

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP
COUNTY OF MIDDLESEX, NEW JERSEY**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Prepared by

The School Business Administrator's Staff

Of the North Brunswick Township Board of Education

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INTRODUCTORY SECTION

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

Administrative Offices:
25 Linwood Place
North Brunswick, N.J. 08902
Tele. (732) 289-3000

District Web Site: www.nbtschools.org

LETTER OF TRANSMITTAL

March 6, 2023

Honorable President and
Members of the Board of Education
North Brunswick Township School District
North Brunswick, New Jersey 08902

Dear Board Members:

It is with pleasure that we submit the Annual Comprehensive Financial Report (ACFR) of the North Brunswick Township School District for the fiscal year ended June 30, 2022. This ACFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District. 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 District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections as follows:

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes and an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School District generally presented on a multi-year basis;

- The Single Audit Section – The District is required to undergo an annual audit in conformity with the provisions of the Title 2 US 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. Information related to this single audit including the independent auditor's report on compliance for each major federal and state program and report on internal control over compliance along with findings and questioned costs if any, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

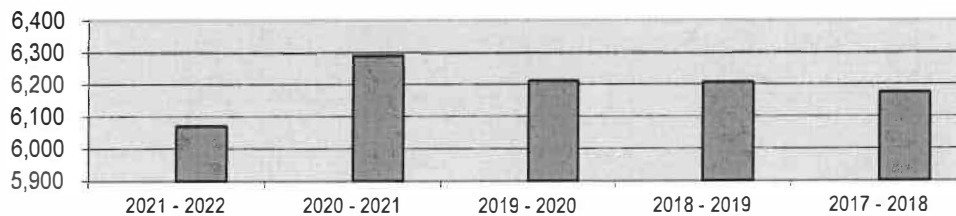
The North Brunswick Township School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds of the District are included in this report. The North Brunswick Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of academic programs and extracurricular activities, appropriate for all students in grades Pre - K through 12. An early childhood center, four elementary schools (Pre-K-4), an intermediate school (5-6), a middle school (7-8), and a high school (9-12) comprise the District's educational facilities.

The District's enrollment at October 15, 2022 was 6044 students. The following details the changes in enrollment over the last five years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2021 - 2022	5,974	(1.58%)
2020 - 2021	6,070	(3.48%)
2019 - 2020	6,289	1.26%
2018 - 2019	6,211	0.08%
2017 - 2018	6,206	0.50%
2016 - 2017	6,175	(1.12%)

District Enrollment



2. ECONOMIC CONDITION AND OUTLOOK

A tax levy cap of 2% is in place for all New Jersey school districts, which will limit the amount of revenue that can be raised through taxation.

3. MAJOR INITIATIVES

Facilities Improvement Plan

The North Brunswick Township Middle School, 7th & 8th grades, opened September 2020. This new construction was the cornerstone of the 2016, \$77.4 million referendum to address overcrowded facilities. Included in this referendum was nearly \$9 million to renovate the Linwood School beginning 2020. Phase I of the renovation, completed in June 2020, now houses the 5th and 6th grades. Phase II of the project included renovations to the Linwood building to accommodate the new Early Childhood Center (ECC) and space for the Board of Education/Central Office. Phase II renovations allowed the district to move the ECC from a rented location in Milltown and provided updated and expanded BOE offices. Phase II was completed in August 2021.

The District continues to follow its roofing plan, initiated in 2018, to replace existing school roofs. The North Brunswick Township High School roof will be completed in the Spring 2023. The final phase of the roofing plan is scheduled for the Linwood School and the target date for completion is the fall of 2023. The majority of the funding for these projects was through the use of capital reserves. Some of the roof replacement projects were funded 40% through Regular Operating District (ROD) Grants. The roof projects did not require the collection of additional taxes. All of the projects noted above received approval from the New Jersey Department of Education (NJDOE) and were included in the District's Long Range Facility Plan.

Personnel Management

The Office of Human Resources uses an established protocol to ensure that all candidates are properly credentialed and certified as per New Jersey law. To find the best possible candidates, district staff participated in job fairs and advertised through Education Week, New Jersey Schools Jobs, the Star-Ledger, the district website as well as the use of the software program *Applitrack*. *Applitrack* was used successfully, again this year, to manage job applications, screen candidates for credential review, and the tracking of the interview process.

Human Resources manuals are used by administrators to provide better oversight of hiring and exiting of employees as well as the the supervision/evaluation process; for new hires to aid in their orientation to District policies, procedures, and expectations; and for mentors to support new hires to the teaching profession in the District's mentoring and induction program.

In collaboration with the Curriculum and Instruction Office, the Human Resources Office provided professional development activities so that teachers and support staff could meet district and state requirements.

Personnel policies and specified job descriptions were reviewed and revised as necessary in collaboration with the Board's Personnel Committee. The Office of Human Resources is continually revising the faculty and administrator evaluation process annually to meet the changing state requirements as well as developing innovative methods for enhancing classroom instruction. The Marshall Model of Supervision and Evaluation process was approved by the District's Evaluation Advisory Committee (DEAC) as the teacher practice platform to meet the NJDOE observation and evaluation requirements under NJ Achieve and continues to serve as the district model for teacher and administrator practice; this model is reviewed and approved annually by the NJDOE.

Educational Program

The District's rigorous academic program prepares students for college and career choices, enabling them to compete with high school graduates nationwide for enrollment in the most prestigious colleges and universities. Technology and college/career readiness are embedded throughout the curriculum. The general education program includes language arts, mathematics, science, social studies, visual and performing arts, health and physical education, and world languages, reflecting the New Jersey Student Learning Standards.

The District's exemplary academic program goes beyond state standards. The district's music program involves most of the district's diverse student population. The District offers pre and post-school STEAM enrichment programs as well as the use of adaptive technology to address the needs and challenges of all children. The district continues to "prepare students for their future" with the implementation of *Coding* and *Robotics* throughout the K-12 curriculum. All of our elementary schools are fully equipped with science labs, computer labs, 1:1 Chromebooks, and school libraries. All middle and high school students may choose from a wide range of rigorous courses that address their individual ability and not their grade level.

The District provides resources for continuous professional learning of its staff; engages community organizations, businesses, and local government agencies as partners in the educational process, encourages parent and family involvement in school and district activities and committees; and participates with other school districts and higher education institutions in research and programming for closing the achievement gap between minority and economically disadvantaged students and their peers.

Additionally, the District is now receiving preschool expansion aid from the State of New Jersey, targeting our youngest learners, helping to stop the achievement gap at its earliest.

4. LONG TERM FINANCIAL PLANNING

Due to the impact of COVID, capital projects were initiated in the fiscal year 2020-2021 but were delayed to the fiscal year 2021-2022 including the NBTHS roof and transformer replacements and the installation of solar panels at the North Brunswick Township Middle and High Schools. District administrators continue to evaluate the long-term financial impact of increased charter school enrollment, increased state-mandated initiatives, state health benefit plans costs, upgrades/replacement of facility mechanicals and equipment, and the S2 SFRA state aid funding formula.

5. INTERNAL ACCOUNTING CONTROLS

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure 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 the District management.

As part of the District's single audit described earlier, tests are performed 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.

6. BUDGETARY CONTROLS

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

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

7. ACCOUNTING SYSTEM AND REPORTS

The accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups and is in compliance with GASB Statement 34 standards. The funds and account groups are explained in "Notes to the Financial Statements", Note 1.

8. DEBT ADMINISTRATION

The District's outstanding debt issues as of June 30, 2022 included \$87,920,000 of general obligation bonds. Under provisions of New Jersey statutes, school districts may not incur indebtedness greater than 4% of the average equalized valuation of taxable property. On June 30, 2022 the District's outstanding debt issues are well below the legal debt margin. The District continues to be committed to providing the debt rating agencies and all other interested parties with annual audited financial statements and other pertinent credit information relevant to our outstanding securities.

9. FINANCIAL STATUS

The Business Administrator and the Business Operations Committee continue to guide the District with fiscal prudence while working within the limitations imposed by the state's 2% cap on the annual increase of the tax revenue collected from North Brunswick Township. The business office utilizes purchasing co-operatives, state contracts and bids to purchase the materials needed to operate the District at the lowest possible price.


10. OTHER INFORMATION

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants who are licensed, public school accountants. Gerard Stankiewicz, CPA, PSA of Samuel Klein and Company, Certified Public Accountants was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 US *Code of Federal Regulations* Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), and New Jersey OMB's Circular 15-08. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGEMENTS

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

Respectfully submitted,

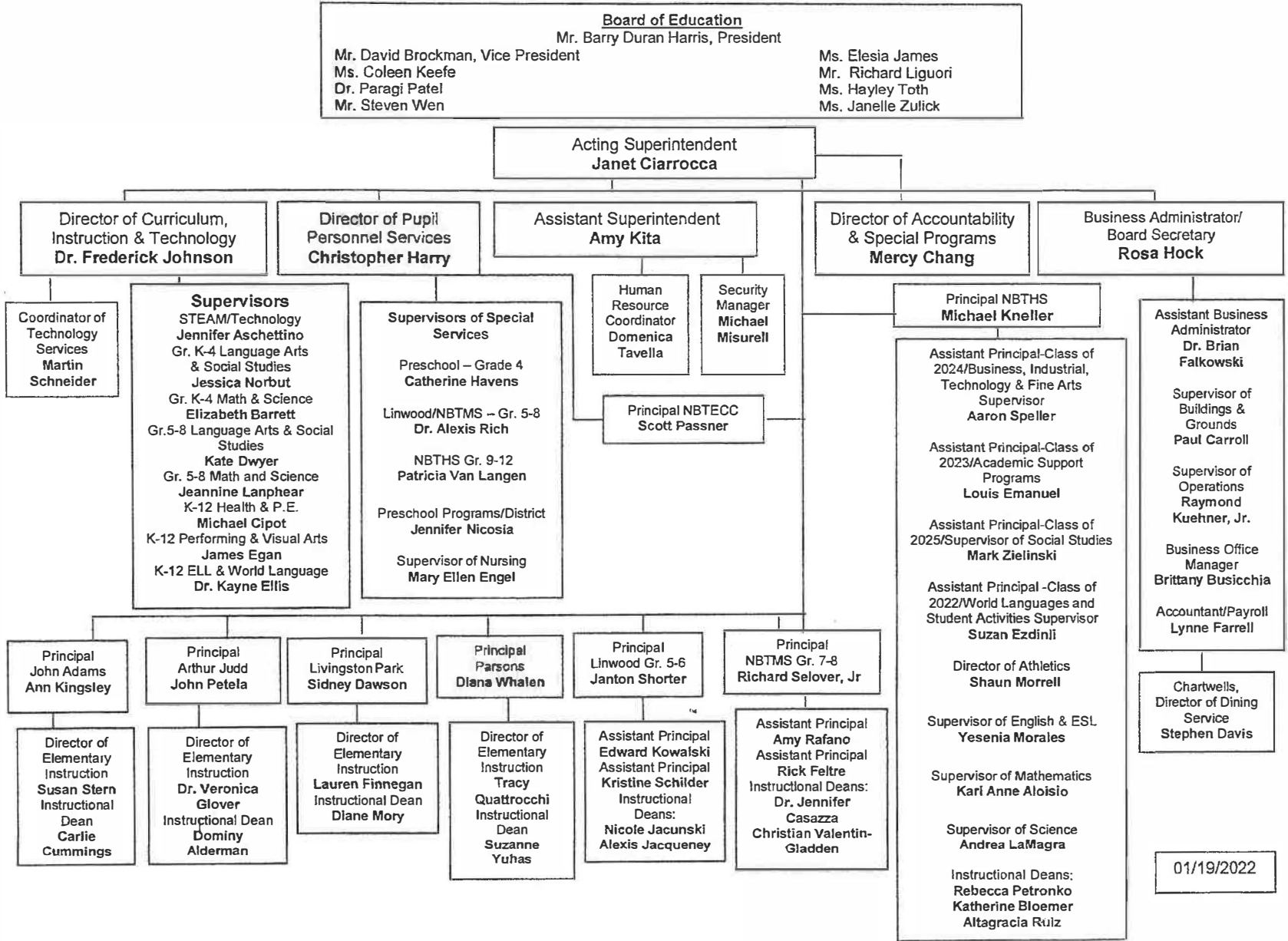


Janet Ciarrocca
Superintendent of Schools



Rosa Hock
Business Administrator/Board Secretary

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
Organizational Chart 2021-2022**



01/19/2022

**NORTH BRUNSWICK TOWNSHIP BOARD OF EDUCATION
NORTH BRUNSWICK, NEW JERSEY**

ROSTER OF OFFICIALS

June 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Barry Duran Harris, President	2022
David R. Brockman, Vice President	2024
Elesia James	2023
Coleen Keefe	2022
Richard Liguori	2023
Dr. Paraji Patel (unexpired seat)	2024
Hayley Toth	2023
Steven Wen	2024
Janell Zulick	2022

Other Officials

Janet Ciarrocca, Superintendent of Schools

Amy Kita, Assistant Superintendent

Gerald Seneski, Treasurer of School Funds

Rosa Hock, School Business Administrator/Board Secretary

**NORTH BRUNSWICK TOWNSHIP BOARD OF EDUCATION
NORTH BRUNSWICK, NEW JERSEY**

JUNE 30, 2022

Consultants and Advisors

Audit Firm

Gerard Stankiewicz, CPA, RMA, PSA
Samuel Klein and Company
36 West Main Street
Suite 303
Freehold, NJ 07728

Attorney

Jonathan Busch, Esq.
Busch Law Group, LLC
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Metuchen, NJ 08840

Official Depository

TD Bank
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East Brunswick, NJ 08816

FINANCIAL SECTION

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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FAX (732) 780-1030

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

Opinions

We have audited the accompanying financial statements of the governmental activities, the business type activities each major fund and the aggregate remaining fund information of the Board of Education of the North Brunswick Township School District, County of Middlesex, State of New Jersey, as of and for the year ended June 30, 2022 and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities each major fund and the aggregate remaining fund information of the Board of Education of the North Brunswick Township School 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), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for Audit of the Financial Statements section of our report. We are required to be independent of the Board of Education of the North Brunswick Township School 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Management's Responsibility for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information and schedule of the District's proportionate share of the net pension liability – PERS, schedule of District contributions, schedule of the State's proportionate share of the net pension liability associated with the District – TPAF, the District's proportionate share of the net OPEB Liability – PERS and TPAF and budgetary comparison information as identified in the table of contents be presented to supplement the basic financial statements.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the North Brunswick Township School District basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and the other information such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying Combining and Individual Fund Financial Statements and the Schedule of Expenditures of Federal Awards and State Financial Assistance are 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Combining and Individual Fund Financial Statements, Long-term Debt Schedules and the Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information identified above has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2023, on our consideration of the Board of Education of the North Brunswick Township School District internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 North Brunswick Township School District's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the North Brunswick Township School District internal control over financial reporting compliance.



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
March 6, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

Administrative Offices:
25 Linwood Place
North Brunswick, N.J. 08902
Tele. (732) 289-3000

District Web Site: www.nbtschools.org

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

UNAUDITED

Management's Discussion and Analysis

The discussion and analysis of North Brunswick Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999. Certain comparative information between the current year (2021-2022) and the prior year (2020-2021) is required to be presented in MD&A. The District has elected to prepare comparative data which includes prior year's financial statements.

Overview of Financial Statements

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

Financial Highlights

Key financial highlights for 2021-2022 are as follows:

- General revenues accounted for \$160,476,022 in revenue or 93.12% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and accounted for \$11,824,178 or 6.88% to total revenues of \$172,300,200.
- Total net position of governmental activities increased by \$9,515,893.
- The School District had \$164,675,919 in expenses, of which only \$11,824,178 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes of \$91,701,700 along with Federal and State aid, of \$66,928,235 were adequate to provide for these programs.
- The Governmental – General Fund had \$143,595,920 in revenues and \$141,751,400 in expenditures. The General Fund's fund balance increased \$1,487,470 compared to 2021, as adjusted.

Using this Annual Comprehensive Financial Report (ACFR)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole school district, presenting both an aggregate view of the School District's finances and a longer term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of the North Brunswick School District, the General Fund is by far the most significant.

Reporting the School District as a Whole

Comparative Statement of Net Position and Comparative Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2022?" The Comparative Statement of Net Position and the Comparative Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and change to those position. This change in net position is important because it tells the reader that, for the school district as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Comparative Statement of Net Position and the Comparative Statement of Activities, the School District is divided into two kinds of activities:

Governmental Activities — All of the School District's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Business Type Activities — This service is provided on a charge for goods or services basis to recover all the expenses of the goods and services provided. The Food Service enterprise fund is reported as a business activity. Other Business Type Activities are school facilities, integrated Pre-K, Summer Enrichment and After School.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

Reporting the School District's Most Significant Funds

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 three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

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

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

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

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund, special revenue fund and debt service fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 30-36 of this report.

Proprietary Funds

The District maintains one proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for the operations of its food service program, child care initiative, preschool enrichment and outside organization use of facilities. The basic proprietary fund financial statements can be found on pages 37-39 of this report.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found on pages 40-94 of this report.

Other Information

Combining fund statements can be found on pages 33-40 and schedules on pages 100-132 of this report.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of government's financial position.

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

The Statement of Net Position provides the financial perspective of the District as a whole. Table 1 provides a comparative summary of the School District's net position for 2022 and 2021.

Government-wide Financial Statements

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

The statement of net position presents information on all of the assets, deferred inflows and outflows and liabilities 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 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 flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave). The Government-wide financial statements can be found on pages 30-31 of this report.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

The Statement of Net Position provides the financial perspective of the District as a whole.

Table 1 provides a comparative summary of the School District's net position for 2022 and 2021.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$69,382,415 at the close of fiscal 2022. The following table provides a summary of net position at June 30, 2022 and 2021 relating to the District's governmental and business-type activities:

Table 1 – Comparative Summary of Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total School District</u>	
	<u>2021-2022</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2020-2021</u>
Assets						
Current and other assets	\$ 25,093,688	\$ 19,761,029	\$ 1,370,333	\$ 400,393	\$ 26,464,021	\$ 20,161,422
Capital assets, net	180,940,962	180,560,605	93,866	139,312	181,034,828	180,699,917
Total Assets	<u>\$ 206,034,650</u>	<u>\$ 200,321,634</u>	<u>\$ 1,464,199</u>	<u>\$ 539,705</u>	<u>\$ 207,498,849</u>	<u>\$ 200,861,339</u>
Deferred outflows of resources						
Loss on Defeasance of Bonds	\$ 526,519	\$ 900,893			\$ 526,519	\$ 900,893
Pension	3,459,316	5,305,142			3,459,316	5,305,142
Total Deferred outflows of resources	<u>\$ 3,985,835</u>	<u>\$ 6,206,035</u>			<u>\$ 3,985,835</u>	<u>\$ 6,206,035</u>
Liabilities						
Current and other liabilities	\$ 8,975,871	\$ 5,536,049	\$ 5,646		\$ 8,981,517	\$ 5,536,049
Net pension liability	16,035,665	21,867,154			16,035,665	21,867,154
Long-term liabilities outstanding	107,037,276	111,483,274			107,037,276	111,483,274
Total Liabilities	<u>\$ 132,048,812</u>	<u>\$ 138,886,477</u>	<u>\$ 5,646</u>	<u>\$ -</u>	<u>\$ 132,054,458</u>	<u>\$ 138,886,477</u>
Deferred inflow of resources						
Pension	<u>\$ 10,047,812</u>	<u>\$ 9,233,316</u>			<u>\$ 10,047,812</u>	<u>\$ 9,233,316</u>
Net Position						
Net investment in capital assets	\$ 78,288,063	\$ 73,856,712	\$ 93,866	\$ 139,312	\$ 78,381,929	\$ 73,996,024
Restricted	456,223	8,597,708			456,223	8,597,708
Unrestricted (deficit)	<u>(10,820,424)</u>	<u>(24,046,544)</u>	<u>1,364,687</u>	<u>400,393</u>	<u>(9,455,737)</u>	<u>(23,646,151)</u>
Total Net Position	<u>\$ 67,923,862</u>	<u>\$ 58,407,876</u>	<u>\$ 1,458,553</u>	<u>\$ 539,705</u>	<u>\$ 69,382,415</u>	<u>\$ 58,947,581</u>

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

The District's combined net position were \$69,382,415 on June 30, 2022. This is an increase of \$10,434,834 or 17.7% from the prior year.

The largest portion of the District's net position is its net investment in capital assets (e.g., land, construction-in-progress, buildings and improvements, and machinery, equipment and vehicles), less any related debt (bonds payable) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (namely, property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

Capital assets, net increased from the prior year due to the amount of new additions associated with the District's capital projects having exceeded the amount of depreciation of capital assets in the current year.

Long-term liabilities decreased due to the scheduled payment of principal on debt.

Restricted net position increased mainly due to the net increase in the capital reserve and maintenance reserve.

Unrestricted net position decreased mainly due to a planned higher level of expenditures. General fund encumbrances at June 30, 2022 totaled \$1,129,992 as compared with \$1,469,282 at June 30, 2021.

Encumbrances in the capital projects fund increased due to the award of a construction contract for the new middle school \$466,042 remain outstanding at June 30, 2022.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

Table 2 shows the comparative changes in net position from fiscal year 2022 and 2021.

Table 2 – Comparative Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total School District</u>	
	<u>2021-2022</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2020-2021</u>
Revenues:						
Program Revenues:						
Charges for Services			\$ 209,402	\$ 18,436	\$ 209,402	\$ 18,436
Operating Grants and Contributions	\$ 11,824,178	\$ 9,309,744	4,249,080	1,890,890	16,073,258	11,200,634
General Revenue:						
Property Taxes	91,701,700	91,163,284			91,701,700	91,163,284
Federal and State Aid	66,928,275	57,043,661			66,928,275	57,043,661
Miscellaneous	1,846,047	648,007			1,846,047	648,007
Total Revenue	172,300,200	158,164,696	4,458,482	1,909,326	176,758,682	160,074,022
Expenses:						
Instruction	83,217,556	77,671,922			83,217,556	77,671,922
Tuition	1,022,112	761,294			1,022,112	761,294
Student and Instruction Related Services	27,777,578	24,775,517			27,777,578	24,775,517
School Administration	13,034,110	8,243,511			13,034,110	8,243,511
General Administration	3,015,039	3,230,141			3,015,039	3,230,141
Operation and Maintenance of Facilities	14,596,409	12,788,529			14,596,409	12,788,529
Pupil Transportation	12,360,049	7,729,328			12,360,049	7,729,328
Interest on Debt	3,421,528	3,852,790			3,421,528	3,852,790
Charter Schools	6,231,538	5,078,028			6,231,538	5,078,028
Business Type Actives			3,539,634	1,811,033	3,539,634	1,811,033
Total Expenses	164,675,919	144,131,060	3,539,634	1,811,033	168,215,553	145,942,093
Special and Extraordinary Items, Net	1,891,612	(270,103)		7,985	1,891,612	(262,118)
Change in Net Position	\$ 9,515,893	\$ 13,763,533	\$ 918,848	\$ 106,278	\$ 10,434,741	\$ 13,869,811
Net Position - beginning	58,407,969	44,179,670	539,705	433,427	58,947,674	44,613,097
Prior Period Adjustment		464,673			-	464,673
Net Position, beginning as Adjusted	58,407,969	44,644,343	539,705	433,427	58,947,674	45,077,770
Net Position - ending	\$ 67,923,862	\$ 58,407,876	\$ 1,458,553	\$ 539,705	\$ 69,382,415	\$ 58,947,581

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

General Fund Budgetary Highlights

The District budget is prepared according to New Jersey Statutes. The most significant budgeted fund is the general fund. During the fiscal year, there were several differences between the original budget and the final amended budget as a result of transfers being applied to certain line items. These transfers were made between line items as part of the normal process as permitted by State guidelines. Readers should refer to Section C of the financial report for comparisons between actual and budgeted amounts.

Described on the next page are explanations for variations in revenues and expenditures for certain lines where the modified budgeted amounts differ from the original budget by significant amounts. All other fluctuations were considered immaterial and no explanations were deemed required.

Revenues

- Actual miscellaneous revenue was in excess of the modified budgeted amount by approximately \$182,324 or 73.67% as a result mostly of a refund of E-Rate Funds, Tuition and Insurance proceeds.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

Expenditures

- Total undistributed expenditures – other support service students related services – final budget was higher than the original by \$415,500 or 34.59%. Actual expenditures were \$1,549,393 or 93.83% of final budget. The increase in the budget was due to student needs.
- Total undistributed expenditures – other support students – student extra services final budget was less than the original by \$537,527 or 24.90%. Actual expenditures were \$1,039,160 or 82.49% of final budget. The decrease in the budget was due to less required services for students.
- Total undistributed expenditures – other required maintenance for school facilities – final budget was higher than the original by \$611,996 or 30.26%. Actual expenditures were \$2,306,206 or 87.56% of final budget. The increase in the budget was due to higher material costs and unanticipated repairs.
- Total undistributed expenditures – other operation of maintenance and plant – final budget was lower than the original by \$621,948 or 10.31% due to staff vacancies lower than anticipated cleaning and maintenance. Actual expenditures were \$5,915,332 or 98.09% of final budget.
- Undistributed – student transportation final budget was higher than the original budget by \$276,464 or 3.77%. Actual expenditures of \$7,510,972 represented 98.68% of budget.
- Undistributed – other operating and maintenance of plant expenditures were less than the final budget by \$621,948 or 9.35%, primarily due to lower than anticipated cleaning and maintenance costs. Actual expenditures were \$5,915,332 or 98.09% of the final budget.
- Total undistributed expenditures final budget was higher than the original budget by \$91,135 or .14%. Expenditures, net of on-behalf payments, were \$60,142,363 or 95.79% of final budget. This was aided by favorable health benefits and lower than anticipated operations and maintenance costs and student transportation services.
- The capital outlay portion of the budget was adjusted based on the needs of the District.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

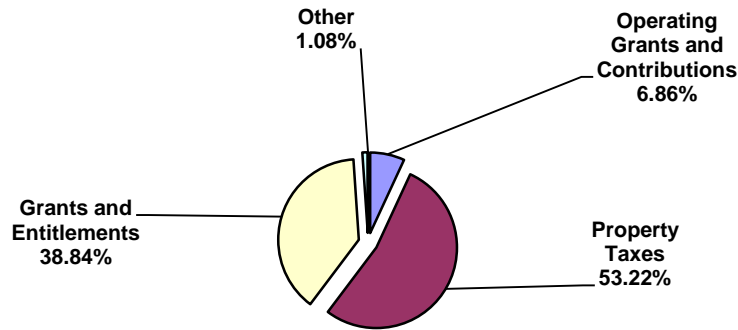
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

UNAUDITED – (CONTINUED)

Governmental Activities

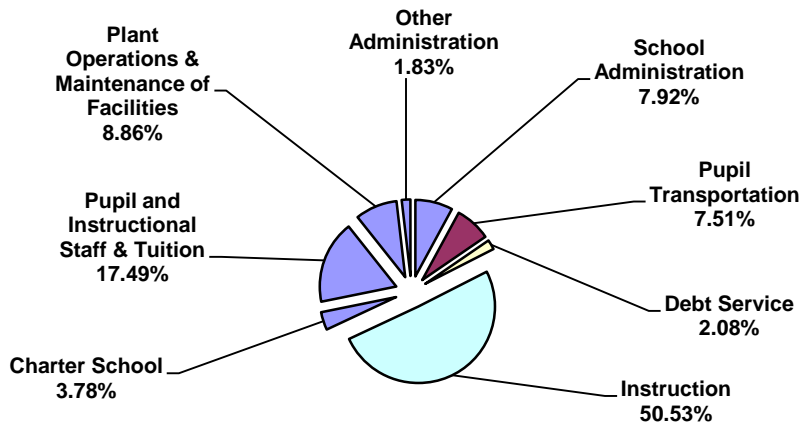
The unique nature of property taxes in New Jersey creates the legal requirement to annually seek voter approval for the School District operations. Property taxes of \$91,701,700 made up 57.14% of revenue for governmental activities for the North Brunswick School District for fiscal year 2022. Federal, state and local grants of \$78,752,453 accounted for another 41.71% of revenue. The District's total revenues were \$172,300,200 for the year ended June 30, 2022.

Revenue for Fiscal Year 2022



Expenses for Fiscal Year 2022

The total cost of all programs and services was \$164,675,919.



NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

Business-Type Activities

Food Service

- Revenues for the District's business-type activities for the food service program are comprised of charges for services and federal and state reimbursements.
- Food service expenditures exceeded revenues by \$771,570.
- Charges for services represent \$141,992 or 3.37% of revenue. This represents amounts paid by patrons for daily food service, as well as special functions.
- Federal and state reimbursement for meals, including payments for free and reduced priced lunches and donated commodities was \$4,070,107 or 96.63% of revenue.

School Facilities

- Operations were less than the prior year due to COVID restrictions.
- Revenues for the District's business-type activities for the school facilities program are comprised of charges for use of District's facilities.
- School facilities expenditures exceeded revenue by \$24,748.

Integrated Pre-K/Summer Enrichment

- Revenues for the District's business-type activities for the integrated pre-K/summer program are comprised of charges for pre-K/summer services.
- Integrated pre-k/summer expenditures exceeded revenues by \$6,946.
- Operations were lower than prior years.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

Governmental Activities

The Comparative Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3 - Comparative Statement of Activities

	Total Cost of Services			Net Cost of Services		
	<u>2021-2022</u>	<u>2020-2021</u>	<u>% Change</u>	<u>2021-2022</u>	<u>2020-2021</u>	<u>% Change</u>
Regular Instruction	\$ 48,552,151	\$ 43,926,951	10.53%	\$ 48,375,905	\$ 43,926,951	10.13%
Special Education	26,015,011	25,499,570	2.02%	20,687,321	19,975,974	3.56%
Other Special Education	6,254,339	6,195,446	0.95%	6,231,732	6,195,446	0.59%
Other Instruction	2,396,055	2,049,955	16.88%	2,387,394	2,049,955	16.46%
Tuition	1,022,112	761,294	34.26%	1,022,112	761,294	34.26%
Student and Instruction Related Services	27,777,578	24,775,517	12.12%	21,495,198	21,113,690	1.81%
General and Business Administrative Services	3,015,039	3,230,141	-6.66%	3,004,140	3,230,141	-7.00%
School Administrative Services	13,034,110	8,243,511	58.11%	12,986,794	8,243,511	57.54%
Plant Operations and Maintenance	14,596,409	12,788,529	14.14%	14,542,404	12,788,529	13.71%
Pupil Transportation	12,360,049	7,729,328	59.91%	12,315,370	7,729,328	59.33%
Charter Schools	6,231,538	5,078,028	22.72%	6,231,538	5,078,028	22.72%
Interest and Fiscal Charges	3,421,528	3,852,790	-11.19%	3,015,657	3,728,469	-19.12%
Total Expenses	\$ <u>164,675,919</u>	\$ <u>144,131,060</u>	<u>14.25%</u>	\$ <u>152,295,565</u>	\$ <u>134,821,316</u>	<u>12.96%</u>

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

Regular instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business operations include expenses associated with administrative and financial supervision of the District.

Plant operations and maintenance of facilities involve keeping the school grounds, buildings and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to school activities, as provided by State law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School district.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund and debt service fund presented in the fund-based statements), exclusive of the capital projects fund, are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$164,598,596 and expenditures exclusive of the capital projects fund \$162,977,549.

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 schedules present a comparative summary of the revenues of the general fund, special revenue fund and debt service fund for the fiscal years ended June 30, 2022 and June 30, 2021, and the amount of increase and decreases in relation to prior year revenues.

Comparative Summary of Revenues

Revenue	2021-2022		2020-2021		Increase/ (Decrease) from 2020-2021 to 2021-2022
	Amount	Percent of Total	Amount	Percent of Total	
Local Sources	\$ 93,297,047	56.68%	\$ 92,265,033	62.20%	\$ 1,032,014
State Sources	64,803,916	39.37%	50,626,571	34.13%	14,177,345
Federal Sources	6,497,633	3.95%	5,450,108	3.67%	1,047,525
	\$ 164,598,596	100.00%	\$ 148,341,712	100.00%	\$ 16,256,884

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

Local revenues increased by \$1,032,014. The increase in local revenue was due to an increase in the tax levy for 2021-2022, of \$538,416 and an increase in miscellaneous revenue of \$665,284.

Federal source revenues increased by \$1,047,245 due mostly to increase in COVID related revenue.

State sources revenue increased \$14,377,345 due mostly to an increase in on-behalf pension payments and offset with an increase in other state aid in the General Fund includes Pre-School Education Funding.

The following schedule presents a comparative summary of general fund, special revenue fund and debt service fund expenditures for the fiscal years ended June 30, 2022 and June 30, 2021, and the increases and decreases in relation to prior year amounts.

Comparative Summary of Expenditures

<u>Expenditures</u>	2021-2022		2020-2021		Increase/ (Decrease) from 2020-2021 to 2021-2022
	Amount	Percent of Total	Amount	Percent of Total	
Current Expense:					
Instruction	\$ 50,694,219	31.08%	\$ 46,603,643	33.37%	\$ 4,090,576
Undistributed Expenditures	92,380,290	56.61%	74,770,697	53.55%	17,609,593
Capital Outlay	4,554,166	2.79%	3,814,086	2.73%	740,080
Charter School	6,231,538	3.82%	5,078,028	3.64%	1,153,510
Debt Service:					
Principal	6,590,000	4.04%	6,258,000	4.48%	332,000
Interest	2,727,336	1.66%	3,116,362	2.23%	(389,026)
	\$ 163,177,549	100.00%	\$ 139,640,816	100.00%	\$ 23,536,733

Changes in expenditures were the results of varying factors. Current expense increased due to increased personnel and benefits costs, additional students and capital projects.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

General Fund Budgeting Highlights

The School District's budget is prepared in accordance with New Jersey Law, and is based on accounting for certain transactions on a cash basis of receipts, disbursements and encumbrances. The most significant fund is the General Fund.

Over the course of the year, the District revised via transfer the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts.

Capital Assets

At the end of the fiscal year 2022, the School District had \$176,285,417 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2022 balances compared to 2021.

Table 4 - Capital Assets (Net of Depreciation) at June 30

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total School District</u>	
	<u>2021-2022</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2020-2021</u>
Land	\$ 10,865,232	\$ 10,865,232			\$ 10,865,232	\$ 10,865,232
Construction in Progress	15,220,144	13,305,381			15,220,144	13,305,381
Building and Building Improvements	145,689,704	150,175,692			145,689,704	150,175,692
Machinery and Equipment	<u>6,243,403</u>	<u>6,214,300</u>	\$ 93,867	\$ 139,312	<u>6,337,270</u>	<u>6,353,612</u>
Total Capital Assets - Net of Depreciations	<u>\$ 178,018,483</u>	<u>\$ 180,560,605</u>	<u>\$ 93,867</u>	<u>\$ 139,312</u>	<u>\$ 178,112,350</u>	<u>\$ 180,699,917</u>

Refer to Notes to Financial Statements (Note 6) for more detailed information.

Overall Governmental Activities capital assets decreased by \$2,542,122 from fiscal year 2021 to fiscal year 2022. The increase in capital assets is due to the acquisition of various assets and construction in progress as a result of a voter approved referendum to construct a new middle school in excess of annual depreciation.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

Debt Administration

At the end of the fiscal year 2022, the School District had noncurrent outstanding debt as follows:

Table 5 – Debt Administration

	June 30,	
	<u>2022</u>	<u>2021</u>
Compensated Absences	\$ 3,857,857.65	\$ 3,878,488
Capital Leases	12,200,000	12,860,000
Serial Bonds	87,920,000	94,510,000
Copy Machine Lease	<u>200,756</u>	<u>394,173</u>
Totals	<u>\$ 104,178,614</u>	<u>\$ 111,642,661</u>

Refer to Notes to Financial Statements (Note 7) for more detailed information.

For the Future

The school district is proud of the support that the community has demonstrated with the approval of the \$77.4 million referendum to address the district's overcrowded schools. The referendum included funding to build the North Brunswick Township Middle School, which opened in September 2020, housing 7th and 8th grades. Linwood School was renovated to house 5th and 6th grades, the new Early Childhood Center, and the Board of Education/Central Office. The board was seeking relief for its current overcrowded schools as well as the flexibility of meeting the projected increases in enrollment due to the approved Transit Village that is currently being built on the former Johnson & Johnson property.

Charter Schools is an area of concern. Charter Schools is projected to have enrollment of nearly 500 students by FY24 by recruiting selective students to fill out their rosters. This expense has had a detrimental impact on the District's budget.

The North Brunswick Township School District has committed itself to financial excellence for many years. The district systems for financial planning, budgeting, and internal financial controls are well tested and highly regarded. The school district is unwavering in its practice of sound fiscal management to meet the challenges of the future.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

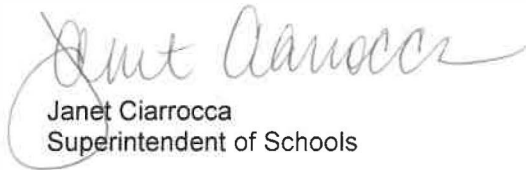
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

UNAUDITED – (CONTINUED)

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. Questions regarding this report or if additional information is needed, kindly contact the School Business Administrator's Office at the North Brunswick Township School District, P.O. Box 6016, North Brunswick Township, NJ 08902.

Respectfully submitted, .



Janet Ciarrocca
Superintendent of Schools



Rosa Hock
Business Administrator/Board Secretary

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
<u>ASSETS</u>	<u>Activities</u>	<u>Activities</u>	
Cash and Cash Equivalents	\$ 18,184,704	\$ 1,022,889	\$ 19,207,593
Receivables - Net	6,036,381	262,502	6,298,883
Inventory		84,942	84,942
Restricted Assets:			
Cash and Cash Equivalents	872,603		872,603
Capital Assets, Net			
Nondepreciable	26,085,376		26,085,376
Depreciable	151,933,107	93,866	152,026,973
Right of Use	2,922,479		2,922,479
Total Assets	<u>\$ 206,034,650</u>	<u>\$ 1,464,199</u>	<u>\$ 207,498,849</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Loss on Defeasance of Debt	\$ 526,519		\$ 526,519
Pension	3,459,316		3,459,316
	<u>\$ 3,985,835</u>		<u>\$ 3,985,835</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 6,403,207	\$ 5,646	\$ 6,408,853
Other Current Liabilities	107,266		107,266
Intergovernmental Accounts Payable	50,945		50,945
Unearned Revenue	1,144,605		1,144,605
Accrued Interest	1,269,848		1,269,848
Net Pension Liability	16,035,665		16,035,665
Noncurrent Debt:			
Due Within One Year	8,906,276		8,906,276
Due Beyond One Year	98,131,000		98,131,000
Total Liabilities	<u>\$ 132,048,812</u>	<u>\$ 5,646</u>	<u>\$ 132,054,458</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension	<u>\$ 10,047,812</u>		<u>\$ 10,047,812</u>
<u>NET POSITION</u>			
Invested in Capital Assets	\$ 78,288,063	\$ 93,866	\$ 78,381,929
Restricted	456,223		456,223
Unrestricted (Deficit)	(10,820,424)	1,364,687	(9,455,737)
Total Net Position	<u>\$ 67,923,862</u>	<u>\$ 1,458,553</u>	<u>\$ 69,382,415</u>

See accompanying notes to financial statements.

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 48,552,151			\$ (48,552,151)		\$ (48,552,151)
Special Education	26,015,011		\$ 5,233,651	(20,781,360)		(20,781,360)
Other Special Education	6,254,339			(6,254,339)		(6,254,339)
Other Instruction	2,396,055			(2,396,055)		(2,396,055)
Support Services:						
Tuition	1,022,112			(1,022,112)		(1,022,112)
Student and Instruction Related Services	27,777,578		6,184,656	(21,592,922)		(21,592,922)
General Administrative Services	3,015,039			(3,015,039)		(3,015,039)
School Administrative Services	13,034,110			(13,034,110)		(13,034,110)
Plant Operations and Maintenance	14,596,409			(14,596,409)		(14,596,409)
Pupil Transportation	12,360,049			(12,360,049)		(12,360,049)
Charter Schools	6,231,538			(6,231,538)		(6,231,538)
Interest on Long Term Debt	3,421,528		405,871	(3,015,657)		(3,015,657)
Total Governmental Activities	\$ 164,675,919		\$ 11,824,178	\$ (152,851,741)		\$ (152,851,741)
Business-Type Activities:						
Food Service	\$ 3,440,529	\$ 141,992	\$ 4,249,080		\$ 950,543	\$ 950,543
School Facilities	86,665	61,917			(24,748)	(24,748)
Integrated Pre-K/Summer Enrichment	12,440	5,493			(6,947)	(6,947)
Total Business-Type Activities	\$ 3,539,634	\$ 209,402	\$ 4,249,080		\$ 918,848	\$ 918,848
Total Primary Government	\$ 168,215,553	\$ 209,402	\$ 16,073,258	\$ (152,851,741)	\$ 918,848	\$ (151,932,893)
General Revenues						
Property Taxes Levied for:						
General Purposes				\$ 83,260,683		\$ 83,260,683
Debt Service				8,441,017		8,441,017
Federal and State Aid Not Restricted				66,928,275		66,928,275
Miscellaneous Income				1,846,047		1,846,047
Total General Revenues				\$ 160,476,022		\$ 160,476,022
Excess (Deficit) of Revenue over Expenditures				7,624,281	918,848	8,543,129
Special and Extraordinary Items				1,891,612		1,891,612
Change in Net Position				\$ 9,515,893	\$ 918,848	\$ 10,434,741
Net Position - Beginning				58,407,969	539,705	58,947,674
Net Position - Ending				\$ 67,923,862	\$ 1,458,553	\$ 69,382,415

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 18,559,379		\$ 191,836	\$ 208,902	\$ 18,960,117
Cash with Fiscal Agents			872,603		872,603
Intergovernmental Accounts Receivable	2,721,632	\$ 2,413,738			5,135,370
Prepaid Expense					
Interfunds Receivable				12,151	12,151
Other Receivables	<u>229,103</u>	<u>365,023</u>	<u>306,885</u>		<u>901,011</u>
Total Assets	<u>\$ 21,510,113</u>	<u>\$ 2,778,761</u>	<u>\$ 1,371,324</u>	<u>\$ 221,053</u>	<u>\$ 25,881,251</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Cash and Cash Equivalent		\$ 775,413			\$ 775,413
Accounts Payable	\$ 4,034,341	642,157			4,676,498
Other Current Liabilities	107,266				107,266
Intergovernmental Accounts Payable	37,659	13,286			50,945
Interfunds Payable				12,151	12,151
Unearned Revenue	<u>9,844</u>	<u>985,598</u>	<u>149,163</u>		<u>1,144,605</u>
Total Liabilities	<u>\$ 4,189,110</u>	<u>\$ 2,416,454</u>	<u>\$ 161,314</u>		<u>\$ 6,766,878</u>
Fund Balances					
Restricted:					
Capital Reserve	\$ 10,549,970				\$ 10,549,970
Maintenance Reserve	5,619,271				5,619,271
Debt Service				\$ 221,053	221,053
Student Activities		\$ 416,696			416,696
Scholarship		39,527			39,527
Committed for Yearend Encumbrances	1,129,992		\$ 1,175,541		2,305,533
Special Revenue Fund (Deficit)		(93,916)			(93,916)
Unassigned	<u>21,770</u>		<u>34,469</u>		<u>56,239</u>
Total Fund Balances	<u>\$ 17,321,003</u>	<u>\$ 362,307</u>	<u>\$ 1,210,010</u>	<u>\$ 221,053</u>	<u>\$ 19,114,373</u>
Total Liabilities and Fund Balance	<u>\$ 21,510,113</u>	<u>\$ 2,778,761</u>	<u>\$ 1,371,324</u>	<u>\$ 221,053</u>	<u>\$ 25,881,251</u>

See accompanying notes to financial statements

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022

	<u>Total Governmental Funds</u>
Total Fund Balances above	\$ 19,114,373
 Amounts reported for <i>governmental activities</i> 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 governmental funds. The cost of capital assets is \$257,268,724.00 and the accumulated depreciation is \$79,919,008.00. (see Note 5)	178,018,483
Deferred loss on defeasance of debt, unamortized (see Note 7D)	526,519
Lease assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost basis of the asset is \$4,433,131 and the accumulated amortization is \$1,510,652.47. (See note 5)	2,922,479
Noncurrent liabilities, including compensated absences and lease obligation are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 7)	(107,037,275)
Certain liabilities are not due and payable in the current period, and therefore are not reported in the funds:	
Accrued Interest Payable (Accrued interest is a current liability that will be paid from the debt service fund. Therefore, the liability reduces the restricted for debt service net asset balance.)	(1,269,847)
Accrued Pension Liability (Accrued pension is a current liability that will be paid from the general fund, attributed to the fiscal year ending June 30th, 2020, however will be raised in the budget for the fiscal year ending June 30th, 2022)	(1,726,709)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds. (See Note 9)	<u>(22,624,161)</u>
Net position of governmental activities (A-1)	<u>\$ 67,923,862</u>

See accompanying notes to financial statements

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<u>REVENUES</u>					
Local sources:					
Local tax levy	\$ 83,260,683			\$ 8,441,017	\$ 91,701,700
Transportation Fees	61,775				61,775
Interest on Investments	1,000		\$ 12,400		13,400
Miscellaneous	429,824	\$ 1,102,748	238,300		1,770,872
Total - Local Sources	\$ 83,753,282	\$ 1,102,748	\$ 250,700	\$ 8,441,017	\$ 93,547,747
State Sources	59,620,651	4,777,394		405,871	64,803,916
Federal Sources	221,987	6,275,646			6,497,633
Total Revenues	\$ 143,595,920	\$ 12,155,788	\$ 250,700	\$ 8,846,888	\$ 164,849,296
<u>EXPENDITURES</u>					
Current:					
Regular Instruction	\$ 29,628,696				\$ 29,628,696
Special Education Instruction	11,203,424	\$ 4,605,415			15,808,839
Other Special Instruction	3,800,646				3,800,646
Other Instruction	1,456,038				1,456,038
Support Services and Undistributed Costs:					
Tuition	1,022,112				1,022,112
Student and Instruction Related Services	10,987,273	5,441,197			16,428,470
Other Administrative Services	1,832,183				1,832,183
School Administrative Services	7,954,196				7,954,196
Plant Operations and Maintenance	9,078,853				9,078,853
Pupil Transportation	7,510,972				7,510,972
Employee Benefits	46,981,809	1,371,695			48,353,504
Transfer to Charter Schools	6,231,538				6,231,538
Debt Service:					
Principal				\$ 6,590,000	6,590,000
Interest				2,727,336	2,727,336
Capital Outlay	4,063,660	490,506	\$ 297,902		4,852,068
Total Expenditures	\$ 141,751,400	\$ 11,908,813	\$ 297,902	\$ 9,317,336	\$ 163,275,451

See accompanying notes to financial statements

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 1,844,520	\$ 246,975	\$ (47,202)	\$ (470,448)	\$ 1,573,845
Other Financing Sources/(Uses):					
Transfer In/(Out)					
Transfer From General Fund	(357,049)	50,165	306,884		
Transfer to/(from) Capital Projects			(12,151)	12,151	
Total Other Financing Sources (Uses)	<u>(357,049)</u>	<u>50,165</u>	<u>294,733</u>	<u>12,151</u>	
Net Change in Fund Balances	\$ 1,487,470	\$ 297,140	\$ 247,531	\$ (458,297)	\$ 1,573,845
Prior Period Adjustment					
Fund Balance - July 1	<u>15,833,533</u>	<u>65,167</u>	<u>592,646</u>	<u>679,350</u>	<u>17,170,696</u>
Fund Balance - June 30	<u>\$ 17,321,003</u>	<u>\$ 362,307</u>	<u>\$ 840,177</u>	<u>\$ 221,053</u>	<u>\$ 18,744,541</u>

See accompanying notes to financial statements

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Total Net Change in Fund Balance - Governmental Funds (from B-2) \$ 1,573,845

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 depreciated expense. This is the amount by which capital outlays exceeded depreciation in the period.

Capital outlay	\$	4,852,068	
Write-off of Capital Assets		(1,671,614)	
Depreciation expense		(5,726,364)	
Amortization expense		(1,786,812)	
Miscellaneous Adjustments		<u>2,160,323</u>	
			(2,172,399)

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 represents the following related to the premiums on bonds.

Amortization of premium	97,866
-------------------------	--------

Governmental funds report the effect of defeasances and similar items when the debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This represents the following related to the deferred loss of refunding.

Amortization of deferred loss	(374,374)
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

6,590,000

Repayment of lease principal of ESIP

660,000

In the statement of activities, interest on noncurrent debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation.

90,620

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 reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.

20,630

Net pension obligation related to PERS which is attributable to June 30, 2020 (*the measurement date*) not reported in governmental funds; however, it is reported in the statement of activities.

3,029,705

Change in Net Position of Governmental Activities (A-2)

\$ 9,515,893

See accompanying notes to financial statements

**PROPRIETARY FUNDS –
ENTERPRISE FUNDS**

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUNDS - ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2022

<u>ASSETS</u>	<u>Food Service</u>	<u>School Facilities</u>	<u>Integrated Pre-K/Summer Enrichment</u>	<u>Total Enterprise</u>
Current assets:				
Cash and cash equivalents	\$ 913,862	\$ 6,332	\$ 102,695	\$ 1,022,889
Accounts receivable:				
State	4,335			4,335
Federal	253,762			253,762
Other		4,405		4,405
Inventories	84,942			84,942
Total current assets	<u>\$ 1,256,902</u>	<u>\$ 10,737</u>	<u>\$ 102,695</u>	<u>\$ 1,370,333</u>
Noncurrent assets:				
Furniture, machinery and equipment	\$ 627,182	\$ 211,796	\$ 139,787	\$ 978,765
Less: accumulated depreciation	<u>626,843</u>	<u>133,871</u>	<u>124,184</u>	<u>884,898</u>
Total noncurrent assets	<u>\$ 338</u>	<u>\$ 77,925</u>	<u>\$ 15,603</u>	<u>\$ 93,866</u>
Total assets	<u>\$ 1,257,240</u>	<u>\$ 88,662</u>	<u>\$ 118,298</u>	<u>\$ 1,464,200</u>
 <u>LIABILITIES</u> 				
Current Liabilities:				
Accounts Payable:		<u>\$ 5,646</u>		<u>\$ 5,646</u>
Total Liabilities		<u>\$ 5,646</u>		<u>\$ 5,646</u>
 <u>NET POSITION</u> 				
Net investment in capital assets	\$ 338	\$ 77,925	\$ 15,603	\$ 93,866
Unrestricted	<u>1,256,902</u>	<u>5,091</u>	<u>102,694</u>	<u>1,364,687</u>
Total net position	<u>\$ 1,257,240</u>	<u>\$ 83,016</u>	<u>\$ 118,298</u>	<u>\$ 1,458,554</u>

See accompanying notes to financial statements

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities			Total Enterprise
	Enterprise Fund			
<u>OPERATING REVENUES</u>	<u>Food Service</u>	<u>School Facilities</u>	<u>Integrated Pre-K/Summer Enrichment/</u>	
Local Sources:				
Daily sales - reimbursable programs:				
School lunch program	\$ 141,992			\$ 141,992
Tuition and services		\$ 61,917	5,494	67,410
 Total operating revenues	<u>\$ 141,992</u>	<u>\$ 61,917</u>	<u>5,494</u>	<u>\$ 209,402</u>
 <u>OPERATING EXPENSES</u>				
Cost of sales - reimbursable programs	\$ 1,525,890			\$ 1,525,890
Cost of sales - non-reimbursable programs	41,215			41,215
Salaries	1,183,752	\$ 54,046		1,237,798
Employee benefits	326,999			326,999
Insurance	38,014			38,014
Repairs and maintenance	41,940			41,940
General supplies	40,665	6,482		47,147
Depreciation	6,868	26,137	\$ 12,440	45,445
Management Fee	201,797			201,797
Other	33,389			33,389
 Total operating expenses	<u>\$ 3,440,529</u>	<u>\$ 86,665</u>	<u>\$ 12,440</u>	<u>\$ 3,539,633</u>
 Operating income/(loss)	<u>\$ (3,298,537)</u>	<u>\$ (24,748)</u>	<u>\$ (6,946)</u>	<u>\$ (3,330,232)</u>
 <u>NONOPERATING REVENUES</u>				
State sources:				
State school lunch program	\$ 65,366			\$ 65,366
Federal sources:				
National school lunch program	2,952,708			2,952,708
After School Snack	17,497			17,497
National breakfast program	951,345			951,345
Commodities Donated	259,029			259,029
Administrative Reimbursement	3,135			3,135
 Total nonoperating revenues	<u>\$ 4,249,080</u>			<u>\$ 4,249,080</u>
 Change in net position	\$ 950,543	\$ (24,748)	\$ (6,946)	\$ 918,849
Total net position - beginning	<u>306,697</u>	<u>107,764</u>	<u>125,244</u>	<u>539,705</u>
Total net position - ending	<u>\$ 1,257,240</u>	<u>\$ 83,016</u>	<u>\$ 118,298</u>	<u>\$ 1,458,554</u>

See accompanying notes to financial statements

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUNDS - ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities Enterprise Fund			
	<u>Food Service</u>	<u>School Facilities</u>	<u>Integrated Pre-K/Summer Enrichment/</u>	<u>Total Enterprise</u>
<u>Cash Flows from Operating Activities</u>				
Receipts from Customers	\$ 141,992	\$ 57,513	\$ 5,494	\$ 204,999
Payments to Employees	(1,183,752)	(54,046)		(1,237,798)
Payments for Employee Benefits	(326,999)			(326,999)
Payments to Suppliers	(1,706,347)	(836)		(1,707,184)
Payment for Management Fee	(201,797)			(201,797)
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (3,276,903)</u>	<u>\$ 2,630</u>	<u>\$ 5,494</u>	<u>\$ (3,268,779)</u>
<u>Cash Flows from Noncapital Financing Activities</u>				
State Sources	\$ 67,637			\$ 67,637
Federal Sources	4,084,004			4,084,004
Net Cash Provided by Noncapital Financing Activities	<u>\$ 4,151,641</u>			<u>\$ 4,151,641</u>
Net Increase in Cash and Cash Equivalents	\$ 874,738	\$ 2,630	5,494	\$ 882,862
Balances - Beginning of Year	39,124	3,702	\$ 97,201	140,027
Balances/(Overdraft) - End of Year	<u>\$ 913,862</u>	<u>\$ 6,332</u>	<u>\$ 102,695</u>	<u>\$ 1,022,889</u>
<u>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities</u>				
Operating Gain/(Loss)	<u>\$ (3,298,537)</u>	<u>\$ (24,748)</u>	<u>\$ (6,946)</u>	<u>\$ (3,330,231)</u>
Adjustments to Reconcile Operating Loss to Cash Provided/(Used) by Operating Activities:				
Depreciation	\$ 6,868	\$ 26,137	\$ 12,440	\$ 45,445
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable		(4,405)		(4,405)
(Increase)/Decrease in Inventories	14,766			14,766
(Increase)/Decrease in Accounts Payable		5,646		5,646
Total Adjustments	<u>\$ 21,634</u>	<u>\$ 27,378</u>	<u>\$ 12,440</u>	<u>\$ 61,452</u>
Net Cash Provided by/(Used for) by Operating Activities	<u>\$ (3,276,903)</u>	<u>\$ 2,630</u>	<u>\$ 5,494</u>	<u>\$ (3,268,779)</u>

See accompanying notes to financial statements

NOTES TO THE FINANCIAL STATEMENTS

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The North Brunswick Township School District (the "District") is a Type II 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 (9) members elected to three (3) year terms. The purpose of the District is to educate students in grades pre-K-12. The District had an approximate enrollment at June 30, 2022 of 5933 students.

A reporting entity is comprised of the primary government, component units and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation (Continued)

1. Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

1. Governmental Funds

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

General Fund – The General Fund is the general operating fund of the District. It 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 noninstructional equipment that are classified in the Capital Outlay subfund. The General Fund also includes the payroll agency, payroll net and the flexible spending accounts.

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund – The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes. The Special Revenue Fund also includes the scholarship and student activity accounts.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

1. Governmental Funds (Continued)

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

2. Proprietary Fund Type

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

Enterprise Fund – The Enterprise Fund is utilized 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 (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the following:

Food Service: This fund provides for the cafeteria operation in all schools within the school district.

Integrated Pre-K/Summer Enrichment: This fund provides for the attendance of regular education students within the preschool program and for the Summer Enrichment program.

School Facilities: This fund provides for usage of school facilities within the school district.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

2. Proprietary Fund Type (Continued)

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

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of the equipment used in the operations of the Enterprise Funds are approximately 10 years.

C. Measurement Focus

1. Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement on Net Position.

2. Fund Financial Statements

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

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Fund equity (i.e., net position) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general noncurrent debt which are recorded when due.

Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the winter of each year for the general, special revenue, and debt service funds. The budgets are approved and voted on by the Board of Education of the District, submitted to the County office for approval and if determined to be within the allowable tax levy cap and within the allowable appropriation cap, become effective upon the holding of a public hearing and final adoption by the District. In accordance with P.L. 2011, c.202, which became effective 17, 2012, the district elected to move the annual School Board election to the date of the November general election thereby eliminating the vote on the annual base budget. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C 6A:23A-2.3 (et seq.). All budget amendments must be approved by School Board resolution and certain others require approved by the County Superintendent of Schools. Budgetary transfers were made during the current year in accordance with statutory guidelines. The amendments made by the District were part of the normal course of operations.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets/Budgetary Control (Continued)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment 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. Unencumbered appropriations lapse at fiscal year end.

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

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

The following presents a reconciliation of the General Fund revenue and Special Revenue Fund revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

F. Encumbrances

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

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a 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.

2. Inventories and Prepaid Expenses

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

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

3. Allowance for Uncollectible Accounts

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

4. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

5. Tuition Payable

Tuition charges for the fiscal years 2020-2021 and 2021-2022 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

6. 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.

7. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$2,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

7. Capital Assets (Continued)

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method under the half year convention over the following useful lives:

<u>Asset Class</u>	<u>Estimated Lives</u>
School Buildings	50 years
Building Improvements	20 years
Electrical/Plumbing	30 years
Vehicles	6-8 years
Office and Computer Equipment	5-20 years
Instructional Equipment	5-10 years
Grounds Equipment	5-15 years
Food Service Equipment	7-20 years

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

9. Compensated Absences

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

The entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

9. Compensated Absences (Continued)

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

10. Accrued Liabilities and Noncurrent Obligations

All payables, accrued liabilities and noncurrent obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the governmental funds. However, the noncurrent portion of capital leases, compensated absences and bonds payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources. 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.

11. Deferred Loss on Refunding of Debt

Deferred loss on refunding arising from the issuance of the 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.

12. Net Position

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

13. Unearned (Deferred) Revenue

Unearned revenue in all funds represents program revenues that have been received but not yet earned. In the case of Food Service Fund, it is unused food distribution and student deposits for purchasing food in a future period.

14. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

15. Fund Balance

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB No. 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 No. 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five (5) categories, as defined below:

- a. 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, noncurrent receivables and corpus of any permanent funds.
- b. Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.
- c. 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 revised or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- d. 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.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

15. Fund Balance (Continued)

- e. 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 position 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.

16. Proprietary Funds Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise fund, (the Food Service) are charges to customers for sales of food service. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

17. Rebatable Arbitrage

Rebatable arbitrage results from investing the proceeds of borrowed funds either directly or indirectly into investments that are higher in yield than the bond yield incurred on the borrowed funds. In accordance with GASB No. 34, rebatable arbitrage is treated like a claim or judgment. All interest income is reported as revenue of the capital projects fund. The liability, if any, is recorded as an accrued arbitrage rebate.

18. Non-Monetary Transactions

Commodities received under the Federal Food Distribution Program are received by the district and are recorded as nonoperating revenue when received in the food service enterprise fund at market value. The use of the commodities is included in cost of sales.

19. Allocation of Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified and allocated by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is reported separately on the Statement of Activities. No expenses were allocated as "Indirect Expenses".

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

20. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

21. Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District implemented GASB Statement No. 68. This Statement amends GASB Statement No. 27. The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB Statement No. 68. GASB Statement No. 68 relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement No. 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources. In addition, Statement No. 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events.

22. Accounting and Financial Reporting for Other Post-Employment Benefits ("OPEB")

In 2018 the District implemented GASB Statement No. 75 which addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, revenues and expense/expenditures. The Statement GASB Statement No. 45 supersedes Accounting and Financial Reporting for Post-Employment Benefits with other than Pension.

The participating local education employer allocations included in the supplemental schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

23. GASB Statement No. 84 Fiduciary Activities

The District implemented GASB Statement No. 84 Fiduciary Activities on July 1, 2020. The objective of this Statement is to improve reporting regarding fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities. The District reclassified the payroll agency, payroll net and flexible spending accounts to the General Fund. The Special Revenue Fund was adjusted to include student activity and scholarship accounts. There was no adverse impact on the financial statements of the District.

24. GASB Statement No. 87 Leases

In June 2017 the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The District policy for lease is that all assets are capitalized. The District amortization is based on the maturity schedule which approximates the useful life of an asset. The lease liability is calculated using future lease payments, discounted the interest rate the lessor charges the lessee. If the interest rate cannot be readily determined by the lessee, the District uses the estimated incremental borrowing rate.

25. 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.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Other Accounting Standards

- *GASB Statement No. 91. Conduit Debt Obligations.* The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The District does not expect this Statement to impact its financial statements.

- *GASB Statement 92. Omnibus 2020.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

Effective Date: The requirements of this Statement are effective as follows:

(a) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.

(b) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.

(c) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.

(d) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020. Implementation has been postponed to June 15, 2021. The District does not expect this Statement to impact its financial statement.

- *GASB Statement 93. Replacement of Interbank Offered Rates.* The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR).

Effective Date: The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged. The District does not expect this Statement to impact its financial statement.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Other Accounting Standards (Continued)

- *GASB Statement 94. Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 and all PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated). Implementation has been postponed to June 15, 2021. The District does not expect this Statement to impact its financial statement.

- *GASB Statement 95. Postponement of the Effective Dates of Certain Authoritative Guidance.* The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2019 and later.

Effective Date: The requirements of this Statement are effective immediately. The District does not expect this Statement to impact its financial statement.

- *GASB Statement 96. Subscription-Based Information Technology Arrangements.* This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Other Accounting Standards (Continued)

- *GASB Statement 97. Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32.* The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

Effective Date: The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

- *GASB Statement 99. Omnibus 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 practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.
- Clarification of provisions in Statement No. 87, *Leases*.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Other Accounting Standards (Continued)

- *GASB Statement 99. Omnibus 2022 (Continued)*
 - Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*.
 - *Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for accounting for the distribution benefits (SNAP).*
 - Disclosures related to nonmonetary transactions.
 - Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position.
 - Terminology used in Statement 53 to refer to resource flows statements.

Effective Date: The requirements of this Statement that are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPSs, and SBITAs are effective for fiscal years beginning after June 15, 2022 and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023 and all reporting periods thereafter.

- *GASB Statement 100. Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62.* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

Effective Date: The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023 and all reporting periods thereafter. Earlier application is encouraged.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Other Accounting Standards (Continued)

- *GASB Statement 101*. Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after December 15, 2023 and all reporting periods thereafter. Earlier application is encouraged.

I. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2022 through March 6, 2023, the date that the financial statements are issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less. Cash equivalents are defined as short-term, highly liquid securities that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only securities with original maturities of three (3) months or less meet this definition.

Investments are stated at cost, which approximates market. The District classifies certificates of deposit that have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments. The District is in compliance with GASB Statement No. 3 as amended by GASB Statement No. 40.

A. Deposits

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

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

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

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

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

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

	<u>Cash and Cash Equivalents</u>
Checking Accounts - Interest Bearing	\$ 21,433,582
Fiscal Agent	872,603
	\$ 22,306,185
Reconciliation:	
Governmental Funds	\$ 21,283,296
Proprietary Funds	1,022,889
	\$ 22,306,185

Of the total amount deposits of \$10,549,970 has been earmarked towards the Capital Reserve Account. Refer to Notes to Financial Statements Note 14.

Allocation of Cash and Cash Equivalents

Unrestricted	\$ 21,433,582
Restricted	872,603
	\$ 22,306,185

Custodial Credit Risk – The NJARM accounts are collateralized by U.S. government securities (both U.S. Treasury and Federal Agency) and other permitted money market instruments and not exposed to custodial credit risk. The checking accounts were on deposit in a bank which had the Government Unit Deposit Protection Act coverage (“GUDPA”) as of June 30, 2022 which minimizes credit risk.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

B. Investments

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

Custodial Credit Risk – The District had no securities as of June 30, 2022 that would be considered investments as defined by GASB Statement No. 3 as amended by GASB Statement No. 40.

4. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE

Intergovernmental Accounts Receivable at June 30, 2022 consisted of Federal source, State source, transportation, a local project and other revenue. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Financial Statements</u>	<u>Business Type Activities</u>
General Fund		
State Aid:		
Securing our Children's Fund	319,643	
Extraordinary Special Education Aid	2,079,269	
New Public Transportation	109,670	
TPAF FICA Reimbursement	189,356	
	<u>\$ 2,697,938</u>	
Other Receivables - from Non LEA Source	<u>\$ 229,103</u>	

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

4. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE (CONTINUED)

	<u>Governmental Fund</u> <u>Financial Statements</u>	<u>Business Type</u> <u>Activities</u>
Special Revenue Fund		
Federal Aid:		
Title I A	\$ 291,160	
Title I D	69,254	
Title II	44,186	
Title III Immigrant	18,333	
Title IV	1,317	
IDEA Part B Basic Regular	115,820	
IDEA Preschool	2,604	
Perkins	11,265	
CRRSA - ESSER II	844,277	
CRRSA - Learning Acceleration	15,246	
ARP ESSR III	946,420	
ARP Learning Acceleration	2,068	
ARP BSC	842	
ARP Mental Health	3,877	
ARP Basic	19,714	
ARP Homeless II	25,011	
	<u>2,411,394</u>	
Local Aid:		
ESCNJ - Refund NJ Non-Public Aid	2,344	
	<u>\$ 2,413,738</u>	
	<u>\$ 5,111,676</u>	
Proprietary Fund		
Enterprise Fund:		
State Source		<u>\$ 4,335</u>
Federal Source		<u>\$ 253,762</u>

5. INVENTORY

The value of Federal donated commodities as reflected on Schedule A of \$259,029 (required by the Single Audit Act) is the difference between market value and cost of the commodities at the date of the purchase and has been included as an item of nonoperating revenue in the financial statements. As of June 30, 2022, the federal donated commodities food inventory of \$23,099 was included in the year end food and supplies amount of \$84,942.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

6. CAPITAL ASSETS, NET

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers (Retirements)</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 10,865,232			\$ 10,865,232
Construction in Progress	13,305,381	\$ 1,914,763	-	15,220,144
Total capital assets not being depreciated	<u>24,170,613</u>	<u>1,914,763</u>	<u>-</u>	<u>26,085,376</u>
Capital assets being depreciated:				
Building and Building Improvements	218,237,665	371,047		218,608,712
Machinery and Equipment	12,226,592	898,432	\$ (550,388)	12,574,636
Total at historical cost	<u>230,464,257</u>	<u>1,269,479</u>	<u>(550,388)</u>	<u>231,183,348</u>
Less accumulated depreciation for:				
Building and Building Improvements	(68,061,973)	(4,857,035)		(72,919,008)
Machinery and Equipment	(6,012,292)	(869,329)	550,388	(6,331,233)
Total accumulated depreciation	<u>(74,074,265)</u>	<u>(5,726,364)</u>	<u>550,388</u>	<u>(79,250,241)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>156,389,992</u>	<u>(4,456,885)</u>	<u>-</u>	<u>151,933,107</u>
Governmental activities capital assets, net	<u>\$ 180,560,605</u>	<u>\$ (2,542,122)</u>	<u>-</u>	<u>\$ 178,018,483</u>
Right to Use - Leased assets:				
Lease equipment - copy machine	933,131			933,131
Lease equipment - other	5,878,000	1,000,000	(3,378,000)	3,500,000
Less: accumulated amortization				-
	<u>6,811,131</u>	<u>1,000,000</u>	<u>\$ (3,378,000)</u>	<u>4,433,131</u>
<u>Business-Type Activities:</u>				
Furniture, machinery and equipment	\$ 978,765			\$ 978,765
Less accumulated depreciation for:				
Furniture, machinery and equipment	(839,453)	\$ (45,445)		(884,898)
Business type activities capital assets, net	<u>\$ 139,312</u>	<u>\$ (45,445)</u>	<u>-</u>	<u>\$ 93,867</u>
<u>Detail of additions</u>				
<u>Governmental Activities:</u>				
General Fund		\$ 4,063,660		
Special Revenue Fund		490,506		
Capital Projects Fund		297,202		
Other:				
Less Lease Expense (ESIP)		<u>(1,667,126)</u>		
		<u>\$ 3,184,242</u>		

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

6. CAPITAL ASSETS, NET (CONTINUED)

Note: The July 1, 2021 beginning balance includes right-to-use assets due to the implementation of GASB Statement No. 87, *Leases*. The accounting standard states that it should be applied retroactively by restating beginning net position. However, due to the insignificant impact of this implementation to the District's capital assets – as well as the financial statements – as a whole, management deemed that a restatement of beginning net position related to GASB 87 was not considered necessary.

Depreciation expense was charged to functions as follows:

Regular Instruction	\$	1,814,617
Special Education Instruction		968,216
Other Special Instruction		232,772
Other Instruction		89,175
Support Services and Undistributed Cost:		
Student and Instruction Related Services		1,006,166
School Administrative Services		487,157
General and Business Administrative Services		112,213
Plant Operations and Maintenance		556,037
Pupil Transportation		<u>460,011</u>
Total	\$	<u><u>5,726,364</u></u>

7. UNEARNED REVENUE

Cash receipts that are earmarked for use in subsequent year as of June 30, 2022 is as follows:

General Fund:		
State Impact Aid	\$	<u>9,844.00</u>
Special Revenue Fund:		
CRRSA - ESSER II	\$	159,756.00 *
ARP ESSER III		780,795.00 *
Local		19,690.00
Soil Remediation		<u>25,357.00 *</u>
		<u>985,598.00</u>
Capital Projects Fund:	\$	<u>149,163.00</u>
Unexpended Lease Proceeds		<u><u>\$ 1,144,605.00</u></u>

* Items are actually encumbered (budgetary basis of accounting), however under GAAP are "Unearned Revenues".

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

8. NONCURRENT (LONG-TERM) DEBT

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>	<u>Noncurrent Portion</u>
<u>Governmental Activities:</u>						
Bonds Payable -						
General Obligation Debt	\$ 94,510,000		\$ 6,590,000	\$ 87,920,000	\$ 6,790,000	\$ 81,130,000
Add: Unamortized Premium on Bonds	<u>234,786</u>		<u>97,866</u>	<u>136,920</u>	<u>45,640</u>	<u>91,280</u>
	94,744,786		6,687,866	88,056,920	6,835,640	81,221,280
Lease:						
ESIP Finance	12,860,000		660,000	12,200,000	790,000	11,410,000
Other - Equipment etc.	3,508,554	\$ 1,000,000	1,786,812	2,721,742	694,094	2,027,648
Copy Machine	<u>394,173</u>		<u>193,417</u>	<u>200,756</u>	<u>200,756</u>	<u>200,756</u>
	<u>16,762,727</u>	<u>1,000,000</u>	<u>2,640,229</u>	<u>15,122,498</u>	<u>1,684,850</u>	<u>13,437,648</u>
Compensated						
Absences Payable	<u>3,878,488</u>	\$	<u>20,630</u>	<u>3,857,858</u>	<u>385,756</u>	<u>3,472,102</u>
	<u>\$ 115,386,001</u>	<u>\$ 1,000,000</u>	<u>\$ 9,348,725</u>	<u>\$ 107,037,276</u>	<u>\$ 8,906,246</u>	<u>\$ 98,131,030</u>

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

8. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

A. Bonds Payable

Bonds payable current outstanding is summarized as follows:

School District Refunding Bonds, Series 2014 (Portion of 2006 Bonds)

The District issued \$4,260,000 of bonds dated October 2, 2014 at a premium of \$502,039 in order to provide sufficient funds to refund \$4,431,000 the remaining portion of 2006 Series Bonds issued in the original principal amount of \$7,391,000 dated March 15, 2006 maturing on or after March 15, 2017. Annual maturities of \$455,000 to \$480,000 at interest rate of 4.00% with final maturity on March 15, 2026.

\$ 1,885,000

Optional Redemption: The bonds maturing prior to March 15, 2025 are not subject to redemption prior to their stated maturities. The bonds maturing on or after March 15, 2025 are redeemable at the option of the Board in whole or in part on any date on or after September 15, 2024 at 100% of the principal amount plus interest accrued to the date of redemption upon notice as required herein.

School District Bonds, Series 2017

The District issued bonds dated September 20, 2017 in the amount of \$35,000,000. The purpose of the bonds is to (i) provide \$15,000,000 to currently refund the Board's \$15,000,000 temporary notes dated January 18, 2017 and maturing October 18, 2017, originally issued to finance the acquisition of land for the construction of a new middle school; and (ii) permanently finance the acquisition of land, the associated design fees and the partial construction of a new middle school, including fixtures, furnishings and equipment; and (iii) to permanently finance design, partial construction costs including fixtures, furnishings and equipment associated with the renovation to the Linwood Middle School. The bonds are payable commencing September 15, 2018 through September 15, 2042 ranging in maturing of \$825,000 to \$1,650,000 at interest rates ranging from 2.5% to 3.0%.

\$ 31,700,000

Redemption: The bonds maturing prior to September 15, 2028 are not subject to redemption prior to maturity. The bonds maturing on or after September 15, 2028 shall be subject to redemption at the option of the Board, in whole or in part, on any date on or after September 15, 2027 at a price of 100% of the bonds to be redeemed, plus unpaid accrued interest to the date fixed for redemption.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

8. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

A. Bonds Payable (Continued)

Bonds payable current outstanding is summarized as follows: (Continued)

School District Bonds, Series 2019

The District issued bonds dated February 7, 2019 in the amount of \$42,348,000. The purpose of the bonds is to permanently finance the acquisition of land, the associated design fees and the partial construction of a new middle school, including fixtures, furnishings and equipment and to permanently finance design, partial construction costs including fixtures, furnishings and equipment associated with the renovation to the Linwood Middle School. The bonds are payable commencing August 15, 2020 through August 15, 2043, ranging in maturing of \$990,000 to \$1,900,000 at interest rates ranging from 3.125% to 3.625%.

\$ 40,365,000

Redemption: The bonds maturing prior to August 15, 2029 are not subject to redemption prior to their stated maturities. The bonds maturing on or after August 15, 2029 are redeemable at the option of the Board in whole or in part on any date on or after August 15, 2028 upon notice as required herein at par, plus in each case unpaid accrued interest to the date fixed for redemption.

School Refunding Bonds Series 2020A and Series 2020B

The Bonds are being issued for the purpose of currently refunding all of the outstanding callable principal amount of the originally issued \$17,865,000 Refunding School Bonds of the Board dated March 25, 2010 and maturing on or after July 15, 2021 which may be redeemed at the option of the District in whole or in part on or after July 15, 2020 upon required notice at a redemption price equal to the par amount of the 2010 Refunded Bonds to be redeemed plus accrued interest, if any, to the 2010 redemption date; advance refunding all of the outstanding callable principal amount of the originally issued \$23,540,000 Refunding School Bonds of the Board dated May 23, 2012 and maturing on or after July 15, 2023, which may be redeemed at the option of the District in whole or in part on January 15, 2022 at a redemption price equal to the par amount of the 2012 Refunded Bonds to be redeemed plus accrued interest, if any, to the 2012 redemption date; and paying the costs of issuance with respect to the bonds.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

8. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

A. Bonds Payable (Continued)

Bonds payable current outstanding is summarized as follows: (Continued)

School Refunding Bonds Series 2020A and Series 2020B (Continued)

School District Refunding Bonds 2020 Series A

The annual remaining maturity of \$2,295,000 finally due on July 15, 2022 at an interest rate of 4.0% \$ 2,295,000

Redemption: The Bonds are not subject to redemption prior to the stated maturities.

School District Refunding Bonds 2020 Series B [Federally Taxable]

The annual remaining maturities of \$2,225,000 to \$4,740,000 are due through January 15, 2025 at interest rates ranging from 0.567% to 0.707%.

Redemption: The Bonds are not subject to redemption prior to the stated maturities. \$ 11,675,000

TOTAL: \$ 87,920,000

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

8. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

A. Bonds Payable (Continued)

Debt service requirements on serial bonds payable are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 6,790,000	\$ 2,472,935	\$ 9,262,935
2024	6,995,000	2,341,541	9,336,541
2025	7,035,000	2,228,982	9,263,982
2026	4,060,000	2,082,813	6,142,813
2027	3,580,000	1,953,737	5,533,737
	<u>28,460,000</u>	<u>11,080,008</u>	<u>39,540,008</u>
2028	3,580,000	1,843,863	5,423,863
2029	3,580,000	1,733,987	5,313,987
2030	3,580,000	1,624,113	5,204,113
2031	3,580,000	1,513,000	5,093,000
2032	3,580,000	1,400,650	4,980,650
	<u>17,900,000</u>	<u>8,115,613</u>	<u>26,015,613</u>
2033	3,580,000	1,288,300	4,868,300
2034	3,580,000	1,175,950	4,755,950
2035	3,605,000	1,063,225	4,668,225
2036	3,630,000	949,750	4,579,750
2037	3,630,000	834,662	4,464,662
	<u>18,025,000</u>	<u>5,311,887</u>	<u>23,336,887</u>
2038	3,630,000	718,338	4,348,338
2039	3,630,000	600,775	4,230,775
2040	3,630,000	481,975	4,111,975
2041	3,630,000	363,175	3,993,175
2042	3,565,000	245,512	3,810,512
	<u>18,085,000</u>	<u>2,409,775</u>	<u>20,494,775</u>
2043	3,550,000	128,063	3,678,063
2044	1,900,000	34,438	1,934,438
	<u>5,450,000</u>	<u>162,501</u>	<u>5,612,501</u>
Total	\$ <u>87,920,000</u>	\$ <u>27,079,784</u>	\$ <u>114,999,784</u>

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

8. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

A. Bonds Payable (Continued)

Bonds Pledge

The Bonds are general obligations of the Board and are secured by a pledge of the full faith and credit of the Board for the payment of the principal thereof and the interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes to be levied on all taxable real property in the school district, without limitation as to rate or amount. The Bonds are additionally secured by the provisions of the New Jersey School Bond Reserve Act.

Continuing Secondary Market Disclosure

The District in conjunction with the issuance of the Bonds has agreed to undertake and provide certain information to Bondholders on a continuing basis. The Securities and Exchange Commission (“SEC”) Rule 15c2-12(b)(5) “Continuing Disclosure” requirements, which the District has adopted, requires that various financial information about the District and the Municipality be provided annually to various information repositories. The requirement effective for the fiscal years ended June 30, 2022. Bonds are authorized in accordance with State law by the voters of the Municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Bonds Authorized But Not Issued

As of June 30, 2022 the District had unissued debt authorizations of \$1,200,000 from the November 1994 Referendum:

Defeasance

As a result of the accounting requirement under GASB No. 23/65, Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities, the recording of the transaction related to the new vs. old debt and related costs resulted in accounting losses which in conjunction with the premium will be amortized over the remaining life of the respective bond issues using the “straight-line”. The Unamortized Loss on Defeasance is as follows:

<u>Refunding Bonds</u>	<u>Amount</u>	<u>Beginning Balance</u>	<u>Amortization</u>	<u>Ending Balance</u>
2014 Series	\$ 331,039	\$ 120,378	\$ 30,095	\$ 90,283
2020 Series A	213,822	53,455	53,455	-
2020 Series B	1,308,707	<u>727,059</u>	<u>290,824</u>	<u>436,235</u>
		<u>\$ 900,892</u>	<u>\$ 374,374</u>	<u>\$ 526,518</u>

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

8. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

B. Capital Lease Financing

The District entered into a capital lease for an Energy Saving Improvement Plan (ESIP) to the District's buildings. The incentive is anticipated to generate sufficient savings to offset a portion of the cost. The payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 790,000	\$ 364,048	\$ 1,154,048
2024	600,000	340,475	940,475
2025	625,000	322,570	947,570
2026	610,000	303,921	913,921
2027	645,000	285,718	930,718
2028	680,000	266,471	946,471
2029	715,000	246,180	961,180
2030	755,000	224,844	979,844
2031	795,000	202,315	997,315
2032	835,000	178,593	1,013,593
2033	880,000	153,676	1,033,676
2034	925,000	127,417	1,052,417
2035	970,000	99,815	1,069,815
2036	750,000	70,870	820,870
2037	790,000	48,490	838,490
2038	835,000	24,916	859,916
	<u>\$ 12,200,000</u>	<u>\$ 3,260,319</u>	<u>\$ 15,460,319</u>

Contract Rate – the contract rate is 2.984% per annum.

Purchase Option Commencement Date – for purposes of Section 10.01 of the Agreement, the Purchase Option Commencement Date is July 14, 2020.

C. Leases

In June 2017, the GASB issued GASB No. 87, Leases. This GASB increases the transparency and comparability of organizations by requiring the capitalization of substantially all leases on the statement of net position and disclosures of key information about leasing arrangements. Under this new guidance, at the lease commencement date, a lessee recognizes a right-of-use asset and lease obligation, which is initially measured at the present value of the future lease payments. For statement of activities purposes, a dual model was retained for lessees, requiring leases to be classified as either operating or finance leases. Under the operating lease model, lease expense is recognized on a straight-line basis over the lease term. Under the finance lease model, interest on the lease liability is recognized separately from amortization of the right-of-use assets.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

8. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

C. Leases (Continued)

The District adopted this new accounting standard on July 1, 2021 on a modified retrospective basis and applied the new standard to all leases through a cumulative-effect adjustment to beginning net position. As a result, comparative financial information has not been restated and continues to be reported under the accounting standards in effect for those periods. The District elected a package of practical expedients permitted under the transition guidance, which among other things, allows the carryforward of historical lease classification.

Right-of-use assets represent the District's right to use an underlying asset for the lease term and lease liabilities represent the District's obligation to make lease payments arising from the lease during the lease term. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of the remaining future minimum lease payments during the lease term. The operating lease right-of-use assets also include lease payments made before commencement, lease incentives and are recorded net of impairment. Operating leases are expensed on a straight line basis over the lease term. Finance leases are recognized as a noncurrent asset and as a finance lease liability within accrued expenses and other liabilities and other noncurrent liabilities.

Copy Machine Leases

The adoption of the lease statement resulting in recognition of the cost basis of the assets of \$933,131 and the lease principal balance due is \$200,736. Amortization of the lease is also included in capital assets.

The District entered into lease agreements for twenty-eight (28) school copy machines. The future minimum lease obligations for the machine and the net present value of the future payments, with an imputed or stated interest rate approximately from .30% at June 30, 2022 are as follows:

Total minimum lease payments for 2023	\$	204,804
Less: Amount representing interest		4,067
Present value of minimum lease payments	\$	200,737

The District's borrowing rates are estimated to be .30% for the copy machines. The future minimum lease obligations and the net present value of these minimum lease payments are as follows

Year Ending June 30	Copy Machine Leases		Total
	Principal	Interest	
2023	\$ 200,737.00	\$ 4,067.00	\$ 204,804.00

The District intends to contract for the leasing of copy machines effective July 1, 2023.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

8. NONCURRENT (LONG-TERM) DEBT (CONTINUED)

C. Leases (Continued)

Various Equipment Lease

The adoption of the new lease accounting standard results in recognition of the cost basis of the assets of \$5,878,000 from six (6) leases and the lease principal balance remaining of \$2,721,742. Amortization of the leases are also included in the capital assets.

The District entered into lease purchase agreements for various equipment, computers and textbooks. The future minimum lease obligations for the machine and the net present value of the future payments, with an imputed or stated interest rate approximately from .9875% to 3.124% at June 30, 2022 are as follows:

Total minimum lease payments for 2023	\$	3,508,554
Less: Amount representing interest		<u>786,812</u>
Present value of minimum lease payments	\$	<u><u>2,721,742</u></u>

The District's incremental borrowing rates are estimated to be .9875% to 3.124% for the equipment, computer and textbooks, respectively. The future minimum lease obligations and the net present value of these minimum lease payments are as follows

<u>Year Ending</u> <u>June 30</u>	<u>Leases</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 694,094	\$ 36,784	\$ 730,878
2024	703,600	27,278	730,878
2025	714,016	16,862	730,878
2026	406,231	6,266	412,497
2027	<u>203,800</u>	<u>2,013</u>	<u>205,813</u>
	<u><u>\$ 2,721,741</u></u>	<u><u>\$ 89,203</u></u>	<u><u>\$ 2,810,944</u></u>

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

9. PENSION PLANS

Description of Plans: All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund that have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division of Pension issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund.

Teachers' Pension and Annuity Fund (TPAF)

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contribution, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

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

The following represents the membership tiers for TPAF:

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

9. PENSION PLANS (CONTINUED)

Description of Plans (Continued)

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

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

Public Employees' Retirement System (PERS)

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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

The following represents the membership tiers for PERS:

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

9. PENSION PLANS (CONTINUED)

Description of Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

Funding Policy: The contribution policy is set by New Jersey 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 of employees' annual compensation is 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, 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 for TPAF, which is a cost sharing plan with special funding situations, the annual pension costs equals annual required contribution. For PERS, which is a cost sharing multi-employer pension plan, the annual pension costs differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u> <u>June 30,</u>	<u>Net Cost</u> <u>to District</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Employee</u> <u>Contribution</u>
2022	\$ 1,583,247	100%	\$ 796,502
2021	1,489,912	100%	743,251
2020	1,257,708	100%	727,129

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

9. PENSION PLANS (CONTINUED)

Funding Policy: (Continued)

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

<u>Year Funding</u> <u>June 30</u>	<u>Cost</u> <u>(APC)</u>	<u>APC</u> <u>Contributed</u>	<u>Total</u> <u>On-Behalf of</u>	<u>Employee</u> <u>Contribution</u>	<u>TPAF</u> <u>FICA</u>
2022	\$ None	100%	\$ 17,499,440	\$ 3,948,370	\$ 3,876,094
2021	None	100%	12,354,386	3,687,366	3,564,106
2020	None	100%	9,111,935	3,442,153	3,153,445

During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$12,354,386 to the TPAF for normal pension. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$3,876,094 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. This amount has been included in the basic financial statements, and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 24.

Public Employees Retirement System (PERS)

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2021 and June 30, 2020 Independent Auditor's Reports dated July 21, 2022 and June 4, 2021, respectively.

The District reported a liability of \$16,035,812 and \$21,867,154 for its proportionate share of the net pension liability as of June 30, 2022 and June 30, 2021, respectively. The net pension liability was measured as of June 30, 2020 and June 30, 2019 (the *Measurement Date*), and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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.

	<u>June 30, [Measurement Date]</u>	
	<u>2021</u>	<u>2020</u>
District Proportionate Share	0.1353620560 %	0.1340935679 %
Difference - Increase	0.0012684881	

The contribution policy for PERS is set by N.J.S.A. 43.15A and requires contributions by active members and contributing employers. Employee contributions for 2022 were seven and 50/100th percent (7.5%) for PERS. Employer's contributions are actuarially determined annually by the Division of Pensions.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

9. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

For the year ended June 30, 2022, the District recognized pension benefit of \$3,029,705. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 83,514	5,708,801
Difference between expected and actual experience	252,903	114,796
Net difference between projected and actual earnings on pension plan investments		4,224,215
Changes in proportion	1,396,190	
District contributions subsequent to the measurement date	<u>1,726,709</u>	
Total	<u>\$ 3,459,316</u>	<u>\$ 10,047,812</u>

The \$1,726,709 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2022, the plan measurement date is June 30, 2021) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2023	\$ (3,783,719)
2024	(2,701,566)
2025	(1,842,007)
2026	(1,384,642)
2027	538

Collective balances of local group are as follows:

	<u>June 30, [Measurement Date]</u>	
	<u>2021</u>	<u>2020</u>
Collective deferred outflows of resources	\$ 1,164,738,169	\$ 2,347,583,337
Collective deferred inflows of resources	39,123,762	7,849,949,467
Collective net pension liability	11,972,782,878	16,435,616,426
Collective total pension expense/(benefit)	(1,599,674,464)	407,705,399
District's proportion (of Local Group)	0.1353620560 %	0.1340935679 %

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

9. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2021 *measurement date* was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2021. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on year of service)
Thereafter	3.00-7.00% (based on year of service)
Investment Rate of Return	7.00%

Mortality Rates

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

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

9. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

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 expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 (*measurement date*) are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. Equity	27.00 %	8.09 %
Non-U.S. Developed Markets Equity	13.50	8.71
Emerging Market Equities	5.50	0.96
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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021 (*measurement date*). 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.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

9. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of The Collective Net Pension Liability to Changes in the Discount Rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2021 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2021 [<i>Measurement Date</i>]		
	1% Decrease	At Current	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
District's proportionate share of the pension liability	\$ 21,837,491	\$ 16,035,812	\$ 11,112,220

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 (PERS) or by visiting their website at www.state.nj.us/treasury/pensions/pers1.

Teachers Pensions and Annuity Fund (TPAF)

Data for the TPAF was abstracted from the State of New Jersey Teachers' Pension and Annuity Fund Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer and Nonemployer as of June 30, 2021 and June 30, 2020 Independent Auditor's Reports dated July 21, 2022 and June 4, 2021.

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 portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2022 (*measurement date* of June 30, 2021) was as follows:

Net Pension Liability:	
District's proportionate share	None
State's proportionate share associated with the District	\$ 200,514,443
	\$ 200,514,443

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

9. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

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 June 30, 2020. The net pension liability associated with the District 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 and the State, actuarially determined. The proportion of the TPAF net pension liability associated with the District was as follows:

	June 30,	
	2021	2020
District Proportionate Share	0.41708508780 %	0.40829257680 %
Difference - Increase	0.0087925110	

For the year ended June 30, 2022, the District recognized on-behalf pension expense and revenue of \$12,222,732 for contributions provided by the State.

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55% - 4.45% (based on year of service)
Thereafter	2.75% - 5.65% (based on year of service)
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 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.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

9. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.0% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the table as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. Equity	27.00 %	8.09 %
Non-U.S. Developed Markets Equity	13.50	8.71
Emerging Market Equities	5.50	0.96
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

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 the most recent fiscal years. 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.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

9. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability associated with the District as of June 30, 2022 (*measurement date 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 or 1-percentage-point higher than the current rate:

	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	At 1% Increase <u>8.00%</u>
State's proportionate share of the net pension liability associated with the District	\$ 237,242,125	\$ 200,514,443	\$ 169,985,994

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 are as follows:

	<u>June 30 [Measurement Date]</u>	
	<u>2021</u>	<u>2020</u>
Deferred outflows of resources	\$ 6,373,530,834	\$ 9,859,140,982
Deferred inflows of resources	27,175,330,929	14,409,361,877
Net pension liability	48,075,188,642	65,993,498,688
Total expenses - non-employer	1,133,770,138	4,114,319,534
District share of liability	0.4170850878 %	0.4082925768 %

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

10. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”)

Data for the OPEB was abstracted from the State of New Jersey Local Education Retired Employees Plan as of June 30, 2021 and June 30, 2020 [*measurement dates*] Independent Auditor’s Reports dated January 18, 2023 and January 21, 2022, respectively.

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In fiscal year 2021 the State paid PRM benefits for 142,895 State and local retirees.

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 NJSA 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.

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a fiscal year 2021 total OPEB liability of \$67,809,962,608 for this special funding situation.

At June 30, 2020 the following employees (*statewide*) were covered by the benefit terms:

Active Plan Members	213,901
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	150,247
Inactive Plan Members or Beneficiaries Not Yet Receiving Benefits	<u>None</u>
 Total Plan Members	 <u><u>364,148</u></u>

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

10. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

Three-Year Trend Information for TPAF Medical (Paid on-behalf of the District)

<u>Fiscal Year Ended June 30,</u>	<u>Post-Retirement Medical</u>
2022	\$ 4,041,849
2021	3,571,813
2020	3,381,845

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent.

The District is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the board of education level. Note that actual numbers will be published in the NJ State's ACFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>). The portion of the PERS and TPAF OPEB Liability that was associated with the District recognized at June 30, 2022 was as follows:

Net OPEB Liability:

Districts proportionate share	None
State's proportionate share associated with the District	\$ 233,210,957
	<u>\$ 233,210,957</u>

The proportion of the PERS and TPAF OPEB collective liability that was associated with the District is as follows:

<u>June 30,</u>	
<u>2021</u>	<u>2020</u>
0.0038635371 %	0.0038036590 %

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

10. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

Total Nonemployer OPEB Liability (Continued)

The total nonemployer OPEB liability as of June 30, 2021 [*Measurement Date*] was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Total Nonemployer OPEB Liability (Continued)

Inflation rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
	<i>(based on service years)</i>	<i>(based on service years)</i>
Salary increases:		
through 2026	1.55-4.45%	2:00-6.00%
Thereafter	2.75-4.45%	3.00-7.00%

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

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

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage, 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven (7) years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after eleven (11) years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after eleven (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 (7) years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

10. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

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.

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

The following represents the total nonemployer 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 nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

June 30, 2021 [<i>Measurement Date</i>]		
At 1% Decrease (1.16%)	At Discount Rate (2.16%)	At 1% Increase (3.16%)
\$ 279,350,116	\$ 233,210,957	\$ 196,879,139

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

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

June 30, 2021 [<i>Measurement Date</i>]		
1% Decrease	Healthcare Cost Trend Rate	1% Increase
\$ 188,785,027	\$ 233,210,957	\$ 292,871,697

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

10. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate (Continued)

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2018 for TPAF and July 1, 2013 June 30, 2018 for PERS. Shown below are details regarding the Total OPEB Liability associated with the District for the measurement period from June 30, 2020 to June 30, 2021:

	<u>Total OPEB Liability</u>
Balance as of June 30, 2020 <i>Measurement Date</i>	\$ 257,925,977
Changes Recognized for the Fiscal Year:	
Service Cost	\$ 14,055,615
Interest on the Total OPEB Liability	6,049,738
Changes of Assumptions	230,080
Gross Benefit Payments	(4,765,499)
Difference between Expected and Actual Experience	(40,191,391)
Change of Benefit Terms	(248,225)
Contributions from the Member	<u>154,662</u>
Net Changes	\$ <u>(24,715,020)</u>
Balance as of June 30, 2021 <i>Measurement Date</i>	\$ <u><u>233,210,957</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

The components of the Net OPEB Liability as of June 30, 2022 are as follows:

	<u>Measurement Date</u> <u>June 30, 2021</u>
Total OPEB Liability	\$ 233,210,957
Plan Fiduciary Net Position	None
Net OPEB Liability	\$ 233,210,957
Net Position as a Percentage of OPEB Liability	0.0%
OPEB Expense	\$ 16,569,461

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

10. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

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

For the year ended June 30, 2020, the board of education recognized OPEB expense of \$16,569,461 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the District proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee’s OPEB from the following sources:

The following table illustrates the Deferred Inflows and Outflows as of June 30, 2021 under GASB No. 75 prior to any reduction due to the Fiscal Year 2021 amortizations.

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Changes of Assumptions	\$ 39,561,281	\$ 25,021,263
Changes in Proportion	9,508,426	
Differences between Actual and Expected Experience	<u>35,155,516</u>	<u>69,990,755</u>
 Total	 <u>\$ 84,225,223</u>	 <u>\$ 95,012,018</u>

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

Amount recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense (revenues) as follows:

Measurement Period Ending June 30,

2023	\$ (4,594,848)
2024	(4,594,848)
2025	(4,594,848)
2026	(4,594,848)
2027	(3,266,874)
Total Thereafter	1,350,945

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

10. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

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 Education Group are as follows:

	June 30,	
	<u>2021</u>	<u>2020</u>
Deferred outflows of resources	\$ 21,546,947,255	\$ 24,023,298,802
Deferred inflows of resources	26,769,148,205	19,101,933,244
Net OPEB liability	60,007,650,970	67,809,962,608
OPEB Expense	3,527,672,060	3,337,755,596
District’s proportionate share	0.0038635371 %	0.0038036590 %

Other

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

11. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If an eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and adjusted for membership earnings or loses. It is a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

11. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System (Continued)

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employee’s Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor’s term of office.
- Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured chief administrative officer such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements other employees who hold a professional license or certificate or meet other exceptions are permitted to remain in PERS.

Contributions Required and Made

Contributions made by employees for DCRP are currently 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution. Contributions to the plan were as follows:

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>Employee</u>	<u>Employer</u>
2022	\$ 36,506	\$ 19,912
2021	31,483	17,236
2020	38,446	20,970

12. DEFERRED COMPENSATION

A. IRS Code Section 403(b)

The District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(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. The plan administrators are as follows:

- | | |
|--|--|
| AIG Valic
AXA Equitable
Lincoln Investment Planning Inc.
Security Benefit | FTJ Fund Choice
New York Life Insurance Company/
Mainstay Investments
MetLife |
|--|--|

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

12. DEFERRED COMPENSATION (CONTINUED)

B. IRS Code Section 457

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan which is administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrator is AIG – VALIC Financial Resource.

13. 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. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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 Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance: The District contributes to the State of New Jersey unemployment fund which requires quarterly remittances to the state for both employer and employee share. Benefits if any will get paid by the State.

Health Benefits: The Board of Education has procured medical insurance coverage for its employees under a “self-insurance plan” provisions have be made for the current claims liability and IBNR of \$2,061,633 and for a stop loss (excess) coverage of \$1,667,000.

14. INTERFUND BALANCES AND TRANSFERS

The interfund receivable/payable as of June 30, 2022 will be liquidated in the normal course of business in the succeeding year.

	<u>Receivable</u>	<u>Payable</u>
Governmental Funds:		
Debt Service Fund	\$ 12,151	
Capital Projects Fund		\$ 12,151

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

15. RESERVE ACCOUNTS

A. CAPITAL RESERVE

A Capital Reserve Account was established by the Board by inclusion on October 10, 2000 and June 25, 2011 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. Analysis of Capital Reserve Activity since Inception:

Contributions from Board		
Prior to June 30, 2021	\$ 30,498,484	
During year ended June 30, 2022	<u>3,695,568</u>	\$ 34,194,052
Interest Earned		
Prior to June 30, 2021	\$ 112,774	
During year ended June 30, 2022	<u>400</u>	\$ 113,174
Less Withdrawals:		
Prior to June 30, 2021	\$ 22,443,310	
During year ended June 30, 2022	<u>1,313,946</u>	<u>\$ 23,757,256</u>
Balance June 30, 2022		<u><u>\$ 10,549,970</u></u>

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, if 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. 6:23A-5.1(d) 7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

15. RESERVE ACCOUNTS (CONTINUED)

B. MAINTENANCE RESERVE

The School District established a maintenance reserve account for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District's approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at yearend of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four (4) percent of the replacement cost of the school district's school facilities for the current year.

Balance June 30, 2021		\$ 6,500,000
Contributions from Board		
During year ended June 30, 2022		590,263
Interest Earned		
During year ended June 30, 2022		600
Less Withdrawals:		
During year ended June 30, 2022		590,863
		\$ 6,500,000

16. DEFICIT FUND BALANCES – SPECIAL REVENUE FUND

The District has a deficit fund balance of \$93,916 in the Special Revenue Fund as of June 30, 2022 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two (2) state aid payments in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$93,916 was caused by the net effect of the non-recognition of the final state aid payment of \$499,361 for preschool offset by the expenditures \$593,277.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

17. FUND BALANCE APPROPRIATED

General Fund - Of the \$17,321,003 General Fund fund balance at June 30, 2022, \$1,129,992 is assigned – for other purposes (encumbrances); \$10,549,970 is restricted for the Capital Reserve Account, \$5,619,271 is restricted for the Maintenance Reserve and \$21,770 is FFCRA/SEMI funds, assigned designated of subsequent year's expenditures.

Special Revenue Fund – The \$362,307 Special Revenue Fund fund balance at June 30, 2022 is a result of the net offset of \$416,696 assigned – for student activities; \$39,527 is for scholarships and reduced by a deficit of \$93,916 related to grants (see Note 15).

Debt Service Fund – Of the \$221,053 Debt Service Fund fund balance at June 30, 2022, \$208,902 is included as revenue in the 2022-2023 debt service fund budget to offset expenditures.

Capital Projects Fund – Of the \$1,210,200 Capital Projects Fund fund balance at June 30, 2022 is restricted for capital projects most of which have been committed.

18. CONTINGENT LIABILITIES AND COMMITMENTS

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

B. Pending Litigation – As of the date of this report, in the opinion of the management, there was no litigation pending which, in the event of an adverse or unfavorable outcome, would materially impair the financial position of the District. There were several matters pending that are being handled by the Board's insurance carrier which should not have any adverse impact.

C. Interlocal Services Agreement – The District has an agreement with the Township for reimbursement for unforeseen soil remediation at the High School. The Township adopted an Improvement Authorization to provide funds and the District actually awarded and managed the related contracts. The agreement also requires payment back to the Township for debt service.

D. Contractual Commitments

The District has contractual commitments at June 30, 2022 to various vendors, which are recorded in the general fund as fund balance assigned for other purposes in the amount of \$1,129,942 and in the capital projects \$1,172,541 for the electrical improvement and other improvements.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

19. CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to 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. There was no excess surplus as a result of the 2020-2021 or 2021-2022 school years at June 30, 2022.

20. RECONCILIATION OF FUND BALANCE

Current Fund

The Surpluses are presented on a GAAP basis and reconciliation to the budget basis is follows:

<u>General Fund</u>	<u>Emergency Reserve</u>	<u>Unassigned</u>	<u>Maintenance Reserve</u>
Balance on a Budget Basis on the General Fund Budgetary Basic Comparison	\$ 52,461	\$ 2,330,528	\$ 6,500,000
Less: Allocation of state aid payment Not recognized on a GAAP basis - \$3,283,718	<u>52,461</u>	<u>2,330,528</u>	<u>880,729</u>
	<u><u>\$ None</u></u>	<u><u>\$ None</u></u>	<u><u>\$ 5,619,271</u></u>

21. ECONOMIC DEPENDENCY

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

22. 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 \$261,170,851 indicated as part of the Governmental Activities net position is calculated as follows:

	<u>Amount</u>
Capital assets, net of depreciation	\$ 87,920,000
Bonds payable (used to build or acquire capital assets)	(526,518)
Deferred loss on defeasance of debt	136,920
Unamortized deferred premium	<u>16,089,531</u>
Capital Lease Obligation	<u><u>\$ 103,619,933</u></u>

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

23. 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.

The Township of North 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 North Brunswick are for senior citizen housing projects and a technology center. Taxes abated include municipal, local school and county taxes.

The Township of North Brunswick anticipated revenue of \$1,628,300 from the annual service charge in lieu of payment of taxes in 2023 had the true amount been levied on these long-term tax exemptions, the school tax due would be substantially higher and a portion of the abatement would have been allocated to the District.

24. SUBSEQUENT EVENT: COVID-19 CORONAVIRUS PANDEMIC

The COVID-19 Coronavirus outbreak in the United States has caused the Governor of the State of New Jersey to mandate closures and a curfew for all nonessential citizens and businesses. The management of the District (which is essential) has evaluated the impact of the situation and has determined that overall there is no adverse impact on its June 30, 2022 financial statements (*audited*). Financial impact for the year ending June 30, 2023 is uncertain at this time. A significant portion of the revenue to support the District operations is state aid and taxation; however, the outcome is uncertain at this time. It is not known at this time if there are any federal or state funds available for impact relief.

25. PRIOR PERIOD ADJUSTMENT GASB STATEMENT No. 87

The District implemented GASB No. 87 related to former lease accounting being reclassified into the Governmental Funds. The reclassification was reflected as a prior period adjustment to the Statement of Activities (A-2), effective July 1, 2021, and no retroactive restatement of financial was done since financial statements are not comparative. The reclassification involved liabilities, capital (fixed) assets and fund balance with no adverse impact on the financial position of the District.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

BOARD OF EDUCATION
 NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Exhibit C-1
 Sheet 1 of 10

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 83,260,683		\$ 83,260,683	\$ 83,260,683	
Interest on Capital Reserve	600		600	600	
Interest on Maintenance Reserve	400		400	400	
Transportation Fees	110,000		110,000	61,775	\$ 48,225
Miscellaneous	247,500		247,500	429,824	(182,324)
Total - local sources	83,619,183		83,619,183	83,753,282	134,099
State sources:					
Special Education Categorical Aid	5,372,023		5,372,023	5,372,023	
Equalization Aid	23,764,813		23,764,813	23,764,813	
Extraordinary aid	1,250,000		1,250,000	2,079,269	(829,269)
Security Aid	1,619,505		1,619,505	1,619,505	
Transportation Aid	2,310,618		2,310,618	2,310,618	
Non Public Transportation Aid				109,670	(109,670)
On behalf - TPAF - Pension Contribution (Non-budgeted)				17,299,440	
On behalf - TPAF - Post Retirement Medical (Non-budgeted)				4,041,849	
On behalf - TPAF - Long-Term Disability Insurance (Non-budgeted)				7,652	
Reimbursed TPAF social security contributions (Non-budgeted)				3,876,094	(3,876,094)
Total - state sources	34,316,959		34,316,959	60,480,933	(4,815,033)
Federal sources:					
Medical Assistance Program	201,297		201,297	221,987	(20,690)
Total - federal sources	201,297		201,297	221,987	(20,690)
TOTAL REVENUES	\$ 118,137,439		\$ 118,137,439	\$ 144,456,202	\$ (4,701,624)

BOARD OF EDUCATION
 NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Exhibit C-1
 Sheet 2 of 10

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Regular programs - instruction:					
Salaries of teachers:					
Kindergarten	\$ 1,505,941	\$ (23,000)	\$ 1,482,941	\$ 1,439,322	\$ 43,619
Grades 1 - 5	11,361,154	(324,617)	11,036,537	10,913,967	122,570
Grades 6 - 8	6,549,716	(277,029)	6,272,687	6,272,484	203
Grades 9 - 12	9,574,631	(73,097)	9,501,534	9,501,533	1
	<u>28,991,442</u>	<u>(697,743)</u>	<u>28,293,699</u>	<u>28,127,306</u>	<u>166,393</u>
Regular programs - home instruction:					
Purchased professional - education services	50,000	75,000	125,000	121,082	3,918
Total regular programs - home instruction	<u>50,000</u>	<u>75,000</u>	<u>125,000</u>	<u>121,082</u>	<u>3,918</u>
Regular programs - undistributed instruction:					
Other salaries for instruction	160,000	(88,270)	71,730	22,902	48,828
Other purchased services (400-500 Series)	897,714	5,691	903,405	819,861	83,544
General supplies	545,060	51,917	596,977	518,737	78,240
Other objects	25,642	75	25,717	18,808	6,909
Total regular programs - undistributed instruction	<u>1,628,416</u>	<u>(30,587)</u>	<u>1,597,829</u>	<u>1,380,308</u>	<u>217,521</u>
Total regular programs - instructions	<u>30,669,858</u>	<u>(653,330)</u>	<u>30,016,528</u>	<u>29,628,696</u>	<u>387,832</u>
Special education instruction:					
Learning and/or language disabilities:					
Salaries of teachers	1,133,330		1,133,330	1,056,183	77,147
Other salaries for instruction	486,069	(25,500)	460,569	409,389	51,180
General supplies	39,580	(4,869)	34,711	32,256	2,455
Total learning and/or language disabilities	<u>1,658,979</u>	<u>(30,369)</u>	<u>1,628,610</u>	<u>1,497,828</u>	<u>130,782</u>
Behavioral Disabilities:					
Salaries of teachers	297,998	17,474	315,472	315,471	1
Other salaries for instruction	85,032	19,626	104,658	102,645	2,013
General Supplies	7,370	1,367	8,737	7,966	771
Total Behavioral Disabilities	<u>390,400</u>	<u>38,467</u>	<u>428,867</u>	<u>426,082</u>	<u>2,785</u>
Multiple Disabilities:					
Salaries of teachers	672,766	12,757	685,523	663,739	21,784
Other salaries for instruction	311,909	22,925	334,834	313,687	21,147
General supplies	32,485	(7,000)	25,485	22,861	2,624
Total Multiple Disabilities	<u>1,017,160</u>	<u>28,682</u>	<u>1,045,842</u>	<u>1,000,287</u>	<u>45,555</u>

BOARD OF EDUCATION
 NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES: (CONTINUED)					
CURRENT EXPENSE: (CONTINUED)					
Resource room/resource center:					
Salaries of teachers	\$ 5,390,280	\$ (44,583)	\$ 5,345,697	\$ 5,108,143	\$ 237,554
Other salaries for instruction	765,498	(67,395)	698,103	528,520	169,583
General supplies	20,890	2,369	23,259	21,747	1,512
Total resource room/resource center	6,176,668	(109,609)	6,067,059	5,658,410	408,649
Autism:					
Salaries of teachers	729,770	25,947	755,717	752,086	3,631
Other salaries for instruction	473,622	75,991	549,613	544,537	5,076
General Supplies	46,195	3,902	50,097	43,276	6,821
Total Autism	1,249,587	105,840	1,355,427	1,339,899	15,528
Preschool disabilities - full time					
Salaries of teachers	733,298	(259)	733,039	705,066	27,973
Other salaries for instruction	390,686		390,686	380,791	9,895
General supplies	12,000	259	12,259	12,061	198
Total preschool disabilities-full-time	1,135,984		1,135,984	1,097,918	38,066
Home Instruction:					
Purchased professional-educational services	50,000	133,000	183,000	183,000	
Total home instruction	50,000	133,000	183,000	183,000	
Total special education - instruction	11,678,778	166,011	11,844,789	11,203,424	641,365
Basic skills/remedial - Instruction:					
Salaries of teachers	2,428,654	202,327	2,630,981	2,466,919	164,062
General supplies	3,050		3,050	1,892	1,158
Total basic skills/remedial - Instruction	2,431,704	202,327	2,634,031	2,468,811	165,220
Bilingual education - Instruction:					
Salaries of teachers	1,407,648	(308)	1,407,340	1,314,060	93,280
Other salaries for instruction	19,860		19,860	17,213	2,647
General supplies	1,665		1,665	562	1,103
Total bilingual education - Instruction	1,429,173	(308)	1,428,865	1,331,835	97,030
School sponsored co/extra - curricular activities - Instructions:					
Salaries	388,885	10,000	398,885	364,127	34,758
Supplies and materials	64,990	(5,535)	59,455	45,813	13,642
Total school sponsored co/extra - curricular activities - Instruction	453,875	4,465	458,340	409,940	48,400

BOARD OF EDUCATION
 NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Exhibit C-1
 Sheet 4 of 10

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES: (CONTINUED)					
CURRENT EXPENSE: (CONTINUED)					
School sponsored athletics - Instruction:					
Salaries	\$ 767,511	\$ (10,000)	\$ 757,511	\$ 665,712	\$ 91,799
Purchased services (300-500 Series)	107,929	5,635	113,564	109,969	3,595
Supplies and materials	223,750	(35,314)	188,436	151,147	37,289
Other objects	73,617	9,290	82,907	79,239	3,668
Total school sponsored athletic activities	1,172,807	(30,389)	1,142,418	1,006,067	136,351
Before/After School programs:					
Salaries	161,200	(103,721)	57,479	40,031	17,448
Total Before/After School Programs	161,200	(103,721)	57,479	40,031	17,448
Total special programs	5,648,759	72,374	5,721,133	5,256,684	464,449
Total instructional programs	47,997,395	(414,945)	47,582,450	46,088,804	1,493,646
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state - regular	53,000	96,547	149,547	112,015	37,532
Tuition to other LEAs within the state - special	490,524	(25,000)	465,524	215,696	249,828
Tuition to CSSD and regular day schools	85,000	(12,470)	72,530	72,530	0
Tuition to private schools-disabled within the state	1,050,419	(158,172)	892,247	614,404	277,843
Tuition - state facilities	79,997	-	79,997	79,997	0
Tuition - other	5,003	-	5,003	-	5,003
Total undistributed expenditures - instruction	1,763,943	(99,095)	1,664,848	1,022,112	642,736
Attendance and social work:					
Salaries	70,000	(36,633)	33,367	26,874	6,493
Total attendance and Social Work	70,000	(36,633)	33,367	26,874	6,493
Health services:					
Salaries	862,841	48,050	910,891	883,626	27,265
Purchased professional and technical services	70,000	4,160	74,160	18,780	55,380
Other purchased services (400-500 Series)	1,900	100	2,000	641	1,359
Supplies and materials	66,310	(4,260)	62,050	41,030	21,020
Total health services	1,001,051	48,050	1,049,101	944,077	105,024
Other support services - student-related services:					
Salaries	771,514	-	771,514	760,098	11,416
Purchased professional - educational services	418,500	420,000	838,500	784,288	54,212
Supplies and materials	11,200	(4,500)	6,700	5,007	1,693
Total other support services - student-related services	1,201,214	415,500	1,616,714	1,549,393	67,321

BOARD OF EDUCATION
 NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Exhibit C-1
 Sheet 5 of 10

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES: (CONTINUED)					
CURRENT EXPENSE: (CONTINUED)					
Other support services - student extra services					
Salaries	\$ 447,260	\$ (58,525)	\$ 388,735	\$ 341,440	\$ 47,295
Purchased professional - educational services	1,347,401	(479,002)	868,399	696,569	171,830
Supplies and Materials	2,600		2,600	1,151	1,449
Total other support services - student-extra services	<u>1,797,261</u>	<u>(537,527)</u>	<u>1,259,734</u>	<u>1,039,160</u>	<u>220,574</u>
Other support services - students - regular:					
Salaries of other professional staff	1,396,936	(24,249)	1,372,687	1,353,179	19,508
Salaries of secretarial & clerical assistants	178,506	(46,848)	131,658	122,695	8,963
Purchased professional - educational services	15,000	500	15,500	14,927	573
Other purchased services (400-500 Series)	139,125		139,125	118,569	20,556
Supplies and materials	7,540	(800)	6,740	3,347	3,393
Other Objects	2,500		2,500	1,946	554
Total other support services - students - regular	<u>1,739,607</u>	<u>(71,397)</u>	<u>1,668,210</u>	<u>1,614,663</u>	<u>53,547</u>
Other support services - students - special:					
Salaries of other professional staff	2,620,431	45,452	2,665,883	2,632,993	32,890
Salaries of secretarial & clerical assistants	247,847	15,327	263,174	263,171	3
Purchased professional - educational services	546,722	7,000	553,722	527,931	25,791
Miscellaneous purchased services (400-500 Series)	5,000		5,000	206	4,794
Supplies and materials	46,425	(4,500)	41,925	36,952	4,973
Other Objects	10,400	(1,400)	9,000	7,375	1,625
Total other support services - students - special	<u>3,476,825</u>	<u>61,879</u>	<u>3,538,704</u>	<u>3,468,628</u>	<u>70,076</u>
Improvement of instructional services:					
Salaries of supervisors of instruction	3,427,559	(68,099)	3,359,460	3,213,199	146,261
Salaries of other professional staff	41,600	(3,357)	38,243	37,695	548
Salaries of secretarial & clerical assistants	64,535		64,535	64,535	
Total improvement of instructional services	<u>3,533,694</u>	<u>(71,456)</u>	<u>3,462,238</u>	<u>3,315,429</u>	<u>146,809</u>
Educational media services/school library:					
Salaries	626,231		626,231	613,032	13,199
Supplies and materials	22,660	3,243	25,903	17,635	8,268
Total educational media services/school library	<u>648,891</u>	<u>3,243</u>	<u>652,134</u>	<u>630,667</u>	<u>21,467</u>
Instructional staff training services:					
Salaries of other professional staff	72,800	(5,281)	67,519	49,121	18,398
Purchased professional - educational services	113,590	6,501	120,091	113,745	6,346
Unused Vacation to Terminated Retired Staff	400		400		400
Other purchased services (400-500 Series)	81,320	(12,731)	68,589	62,114	6,475
Supplies and materials		5,592	5,592	5,585	7
Other Objects		557	557		557
Total instructional staff training services	<u>268,110</u>	<u>(5,362)</u>	<u>262,748</u>	<u>230,565</u>	<u>32,183</u>

BOARD OF EDUCATION
 NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Exhibit C-1
 Sheet 6 of 10

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES: (CONTINUED)					
CURRENT EXPENSE: (CONTINUED)					
Support services - general administration:					
Salaries	\$ 793,903	\$ (68,830)	\$ 725,073	\$ 720,742	\$ 4,331
Legal services	174,800	(33,839)	140,961	127,556	13,405
Audit fee	57,800	64,489	122,289	59,700	62,589
Architects/Engineering services		9,979	9,979	9,979	
Other purchased professional services	31,600	(440)	31,160	31,160	
Purchased technical services	49,000	58,153	107,153	97,527	9,626
Communications/telephone	343,580	(51,706)	291,874	275,454	16,420
BOE other purchased services	5,450		5,450	2,948	2,502
Other purchased services (400-500)	433,500	49,310	482,810	480,791	2,019
General supplies	20,800	(5,652)	15,148	14,154	994
Miscellaneous expenditures	27,500	(2,156)	25,344	19,858	5,486
BOE membership dues and fees	36,500	(5,019)	31,481	31,481	
Total support services - general administration	1,974,433	14,288	1,988,721	1,871,350	117,372
Support services - school administration:					
Salaries of principals/assistant principals	2,492,064	(10,830)	2,481,234	2,412,738	68,496
Salaries of other professional staff	164,220	830	165,050	165,050	
Salaries of secretarial and clerical assistants	1,152,999	(15,000)	1,137,999	1,102,786	35,213
Other purchased services (400-500 Series)	2,950	(850)	2,100	52	2,048
Supplies and materials	84,492	(4,606)	79,886	47,700	32,186
Other objects		700	400	400	
Total support services - school administration	3,896,725	(29,756)	3,866,669	3,728,726	137,943
Central services:					
Salaries	678,494	(24,626)	653,868	606,363	47,505
Purchased professional services	62,300	28,981	91,281	91,199	82
Purchased technical services	22,000	(1,265)	20,735	2,075	18,660
Miscellaneous purchased services (400-500 Series)	4,000		4,000	60	3,940
Supplies and materials	13,400	(5,418)	7,982	5,324	2,658
Interest on lease purchase agreements	24,632	30,678	55,310	55,310	
Other Objects	86,870	(18,428)	68,442	60,663	7,779
Total central services	891,696	9,922	901,618	820,994	80,624
Admin. Info. technology:					
Salaries	1,004,349	2,825	1,007,174	985,363	21,811
Purchased technical services	455,922	4,965	460,887	454,185	6,702
Other purchased services (400-500 Series)	4,000	(1,500)	2,500	758	1,742
Supplies and materials	80,000	(5,404)	74,596	71,658	2,938
Other objects	6,500	26,869	33,369	21,162	12,207
Total admin. Info. technology	1,550,771	27,755	1,578,526	1,533,126	45,400

BOARD OF EDUCATION
 NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Exhibit C-1
 Sheet 7 of 10

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES: (CONTINUED)					
CURRENT EXPENSE: (CONTINUED)					
Required maintenance for school facilities:					
Salaries	\$ 1,124,822	\$ (63,229)	\$ 1,061,593	\$ 1,030,223	\$ 31,370
Cleaning, repair and maintenance services	498,482	503,820	1,002,302	715,676	286,626
Lead Testing of Drinking Water		26,255	26,255	25,878	377
General supplies	398,550	112,807	511,357	502,086	9,271
Other objects		32,343	32,343	32,343	
Total required maintenance for school facilities	2,021,854	611,996	2,633,850	2,306,206	327,644
Other operation and maintenance of plant:					
Salaries	2,790,000	(308,064)	2,481,936	2,481,932	4
Salaries of non-instructional aids	730,753	(158,720)	572,033	572,033	
Cleaning, repair and maintenance services	144,000	38,961	182,961	158,443	24,518
Rental of land and bldg. other than lease purchase agreement	37,132	(37,132)			
Other purchased property services	127,500	(4,530)	122,970	90,556	32,414
Insurance	314,100	(54,674)	259,426	241,275	18,151
Travel		157	157	157	
General supplies	305,399	(32,901)	272,498	260,286	12,212
Energy (Natural Gas)	412,000	(5,193)	406,807	390,417	16,390
Energy (Electricity)	1,350,000	(15,706)	1,334,294	1,323,940	10,354
Other Objects	57,403	(44,146)	13,257	12,550	707
Interest on ESIP	383,743		383,743	383,743	
Total other operation and maintenance of plant	6,652,030	(621,948)	6,030,082	5,915,332	114,750
Care and upkeep of grounds					
Salaries	203,345	(25,300)	178,045	175,079	2,966
Total care and upkeep of grounds	203,345	(25,300)	178,045	175,079	2,966
Security:					
Salaries	289,416	35,433	324,849	324,848	1
Purch Prof & Tech Svcs	412,205	(1,959)	410,246	347,173	63,073
General Supplies	8,000	3,159	11,159	10,215	944
Total security	709,621	36,633	746,254	682,236	64,018
Total operation and maintenance of plant services	9,586,850	1,381	9,588,231	9,078,853	509,378

BOARD OF EDUCATION
 NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Exhibit C-1
 Sheet 8 of 10

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES: (CONTINUED)					
CURRENT EXPENSE: (CONTINUED)					
Student transportation services:					
Salaries of Pupil transportation (between home and school) - regular	\$ 960,069	\$ (469,142)	\$ 490,927	\$ 490,926	\$ 1
Salaries of Pupil transportation (between home and school) - special education	445,132	328,853	773,985	773,983	2
Other purchased professional and technical services		8,300	8,300	8,278	22
Cleaning, repair and maintenance services	11,660	4,391	16,051	16,050	1
Contracted services - aid in lieu of payments - nonpublic schools	275,000	97,805	372,805	372,805	
Contracted services (between home and school) - vendors	3,696,363	102,229	3,798,592	3,784,463	14,129
Contracted services (other than between home and school) - vendors	362,860	(110,715)	252,145	241,612	10,533
Contracted services (between home and school) - joint agreements	401,440	102,562	504,002	498,695	5,307
Contracted services (special education students) - vendors	987,971	241,973	1,229,944	1,166,508	63,436
Travel	1,100	(700)	400		400
Supplies and Materials	183,725	(23,748)	159,977	153,568	6,409
Miscellaneous expenditures	9,500	(5,344)	4,156	4,084	72
Total student transportation services	7,334,820	276,464	7,611,284	7,510,972	100,312
Unallocated benefits - Employee benefits:					
Social security contribution	1,250,000	63,000	1,313,000	1,231,446	81,554
Other retirement contributions - regular	1,531,700	86,000	1,617,700	1,611,321	6,379
Unemployment compensation	240,000	83,651	323,651	228,441	95,210
Workmen's compensation	447,000	27,250	474,250	474,249	1
Health benefits	17,991,089	(141,362)	17,849,727	17,840,155	9,572
Tuition reimbursement	151,000		151,000	64,467	86,533
Other employee benefits	342,600	(34,660)	307,940	306,695	1,245
Total unallocated benefits	21,953,389	83,879	22,037,268	21,756,774	280,494
On behalf - TPAF - Pension Contribution (Non-budgeted)				17,299,440	17,299,440
On behalf - TPAF - Post Retirement Medical (Non-budgeted)				4,041,849	4,041,849
On behalf - TPAF - Long-Term Disability Insurance (Non-budgeted)				7,652	7,652
Reimbursed TPAF social security contributions (Non-budgeted)				3,876,094	3,876,094
Total on behalf - Contributions				25,225,035	25,225,035
Total personal services - employee benefits	21,953,389	83,879	22,037,268	46,981,809	25,505,530
Total undistributed expenditures	62,689,280	91,135	62,780,115	85,367,398	27,862,788
TOTAL EXPENDITURES - CURRENT EXPENSE	\$ 110,686,675	\$ (323,810)	\$ 110,362,565	\$ 131,456,202	\$ 29,356,434

BOARD OF EDUCATION
 NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Exhibit C-1
 Sheet 9 of 10

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY:					
Undistributed expenditures:					
Instruction		\$ 19,624	\$ 19,624	\$ 15,363	\$ 4,261
Technology	\$ 485,000	(311,998)	173,002	161,002	12,000
Furniture		5,731	5,731	5,731	
Required Maint for School Fac.	180,132	110,999	291,131	280,289	10,842
School Buses-Special		127,911	127,911	127,911	
	<u>665,132</u>	<u>(47,733)</u>	<u>617,399</u>	<u>590,296</u>	<u>27,103</u>
Facilities acquisition and construction services:					
Other purchased professional and technical services	49,400	(4,174)	55,281	22,808	32,473
Construction services	1,200,000	1,032,745	2,232,744	1,519,485	713,259
Lease purchase agreements - principal	876,095	791,031	1,667,126	1,667,126	
Assessment for Debt Service on SDA Funding	263,945		263,945	263,945	
	<u>2,389,440</u>	<u>1,819,602</u>	<u>4,219,096</u>	<u>3,473,364</u>	<u>745,732</u>
TOTAL EXPENDITURES - CAPITAL OUTLAY	\$ <u>3,054,572</u>	\$ <u>1,771,869</u>	\$ <u>4,836,495</u>	\$ <u>4,063,660</u>	\$ <u>772,835</u>
Transfer of funds to charter schools	\$ <u>6,300,000</u>		\$ <u>6,312,470</u>	\$ <u>6,231,538</u>	\$ <u>80,932</u>
TOTAL GENERAL FUND EXPENDITURES	\$ <u>120,041,247</u>	\$ <u>1,448,059</u>	\$ <u>121,511,530</u>	\$ <u>141,751,400</u>	\$ <u>30,210,201</u>
Excess/(deficiency) of revenues over/(under) expenditures	\$ <u>(1,903,808)</u>	\$ <u>(1,448,059)</u>	\$ <u>(3,351,867)</u>	\$ <u>2,704,802</u>	\$ <u>6,056,670</u>
Other financing sources/(uses):					
Operating Transfers in/(out):					
Capital Projects Fund				\$ (306,884)	306,884
Special Revenue Fund				(50,165)	50,165
				<u>(357,049)</u>	<u>357,049</u>
Total other financing sources/(uses)				\$ <u>(357,049)</u>	\$ <u>357,049</u>
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing sources/(uses)	\$ <u>(1,903,808)</u>	\$ <u>(1,448,059)</u>	\$ <u>(3,351,867)</u>	\$ <u>2,347,753</u>	\$ <u>5,699,621</u>
Fund balance, July 1	\$ <u>18,236,968</u>		\$ <u>18,236,968</u>	\$ <u>18,236,968</u>	
Fund balance, June 30	\$ <u>16,333,160</u>	\$ <u>(1,448,059)</u>	\$ <u>14,885,101</u>	\$ <u>20,584,721</u>	\$ <u>5,699,621</u>

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Exhibit C-1
 Sheet 10 of 10

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Capital Reserve appropriated per Budget	\$ 1,313,946				
Maintenance Reserve appropriated per Budget	590,863				
Less: Interest Earned on Capital Reserve	(400)				
Less: Interest Earned on Maintenance Reserve	<u>(600)</u>				
	<u>\$ 1,903,809</u>				
Detail of budget transfers:					
Prior year-end encumbrances		\$ 1,469,282			
Additional Miscellaneous Revenue		<u>(21,223)</u>			
		<u>\$ 1,448,059</u>			
Recapitulation of fund balance:					
Committed for year-end encumbrances				\$ 1,129,992	
Emergency Reserve				52,461	
Restricted:					
Capital Reserve			\$ 8,060,770		
Capital Reserve - Designated for subsequent years expenditures			<u>2,489,200</u>	10,549,970	
Maintenance Reserve - Unassigned			\$ 5,900,000		
Maintenance Reserve - Designated for subsequent years expenditures			<u>600,000</u>	6,500,000	
Reserve for FFCRA - SEMI - Designated for subsequent years				21,770	
Unassigned Fund Balance (2%)				<u>2,330,528</u>	
				20,584,721	
Reconciliation to governmental funds statements (GAAP):					
Less: Last Two (2) State Aid Payments not recognized on GAAP basis				<u>3,263,718</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 17,321,003</u>	

NORTH BRUNSWICK BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues				
State Sources:				
Preschool Education	\$ 5,058,158	\$ 5,058,158	\$ 4,656,019	\$ 402,139
Non-Public Textbooks	2,101	2,101	2,101	
Non-Public Nursing	3,920	3,920	3,595	325
Non-Public Security	6,125	6,125	4,932	1,193
Non-Public Technology	4,479	4,479	1,470	3,009
Non-Public Transportation	999	999	999	-
Non-Public Supply Instruction	4,791	4,791	3,965	826
Non-Public Exam and Class	5,879	5,879	1,520	4,359
Non-Public Corrective Speech	1,395	1,395	1,395	-
SDA Grant	142,246	142,246	142,246	-
	<u>\$ 5,230,093</u>	<u>\$ 5,230,093</u>	<u>\$ 4,818,242</u>	<u>\$ 411,851</u>
Total State Sources				
Federal Sources:				
Title I	\$ 984,963	\$ 984,963	\$ 955,274	\$ 29,689
Title I - School Improvements	494,560	494,560	164,260	330,300
Title II, Part A	211,377	211,377	170,754	40,623
Title III	76,034	76,034	58,629	17,405
Title III - Immigrant	1,045	1,045	1,042	3
Title IV	63,473	63,473	57,304	6,169
I.D.E.A. Part B, Basic	1,564,218	1,564,218	1,296,728	267,490
I.D.E.A. Part B, Preschool	39,254	39,254	39,140	114
Perkins Grant	43,227	43,227	26,028	17,199
CARES	178	178	178	-
CARES ESSR II	2,033,937	2,033,937	1,951,497	82,440
CARES Learning Acq	157,937	157,937	49,853	108,084
CARES Mental Health	35,768	35,768	35,768	-
ARP I.D.E.A. Regular	292,862	292,862	139,351	153,511
ARP I.D.E.A. Preschool	25,223	25,223	24,168	1,055
ARP ESSR	5,608,198	5,608,198	2,124,420	3,483,778
ARP Acc Learning	564,202	564,202	54,982	509,220
ARP Summer Learning	40,000	40,000		40,000
ARP Comprehensive	40,000	40,000	6,578	33,422
ARP Mental Health	88,501	88,501	35,232	53,269
ARP Basic	25,011	25,011	25,011	-
	<u>\$ 12,389,968</u>	<u>\$ 12,389,968</u>	<u>\$ 7,216,197</u>	<u>\$ 5,173,771</u>
Total Federal Sources				
Local Sources:				
Student Activities	\$ 200,000	\$ 200,000	\$ 489,425	\$ (289,425)
ECF Hotspots	48,000	48,000	48,000	-
Local Grants	30,698	30,698	12,358	18,340
Soil Remediation	317,023	317,023	317,023	-
	<u>\$ 595,721</u>	<u>\$ 595,721</u>	<u>\$ 866,806</u>	<u>\$ (271,085)</u>
Total Local Sources				
Total Revenues	<u>\$ 18,215,782</u>	<u>\$ 18,215,782</u>	<u>\$ 12,901,245</u>	<u>\$ 5,314,537</u>

NORTH BRUNSWICK BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Expenditures</u>				
Instruction:				
Salaries of Teachers	\$ 3,943,981	\$ 3,943,981	\$ 2,901,039	\$ 1,042,942
Other Salaries for Instruction	503,880	503,880	442,381	61,499
Purchased Professional and Educational Services	180,804	180,804	86,779	94,025
Other Purchased Services	939,745	939,745	877,292	62,453
General Supplies	848,382	848,382	309,426	538,956
Textbooks	2,101	2,101	10,964	(8,863)
Other Objects	16,496	16,496		16,496
	<u>\$ 6,435,389</u>	<u>\$ 6,435,389</u>	<u>\$ 4,627,881</u>	<u>\$ 1,807,508</u>
Support Services:				
Salaries of Teachers	\$ 647,199	\$ 647,199	\$ 461,488	\$ 185,711
Salaries for Instruction (Directors)	195,156	195,156	74,935	120,221
Salaries for Supervisors of Instruction	181,523	181,523	163,029	
Salaries of Other Professional Staff	238,183	238,183	202,339	35,844
Salaries of Secretarial and Clerical Assistants	64,609	64,609	64,447	162
Other Salaries	98,500	98,500	97,443	1,057
Salaries of parents liaison	13,700	13,700	7,571	6,129
Salaries of master teacher	85,012	85,012	70,574	14,438
Employee Benefits	1,640,582	1,640,582	1,371,695	268,887
Purchased Professional/Educational Services				-
Head Start	975,000	975,000	975,000	-
Purchased Professional	381,000	381,000	381,000	-
Pro Services	86,420	86,420	86,420	-
Purchased Professional and Technical Services	855,154	855,154	685,650	169,504
Leases/Rentals	80,000	80,000	37,132	42,868
Other Purchased Services	2,027,619	2,027,619	908,669	1,118,950
Supplies and Materials	859,320	859,320	649,508	209,812
Other Objects	517,023	517,023	601,349	(84,326)
	<u>\$ 8,946,000</u>	<u>\$ 8,946,000</u>	<u>\$ 6,838,249</u>	<u>\$ 2,089,257</u>
Total Expenditures	<u>\$ 15,381,389</u>	<u>\$ 15,381,389</u>	<u>\$ 11,466,130</u>	<u>\$ 3,896,765</u>
Facilities Acquisition and Construction Services				
Instructional Equipment	<u>\$ 2,882,393</u>	<u>\$ 2,882,393</u>	<u>\$ 1,408,591</u>	<u>\$ 1,473,802</u>
Total Outflows	<u>\$ 18,263,782</u>	<u>\$ 18,263,782</u>	<u>\$ 12,874,721</u>	<u>\$ 5,370,567</u>
Excess (Deficiency) of Revenues Over/(Under)				
Expenditures	<u>\$ (48,000)</u>	<u>\$ (48,000)</u>	<u>\$ 26,524</u>	<u>\$ (56,030)</u>
Fund Balance July 1 (Restated)			\$ 429,699	
Fund Balance June 30			<u>\$ 456,223</u>	
Recapitulation:				
Restricted:				
Scholarships			\$ 39,527	
Student Activities			<u>416,696</u>	
Total Fund Balance			<u>\$ 456,223</u>	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1 \$ 144,456,202	C-2 \$ 12,901,245
Add: Budgetary revenues that are not revenues under GAAP - prior year adjustment		261,299
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
June 30, 2021	None	None
June 30, 2022	None	(965,908)
State aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	2,403,436	364,597
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(3,263,718)</u>	<u>(405,445)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	B-2 \$ <u>143,595,920</u>	B-2 \$ <u>12,155,788</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	C-1 \$ 141,751,400	C-2 \$ 12,874,721
Difference - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
June 30, 2021	None	None
June 30, 2022	<u>None</u>	<u>(965,908)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	B-2 \$ <u>141,751,400</u>	B-2 \$ <u>11,908,813</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING
FOR PENSIONS AND OPEB**

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST NINE (9) FISCAL YEARS

<u>Year</u>	<u>District's Proportion of Net Pension Liability</u>	<u>District's Proportionate Share of Net Pension Liability (asset)</u>	<u>District's Covered-Employee Payroll</u>	<u>District's Proportionate Share of Net Pension Liability (asset) as Percentage of Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as Percentage of Total Pension Liability</u>
2022	0.1353620560 %	\$ 16,035,812	\$ 10,626,603	150.90 %	70.33 %
2021	0.1340935679	21,867,154	9,922,835	220.37	58.32
2020	0.1292993699	23,297,785	9,802,714	237.66	56.27
2019	0.1291616400	25,431,283	9,382,043	271.06	46.40
2018	0.1231599065	28,669,658	8,947,809	320.41	48.09
2017	0.1175406110	34,812,158	8,820,428	394.68	40.14
2016	0.1169371652	26,250,050	8,296,804	316.39	47.92
2015	0.1144388046	21,426,074	8,150,544	262.88	48.72
2014	0.1160444197	22,178,394	7,851,216	282.48	52.08

Note: Only the last nine (9) years of information are presented as GASB 68 was implemented during the year ended June 30, 2015. Eventually a full ten (10) year schedule will be compiled.

Notes to Required Supplementary Information:

Benefit Changes - there were none.

Changes of Assumptions - the discount rate of 7.0% remained the same as of June 30, 2020 and as of June 30, 2021.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST NINE (9) FISCAL YEARS

<u>Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered-Employee Payroll</u>	<u>Contributions as Percentage of Covered-Employee Payroll</u>
2022	\$ 1,611,321	\$ 1,611,321	None	\$ 10,626,603	15.16 %
2021	1,585,247	1,585,247	None	9,922,835	15.98
2020	1,466,917	1,466,917	None	9,802,714	14.97
2019	1,284,741	1,284,741	None	9,382,043	13.69
2018	1,140,945	1,140,945	None	8,947,809	12.75
2017	1,087,258	1,087,258	None	8,820,428	12.33
2016	954,254	954,254	None	8,296,804	11.50
2015	943,417	943,417	None	8,150,544	11.57
2014	874,371	874,371	None	7,851,216	11.14

Note: Only the last nine (9) years of information are presented as GASB 68 was implemented during fiscal year ended June 30, 2015. Eventually a full ten (10) years schedule will be compiled.

Notes to Required Supplementary Information:

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.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHERS PENSION AND ANNUITY FUND (TPAF)
LAST NINE (9) FISCAL YEARS

Year	District's Proportion of Net Pension Liability	Proportionate Share of Net Pension Liability (Asset)			District's Covered-Employee Payroll	District's Proportionate Share of Net Pension Liability (asset) as Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as Percentage of Total Pension Liability
		District	State	Total			
2022	0.4170850878 %	\$ None	\$ 200,514,443	\$ 200,514,443	\$ 52,650,620	None	35.52 %
2021	0.4082925768	None	268,855,749	268,855,749	49,458,253	None	24.60
2020	0.3907325290	None	239,796,241	239,796,241	46,585,768	None	26.95
2019	0.3883126563	None	247,036,169	247,036,169	45,318,619	None	26.49
2018	0.3764293042	None	253,802,214	253,802,214	38,611,684	None	25.41
2017	0.3796856640	None	298,684,842	298,684,842	41,186,013	None	22.33
2016	0.3664226574	None	231,594,767	231,594,767	38,953,673	None	28.71
2015	0.3598476484	None	192,326,856	192,326,856	38,603,846	None	33.64
2014	0.3677159608	None	185,840,754	185,840,754	37,328,236	None	33.76

Note: Only the last nine (9) years of information are presented as GASB 68 was implemented during the year ended June 30, 2015. Eventually a full ten (10) year schedule will be compiled.

Notes to Required Supplementary Information:

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.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY FOR PERS AND TPAF AND RELATED RATIOS

LAST FIVE (5) FISCAL YEARS *

<u>Total OPEB Liability</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 14,055,615	\$ 7,652,253	\$ 7,405,544	\$ 7,979,278	\$ 9,644,737
Interest	6,049,738	5,694,178	6,377,896	7,297,528	6,293,116
Differences between expected and actual experience	(40,191,391)	44,622,586	(20,845,936)	(18,884,008)	(26,836,209)
Changes of assumptions or other inputs	230,080	47,114,213	2,241,234	(19,562,598)	-
Change in Benefits Terms	(248,225)				
Benefit payments	(4,765,499)	(4,490,279)	(4,614,275)	(4,558,380)	(4,587,105)
Contributions from members	154,662	136,100	136,780	157,545	168,909
Net changes in total OPEB liability	(24,715,020)	100,729,051	(9,298,757)	(27,570,635)	(15,316,552)
Total OPEB liability - beginning	261,903,020	161,173,969	170,472,726	198,043,361	213,359,913
Total OPEB liability - ending	<u>\$237,188,000</u>	<u>\$ 261,903,020</u>	<u>\$ 161,173,969</u>	<u>\$ 170,472,726</u>	<u>\$ 198,043,361</u>
Covered-employee payroll (PERS and TPAF)	<u>\$ 63,277,223</u>	<u>\$ 59,381,087</u>	<u>\$ 56,388,482</u>	<u>\$ 54,700,622</u>	<u>\$ 47,559,493</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>

Note: Only the last five (5) years of information are presented as GASB 75 was implemented during fiscal year ended June 30, 2018. Eventually a full ten (10) years schedule will be compiled.

Notes to Required Supplementary Information:

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven (7) years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal years 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to 1 4.5% long-term trend rate after seven (7) years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Changes of Assumptions - The discount rate utilized was 2.21% for June 30, 2020 and 2.16% as of June 30, 2021.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

BOARD OF EDUCATION
NORTH BRUNSWICK SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Exhibit E-1

	Total Brought Forward (Exh. E-1a)	Title I		I.D.E.A. Part B		Title II	Totals 2022
		Part A	Part D	Regular Program	Preschool	Part A	
REVENUES:							
State sources	\$ 4,818,242						\$ 4,818,242
Federal sources	4,590,040	\$ 955,274	\$ 164,260	\$ 1,296,728	\$ 39,140	\$ 170,754	7,216,196
Local sources	866,805						866,805
Total revenues	\$ 10,275,087	\$ 955,274	\$ 164,260	\$ 1,296,728	\$ 39,140	\$ 170,754	\$ 12,901,243
EXPENDITURES:							
Instruction:							
Salaries of teachers	\$ 2,257,716	\$ 410,958	\$ 17,539	\$ 214,826			\$ 2,901,039
Other salaries for instructors	442,381						442,381
Purchased professional and technical services	77,162			9,617			86,779
Other purchased services	22,861			854,431			877,292
General supplies	202,050	35,412	21,437	50,526			309,425
Textbooks	10,964						10,964
Total instruction	3,013,135	446,370	38,976	1,129,400			4,627,881
Support services:							
Salaries of teachers	137,510	180,906	68,544	74,529			461,488
Salaries of program director	30,062	32,895	7,650			\$ 4,328	74,935
Salaries of supervisors of instruction	94,235					68,794	163,029
Salaries of other professional staff	196,187					6,152	202,339
Salaries of secretarial and clerical assistants	58,888			5,559			64,447
Other salaries	97,443						97,443
Salaries of parents liaison	7,571						7,571
Salaries of master teacher	70,574						70,574
Personal services-employee benefits	961,958	288,409	34,290	46,587		40,452	1,371,695
Purchased educational services							
Head Start	975,000						975,000
Purchased Professional	381,000						381,000
Pro Services	86,420						86,420
Purchased professional/technical services	578,582	6,535	14,800	16,138	\$ 30,000	39,595	685,650
Building rental	37,132						37,132
Other purchased services	902,423	160				6,086	908,669
Supplies and materials	612,806			22,216	9,140	5,346	649,508
Other objects	601,347						601,347
Total support services	5,829,137	508,905	125,283	165,029	39,140	170,754	6,838,248
Facilities acquisition and construction services:							
Instructional equipment	1,406,292			2,299			1,408,591
Total facilities acquisition and construction services	1,406,292			2,299			1,408,591
Total expenditures	\$ 10,248,563	\$ 955,274	\$ 164,260	\$ 1,296,728	\$ 39,140	\$ 170,754	\$ 12,874,719
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ 26,524						\$ 26,524
Fund Balance, July 1	429,699						429,699
Fund Balance, June 30	\$ 456,223						\$ 456,223

BOARD OF EDUCATION
NORTH BRUNSWICK SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Exhibit E-1a

	Total Brought Forward (Exh. E-1b)	Title III		Title IV	Perkins Grant	CRRSA	CARES ESSR II	Acceleration CRRSA Learning	CRRSA Mental Health	Totals Carried Forward 2022
		Regular	Immigrant							
REVENUES:										
State sources	\$ 4,818,242									\$ 4,818,242
Federal sources	2,409,741	\$ 58,629	\$ 1,042	\$ 57,304	\$ 26,028	\$ 178	\$ 1,951,497	\$ 49,853	\$ 35,768	4,590,040
Local sources	866,805									866,805
Total revenues	\$ 8,094,788	\$ 58,629	\$ 1,042	\$ 57,304	\$ 26,028	\$ 178	\$ 1,951,497	\$ 49,853	\$ 35,768	\$ 10,275,087
EXPENDITURES:										
Instruction:										
Salaries of teachers	\$ 1,523,531	\$ 2,519			\$ 1,799		\$ 698,838	\$ 31,028		\$ 2,257,716
Other salaries for instructors	442,381									442,381
Purchased professional and technical services	77,162									77,162
Other purchased services	22,861									22,861
General supplies	83,666	50,246	\$ 1,042	\$ 23,293	13,948		18,874	10,961		202,050
Textbooks	10,964									10,964
Total instruction	2,160,566	52,765	1,042	23,293	15,748		717,712	42,009		3,013,135
Support services:										
Salaries of teachers	107,799	2,251		14,922			12,537			137,510
Salaries of program director	29,683	379								30,062
Salaries of supervisors of instruction	94,235									94,235
Salaries of other professional staff	196,187									196,187
Salaries of secretarial and clerical assistants	58,888									58,888
Other salaries	97,443									97,443
Salaries of parents liaison	7,571									7,571
Salaries of master teacher	70,574									70,574
Personal services-employee benefits	806,868	566		1,313	138		145,228	7,844		961,958
Purchased educational services										
Head Start	975,000									975,000
Purchased Professional	381,000									381,000
Pro Services	86,420									86,420
Purchased professional/technical services	524,361	500		17,775		\$ 178			\$ 35,768	578,582
Building rental	37,132									37,132
Other purchased services	166,121	1,918					734,384			902,423
Supplies and materials	570,922	249					41,635			612,806
Other objects	601,347									601,347
Total support services	4,811,550	5,864		34,011	138	178	933,785	7,844	35,768	5,829,137
Facilities acquisition and construction services:										
Instructional equipment	1,096,149				10,143		300,000			1,406,292
Total facilities acquisition and construction services	1,096,149				10,143		300,000			1,406,292
Total expenditures	\$ 8,068,265	\$ 58,629	\$ 1,042	\$ 57,304	\$ 26,028	\$ 178	\$ 1,951,497	\$ 49,853	\$ 35,768	\$ 10,248,563
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ 26,524									\$ 26,524
Fund Balance, July 1	429,699									429,699
Fund Balance, June 30	\$ 456,223									\$ 456,223

**BOARD OF EDUCATION
NORTH BRUNSWICK SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit E-1b

	Total Brought Forward (Exh. E-1c)	ARP							Totals Carried Forward 2022
		IDEA REG	IDEA PRE	ESSER	ESSER Acc Learning	ESSER Comprehensive	ESSER Mental Health	Homeless	
REVENUES:									
State sources	\$ 4,818,242								\$ 4,818,242
Federal sources		\$ 139,351	\$ 24,168	\$ 2,124,420	\$ 54,982	\$ 6,578	\$ 35,232	\$ 25,011	2,409,741
Local sources	866,805								866,805
Total revenues	\$ 5,685,047	\$ 139,351	\$ 24,168	\$ 2,124,420	\$ 54,982	\$ 6,578	\$ 35,232	\$ 25,011	\$ 8,094,788
EXPENDITURES:									
Instruction:									
Salaries of teachers	\$ 1,157,876			\$ 351,130	\$ 7,182	6,110	1,233		\$ 1,523,531
Other salaries for instructors	442,381								442,381
Purchased professional and technical services	77,162								77,162
Other purchased services	10,861			12,000					22,861
General supplies	42,344			41,322					83,666
Textbooks	10,964								10,964
Total instruction	1,741,589			404,452	7,182	6,110	1,233		2,160,566
Support services:									
Salaries of teachers				107,799					107,799
Salaries of program director	29,683								29,683
Salaries of supervisors of instruction	94,235								94,235
Salaries of other professional staff	196,187								196,187
Salaries of secretarial and clerical assistants	58,888								58,888
Other salaries	97,443								97,443
Salaries of parents liaison	7,571								7,571
Salaries of master teacher	70,574								70,574
Personal services-employee benefits	703,332			102,425	549	\$ 467	94		806,868
Purchased educational services									
Head Start	975,000								975,000
Purchased Professional	381,000								381,000
Pro Services	86,420								86,420
Purchased professional/technical services	333,181	\$ 133,601		5,000	44,700		7,879		524,361
Building rental	37,132								37,132
Other purchased services	51,171		\$ 24,168	37,194	2,550		26,026	\$ 25,011	166,121
Supplies and materials	14,148	5,750		551,024					570,922
Other objects	601,347								601,347
Total support services	3,737,311	139,351	24,168	803,443	47,799	467	34,000	25,011	4,811,550
Facilities acquisition and construction services:									
Instructional equipment	179,623			916,526					1,096,149
Total facilities acquisition and construction services	179,623			916,526					1,096,149
Total expenditures	\$ 5,658,523	\$ 139,351	\$ 24,168	\$ 2,124,420	\$ 54,982	\$ 6,578	\$ 35,232	\$ 25,011	\$ 8,068,265
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ 26,524								\$ 26,524
Fund Balance, July 1	429,699								429,699
Fund Balance, June 30	\$ 456,223								\$ 456,223

**BOARD OF EDUCATION
NORTH BRUNSWICK SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit E-1c

	Total Brought Forward (Exh. F-1d)	NonPublic Textbooks	NonPublic Nursing	NonPublic Security	NonPublic Technology	SDA Grant	Pre-School Education State Aid	Totals Carried Forward 2022
REVENUES:								
State sources	\$ 7,879	\$ 2,101	\$ 3,595	\$ 4,932	\$ 1,470	\$ 142,246	\$ 4,656,019	\$ 4,818,242
Federal sources								
Local sources	866,805							866,805
Total revenues	874,684	2,101	3,595	4,932	1,470	142,246	4,656,019	5,685,047
EXPENDITURES:								
Instruction:								
Salaries of teachers	\$						\$ 1,157,876	\$ 1,157,876
Other salaries for instructors							442,381	442,381
Purchased professional and technical services	7,879		\$ 3,595	\$ 4,932			60,756	77,162
Other purchased services							10,861	10,861
General supplies							42,344	42,344
Textbooks		\$ 2,101					8,863	10,964
Total instruction	7,879	2,101	3,595	4,932			1,723,082	1,741,589
Support services:								
Salaries of teachers							29,683	29,683
Salaries of program director							94,235	94,235
Salaries of supervisors of instruction							196,187	196,187
Salaries of other professional staff							58,888	58,888
Salaries of secretarial and clerical assistants							97,443	97,443
Other salaries							7,571	7,571
Salaries of parents liaison							70,574	70,574
Salaries of master teacher							703,332	703,332
Personal services-employee benefits								
Purchased educational services							975,000	975,000
Head Start							381,000	381,000
Purchased Professional							86,420	86,420
Pro Services								
Purchased professional/technical services	333,181							333,181
Building rental							37,132	37,132
Other purchased services	48,000				\$ 1,470		1,701	51,171
Supplies and materials							14,148	14,148
Other objects	459,101					142,246		601,347
Total support services	840,282				1,470	142,246	2,753,314	3,737,311
Facilities acquisition and construction services:								
Instructional equipment							179,623	179,623
Total facilities acquisition and construction services							179,623	179,623
Total expenditures	\$ 848,161	\$ 2,101	\$ 3,595	\$ 4,932	\$ 1,470	\$ 142,246	\$ 4,656,019	\$ 5,658,523
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ 26,524							\$ 26,524
Fund Balance, July 1	429,699							429,699
Fund Balance, June 30	\$ 456,223							\$ 456,223

**BOARD OF EDUCATION
NORTH BRUNSWICK SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit E-1d

	Total Brought Forward (Exh. E-1e)	NJ Chapter 193 Auxiliary Service NonPublic Transp.	NJ Chapter 193 - Handicapped			Local Grants	Totals Carried Forward 2022
			Suppl. Inst.	NonPublic Exam. and Class.	NonPublic Corrective Speech		
REVENUES:							
State sources		\$ 999	\$ 3,965	\$ 1,520	\$ 1,395		\$ 7,879
Federal sources							
Local sources	\$ 854,447					\$ 12,358	866,805
Total revenues	\$ 854,447	\$ 999	\$ 3,965	\$ 1,520	\$ 1,395	\$ 12,358	\$ 874,684
EXPENDITURES:							
Instruction:							
Salaries of teachers							
Other salaries for instructors							
Purchased professional and technical services		\$ 999	\$ 3,965	\$ 1,520	\$ 1,395		\$ 7,879
Other purchased services							
General supplies							
Textbooks							
Total instruction		\$ 999	\$ 3,965	\$ 1,520	\$ 1,395		\$ 7,879
Support services:							
Salaries of teachers							
Salaries of program director							
Salaries of supervisors of instruction							
Salaries of other professional staff							
Salaries of secretarial and clerical assistants							
Other salaries							
Salaries of parents liaison							
Salaries of master teacher							
Personal services-employee benefits							
Purchased educational services							
Head Start							
Purchased Professional							
Pro Services							
Purchased professional/technical services	\$ 320,823					\$ 12,358	333,181
Building rental	48,000						48,000
Other purchased services							
Supplies and materials							
Other objects	459,101						459,101
Total support services	827,924					12,358	840,282
Facilities acquisition and construction services:							
Instructional equipment							
Total facilities acquisition and construction services							
Total expenditures	\$ 827,924	\$ 999	\$ 3,965	\$ 1,520	\$ 1,395	\$ 12,358	\$ 848,161
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ 26,524						\$ 26,524
Fund Balance, July 1	429,699						429,699
Fund Balance, June 30	\$ 456,223						\$ 456,223

**BOARD OF EDUCATION
NORTH BRUNSWICK SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit E-1e

	Total Brought Forward (Exh. E-1f)	ECF Hot Spots	Remediation	Scholarship	Student Activity Elementary Schools		Totals Carried Forward 2022
					Judd	John Adams	
REVENUES:							
State sources							
Federal sources							
Local sources	\$ 479,989	\$ 48,000	\$ 317,023		\$ 5,692	\$ 3,744	\$ 854,447
Total revenues	\$ 479,989	\$ 48,000	\$ 317,023		\$ 5,692	\$ 3,744	\$ 854,447
EXPENDITURES:							
Instruction:							
Salaries of teachers							
Other salaries for instructors							
Purchased professional and technical services							
Other purchased services							
General supplies							
Textbooks							
Total instruction							
Support services:							
Salaries of teachers							
Salaries of program director							
Salaries of supervisors of instruction							
Salaries of other professional staff							
Salaries of secretarial and clerical assistants							
Other salaries							
Salaries of parents liaison							
Salaries of master teacher							
Personal services-employee benefits							
Purchased educational services							
Head Start							
Purchased Professional							
Pro Services							
Purchased professional/technical services	\$		\$ 317,023	\$ 3,800			\$ 320,823
Building rental							
Other purchased services		\$ 48,000					48,000
Supplies and materials							
Other objects	447,869				7,012	4,220	459,101
Total support services	\$ 447,869	48,000	317,023	3,800	7,012	4,220	827,924
Facilities acquisition and construction services:							
Instructional equipment							
Total facilities acquisition and construction services							
Total expenditures	\$ 447,869	\$ 48,000	\$ 317,023	\$ 3,800	\$ 7,012	\$ 4,220	\$ 827,924
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ 32,119			\$ (3,800)	\$ (1,319)	\$ (476)	\$ 26,524
Fund Balance, July 1	339,210			43,327	33,371	13,791	429,699
Fund Balance, June 30	\$ 371,330	\$		\$ 39,527	\$ 32,052	\$ 13,314	\$ 84,893

**BOARD OF EDUCATION
NORTH BRUNSWICK SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit E-1f

	Student Activity									Totals Carried Forward 2022
	Elementary Schools			Middle School			High School			
	Livingston Park	Parson	Early Childhood Center	Middle School	Linwood Account	Athletic Middle	High School	High School Store	Athletic Account	
REVENUES:										
State sources										
Federal sources										
Local sources	\$ 16,542	\$ 5,317	\$ 3,599	\$ 2,802	\$ 28,859	\$ 5,000	\$ 344,046	\$ 16,589	\$ 57,235	\$ 479,989
Total revenues	\$ 16,542	\$ 5,317	3,599	\$ 2,802	\$ 28,859	\$ 5,000	\$ 344,046	\$ 16,589	\$ 57,235	\$ 479,989
EXPENDITURES:										
Instruction:										
Salaries of teachers										
Other salaries for instructors										
Purchased professional and technical services										
Other purchased services										
General supplies										
Textbooks										
Total instruction										
Support services:										
Salaries of teachers										
Salaries of program director										
Salaries of supervisors of instruction										
Salaries of other professional staff										
Salaries of secretarial and clerical assistants										
Other salaries										
Salaries of parents liaison										
Salaries of master teacher										
Personal services-employee benefits										
Purchased educational services										
Head Start										
Purchased Professional										
Pro Services										
Purchased professional/technical services										\$
Building rental										
Other purchased services										
Supplies and materials										
Other objects	\$ 13,933	\$ 2,978	\$ 2,774	\$ 4,900	\$ 25,836	\$ 6,407	\$ 323,335	\$ 9,638	\$ 58,069	447,869
Total support services	13,933	2,978	2,774	4,900	25,836	6,407	323,335	9,638	58,069	447,869
Facilities acquisition and construction services:										
Instructional equipment										
Total facilities acquisition and construction services										
Total expenditures	\$ 13,933	\$ 2,978	\$ 2,774	\$ 4,900	\$ 25,836	\$ 6,407	\$ 323,335	9,638	\$ 58,069	\$ 447,869
Excess/(Deficit) of Revenues										
Over/(Under) Expenditures	\$ 2,609	\$ 2,339	\$ 825	\$ (2,098)	\$ 3,023	\$ (1,407)	\$ 20,711	\$ 6,951	\$ (834)	\$ 32,119
Fund Balance, July 1	10,207	6,165	2,340	5,687	13,864	5,410	274,659	19,425	1,453	339,210
Fund Balance, June 30	\$ 12,816	\$ 8,504	\$ 3,164	\$ 3,589	\$ 16,887	\$ 4,003	\$ 295,370	\$ 26,376	\$ 619	\$ 371,330

NORTH BRUNSWICK BOARD OF EDUCATION SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
PRESCHOOL - ALL PROGRAMS
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
State sources	\$ 5,058,158	\$ 5,058,158	\$ 5,058,158	\$ -
Total revenues	<u>\$ 5,058,158</u>	<u>\$ 5,058,158</u>	<u>\$ 5,058,158</u>	<u>\$ -</u>
EXPENDITURES:				
Instruction:				
Salaries of teachers	\$ 1,218,037	\$ 1,218,037	\$ 1,157,876	\$ 60,161
Salaries of other professional staff	575,380	503,880	442,381	61,499
Purchased professional - education services		71,500	60,757	10,743
Other purchased services	30,000	22,000	10,861	11,139
General supplies	29,861	43,318	42,344	974
Other objects	20,000	14,543	8,863	5,680
Total instruction	<u>\$ 1,873,278</u>	<u>\$ 1,873,278</u>	<u>\$ 1,723,082</u>	<u>\$ 150,196</u>
Support services:				
Salaries of supervisors of instruction	\$ 117,791	\$ 72,143	\$ 29,683	\$ 42,460
Salaries of principals	56,087	94,235	94,235	-
Salaries of other professional staff	235,024	232,024	196,187	35,837
Salaries of secretarial and clerical assistants	57,649	59,049	58,888	161
Other salaries for instruction	88,000	98,500	97,443	1,057
Parent liaison	15,100	13,700	7,571	6,129
Salaries of master teachers	85,012	85,012	70,574	14,438
Personal services-employee benefits	720,258	720,258	703,332	16,926
Purchased educational services	975,000	975,000	975,000	-
Head start	381,000	381,000	381,000	-
Purchased professional/technical services	25,000	86,420	86,420	-
Cleaning & repair	10,000	10,000		10,000
Building rental	40,000	40,000	37,132	2,868
Other purchased services - transportation	30,000	30,000		30,000
Miscellaneous park service	7,420	7,286	1,701	5,585
Supplies and materials	14,139	14,273	14,148	125
Total support services	<u>\$ 2,857,480</u>	<u>\$ 2,918,900</u>	<u>\$ 2,753,314</u>	<u>\$ 165,586</u>
Facilities acquisition and construction services:				
Instructional equipment	\$ 327,400	\$ 265,980	\$ 179,623	86,357
Total facilities acquisition & construction services	<u>\$ 327,400</u>	<u>\$ 265,980</u>	<u>\$ 179,623</u>	<u>\$ 86,357</u>
Total expenditures	<u>\$ 5,058,158</u>	<u>\$ 5,058,158</u>	<u>\$ 4,656,019</u>	<u>\$ 402,139</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2021-2022 PreK Aid Allocation	\$ 5,058,158
Add: Actual PreK Aid Carryover June 30, 2021	<u>\$ 3,306</u>
Total Funds Available for 2021-2022 Budget	\$ 5,061,464
Less: 2021-2022 Budgeted PreK (Including prior year budgeted carryover)	<u>4,656,019</u>
Available & Unbudgeted Funds as of June 30, 2022	<u>\$ 405,445</u>

CAPITAL PROJECTS FUND

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2022</u>
			<u>Prior Years</u>	<u>Current Year</u>	
New Middle School	12/13/16	\$ 77,395,520	\$ 77,063,149	\$ 297,902	\$ 34,469
ESIP	04/01/19	<u>14,111,089</u>	<u>13,305,381</u>	<u> </u>	<u>805,708</u>
		<u>\$ 91,506,609</u>	<u>\$ 90,368,530</u>	<u>\$ 297,902</u>	<u>\$ 840,177</u>

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Revenues		
Interest on investments	\$	12,400
Miscellaneous - Rebate		<u>238,300</u>
Total revenues	\$	<u>250,700</u>
Expenditures		
Equipment	\$	<u>297,902</u>
Total expenditures	\$	<u>297,902</u>
Excess/(deficiency) of revenues over/(under) expenditures:	\$	(47,202)
Other financing sources/(uses):		
Transfer in/(out):		
From General Fund - ESIP Rebate		306,884
Debt Service Fund		<u>(12,151)</u>
Net change in fund balance	\$	247,531
Fund balance, beginning		<u>592,646</u>
Fund balance, ending	\$	<u><u>840,177</u></u>

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
CONSTRUCTION OF NEW MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond proceeds	\$ 77,348,000		\$ 77,348,000	\$ 77,348,000
Other Revenue	47,520		47,520	47,520
Total revenues	\$ 77,395,520		\$ 77,395,520	\$ 77,395,520
Expenditures and Other Financing Uses				
Legal Fees	\$ 653		\$ 653	\$ 653
Purchase Professional/Technical Services	504,550		504,550	504,550
Architect Fees	3,971,692		3,971,692	3,971,692
Land and Land Improvements	10,733,204		10,733,204	10,733,204
Supplies and Material	2,802,278		2,802,278	2,802,278
Construction	53,732,796		53,732,796	53,732,796
Equipment	5,317,976	297,902	5,615,878	5,615,878
Total expenditures	\$ 77,063,149	\$ 297,902	\$ 77,361,051	\$ 77,361,051
Excess (deficiency) of revenues over/(under) expenditures	\$ 332,371	\$ (297,902)	\$ 34,469	\$ 34,469

Additional project information:

Project Number	
Grant Date	12/13/2016
Bond Authorization Date	12/13/2016
Bonds Authorized	\$ 77,063,149
Bonds Issued	\$ 77,063,149
Original Authorized Cost	\$ -
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 77,063,149

Percentage Increase over

Original Authorized Cost	
Percentage completion	99.90%
Original target completion date	4/1/2020

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
DISTRICT WIDE ENERGY PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Lease Proceeds	\$ 13,500,000		\$ 13,500,000	\$ 13,500,000
Interest Earnings	65,656	\$ 269	65,925	65,925
Rebates		545,164	545,164	545,164
	<u>13,565,656</u>	<u>545,433</u>	<u>14,111,089</u>	<u>14,111,089</u>
Total revenues	\$ 13,565,656	545,433	\$ 14,111,089	\$ 14,111,089
Expenditures and Other Financing Uses				
Salaries				
Employee Benefits				
Legal Fees				
Purchase Professional/Technical Services				
Other Purchased Services				
Construction Services				
Equipment	\$ 13,305,381		\$ 13,305,381	\$ 13,305,381
	<u>13,305,381</u>		<u>13,305,381</u>	<u>13,305,381</u>
Total expenditures	\$ 13,305,381		\$ 13,305,381	\$ 13,305,381
Excess (deficiency) of revenues over/(under) expenditures	<u>\$ 260,275</u>	<u>545,433</u>	<u>\$ 805,708</u>	<u>\$ 805,708</u>

Additional project information:

Project Number	
Grant Date	
Lease Authorization Date	3/15/2019
Leases Authorized	\$ 13,500,000
Leases Issued	\$ 13,500,000
Original Authorized Cost	
Additional Authorized Cost	\$ 611,689.00
Revised Authorized Cost	\$ 14,111,089

Percentage Increase over

Original Authorized Cost	
Percentage completion	94.28%
Original target completion date	9/15/2020
Revised target completion date	9/15/2026

Analysis of Excesses:

Lease Proceeds	\$ 260,275
Rebates	545,164
Interest on Lease Proceeds	269
	<u>\$ 805,708</u>

NONCURRENT DEBT

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NONCURRENT DEBT
SCHEDULE OF SERIAL BONDS
AS OF JUNE 30, 2022

<u>Issue</u>	<u>Original</u>		<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2021</u>	<u>Retired</u>	<u>Balance June 30, 2022</u>
	<u>Date of Original Issue</u>	<u>Amount of Issue</u>	<u>Date</u>	<u>Amount</u>				
2012 Refunding Bonds - (Refunding a Portion of 2005 Bonds)	5/23/2012	23,540,000				1,875,000	1,875,000	
2014 Refunding Bonds - (Refunding a Portion of 2006 Bonds)	5/23/2012	4,260,000	3/15/2023	455,000	4.000%	2,320,000	435,000	1,885,000
			3/15/2024	470,000	4.000%			
			3/15/2025	480,000	4.000%			
			3/15/2026	480,000	4.000%			
School District Bonds Series 2017	9/1/2017	35,000,000	9/15/2022	825,000	2.500%	32,525,000	825,000	31,700,000
			9/15/2023	825,000	2.500%			
			9/15/2024	825,000	2.750%			
			9/15/2025	1,600,000	3.000%			
			9/15/2026	1,600,000	3.000%			
			9/15/2027	1,600,000	3.000%			
			9/15/2028	1,600,000	3.000%			
			9/15/2029	1,600,000	3.000%			
			9/15/2030	1,600,000	3.000%			
			9/15/2031	1,600,000	3.000%			
			9/15/2032	1,600,000	3.000%			
			9/15/2033	1,600,000	3.000%			
			9/15/2034	1,625,000	3.000%			
			9/15/2035	1,650,000	3.000%			
			9/15/2036	1,650,000	3.000%			
			9/15/2037	1,650,000	3.000%			
			9/15/2038	1,650,000	3.000%			
9/15/2039	1,650,000	3.000%						
9/15/2040	1,650,000	3.000%						
9/15/2041	1,650,000	3.000%						
9/15/2042	1,650,000	3.000%						

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NONCURRENT DEBT
SCHEDULE OF SERIAL BONDS
AS OF JUNE 30, 2022**

Issue	Original		Annual Maturities		Interest Rate	Balance July 1, 2021	Retired	Balance June 30, 2022
	Date of Original Issue	Amount of Issue	Date	Amount				
School District Bonds Series 2019	1/24/2019	\$ 42,348,000	8/15/2022	990,000	3.125%			
			8/15/2023	990,000	3.125%			
			8/15/2024	990,000	3.125%			
			8/15/2025	1,980,000	3.125%			
			8/15/2026	1,980,000	3.125%			
			8/15/2027	1,980,000	3.125%			
			8/15/2028	1,980,000	3.125%			
			8/15/2029	1,980,000	3.125%			
			8/15/2030	1,980,000	3.250%			
			8/15/2031	1,980,000	3.250%			
			8/15/2032	1,980,000	3.250%			
			8/15/2033	1,980,000	3.250%			
			8/15/2034	1,980,000	3.250%			
			8/15/2035	1,980,000	3.250%			
			8/15/2036	1,980,000	3.375%			
			8/15/2037	1,980,000	3.375%			
			8/15/2038	1,980,000	3.500%			
			8/15/2039	1,980,000	3.500%			
			8/15/2040	1,980,000	3.500%			
			8/15/2041	1,915,000	3.500%			
			8/15/2042	1,900,000	3.625%			
			8/15/2043	1,900,000	3.625%			
						\$ 41,355,000	\$ 990,000	\$ 40,365,000
Refunding School Bonds, Series 2020A (Refunding a Portion of 2010 and 2012 Bonds)	10/7/2020	4,515,000	7/15/2022	2,295,000	4.000%	4,515,000	2,220,000	2,295,000
Refunding School Bonds, Series 2020B (Federally Taxable) (Refunding a Portion of 2010 and 2012 Bonds)	10/7/2020	12,010,000	1/15/2023	2,225,000	0.707%			
			1/15/2024	4,710,000	0.874%			
			1/15/2025	4,740,000	0.954%			
						<u>11,920,000</u>	<u>245,000</u>	<u>11,675,000</u>
						<u>\$ 94,510,000</u>	<u>\$ 6,590,000</u>	<u>\$ 87,920,000</u>
Total								
							<u>\$ 6,590,000</u>	

Detail:
Budget Appropriation

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
AS OF JUNE 30, 2022

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2021</u>	<u>Retired Current Year</u>	<u>Balance June 30, 2022</u>
ESIP	2.984%	\$ <u>12,860,000</u>	\$ <u>12,860,000</u>	\$ <u>660,000.00</u>	\$ <u>12,200,000</u>
		\$ <u>12,860,000</u>	\$ <u>12,860,000</u>	\$ <u>660,000.00</u>	\$ <u>12,200,000</u>

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 8,441,017		\$ 8,441,017	\$ 8,441,017	
State Sources:					
Debt Service Aid Type II	<u>405,871</u>		<u>405,871</u>	<u>405,871</u>	
Total Revenues	\$ 8,846,888		\$ 8,846,888	\$ 8,846,888	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	\$ 2,727,337	\$	\$ 2,727,337	\$ 2,727,336	\$ 1
Redemption of Principal	<u>6,590,000</u>		<u>6,590,000</u>	<u>6,590,000</u>	
Total Regular Debt Service	\$ 9,317,337		\$ 9,317,337	\$ 9,317,336	\$ 1
Total Expenditures	\$ 9,317,337		\$ 9,317,337	\$ 9,317,336	\$ 1
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ (470,449)</u>		<u>\$ (470,449)</u>	<u>\$ (470,448)</u>	<u>\$ (1)</u>
Other Financing Sources/(Uses):					
Capital Projects Fund				<u>\$ 12,151</u>	<u>\$ 12,151</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>\$ (470,449)</u>		<u>\$ (470,449)</u>	<u>\$ (458,297)</u>	<u>\$ (12,152)</u>
Fund Balance, July 1	<u>679,350</u>		<u>679,350</u>	<u>679,350</u>	
Fund Balance, June 30	<u>\$ 208,901</u>		<u>\$ 208,901</u>	<u>\$ 221,053</u>	<u>\$ (12,152)</u>
Recapitulation of Excess/(Deficiency) of Revenues Over/(Under) Expenditures:					
Budgeted Fund Balance	<u>\$ 208,901</u>		<u>\$ 208,901</u>	<u>\$ 221,053</u>	<u>\$</u>

STATISTICAL TABLES (SECTION)
(UNAUDITED)

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
INTRODUCTION TO STATISTICAL TABLES (SECTION)
(UNAUDITED)

Contents

Exhibit

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

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.

J-14 & J-15

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.

J-16 to J-20

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

FINANCIAL TRENDS

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NET POSITION BY COMPONENT
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Invested in capital assets, net of related debt	\$ 55,181,838	\$ 59,606,188	\$ 60,817,113	\$ 62,963,514	\$ 64,422,276	\$ 46,810,376	\$ 28,217,525	\$ 60,015,522	\$ 73,856,712	\$ 78,288,063
Restricted	7,137,475	4,728,729	4,389,769	5,602,959	4,312,604	22,340,628	45,216,162	14,888,846	8,597,708	456,223
Unrestricted (Deficit)			(21,583,862)	(24,095,986)	(25,872,968)	(27,771,570)	(29,632,721)	(30,724,698)	(24,046,544)	(10,820,424)
Total governmental activities net position	\$ 62,319,313	\$ 64,334,917	\$ 43,623,020	\$ 44,470,487	\$ 42,861,912	\$ 41,379,434	\$ 43,800,966	\$ 44,179,670	\$ 58,407,876	\$ 67,923,862
Business-type activities										
Invested in capital assets, net of related debt	\$ 119,144	\$ 139,222	\$ 120,178	\$ 128,124	\$ 277,577	\$ 279,167	\$ 233,340	\$ 185,931	\$ 139,312	\$ 93,866
Unrestricted	823,174	992,897	1,046,310	949,518	541,785	554,993	398,626	247,496	400,393	1,364,687
Total business-type activities net position	\$ 942,318	\$ 1,132,119	\$ 1,166,488	\$ 1,077,642	\$ 819,362	\$ 834,160	\$ 631,966	\$ 433,427	\$ 539,705	\$ 1,458,553
District-wide										
Invested in capital assets, net of related debt	\$ 55,300,982	\$ 55,300,982	\$ 60,937,291	\$ 63,091,638	\$ 64,699,853	\$ 47,089,543	\$ 28,450,865	\$ 60,201,454	\$ 73,996,024	\$ 78,381,929
Restricted	6,070,628	7,137,475	4,728,729	5,602,959	4,312,604	22,340,628	45,216,162	14,888,846	8,597,708	456,223
Unrestricted (Deficit)	(1,158,824)	823,174	992,897	(20,537,552)	(25,331,183)	(27,216,577)	(29,234,095)	(30,477,202)	(23,646,151)	(9,455,737)
Total district net position	\$ 60,212,786	\$ 63,261,631	\$ 66,658,917	\$ 48,157,045	\$ 43,681,274	\$ 42,213,594	\$ 44,432,932	\$ 44,613,097	\$ 58,947,581	\$ 69,382,415

Source: ACFR Exhibit A-1

Note: In 2015 the effective date of GASB 68 an adjustment was made for the provision of the net pension liability and other related data for PERS & TPAF data for periods prior to 2015 is not available.

2017 includes OPEB expense in accordance with GASB Statement No. 75 related to post-retirement benefits other than pension amounts prior 2017 are not available.

In 2021 GASB No.84 related to fiduciary accounting was implemented.

NORTHBRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CHANGE IN NET POSITION
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year Ending June 30.									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
Instruction										
Regular	\$ 37,921,983	\$ 39,207,495	\$ 39,199,442	\$ 42,406,923	\$ 51,004,075	\$ 49,104,993	\$ 47,362,218	\$ 44,671,009	\$ 43,926,951	\$ 48,552,151
Special education	10,076,486	10,264,997	14,935,960	16,587,884	20,880,083	19,775,812	21,376,879	21,510,173	25,499,570	26,015,011
Other special education	3,202,706	3,189,618	3,599,276	4,204,642	5,523,165	6,290,261	6,614,351	6,582,676	6,195,446	6,254,339
Other instruction	1,631,826	1,606,666	1,837,034	2,002,021	2,583,783	2,513,464	2,492,554	2,272,762	2,049,955	2,396,055
Support Services:										
Tuition	2,348,908	2,508,032	2,246,896	2,684,498	2,431,882	2,367,233	1,884,450	1,294,958	761,294	1,022,112
Student & instruction related services	11,721,237	11,948,893	13,702,695	15,469,731	19,128,659	20,656,200	23,322,315	27,354,628	24,775,517	27,777,578
School Administrative services	1,518,462	1,631,703	6,467,081	7,330,606	8,876,197	8,452,595	8,167,249	8,068,967	8,243,511	13,034,110
General administration	5,377,784	5,520,690	2,426,073	2,669,144	3,304,717	3,152,880	3,433,380	2,892,276	3,230,141	3,015,039
Plant operations and maintenance	9,639,299	11,245,538	10,918,984	11,774,688	14,322,137	13,191,633	12,675,934	12,363,953	12,788,529	14,596,409
Pupil transportation	6,313,663	6,235,929	7,099,988	8,408,418	10,170,754	9,728,987	9,253,346	8,218,916	7,729,328	12,360,049
Charter Schools	583,725	809,793	1,024,971	1,213,693	1,731,185	2,293,492	3,601,674	4,247,611	5,078,028	6,231,538
Scholarships										
Interest on long-term debt	2,464,283	2,482,388	2,303,872	2,124,370	2,126,318	2,686,874	3,281,679	4,439,058	3,852,790	3,421,528
Total governmental activities expenses	92,800,362	96,651,742	105,762,271	116,876,618	142,082,956	140,214,424	143,466,029	143,916,987	144,131,060	164,675,919
Business-type activities:										
Food service	2,965,761	2,816,626	2,918,502	3,135,363	3,384,197	3,413,001	3,514,672	2,996,342	1,771,281	3,440,529
School Facilities	2,11,707	216,633	330,158	354,943	378,595	322,255	348,591	273,417	27,312	86,665
Integrated Pre-K	129,137	277,602	400,735	418,303	344,767	258,845	168,838	66,078	12,440	12,440
Summer Enrichment	57,947	49,216								
After School		21,768	37,231	25,096	26,477	27,562	28,076	23,932		
Data processing										
Total business-type activities expense	3,364,552	3,381,845	3,686,626	3,933,705	4,134,036	4,021,663	4,060,177	3,359,769	1,811,033	3,539,634
Total district expenses	\$ 96,164,914	\$ 100,033,587	\$ 109,448,897	\$ 120,810,323	\$ 146,216,992	\$ 144,236,087	\$ 147,526,206	\$ 147,276,756	\$ 145,942,093	\$ 168,215,553

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CHANGE IN NET POSITION
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 127,091	\$ 75,286	\$ 34,061	\$ 31,282	\$ 14,291					
Pupil transportation	94,954	134,304	115,425	100,878	114,161	\$ 129,006	\$ 150,672	\$ 101,753		
Operating grants and contributions	2,258,008	2,172,056	2,746,290	2,391,375	2,443,869	2,807,394	3,928,823	5,442,615	\$ 9,309,744	\$ 11,824,178
Total governmental activities program revenues	\$ 2,480,053	\$ 2,381,646	\$ 2,895,776	\$ 2,523,535	\$ 2,572,321	\$ 2,936,400	\$ 4,079,495	\$ 5,544,368	\$ 9,309,744	\$ 11,824,178
Business-type activities:										
Charges for services:										
Food service	\$ 1,325,315	\$ 1,367,431	\$ 1,321,990	\$ 1,337,928	\$ 1,378,611	\$ 1,307,173	\$ 1,323,832	\$ 952,384	\$ 17,345	\$ 141,992
School Facilities	342,360	343,947	344,086	316,677	293,954	352,486	253,510	176,367	1,091	61,917
Integrated Pre-K	214,005	242,922	286,214	322,360	319,624	348,001	172,722	12,080		5,493
Summer Enrichment	45,085	25,165								
After School		22,460	33,965	29,400	21,677	24,791	27,125	20,499		
Operating grants and contributions	1,551,341	1,569,720	1,734,740	1,838,495	1,894,902	2,037,395	2,080,793	1,881,001	1,890,890	4,249,080
Total business type activities program revenues	3,478,106	3,571,645	3,720,995	3,844,860	3,908,768	4,069,846	3,857,982	3,042,331	1,909,326	4,458,482
Total district program revenues	\$ 5,958,159	\$ 5,953,291	\$ 6,616,771	\$ 6,368,395	\$ 6,481,089	\$ 7,006,246	\$ 7,937,477	\$ 8,586,699	\$ 11,219,070	\$ 16,282,660
Net (Expense)/Revenue										
Governmental activities	\$ (90,320,309)	\$ (94,270,096)	\$ (102,866,495)	\$ (114,353,083)	\$ (139,510,635)	\$ (137,278,024)	\$ (139,386,534)	\$ (138,372,619)	\$ (134,821,316)	\$ (152,851,741)
Business-type activities	113,554	189,800	34,369	(88,845)	(225,268)	48,183	(202,195)	(317,438)	98,293	918,848
Total district-wide net expense	\$ (90,206,755)	\$ (94,080,296)	\$ (102,832,126)	\$ (114,441,928)	\$ (139,735,903)	\$ (137,229,841)	\$ (139,588,729)	\$ (138,690,057)	\$ (134,723,023)	\$ (151,932,893)

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CHANGE IN NET POSITION
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Change in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 69,174,056	\$ 70,797,537	\$ 72,463,487	\$ 74,574,523	\$ 76,515,723	\$ 78,416,037	\$ 79,754,358	\$ 81,099,445	\$ 82,721,433	\$ 83,260,683
Taxes levied for debt service	6,108,985	6,007,891	6,102,675	5,351,035	5,331,602	5,366,247	6,189,010	7,804,774	8,441,851	8,441,017
Unrestricted grants and contributions	19,462,987	19,083,081	27,825,358	34,192,622	55,742,461	51,474,481	46,999,919	46,467,308	57,043,661	66,928,275
Miscellaneous income	295,921	247,334	679,388	460,339	638,032	715,577	1,406,564	1,992,788	648,008	1,846,047
Special and Extraordinary Items						(176,796)	7,458,215	1,387,008	(270,103)	1,891,612
Transfers	80,526	149,858	244,168	622,031	(325,759)					
Total governmental activities	\$ 95,122,475	\$ 96,285,701	\$ 107,315,076	\$ 115,200,550	\$ 137,902,059	\$ 135,795,546	\$ 141,808,066	\$ 138,751,323	\$ 148,584,850	\$ 162,367,634
Business-type activities:										
Prior year accounts receivable canceled						(33,013)	-	118,878	7,985	
Total business-type activities	-	-	-	-	-	(33,013)	-	118,878	7,985	-
Total district-wide	\$ 95,122,475	\$ 96,285,701	\$ 107,315,076	\$ 115,200,550	\$ 137,902,059	\$ 135,762,533	\$ 141,808,066	\$ 138,870,201	\$ 148,592,835	\$ 162,367,634
Change in Net Position										
Governmental activities	\$ 4,802,166	\$ 2,015,605	\$ 4,448,581	\$ 847,467	\$ (1,608,576)	\$ (1,482,478)	\$ 2,421,532	\$ 378,704	\$ 13,763,533	\$ 9,515,893
Business-type activities	113,554	189,800	34,369	(88,845)	(225,268)	15,170	(202,195)	(198,560)	106,278	918,848
Total district	\$ 4,915,720	\$ 2,205,405	\$ 4,482,950	\$ 758,622	\$ (1,833,844)	\$ (1,467,308)	\$ 2,219,337	\$ 180,144	\$ 13,869,811	\$ 10,434,741

Source: ACFR Exhibit A-2

Note: In 2015 the effective date of GASB 68 an adjustment was made for the provision of the net pension liability and other related data for PERS & TPAF data for periods prior to 2015 is not available.

2017 includes OPEB expense in accordance with GASB Statement No. 75 related to post-retirement benefits other than pension amounts prior 2017 are not available.

In 2021 GASB No. 84 related to fiduciary accounting was implemented.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30.									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 4,400,000	\$ 4,087,866	\$ 5,856,769	\$ 7,319,959	\$ 6,168,336	\$ 4,660,911	\$ 4,227,954	\$ 5,938,472	\$ 14,342,480	\$ 16,169,241
Assigned	4,230,138	2,814,143	1,506,355	398,602	71,608	350,199	199,913	712,188	1,469,282	1,151,762
Unassigned	<u>1,722,223</u>	<u>936,764</u>	<u>710,730</u>	<u>630,956</u>	<u>1,706,015</u>	<u>940,267</u>	<u>205,622</u>	<u>-</u>	<u>21,770</u>	<u>-</u>
Total general fund	<u>\$ 10,352,361</u>	<u>\$ 7,838,773</u>	<u>\$ 8,073,854</u>	<u>\$ 8,349,517</u>	<u>\$ 7,945,959</u>	<u>\$ 5,951,377</u>	<u>\$ 4,633,489</u>	<u>\$ 6,650,660</u>	<u>\$ 15,833,532</u>	<u>\$ 17,321,003</u>
All Other Governmental Funds										
Restricted										
Capital projects fund	\$ 304,668	\$ 162,943	\$ 101,302	\$ 86,572	\$ 24,575,435	\$ 18,829,519	\$ 42,038,295	\$ 9,742,711	\$ 592,646	\$ 1,210,010
Debt service fund	<u>114,474</u>	<u>140,079</u>	<u>66,064</u>	<u>37,499</u>	<u>1</u>	<u>1,493,941</u>	<u>1,211,551</u>	<u>1,012,060</u>	<u>679,350</u>	<u>221,053</u>
Total all other governmental funds	<u>\$ 419,142</u>	<u>\$ 303,022</u>	<u>\$ 167,366</u>	<u>\$ 124,071</u>	<u>\$ 24,575,436</u>	<u>\$ 20,323,460</u>	<u>\$ 43,249,846</u>	<u>\$ 10,754,771</u>	<u>\$ 1,271,996</u>	<u>\$ 1,431,063</u>

Source: ACFR Schedule B-1

Note: GASB 54 was implemented in the 2011 fiscal year, which required the presentation of fund balances to be reported in different classifications from those presented in prior years (See Notes to financial statements - Note 2G 15(a-c). Prior years have not been restated above and are not required to be.

In 2021 GASB No.84 related to fiduciary accounting was implemented.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax levy	\$ 75,283,041	\$ 76,805,428	\$ 78,566,162	\$ 79,925,558	\$ 81,847,325	\$ 83,782,284	\$ 85,943,368	\$ 88,904,219	\$ 91,163,284	\$ 91,701,700
Tuition charges	127,091	75,286	34,061	31,282	14,291	97,090				
Transportation charges	94,954	134,304	115,425	100,878	114,161	129,006	150,672	101,753	42,435	61,775
Interest earnings	6,862	5,769	5,384	8,053	13,097	169,064	607,267	486,753	32,284	13,400
Miscellaneous	272,108	363,675	828,874	408,997	545,852	570,139	970,936	1,657,701	1,106,044	1,770,872
State sources	19,406,805	18,951,157	19,936,331	22,030,785	24,676,744	28,692,074	36,288,627	42,283,335	50,626,571	65,003,916
Federal sources	2,364,625	2,181,863	3,091,020	2,608,803	2,752,475	2,826,985	2,819,350	2,892,344	5,450,108	6,497,633
Total revenue	97,555,486	98,517,482	102,577,257	105,114,356	109,963,945	116,266,642	126,780,220	136,326,105	148,420,726	165,049,296
Expenditures										
Instruction										
Regular instruction	26,138,451	27,345,502	25,057,883	25,213,491	25,699,997	27,181,546	28,474,219	28,829,711	26,542,467	29,628,696
Special education instruction	6,826,261	7,045,952	9,986,789	10,273,565	10,902,305	10,946,691	11,516,307	12,441,208	15,078,966	15,808,839
Other special instruction	2,169,656	2,189,372	2,300,804	2,499,916	2,783,019	3,481,907	3,976,555	4,248,318	3,743,543	3,800,646
Other instruction	1,105,472	1,102,825	1,174,307	1,190,323	1,301,920	1,391,301	1,498,526	1,466,792	1,238,667	1,426,038
Support Services:										
Tuition	2,348,908	2,508,032	2,246,896	2,684,498	2,431,882	2,367,233	1,884,450	1,294,958	761,294	1,022,112
Student & inst. related services	8,060,308	8,278,014	8,809,458	9,246,267	9,678,386	11,434,020	13,112,059	13,394,334	12,800,545	14,065,183
General administration	1,028,674	1,120,010	1,550,845	1,586,968	1,665,185	1,745,243	2,064,152	1,866,613	1,951,784	1,871,350
School administrative services	2,459,455	2,495,936	2,752,852	2,844,390	2,929,953	2,933,601	2,921,060	5,207,538	4,981,068	7,954,196
Central services	586,778	519,007	509,284	484,749	573,599	516,050	1,308,061	635,777	772,938	820,994
Admin. information technology	596,918	774,490	871,886	1,029,352	968,997	1,229,193	681,038	1,374,437	1,178,846	1,533,126
Plant operations and maintenance	6,530,091	7,719,001	6,979,860	7,000,767	7,216,656	7,191,380	7,620,786	7,979,430	7,727,354	9,078,853
Pupil transportation	4,277,157	4,280,377	4,538,602	4,999,315	5,124,852	5,385,377	5,563,122	5,304,312	4,670,377	7,510,972
Employee benefits	24,138,367	23,269,863	25,120,168	27,509,184	30,242,798	31,881,337	34,232,296	35,054,448	39,926,491	48,553,504
Charter Schools	583,725	809,793	1,024,971	1,213,693	1,731,185	2,293,492	3,601,674	4,247,611	5,078,028	6,231,538
Scholarships										
Capital outlay	1,627,063	5,678,163	3,362,949	1,782,061	13,296,303	6,753,243	34,948,349	35,021,825	13,011,881	4,852,068
Debt service:										
Principal	4,000,000	3,840,000	4,205,000	3,600,000	3,735,000	3,875,000	4,850,000	4,995,000	6,258,000	6,590,000
Interest and other charges	2,013,323	2,170,851	1,988,899	1,779,600	1,634,100	1,501,600	2,858,908	3,630,379	3,116,362	2,727,336
Total expenditures	94,490,607	101,147,188	102,481,453	104,938,139	121,916,137	122,108,214	161,111,562	166,992,691	148,838,611	163,475,451
Excess (Deficiency) of revenues over (under) expenditures	3,064,879	(2,629,706)	95,804	176,217	(11,952,192)	(5,841,572)	(34,331,342)	(30,666,586)	(417,885)	1,573,845
Other Financing sources (uses)										
Proceeds from borrowing					35,000,000		42,348,000			
Capital leases (non-budgeted)					1,000,000		13,500,000			
Proceeds from refunding	11,399		3,619							
Scholarship Refund to Donor	(44,883)									
Cancellation of prior years payable				56,151						
Total other financing sources (uses)	(33,484)	-	3,619	56,151	36,000,000	-	55,848,000	-	-	-
Net change in fund balances	\$ 3,031,395	\$ (2,629,706)	\$ 99,423	\$ 232,368	\$ 24,047,808	\$ (5,841,572)	\$ 21,518,658	\$ (30,666,586)	\$ (417,885)	\$ 1,573,845
Debt service as a percentage of noncapital expenditures	6.48%	6.30%	6.25%	5.22%	4.94%	4.66%	6.11%	6.54%	6.90%	5.87%

Source: ACFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

In 2021 GASB No. 84 related to fiduciary accounting was implemented.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	<u>Refund of Prior Years Expenditures</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
2013	\$ 68,139	\$ 127,091	\$ 27,619	\$ 217,069	\$ 439,918
2014	108,763	75,286	30,211	236,887	451,147
2015	20,241	34,062	20,735	627,754	702,792
2016	11,562	31,282	16,658	129,318	188,820
2017	55,267	14,291	12,757	553,930	636,245
2018	69,420	97,090	137,246	363,473	667,229
2019	86,338	103,401	161,413	448,145	799,297
2020	53,321	-	111,244	1,103,910	1,268,475
2021	74,203	91,516	25,151	334,689	525,559
2022	11,446	217,175	15,932	185,271	429,824

Source: District records

REVENUE CAPACITY

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Tax-Exempt Property	Net Valuation	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2013	29,108,500	1,524,669,700	1,182,400	101,200	368,459,600	283,655,200	201,112,800	2,408,289,400	2,071,600	421,567,100	2,831,928,100	4,350,946,294	3.184
2014	41,203,600	1,535,377,100	1,182,400	36,100	379,262,800	290,745,200	201,554,600	2,449,361,800	2,789,231	417,671,700	2,869,822,731	4,573,448,641	3.204
2015	39,881,100	1,544,335,100	1,182,300	36,100	380,685,800	286,469,800	201,554,600	2,454,144,800	2,905,820	417,856,200	2,874,906,820	4,488,181,475	3.253
2016	51,134,100	1,541,110,700	1,182,300	36,100	396,166,900	267,856,900	201,554,600	2,459,041,600	2,888,810	417,465,800	2,879,396,210	4,535,680,708	3.325
2017	55,505,800	1,543,724,900	1,182,300	36,100	392,856,900	264,787,200	201,554,600	2,459,647,800	2,983,967	418,226,400	2,880,858,167	4,498,276,710	3.402
2018	42,898,900	1,565,223,600	1,182,300	36,100	398,754,000	271,527,800	206,404,100	2,486,026,800	-	422,608,400	2,908,635,200	4,591,529,090	3.458
2019	43,147,500	1,578,813,800	1,182,300	36,100	394,855,200	286,815,400	201,325,800	2,506,176,100	-	428,545,100	2,934,721,200	4,653,563,648	3.548
2020	40,120,500	1,587,324,900	1,182,300	36,100	401,991,506	294,319,300	206,255,800	2,531,230,406	-	428,925,600	2,960,156,006	4,792,576,882	5.786
2021	36,537,400	1,599,201,100	1,182,300	28,300	401,907,100	289,783,800	211,605,800	2,540,245,800	-	429,658,900	2,969,904,700	5,256,353,384	5.867
2022	37,697,100	1,603,085,000	1,182,300	28,300	391,135,900	302,523,800	212,123,800	2,547,776,200	-	526,075,000	3,073,851,200	5,692,862,084	6.010

Source: Municipal Tax Assessor

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

Reassessment occurs when the County Board of Taxation requests the Municipality to do so.

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

^b Tax rates are per \$100 of assessed valuation

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(rate per \$100 of assessed value)

<u>Fiscal Year Ended June 30,</u>	<u>North Brunswick Township School District Direct Rate</u>			<u>Overlapping Rates</u>		<u>Total Direct and Overlapping Tax Rate</u>
	<u>Basic Rate ^a</u>	<u>General Obligation Debt Service ^b</u>	<u>(From J-6) Total Direct School Tax Rate ^c</u>	<u>Municipality of North Brunswick</u>	<u>County of Middlesex</u>	
2013	2.935	0.249	3.184	1.224	0.695	5.103
2014	2.950	0.254	3.204	1.245	0.741	5.190
2015	3.035	0.218	3.253	1.267	0.729	5.249
2016	3.108	0.217	3.325	1.292	0.723	5.340
2017	3.184	0.218	3.402	1.322	0.730	5.454
2018	3.210	0.248	3.458	1.356	0.738	5.552
2019	3.236	0.312	3.548	1.392	0.728	5.668
2020	3.276	0.334	3.610	1.429	0.747	5.786
2021	3.276	0.334	3.610	1.435	0.822	5.867
2022	3.335	0.338	3.673	1.475	0.862	6.010

Source: Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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.

c Tax rates are per \$100 of assessed valuation.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN (10) YEARS AGO
(UNAUDITED)

	<u>2022</u>				<u>2011</u>		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
ER Squibb & Sons Inc.	\$ 140,262,100	1	5.51%	ER Squibb & Sons Inc.	\$ 148,612,900	1	6.15%
Kimco North Brunswick 617 Inc.	33,000,000	2	1.30%	Kimco North Brunswick 617 Inc.	33,000,000	2	1.36%
Ads North Village LLC	31,755,000	3	1.25%	Sodowick S. Etals c/o No. Vill Assn.	29,900,000	3	1.24%
Kaplan Associates LLC	26,000,000	4	1.02%	Kaplan Assoc. LLC	26,000,000	4	1.08%
Maebrook at Renaissance LLC	26,000,000	5	1.02%	Maebrook at Renaissance	23,515,600	5	0.97%
Renaissance Terrace LLC	21,000,000	6	0.82%	Levin Properties LLC	23,267,400	6	0.96%
Colony Oaks Associates	20,000,000	7	0.78%	Renaissance Terrace LLC	19,000,000	7	0.79%
North Brunswick Manor LLC	19,427,800	8	0.76%	North Brunswick Manor LLC	18,986,000	8	0.79%
Brunswick Circle Developers	17,245,000	9	0.68%	Commerce CTR NB LLC % Perstige Inc	17,272,000	9	0.71%
Levin Properties LLC	16,800,000	10	0.66%	Brunswick Circle Developers LLC	17,245,000	10	0.71%
Total	<u>\$ 351,489,900</u>		<u>13.80%</u>	Total	<u>\$ 356,798,900</u>		<u>14.75%</u>
Total Assessed Valuation	<u>\$ 2,547,776,200</u>			Total Assessed Valuation	<u>\$ 2,418,258,700</u>		

Source: Municipal Tax Assessor

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
TAX LEVIES AND COLLECTIONS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy^a</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2013	\$ 123,267,695	\$ 122,910,122	99.71%	\$ 2,972
2014	125,871,013	125,466,068	99.68%	375,582
2015	129,659,436	129,522,487	99.89%	23,640
2016	129,973,745	129,855,000	99.91%	62,775
2017	133,808,210	133,726,337	99.94%	149,425
2018	136,252,492	136,556,446	100.22%	513,611
2019	141,191,607	142,325,091	100.80%	231,738
2020	145,152,203	144,567,484	99.60%	836,867
2021	148,433,064	147,858,104	99.61%	638,121
2022	152,686,323	151,907,399	99.49%	927,601

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

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

DEBT CAPACITY

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases	Capital Leases			
2013	51,976,000			51,976,000	3.83%	1,261
2014	48,136,000			48,136,000	3.55%	1,170
2015	43,760,000			43,760,000	3.23%	1,064
2016	40,160,000			40,160,000	2.96%	976
2017	36,425,000	-		36,425,000	2.69%	885
2018	67,550,000	-		67,550,000	4.98%	1,641
2019	105,048,000	13,500,000		118,548,000	8.74%	2,881
2020	100,768,000	13,500,000		114,268,000	8.43%	2,777
2021	94,510,000	12,860,000		107,370,000	7.92%	2,445
2022	87,920,000	12,200,000		100,120,000	5.57%	2,280

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.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

<u>General Bonded Debt Outstanding</u>					
<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value ^a of Property</u>	<u>Per Capita ^b</u>
2013	51,976,000	-	51,976,000	1.83%	1,261
2014	48,136,000		48,136,000	1.67%	1,170
2015	43,760,000		43,760,000	1.52%	1,064
2016	40,160,000		40,160,000	1.39%	976
2017	36,425,000		36,425,000	1.26%	885
2018	67,550,000		67,550,000	2.32%	885
2019	105,048,000		105,048,000	4.19%	2,553
2020	100,768,000		100,768,000	3.98%	2,449
2021	94,510,000		94,510,000	3.72%	2,153
2022	87,920,000		87,920,000	3.40%	2,003

Notes:

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.

Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DIRECT AND 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			
Township of North Brunswick	\$ 92,809,000	100.000%	\$ 92,809,000
County of Middlesex	416,217,809	4.5276%	<u>18,844,678</u>
Subtotal, overlapping debt			\$ 111,653,678
Township of North Brunswick District Direct Debt			
Bonds Issued	\$ 87,920,000.00		
Bonds and Notes Authorized but Not Issued	<u>1,200,000.00</u>		<u>\$ 89,120,000</u>
Total direct and overlapping debt			<u><u>\$ 200,773,678</u></u>

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

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 North Brunswick Township. This process recognizes that, when considering the District's ability to issue and repay noncurrent 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.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
LEGAL DEBT MARGIN INFORMATION
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized valuation basis	
2019	4,720,618,007
2020	5,189,736,128
2021	<u>5,637,474,035</u>
	<u>\$ 15,547,828,170</u>

Average equalized valuation of taxable property	\$ 5,182,609,390
Debt limit (4 % of average equalization value)	207,304,376 ^a
Total Net Debt Applicable to Limit	<u>89,120,000</u>
Legal debt margin	<u>\$ 118,184,376</u>

	Fiscal Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt limit	\$ 185,942,650	\$ 181,299,319	\$ 176,689,504	\$ 178,382,034	\$ 178,391,775	\$ 179,315,118	\$ 180,572,196	\$ 184,095,101	\$ 193,204,913	\$ 207,304,376
Total net debt applicable to limit	<u>53,176,000</u>	<u>49,336,000</u>	<u>44,960,000</u>	<u>41,360,000</u>	<u>114,973,000</u>	<u>111,098,000</u>	<u>106,248,000</u>	<u>101,968,000</u>	<u>95,710,000</u>	<u>89,120,000</u>
Legal debt margin	<u>\$ 132,766,650</u>	<u>\$ 131,963,319</u>	<u>\$ 131,729,504</u>	<u>\$ 137,022,034</u>	<u>\$ 63,418,775</u>	<u>\$ 68,217,118</u>	<u>\$ 74,324,196</u>	<u>\$ 82,127,101</u>	<u>\$ 97,494,913</u>	<u>\$ 118,184,376</u>
Total net debt applicable to the limit as a percentage of debt limit	28.60%	27.21%	25.45%	23.19%	64.45%	61.96%	58.84%	55.39%	49.54%	42.99%

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

^a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

DEMOGRAPHIC AND ECONOMIC INFORMATION

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2013	41,218	1,357,885,792	32,944	8.10%
2014	41,153	1,355,744,432	32,944	6.10%
2015	41,153	1,355,744,432	32,944	5.60%
2016	41,153	1,355,744,432	32,944	4.60%
2017	41,153	1,355,744,432	32,944	4.20%
2018	41,153	1,355,744,432	32,944	4.00%
2019	41,153	1,355,744,432	32,944	3.50%
2020	41,153	1,355,744,432	32,944	3.00%
2021	43,905	1,794,968,115	40,883	8.60%
2022	43,905	1,794,968,115	40,883	5.60%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development for 2013 through 2020 and the U.S. Census Bureau for 2021-2022.

^b Personal income has been estimated based upon the municipal population and per capita personal income presented.

^c Per capita personal income by municipality estimated based upon the 2013-2022 published by the US Bureau of Economic Analysis.

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE (9) YEARS AGO
(UNAUDITED)

	2022		2013	
Employer	Employees	Rank	Employees	Rank
	N/A	1	N/A	
	N/A	2	N/A	
	N/A	3	N/A	
	N/A	4	N/A	
	N/A	5	N/A	
	N/A	6	N/A	
	N/A	7	N/A	
	N/A	8	N/A	
	N/A	9	N/A	
	N/A	10	N/A	
	N/A		N/A	

OPERATING INFORMATION

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction										
Regular	402	405	405	428	431	430	435	446	448	449
Special education	164	178	178	185	190	191	197	196	195	195
Other special education										
Support Services:										
Student & instruction related services	112	131	131	134	141	148	160	158	148	144
General administration	4	5	5	5	5	6	6	6	6	6
School administrative services	31	27	27	28	34	42	40	41	39	41
Central services	9	8	8	8	8	9	7	8	11	11
Administrative Information Technology	8	11	11	12	13	13	11	10	12	12
Plant operations and maintenance	85	102	102	107	108	120	114	104	94 *	97
Pupil transportation	29	31	31	34	33	34	38	34	36	36
Other support services	4	-	-	-						
Total	<u>848</u>	<u>898</u>	<u>898</u>	<u>941</u>	<u>963</u>	<u>993</u>	<u>1,008</u>	<u>1,003</u>	<u>989</u>	<u>991</u>

Source: District Personnel Records

* Lunchroom/Playground Aides Reduction in Force due to COVID

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
OPERATING STATISTICS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Attendance			
						Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2013	6,148	86,850,221	14,127	3.13%	562	1:10.2	1:10.4	1:10.9	6,120.3	5,777.4	1.32%	94.40%
2014	6,162	89,458,174	14,518	2.77%	583	1:10.4	1:10.8	1:10.3	6,162.5	5,828.5	0.69%	94.58%
2015	6,224	92,924,605	14,930	2.84%	583	1:10.4	1:10.8	1:10.3	6,147.2	5,853.1	-0.25%	95.22%
2016	6,245	99,543,809	15,940	6.76%	613	1:11.1	1:11.9	1:11.3	6,068.5	5,779.9	-1.28%	95.24%
2017	6,175	103,250,734	16,721	4.90%	621	1:11.2	1:12.0	1:11.4	6,044.6	5,729.1	-0.39%	94.78%
2018	6,206	109,978,371	17,721	5.98%	621	1:11.2	1:12.0	1:11.4	5,987.0	5,688.5	-0.95%	95.01%
2019	6,211	118,454,305	19,072	7.62%	632	1:11.2	1:12.0	1:11.4	5,939.1	5,627.6	-0.80%	94.76%
2020	6,081	123,345,487	20,284	6.36%	642	1:11.2	1:12.0	1:11.4	5,906.4	5,701.9	-0.55%	96.54%
2021	6,068	125,894,773	20,747	2.29%	643	1:11.2	1:12.0	1:11.4	5,716.2	5,385.5	-3.22%	94.22%
2022	6,095	148,265,765	24,326	17.25%	644	1:09	1:11	1:13	5,748.0	5,282.7	0.56%	91.91%

Sources: District records

Note: Enrollment based on annual October district count as related in the Application for State School Aid (ASSA).

- a Operating expenditures equal total expenditures less debt service, capital outlay, scholarships, student activities.
- 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).
- d Cost per pupil calculated by dividing operating expenditures by enrollment; not intended to represent the statutory calculation of cost per pupil.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHOOL BUILDING INFORMATION
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>District Building</u>										
<u>Elementary</u>										
Judd (1967)										
Square Feet	88,595	88,595	88,595	88,595	88,595	88,595	88,595	88,595	88,595	88,595
Capacity (students)	709	709	709	709	709	709	709	709	709	709
Enrollment	779	792	805	749	714	720	720	720	600	573
John Adams (1961)										
Square Feet	79,257	79,257	79,257	79,257	79,257	79,257	79,257	79,257	79,257	79,257
Capacity (students)	634	634	634	634	634	634	634	634	634	634
Enrollment	715	725	719	649	672	650	650	650	456	479
Livingston Park (1930)										
Square Feet	84,573	84,573	84,573	84,573	84,573	84,573	84,573	84,573	84,573	84,573
Capacity (students)	677	677	677	677	677	677	677	677	677	677
Enrollment	734	716	702	646	600	593	593	593	489	482
Parsons (1965)										
Square Feet	84,079	84,079	84,079	84,079	84,079	84,079	84,079	84,079	84,079	84,079
Capacity (students)	673	673	673	673	673	673	673	673	673	673
Enrollment	738	771	790	770	769	735	735	735	548	559
Early Childhood Center										
Square Feet				14,340	14,340	14,340	14,340	14,340	14,340	14,340
Capacity (students)				174	174	174	174	174	174	174
Enrollment				174	153	154	154	154	-	108
<u>Intermediate & Middle School</u>										
Linwood (1951)										
Square Feet	204,557	204,557	204,557	204,557	204,557	204,557	204,557	204,557	155,921	155,921
Capacity (students)	1,527	1,527	1,527	1,527	1,527	1,527	1,527	1,527	1,527	1,527
Enrollment	1,371	1,341	1,334	1,345	1,347	1,380	1,380	1,380	864	814
North Brunswick Twp Middle School (2020)										
Square Feet	-	-	-	-	-	-	-	-	176,950	176,950
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	889	854
<u>High School</u>										
North Brunswick Twp High School (1973)										
Square Feet	394,716	394,716	394,716	394,716	394,716	394,716	394,716	394,716	394,716	394,716
Capacity (students)	2,614	2,614	2,614	2,614	2,614	2,614	2,614	2,614	2,614	2,614
Enrollment	1,758	1,796	1,777	1,752	1,789	1,781	1,781	1,781	1,870	1,870
<u>Other</u>										
Athletic Building (1979)										
Square Feet	2,704	2,704	2,704	2,704	2,704	2,704	2,704	2,704	2,704	2,704
Central Administration (1927)										
Square Feet	24,642	24,642	24,642	24,642	24,642	24,642	24,642	24,642	24,642	24,642
Warehouse										
Square Feet	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376	5,376
Linwood Campus - Under Renovation										
Square Footage BOE/ECC									48,636	48,636
Number of Buildings at June 30, 2022										
Elementary Schools =	5									
Intermediate/Middle School =	2									
High School =	1									
Other =	3									

Source: District Facilities Office

Note: Enrollment is based on the average daily enrollment (ADE)

a Beacon Heights was sold during 2004.

b The warehouse was purchased in 2001 but was originally built in 1944.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF REQUIRED MAINTENANCE
FOR SCHOOL FACILITIES
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES
 1-000-261-xxx

	School Facilities * Project # (s)	Early Childhood Center	John Adams	Judd	Livingston Park	Parsons	Linwood	North Brunswick Township Middle School	North Brunswick Township High School	Other Facilities	Total
2013	N/A		116,464	124,876	119,207	118,511	288,327		556,361	34,733	1,358,479
2014	N/A		136,974	122,454	130,687	129,939	316,164		610,172	50,598	1,496,988
2015	N/A		132,599	142,176	135,722	134,929	328,271		633,436	39,545	1,546,678
2016	N/A	23,268	128,603	143,755	137,229	136,428	331,917		640,471	53,096	1,594,767
2017	N/A	25,842	142,827	159,654	152,406	151,516	368,626		711,307	58,967	1,771,145
2018	N/A	21,084	116,529	130,259	124,345	123,619	300,755		580,341	48,110	1,445,042
2019	N/A	25,217	139,375	155,796	148,723	147,855	359,718		694,116	57,542	1,728,342
2020	N/A	25,291	139,784	156,253	149,159	148,288	360,772		696,151	57,711	1,733,409
2021	N/A	22,664	125,265	140,024	133,667	132,886	323,301	279,668	623,846	51,718	1,833,039
2022	N/A	28,515	157,600	176,168	168,171	167,189	406,755	351,860	784,880	65,067	2,306,205
Total School Facilities		<u>\$ 171,881</u>	<u>\$ 1,336,020</u>	<u>\$ 1,451,415</u>	<u>\$ 1,399,316</u>	<u>\$ 1,391,160</u>	<u>\$ 3,384,606</u>	<u>\$ 631,528</u>	<u>\$ 6,531,081</u>	<u>\$ 517,087</u>	<u>\$ 16,814,094</u>

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

Source: District records

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
INSURANCE SCHEDULE
JUNE 30, 2022
UNAUDITED

<u>Type of Policy</u>	<u>Coverage</u>	<u>Deductible</u>
Glatfelters Insurance - AIG		
Property Insurance	\$ 318,290,901	\$ 10,000
Valuable Papers	250,000	500
Extra Expense	1,000,000	10,000
Electronic Data Processing - Hardware/Software		\$500 Software &
Included in Property Limit/500,000 software/250,000 Portable A/V/Communication Equipment		Portable
Equipment Breakdown	150,000,000	10,000
Business Income from Equipment Breakdown	425,000	
Casualty Insurance - Glatfelters Insurance - AIG & NJUEP		
Comprehensive General Liability	31,000,000	
Automobile Liability	31,000,000	
Employee Benefit Liability - Glatfelters Insurance - AIG & NJUEP	31,000,000	1,000
New Jersey Workers Compensation - PIP Insurance	Statutory	
Public Employees' Faithful Performance Blanket		
Position Bond - Hanover Insurance Company	1,000,000	1,000
Business Administrator	200,000	
Position Bond - CNA Surety		
Treasurer	400,000	

Source: District records.

SINGLE AUDIT SECTION

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Exhibit K-1
Sheet 1 of 2

**INDEPENDENT AUDITORS REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance Department, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of North Brunswick Board of Education, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Township of North Brunswick Board of Education's basic financial statements, and have issued our report thereon dated March 6, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the North Brunswick Township School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the North Brunswick Township School 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**INDEPENDENT AUDITORS REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)**

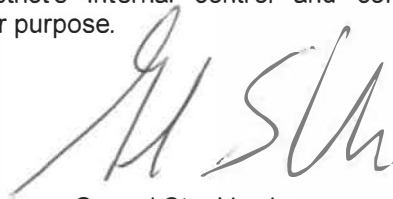
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education of the Township of North Brunswick School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
March 6, 2023

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Exhibit K-2
Sheet 1 of 3

INDEPENDENT AUDITOR'S 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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Township of North Brunswick Board of Education, State of New Jersey's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement and New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Township of North Brunswick Board of Education, State of New Jersey's major federal and state programs for the year ended June 30, 2022. The Township of North Brunswick District Board of Education, State of New Jersey's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Township of North Brunswick Board of Education, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

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

We are required to be independent of the Township of North Brunswick Board of Education, State of New Jersey 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 Township of North Brunswick Board of Education, State of New Jersey'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 Township of North Brunswick Board of Education, State of New Jersey's federal and state programs.

**INDEPENDENT AUDITOR'S 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 (CONTINUED)**

Auditor's 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 Township of North Brunswick Board of Education, State of New Jersey'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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Township of North Brunswick Board of Education, State of New Jersey's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB 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 best basis, evidence regarding the Township of North Brunswick Board of Education, State of New Jersey'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 Township of North Brunswick Board of Education, State of New Jersey'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, but not for the purpose of expressing an opinion on the effectiveness of the Township of North Brunswick Board of Education, State of New Jersey's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and New Jersey OMB 15-08.

**INDEPENDENT AUDITOR'S 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 (CONTINUED)**

Report on Internal Control over Compliance

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

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

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

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



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
March 6, 2023

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor / Pass-Through Grantor / Program Title	Assistance Listing Number	Federal FAIN Number	Program or Award Amount	Grant Period		June 30, 2021			Cash Received	Budgetary Expenditures	Refund To Grantor	June 30, 2022						
				From	To	Due to Grantor	Deferred Revenue	(Accounts Receivable)				(Accounts Receivable)	Deferred Revenue	Due to Grantor				
U.S. Department of Education:																		
General Fund:																		
FFCRA - SEMI	93.778	2005NJ5MAP	\$ 21,770	7/1/2020	6/30/2021	\$ 21,770								\$ (21,770)				
Medical Assistance Program	93.778	2105NJ5MAP	221,987	7/1/2021	6/30/2022			\$ 221,987	\$ (221,987)									
Total General Fund						\$ 21,770		\$ 221,987	\$ (221,987)					\$ (21,770)				
U.S. Department of Education																		
Passed - Through State Department of Education:																		
Special Revenue Fund:																		
Title 1, Part A	84.010	S013A210030	\$ 969,946	7/1/2021	9/30/2022			\$ 664,114	\$ (955,274)			\$ (291,160)						
Title 1, Part A	84.010	S013A200030	845,663	7/1/2020	9/30/2021		\$ (288,651)	288,651										
Title 1, Part D	84.010	S013A210030	245,423	7/1/2021	9/30/2022			95,006	(164,260)			(69,254)						
Title 1, Part D	84.010	S013A200030	365,969	7/1/2020	9/30/2021		(46,818)	46,818										
Title 1 Reallocated	84.010A	S010A200030	37,704	7/1/2020	9/30/2021		(9,155)	9,155										
Title II, Part A	84.367A	S367A210029	178,624	7/1/2021	9/30/2022			126,567	(170,754)			(44,187)						
Title II, Part A	84.367A	S367A200029	177,145	7/1/2020	9/30/2021		(48,623)	48,623										
Title III, Part A	84.365A	S365A210030	56,711	7/1/2021	9/30/2022			40,296	(58,629)			(18,333)						
Title III, Part A	84.365A	S365A200030	56,219	7/1/2020	9/30/2021		(7,032)	7,032										
Title III, Immigrant	84.365A	S365A210030	1,042	7/1/2021	9/30/2022			1,042	(1,042)									
Title III, Immigrant	84.365A	S365A200030	6,025	7/1/2020	9/30/2021		(4,215)	4,215										
Title III, Immigrant	84.365A	S365A190030	21,837	7/1/2019	9/30/2020	\$ 485				\$ (485)								
Title IV	84.424A	S369A210031	57,304	7/1/2021	9/30/2022			55,990	(57,304)			(1,314)						
Title IV	84.424A	S369A200031	55,545	7/1/2020	9/30/2021		(1,872)	1,872										
I.D.E.A. Part B, Basic	84.027A	H027A210100	1,385,472	7/1/2021	9/30/2022			1,180,908	(1,296,728)			(115,820)						
I.D.E.A. Part B, Basic	84.027A	H027A200100	1,450,216	7/1/2020	9/30/2021		(346,288)	346,288										
I.D.E.A. Part B, Basic	84.027A	H027A190100	1,338,296	7/1/2019	9/30/2020	334					(334)							
ARP I.D.E.A. REG	84.027X	H027X210100	296,862	7/1/2021	9/30/2022			119,637	\$ (139,351)			(19,714)						
I.D.E.A. Preschool	84.173	H173A210114	39,254	7/1/2021	9/30/2022			36,536	(39,140)			(2,604)						
I.D.E.A. Preschool	84.173	H173A190114	43,308	7/1/2019	9/30/2020	118					(118)							
ARP I.D.E.A. Preschool	84.173X	H173X210114	25,223	7/1/2021	9/30/2022			24,168	(24,168)									
Perkins Grant	84.048A	V048A210030	43,227	7/1/2021	6/30/2022			14,763	(26,028)			(11,265)						
Perkins Grant	84.048A	V048A200030	40,692	7/1/2020	6/30/2021		(347)	347										
Perkins Grant	84.048A	V048A190030	43,308	7/1/2019	6/30/2020	6,841					(6,841)							
ESSER II	84.425D	S425D200027	5,608,198	3/13/2020	9/30/2023		(461,440)	461,440										
Learn ACC	84.425D	S425D200027	564,202	3/13/2020	9/30/2023		(3,265)	3,265										
Cares ESSR I	84.425D	S425D200027	36,489	3/13/2020	9/30/2023	\$ 178			(178)									
Cares Mental Health	84.425D	S425D200027	45,000	3/13/2020	9/30/2023		(9,232)	45,000	(35,768)									
Cares ESSR II	84.425D	S425D200027	1,951,497	3/13/2020	9/30/2023			1,107,220	(1,951,497)			(844,277)						
Cares Learning Acc	84.425D	S425D200027	49,853	3/13/2020	9/30/2023		(3,265)	37,872	(49,853)			(15,246)						
Cares Act	84.425D	S425D200027	603,542	3/13/2020	9/30/2022		(36,184)	36,184										

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Federal Grantor / Pass-Through Grantor / Program Title	Assistance Listing Number	Federal FAIN Number	Program or Award Amount	Grant Period		June 30, 2021			Cash Received	Budgetary Expenditures	Refund To Grantor	June 30, 2022			
				From	To	Due to Grantor	Deferred Revenue	(Accounts Receivable)				(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Education (Continued)															
Passed - Through State Department of Education: (Continued)															
Special Revenue Fund: (Continued)															
ARP ESSR	84.425U	S425U210027	\$ 2,124,420	3/13/2020	9/30/2024				\$ 1,177,999	\$ (2,124,420)		\$ (946,421)			
ARP Acc Learning	84.425U	S425U210027	564,202	3/13/2020	9/30/2024				52,914	(54,982)		(2,068)			
ARP Comprehensive	84.425U	S425U210027	40,000	3/13/2020	9/30/2024				5,735	(6,578)		(843)			
ARP Mental Health	84.425U	S425U210027	88,501	3/13/2020	9/30/2024				31,355	(35,232)		(3,877)			
ARP Homeless II	84.425W	S425W210027	25,011	4/23/2021	9/30/2023					(25,011)		(25,011)			
U.S. Department of Treasury:															
Passed-Through State Department of Education															
Bridge the Digital Divide	21.019	C8220COVID19	715,103	7/1/2020	6/30/2021		\$ 332						\$ (332)		
Non-Public Digital Divide	21.019	C8220COVID19	1,653	7/1/2020	6/30/2021		1,653							(1,653)	
Coronavirus Relief Fund	21.019	C8220COVID19	436,871	7/1/2020	6/30/2021		120							(120)	
Total Special Revenue Fund							\$ 7,778	\$ 2,283	\$ (1,266,387)	\$ 6,071,012	\$ (7,216,197)	\$ (7,778)	\$ (2,411,394)	\$ (2,105)	
U.S. Department of Agriculture															
Passed-through State Department of Education,															
Enterprise Fund:															
Food Distribution Program	10.565	221NJ304N1099	\$ 259,029	7/1/2021	6/30/2022				\$ 259,029	\$ (235,930)			\$ (23,099)		
Food Distribution Program	10.565	211NJ304N1099	388,879	7/1/2020	6/30/2021		\$ 55,956			(55,956)					
School Breakfast Program	10.553	211NJ304N1099	555,282	7/1/2020	6/30/2021			\$ (57,732)	57,732						
School Breakfast Program	10.553	221NJ304N1099	951,345	7/1/2021	6/30/2022				883,930	(951,345)		\$ (67,415)			
National School Lunch Program	10.555	211NJ304N1099	884,053	7/1/2020	6/30/2021			(91,444)	91,444						
National School Lunch Program	10.555	221NJ304N1099	2,773,735	7/1/2021	6/30/2022				2,588,503	(2,773,735)		(185,232)			
National School Lunch Program (PB)	10.555	211NJ304N1099	17,531	7/1/2020	6/30/2021			(1,814)	1,814						
After School Snacks	10.555	221NJ304N1099	17,497	7/1/2021	6/30/2022				16,382	(17,497)		(1,115)			
P-EBT Administrative Cost	10.649	211NJ304N1099	3,063	7/1/2020	6/30/2021			(3,063)	3,063						
P-EBT Administrative Cost	10.649	211NJ304N1099	3,735	6/1/2021	6/30/2022				3,135	(3,135)					
Emergency Operational Cost Program	10.555	20212H170341	178,973	9/7/2021	6/30/2022				178,973	(178,973)					
Total Enterprise Fund							\$ 55,956	\$ (154,053)	\$ 4,084,005	\$ (4,216,571)		\$ (253,762)	\$ (23,099)		
Total Federal Awards							\$ 7,778	\$ 80,009	\$ (1,420,440)	\$ 10,377,004	\$ (11,654,755)	\$ (7,778)	\$ (2,665,156)	\$ (44,869)	\$ (2,105)

(1) Equals inventory.

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2021		Cash Received	Budgetary (Expenditures)	(Adjustment) Repayment of Prior Year's Balances	Balance, June 30, 2022		MEMO	
				(Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
Categorical Special Education Aid	22-495-034-5121-089	\$ 5,372,023	7/1/2021 - 6/30/2022			\$ 4,841,805	\$ (5,372,023)				\$ (530,218)	\$ (5,372,023)
Equalization Aid	22-495-034-5121-078	23,764,813	7/1/2021 - 6/30/2022			21,419,286	(23,764,813)				(2,345,527)	(23,764,813)
Categorical Security Aid	22-495-034-5121-084	1,619,505	7/1/2021 - 6/30/2022			1,459,574	(1,619,505)				(159,931)	(1,619,505)
Transportation Aid	22-495-034-5121-014	2,310,618	7/1/2021 - 6/30/2022			2,082,575	(2,310,618)				(228,043)	(2,310,618)
Extraordinary Aid	22-495-034-5121-044	2,079,269	7/1/2021 - 6/30/2022				(2,079,269)		\$ (2,079,269)			(2,079,269)
Extraordinary Aid	21-495-034-5121-044	2,229,624	7/1/2020 - 6/30/2021	\$ (2,229,624)		2,229,624						
Securing Our Children's Future Bond Act - Alyssa's Law	S010A200030	319,643	7/1/2020 - 6/30/2021	(319,643)						(319,643)		
On Behalf TPAF - Non-Contributory Insurance	22-495-034-5094-004	7,652	7/1/2021 - 6/30/2022			7,652	(7,652)					(7,652)
On-Behalf TPAF - Pension	22-495-034-5094-002	17,299,440	7/1/2021 - 6/30/2022			17,299,440	(17,299,440)					(17,299,440)
On Behalf TPAF - Post Retirement Medical	22-495-034-5094-001	4,041,849	7/1/2021 - 6/30/2022			4,041,849	(4,041,849)					(4,041,849)
On Behalf TPAF - FICA	22-495-034-5094-003	3,876,095	7/1/2021 - 6/30/2022			3,686,739	(3,876,094)			(189,356)		(3,876,094)
Nonpublic Transportation	22-495-034-5121-014	109,670	7/1/2021 - 6/30/2022				(109,670)			(109,670)		(109,670)
Nonpublic Transportation	21-495-034-5121-014	104,770	7/1/2020 - 6/30/2021	(104,770)		104,770						
Total General Fund				\$ (2,654,037)		\$ 57,173,314	\$ (60,480,933)		\$ (2,697,938)		\$ (3,263,719)	(60,480,933)
Special Revenue Fund:												
N.J. Nonpublic Aid:												
Textbook Aid	22-100-034-5121-064	\$2,101	7/1/2021 - 6/30/2022			\$ 2,101	\$ (2,101)					\$ (2,101)
Nursing Services	22-100-034-5121-070	3,920	7/1/2021 - 6/30/2022			3,920	(3,595)		\$ 325			(3,595)
Nursing Services	21-100-034-5121-070	4,182	7/1/2020 - 6/30/2021		\$ 43			\$ (43)				
Technology	22-100-034-5121-373	1,470	7/1/2021 - 6/30/2022			1,470	(1,470)					(1,470)
Security	22-100-034-5121-509	6,125	7/1/2021 - 6/30/2022			6,125	(4,932)			1,193		(4,932)
Auxiliary Services:												
Transportation	22-495-034-5121-014	999	7/1/2021 - 6/30/2022			999	(999)					(999)
Compensatory Education	21-100-034-5121-067	3,484	7/1/2020 - 6/30/2021		1,742			(1,742)				
Compensatory Education	22-100-034-5121-067	4,479	7/1/2021 - 6/30/2022			4,479				4,479		

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2021		Cash Received	Budgetary (Expenditures)	(Adjustment) Repayment of Prior Year's Balances	Balance, June 30, 2022		MEMO	
				(Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
Special Revenue Fund: (Continued)												
Handicapped Services:												
Examination & Classification	22-100-034-5121-066	\$ 5,879	7/1/2021 - 6/30/2022		\$ 5,879	\$ (1,520)			\$ 4,359		\$ (1,520)	
Examination & Classification	21-100-034-5121-066	11,150	7/1/2020 - 6/30/2021	\$ 2,790				\$ (2,790)				
Supplemental Instruction	21-100-034-5121-066	8,095	7/1/2020 - 6/30/2021	3,238				(3,238)				
Supplemental Instruction	22-100-034-5121-066	4,791	7/1/2021 - 6/30/2022		4,791	(3,965)			826		(3,965)	
Corrective Speech	21-100-034-5121-066	2,734	7/1/2020 - 6/30/2021		2,734			(2,734)				
Corrective Speech	22-100-034-5121-066	1,395	7/1/2021 - 6/30/2022		1,395	(1,395)					(1,395)	
SDA Emergency Needs	22-100-034-5120-519	142,246	7/1/2021 - 6/30/2022		142,246	(142,246)					(142,246)	
Preschool Educ. Expansion Aid	22-495-034-5121-086	5,058,158	7/1/2021 - 6/30/2022		4,558,797	(4,656,019)			\$ (97,222)		(4,656,019)	
Preschool Educ. Expansion Aid	21-495-034-5121-086	3,726,724	7/1/2020 - 6/30/2021	\$ (367,899)	367,899							
Total Special Revenue Fund				\$ (367,899)	\$ 10,547	\$ 5,100,101	\$ (4,818,242)	\$ (10,547)	\$ (97,222)	\$ 11,182	\$ (4,818,242)	
Debt Service Fund:												
Debt Service Aid Type II	22-495-034-5121-075	\$ 405,871	7/1/2021 - 6/30/2022			405,871	(405,871)					\$ (405,871)
Total Debt Service Fund						\$ 405,871	\$ (405,871)					\$ (405,871)
State Department of Agriculture Enterprise Fund:												
State School Lunch Program	21-100-010-3350-023	\$ 42,133	7/1/2020 - 6/30/2021	\$ (6,606)	\$ 6,606							
State School Lunch Program	22-100-010-3350-023	65,366	7/1/2021 - 6/30/2022		61,031	(65,366)			\$ (4,335)		(65,366)	
Total Enterprise Fund				\$ (6,606)	\$ 67,637	\$ (65,366)			\$ (4,335)		\$ (65,366)	
Total State Financial Assistance				\$ (3,028,542)	\$ 10,547	\$ 62,746,923	\$ (65,770,412)	\$ (10,547)	\$ (2,799,494)	\$ 11,182	\$ (3,263,719)	\$ (65,770,412)
Less On-behalf TPAF:												
Pension	22-495-034-5094-002					\$ 17,299,440						
Post-Retirement Medical	22-495-034-5094-001					4,041,849						
Non-Contributory Insurance	22-495-034-5094-004					7,652						
						\$ (44,421,471)						

See Accompanying Notes to Schedules of Financial Assistance.

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Township of North Brunswick School District. The information in this Schedule is presented in accordance with the requirements of Title 2, *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and NJOMB 15-08. The Board of Education is defined in Note 1 (A) to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this Schedule is presented in accordance with the requirements of Title 2, *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and NJOMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A.18A:22-4.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last two (2) (of twenty (20)) state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A.18A:22-4.2.

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$860,282 for the general fund and a decrease of \$745,457 in the special revenue fund. See *Note 1* (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented are as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 221,987	\$ 59,620,651	\$ 59,842,638
Special Revenue Fund	6,275,646	4,777,394	11,053,040
Debt Service Fund		405,871	405,871
Food Service Fund	<u>4,183,714</u>	<u>65,366</u>	<u>4,249,080</u>
Total Awards and Assistance	<u>\$ 10,681,347</u>	<u>\$ 64,869,282</u>	<u>\$ 75,550,629</u>

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. FEDERAL AND STATE LOANS OUTSTANDING

The District had no federal or state loans outstanding.

6. OTHER

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

The State of New Jersey also makes TPAF post-retirement medical, pension contribution and long-term disability insurance expenditures on-behalf of the District. These expenditures are not subject to New Jersey OMB Circular 15-08 because the contributions are made by the State directly and do not have any compliance related requirements, and therefore have not been included on the Schedule of State Financial Assistance, as directed by the funding agency.

7. INDIRECT COSTS

The District did not use the 10% di minimus indirect cost rate.

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified, dated
March 6, 2023

Internal control over financial reporting:

1. Material weakness(es) identified? _____ yes X no
2. Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

1. Material weakness(es) identified? _____ yes X no
2. Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported

Type of auditor's report issued on compliance for major programs: Unmodified, dated
March 6, 2023

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of the Uniform Guidance? _____ yes X no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	Cluster: <u>Title I, Title I Reallocated</u>
<u>84.027, 84.027X, 84.173, 84.173X</u>	Cluster: <u>IDEA Part B Regular and IDEA Preschool, ARP-IDEA Reg & P.S.</u>
<u>10.553 & 10.555</u>	Cluster: <u>Child Nutrition Project – National School Lunch/Breakfast</u>
<u>84.425D</u>	Cluster: Education Stabilization Fund <u>CARES ESSER – Mental Health CARES ESSER II</u>
<u>84.425U</u>	Cluster: Education Stabilization Fund, ESSER III, ARP ESSER, <u>ARP Accelerated Learning ARP Comprehensive & ARP Mental Health</u>

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

Auditee qualified as low-risk auditee? _____ yes X no

**BOARD OF EDUCATION
 TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section I - Summary of Auditor's Results (Continued)

State Financial Assistance

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

1. Auditee qualified as low-risk auditee? X yes no

Type of auditor's report issued on compliance for major programs: Unmodified, dated
 March 6, 2023

Internal Control over major programs:

1. Material weakness(es) identified? Yes X no

2. Significant deficiency(ies) identified that are not considered to be material weakness(es): yes X none reported

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

Identification of major programs:

<u>GMIS Number</u>	<u>Name of State Program</u>
<u>22-495-034-5120-089</u>	Cluster: <u>Categorical Special Education Aid</u>
<u>22-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>22-495-034-5120-014</u>	<u>Categorical Transportation Aid</u>
<u>22-495-034-5120-044</u>	<u>Extraordinary Aid</u>
<u>22-495-034-5120-086</u>	<u>Pre-School Education Expansion Aid</u>
<u>22-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contribution</u>

Section II - Schedule of Financial Statement Findings

None

Section III - Schedule of State Financial Assistance Findings and Questioned Costs

None

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FOR THE YEAR ENDED JUNE 30, 2021:

There were no findings for the year ended June 30, 2021.