the food service enterprise fund, the community program enterprise fund and the facilities rentals enterprise fund.

A. Bonds Payable

Bonds are authorized in accordance with State law or by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds and are a direct borrowing of the District for which its full faith and credit is pledged and are payable from taxes levied on all taxable real property within the District.

2012 Issue

On November 20, 2012, the District issued \$60,560,000 Refunding School Bonds, which were refunded subsequent to year-end on August 3, 2022. Factoring in the subsequent refunding of these bonds, the amount of defeased bonds outstanding at June 30, 2022 is \$3,075,000, which matures on November 1, 2022.

2017 Issue

On February 28, 2017, the District issued \$5,515,000 Refunding School Bonds at an interest rate of 1.722% to advance refund \$5,365,000 of 2007 School Bonds. The District made its final payment in May 2022 and no defeased debt remains outstanding.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Long-Term Liabilities

A. Bonds Payable (continued)

2019 Issue

On February 6, 2019, the District issued School Energy Savings Improvement Program Refunding Bonds in the amount of \$8,135,000 to finance energy conservation measures pursuant to an Energy Savings Improvement Plan (“ESIP”) at interest rates ranging from 4.00% to 5.00%, due in annual installments ranging from \$425,000 to \$805,000 through August 1, 2034.

2020 Issue

On February 25, 2020, the District issued \$10,355,000 Refunding School Bonds at interest rates ranging from 3.00% to 5.00% to advance refund \$11,465,000 of 2010 School Bonds. As of June 30, 2022, the amount of defeased bonds outstanding is \$9,705,000. The 2020 Refunding School Bonds mature in amounts ranging from \$345,000 to \$755,000 through May 15, 2040.

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

	Principal	Interest	Total
Year ending June 30,			
2023	\$ 3,845,000	\$ 2,205,531	\$ 6,050,531
2024	3,930,000	2,014,856	5,944,856
2025	3,960,000	1,852,706	5,812,706
2026	4,235,000	1,713,631	5,948,631
2027	4,255,000	1,570,057	5,825,057
2028-2032	22,545,000	5,338,855	27,883,855
2033-2037	15,665,000	1,413,066	17,078,066
2038-2040	2,185,000	132,750	2,317,750
	\$60,620,000	\$16,241,452	\$76,861,452

B. Financed Purchases Payable

2016 Agreement

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Long-Term Liabilities (continued)

B. Financed Purchases Payable (continued)

Under the lease, the Board is required to pay basic rent due on each August 1, which concluded on August 1, 2021. The total principal amount of the lease was \$6,200,000. In July 2021, the Board made its final payment of \$849,775, which comprised of \$840,000 in principal and \$9,775 in interest.

2017 Agreement

In September 2017, the Board of Education (the Lessee) entered into a lease purchase agreement with the Township of East Brunswick (the Lessor) to finance district-wide building improvements, technology equipment, classroom furnishings and transportation and maintenance vehicles. Approval was obtained from the Commissioner of Education and the State of New Jersey Local Finance Board.

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

Future Minimum Lease Payments - Future minimum lease payments for the next year under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2022 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 222,560
Total Minimum Lease Payments	222,560
Less: Amount representing interest	(2,560)
Present Value of Net Minimum Lease Payments	<u>\$ 220,000</u>

2018 Agreement

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

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Long-Term Liabilities (continued)

B. Financed Purchases Payable (continued)

Future Minimum Lease Payments - Future minimum lease payments for the next two years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2022 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 1,173,499
2024	1,173,499
Total Minimum Lease Payments	<u>2,346,998</u>
Less: Amount representing interest	(26,998)
Present Value of Net Minimum Lease Payments	<u><u>\$ 2,320,000</u></u>

2019 Agreement

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

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

Future Minimum Lease Payments - Future minimum lease payments for the next three years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2022 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 3,021,941
2024	2,920,000
2025	<u>2,920,000</u>
Total Minimum Lease Payments	8,861,941
Less: Amount representing interest	<u>(101,941)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$ 8,760,000</u></u>

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Long-Term Liabilities (continued)

B. Financed Purchases Payable (continued)

2021 Agreement

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

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

Future Minimum Lease Payments - Future minimum lease payments for the next four years under the financed purchase agreement along with the present value of the minimum lease payments as of June 30, 2022 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 731,172
2025	731,172
2026	731,171
Total Minimum Lease Payments	2,193,515
Less: Amount representing interest	(33,515)
	<u>\$ 2,160,000</u>

2022 Agreement

In May 2021, the Board of Education (the Lessee) entered into a lease purchase agreement with the Township of East Brunswick (the Lessor) to finance district-wide building improvements, technology equipment, classroom furnishings and transportation and maintenance vehicles. Approval was obtained from the Commissioner of Education and the State of New Jersey Local Finance Board.

Under the lease, the Board is required to pay basic rent due on each July 1, through July 1, 2026. The lease carries an interest rate of 0.30%. The total principal amount of the lease was \$4,200,000.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

6. Long-Term Liabilities (continued)

B. Financed Purchases Payable (continued)

Future Minimum Lease Payments - Future minimum lease payments for the next five years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2022 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 852,600
2024	840,000
2025	840,000
2026	840,000
2027	840,000
Total Minimum Lease Payments	4,212,600
Less: Amount representing interest	(12,600)
	\$ 4,200,000

Financed Purchase Agreement

The District entered into a financed purchase agreement on October 28, 2020 in the amount of \$13,685,000, which is due in annual principal installments and for which final payment is due on April 15, 2025. Interest rate is at 1.350%. The financed purchase was initiated for various capital improvements throughout the District.

Future Minimum Lease Payments - Future minimum lease payments for the next three years under the lease purchase agreement along with the present value of the 48 minimum lease payments as of June 30, 2022 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 2,828,400
2024	2,876,748
2025	2,923,948
Total Minimum Lease Payments	8,629,096
Less: Amount representing interest	(229,096)
Present Value of Net Minimum Lease Payments	\$ 8,400,000

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Pension Plans

Description of Systems

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

Teachers' Pension and Annuity Fund

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

Public Employees' Retirement System

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Pension Plans (continued)

years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be $1/60^{\text{th}}$ of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

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

Funding Policy

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

During the year ended June 30, 2022, the State of New Jersey contributed \$30,576,112 to the TPAF for post-retirement medical benefits and other pension costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$4,968,932 during the year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the government-wide and fund financial statements.

The Board's actuarially determined contributions to PERS for each of the years ended June 30, 2022, 2021, and 2020 was \$2,381,038, \$2,278,621, and \$2,106,941, respectively, equal to the required contributions for each year.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Pension Plans (continued)

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

Public Employee's Retirement System (PERS)

At June 30, 2022, the District reported a liability of \$23,049,533 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 July 1, 2020, which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2021, the District's proportion was 0.1945683060 percent, which was a decrease of 0.0019690243 from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized full accrual pension benefit of (\$3,318,881) in the government-wide financial statements. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 363,521	\$ 165,007
Changes of assumptions	120,042	8,205,783
Net difference between projected and actual earnings on pension plan investments		6,071,853
Changes in proportion and differences between District contributions and proportionate share of contributions	759,571	759,638
District contributions subsequent to the measurement date	2,381,038	
	<u>\$ 3,624,172</u>	<u>\$ 15,202,281</u>

\$2,381,038 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. The contributions made subsequent to the measurement date will be recognized as a reduction of the collective net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Pension Plans (continued)

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

Year ended June 30:	
2023	\$ (5,489,907)
2024	(3,831,894)
2025	(2,692,153)
2026	(1,953,493)
2027	8,300
	<u>\$ (13,959,147)</u>

Actuarial Assumptions

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	2.00 - 6.00%
	based on years of service
Thereafter	3.00 - 7.00%
	based on years of service
Investment rate of return	7.00%

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

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Pension Plans (continued)

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

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.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 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 expecting future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	100.00%	

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Pension Plans (continued)

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

Discount rate

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2021 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's proportionate share of the net pension liability associated with the District	\$ 31,388,790	\$ 23,049,533	\$ 15,972,492

Pension Plan Fiduciary Net Position

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

Additional Information

Collective balances of the Local Group at June 30, 2021 are as follows:

Deferred outflows of resources	\$ 1,164,738,169
Deferred inflows of resources	\$ 8,339,123,762
Net pension liability	\$ 11,972,782,878
District's Proportion	0.1945683060%

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Pension Plans (continued)

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

Collective pension benefit for the Local Group for the measurement period ended June 30, 2021 is (\$1,599,674,464).

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 is 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years, respectively.

Teachers Pensions and Annuity Fund (TPAF) – Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2022 was \$281,698,146. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2021, the State's proportionate share of the TPAF net pension liability associated with the District was 0.5859532826 percent, which was a decrease of 0.0125197296 from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$6,628,481 for contributions incurred by the State.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Pension Plans (continued)

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

Actuarial assumptions

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	1.55 - 4.45%
	based on years of service
Thereafter	2.75 - 5.65%
	based on years of service
Investment rate of return	7.00%

Mortality Rates

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

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

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 by adding expected inflation.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Pension Plans (continued)

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

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made 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 to projected benefit payments in determining the total pension liability.

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

7. Pension Plans (continued)

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

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's proportionate share of the net pension liability associated with the District	\$ 333,295,961	\$ 281,698,146	\$ 238,359,224

Pension plan fiduciary net position

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

Additional Information

Collective balances of the Local Group at June 30, 2021 are as follows:

Deferred outflows of resources	\$ 6,356,228,800
Deferred inflows of resources	\$ 27,175,330,929
Net pension liability	\$ 48,075,188,642

State's proportionate share associated with the District 0.5859532826%

Collective pension expense-Local Group for the plan for the measurement period ended June 30, 2021 is \$1,159,039,411. The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 is 7.43, 7.99, 8.04, 8.29, 8.30, 8.30, 8.30, and 8.50 years, respectively.

8. Post-Retirement Benefits

Plan description and benefits provided

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health benefits) for State Health Benefit Local Education Retired Employees Plan.

The State Health Benefit 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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

8. Post-Retirement Benefits (continued)

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.

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: TPAF, PERS, PFRS, or ABP.

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

8. Post-Retirement Benefits (continued)

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 non-employer contributing entity. The State, as a non-employer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$60,007,650,970 for this special funding situation.

The State's contributions to the Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2022, 2021, and 2020 were \$5,788,959, \$5,439,422, and \$4,957,090 respectively, which equaled the required contributions for each year.

In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments.

Additional information on Pensions and OPEB can be accessed at: state.nj.us/treasury/pensions/financial-reports.shtml.

Changes in Total OPEB Liability

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

	<u>Total OPEB Liability</u>
Beginning Total OPEB Liability, June 30, 2020	\$ 399,285,805
Changes for the year:	
Service cost	19,117,654
Interest cost	9,115,269
Difference between expected and actual experience	(69,160,219)
Changes of benefit terms	(374,005)
Changes of assumptions	346,667
Member contributions	233,033
Gross benefit payments	(7,180,279)
Net change in total OPEB liability	(47,901,880)
Ending Total OPEB Liability, June 30, 2021	\$ 351,383,925

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

8. Post-Retirement Benefits (continued)

Employees covered by benefit terms

The following employees were covered by the benefit terms:

Local Education Group	June 30, 2021
Active Plan Members	213,901
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	150,427
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	364,328

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective OPEB liability on the Statement of Net Position. The State's proportionate share of the total OPEB liability associated with the District as of June 30, 2021 was \$351,383,925. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

Actuarial assumptions and other inputs

The total non-employer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021 and included in the June 30, 2021 audited financial statements of the State Health Benefit Local Education Retired Employees Plan. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	TPAF	PERS
Inflation rate:	2.50%	2.50%
Salary increases:		
Through 2026	1.55 - 4.45%	2.00 - 6.00%
	based on years of service	based on years of service
Thereafter	2.75 - 5.65%	3.00 - 7.00%
	based on years of service	based on years of service

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

8. Post-Retirement Benefits (continued)

Mortality Rates

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

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

Discount Rate

The discount rate for June 30, 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.

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 rate for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2023, 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 2023, increasing to 15.23% in fiscal year 2025 and decreases 4.50% 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%.

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

The following presents the non-employer OPEB liability associated with the District as of June 30, 2021 calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current rate:

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

8. Post-Retirement Benefits (continued)

	At 1% decrease (1.16%)	At current discount rate (2.16%)	At 1% increase (3.16%)
Total OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 420,902,780	\$ 351,383,925	\$ 296,642,000

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

	At 1% decrease	At Healthcare Cost Trend Rates	At 1% increase
Total OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 284,446,429	\$ 351,383,925	\$ 441,276,035

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

For the year ended June 30, 2022, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$19,847,133 for OPEB expenses incurred by the State.

Collective balances of the Education Group at June 30, 2021 are as follows:

Deferred outflows of resources	\$	21,546,947,255
Deferred inflows of resources	\$	29,769,148,209
Collective OPEB Expense	\$	3,527,672,060

District's Proportion 0.59%

Special Funding Situation

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

9. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2022 may be impaired. The District has received funding under the Elementary and Secondary School Emergency Relief (ESSER) Fund and American Recovery Program (ARP). To the extent that the District has not complied with the rules and regulations governing the ESSER and ARP funds, money may be required to be returned. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying financial statements for such contingencies.

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

10. Deferred Compensation Plans

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

The plan administrators are as follows:

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

11. Risk Management

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

11. Risk Management (continued)

Property and Liability Insurance

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

New Jersey Unemployment Compensation Insurance

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

Fiscal Year	Beginning Balance	Board Contribution	Federal Contribution	Employee Contribution	Interest	Deductions	Ending Balance
2021-2022	\$ 438,330	\$ 266,202		\$ 162,014	\$ 81	\$ 318,900	\$ 547,727
2020-2021	795,788	151,881		144,476	238	654,053	438,330
2019-2020	799,040	16,505	\$ 86,669	152,235	13,663	272,324	795,788

Self-Insurance

The District is self-insured for medical, prescription and dental benefits and has established an internal service fund to account for its self-insurance activities. At June 30, 2022, the accrued liability for unpaid medical, prescription and dental claims of \$1,827,000 has been recorded in the internal service fund financial statements for Incurred But Not Reported Claims (IBNR), which is subject to modification and/or assessment of existing or additional claims. The medical, prescription and dental benefits IBNR liability has been calculated by an actuary contracted by the District's claims administrator. The actuary utilized a 10% margin to estimate the liabilities. The change in the IBNR for the year ended June 30, 2022 is as follows:

Fiscal Year	Beginning Balance	Current Year Claims and Estimates	Claim Payments	Ending Balance
2021-2022	\$ 1,881,000	\$ 25,729,265	\$ 25,783,265	\$ 1,827,000
2020-2021	1,604,000	26,279,818	26,002,818	1,881,000
2019-2020	1,479,000	24,643,011	24,518,011	1,604,000

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

12. Economic Dependency

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

13. Transfers to Capital Outlay

During the year ending June 30, 2022, the District transferred \$7,933,220 to the capital outlay accounts. The transfers were made from the capital reserve account to supplement capital projects certified in the budget for taxes pursuant to N.J.A.C. 6A:23A-8.4.

14. Transfers – Reconciliation

The following represents a reconciliation of transfers made during the 2022 fiscal year:

	<u>In</u>	<u>Out</u>
General Fund	\$ 717,485	
Capital Projects Fund		\$ 717,485
	<u>\$ 717,485</u>	<u>\$ 717,485</u>

The transfer from the capital projects fund to the general fund represents a transfer of interest earned in the capital projects fund on the Energy Savings Improvement Program bond proceeds and the close-out of completed capital project balances.

15. Restricted Assets

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

16. Net Position - Net Investment in Capital Assets

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$170,257,553 indicated as part of the Governmental Activities net position is calculated as follows:

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

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

Capital assets, net of depreciation	\$ 238,841,116
Bonds payable (used to build or acquire capital assets)	(60,620,000)
Unused ESIP refunding bond proceeds	8,277
Deferred loss on refunding of debt	4,044,858
Unamortized deferred premium	(5,298,685)
Financed purchases payable	(26,060,000)
Designated for subsequent years expenditures - Special Revenue Fund (unused lease proceeds)	<u>19,341,987</u>
Total net investment in capital assets	<u>\$ 170,257,553</u>

17. Commitments

The District has contractual commitments at June 30, 2022 to various vendors, which are recorded in the General Fund as fund balance assigned to other purposes in the amount of \$7,431,183 and in the Capital Projects Fund as restricted for capital projects in the amount of \$8,277.

During the 2022 fiscal year, the New Jersey Department of Labor has been delayed in issuing bills to New Jersey governmental units and as such the District has not been billed for any quarters during the fiscal year. Unemployment claims for the fiscal year cannot be estimated, however, it is expected that the Federal Government, through the CARES Act will reimburse the State of New Jersey between 50 and 75 percent of all claims incurred. Since the District has not received a bill related to fiscal year 2022, and the amounts due are not known, no provision has been made in the District's financial statements for any liability.

18. Tax Abatements

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

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2022

18. Tax Abatements (continued)

The Township of East Brunswick recognized revenue of \$2,188,140 from the annual service charge in lieu of payment of taxes in 2021 and taxes in 2021 that otherwise would have been due on these long-term tax exemptions amounted to \$7,919,282, based upon the assessed valuations of the long-term tax exemptions properties. A portion of the \$5,731,142 abatement would have been allocated to the District.

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

**Required Supplementary Information
Part II**

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

Last Ten Fiscal Years

	Year Ended June 30,				
	2013	2014	2015	2016	2017
Measurement date	N/A	6/30/2013	6/30/2014	6/30/2015	6/30/2016
District's proportion of the net pension liability (asset) - Local Group	N/A	0.1930621676%	0.1931581586%	0.2001424156%	0.1977688257%
District's proportionate share of the net pension liability (asset)	N/A	\$ 36,898,016	\$ 36,164,490	\$ 44,927,962	\$ 58,573,454
District's covered payroll	\$ 13,261,244	\$ 13,047,120	\$ 13,447,670	\$ 13,368,140	\$ 13,252,553
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	N/A	282.81%	268.93%	336.08%	441.98%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	N/A	48.72%	52.08%	47.93%	40.14%

N/A - Information not available

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

Last Ten Fiscal Years

	Year Ended June 30,				
	2018	2019	2020	2021	2022
Measurement date	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
District's proportion of the net pension liability (asset) - Local Group	0.1940609018%	0.1925928900%	0.1968999996%	0.1925992817%	0.1945683060%
District's proportionate share of the net pension liability (asset)	\$ 45,174,276	\$ 37,920,580	\$ 35,478,393	\$ 31,407,906	\$ 23,049,533
District's covered payroll	\$ 13,301,469	\$ 13,711,055	\$ 13,282,994	\$ 14,092,514	\$ 13,867,408
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	339.62%	276.57%	267.10%	222.87%	166.21%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	48.10%	53.60%	56.27%	58.32%	70.33%
N/A - Information not available					

See accompanying notes to required supplementary information.

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

Last Ten Fiscal Years

	Year Ended June 30,				
	2013	2014	2015	2016	2017
Contractually required contribution	\$ 1,589,566	\$ 1,454,684	\$ 1,590,486	\$ 1,720,688	\$ 1,756,950
Contributions in relation to the contractually required contribution	(1,589,566)	(1,454,684)	(1,590,486)	(1,720,688)	(1,756,950)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 13,047,120	\$ 13,447,670	\$ 13,368,140	\$ 13,252,553	\$ 13,301,469
Contributions as a percentage of covered payroll	12.18%	10.82%	11.90%	12.98%	13.21%

See accompanying notes to required supplementary information.

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

Last Ten Fiscal Years

	Year Ended June 30,				
	2018	2019	2020	2021	2022
Contractually required contribution	\$ 1,797,767	\$ 1,925,028	\$ 2,106,941	\$ 2,278,621	\$ 2,381,038
Contributions in relation to the contractually required contribution	(1,797,767)	(1,925,028)	(2,106,941)	(2,278,621)	(2,381,038)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 13,711,055	\$ 13,282,994	\$ 14,092,514	\$ 13,867,408	\$ 14,096,915
Contributions as a percentage of covered payroll	13.11%	14.49%	14.95%	16.43%	16.89%

See accompanying notes to required supplementary information.

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

Last Ten Fiscal Years*

	Year Ended June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.5894999659%	0.5738312934%	0.6048806937%	0.6044813962%	0.6031536811%	0.6033391834%	0.5984730122%	0.5859532826%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 315,068,546	\$ 362,685,882	\$ 475,837,667	\$ 407,563,154	\$ 383,713,416	\$ 370,274,952	\$ 394,087,277	\$ 281,698,146
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 315,068,546</u>	<u>\$ 362,685,882</u>	<u>\$ 475,837,667</u>	<u>\$ 407,563,154</u>	<u>\$ 383,713,416</u>	<u>\$ 370,274,952</u>	<u>\$ 394,087,277</u>	<u>\$ 281,698,146</u>
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%

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

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

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

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

Last Ten Fiscal Years*

	Year Ended June 30,					
	2017	2018	2019	2020	2021	2022
State's proportion of the net OPEB liability (asset) associated with the District	0.59%	0.59%	0.59%	0.59%	0.59%	0.59%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 341,602,391	\$ 316,476,368	\$ 271,308,212	\$ 244,508,234	\$ 399,285,805	\$ 351,383,925
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 341,602,391</u>	<u>\$ 316,476,368</u>	<u>\$ 271,308,212</u>	<u>\$ 244,508,234</u>	<u>\$ 399,285,805</u>	<u>\$ 351,383,925</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	<u>2017**</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total OPEB Liability						
Changes for the year:						
Service cost		\$ 13,993,198	\$ 11,568,347	\$ 10,215,878	\$ 10,614,067	\$ 19,117,654
Interest cost		10,034,571	11,619,732	10,755,390	8,812,335	9,115,269
Changes of benefit terms		-	-	-	-	(374,005)
Difference between expected and actual experience		-	(31,218,308)	(44,133,699)	69,155,918	(69,160,219)
Changes of assumptions		(42,093,447)	(30,133,975)	3,645,638	72,935,796	346,667
Member contributions		269,919	250,733	222,489	210,692	233,033
Gross benefit payments		(7,330,264)	(7,254,685)	(7,505,674)	(6,951,237)	(7,180,279)
Net change in total OPEB liability		(25,126,023)	(45,168,156)	(26,799,978)	154,777,571	(47,901,880)
Total OPEB liability - beginning		341,602,391	316,476,368	271,308,212	244,508,234	399,285,805
Total OPEB liability - ending		<u>\$ 316,476,368</u>	<u>\$ 271,308,212</u>	<u>\$ 244,508,234</u>	<u>\$ 399,285,805</u>	<u>\$ 351,383,925</u>
Covered-employee payroll		<u>\$ 76,607,296</u>	<u>\$ 77,683,234</u>	<u>\$ 77,951,256</u>	<u>\$ 80,713,138</u>	<u>\$ 83,131,728</u>
Total OPEB liability as a percentage of covered-employee payroll		<u>413.12%</u>	<u>349.25%</u>	<u>313.67%</u>	<u>494.70%</u>	<u>422.68%</u>

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

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

** information not available.

See accompanying notes to required supplementary information.

East Brunswick Public Schools
Notes to Required Supplementary Information
Year ended June 30, 2022

1. PUBLIC EMPLOYEES' RETIREMENT SYSTEM – PENSION

Benefit Changes

There were none.

Changes of Assumptions

There were none.

2. TEACHERS PENSION AND ANNUITY FUND - PENSION

Benefit Changes

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.

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

Benefit Changes

There were none.

Changes of Assumptions

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

Required Supplementary Information
Part III

Budgetary Comparison

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 136,587,587		\$ 136,587,587	\$ 136,587,587	
Tuition (from individuals)	75,000		75,000	91,516	\$ 16,516
Tuition (other LEAS)	829,896		829,896	588,055	(241,841)
Investment income	50,000		50,000	10,756	(39,244)
Interest earned on capital reserve				362	362
Miscellaneous	435,000		435,000	3,099,513	2,664,513
Total - local sources	137,977,483		137,977,483	140,377,789	2,400,306
State sources:					
Extraordinary aid	750,000		750,000	3,268,133	2,518,133
Special education categorical aid	5,355,986		5,355,986	5,355,986	
Equalization aid	18,868,151		18,868,151	18,868,151	
Security aid	176,418		176,418	176,418	
Transportation aid	1,491,445		1,491,445	1,491,445	
Additional Non-public school transportation aid				51,330	51,330
Securing Our Children's Future Bond Act		\$ 465,045	465,045	385,237	(79,808)
On-Behalf TPAF - Pension					
Contribution (non-budgeted)				24,777,217	24,777,217
On-Behalf TPAF - Post-Retirement					
Medical (non-budgeted)				5,788,959	5,788,959
On-Behalf TPAF - Long-Term Disability					
Insurance (non-budgeted)				9,936	9,936
Reimbursed TPAF social security contributions (non-budgeted)				4,968,932	4,968,932
Total - state sources	26,642,000	465,045	27,107,045	65,141,744	38,034,699
Federal sources:					
Medical assistance	168,061		168,061	93,527	(74,534)
Total - federal sources	168,061		168,061	93,527	(74,534)
Total revenues	164,787,544	465,045	165,252,589	205,613,060	40,360,471
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Preschool	453,753		453,753	363,787	89,966
Kindergarten	2,344,895	(236,905)	2,107,990	2,107,990	
Grades 1-5	15,750,566	(734,494)	15,016,072	14,366,057	650,015
Grades 6-8	11,116,730		11,116,730	11,040,136	76,594
Grades 9-12	16,290,371	42,605	16,332,976	16,332,976	
Home instruction - regular programs:					
Salaries of teachers	27,716	25,057	52,773	52,773	
Purchased professional-educational services	75,000	(6,952)	68,048	43,175	24,873
Undistributed instruction - regular programs:					
Other salaries for instruction	96,327	31,170	127,497	127,497	
Purchased professional-educational services	1,062,455	(30,005)	1,032,450	676,910	355,540
Purchased technical services	107,589	(11,806)	95,783	95,783	
Other purchased services	712,085	(78,441)	633,644	541,128	92,516
General supplies	2,064,387	(93,190)	1,971,197	1,258,206	712,991
Textbooks	93,302	4,987	98,289	45,300	52,989
Other objects	6,970	321	7,291	6,117	1,174
Total instruction - regular programs	50,202,146	(1,087,653)	49,114,493	47,057,835	2,056,658

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

Year ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures (continued)					
Current expenditures					
Special education:					
Learning and/or language disabilities:					
Salaries of teachers	\$ 756,449		\$ 756,449	\$ 600,350	\$ 156,099
Other salaries for instruction	456,696	\$ (39,439)	417,257	417,257	
Purchased professional - educational services	9,000	3,319	12,319	12,319	
Other purchased services	50		50		50
General supplies	1,600		1,600	1,350	250
Total learning and/or language disabilities	<u>1,223,795</u>	<u>(36,120)</u>	<u>1,187,675</u>	<u>1,031,276</u>	<u>156,399</u>
Emotional Regulation Impairment:					
Salaries of teachers	319,445	(1,794)	317,651	303,734	13,917
Other salaries for instruction	181,704	(84,275)	97,429	97,429	
Purchased professional - educational services	16,500	(279)	16,221	1,069	15,152
General supplies	4,200		4,200	2,548	1,652
Total emotional regulation impairment	<u>521,849</u>	<u>(86,348)</u>	<u>435,501</u>	<u>404,780</u>	<u>30,721</u>
Multiple disabilities:					
Salaries of teachers	499,338	(69,463)	429,875	429,875	
Other salaries for instruction	158,475	105,010	263,485	263,485	
Purchased professional - educational services	900	1,199	2,099	2,099	
Other purchased services	200		200		200
General supplies	5,750	(325)	5,425	4,534	891
Total multiple disabilities	<u>664,663</u>	<u>36,421</u>	<u>701,084</u>	<u>699,993</u>	<u>1,091</u>
Resource room/center:					
Salaries of teachers	8,508,287	(308,971)	8,199,316	8,029,332	169,984
Other salaries for instruction	492,267	(11,464)	480,803	368,986	111,817
Purchased professional - educational services	54,000	202	54,202	31,547	22,655
Other purchased services	500		500		500
General supplies	21,050	(273)	20,777	13,403	7,374
Textbooks	1,800	226	2,026	1,225	801
Total resource room/center	<u>9,077,904</u>	<u>(320,280)</u>	<u>8,757,624</u>	<u>8,444,493</u>	<u>313,131</u>
Autism:					
Salaries of teachers	919,123	150,185	1,069,308	1,069,308	
Other salaries for instruction	441,648	268,330	709,978	709,978	
Purchased professional - educational services	36,000		36,000	5,296	30,704
Other purchased services	200	49	249	49	200
General supplies	14,551	3,430	17,981	12,380	5,601
Total autism	<u>1,411,522</u>	<u>421,994</u>	<u>1,833,516</u>	<u>1,797,011</u>	<u>36,505</u>
Preschool disabilities - part time:					
Salaries of teachers	64,464	(818)	63,646	56,617	7,029
Other salaries for instruction	5,137	20,366	25,503	25,503	
Purchased professional - educational services		253	253	253	
General supplies	385	(49)	336	84	252
Total preschool disabilities - part time	<u>69,986</u>	<u>19,752</u>	<u>89,738</u>	<u>82,457</u>	<u>7,281</u>

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to</u>
Expenditures (continued)					
Current expenditures (continued):					
Special education (continued):					
Preschool disabilities - full time:					
Salaries of teachers	\$ 242,326	\$ 28,132	\$ 270,458	\$ 270,458	
Other salaries for instruction	251,121	18,253	269,374	269,374	
Purchased professional - educational services	18,000	(64)	17,936	2,819	\$ 15,117
General supplies	1,320	1,557	2,877	1,953	924
Total preschool disabilities - full time	<u>512,767</u>	<u>47,878</u>	<u>560,645</u>	<u>544,604</u>	<u>16,041</u>
Home instruction - special education:					
Salaries of teachers	10,935	31,273	42,208	42,208	
Purchased professional - educational services	50,459	6,952	57,411	57,411	
Total home instruction - special education	<u>61,394</u>	<u>38,225</u>	<u>99,619</u>	<u>99,619</u>	
Total special education	<u>13,543,880</u>	<u>121,522</u>	<u>13,665,402</u>	<u>13,104,233</u>	<u>561,169</u>
Basic skills/remedial - instruction:					
Salaries of teachers	2,469,855	(65,069)	2,404,786	2,302,152	102,634
Purchased professional - educational services	46,770	(38,125)	8,645	2,727	5,918
Other purchased services	100		100		100
Purchased technical services	8,100	(906)	7,194	2,636	4,558
General supplies	11,230	38,125	49,355	46,515	2,840
Total basic skills/remedial - instruction	<u>2,536,055</u>	<u>(65,975)</u>	<u>2,470,080</u>	<u>2,354,030</u>	<u>116,050</u>
Bilingual education - instruction:					
Salaries of teachers	856,263	13,624	869,887	869,887	
Other purchased services	300	(48)	252	252	
Purchased professional - educational services	1,200	4,480	5,680	5,680	
General supplies	4,800	570	5,370	4,841	529
Total bilingual education - instruction	<u>862,563</u>	<u>18,626</u>	<u>881,189</u>	<u>880,660</u>	<u>529</u>
School - sponsored cocurricular activities:					
Salaries	349,265		349,265	331,876	17,389
Purchased services	56,120	2,145	58,265	47,176	11,089
Supplies and materials	7,000		7,000	6,498	502
Other objects	5,500		5,500	3,683	1,817
Total school-sponsored cocurricular activities	<u>417,885</u>	<u>2,145</u>	<u>420,030</u>	<u>389,233</u>	<u>30,797</u>
School - sponsored athletics - instruction:					
Salaries	894,679	(58,804)	835,875	835,875	
Purchased services	66,795	1,780	68,575	66,092	2,483
Supplies and materials	62,450	76,623	139,073	80,483	58,590
Other objects	5,000		5,000	4,000	1,000
Transfers to cover deficit (agency funds)	67,083	11,530	78,613	78,613	
Total school - sponsored athletics - instruction	<u>1,096,007</u>	<u>31,129</u>	<u>1,127,136</u>	<u>1,065,063</u>	<u>62,073</u>

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to</u>
Expenditures (continued)					
Current expenditures (continued):					
Alternative Education:					
Salaries of teachers	\$ 184,608	\$ (67,344)	\$ 117,264	\$ 50,858	\$ 66,406
Total alternative education	<u>184,608</u>	<u>(67,344)</u>	<u>117,264</u>	<u>50,858</u>	<u>66,406</u>
Total instruction	68,843,144	(1,047,550)	67,795,594	64,901,912	2,893,682
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs w/in the state - regular	37,309	27,220	64,529	27,220	37,309
Tuition to other LEAs w/in the state - special	1,270,030	93	1,270,123	1,113,947	156,176
Tuition to CSSD and regional day schools		4,610	4,610	4,610	
Tuition to private schools disabled - within state	908,274	(36,689)	871,585	629,269	242,316
Tuition - other	<u>48,872</u>	<u>(28,647)</u>	<u>20,225</u>	<u>4,500</u>	<u>15,725</u>
Total instruction	2,264,485	(33,413)	2,231,072	1,779,546	451,526
Attendance and social work services:					
Salaries	289,339	7,485	296,824	296,824	
Other purchased services	6,052	874	6,926	6,245	681
Supplies and materials	<u>3,500</u>	<u>235</u>	<u>3,735</u>	<u>866</u>	<u>2,869</u>
Total attendance and social work services	298,891	8,594	307,485	303,935	3,550
Health services:					
Salaries	1,044,650	112,255	1,156,905	1,156,905	
Purchased professional and technical services	441,192	(5,024)	436,168	374,052	62,116
Other purchased services	6,102	(50)	6,052	2,675	3,377
Supplies and materials	<u>27,179</u>	<u>559</u>	<u>27,738</u>	<u>26,245</u>	<u>1,493</u>
Total health services	1,519,123	107,740	1,626,863	1,559,877	66,986
Other support services - students - speech, OT, PT and related services:					
Salaries	1,570,273	23,381	1,593,654	1,593,654	
Purchased professional - educational services	1,134,000		1,134,000	1,032,389	101,611
Supplies and materials	<u>10,940</u>	<u>(145)</u>	<u>10,795</u>	<u>9,037</u>	<u>1,758</u>
Total other support services - students - speech, OT, PT and related services	2,715,213	23,236	2,738,449	2,635,080	103,369
Other support services - students - extraordinary:					
Salaries	1,850,569	129,207	1,979,776	1,979,776	
Purchased professional - educational services	1,094,056		1,094,056	992,254	101,802
Supplies and materials	23,122	(5,714)	17,408	10,649	6,759
Other objects	<u>1,000</u>		<u>1,000</u>		<u>1,000</u>
Total other support services - students - extraordinary	2,968,747	123,493	3,092,240	2,982,679	109,561

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Guidance:					
Salaries of other professional staff	\$ 3,486,242	\$ (61,466)	\$ 3,424,776	\$ 3,298,134	\$ 126,642
Salaries of secretarial and clerical assistants	252,265	(33,694)	218,571	213,883	4,688
Unused vacation payments to terminated/retired staff - normal retirements		14,860	14,860	14,860	
Other purchased professional and technical services	128,853	(1,562)	127,291	112,125	15,166
Other purchased services	14,994	(524)	14,470	7,579	6,891
Supplies and materials	22,060	1,563	23,623	12,149	11,474
Other objects	1,000		1,000	470	530
Total guidance	3,905,414	(80,823)	3,824,591	3,659,200	165,391
Child study teams:					
Salaries of other professional staff	2,281,785	17,273	2,299,058	2,299,058	
Salaries of secretarial and clerical assistants	309,008	(21,231)	287,777	284,015	3,762
Unused vacation payments to terminated/retired staff - normal retirements		4,944	4,944	4,944	
Purchased professional - educational services	94,000	2,600	96,600	75,097	21,503
Other purchased professional and technical services	20,536	4,849	25,385	25,385	
Other purchased services	8,950		8,950	5,202	3,748
Supplies and materials	18,900	(2,419)	16,481	15,106	1,375
Total child study teams	2,733,179	6,016	2,739,195	2,708,807	30,388
Improvement of instructional services:					
Salaries of supervisors of instruction	1,827,267	(179,703)	1,647,564	1,623,996	23,568
Salaries of other professional staff	362,254	645	362,899	362,899	
Salaries of secretarial and clerical assistants	347,439	(14,756)	332,683	331,000	1,683
Other salaries	77,713	(899)	76,814	76,814	
Salaries of Facilitators, Math & Literacy coaches	235,656	56,135	291,791	291,791	
Unused vacation payments to terminated/retired staff - normal retirements		38,587	38,587	38,587	
Purchased professional - educational services	28,225		28,225	28,225	
Other purchased professional and technical services	46,714		46,714	46,713	1
Other purchased services	53,401	(6,711)	46,690	23,501	23,189
Supplies and materials	21,685	3,457	25,142	18,241	6,901
Other objects	15,977	109	16,086	15,120	966
Total improvement of instructional services	3,016,331	(103,136)	2,913,195	2,856,887	56,308
Educational media services/school library:					
Salaries	984,790		984,790	983,164	1,626
Other purchased professional and technical services	41,553	4,184	45,737	44,951	786
Other purchased services	4,745	(126)	4,619	2,329	2,290
Supplies and materials	140,798	331	141,129	91,569	49,560
Other objects	175		175		175
Total educational media services / school library	1,172,061	4,389	1,176,450	1,122,013	54,437
Instructional staff training services:					
Salaries of other professional staff	168,821	124,903	293,724	293,724	
Purchased professional - educational services	137,871		137,871	117,397	20,474
Other purchased services	22,475	4,272	26,747	21,522	5,225
Supplies and materials	11,000	52	11,052	7,136	3,916
Total instructional staff training services	340,167	129,227	469,394	439,779	29,615

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Support services-general administration:					
Salaries	\$ 631,687	\$ 53,495	\$ 685,182	\$ 685,182	
Unused vacation payments to terminated/retired staff - normal retirements		35,135	35,135	35,135	
Legal services	400,625		400,625	195,292	\$ 205,333
Audit fees	85,475	61,000	146,475	61,000	85,475
Other purchased professional services	21,000		21,000	4,289	16,711
Purchased technical services	17,307	6,183	23,490	17,440	6,050
Communications/telephone	296,502	6,958	303,460	270,504	32,956
BOE other purchased services	10,500		10,500	900	9,600
Miscellaneous purchased services	428,458	(6,629)	421,829	383,967	37,862
General supplies	11,475	(430)	11,045	3,606	7,439
BOE in-house training/meeting supplies	1,500		1,500	1,054	446
Miscellaneous expenditures	16,548		16,548	10,057	6,491
BOE membership dues/fees	36,345		36,345	34,498	1,847
Total support services-general administration	1,957,422	155,712	2,113,134	1,702,924	410,210
Support services-school administration:					
Salaries of principals / assistant principals	3,125,846	(180,006)	2,945,840	2,936,478	9,362
Salaries of other professional staff	683,356	4,031	687,387	687,027	360
Salaries of secretarial and clerical assistants	1,427,503	16,339	1,443,842	1,443,842	
Salaries - other		7,753	7,753	7,753	
Unused vacation payments to terminated/retired staff - normal retirements		21,106	21,106	21,106	
Purchased professional and technical services	3,000	77	3,077	2,213	864
Other purchased services	84,530	2,870	87,400	58,846	28,554
Supplies and materials	36,600	1,187	37,787	30,374	7,413
Other objects	26,035	(325)	25,710	20,738	4,972
Total support services-school administration	5,386,870	(126,968)	5,259,902	5,208,377	51,525
Central services:					
Salaries	2,127,618		2,127,618	1,996,874	130,744
Unused vacation payments to terminated/retired staff - normal retirements		7,033	7,033	7,033	
Purchased professional services	97,645	(263)	97,382	72,290	25,092
Purchased technical services	60,000	3,241	63,241	37,263	25,978
Miscellaneous purchased services	58,415	5,037	63,452	41,284	22,168
Supplies and materials	25,207	(2,466)	22,741	11,332	11,409
Interest on lease purchase agreements	356,970		356,970	333,045	23,925
Miscellaneous expenditures	7,895	436	8,331	7,997	334
Total central services	2,733,750	13,018	2,746,768	2,507,118	239,650
Administrative information technology:					
Salaries	1,740,677		1,740,677	1,698,887	41,790
Unused vacation payments to terminated/retired staff - normal retirements		22,080	22,080	22,080	
Purchased technical services	542,315	40,971	583,286	583,286	
Other purchased services	37,200	12,264	49,464	37,816	11,648
Supplies and materials	46,418	198,179	244,597	216,174	28,423
Other objects	500		500	200	300
Total administrative information technology	2,367,110	273,494	2,640,604	2,558,443	82,161
Required maintenance for school facilities:					
Salaries	1,364,658		1,364,658	1,287,868	76,790
Unused vacation payments to terminated/retired staff - normal retirements		888	888	888	
Cleaning, repair and maintenance services	519,503	236,475	755,978	692,409	63,569
General supplies	576,566	(42,087)	534,479	477,833	56,646
Other objects	259,478	(25,350)	234,128	203,712	30,416
Total required maintenance for school facilities	2,720,205	169,926	2,890,131	2,662,710	227,421

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

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Custodial services:					
Salaries	\$ 1,281,737	\$ 70,885	\$ 1,352,622	\$ 1,352,622	
Salaries of non-instructional aides	542,367		542,367	525,465	\$ 16,902
Unused vacation payments to terminated/retired staff - normal retirements		8,170	8,170	8,170	
Purchased professional and technical services	77,126	207,227	284,353	283,558	795
Cleaning, repair and maintenance services	4,164,039	(160,480)	4,003,559	3,980,470	23,089
Other purchased property services	74,000		74,000	65,127	8,873
Insurance	683,908	6,199	690,107	690,107	
Miscellaneous purchased services	15,250	146,739	161,989	34,668	127,321
General supplies	230,875	33,603	264,478	263,737	741
Energy (electricity)	1,490,474	78,416	1,568,890	1,568,890	
Energy (natural gas)	874,167	(239,654)	634,513	621,970	12,543
Other objects	12,455	(9,186)	3,269	3,269	
Interest ESIP Bonds	343,750		343,750	343,750	
Principal ESIP Bonds	390,000		390,000	390,000	
Total custodial services	10,180,148	141,919	10,322,067	10,131,803	190,264
Care and upkeep of grounds:					
Salaries	134,860	800	135,660	135,660	
Cleaning, repair and maintenance services	951,491	616,885	1,568,376	1,342,764	225,612
General supplies	75,314	(14,144)	61,170	44,165	17,005
Other objects	63,722		63,722	63,034	688
Total care and upkeep of grounds	1,225,387	603,541	1,828,928	1,585,623	243,305
Security:					
Salaries	2,408,994	472,804	2,881,798	2,881,798	
Purchased professional and technical services	132,425	129,153	261,578	189,617	71,961
Cleaning, Repair, and Maintenance Services	218,084	(129,473)	88,611	40,653	47,958
General supplies	52,976	13,495	66,471	52,003	14,468
Other objects	106,744	1,981	108,725	103,433	5,292
Total security	2,919,223	487,960	3,407,183	3,267,504	139,679
Student transportation services:					
Salaries - Non-instructional Aides	170,085	685	170,770	170,770	
Salaries for pupil transportation:					
Between home and school - regular	2,170,484	(40,891)	2,129,593	2,035,272	94,321
Unused vacation payments to terminated/retired staff - normal retirements		1,833	1,833	1,833	
Other Purchased professional and technical services	60,430	6,408	66,838	53,783	13,055
Cleaning, Repair, and Maintenance Services	422,936	3,314	426,250	196,284	229,966
Lease Purchase Payments - School Buses	844,885		844,885	704,581	140,304
Contracted services:					
Aid in lieu of payments-Nonpublic students	180,000		180,000	126,950	53,050
Vendors - between home and school	2,011,587	343,229	2,354,816	2,354,816	
Vendors - other than between home and school	508,047	61,104	569,151	490,187	78,964
Vendors - Special Ed	1,774,355	67,091	1,841,446	1,841,446	
Vendors - between home and school - regional ESCs		320,533	320,533	320,533	
ESCs & CTSA's - Special Ed	3,040,959	(716,853)	2,324,106	1,734,743	589,363
Miscellaneous purchased services - transportation	139,220	89	139,309	130,764	8,545
General supplies	1,000		1,000	630	370
Transportation Supplies	225,212		225,212	205,893	19,319
Other objects	2,875	499	3,374	2,950	424
Total student transportation services	11,552,075	47,041	11,599,116	10,371,435	1,227,681

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Unallocated benefits:					
Social security contributions	\$ 1,921,002	\$ 28,069	\$ 1,949,071	\$ 1,949,071	
TPAF contributions - regular		27,878	27,878	27,878	
Other retirement contributions - PERS	2,402,126	85,507	2,487,633	2,487,436	\$ 197
Unemployment compensation insurance	70,000	156,886	226,886	156,886	70,000
Worker's compensation	509,179		509,179	505,555	3,624
Health benefits	22,310,658	(625,235)	21,685,423	21,284,616	400,807
Tuition reimbursement	205,500	375	205,875	123,504	82,371
Other employee benefits	457,385	(419,632)	37,753	28,649	9,104
Unused sick payments to terminated/retired staff - normal retirements		200,925	200,925	200,925	
Total unallocated benefits	<u>27,875,850</u>	<u>(545,227)</u>	<u>27,330,623</u>	<u>26,764,520</u>	<u>566,103</u>
On-behalf payments:					
TPAF - Pension Contribution (non-budgeted)				24,777,217	(24,777,217)
TPAF - Post-Retirement Medical (non-budgeted)				5,788,959	(5,788,959)
TPAF - Long-Term Disability Insurance (non-budgeted)				9,936	(9,936)
Reimbursed TPAF social security contributions (non-budgeted)				4,968,932	(4,968,932)
Total on-behalf payments				<u>35,545,044</u>	<u>(35,545,044)</u>
Total undistributed expenditures	<u>89,851,651</u>	<u>1,405,739</u>	<u>91,257,390</u>	<u>122,353,304</u>	<u>(31,095,914)</u>
Total current expenditures	<u>158,694,795</u>	<u>358,189</u>	<u>159,052,984</u>	<u>187,255,216</u>	<u>(28,202,232)</u>
Capital outlay:					
Equipment:					
Regular programs - instruction:					
Grades 1-5	4,000	(727)	3,273	3,250	23
Grades 6-8	4,000	4,320	8,320	7,545	775
Grades 9-12	2,899	6,428	9,327	9,327	
Undistributed instruction:					
Support services - extraordinary services		2,614	2,614	2,614	
Support services - instructional staff		5,445	5,445	5,428	17
Administration information technology	305,040	(123,158)	181,882	181,882	
Required maintenance for school facilities	14,415	7,901	22,316	11,401	10,915
Custodial services		4,125	4,125	4,125	
Total equipment	<u>330,354</u>	<u>(93,052)</u>	<u>237,302</u>	<u>225,572</u>	<u>11,730</u>
Facilities acquisition and construction services:					
Salaries	14,129		14,129	14,094	35
Architectural/engineering services	90,000	2,234,921	2,324,921	842,875	1,482,046
Other purchased professional and technical services		31,309	31,309		31,309
Construction services	1,848,934	4,483,031	6,331,965	841,391	5,490,574
Supplies and materials	60,000		60,000		60,000
Lease purchase agreements - principal	7,217,592		7,217,592	7,217,592	
Buildings other than lease purchase		465,045	465,045	385,235	79,810
Other objects		36,624	36,624	36,624	
Assessment for Debt Service on SDA Funding	347,538		347,538	347,538	
Total facilities acquisition and construction services	<u>9,578,193</u>	<u>7,250,930</u>	<u>16,829,123</u>	<u>9,685,349</u>	<u>7,143,774</u>
Total expenditures - capital outlay	<u>9,908,547</u>	<u>7,157,878</u>	<u>17,066,425</u>	<u>9,910,921</u>	<u>7,155,504</u>
Special schools:					
Summer school - instruction:					
Salaries of teachers	21,516		21,516	15,958	5,558
Other salaries for instruction	13,869		13,869	6,697	7,172
Total summer school - instruction	<u>35,385</u>		<u>35,385</u>	<u>22,655</u>	<u>12,730</u>
Total special schools	<u>35,385</u>		<u>35,385</u>	<u>22,655</u>	<u>12,730</u>
Charter schools	<u>3,624,666</u>	<u>283,512</u>	<u>3,908,178</u>	<u>3,908,178</u>	
Total expenditures	<u>172,263,393</u>	<u>7,799,579</u>	<u>180,062,972</u>	<u>201,096,970</u>	<u>(21,033,998)</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(7,475,849)</u>	<u>(7,334,534)</u>	<u>(14,810,383)</u>	<u>4,516,090</u>	<u>19,326,473</u>

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other financing sources:					
Transfers in	\$ 776,912		\$ 776,912	\$ 717,485	\$ (59,427)
Total other financing sources	<u>776,912</u>		<u>776,912</u>	<u>717,485</u>	<u>(59,427)</u>
(Deficiency) excess of revenues (under) over expenditures and other financing sources	(6,698,937)	\$ (7,334,534)	(14,033,471)	5,233,575	19,267,046
Fund Balances, July 1	<u>24,732,536</u>		<u>24,732,536</u>	<u>24,732,536</u>	
Fund balances, June 30	<u>\$ 18,033,599</u>	<u>\$ (7,334,534)</u>	<u>\$ 10,699,065</u>	<u>\$ 29,966,111</u>	<u>\$ 19,267,046</u>
Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources					
Budgeted fund balance	\$ (4,684,507)	\$ (839,866)	\$ (5,524,373)	\$ 9,009,645	\$ 14,534,018
Budgeted fund balance - capital reserve	(2,014,430)	(4,372,514)	(6,386,944)	(1,653,916)	4,733,028
Adjustment for prior year encumbrances		(2,122,154)	(2,122,154)	(2,122,154)	
Total	<u>\$ (6,698,937)</u>	<u>\$ (7,334,534)</u>	<u>\$(14,033,471)</u>	<u>\$ 5,233,575</u>	<u>\$ 19,267,046</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital Reserve				\$ 7,114,758	
Unemployment Compensation				547,727	
Excess Surplus - Current Year				1,035,902	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,165,692	
Assigned Fund Balance:					
Year-end Encumbrances				7,431,183	
Designated for Subsequent Year's Expenditures				3,479,308	
Unassigned Fund Balance				<u>9,191,541</u>	
				29,966,111	
Reconciliation to Governmental Funds Statements (GAAP):					
Last state aid payments not recognized on GAAP basis				<u>(2,543,965)</u>	
Fund balance per Governmental Funds (GAAP) (B-1)				<u>\$ 27,422,146</u>	

East Brunswick Public Schools
Special Revenue Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Federal sources	\$ 2,785,000	\$ 4,498,118	\$ 7,283,118	\$ 4,890,768	\$ (2,392,350)
State sources	243,000	308,356	551,356	531,610	(19,746)
Other sources	75,000	39,187,141	39,262,141	3,249,754	(36,012,387)
Total revenues	3,103,000	43,993,615	47,096,615	8,672,132	(38,424,483)
Expenditures:					
Current expenditures:					
Instruction:					
Salaries	432,729	1,984,466	2,417,195	897,969	1,519,226
Purchased professional educational services	90,000	43,835	133,835	118,509	15,326
Other purchased services	1,697,291	1,287,548	2,984,839	2,586,808	398,031
Supplies and materials	172,162	3,644,671	3,816,833	2,402,526	1,414,307
Textbooks	5,465	26,818	32,283	28,736	3,547
Total instruction	2,397,647	6,987,338	9,384,985	6,034,548	3,350,437
Support services:					
Salaries	108,444	147,467	255,911	177,999	77,912
Personal services - employee benefits	213,968	456,227	670,195	472,516	197,679
Purchased professional technical services	153,215	430,956	584,171	488,739	95,432
Purchased professional educational services	90,000	29,399	119,399	116,297	3,102
Other purchased services	10,553	34,595	45,148	21,949	23,199
Contract services - transportation	8,000	61	8,061	8,061	
Travel	11,066	(11,066)			
Supplies and materials	59,694	590,156	649,850	142,740	507,110
Student activities				627,133	(627,133)
Total support services	654,940	1,677,795	2,332,735	2,055,434	277,301
Capital outlay:					
Facilities acquisition and construction services:					
Instructional equipment	17,730	512,801	530,531	56,923	473,608
Non-instructional equipment		96,880	96,880	96,880	
Regular education - school buses		1,381,118	1,381,118		1,381,118
Purchased professional technical services		165,568	165,568	45,600	119,968
Architectural/engineering services		199,109	199,109	199,109	
Other purchased professional / technical services		5,036	5,036		5,036
Construction services	32,683	33,001,119	33,033,802	652,525	32,381,277
Total facilities acquisition and construction services	50,413	35,361,631	35,412,044	1,051,037	34,361,007
Total expenditures	3,103,000	44,026,764	47,129,764	9,141,019	37,988,745
(Deficiency) of revenues (under) expenditures	-	(33,149)	(33,149)	(468,887)	(435,738)
Other financing sources:					
Financed purchase proceeds		-	-	4,200,000	4,200,000
Total other financing sources	-	-	-	4,200,000	4,200,000
Net change in fund balance	-	(33,149)	(33,149)	3,731,113	3,764,262
Fund Balance, July 1	16,180,481	-	16,180,481	16,180,481	
Fund Balance, June 30	\$ 16,180,481	\$ (33,149)	\$ 16,147,332	\$ 19,911,594	\$ 3,764,262
Recapitulation:					
Restricted:					
Student activities				\$ 569,607	
Assigned fund balance - designated for subsequent year's expenditures				19,341,987	
Total Fund Balance				\$ 19,911,594	

East Brunswick Public Schools
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2022

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the Budgetary Comparison Schedule (C-1, C-2)	\$ 205,613,060	\$ 8,672,132
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances (net) are recognized as expenditures, and the related revenue is recognized.		
Prior year		12,717
Current year		(49,828)
State aid payments from prior year recognized in prior year for budgetary purposes, and recognized for GAAP purposes in the current fiscal year.	2,002,563	
State aid payments recognized for budgetary purposes, not recognized for GAAP purposes	(2,543,965)	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 205,071,658</u>	<u>\$ 8,635,021</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule (C-1, C-2)	\$ 201,096,970	\$ 9,141,019
Differences - budget to GAAP		
Encumbrances (net) for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year they are received for GAAP purposes.		
Prior year		12,717
Current year		(49,828)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 201,096,970</u>	<u>\$ 9,103,908</u>

Supplementary Information

Special Revenue Fund

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2022

	I.D.E.A.						
	Title I Part A	Title II Part A	Title III Part A	Title III Immigrant	Title IV Part A	Part B	Preschool
Revenues:							
Federal sources	\$ 822,098	\$ 138,584	\$ 63,908	\$ 1,210	\$ 39,692	\$ 1,971,334	\$ 67,402
State sources							
Other sources							
Total revenues	<u>\$ 822,098</u>	<u>\$ 138,584</u>	<u>\$ 63,908</u>	<u>\$ 1,210</u>	<u>\$ 39,692</u>	<u>\$ 1,971,334</u>	<u>\$ 67,402</u>
Expenditures:							
Instruction:							
Salaries	\$ 394,991		\$ 33,000		\$ 1,656		
Purchased professional/educational services							
Other purchased services						\$ 1,879,383	
Instructional supplies	118,810		17,321	\$ 1,210	10,378		
Textbooks							
Total instruction	<u>513,801</u>		<u>50,321</u>	<u>1,210</u>	<u>12,034</u>	<u>1,879,383</u>	
Support services:							
Salaries	34,926	\$ 18,160	6,982		8,629	37,007	\$ 1,262
Personal services—employee benefits	256,518	4,510	3,765		1,179	21,314	727
Purchased professional/technical services	3,250	110,500			17,850	33,630	65,413
Purchased professional/educational services							
Other purchased services	12,680	4,400	2,840				
Contracted services - transportation							
Supplies and materials	923	1,014					
Student activities							
Total support services	<u>308,297</u>	<u>138,584</u>	<u>13,587</u>		<u>27,658</u>	<u>91,951</u>	<u>67,402</u>
Capital outlay:							
Facilities acquisition and construction services							
Instructional equipment							
Non - instructional equipment							
Purchased professional/technical services							
Architectural / Engineering services							
Construction services							
Total facilities acquisition and construction services							
Total expenditures	<u>822,098</u>	<u>138,584</u>	<u>63,908</u>	<u>1,210</u>	<u>39,692</u>	<u>1,971,334</u>	<u>67,402</u>
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	-	-
Other financing sources:							
Financed purchases							
Total other financing sources	-	-	-	-	-	-	-
Net changes in fund balance	-	-	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2022

	COVID-19 Coronavirus State and Local Fiscal Recovery Funds		COVID-19 Education Stabilization Fund					Adult Basic Education
	Additional or Compensatory Special Education and Related Services	SDA Emergent Needs and Capital Maintenance	CARES Act ESSER I	CRRSA Act ESSER II	CRRSA Act Learning Acceleration	CRRSA Act Mental Health		
Revenues:								
Federal sources	\$ 700,769		\$ 190,607	\$ 624,101	\$ 26,605	\$ 45,000	\$ 199,458	
State sources		\$ 199,109						
Other sources								
Total revenues	\$ 700,769	\$ 199,109	\$ 190,607	\$ 624,101	\$ 26,605	\$ 45,000	\$ 199,458	
Expenditures:								
Instruction:								
Salaries				\$ 311,100	\$ 8,777		\$ 148,445	
Purchased professional/educational services								
Other purchased services	\$ 700,769							
Instructional supplies			\$ 398		17,040		5,224	
Textbooks							6,595	
Total instruction	700,769		398	311,100	25,817		160,264	
Support services:								
Salaries				63,966			6,332	
Personal services—employee benefits				152,155			32,285	
Purchased professional/technical services			190,209		788	\$ 45,000		
Purchased professional/educational services								
Other purchased services							102	
Contracted services - transportation								
Supplies and materials							475	
Student activities								
Total support services			190,209	216,121	788	45,000	39,194	
Capital outlay:								
Facilities acquisition and construction services								
Instructional equipment								
Non - instructional equipment				96,880				
Purchased professional/technical services								
Architectural / Engineering services		\$ 199,109						
Construction services								
Total facilities acquisition and construction services		199,109		96,880				
Total expenditures	700,769	199,109	190,607	624,101	26,605	45,000	199,458	
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	-	-	
Other financing sources:								
Financed purchases								
Total other financing sources	-	-	-	-	-	-	-	
Net changes in fund balance	-	-	-	-	-	-	-	
Fund balance, July 1	-	-	-	-	-	-	-	
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2022

	NJ Nonpublic Auxiliary Services, Ch. 192			NJ Nonpublic Handicapped Services, Ch. 193						
	Transportation	Compensatory Education	English as a Second Language	Supplemental Instruction	Examination and Classification	Corrective Speech	Nonpublic Textbook Aid	Nonpublic Nursing	Nonpublic Technology Services	Nonpublic Security
Revenues:										
Federal sources										
State sources	\$ 8,061	\$ 95,788	\$ 914	\$ 21,807	\$ 37,342	\$ 19,809	\$ 22,141	\$ 43,224	\$ 15,922	\$ 67,493
Other sources										
Total revenues	\$ 8,061	\$ 95,788	\$ 914	\$ 21,807	\$ 37,342	\$ 19,809	\$ 22,141	\$ 43,224	\$ 15,922	\$ 67,493
Expenditures:										
Instruction:										
Salaries										
Purchased professional/educational services		\$ 95,788	\$ 914	\$ 21,807						
Other purchased services										
Supplies and materials										
Textbooks							\$ 22,141			
Total instruction		95,788	914	21,807			22,141			
Support services:										
Salaries										
Personal services—employee benefits										
Purchased professional/technical services										
Purchased professional/educational services					\$ 37,342	\$ 19,809		\$ 43,224	\$ 15,922	
Other purchased services										
Contracted services - transportation	\$ 8,061									
Supplies and materials										\$ 67,493
Student activities										
Total support services	8,061				37,342	19,809		43,224	15,922	67,493
Capital outlay:										
Facilities acquisition and construction services										
Instructional equipment										
Non - instructional equipment										
Purchased professional/technical services										
Architectural / Engineering services										
Construction services										
Total facilities acquisition and construction services										
Total expenditures	8,061	95,788	914	21,807	37,342	19,809	22,141	43,224	15,922	67,493
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	-	-	-	-	-
Other financing sources:										
Financed purchases										
Total other financing sources	-	-	-	-	-	-	-	-	-	-
Net changes in fund balance	-	-	-	-	-	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-	-	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2022

	East Brunswick Education Fund	PTA Grants	Other Local	2014-2015 Lease Agreement Township of East Brunswick	2016-2017 Lease Agreement Township of East Brunswick	2017-2018 Lease Agreement Township of East Brunswick	2018-2019 Lease Agreement Township of East Brunswick	2019-2020 Lease Agreement Township of East Brunswick
Revenues:								
Federal sources								
State sources								
Other sources	\$ 110,755	\$ 33,451	\$ 2,067,325					\$ 385,233
Total revenues	\$ 110,755	\$ 33,451	\$ 2,067,325					\$ 385,233
Expenditures:								
Instruction:								
Salaries								
Purchased professional/educational services								
Other purchased services			\$ 6,656					
Supplies and materials	\$ 57,156	\$ 2,036	1,948,280					\$ 186,308
Textbooks								
Total instruction	57,156	2,036	1,954,936					186,308
Support services:								
Salaries			735					
Personal services—employee benefits			63					
Purchased professional/technical services			600		\$ 2,262	\$ 2,390	\$ 16,847	
Purchased professional/educational services					1,640			
Other purchased services			287					
Contracted services - transportation								
Supplies and materials	2,346		1,631	\$ 33,423	1,819			24,569
Student activities								
Total support services	2,346		3,316	33,423	5,721	2,390	16,847	24,569
Capital outlay:								
Facilities acquisition and construction services								
Instructional equipment	51,253							5,670
Non - instructional equipment								
Purchased professional/technical services								
Architectural / Engineering services								
Construction services		31,415	109,073					-
Total facilities acquisition and construction se	51,253	31,415	109,073					5,670
Total expenditures	110,755	33,451	2,067,325	33,423	5,721	2,390	16,847	216,547
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	(33,423)	(5,721)	(2,390)	(16,847)	168,686
Other financing sources:								
Financed purchases								
Total other financing sources	-	-	-	-	-	-	-	-
Net changes in fund balance	-	-	-	(33,423)	(5,721)	(2,390)	(16,847)	168,686
Fund balance, July 1	-	-	-	216,851	462,036	2,676	114,037	509,855
Fund balance, June 30	\$ -	\$ -	\$ -	\$ 183,428	\$ 456,315	\$ 286	\$ 97,190	\$ 678,541

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2022

	2020-2021 Lease Agreement Township of East Brunswick	2020-2021 Lease Agreement Trust Bank	2021-2022 Lease Agreement Township of East Brunswick	2022-2023 Lease Agreement Township of East Brunswick	Student Activity Funds	Totals
Revenues:						
Federal sources						\$ 4,890,768
State sources						531,610
Other sources				\$ 20,032	\$ 632,958	3,249,754
Total revenues				<u>\$ 20,032</u>	<u>\$ 632,958</u>	<u>\$ 8,672,132</u>
Expenditures:						
Instruction:						
Salaries						\$ 897,969
Purchased professional/educational services						118,509
Other purchased services						2,586,808
Supplies and materials	\$ 38,365					2,402,526
Textbooks						28,736
Total instruction	<u>38,365</u>					<u>6,034,548</u>
Support services:						
Salaries						177,999
Personal services—employee benefits						472,516
Purchased professional/technical services						488,739
Purchased professional/educational services						116,297
Other purchased services						21,949
Contracted services - transportation						8,061
Supplies and materials	9,047					142,740
Student activities					\$ 627,133	627,133
Total support services	<u>9,047</u>				<u>627,133</u>	<u>2,055,434</u>
Capital outlay:						
Facilities acquisition and construction services						
Instructional equipment						56,923
Non - instructional equipment						96,880
Purchased professional/technical services				\$ 20,032		20,032
Architectural / Engineering services	\$ 25,568					224,677
Construction services	484,930	\$ 27,107				652,525
Total facilities acquisition and construction services	<u>510,498</u>	<u>27,107</u>		<u>20,032</u>		<u>1,051,037</u>
Total expenditures	<u>47,412</u>	<u>510,498</u>	<u>27,107</u>	<u>20,032</u>	<u>627,133</u>	<u>9,141,019</u>
Excess/(deficiency) of revenues over/(under) expenditures	(47,412)	(510,498)	(27,107)	-	5,825	(468,887)
Other financing sources:						
Financed purchases			4,200,000			4,200,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>4,200,000</u>	<u>-</u>	<u>-</u>	<u>4,200,000</u>
Net changes in fund balance	<u>(47,412)</u>	<u>(510,498)</u>	<u>4,172,893</u>	<u>-</u>	<u>5,825</u>	<u>3,731,113</u>
Fund balance, July 1	626,244	13,685,000	-		563,782	16,180,481
Fund balance, June 30	<u>\$ 578,832</u>	<u>\$ 13,174,502</u>	<u>\$ 4,172,893</u>	<u>\$ -</u>	<u>\$ 569,607</u>	<u>\$ 19,911,594</u>

Capital Projects Fund

East Brunswick Public Schools
Capital Projects Fund

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

(Budgetary Basis)

Year ended June 30, 2022

Revenues	
Interest earned	\$ 5
Total Revenues and other financing sources	<u>5</u>
Expenditures	
Purchased professional and technical services	1,732
Construction services	<u>66,598</u>
Total expenditures	<u>68,330</u>
Deficiency of revenues under expenditures	(68,325)
Other Financing Uses	
Transfers out	<u>(717,485)</u>
Net change in fund balance	(785,810)
Fund Balance, July 1	<u>794,087</u>
Fund Balance, June 30	<u><u>\$ 8,277</u></u>

East Brunswick Public Schools
Capital Projects Fund

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

Year ended June 30, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 1,643,075		\$ 1,643,075	\$ 1,643,075
Bond proceeds	8,135,000		8,135,000	8,135,000
Lease purchase	2,534,093		2,534,093	2,534,093
Premium on bond issuance	839,236		839,236	839,236
Transfer from (to) capital reserve	1,159,107		1,159,107	1,159,107
Interest earned	114,409	\$ 5	114,414	114,414
Miscellaneous				
Total Revenues	<u>14,424,920</u>	<u>5</u>	<u>14,424,925</u>	<u>14,424,925</u>
Expenditures and other financing uses				
Legal				
Other professional services	118,167		118,167	118,167
Purchased professional and technical services	591,471	1,732	593,203	593,203
Construction services	12,522,089	66,598	12,588,687	12,588,687
Other objects				
Transfer to capital reserve	197,801		197,801	197,801
Costs of issuance	86,896		86,896	86,896
Total expenditures	<u>13,516,424</u>	<u>68,330</u>	<u>13,584,754</u>	<u>13,584,754</u>
Other Financing Sources (Uses)				
Transfers out	<u>(114,409)</u>	<u>(717,485)</u>	<u>(831,894)</u>	<u>(831,894)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 794,087</u>	<u>\$ (785,810)</u>	<u>\$ 8,277</u>	<u>\$ 8,277</u>

East Brunswick Public Schools
Capital Projects Fund

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

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

Year ended June 30, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 795,614		\$ 795,614	\$ 795,614
Bond proceeds				
Lease purchase	1,193,422		1,193,422	1,193,422
Premium on bond issuance				
Transfer from capital reserve	887,710		887,710	887,710
Interest earned				
Miscellaneous				
Total Revenues	<u>2,876,746</u>		<u>2,876,746</u>	<u>2,876,746</u>
Expenditures and other financing uses				
Legal				
Other professional services	60,726		60,726	60,726
Purchased professional and technical services	36,120		36,120	36,120
Construction services	2,188,664		2,188,664	2,188,664
Other objects				
Transfer to capital reserve	98,526		98,526	98,526
Costs of issuance				
Total expenditures	<u>2,384,036</u>		<u>2,384,036</u>	<u>2,384,036</u>
Other Financing Uses				
Transfers out		\$ (492,710)	(492,710)	(492,710)
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 492,710</u>	<u>\$ (492,710)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information				
Project number	932			
Grant date	October 23, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 1,989,036			
Additional Authorized Cost	887,710			
Revised Authorized Cost	2,876,746			
Percentage Increase over Original				
Authorized Cost	44.63%			
Percentage completion	100.00%			
Original target completion date	2016			
Revised target completion date	Complete			

East Brunswick Public Schools
Capital Projects Fund

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

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

Year ended June 30, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 847,461		\$ 847,461	\$ 847,461
Bond proceeds				
Lease purchase	1,340,671		1,340,671	1,340,671
Premium on bond issuance				
Transfer from capital reserve	271,397		271,397	271,397
Interest earned				
Miscellaneous				
Total Revenues	<u>2,459,529</u>		<u>2,459,529</u>	<u>2,459,529</u>
Expenditures and other financing uses				
Legal				
Other professional services	57,441		57,441	57,441
Purchased professional and technical services	33,757		33,757	33,757
Construction services	2,044,281		2,044,281	2,044,281
Other objects				
Transfer to capital reserve	99,275		99,275	99,275
Costs of issuance				
Total expenditures	<u>2,234,754</u>		<u>2,234,754</u>	<u>2,234,754</u>
Other Financing Uses				
Transfers out		\$ (224,775)	(224,775)	(224,775)
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 224,775</u>	<u>\$ (224,775)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information				
Project number		941		
Grant date		October 23, 2014		
Bond authorization date		NA		
Bonds Authorized		NA		
Bonds Issued		NA		
Original Authorized Cost	\$ 2,118,653			
Additional Authorized Cost	340,876			
Revised Authorized Cost	2,459,529			
Percentage Increase over Original				
Authorized Cost		16.09%		
Percentage completion		100.00%		
Original target completion date		2016		
Revised target completion date		Complete		

East Brunswick Public Schools
Capital Projects Fund

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

Energy Savings Improvement Program - Project No. ESP

Year ended June 30, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant				
Bond proceeds	\$ 8,135,000		\$ 8,135,000	\$ 8,135,000
Lease purchase				
Premium on bond issuance	839,236		839,236	839,236
Transfer from capital reserve				
Interest earned	114,409	\$ 5	114,414	114,414
Miscellaneous				
Total Revenues	<u>9,088,645</u>	<u>5</u>	<u>9,088,650</u>	<u>9,088,650</u>
Expenditures and other financing uses				
Legal				
Other professional services				
Purchased professional and technical services	521,594	1,732	523,326	523,326
Construction services	8,289,144	66,598	8,355,742	8,355,742
Other objects				
Transfer to capital reserve				
Costs of issuance	86,896		86,896	86,896
Total expenditures	<u>8,897,634</u>	<u>68,330</u>	<u>8,965,964</u>	<u>8,965,964</u>
Other Financing Uses				
Transfers out	<u>(114,409)</u>	<u>-</u>	<u>(114,409)</u>	<u>(114,409)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 76,602</u>	<u>\$ (68,325)</u>	<u>\$ 8,277</u>	<u>\$ 8,277</u>
Additional project information				
Project number	ESP			
Grant date	N/A			
Bond authorization date	January 23, 2019			
Bonds Authorized	\$ 8,135,000			
Bonds Issued	8,135,000			
Premium	839,236			
Original Authorized Cost	8,135,000			
Revised Authorized Cost	9,088,650			
Percentage Increase over Original				
Authorized Cost	11.72%			
Percentage completion	98.65%			
Original target completion date	2020			
Revised target completion date	2023			

East Brunswick Public Schools
Capital Projects Fund
Summary Schedule of Project Expenditures
(Budgetary Basis)

From Inception and for the year ended June 30, 2022

Issue/Project Title	District Project Number	Original Date	Revised Appropriations	Expenditures to Date		Transfers Out		Unexpended Balance
				Prior Years	Current Year	Prior Years	Current Year	
Chittick Elementary School HVAC and Electrical Upgrades 14/15	932	10/23/2014	\$ 2,876,746	\$ 2,285,510		\$ 98,526	\$ 492,710	
Irwin Elementary School HVAC and Electrical Upgrades 14/15	941	10/23/2014	2,459,529	2,135,478		99,276	224,775	
Energy Savings Improvement Program	ESP	1/23/2019	8,974,236	8,897,635	\$ 68,324			\$ 8,277
Grand Total			<u>\$ 14,310,511</u>	<u>\$ 13,318,623</u>	<u>\$ 68,324</u>	<u>\$ 197,802</u>	<u>\$ 717,485</u>	<u>\$ 8,277</u>

Long-Term Debt

East Brunswick Public Schools
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2022

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2021	Retired	Balance June 30, 2022
			Date	Amount				
2012 Refunding of 2005 School Bonds	11/20/2012	\$ 60,560,000	11/1/2022	\$ 3,075,000	5.000%	\$ 46,570,000	\$ 3,045,000	\$ 43,525,000
			11/1/2023	3,110,000	5.000%			
			11/1/2024	3,105,000	3.000%			
			11/1/2025	3,425,000	3.000%			
			11/1/2026	3,380,000	3.000%			
			11/1/2027	3,350,000	4.000%			
			11/1/2028	3,340,000	4.000%			
			11/1/2029	3,305,000	3.000%			
			11/1/2030	3,615,000	3.000%			
			11/1/2031	3,560,000	3.000%			
			11/1/2032	3,505,000	3.125%			
			11/1/2033	3,460,000	4.000%			
			11/1/2034	3,295,000	4.000%			
			2017 Refunding of 2007 School Bonds	2/28/2017	5,515,000			
School Energy Savings Improvement Program - Obligation Refunding Bonds	2/6/2019	8,135,000	8/1/2022	425,000	5.000%	7,780,000	390,000	7,390,000
			8/1/2023	465,000	5.000%			
			8/1/2024	480,000	5.000%			
			8/1/2025	415,000	5.000%			
			8/1/2026	455,000	5.000%			
			8/1/2027	490,000	5.000%			
			8/1/2028	535,000	5.000%			
			8/1/2029	575,000	5.000%			
			8/1/2030	620,000	4.000%			
			8/1/2031	665,000	4.000%			
			8/1/2032	705,000	4.000%			
			8/1/2033	755,000	4.000%			
			8/1/2034	805,000	4.000%			
			2020 Refunding of 2010 School Bonds	2/25/2020	10,355,000			
5/15/2024	355,000	4.000%						
5/15/2025	375,000	5.000%						
5/15/2026	395,000	5.000%						
5/15/2027	420,000	5.000%						
5/15/2028	445,000	5.000%						
5/15/2029	470,000	5.000%						
5/15/2030	495,000	5.000%						
5/15/2031	525,000	5.000%						
5/15/2032	555,000	4.000%						
5/15/2033	575,000	4.000%						
5/15/2034	600,000	4.000%						
5/15/2035	625,000	4.000%						
5/15/2036	655,000	4.000%						
5/15/2037	685,000	3.000%						
5/15/2038	700,000	3.000%						
5/15/2039	730,000	3.000%						
5/15/2040	755,000	3.000%						
						<u>10,030,000</u>	<u>325,000</u>	<u>9,705,000</u>
						<u>\$ 65,400,000</u>	<u>\$ 4,780,000</u>	<u>\$ 60,620,000</u>

East Brunswick Public Schools
Long-Term Debt

Schedule of Financed Purchases Payable

Year ended June 30, 2022

	Interest Rate	Amount of Original Issue	Balance July 1, 2021	Additions	Current Retired	Balance June 30, 2022
Capital Improvement Projects - 2016 with East Brunswick Township	1.35%	\$ 6,200,000	\$ 840,000		\$ 840,000	
Capital Improvement Projects - 2017 with East Brunswick Township	1.20%	1,100,000	440,000		220,000	\$ 220,000
Capital Improvement Projects - 2018 with East Brunswick Township	1.35%	5,800,000	3,480,000		1,160,000	2,320,000
Capital Improvement Projects - 2020 with East Brunswick Township	1.20%	14,600,000	11,680,000		2,920,000	8,760,000
Capital Improvement Projects - 2021 with East Brunswick Township	1.16%	3,600,000	2,880,000		720,000	2,160,000
Capital Improvement Projects - 2022 Lease with East Brunswick Township	0.30%	4,200,000		\$ 4,200,000		4,200,000
Capital Improvements - Truist Bank	1.35%	13,685,000	11,040,000		2,640,000	8,400,000
			<u>\$ 30,360,000</u>	<u>\$ 4,200,000</u>	<u>\$ 8,500,000</u>	<u>\$ 26,060,000</u>

East Brunswick Public Schools
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:				
Local sources:				
Local tax levy	\$ 6,343,263	\$ 6,343,263	\$ 6,343,263	
Miscellaneous			8,726	\$ 8,726
Total revenues	<u>6,343,263</u>	<u>6,343,263</u>	<u>6,351,989</u>	<u>8,726</u>
Expenditures:				
Principal on debt	4,390,000	4,390,000	4,390,000	
Interest on debt	<u>2,065,723</u>	<u>2,065,723</u>	<u>2,065,721</u>	<u>2</u>
Total expenditures	<u>6,455,723</u>	<u>6,455,723</u>	<u>6,455,721</u>	<u>2</u>
(Deficiency) excess of revenues (under) over expenditures	(112,460)	(112,460)	(103,732)	8,728
Fund balance, July 1	112,461	112,461	112,461	
Fund balance, June 30	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 8,729</u>	<u>\$ 8,728</u>

Statistical Section
(Unaudited)

Statistical Section
Unaudited

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

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

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

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

(accrual basis of accounting)
 Unaudited

	2013	2014	2015	2016	June 30, 2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 114,047,274	\$ 115,774,538	\$ 118,166,184	\$ 130,190,096	\$ 136,473,915	\$ 142,447,803	\$ 150,002,200	\$ 155,044,226	\$ 162,985,803	\$ 170,257,553
Restricted	14,836,012	13,811,105	18,700,525	17,502,827	16,384,637	19,147,535	18,170,297	18,343,418	15,315,721	10,433,686
Unrestricted (deficit)	168,169	3,327,547	(34,087,398)	(38,447,639)	(40,955,477)	(41,425,952)	(41,746,622)	(41,545,336)	(37,296,619)	(22,593,918)
Total governmental activities net position	\$ 129,051,455	\$ 132,913,190	\$ 102,779,311	\$ 109,245,284	\$ 111,903,075	\$ 120,169,386	\$ 126,425,875	\$ 131,842,308	\$ 141,004,905	\$ 158,097,321
Business-type activities										
Investment in capital assets	\$ 201,309	\$ 170,296	\$ 186,262	\$ 440,722	\$ 487,181	\$ 502,498	\$ 490,034	\$ 457,057	\$ 408,211	\$ 391,113
Unrestricted	1,043,379	1,822,788	2,199,707	2,266,401	2,209,380	2,360,126	2,543,282	2,317,227	1,554,869	3,864,569
Total business-type activities net position	\$ 1,244,688	\$ 1,993,084	\$ 2,385,969	\$ 2,707,123	\$ 2,696,561	\$ 2,862,624	\$ 3,033,316	\$ 2,774,284	\$ 1,963,080	\$ 4,255,682
Government-wide										
Net investment in capital assets	\$ 114,248,583	\$ 115,944,834	\$ 118,352,446	\$ 130,630,818	\$ 136,961,096	\$ 142,950,301	\$ 150,492,234	\$ 155,501,283	\$163,394,014	\$ 170,648,666
Restricted	14,836,012	13,811,105	18,700,525	17,502,827	16,384,637	19,147,535	18,170,297	18,343,418	15,315,721	10,433,686
Unrestricted (deficit)	1,211,548	5,150,335	(31,887,691)	(36,181,238)	(38,746,097)	(39,065,826)	(39,203,340)	(39,228,109)	(35,741,750)	(18,729,349)
Total government-wide net position	\$ 130,296,143	\$ 134,906,274	\$ 105,165,280	\$ 111,952,407	\$ 114,599,636	\$ 123,032,010	\$ 129,459,191	\$ 134,616,592	\$ 142,967,985	\$ 162,353,003

Source: ACFR Schedule A-1 and District records.

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

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

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

(accrual basis of accounting)
Unaudited

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
Instruction										
Regular	\$ 61,577,016	\$ 61,222,122	\$ 68,615,626	\$ 72,875,349	\$ 80,070,187	\$ 82,512,817	\$ 73,533,156	\$ 75,992,707	\$ 85,945,997	\$ 79,325,498
Special Education	16,765,399	18,002,997	21,564,452	23,574,092	24,696,833	25,112,417	24,221,633	24,195,306	25,140,440	23,272,993
Other Special Education	5,098,557	4,993,065	5,724,102	6,123,010	7,312,040	7,522,335	7,061,494	6,969,391	8,225,240	7,500,829
Support services:										
Tuition	4,015,981	3,585,012	2,583,902	2,423,489	2,627,104	2,532,463	2,936,393	2,747,159	2,334,472	1,779,546
Student & Instruction Related Services	22,618,275	23,070,531	26,533,976	28,307,168	33,274,760	32,243,803	30,835,965	28,629,194	32,137,788	30,189,905
School Administrative Services	7,071,630	6,916,828	7,732,508	8,390,585	8,954,594	9,438,744	8,712,715	8,326,857	9,536,348	8,407,020
General and Business Administrative Services	6,143,549	6,655,280	7,562,626	8,633,111	9,509,700	9,798,590	9,196,495	9,371,226	10,262,786	9,340,082
Plant Operations and Maintenance	11,686,068	13,791,457	14,699,178	15,438,680	17,248,552	18,667,797	18,695,399	18,656,056	20,751,098	21,355,069
Pupil Transportation	7,564,334	7,492,952	7,687,318	8,370,455	9,725,990	10,386,458	11,101,169	9,895,612	9,859,627	11,605,075
Special Schools							24,014	14,840	52,053	35,214
Charter Schools*	1,215,974	1,721,288	2,056,054	2,253,355	2,354,479	2,610,331	2,701,322	2,728,132	3,220,597	3,908,178
Interest and other charges	4,014,883	4,183,089	3,832,985	3,580,983	3,272,398	3,079,180	3,085,432	2,817,287	2,590,700	2,210,286
Total governmental activities	147,771,566	151,634,621	168,592,727	179,970,277	199,046,637	203,904,935	192,105,187	190,343,767	210,057,146	198,929,695
Business-type activities:										
Food service	2,590,808	2,566,676	2,754,647	2,680,889	2,934,130	3,010,836	3,222,140	2,688,518	2,910,095	3,985,393
ETTC Program										
Community Programs	1,888,113	1,855,711	2,163,566	2,447,648	2,641,014	2,833,842	2,815,848	2,830,324	1,858,213	2,324,188
Facilities Rentals**					234,894	327,386	429,023	230,051	24,778	245,950
Technology										66,979
Total business-type activities expense	4,478,921	4,422,387	4,918,213	5,128,537	5,610,038	6,172,064	6,467,011	5,748,893	4,793,086	6,622,510
Total district expenses	152,250,487	156,057,008	173,510,940	185,098,814	204,656,675	210,076,999	198,572,198	196,092,660	214,850,232	205,552,205
Program Revenues										
Governmental activities:										
Charges for services										
Instruction	346,709	306,837	358,579	475,978	868,256	1,042,113	895,102	699,894	1,082,359	679,571
Student and instruction related services									337,614	632,958
Operating grants and contributions	3,561,312	2,815,490	3,267,971	3,610,352	3,477,402	3,439,319	3,533,693	3,484,760	4,776,862	8,002,063
Capital grants and contributions					1,676,240	226,053				
Total governmental activities program revenues	3,908,021	3,122,327	3,626,550	4,086,330	6,021,898	4,707,485	4,428,795	4,184,654	6,196,835	9,314,592
Business-type activities:										
Charges for services										
Food service	1,940,913	1,895,886	1,936,567	1,981,236	2,089,646	2,102,393	2,249,304	1,597,544	31,635	513,177
ETTC Program										
Community Programs	2,398,119	2,689,454	2,979,625	3,109,991	2,963,049	3,383,839	3,621,566	2,409,690	862,783	2,767,667
Facilities Rentals**					601,910	728,881	923,997	356,301	1,526	486,668
Technology										198,174
Operating grants and contributions	732,776	784,488	793,844	857,304	911,506	1,017,532	1,083,113	1,045,955	3,083,538	4,948,091
Total business-type activities program revenues	5,071,808	5,369,828	5,710,036	5,948,531	6,566,111	7,232,645	7,877,980	5,409,490	3,979,482	8,914,777
Total district program revenues	8,979,829	8,492,155	9,336,586	10,034,861	12,588,009	11,940,130	12,306,775	9,594,144	10,176,317	18,229,369
Net (Expense) / Revenue										
Governmental activities	(143,863,545)	(148,512,294)	(164,966,177)	(175,883,947)	(193,024,739)	(199,197,450)	(187,676,392)	(186,159,113)	(203,860,311)	(189,615,103)
Business-type activities	592,887	947,441	791,823	819,994	756,073	1,060,581	1,410,969	(339,403)	(813,804)	2,292,267
Total government-wide net expense	\$ (143,270,658)	\$ (147,564,853)	\$ (164,174,354)	\$ (175,063,953)	\$ (192,268,666)	\$ (198,136,869)	\$ (186,265,423)	\$ (186,498,516)	\$ (204,673,915)	\$ (187,322,836)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 110,437,402	\$ 113,246,150	\$ 116,518,219	\$ 119,532,427	\$ 121,923,075	\$ 124,769,255	\$ 127,264,640	\$ 129,809,932	\$ 132,406,131	\$ 136,587,587
Taxes levied for debt service	8,383,979	8,122,565	7,698,287	8,406,666	8,254,263	7,655,421	7,371,342	6,693,984	6,632,912	6,343,263
Grants and contributions	31,656,765	30,310,681	46,511,588	51,579,165	65,567,501	72,722,934	60,150,455	53,986,819	72,206,494	60,603,307
Investment earnings	20,548	14,985	13,327	17,394	18,216	64,177	488,517	774,264	14,297	11,123
Miscellaneous income	647,814	479,648	588,893	638,028	601,196	1,573,749	369,672	210,547	387,527	3,162,239
Transfers	100,000	200,000	400,000	500,000	768,466	904,278	1,288,255			
Total governmental activities	151,246,508	152,374,029	171,730,314	180,673,680	197,132,717	207,689,814	196,932,881	191,475,546	211,647,361	206,707,519
Business-type activities:										
Investment earnings	875	955	1,062	1,160	1,831	6,812	47,978	80,371	2,400	335
Miscellaneous	64,634					2,948				
Transfers	(100,000)	(200,000)	(400,000)	(500,000)	(768,466)	(904,278)	(1,288,255)			
Total business-type activities	(34,491)	(199,045)	(398,938)	(498,840)	(766,635)	(894,518)	(1,240,277)	80,371	2,400	335
Special items								100,000		
Total government-wide	151,212,017	152,174,984	171,331,376	180,174,840	196,366,082	206,795,296	195,692,604	191,655,917	211,649,761	206,707,854
Change in Net Position										
Governmental activities	7,382,963	3,861,735	6,764,137	4,789,733	4,107,978	8,492,364	9,256,489	5,416,433	7,787,050	17,092,416
Business-type activities	558,396	748,396	392,885	321,154	(10,562)	166,063	170,692	(259,032)	(811,204)	2,292,602
Total district	\$ 7,941,359	\$ 4,610,131	\$ 7,157,022	\$ 5,110,887	\$ 4,097,416	\$ 8,658,427	\$ 9,427,181	\$ 5,157,401	\$ 6,975,846	\$ 19,385,018

Source: ACFR Schedules A-2 and District records

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

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

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

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

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

(modified accrual basis of accounting)
Unaudited

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted for										
Assigned to	\$ 13,013,648	\$ 11,481,907	\$ 14,201,020	\$ 15,583,672	\$ 15,274,268	\$ 18,355,206	\$ 17,391,140	\$ 17,468,674	\$ 14,034,453	\$ 9,864,079
Unassigned	2,323,488	5,486,090	5,658,436	2,337,847	3,516,683	2,765,172	3,013,885	3,434,722	2,422,154	10,910,491
Total general fund	<u>1,439,161</u>	<u>1,345,345</u>	<u>1,280,719</u>	<u>1,453,597</u>	<u>1,741,040</u>	<u>2,307,316</u>	<u>2,350,912</u>	<u>2,359,257</u>	<u>6,273,366</u>	<u>6,647,576</u>
	<u>16,776,297</u>	<u>\$ 18,313,342</u>	<u>\$ 21,140,175</u>	<u>\$ 19,375,116</u>	<u>\$ 20,531,991</u>	<u>\$ 23,427,694</u>	<u>\$ 22,755,937</u>	<u>\$ 23,262,653</u>	<u>\$ 22,729,973</u>	<u>\$ 27,422,146</u>
All Other Governmental Funds										
Restricted for:										
Special revenue fund *									\$ 563,782	\$ 569,607
Capital projects fund	\$ 1,525,699	\$ 2,329,198	\$ 4,499,505	\$ 1,919,155	\$ 1,110,369	\$ 792,329	\$ 7,158,718	\$ 1,335,302	794,087	8,277
Debt service fund	296,665	289,419	7	9,663	37,073	89,193	22,122	112,462	112,461	8,729
Assigned to:										
Special revenue fund	4,875,751	3,871,997	6,984,466	2,920,017	3,313,095	6,326,984	1,070,300	4,811,632	15,616,699	19,341,987
Total all other governmental funds	<u>\$ 6,698,115</u>	<u>\$ 6,490,614</u>	<u>\$ 11,483,978</u>	<u>\$ 4,848,835</u>	<u>\$ 4,460,537</u>	<u>\$ 7,208,506</u>	<u>\$ 8,251,140</u>	<u>\$ 6,259,396</u>	<u>\$ 17,087,029</u>	<u>\$ 19,928,600</u>

Source: ACFR Schedule B-1 and District records.

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

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

(modified accrual basis of accounting)
Unaudited

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax Levy	\$ 118,821,381	\$ 121,368,715	\$ 124,216,506	\$ 127,939,093	\$ 130,177,338	\$ 132,424,676	\$ 134,635,982	\$ 136,503,916	\$ 139,039,043	\$ 142,930,850
Tuition Charges	346,709	306,837	358,579	475,978	868,256	1,042,113	895,102	699,894	1,082,359	679,571
Miscellaneous	914,856	694,541	818,651	843,337	763,753	774,623	1,322,176	1,314,724	1,029,590	6,332,105
State Sources	31,715,955	30,290,748	32,775,963	36,100,049	37,042,942	40,010,830	43,261,558	44,872,508	50,986,422	65,131,952
Federal Sources	3,210,294	2,635,515	2,935,861	3,275,464	3,115,558	3,076,939	3,133,976	3,177,071	4,594,213	4,984,195
Total revenue	155,009,195	155,296,356	161,105,560	168,633,921	171,967,847	177,329,181	183,248,794	186,568,113	196,731,627	220,058,673
Expenditures										
Instruction										
Regular Instruction	42,875,279	42,331,154	42,609,345	43,161,359	43,480,565	44,932,487	44,555,848	46,205,968	47,062,427	50,948,420
Special Education Instruction	11,729,002	12,641,912	13,625,208	14,241,889	13,824,988	13,907,405	14,492,335	15,012,585	14,009,646	14,983,616
Other Instruction	3,502,369	3,408,525	3,505,574	3,579,677	3,935,738	4,020,042	4,105,261	4,194,618	4,436,582	4,717,886
Support Services:										
Tuition	4,015,981	3,585,012	2,583,902	2,423,489	2,627,104	2,532,463	2,936,393	2,747,159	2,334,472	1,779,546
Student and Instruction Related Services	16,258,531	16,556,932	17,091,007	17,647,875	19,461,012	18,483,757	19,086,322	18,257,127	19,009,773	20,323,691
School Administration Services	4,809,718	4,679,406	4,679,531	4,869,160	4,760,481	5,001,742	5,005,151	4,968,962	5,130,684	5,208,377
Business Administration Services	4,450,189	4,852,209	5,089,572	5,717,736	5,860,112	6,071,897	5,975,496	6,315,430	6,276,522	6,435,417
Plant Operations and maintenance	10,704,702	11,335,943	11,496,169	11,541,729	12,138,367	13,167,655	13,840,485	13,739,620	15,144,162	17,307,062
Pupil transportation	7,179,167	6,564,578	6,579,452	7,066,950	8,032,512	8,378,473	9,203,154	8,149,213	7,742,801	9,666,862
Employee Benefits	34,005,911	33,460,636	34,833,557	38,216,421	39,076,214	40,118,595	44,981,048	47,712,010	54,693,024	62,309,564
Special Schools										
Charter Schools	1,215,974	1,721,288	2,056,054	2,253,355	2,354,479	2,610,331	2,701,322	2,728,132	3,220,597	3,906,178
Capital Outlay	12,406,577	4,562,211	12,547,621	15,196,326	10,016,035	7,182,391	12,618,881	20,727,505	9,117,619	3,775,686
Debt Service:										
Principal	4,517,976	6,675,699	6,942,671	8,893,503	9,369,352	10,088,849	10,660,960	9,363,240	14,227,792	12,890,000
Interest and other charges	4,401,548	3,880,821	3,695,700	3,584,654	3,287,554	3,054,263	2,876,687	2,622,429	2,662,603	2,447,969
Costs of issuance							86,896	110,849		
Total expenditures	162,072,924	156,256,326	167,335,363	178,394,123	178,224,513	179,550,350	193,140,408	202,863,990	205,097,221	216,724,929
Excess (Deficiency) of revenues over (under) expenditures	(7,063,729)	(959,970)	(6,229,803)	(9,760,202)	(6,256,666)	(2,221,169)	(9,891,614)	(16,295,877)	(8,365,594)	3,333,744
Other Financing sources (uses)										
Financed purchases	6,106,500	2,089,513	7,850,000	860,000					17,285,000	4,200,000
Lease purchase issuance			5,800,000		6,200,000	6,900,000		14,600,000		
Refunding bonds issued	60,560,000				5,515,000		8,135,000	10,355,000		
Premium on bonds issued	5,832,318						839,236	1,799,553		
Payment to refunding bond escrow agent	(66,075,091)				(5,472,984)			(12,043,704)		
Insurance proceeds	45,334									
Non-Federal Cost Share Reimb. Program proceeds					14,761					
Transfers in	100,000	2,728,534	3,771,596	500,000	768,466	1,753,874	1,331,724	70,827	89,635	717,485
Transfers Out		(2,528,534)	(3,371,596)			(789,033)	(43,469)	(70,827)	(89,635)	(717,485)
Total other financing sources (uses)	6,569,061	2,289,513	14,050,000	1,360,000	7,025,243	7,864,841	10,262,491	14,710,849	17,285,000	4,200,000
Special item:								100,000		
SDA settlement								100,000		
Net change in fund balances	\$ (494,668)	\$ 1,329,543	\$ 7,820,197	\$ (8,400,202)	\$ 768,577	\$ 5,643,672	\$ 370,877	\$ (1,485,028)	\$ 8,919,406	\$ 7,533,744
Debt service as a percentage of noncapital expenditures	5.96%	6.96%	6.87%	7.65%	7.74%	7.73%	7.50%	6.57%	8.60%	-7.08%

Source: ACFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rentals	Miscellaneous	Annual Totals
2013	\$ 20,548	\$ 346,709	\$ 162,047	\$ 440,433	\$ 969,737
2014	14,985	306,837	146,365	333,284	801,471
2015	13,327	358,579	146,556	442,337	960,799
2016	17,394	475,978	113,618	514,754	1,121,744
2017	18,216	868,256	108,755	471,373	1,466,600
2018	64,177	1,042,113	102,758	393,937	1,602,985
2019	445,048	895,102		587,457	1,927,607
2020	703,437	699,894		344,942	1,748,273
2021	14,184	1,082,359		596,622	1,693,165
2022	11,118	679,571		3,099,513	3,790,202

Source: District Records

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

Unaudited

Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment
2013	\$ 12,615,800	\$ 1,487,937,400	\$ 2,788,000	\$ 289,821,200	\$ 87,643,100	\$ 19,733,100
2014	14,019,200	1,484,263,200	2,191,300	285,010,100	85,197,400	19,733,100
2015	12,763,300	1,485,430,500	2,582,800	287,524,800	85,132,900	19,733,100
2016	13,442,700	1,489,679,700	2,568,400	286,964,750	83,421,100	19,733,100
2017	14,646,300	1,492,830,200	2,471,500	286,380,850	84,933,800	19,733,100
2018	14,581,900	1,495,898,800	2,394,300	281,670,250	84,108,700	19,733,100
2019	13,884,700	1,502,220,000	2,394,300	281,921,250	83,170,400	19,723,100
2020	15,528,800	1,508,031,500	2,392,700	275,828,650	78,054,500	19,983,300
2021	13,785,300	1,512,432,400	2,668,500	275,240,350	78,080,000	27,137,600
2022	13,204,000	1,516,410,200	2,668,500	273,851,650	78,098,000	27,137,600

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

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

Unaudited

Year Ended December 31,	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Ratio to True Value %	Aggregate True Value
2013	\$ 1,900,538,600	\$ 2,654,186	\$ 1,903,192,786	\$ 6.31	26.39 %	\$ 7,201,737,779
2014	1,890,414,300	2,044,733	1,892,459,033	6.49	26.19	7,218,076,747
2015	1,893,167,400	2,143,448	1,895,310,848	6.65	26.64	7,106,484,234
2016	1,895,809,750	2,077,187	1,897,886,937	6.80	26.22	7,230,395,690
2017	1,900,995,750	2,031,934	1,903,027,684	6.90	25.34	7,501,956,393
2018	1,898,387,050	2,146,634	1,900,533,684	7.03	24.36	7,793,050,287
2019	1,903,313,750	2,227,252	1,905,541,002	7.12	25.03	7,604,130,044
2020	1,899,819,450	2,321,389	1,902,140,839	7.25	24.82	7,652,042,909
2021	1,909,344,150	2,410,316	1,911,754,466	7.21	23.24	8,215,766,566
2022	1,911,369,950	2,188,943	1,913,558,893	7.44	22.16	8,625,315,659

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

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

Unaudited

Year Ended December 31,	East Brunswick Public Schools			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	East Brunswick Township	Middlesex County	Municipal Open Space	Middlesex County Open Space	
2013	\$ 5.877	\$ 0.434	\$ 6.311	\$ 1.842	\$ 1.316	\$ 0.019	\$ 0.112	\$ 9.600
2014	6.071	0.418	6.489	1.948	1.391	0.019	0.114	9.961
2015	6.228	0.425	6.653	2.009	1.385	0.019	0.113	10.179
2016	6.362	0.439	6.801	2.139	1.358	0.020	0.113	10.431
2017	6.482	0.418	6.900	2.211	1.406	0.019	0.115	10.651
2018	6.631	0.395	7.026	2.218	1.447	0.019	0.119	10.829
2019	6.746	0.369	7.115	2.300	1.463	0.019	0.123	11.020
2020	6.895	0.351	7.246	2.307	1.437	0.020	0.120	11.130
2021	7.036	0.173	7.209	2.316	1.471	0.020	0.121	11.137
2022	7.138	0.304	7.442	2.342	1.530	0.020	0.129	11.463

Source: District Records and Municipal Tax Collector

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

b Rates for debt service are based on each year's requirements.

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

Taxpayer	Unaudited					
	2022			2013		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Brunswick Square Mall	\$ 24,292,600	1	1.27%	\$ 30,266,800	1	1.57%
Mid State Mall	15,460,000	2	0.81%	15,460,000	2	0.80%
Tower II	13,284,000	3	0.69%	15,159,200	3	0.78%
Highview Partners, LLC	12,378,000	4				
Tower I	10,000,000	5	0.52%	12,374,400	4	0.64%
East Brunswick UE, LLC	9,500,000	6	0.50%			
Wyndmoor Apartments	9,375,000	7	0.49%	7,769,400	7	0.40%
L.P.E. Partners				9,038,400	6	0.47%
Summerhill Square LLC	7,377,100	8	0.39%			
JP Taylor, LLC	6,500,000	9	0.34%			
East Coast Cranbury Crossing	6,324,000	10	0.33%	6,000,000	8	0.31%
East Brunswick VF, LLC				9,500,000	5	0.49%
Toll JM EB, LLC				5,977,600	9	0.31%
Belmont Associates (K Mart)				5,880,600	10	0.30%
Total	<u>\$ 114,490,700</u>		<u>5.34%</u>	<u>\$ 117,426,400</u>		<u>6.07%</u>

Source: District ACFR & Municipal Tax Assessor

East Brunswick Public Schools
Property Tax Levies and Collections
Last Ten Fiscal Years

Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	* \$ 110,437,402	\$ 110,437,402	100.00%	
2014	* 113,246,150	113,246,150	100.00%	
2015	* 116,518,219	116,518,219	100.00%	
2016	127,939,093	127,939,093	100.00%	
2017	130,177,338	130,177,338	100.00%	
2018	132,424,676	132,424,676	100.00%	
2019	134,635,982	134,635,982	100.00%	
2020	136,503,916	136,503,916	100.00%	
2021	139,039,043	139,039,043	100.00%	
2022	142,930,850	142,930,850	100.00%	

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

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

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

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

Unaudited

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Unamortized Premium on Bonds	Financed Purchases Payable			
2013	\$ 90,085,000	\$ 5,647,165	\$ 13,862,628	\$ 109,594,793	*	\$ 2,291
2014	86,775,000	5,369,436	12,586,442	104,730,878	*	2,186
2015	83,465,000	5,091,707	22,603,771	111,160,478	*	2,315
2016	79,585,000	4,813,978	18,450,268	102,849,246	*	2,146
2017	75,780,000	4,536,249	19,235,679	99,551,928	*	2,078
2018	71,660,000	4,258,520	20,166,992	96,085,512	*	2,011
2019	75,715,000	4,785,059	13,586,032	94,086,091	*	1,977
2020	70,140,000	6,193,377	22,917,792	99,251,169	*	2,055
2021	65,400,000	5,746,031	30,360,000	101,506,031	*	2,060
2022	60,620,000	5,298,685	26,060,000	91,978,685	*	*

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

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

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

* District personal income information is not available.

** Information for the noted year not available

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

Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General ^d Obligation Bonds	Deductions ^c	Net General Bonded Debt Outstanding		
2013	\$ 95,732,165	\$ 5,943,830	\$ 89,788,335	4.72%	\$ 1,877
2014	92,144,436	5,658,855	86,485,581	4.57%	1,805
2015	88,556,707	5,091,714	83,464,993	4.41%	1,739
2016	84,398,978	4,823,641	79,575,337	4.20%	1,660
2017	80,316,249	4,573,322	75,742,927	3.98%	1,581
2018	75,918,520	4,347,713	71,570,807	3.77%	1,498
2019	80,500,059	4,807,181	75,692,878	3.98%	1,590
2020	76,333,377	6,305,839	70,027,538	3.69%	1,450
2021	71,146,031	5,858,492	65,287,539	3.42%	1,325
2022	65,918,685	5,307,414	60,611,271	3.17%	*

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

a See Exhibit J-6 for property tax data.

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

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

d Includes the unamortized premiums.

* Information for the noted year not available

East Brunswick Public Schools
 Ratios of Overlapping Governmental Activities Debt
 As of June 30, 2022

Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
East Brunswick Township (as of 12/31/21)	\$ 123,682,491	100.000%	\$ 123,682,491
Other debt			
Middlesex County as of 12/31/21	423,406,469	6.555%	27,754,515
Middlesex County Utility Authority as of 12/31/21	122,601,847	4.161%	<u>5,101,938</u>
Subtotal, overlapping debt			156,538,944
East Brunswick Public Schools Direct Debt			<u>91,978,685</u>
Total direct and overlapping debt			<u><u>\$ 248,517,629</u></u>

Sources: District Records, East Brunswick Township Official Statement

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

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

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

Unaudited

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized valuation basis

	2022	\$ 8,625,315,659
	2021	8,215,766,566
	2020	7,652,042,909
	[A]	<u>\$ 24,493,125,134</u>
Average equalized valuation of taxable property	[A/3]	<u>\$ 8,164,375,045</u>
Debt limit (4 % of average equalization value)		\$ 326,575,002
Net bonded school debt	[C]	69,906,436
Legal debt margin	[B-C]	<u>\$ 256,668,566</u>

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt limit	\$ 306,089,007	\$ 292,553,065	\$ 287,017,317	\$ 287,399,422	\$ 291,184,484
Total net debt applicable to limit *	<u>99,431,980</u>	<u>95,851,497</u>	<u>92,553,180</u>	<u>88,385,795</u>	<u>84,275,656</u>
Legal debt margin	<u>\$ 206,657,027</u>	<u>\$ 196,701,568</u>	<u>\$ 194,464,137</u>	<u>\$ 199,013,627</u>	<u>\$ 206,908,828</u>
Total net debt applicable to the limit as a percentage of debt limit	32.48%	32.76%	32.25%	30.75%	28.94%

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt limit	\$ 300,338,698	\$ 305,321,823	\$ 307,322,977	\$ 312,959,194	\$ 326,575,002
Total net debt applicable to limit *	<u>79,825,807</u>	<u>84,474,417</u>	<u>80,217,395</u>	<u>75,030,050</u>	<u>69,906,436</u>
Legal debt margin	<u>\$ 220,512,891</u>	<u>\$ 220,847,406</u>	<u>\$ 227,105,582</u>	<u>\$ 237,929,144</u>	<u>\$ 256,668,566</u>
Total net debt applicable to the limit as a percentage of debt limit	29.36%	27.67%	26.10%	23.97%	21.41%

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

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

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

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

Unaudited

Year	Population **	Personal Income (thousands of dollars)	Per Capita Personal Income **	Unemployment Rate
2013	47,847	-	\$ 52,115	6.4%
2014	47,910	-	53,501	5.0%
2015	48,008	-	54,542	4.2%
2016	47,933	-	56,207	3.7%
2017	47,905	-	57,889	3.5%
2018	47,784	-	60,547	3.1%
2019	47,593	-	62,665	2.60%
2020	48,309	-	66,640	7.80%
2021	49,285	-	*	5.00%
2022	*	-	*	*

Source: NJ Department of Labor and Workforce Development

* Information for the noted years was not available.

** Prior year estimates revised.

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

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

Unaudited

Employer	2022			2013		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Robert Wood Johnson University Hospital	5,000 - 5,249	1	0.00%	5,000 - 5,249	1	0.00%
Novo Nordisk	4,500 - 4,579	2	0.00%	4,500 - 4,579	2	0.00%
Wakefern Food Corporation	3,500 - 3,749	3	0.00%	3,500 - 3,749	3	0.00%
J.F.K. Medical Center	3,000 - 3,369	4	0.00%	3,000 - 3,369	4	0.00%
Bristol-Myers Squibb	3,000 - 3,249	5	0.00%	3,000 - 3,249	5	0.00%
St. Peter's Healthcare System	2,750 - 2,999	6	0.00%	2,750 - 2,999	6	0.00%
Silverline Building Products	2,250 - 2,299	7	0.00%	2,250 - 2,299	7	0.00%
Johnson & Johnson	2,000 - 2,249	8	0.00%	2,000 - 2,249	8	0.00%
Raritan Bay Medical Center	2,000 - 2,249	9	0.00%	2,000 - 2,249	9	0.00%
Home Depot / United Parcel Service	1,750 - 1,999	10	0.00%	1,750 - 1,999	10	0.00%

Source: Middlesex County Department of Economic Development

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

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

Unaudited

Function/Program	2013*	2014*	2015	2016	2017*	2018	2019**	2020**	2021	2022
Instruction										
Regular	500.2	504.7	510.2	516.2	605.8	562.5	571.5	565.3	561.1	564.1
Special education	216.5	224.5	230.5	238.5	268.3	257.1	254.0	268.7	264.0	270.5
Support Services:										
Student & instruction related services	199.7	204.2	205.7	206.7	214.3	235.0	242.4	246.5	225.9	233.4
General administrative services	7.9	7.9	7.9	7.9	7.9	9.0	9.0	8.5	6.5	6.5
School administrative services	60.6	60.6	60.6	60.6	56.4	57.2	57.2	55.7	53.8	53.8
Business administrative services	22.9	22.9	22.9	23.9	25.7	25.7	25.7	24.1	26.0	27.0
Information Technology	19.0	19.0	19.0	19.0	20.0	21.0	22.0	22.0	22.0	23.0
Plant operations and maintenance	157.8	157.8	157.8	157.8	144.5	121.0	129.8	130.1	151.1	147.1
Pupil transportation	37.3	37.3	37.3	37.3	39.5	45.1	45.0	46.3	43.9	43.9
Food Service	36.4	42.0	37.8	40.1	34.3	37.9	33.1	32.9	34.3	31.7
Adult and Community Programs	6.6	5.5	6.2	6.2	6.4	6.7	6.4	6.6	6.4	6.4
JMPAC	-	-	-	-	0.9	0.9	0.1	1.1	1.1	1.1
Total	<u>1,264.9</u>	<u>1,286.3</u>	<u>1,295.9</u>	<u>1,314.2</u>	<u>1,424.0</u>	<u>1,379.0</u>	<u>1,396.1</u>	<u>1,407.7</u>	<u>1,396.1</u>	<u>1,408.3</u>

* Prior year reclassification

** Prior year revision

Source: District Personnel Records

East Brunswick Public Schools
Operating Statistics
Last Ten Fiscal Years

Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Junior High School	High School				
2013	8,420	\$ 140,746,823	\$ 16,716	5.99%	672	11.1	10.0	11.0	12.0	8,212.62	7,859.09	-0.97%	95.70%
2014	8,439	141,137,595	16,724	0.05%	662	12.1	11.0	12.0	13.0	8,270.77	7,926.72	0.71%	95.84%
2015	8,399	144,149,371	17,163	2.62%	690	11.8	11.0	12.0	13.0	8,261.29	7,904.34	-0.11%	95.68%
2016	8,259	150,719,640	18,249	6.33%	717	10.4	10.0	11.0	12.0	8,107.92	7,769.14	-1.86%	95.82%
2017	8,089	155,551,572	19,230	5.37%	722	10.4	10.0	11.0	12.0	7,993.63	7,647.36	-1.41%	95.67%
2018	8,167	159,224,847	19,497	1.39%	723	10.1	11.0	11.0	12.0	8,048.68	7,654.10	0.69%	95.10%
2019	8,381	166,896,984	19,914	2.14%	724	10.6	10.0	11.0	12.0	8,301.65	7,900.57	3.14%	95.17%
2020	8,403	170,039,967	20,237	1.62%	735	10.5	12.0	11.0	12.0	8,217.80	7,958.95	-1.01%	96.85%
2021	8,279	179,089,207	21,632	6.89%	720	10.3	12.0	11.0	12.0	8,063.70	7,835.65	-1.88%	97.17%
2022	8,346	197,611,274	23,677	9.46%	725	10.5	12.0	12.0	14.0	8,092.62	7,691.87	0.36%	95.05%

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

Note: Enrollment based on annual October district count.

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

East Brunswick Public Schools
School Building Information
Last Ten Fiscal Years

	Unaudited									
District Building	2013	2014 *	2015	2016	2017	2018	2019	2020	2021	2022
Elementary										
Bowne-Munro (1952)										
Square Feet	32,015	32,738	32,738	32,738	32,738	32,738	32,738	32,738	32,738	32,738
Capacity (students)	242	270	270	270	270	270	270	270	270	270
Enrollment	237	213	215	205	209	224	219	250	240	246
Central (1949)										
Square Feet	73,266	78,283	78,283	78,283	78,283	78,283	78,283	78,283	78,283	78,283
Capacity (students)	552	532	532	532	532	532	532	532	532	532
Enrollment	407	426	438	418	416	399	414	433	429	395
Chittick (1969)										
Square Feet	49,127	52,241	52,241	52,241	52,241	53,058	53,058	53,058	53,058	53,058
Capacity (students)	383	550	550	550	550	550	550	550	550	550
Enrollment	462	453	417	397	414	437	500	509	471	490
Frost (1965)										
Square Feet	49,971	52,230	52,230	52,230	52,230	52,545	52,545	52,545	52,545	52,545
Capacity (students)	438	455	455	455	455	455	455	455	455	455
Enrollment	429	423	427	442	444	463	472	450	448	457
Irwin (1957)										
Square Feet	43,033	43,279	43,279	43,279	43,279	43,986	43,986	43,986	43,986	43,986
Capacity (students)	376	478	478	478	478	478	478	478	478	478
Enrollment	459	459	468	464	440	449	473	429	380	362
Lawrence Brook (1959)										
Square Feet	67,267	77,218	77,218	77,218	77,218	77,218	77,218	77,218	77,218	77,218
Capacity (students)	532	520	520	520	520	520	520	520	520	520
Enrollment	432	426	405	406	446	439	451	422	432	463
Memorial (2012)										
Square Feet	78,000	82,821	82,821	82,821	82,821	82,821	82,821	82,821	82,821	82,821
Capacity (students)	650	565	565	565	565	565	565	565	565	565
Enrollment	489	499	507	494	493	537	570	541	529	543
Warnsdorfer (1968)										
Square Feet	49,971	55,708	55,708	55,708	55,708	55,708	55,708	55,708	55,708	55,708
Capacity (students)	479	488	488	488	488	488	488	488	488	488
Enrollment	415	443	476	472	462	461	449	478	446	452
Total Elementary Schools										
Square Feet	442,650	474,518	474,518	474,518	474,518	476,357	476,357	476,357	476,357	476,357
Capacity (students)	3,652	3,858	3,858	3,858	3,858	3,858	3,858	3,858	3,858	3,858
Enrollment	3,330	3,342	3,353	3,298	3,324	3,409	3,548	3,512	3,375	3,408

East Brunswick Public Schools
School Building Information (continued)
Last Ten Fiscal Years

Unaudited

	2013	2014*	2015	2016	2017	2018	2019	2020	2021	2022
<u>Middle School</u>										
Hammarskjöld (2009)										
Square Feet	254,580	271,520	271,520	271,520	271,520	271,520	271,520	271,520	271,520	271,520
Capacity (students)	1,288	1,518	1,518	1,518	1,518	1,518	1,518	1,518	1,518	1,518
Enrollment	1,323	1,357	1,311	1,294	1,212	1,197	1,280	1,343	1,297	1,273
<u>Junior High School</u>										
Churchill Jr. High (1962)										
Square Feet	205,549	260,332	260,332	260,332	260,332	260,332	260,332	260,332	260,332	260,332
Capacity (students)	1,325	1,432	1,432	1,432	1,432	1,432	1,432	1,432	1,432	1,432
Enrollment	1,415	1,315	1,372	1,374	1,336	1,320	1,273	1,269	1,329	1,367
<u>High School</u>										
East Brunswick High (1958)										
Square Feet	257,727	360,422	360,422	360,422	360,422	360,422	360,422	360,422	360,422	360,422
Capacity (students)	1,582	2,724	2,724	2,724	2,724	2,724	2,724	2,724	2,724	2,724
Enrollment	2,186	2,225	2,165	2,101	2,055	2,052	2,082	2,066	2,023	2,010
<u>Other</u>										
Administration Building										
Square Feet	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Support Operations										
Square Feet	-	-	-	-	29,614	29,614	29,614	29,614	29,614	29,614

Number of Schools at June 30, 2022

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

Source: District records, ASSA, LRFP

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

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

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

Unaudited

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
East Brunswick High School	\$ 711,188	\$ 700,862	\$ 560,420	\$ 541,155	\$ 423,026	\$ 368,229	\$ 459,471	\$ 415,952	\$ 418,330	\$ 350,196
Churchill Junior High School	485,854	385,500	416,052	342,511	281,798	268,147	329,563	300,543	302,159	287,404
Hammarskjold School	494,216	446,323	383,963	359,302	293,000	277,384	348,852	313,353	315,145	339,632
Bowne-Munro School	60,270	55,495	49,128	49,203	40,076	33,445	41,444	37,782	37,998	42,023
Central School	149,774	130,713	121,223	110,613	88,024	81,914	100,193	90,344	90,861	96,169
Irwin School	90,936	74,517	68,511	69,173	58,937	46,594	54,788	49,947	50,232	56,485
Lawrence Brook School	149,800	158,489	129,693	123,090	91,806	78,886	97,753	89,115	89,625	88,295
Memorial School	152,844	137,337	115,232	111,569	86,970	84,610	105,652	95,581	96,128	105,383
Chittick School	93,659	88,259	85,357	89,491	76,794	53,369	66,134	60,290	60,634	64,484
Frost School	90,555	75,849	113,646	67,116	56,698	53,358	66,120	60,277	60,622	65,592
Warnsdorfer School	98,812	87,330	112,729	75,125	61,597	57,086	70,523	64,291	64,659	65,592
Total School Facilities	2,577,908	2,340,674	2,155,954	1,938,348	1,558,726	1,403,022	1,740,493	1,577,475	1,586,393	1,561,255
Other Facilities										
Administration	42,676	37,857	37,398	31,291	25,050	30,647	37,976	34,622	34,819	39,378
Support Operations	42,126	37,370	36,917	30,890	24,726	30,254	-	-	-	-
Total Other Facilities	84,802	75,227	74,315	62,181	49,776	60,901	37,976	34,622	34,819	39,378
Grand Total	\$ 2,662,710	\$ 2,415,901	\$ 2,230,269	\$ 2,000,529	\$ 1,608,502	\$ 1,463,923	\$ 1,778,469	\$ 1,612,097	\$ 1,621,212	\$ 1,600,633

Source: M1

East Brunswick Public Schools
Insurance Schedule
Year Ended June 30, 2022

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>MULTI-PERIL PACKAGE POLICY</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG		
POLICY NO. P-135AM		
ANNUAL PREMIUM: \$614,530		
<u>Section II - Commercial General Liability</u>		
Bodily Injury, Property Damage and Personal Injury	\$ 31,000,000	
Medical Expense	10,000	
Aggregate Child Molestation/Sexual Abuse	31,000,000	
Employee Benefits Legal Liability	31,000,000	
<u>Section III - Crime</u>		
Money and Securities	50,000	\$ 500
Employee Dishonesty	1,000,000	1,000
Depositors Forgery	1,000,000	1,000
Computer Fraud	1,000,000	1,000
<u>SCHOOL BOARD LEGAL</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG		
POLICY NO. E-135AL		
ANNUAL PREMIUM: \$271,013		
Wrongful Acts Liability - Each Occurrence	31,000,000	15,000
Annual Aggregate	31,000,000	
<u>CATASTROPHIC POLICY</u>		
FIREMAN'S FUND		
POLICY NO. USL007276212		
ANNUAL PREMIUM: \$44,706		
Limit of Insurance (Group Aggregate)	25,000,000	
<u>PROPERTY INSURANCE</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG		
POLICY NO. P135AL		
ANNUAL PREMIUM: Included		
Blanket Building - Contents Coverage	419,068,220	10,000
Extra Expense	50,000,000	10,000
Flood & Earthquake	75,000,000	10,000
EDP	2,100,000	1,000
Energy Systems - Property Damage	419,068,220	25,000
Energy Systems - Extra Expense	10,000,000	10,000

East Brunswick Public Schools
Insurance Schedule
Year Ended June 30, 2022

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>AUTOMOBILE POLICY AND GARAGE KEEPERS</u>		
INCLUDED IN MULTI-PERIL PACKAGE POLICY BY EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG		
Bodily Injury and Property Damage	\$ 31,000,000	
Uninsured Motorist Coverage	1,000,000	
Comprehensive	Replacement	\$ 1,000
Collision	Replacement	1,000
Beazley Environmental POLICY NO. W1BE82210601 ANNUAL PREMIUM: \$21,958		
Legal Liability	1,000,000 each loss 3,000,000 aggregate	10,000
<u>WORKERS COMPENSATION</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG POLICY NO. W-135AM PREMIUM: \$486,180		
A. Worker's Compensation Insurance Under New Jersey State Laws		
B. Employer's Liability		
Bodily Injury - Each Accident	3,000,000	
Bodily Injury By Disease - Each Employee	3,000,000	
CHUBB INSURANCE POLICY NO. 64775774 (99071588) ANNUAL PREMIUM: \$38,494		
Supplemental Coverage:		
Reimbursement of Salary - Max Weekly Benefit		1,750
<u>PRIMARY UMBRELLA</u>		
INCLUDED IN MULTI-PERIL PACKAGE POLICY BY EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG		

East Brunswick Public Schools
Insurance Schedule
Year Ended June 30, 2022

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>STUDENT ACCIDENT INSURANCE</u>		
BOLLINGER POLICY NO. MCB5859349 ANNUAL PREMIUM: \$83,204	\$ 6,000,000	
Supplemental to primary family policy - full excess		
 <u>BONDS</u>		
SELECTIVE INSURANCE POLICY NO. B1005007 ANNUAL PREMIUM: \$2,100		
Bernardo J. Giuliani, Business Administrator / Board Secretary		750,000

Source: District Records

Single Audit Section

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, the business-type activities and each major fund of the East Brunswick Public Schools, in the County of Middlesex, New Jersey (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 28, 2023.

Report on Internal Control Over Financial Reporting

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

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

**Honorable President and Members
of the Board of Education
East Brunswick Public Schools**

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of This Report

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
March 28, 2023

Scott A. Clelland

Scott A. Clelland, CPA
Licensed Public School Accountant, No. 1049

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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited East Brunswick Public School's, in the County of Middlesex, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2022. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal and State Program

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

**Honorable President and Members
of the Board of Education
East Brunswick Public Schools**

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

**Honorable President and Members
of the Board of Education
East Brunswick Public Schools**

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

Report on Internal Control Over Compliance

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

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

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

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
March 28, 2023

Scott A. Clelland

Scott A. Clelland, CPA
Licensed Public School Accountant, No. 1049

East Brunswick Public Schools
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Federal Award Identification Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2021	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2022			
					From	To							(Accounts Receivable)	Unearned Revenue	Due to Grantor	Amounts Provided to Subrecipients
General Fund:																
U.S. Department of Health and Human Services																
–Passed-Through State Department of Education																
Medical Assistance Aid	93.778	2005NJ5MAP	N/A	\$ 93,527	7/1/2021	6/30/2022			\$ 79,552	\$ (93,527)			\$ (13,975)			
Total U.S. Department of Health and Human Services - Passed-Through State Department of Education									<u>79,552</u>	<u>(93,527)</u>			<u>(13,975)</u>			
Total General Fund									<u>79,552</u>	<u>(93,527)</u>			<u>(13,975)</u>			
Special Revenue Fund:																
U.S. Department of Education–Passed-Through State Department of Education																
Elementary and Secondary Education Act (ESEA):																
Title I, Part A - 21/22	84.010A	S010A210030	N/A	957,543	7/1/2021	9/30/2022			580,302	(822,098)	\$ 100		\$ (241,696)			
Title I, Part A - 20/21	84.010A	S010A200030	N/A	740,221	7/1/2020	9/30/2021	\$ (149,876)		149,876							
Title II, Part A - 21/22	84.367A	S367A210029	N/A	168,105	7/1/2021	9/30/2022			100,635	(138,584)	1		(37,948)			
Title II, Part A - 20/21	84.367A	S367A200029	N/A	151,064	7/1/2020	9/30/2021	(39,573)		39,573							
Title III - 21/22	84.365A	S365A210030	N/A	66,418	7/1/2021	9/30/2022			48,232	(63,908)	(1)		(15,677)			
Title III - 20/21	84.365A	S365A200030	N/A	59,733	7/1/2020	9/30/2021	(19,000)		19,000							
Title III Immigrant - 21/22	84.365	S365A210030	N/A	2,447	7/1/2021	9/30/2022				(1,210)			(1,210)			
Title III Immigrant - 20/21	84.365	S365A200030	N/A	13,024	7/1/2020	9/30/2021	(2,225)		2,225							
Title IV, Part A - 21/22	84.424	S424A210031	N/A	68,542	7/1/2021	9/30/2022			18,036	(39,692)			(21,656)			
Title IV, Part A - 20/21	84.424	S424A200031	N/A	49,904	7/1/2020	9/30/2021	(162)		162							
Special Education Grant Cluster:																
IDEA Part B, Basic Regular 21/22	84.027A	H027A210100	N/A	1,994,242	7/1/2021	9/30/2022			1,567,918	(1,971,334)			(403,416)			
IDEA Part B, Basic Regular 20/21	84.027A	H027A200100	N/A	2,024,469	7/1/2020	9/30/2021	(382,645)		382,645							
IDEA Preschool - 21/22	84.173	H173A210114	N/A	67,417	7/1/2021	9/30/2022			1,658	(67,402)			(65,744)			
IDEA Preschool - 20/21	84.173	H173A200114	N/A	90,527	7/1/2020	9/30/2021	(63,335)		63,335							
Total of Special Education Grant Cluster							<u>(445,980)</u>		<u>2,015,556</u>	<u>(2,038,736)</u>			<u>(469,160)</u>			
Adult Basic Education	84.002A	V002A210031	N/A	290,000	7/1/2021	9/30/2022			135,608	(199,458)			(63,850)			
Adult Basic Education	84.002A	V002A200031	N/A	202,000	7/1/2020	9/30/2021	(80,841)		80,841							
Education Stabilization Fund (ESF):																
COVID-19 CARES Emergency Relief (ESSER I)	84.425D	S425D200027	N/A	584,814	3/13/2020	9/30/2022	(62,440)		138,524	(190,607)			(114,523)			
COVID-19 CRRSA ESSER II	84.425D	S425D200027	N/A	2,173,325	3/13/2020	9/30/2023			510,655	(624,101)			(113,446)			
COVID-19 CR Learning Acceleration	84.425D	S425D200027	N/A	139,473	3/13/2020	9/30/2023			25,313	(26,605)			(1,292)			
COVID-19 CR Mental Health	84.425D	S425D200027	N/A	45,000	3/13/2020	9/30/2023			4,704	(45,000)			(40,296)			
Total Education Stabilization Fund (ESF)							<u>(62,440)</u>		<u>679,196</u>	<u>(886,313)</u>			<u>(269,557)</u>			
Additional or Compensatory Special Education and Related Services (ACSERS)	21.027	SLFRFD0E1SES	N/A	700,769	3/3/2021	12/31/2024				(700,769)			(700,769)			
Total U.S. Department of Education - Passed-Through State Department of Education							<u>(800,097)</u>		<u>3,869,242</u>	<u>(4,890,768)</u>	<u>100</u>		<u>(1,821,523)</u>			
Total Special Revenue Fund							<u>(800,097)</u>		<u>3,869,242</u>	<u>(4,890,768)</u>	<u>100</u>		<u>(1,821,523)</u>			

East Brunswick Public Schools
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Federal Award Identification Number	State Project Number	Program or Award Amount	Grant Period		Balance June at June 30, 2020	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2022					
					From	To							(Accounts Receivable)	Unearned Revenue	Due to Grantor	Amounts Provided to Subrecipients		
U.S. Department of Agriculture—Passed-Through State Department of Agriculture																		
Enterprise Fund:																		
Child Nutrition Cluster:																		
National School Lunch Program	10.555	221NJ304N1099	N/A	\$ 3,795,743	7/1/2021	6/30/2022			\$ 3,533,317	\$ (3,795,743)			\$ (262,426)					
National School Lunch Program	10.555	211NJ304N1099	N/A	1,570,139	7/1/2020	6/30/2021	\$ (142,949)		142,949									
After School Snack Program	10.555	211NJ304N1099	N/A	85,536	7/1/2020	6/30/2021	(19,820)		19,820									
School Breakfast Program	10.553	221NJ304N1099	N/A	741,731	7/1/2021	6/30/2022			682,108	(741,731)			(59,623)					
School Breakfast Program	10.553	211NJ304N1099	N/A	837,261	7/1/2020	6/30/2021	(74,247)		74,247									
COVID-19 Emergency Operational Cost Program - Schools	10.555	202121H170341	N/A	44,007	7/1/2020	6/30/2022			44,007	(44,007)								
Food Donation Program (NC)	10.555	211NJ304N1099	N/A	187,309	7/1/2021	6/30/2022			270,944	(270,944)								
Total Child Nutrition Cluster							(237,016)		4,767,392	(4,852,425)			(322,049)					
COVID-19 P-EBT Administrative Cost Reimbursement	10.649	202121S900941	N/A	6,198	7/1/2020	6/30/2022			6,198	(6,198)								
Total Enterprise Fund and Total U.S. Department of Agriculture—Passed-Through State Department of Agriculture and Child Nutrition Cluster							(237,016)		4,773,590	(4,858,623)			(322,049)					
Total Federal Financial Awards Expenditures							\$ (1,037,113)	\$ -	\$ 8,722,384	\$ (9,842,918)	\$ 100	\$ -	\$ (2,157,547)	\$ -	\$ -	\$ -		
NC - non-cash expenditures																		

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

East Brunswick Public Schools
 Schedule of Expenditures of State Financial Assistance
 Year ended June 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period		Award Amount	Balance June 30, 2021			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Balance June 30, 2022			Memo	
		From	To		Unearned Revenue	(Accounts Receivable)	Due to Grantor					Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Total Expenditures
State Department of Education																
<i>General Fund:</i>																
Equalization Aid	22-495-034-5120-078	7/1/2021	6/30/2022	\$ 18,868,151			\$ 17,014,300	\$ (18,868,151)						\$ (1,853,851)	\$ (18,868,151)	
Equalization Aid	21-495-034-5120-078	7/1/2020	6/30/2021	13,561,048	\$ (1,319,262)		1,319,262									
Special Education Categorical Aid	22-495-034-5120-089	7/1/2021	6/30/2022	5,355,986			4,829,745	(5,355,986)						(526,241)	(5,355,986)	
Special Education Categorical Aid	21-495-034-5120-089	7/1/2020	6/30/2021	5,355,986	(521,047)		521,047									
Transportation Aid	22-495-034-5120-014	7/1/2021	6/30/2022	1,491,445			1,344,906	(1,491,445)						(146,539)	(1,491,445)	
Transportation Aid	21-495-034-5120-014	7/1/2020	6/30/2021	1,491,445	(145,092)		145,092									
Security Aid	22-495-034-5120-084	7/1/2021	6/30/2022	176,418			159,084	(176,418)						(17,334)	(176,418)	
Security Aid	21-495-034-5120-084	7/1/2020	6/30/2021	176,418	(17,162)		17,162									
Nonpublic School Transportation Aid	22-495-034-5120-014	7/1/2021	6/30/2022	51,330				(51,330)				\$ (51,330)			(51,330)	
Nonpublic School Transportation Aid	21-495-034-5120-014	7/1/2020	6/30/2021	37,990	(37,990)		37,990									
Extraordinary Aid	22-495-034-5120-044	7/1/2021	6/30/2022	3,268,133				(3,268,133)				(3,268,133)			(3,268,133)	
Extraordinary Aid	21-495-034-5120-044	7/1/2020	6/30/2021	2,634,106	(1,776,348)		1,776,348									
On-Behalf TPAF - Pension Contribution	495-034-5094-002	7/1/2021	6/30/2022	24,777,217			24,777,217	(24,777,217)							(24,777,217)	
On-Behalf TPAF - Post-Retirement Medical	495-034-5094-001	7/1/2021	6/30/2022	5,788,959			5,788,959	(5,788,959)							(5,788,959)	
On-Behalf TPAF - Long-Term Disability Insurance	495-034-5094-004	7/1/2021	6/30/2022	9,936			9,936	(9,936)							(9,936)	
TPAF Social Security Reimbursements	22-495-034-5094-003	7/1/2021	6/30/2022	4,968,932			4,727,834	(4,968,932)				(241,098)			(4,968,932)	
N.J. Schools Development Authority																
<i>General Fund:</i>																
Securing Our Children's Future Bond Act	20E00395	4/1/2021	3/31/2023	465,045			385,237	(385,237)							(385,237)	
Total N.J. Schools Development Authority							385,237	(385,237)							(385,237)	
Total General Fund						(3,816,901)	62,854,119	(65,141,744)				(3,560,561)		(2,543,965)	(65,141,744)	
N.J. Schools Development Authority																
<i>Special Revenue Fund:</i>																
Emergent and Capital Maintenance Grant	Not available	7/1/2021	6/30/2022	199,109			199,109	(199,109)							(199,109)	
State Department of Education																
<i>Special Revenue Fund:</i>																
N.J. Nonpublic Aid:																
Auxiliary Services:																
English as a Second Language	22-100-034-5120-067	7/1/2021	6/30/2022	2,741			2,741	(914)				\$ 1,827			(914)	
English as a Second Language	21-100-034-5120-067	7/1/2020	6/30/2021	3,553	\$ 3,553				\$ (3,553)							
Compensatory Education	22-100-034-5120-067	7/1/2021	6/30/2022	109,287			109,287	(95,788)					13,499		(95,788)	
Compensatory Education	21-100-034-5120-067	7/1/2020	6/30/2021	71,415			21,773		(21,773)							
Transportation	22-100-034-5120-068	7/1/2021	6/30/2022	8,061			8,061	(8,061)							(8,061)	
Handicapped Services:																
Supplemental Instruction	22-100-034-5120-066	7/1/2021	6/30/2022	21,807			21,807	(21,807)							(21,807)	
Supplemental Instruction	21-100-034-5120-066	7/1/2020	6/30/2021	21,046			2,428		(2,428)							
Examination and Classification	22-100-034-5120-066	7/1/2021	6/30/2022	39,992			39,992	(37,342)					2,650		(37,342)	
Examination and Classification	21-100-034-5120-066	7/1/2020	6/30/2021	33,624			7,616		(7,616)							
Corrective Speech	22-100-034-5120-066	7/1/2021	6/30/2022	19,809			19,809	(19,809)							(19,809)	
Corrective Speech	21-100-034-5120-066	7/1/2020	6/30/2021	20,051			5,469		(5,469)							
Textbook Aid	22-100-034-5120-064	7/1/2021	6/30/2022	23,227			23,227	(22,141)					1,086		(22,141)	
Textbook Aid	21-100-034-5120-064	7/1/2020	6/30/2021	24,619			197		(197)							
Nursing Services	22-100-034-5120-070	7/1/2021	6/30/2022	43,344			43,344	(43,224)					120		(43,224)	
Nursing Services	21-100-034-5120-070	7/1/2020	6/30/2021	41,208			1,379		(1,379)							
Technology Services	22-100-034-5120-373	7/1/2021	6/30/2022	16,254			16,254	(15,922)						332	(15,922)	
Security	22-100-034-5120-509	7/1/2021	6/30/2022	67,725			67,725	(67,493)						232	(67,493)	
Security	21-100-034-5120-509	7/1/2020	6/30/2021	70,000			2,435		(2,435)							
Total Special Revenue Fund						-	44,850	551,356	(531,610)	(44,850)		19,746			(531,610)	

East Brunswick Public Schools

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period		Award Amount	Balance June 30, 2021			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Balance June 30, 2022			Memo													
		From	To		Unearned Revenue	(Accounts Receivable)	Due to Grantor					Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures												
State Department of Education																												
<i>Capital Projects Fund:</i>																												
Chittick HVAC and Electrical Upgrades	1170-125-14-G1VF	10/23/2014	Completion	\$ 795,614	\$	(39,781)	\$	39,781							\$	(795,614)												
Irwin HVAC and Electrical Upgrades	1170-090-14-G1VD	10/23/2014	Completion	847,461		(42,373)		42,373								(847,461)												
Total Capital Projects Fund						(82,154)		82,154								(1,643,075)												
<i>Enterprise Fund:</i>																												
State School Lunch Program	22-100-010-3350-023	7/1/2021	6/30/2022	89,468				83,429	\$	(89,468)			\$	(6,039)		(89,468)												
State School Lunch Program	21-100-010-3350-023	7/1/2020	6/30/2021	86,397		(19,409)		19,409																				
Total Enterprise Fund						(19,409)		102,838		(89,468)				(6,039)		(89,468)												
Total Expenditures of State Financial Assistance					\$	-	\$	(3,918,464)	\$	44,850	\$	63,590,467	\$	(65,762,822)	\$	(44,850)	\$	-	\$	-	\$	(3,566,600)	\$	19,746	\$	(2,543,965)	\$	(67,405,897)
State Financial Assistance Not Subject to Single Audit Determination:																												
On-Behalf TPAF - Pension Contribution	495-034-5094-002	7/1/2021	6/30/2022	\$ 24,777,217				\$ 24,777,217	\$	(24,777,217)						\$	(24,777,217)											
On-Behalf TPAF - Post-Retirement Medical	495-034-5094-001	7/1/2021	6/30/2022	5,788,959				5,788,959		(5,788,959)							(5,788,959)											
On-Behalf TPAF - Long-Term Disability Insurance	495-034-5094-004	7/1/2021	6/30/2022	9,936				9,936		(9,936)							(9,936)											
Total State Financial Assistance Subject to Single Audit Determination					\$	-	\$	(3,918,464)	\$	44,850	\$	33,014,355	\$	(35,186,710)	\$	(44,850)	\$	-	\$	-	\$	(3,566,600)	\$	19,746	\$	(2,543,965)	\$	(36,829,785)

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

East Brunswick Public Schools

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

Year ended June 30, 2022

1. General

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal award and state financial assistance activity under programs of the federal and state government for the year ended June 30, 2022. The District is defined in Note 1 to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedules of expenditures of federal awards and state financial assistance.

2. Basis of Presentation

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

3. Relationship to Basic Financial Statements

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

East Brunswick Public Schools

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

Year ended June 30, 2022

3. Relationship to Basic Financial Statements (continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$541,402 for the general fund and \$37,111 for the special revenue fund. See the Note to Required Supplementary Information (C-3) for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general fund and special revenue fund.

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

	Federal	State	Total
General Fund	\$ 93,527	\$ 64,600,342	\$ 64,693,869
Special Revenue Fund	4,890,668	531,610	5,422,278
Enterprise Fund – Food Service	4,858,623	89,468	4,948,091
Total financial award revenues	<u>\$ 9,842,818</u>	<u>\$ 65,221,420</u>	<u>\$ 75,064,238</u>

4. Relationship to Federal and State Financial Reports

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

East Brunswick Public Schools

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

Year ended June 30, 2022

5. Other

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions, respectively. TPAF Social Security Contributions represent the amounts reimbursed by the State for the employer's share of Social Security for TPAF members for the year ended June 30, 2022.

The post retirement pension medical benefits and long-term disability received on-behalf of the District for the year ended June 30, 2022 amounted to \$30,576,112. Since on-behalf post retirement pension medical and other long-term disability benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

6. Indirect Costs

The District charged indirect costs of \$15,455 to the Food Service Enterprise Fund. The District did not elect to use the 10% de minimis indirect cost rate allowed by the Uniform Guidance for any other grants.

East Brunswick Public Schools
Schedule of Findings and Questioned Costs

Year ended June 30, 2022

Part I - Summary of Auditors' Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

_____	Yes	_____ X _____	No
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Federal Awards

Internal control over major federal programs:

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

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____	Yes	_____ X _____	No
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Identification of major federal programs:

AL Number(s) FAIN Number	Name of Federal Program or Cluster
84.425D	Education Stabilization Fund: COVID-19 CARES Emergency Relief (ESSER I) COVID-19 CRRSA ESSER II COVID-19 CR Learning Acceleration COVID-19 CR Mental Health
84.010A	ESEA Title I, Part A

East Brunswick Public Schools
Schedule of Findings and Questioned Costs

Year ended June 30, 2022

Part I - Summary of Auditors' Results

AL Number(s)	FAIN Number	Name of Federal Program or Cluster
		Child Nutrition Cluster:
10.555	221NJ304N1099	National School Lunch Program
10.553	221NJ304N1099	School Breakfast Program
10.555	202121H170341	COVID-19 Emergency Operational Costs Program-Schools
10.555	211NJ304N1099	Food Donation Program
21.027	SLFRFDOE1SES	COVID-19 Additional or Compensatory Special Education and Related Services (ACSERS)

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 X Yes No

East Brunswick Public Schools
Schedule of Findings and Questioned Costs

Year ended June 30, 2022

Part I - Summary of Auditors' Results

State Financial Assistance

Internal control over major state programs:

Material weakness(es) identified? _____ Yes X No

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

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

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

Identification of major state programs:

GMIS/Program Number	Name of State Program or Cluster
	General State Aid Cluster:
22-495-034-5120-078	Equalization Aid
22-495-034-5120-089	Special Education Categorical Aid
22-495-034-5120-084	Security Aid
22-495-034-5120-014	Transportation Aid

Dollar threshold used to distinguish between Type A and Type B programs: _____
\$1,055,601

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

East Brunswick Public Schools
Schedule of Findings and Questioned Costs
Year ended June 30, 2022

Part II - Schedule of Financial Statement Findings

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

East Brunswick Public Schools
Schedule of Findings and Questioned Costs

Year ended June 30, 2022

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

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

East Brunswick Public Schools
Summary Schedule of Prior Year Audit Findings
Year ended June 30, 2022

No prior year findings were noted.