

**BRANCBURG TOWNSHIP  
SCHOOL DISTRICT**

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

**Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2023**

**Annual Comprehensive  
Financial Report**

**of the**

**Branchburg Township School District**

**Branchburg, New Jersey**

**For the Fiscal Year Ended June 30, 2023**

**Prepared by**

**Branchburg Township School District Board of Education**

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INTRODUCTORY SECTION  
(UNAUDITED)

# ***BRANCBURG TOWNSHIP SCHOOL DISTRICT***

***“Excellence in Education”***



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

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

January 26, 2024

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

Dear Board Members:

The annual comprehensive financial report of the Branchburg Township School District (District) for the fiscal year ended June 30, 2023 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

Honorable President and  
Members of the Board of Education  
Branchburg Township School District  
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January 26, 2024

1. REPORTING ENTITY AND ITS SERVICES:

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

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

2. 2022-2023 MAJOR INITIATIVES:

At Branchburg Township School District, our unwavering commitment is to create an environment conducive to every student thriving and flourishing. Our strategic vision drives us to develop and implement significant initiatives that enhance academic excellence and promote the holistic development and well-being of each student. For the 2023-2024 school year, we are focusing on two primary areas:

**Prioritizing Student Well-being:** We have integrated a comprehensive social-emotional learning program across all grades, ensuring a cohesive approach from kindergarten to 8th grade. Our efforts include enhancing the Advisory program in grades 5-8 to deepen student engagement beyond the academic curriculum, broadening the instruction of Social-Emotional Learning (SEL) Competencies, revising policies and practices to reflect our commitment to student well-being, and improving school culture and climate, which are essential for nurturing student well-being.

**Applying Evidence-Based Practices:** Our efforts are directed towards creating a supportive learning environment that accommodates the diverse needs and learning styles of our students. This includes regularly employing varied assessments to identify and cater to each student's unique needs, promoting a culture of data-informed instruction aligned with grade-level standards through both formative and summative assessments, adopting instructional programs that address the entire spectrum of student learning needs, and aligning district practices and policies with contemporary research on adolescent development.



Honorable President and  
Members of the Board of Education  
Branchburg Township School District  
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### 3. INTERNAL ACCOUNTING CONTROLS:

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

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

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

### 4. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriations budget approved by a vote of the Board of Education. Annual appropriations budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. Project length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year ended June 30, 2023 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 fund balance restrictions, commitments and assignments at June 30, 2023.

Honorable President and  
Members of the Board of Education  
Branchburg Township School District  
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January 26, 2024

5. ACCOUNTING SYSTEM AND REPORTS:

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

6. CASH MANAGEMENT:

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

7. RISK MANAGEMENT:

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

8. OTHER INFORMATION:

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


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

Honorable President and  
Members of the Board of Education  
Branchburg Township School District  
Page 5  
January 26, 2024

9. ACKNOWLEDGEMENTS:

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

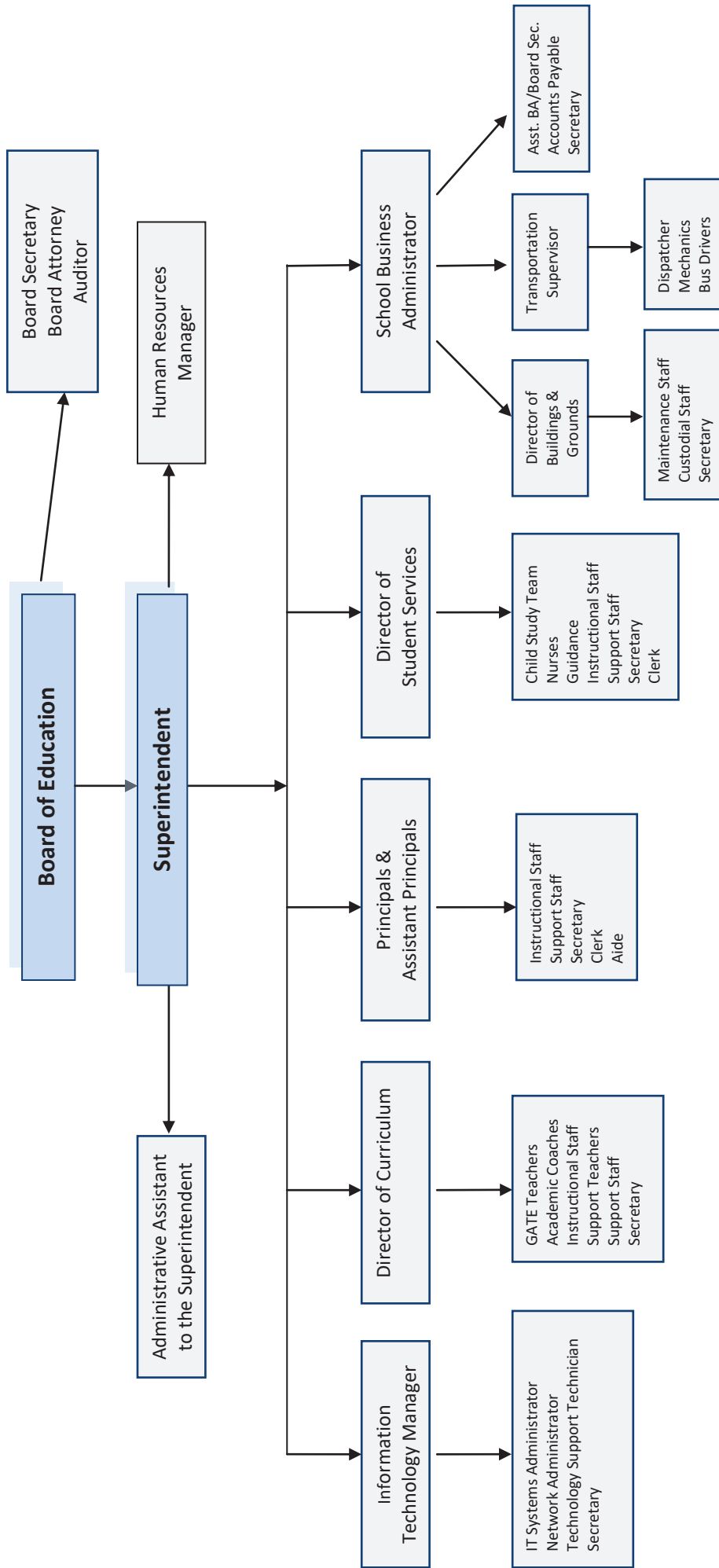
Respectfully submitted,

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

  
\_\_\_\_\_  
Sally Dolan  
Business Administrator/  
Board Secretary

# Branchburg Township School District

## 2022-2023 Organizational Chart



Updated 9.7.22

**BRANCBURG TOWNSHIP SCHOOL DISTRICT**  
**ROSTER OF OFFICIALS**  
**JUNE 30, 2023**

<b><u>MEMBERS OF THE BOARD OF EDUCATION</u></b>	<b><u>TERM EXPIRES</u></b>
Vincent Carpentier, President	January 2024
Theresa Joyce, Vice President	January 2025
Puja Desai	January 2026
David Dugan	January 2026
Kristen Fabriczi	January 2025
Robert Maider	January 2024
Carmela Noto	January 2025
Bindhu Shah	January 2026
Charles Tuma	January 2024

<b><u>OTHER OFFICIALS</u></b>	<b><u>TITLE</u></b>
Dr. Karen Chase	Superintendent of Schools
Beverly Vlietstra	Interim School Business Administrator/Board Secretary (to April 3, 2023)
Sally Dolan	School Business Administrator/Board Secretary (from April 3, 2023)
David B. Rubin, Esq.	Board Attorney
Jennifer Anderson	Director of Educational Programs and Student Support Services
Matthew Barbosa	Principal, Branchburg Central Middle School
Kristen Kries	Principal, Stony Brook School
Dee Shober	Principal, Whiton Elementary School

**BRANCBURG TOWNSHIP SCHOOL DISTRICT  
CONSULTANTS AND ADVISORS**

**ARCHITECT**

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90 Woodbridge Center Drive  
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Woodbridge, New Jersey 07095-0958

**FINANCIAL ADVISOR**

Phoenix Advisors  
4 West Park Street  
Bordentown, New Jersey 08505

**OFFICIAL DEPOSITORY**

TD Bank  
Milltown Road  
Bridgewater, New Jersey 08807

FINANCIAL SECTION

## Independent Auditors' Report

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

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Board of Education of the Branchburg Township School District (the “District”), in the County of Somerset, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District, as of June 30, 2023, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

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

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

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



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

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

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

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

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

***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

January 26, 2024  
Mt. Arlington, New Jersey

*Nisivoccia, LLP*  
NISIVOCCIA, LLP

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

REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**BRANCBURG TOWNSHIP SCHOOL DISTRICT  
BRANCBURG, NEW JERSEY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2023**

This section of the Branchburg Township School District’s (the “District’s”) annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

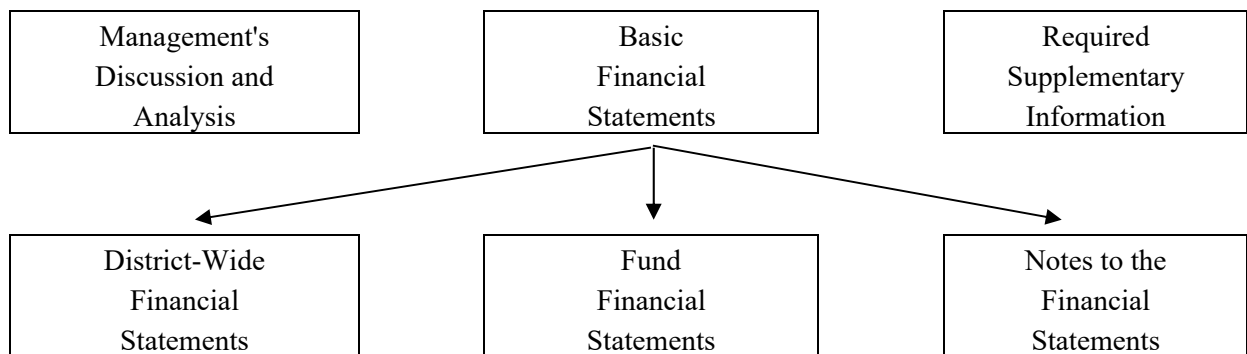
**Overview of the Financial Statements**

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

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

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

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



**BRANCBURG TOWNSHIP SCHOOL DISTRICT  
BRANCBURG, NEW JERSEY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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

**Figure A-2**

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

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

**BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BRANCHBURG, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2023**

**District-Wide Statements**

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

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

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

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

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

**Fund Financial Statements**

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

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

The District has two kinds of funds:

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

**BRANCBURG TOWNSHIP SCHOOL DISTRICT  
BRANCBURG, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2023**

**Fund Financial Statements**

- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows.

**Notes to the Basic Financial Statements**

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

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

*Net Position.* The District's combined net position was \$32,582,714 on June 30, 2023, \$3,289,828 or 11.23% more than the year before (See Figure A-3). Net position from governmental activities increased \$3,262,106 and net position from business-type activities increased \$27,722 (See Figure A-4). Net investment in capital assets increased \$2,558,448, restricted net position increased \$71,344 and unrestricted net position increased \$660,036.

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

	Government Activities		Business-Type Activities		Total School District		Percent Change
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	
Current and Other Assets	\$ 14,858,943	\$ 15,493,792	\$ 264,407	\$ 218,425	\$ 15,123,350	\$ 15,712,217	
Capital Assets, Net	38,446,605	37,368,539	37,954	34,544	38,484,559	37,403,083	
Total Assets	53,305,548	52,862,331	302,361	252,969	53,607,909	53,115,300	0.93%
Deferred Outflows of Resources	1,284,263	1,307,774			1,284,263	1,307,774	-1.80%
Other Liabilities	923,238	1,016,340	40,918	19,248	964,156	1,035,588	
Long-Term Liabilities	20,088,285	21,084,395			20,088,285	21,084,395	
Total Liabilities	21,011,523	22,100,735	40,918	19,248	21,052,441	22,119,983	-4.83%
Deferred Inflows of Resources	1,257,017	3,010,205			1,257,017	3,010,205	-58.24%
Net Position:							
Net Investment in							
Capital Assets	25,861,469	23,306,431	37,954	34,544	25,899,423	23,340,975	
Restricted	8,892,898	8,821,554			8,892,898	8,821,554	
Unrestricted/(Deficit)	(2,433,096)	(3,068,820)	223,489	199,177	(2,209,607)	(2,869,643)	
Total Net Position	\$ 32,321,271	\$ 29,059,165	\$ 261,443	\$ 233,721	\$ 32,582,714	\$ 29,292,886	11.23%

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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

*Changes in net position.* The District's combined net position increased by \$3,289,828, or 11.23%, over the course of the fiscal year. Net investment in capital assets increased \$2,558,448 primarily due to a \$1,510,000 net reduction in bonded debt from current year maturities and \$2,892,913 in capital additions (\$2,886,248 from governmental and \$6,665 from business-type activities) offset by \$1,811,437 in depreciation (\$1,808,182 from governmental and \$3,255 from business-type activities). Restricted net position increased by \$71,344 mainly due to an increase of \$73,954 in capital reserve. The \$660,036 increase in unrestricted net position is due primarily to increases in budgeted fund balance and a decrease in deferred inflows related to pensions offset by decreases in year-end encumbrances and unassigned net position and an increase in the net pension liability (See Figure A-4).

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

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	
Revenue:							
Program Revenue:							
Charges for Services	\$ 444,627	\$ 214,898	\$ 495,269	\$ 113,259	\$ 939,896	\$ 328,157	
Operating Grants/Contributions	9,509,644	11,283,103	231,692	646,580	9,741,336	11,929,683	
General Revenue:							
Property Taxes	45,708,537	44,807,928			45,708,537	44,807,928	
Unrestricted Federal/State Aid	191,840	288,851			191,840	288,851	
Other	742,448	1,013,033	5,215	2,557	747,663	1,015,590	
Total Revenue	56,597,096	57,607,813	732,176	762,396	57,329,272	58,370,209	-1.78%
Expenses:							
Instruction	20,941,277	23,215,658			20,941,277	23,215,658	
Pupil and Instruction Services	20,678,349	19,698,428			20,678,349	19,698,428	
Administrative and Business	3,403,774	3,379,874			3,403,774	3,379,874	
Maintenance and Operations	2,707,792	2,665,324			2,707,792	2,665,324	
Transportation	3,565,239	3,329,548			3,565,239	3,329,548	
Other	2,038,559	2,130,929	704,454	647,368	2,743,013	2,778,297	
Total Expenses	53,334,990	54,419,761	704,454	647,368	54,039,444	55,067,129	-1.87%
Change in Net Position	\$ 3,262,106	\$ 3,188,052	\$ 27,722	\$ 115,028	\$ 3,289,828	\$ 3,303,080	-0.40%



**BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BRANCHBURG, NEW JERSEY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2023**

**Governmental Activities**

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

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

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

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

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

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

	Total Costs of Services		Net Cost of Services	
	2022/2023	2021/2022	2022/2023	2021/2022
Instruction	\$ 20,941,277	\$ 23,215,658	\$ 13,965,543	\$ 14,465,784
Pupil and Instruction Services	20,678,349	19,698,428	19,254,022	18,370,985
Administration and Business	3,403,774	3,379,874	2,934,953	2,705,949
Maintenance and Operations	2,707,792	2,665,324	2,707,792	2,665,324
Transportation	3,565,239	3,329,548	2,479,850	2,582,789
Other	2,038,559	2,130,929	2,038,559	2,130,929
	<u>\$ 53,334,990</u>	<u>\$ 54,419,761</u>	<u>\$ 43,380,719</u>	<u>\$ 42,921,760</u>

**BRANCBURG TOWNSHIP SCHOOL DISTRICT  
BRANCBURG, NEW JERSEY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2023**

**Business-Type Activities**

- Net position from the District’s business-type activities (Food Service program) increased \$27,722 due to an increase in reimbursable sales offset by the end of the Seamless Summer Option Program, resulting in a decrease in the number of meals served and therefore decreases in subsidy reimbursements and food purchase costs. (Refer to Figure A-4).

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

The District’s General Fund fund balance decreased \$561,081 primarily due to prior year encumbrances being liquidated.

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

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

**General Fund Budgetary Highlights**

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

**Capital Assets**

The District’s capital assets increased \$1,081,476 – from \$37,403,083 to \$38,484,559 – or 2.89%, over the course of the fiscal year. (See Figure A-6.) (More detailed information about the District’s capital assets is presented in Note 8 to the basic financial statements.)

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

	Government Activities		Business-Type Activities		Total School District		Percent Change
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	
Land	\$ 2,367,600	\$ 2,367,600			\$ 2,367,600	\$ 2,367,600	
Construction in Progress	6,552,013	4,543,032			6,552,013	4,543,032	
Site Improvements	1,439,536	849,736			1,439,536	849,736	
Buildings and Building Improvements	26,584,568	27,902,142			26,584,568	27,902,142	
Furniture, Machinery & Equipment	1,502,888	1,706,029	\$ 37,954	\$ 34,544	1,540,842	1,740,573	
<b>Total Capital Assets, Net</b>	<b>\$ 38,446,605</b>	<b>\$ 37,368,539</b>	<b>\$ 37,954</b>	<b>\$ 34,544</b>	<b>\$ 38,484,559</b>	<b>\$ 37,403,083</b>	<b>2.89%</b>

**BRANCBURG TOWNSHIP SCHOOL DISTRICT  
BRANCBURG, NEW JERSEY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2023**

**Capital Assets**

The increase in capital assets was attributable to capital asset acquisitions (net of deletions) of \$2,892,913 (\$2,886,248 from its governmental and \$6,665 from its business-type activities) which was offset by current year depreciation of \$1,811,437 (\$1,808,182 from its governmental and \$3,255 from its business-type activities).

**Long-Term Liabilities**

The District’s long-term liabilities decreased \$996,110 – from \$21,084,395 to \$20,088,285 – or 4.72%, over the course of the fiscal year. (See Figure A-7.) (More detailed information about the District’s long-term liabilities is presented in Note 9 to the financial statements.)

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

	Total School District		Percent Change
	2022/2023	2021/2022	
General Obligation Bonds (Financed with Property Taxes)	\$ 12,825,000	\$ 14,335,000	
Unamortized Bond Issuance Premium	1,385,226	1,581,064	
Net Pension Liability	5,325,437	4,435,178	
Other Long-term Liabilities	552,622	733,153	
	<u>\$ 20,088,285</u>	<u>\$ 21,084,395</u>	-4.72%

The decrease in long-term liabilities was attributable to a decrease in compensated absences payable of \$180,531, a decrease in bonds of \$1,510,000 and a decrease in unamortized bond issuance premium of \$195,838, offset by an increase in the net pension liability of \$890,259.

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

The District is in good financial condition. Everyone associated with the Branchburg Board of Education is grateful for the community support.

Many factors were considered by the District’s administration during the process of developing the fiscal year 2023-2024 budget. The primary factors were:

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

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

**BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BRANCHBURG, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

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

**Contacting the District's Financial Management**

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 5,351,811	\$ 235,041	\$ 5,586,852
Receivable from State Government	897,149	420	897,569
Receivable from Federal Government	463,351	7,431	470,782
Other Accounts Receivable	153,735	2,606	156,341
Inventories		18,909	18,909
Restricted Assets - Cash and Cash Equivalents	7,992,897		7,992,897
Capital Assets:			
Sites (Land) and Construction in Progress	8,919,613		8,919,613
Depreciable Site Improvements, Building & Building Improvements & Furniture, Machinery & Equipment	29,526,992	37,954	29,564,946
<b>Total Assets</b>	<b>53,305,548</b>	<b>302,361</b>	<b>53,607,909</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding	239,864		239,864
Deferred Outflows - Pensions	589,321		589,321
Deferred Outflows - District Contribution Subsequent to the Measurement Date - Pensions	455,078		455,078
<b>Total Deferred Outflows of Resources</b>	<b>1,284,263</b>		<b>1,284,263</b>
<b>LIABILITIES:</b>			
Accrued Interest Payable	242,283		242,283
Accounts Payable	638,844		638,844
Payable to State Government	2,175		2,175
Unearned Revenue	39,936	40,918	80,854
Noncurrent Liabilities:			
Due Within One Year	1,810,838		1,810,838
Due Beyond One Year	18,277,447		18,277,447
<b>Total Liabilities</b>	<b>21,011,523</b>	<b>40,918</b>	<b>21,052,441</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Inflows Related to Pensions	1,257,017		1,257,017
<b>Total Deferred Inflows of Resources</b>	<b>1,257,017</b>		<b>1,257,017</b>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2023  
(Continued)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
NET POSITION:			
Net Investment in Capital Assets	\$ 25,861,469	\$ 37,954	\$ 25,899,423
Restricted for:			
Capital Projects	4,857,056		4,857,056
Debt Service	1		1
Tuition Reserve	1,785,003		1,785,003
Excess Surplus	900,000		900,000
Emergency Reserve	120,000		120,000
Maintenance Reserve	423,800		423,800
Unemployment Compensation	753,110		753,110
Student Activities	53,928		53,928
Unrestricted/(Deficit)	<u>(2,433,096)</u>	<u>223,489</u>	<u>(2,209,607)</u>
Total Net Position	<u>\$ 32,321,271</u>	<u>\$ 261,443</u>	<u>\$ 32,582,714</u>

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



BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 12,707,823	\$ 53,550	\$ 2,362,563		\$ (10,291,710)		\$ (10,291,710)
Special Education	5,101,864	42,938	3,998,741		(1,060,185)		(1,060,185)
Other Special Instruction	2,801,229		471,331		(2,329,898)		(2,329,898)
School-Sponsored/Other Instruction	330,361		46,611		(283,750)		(283,750)
Support Services:							
Tuition	13,919,842				(13,919,842)		(13,919,842)
Student & Instruction Related Services	6,758,507	137,961	1,286,366		(5,334,180)		(5,334,180)
General Administration Services	938,698		94,104		(844,594)		(844,594)
School Administration Services	1,801,147		302,847		(1,498,300)		(1,498,300)
Central Services	557,815		71,870		(485,945)		(485,945)
Administrative Information Technology	106,114				(106,114)		(106,114)
Plant Operations and Maintenance	2,707,792				(2,707,792)		(2,707,792)
Pupil Transportation	3,565,239	210,178	875,211		(2,479,850)		(2,479,850)
Transfer of Funds to Charter Schools	77,360				(77,360)		(77,360)
Interest on Long-Term Debt	436,411				(436,411)		(436,411)
Unallocated Depreciation	1,524,788				(1,524,788)		(1,524,788)
Total Governmental Activities	53,334,990	444,627	9,509,644		(43,380,719)		(43,380,719)

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-type Activities:							
Food Service Program	\$ 704,454	\$ 495,269	\$ 231,692		\$ 22,507	\$ 22,507	\$ 22,507
Total Business-type Activities	704,454	495,269	231,692		22,507	22,507	22,507
Total Primary Government	\$ 54,039,444	\$ 939,896	\$ 9,741,336	\$ - 0 -	\$ (43,380,719)	22,507	(43,358,212)
<b>General Revenue:</b>							
Property Taxes, Levied for General Purposes, Net					43,616,999		43,616,999
Taxes Levied for Debt Service					2,091,538		2,091,538
Federal and State Aid not Restricted					191,840		191,840
Miscellaneous Income					742,448	5,215	747,663
Total General Revenue					46,642,825	5,215	46,648,040
Change in Net Position					3,262,106	27,722	3,289,828
Net Position - Beginning					29,059,165	233,721	29,292,886
Net Position - Ending					\$ 32,321,271	\$ 261,443	\$ 32,582,714

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

FUND FINANCIAL STATEMENTS

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 5,351,810		\$ 1	\$ 5,351,811
Receivables From State Government	897,149			897,149
Receivables From Federal Government		\$ 463,351		463,351
Interfund Receivable	366,671			366,671
Other Accounts Receivable	142,760	10,975		153,735
Restricted Cash and Cash Equivalents	7,938,969	53,928		7,992,897
<b>Total Assets</b>	<u>\$ 14,697,359</u>	<u>\$ 528,254</u>	<u>\$ 1</u>	<u>\$ 15,225,614</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 117,322	\$ 66,444		\$ 183,766
Interfund Payable		366,671		366,671
Payable to State Government		2,175		2,175
Unearned Revenue	900	39,036		39,936
<b>Total Liabilities</b>	<u>118,222</u>	<u>474,326</u>		<u>592,548</u>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Capital Reserve	4,857,056			4,857,056
Maintenance Reserve	423,800			423,800
Emergency Reserve	120,000			120,000
Tuition Reserve - For 2023-2024	900,000			900,000
Tuition Reserve - For 2024-2025	885,003			885,003
Debt Service Fund			\$ 1	1
Excess Surplus - For 2023-2024	900,000			900,000
Unemployment Compensation	753,110			753,110
Student Activities		53,928		53,928
<b>Assigned:</b>				
For Subsequent Year's Expenditures	\$ 1,943,069			\$ 1,943,069
Year-end Encumbrances	2,261,901			2,261,901
Unassigned	1,535,198			1,535,198
<b>Total Fund Balances</b>	<u>14,579,137</u>	<u>\$ 53,928</u>	<u>\$ 1</u>	<u>14,633,066</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 14,697,359</u>	<u>\$ 528,254</u>	<u>\$ 1</u>	<u>\$ 15,225,614</u>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Amounts Reported for <i>Governmental Activities</i> in the Statement of Net Position (A-1) are different because:				
Total Fund Balances (Above)				\$ 14,633,066
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.				38,446,605
Long-Term Liabilities, including Bonds Payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.				(20,088,285)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:				
Deferred Outflows of Resources Related to Pensions				589,321
Deferred Inflows of Resources Related to Pensions				(1,257,017)
Interest on long-term debt is not accrued in Governmental Funds, but rather is recognized as an expenditure when due.				(242,283)
The Deferred Amount on the Refunding is not reported as an expenditure in the Governmental Funds in the year of the expenditure.				<u>239,864</u>
Net Position - Governmental Activities				<u>\$ 32,321,271</u>

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUE:</b>				
Local Sources:				
Local Tax Levy	\$ 43,616,999		\$ 2,091,538	\$ 45,708,537
Tuition	96,488			96,488
Transportation Fees From Other LEAs	210,178			210,178
Interest Earned on Capital Reserve Funds	73,954			73,954
Restricted Miscellaneous Revenue	12,976			12,976
Unrestricted Miscellaneous Revenue	655,518	\$ 156,617		812,135
Total - Local Sources	44,666,113	156,617	2,091,538	46,914,268
State Sources	11,138,163	36,539		11,174,702
Federal Sources		1,063,256		1,063,256
Total Revenue	55,804,276	1,256,412	2,091,538	59,152,226
<b>EXPENDITURES:</b>				
Current:				
Regular Instruction	7,905,503	413,001		8,318,504
Special Education Instruction	2,952,243	394,046		3,346,289
Other Special Instruction	1,741,127			1,741,127
School-Sponsored/Other Instruction	188,812			188,812
Support Services and Undistributed Costs:				
Tuition	13,919,842			13,919,842
Student & Instruction Related Services	4,098,358	420,743		4,519,101
General Administration Services	743,298			743,298
School Administration Services	1,129,938			1,129,938
Central Services	404,521			404,521
Administrative Information Technology	106,114			106,114

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>General</u>	<u>Special</u>	<u>Debt</u>	<u>Total</u>
	<u>Fund</u>	<u>Revenue</u>	<u>Service</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
EXPENDITURES:				
Current:				
Support Services and Undistributed Costs:				
Plant Operations and Maintenance	\$ 2,450,618			\$ 2,450,618
Pupil Transportation	2,911,005			2,911,005
Unallocated Benefits	14,692,477			14,692,477
Capital Outlay	3,044,141	\$ 24,250		3,068,391
Transfer to Charter School	77,360			77,360
Debt Service:				
Principal			\$ 1,510,000	1,510,000
Interest and Other Charges			581,538	581,538
Total Expenditures	<u>56,365,357</u>	<u>1,252,040</u>	<u>2,091,538</u>	<u>59,708,935</u>
Excess/(Deficit) of Revenue Over/(Under) Expenditures	<u>(561,081)</u>	<u>4,372</u>		<u>(556,709)</u>
Fund Balance—July 1	<u>15,140,218</u>	<u>49,556</u>	<u>1</u>	<u>15,189,775</u>
Fund Balance—June 30	<u>\$ 14,579,137</u>	<u>\$ 53,928</u>	<u>\$ 1</u>	<u>\$ 14,633,066</u>

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ (556,709)

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

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

Depreciation Expense	\$	(1,808,182)
Capital Outlays		<u>2,886,248</u>
		1,078,066

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

Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities (+) 1,510,000

The governmental funds report the effect of the deferred amount on refunding relative to an advance refunding when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities (-). (33,028)

Interest on long-term debt in the Statement of Activities is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction to the reconciliation (-).  
 When the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+). 25,042

The governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. 195,838

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

Change in Net Pension Liability		(890,259)
Change in Deferred Outflows		(563)
Change in Deferred Inflows		<u>1,753,188</u>
		<u>\$ 3,262,106</u>

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

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



BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2023

	<u>Business-Type Activities - Enterprise Funds Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 235,041
Accounts Receivable:	
State	420
Federal	7,431
Other	2,606
Inventories	<u>18,909</u>
 Total Current Assets	 <u>264,407</u>
Non-Current Assets:	
Capital Assets	446,550
Less: Accumulated Depreciation	<u>(408,596)</u>
 Total Non-Current Assets	 <u>37,954</u>
 Total Assets	 <u>302,361</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Unearned Revenue - Prepaid Sales	20,744
Unearned Revenue - Donated Commodities	5,300
Unearned Revenue - Supply Chain Assistance	<u>14,874</u>
 Total Current Liabilities	 <u>40,918</u>
<b>NET POSITION:</b>	
Investment in Capital Assets	37,954
Unrestricted	<u>223,489</u>
 Total Net Position	 <u>\$ 261,443</u>

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

BRANCHBURG BOARD OF EDUCATION  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Business-Type Activities - Enterprise Funds Food Service</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 324,521
Daily Sales - Non-Reimbursable Programs	170,748
	495,269
Total Operating Revenue	495,269
Operating Expenses:	
Cost of Sales - Reimbursable Programs	284,875
Cost of Sales - Non-Reimbursable Programs	50,272
Salaries, Benefits & Payroll Taxes	303,263
Supplies and Materials	24,077
Food Service Management Fee	18,563
Purchased Professional Services	20,149
Depreciation	3,255
	704,454
Total Operating Expenses	704,454
Operating (Loss)	(209,185)
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	7,103
Federal Sources:	
National School Lunch Program	120,326
Food Distribution Program	46,697
Supply Chain Assistance	57,566
Local Sources:	
Interest Income	5,215
	236,907
Total Non-Operating Revenue	236,907
Change in Net Position	27,722
Net Position - Beginning of Year	233,721
Net Position - End of Year	\$ 261,443

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Business-Type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 499,671
Payments to Employees	(303,263)
Payments to Suppliers	(357,904)
Net Cash Used for Operating Activities	<u>(161,496)</u>
Cash Flows from Investing Activities:	
Interest Income	5,215
Net Cash Provided by Investing Activities	<u>5,215</u>
Cash Flows from Noncapital Financing Activities:	
Cash Received from State and Federal Reimbursements	234,720
Net Cash Provided by Noncapital Financing Activities	<u>234,720</u>
Net Increase in Cash and Cash Equivalents	71,774
Cash and Cash Equivalents, July 1	<u>163,267</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 235,041</u></u>
Reconciliation of Operating Loss to Net Cash	
Used for Operating Activities:	
Operating Loss	\$ (209,185)
Adjustment to Reconcile Operating Loss to Net Cash	
Used for Operating Activities:	
Depreciation	3,255
Federal Food Distribution Program	46,697
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable - Other	(2,481)
Decrease in Inventory	(6,578)
Increase in Unearned Revenue	6,883
Decrease in Accounts Payable	(87)
Net Cash Used for Operating Activities	<u><u>\$ (161,496)</u></u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received \$50,217 and utilized \$46,697 of commodities from the Federal Food Distribution Program for the fiscal year ended June 30, 2023.

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

B. Basis of Presentation: (Cont'd)

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

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

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

The District reports the following proprietary funds:

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

C. Measurement Focus and Basis of Accounting:

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service funds. The budgets for the fiscal year ended June 30, 2023 was submitted to the County office and approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 55,829,412	\$ 1,156,099
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.		
Current Year Encumbrances		(22,020)
Prior Year Encumbrances		122,333
Prior Year State Aid payments recognized for GAAP Statements	266,585	
Current Year State Aid payments recognized for Budgetary purposes, not recognized for GAAP Statements	<u>(291,721)</u>	
Total Revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 55,804,276</u>	<u>\$ 1,256,412</u>
Uses/Outflows of Resources:		
Actual amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 56,365,357	\$ 1,151,727
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Current Year Encumbrances		(22,020)
Prior Year Encumbrances		122,333
Total Expenditures as reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 56,365,357</u>	<u>\$ 1,252,040</u>



BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

E. Cash and Cash Equivalents and Investments:

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

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

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

H. Encumbrances:

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

K. Capital Assets:

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

K. Capital Assets: (Cont'd)

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

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

L. Lease Assets:

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

M. Subscription Assets:

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. Long Term Liabilities:

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

O. Accrued Salaries and Wages:

Certain District employees, who provide services to the District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned undisbursed amounts be retained in a separate bank account. These amounts were disbursed to employees in June; therefore, the amount earned by these employees but not disbursed as of June 30, 2023 was \$-0-.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

P. Compensated Absences:

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

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

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

Q. Leases Payable:

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

R. Subscriptions Payable:

In the district-wide financial statements, subscriptions payable are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. Unearned Revenue:

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

T. Fund Balance Appropriated:

General Fund: Of the \$14,579,137 General Fund balance at June 30, 2023, \$2,261,901 is assigned for encumbrances and \$1,943,069 has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2024; \$4,857,056 is restricted in the capital reserve account; \$423,800 is restricted in the maintenance reserve account; \$120,000 is restricted in the emergency reserve account; \$1,785,003 is restricted in the tuition reserve account of which \$900,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2024 and \$885,003 will be appropriated as anticipated revenue for the year ending June 30, 2025; \$900,000 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the year ending June 30, 2024; \$753,110 is restricted for unemployment compensation; and \$1,535,198 is unassigned fund balance which is \$291,721 less than the calculated maximum unassigned fund balance due to the final two state aid payments that are not recognized on the GAAP basis until the fiscal year ending June 30, 2024.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2023 is \$53,928 and is restricted for student activities.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

T. Fund Balance Appropriated: (Cont'd)

Debt Service Fund: The \$1 fund balance in the Debt Service Fund at June 30, 2023 is restricted.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2003, C.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus at June 30, 2023 as detailed in this note.

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

U. Deficit Net Position:

The District has a deficit in unrestricted net position of \$2,433,096N in governmental activities, which is primarily due to accrued interest payable, compensated absences payable, unamortized bond premiums, and net pension liability and the related deferred inflows and outflows. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

V. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources for Pensions and Deferred Amount on Refunding at June 30, 2023. The District had deferred inflows of resources at June 30, 2023 for Pensions.

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

V. Net Position: (Cont'd)

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

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

W. Fund Balance Restrictions, Commitments and Assignments:

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the members of the Board of Education at a public meeting in order to remove or change the commitment of resources. The District had no committed resources at June 30, 2023.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2023.

X. Revenue - Exchange and Nonexchange Transactions:

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

X. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest and tuition.

Y. Operating Revenue and Expenses:

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

Z. Management Estimates:

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

AA. Pensions:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments. GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

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

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

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

Deposits:

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

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.



BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

Investments: (Cont'd)

- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.) ;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
  - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
  - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
  - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
  - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
  - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

As of June 30, 2023, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Checking and Savings Accounts	\$ 5,586,852	\$ 7,992,897	\$ 13,579,749

During the period ended June 30, 2023, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$13,579,749 and the bank balance was \$15,453,972.

NOTE 4. MAINTENANCE RESERVE ACCOUNT

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

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

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

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

The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 423,800
Ending Balance, June 30, 2023	\$ 423,800

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 5. CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by a transfer by Board resolution at year end of any unanticipated revenue or unexpended line item appropriation, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP. The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 4,783,102
Increased by:	
Interest Earnings	73,954
Ending Balance, June 30, 2023	\$ 4,857,056

The balance in the capital reserve account as of June 30, 2023 does not exceed the LRFP balance of local support costs of uncompleted capital projects. Withdrawals from the capital reserve were for use in DOE approved facilities projects, consistent with the District’s LRFP.

NOTE 6. EMERGENCY RESERVE ACCOUNT

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

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

The activity of the emergency reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 120,000
Ending Balance, June 30, 2023	\$ 120,000

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

NOTE 7. TUITION RESERVE ACCOUNT:

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

The district established a \$900,000 tuition reserve during 2021/2022 which will be used to pay for any tuition adjustments for the fiscal year ending June 30, 2024, and a \$885,003 tuition reserve during 2022/2023 which will be used to pay for any tuition adjustments for the fiscal year ending June 30, 2025.

NOTE 8. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2023 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 2,367,600			\$ 2,367,600
Construction in Progress	4,543,032	\$ 2,008,981		6,552,013
Total Capital Assets not Being Depreciated	<u>6,910,632</u>	<u>2,008,981</u>		<u>8,919,613</u>
Capital Assets Being Depreciated:				
Site Improvements	2,042,515	671,964		2,714,479
Buildings and Building Improvements	60,039,327	166,392		60,205,719
Machinery and Equipment	8,537,457	38,911		8,576,368
Total Capital Assets Being Depreciated	<u>70,619,299</u>	<u>877,267</u>		<u>71,496,566</u>
Governmental Activities Capital Assets	<u>77,529,931</u>	<u>2,886,248</u>		<u>80,416,179</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,192,779)	(82,164)		(1,274,943)
Buildings and Building Improvements	(32,137,185)	(1,483,966)		(33,621,151)
Machinery and Equipment	(6,831,428)	(242,052)		(7,073,480)
Total Accumulated Depreciation	<u>(40,161,392)</u>	<u>(1,808,182)</u>		<u>(41,969,574)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 37,368,539</u>	<u>\$ 1,078,066</u>	<u>\$ - 0 -</u>	<u>\$ 38,446,605</u>
Business -Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 439,885	\$ 6,665		\$ 446,550
Less: Accumulated Depreciation	(405,341)	(3,255)		(408,596)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 34,544</u>	<u>\$ 3,410</u>	<u>\$ - 0 -</u>	<u>\$ 37,954</u>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 8. CAPITAL ASSETS (Cont'd)

The District had no active capital projects as of June 30, 2023.

Depreciation expense was charged to governmental functions as follows:

Student & Instruction Related Services	\$ 52,555
Plant Operations and Maintenance	48,707
Pupil Transportation	182,132
Unallocated Depreciation	1,524,788
	\$ 1,808,182

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in the long-term liabilities reported in the District-wide financial statements:

	Balance June 30, 2022	Accrued	Retired	Balance June 30, 2023
Serial Bonds Payable	\$ 14,335,000		\$ 1,510,000	\$ 12,825,000
Unamortized Bond Issuance Premium	1,581,064		195,838	1,385,226
Net Pension Liability	4,435,178	\$ 890,259		5,325,437
Compensated Absences Payable	733,153		180,531	552,622
	\$ 21,084,395	\$ 890,259	\$ 1,886,369	\$ 20,088,285

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and will be retired through the Debt Service Fund. The current portion of bonds payable is \$1,615,000 and the long-term portion is \$11,210,000.

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

As a result of the refunding, the district will realize a total of \$291,320 in cash savings over the life of the bond issue. On a net present value basis, the savings equate to \$277,824, or 5.99%, of the bonds refunded. The District had bonds outstanding as of June 30, 2023 as follows:

Purpose	<u>Serial Bonds</u> Final Maturity	Interest Rates	Amount
Refunding Bonds of 2016	07/15/31	2.50% to 5.00%	\$ 10,345,000
Refunding Bonds of 2019	02/01/26	4.00%	2,480,000
			\$ 12,825,000

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 9. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

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

Fiscal Year	Bonds		Total
	Principal	Interest	
2024	\$ 1,615,000	\$ 516,888	\$ 2,131,888
2025	1,745,000	441,862	2,186,862
2026	1,885,000	360,288	2,245,288
2027	1,120,000	272,188	1,392,188
2028	1,185,000	214,562	1,399,562
2029-2032	5,275,000	350,918	5,625,918
	<u>\$ 12,825,000</u>	<u>\$ 2,156,706</u>	<u>\$ 14,981,706</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2023, the district has no bonds authorized but not issued.

C. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as in current and long-term liability portions and will be liquidated through the General Fund. The current portion of the liability is \$-0- and the long-term portion is \$552,622.

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

D. Unamortized Bond Issuance Premium

The unamortized bond issuance premium is recorded in the of the governmental fund types is recorded in the noncurrent liabilities of the governmental fund types and the current portion is balance of the governmental funds is \$195,838 and the long-term portion is \$1,189,388.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the noncurrent liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2023 is \$-0- and the long-term portion is \$5,325,437. See Note 11 for further information on the PERS.

NOTE 10. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2023, the District made transfers to capital outlay accounts in the amount of \$3,060 for facilities acquisition and construction services which required County Superintendent approval.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 11. PENSION PLANS

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

A. Public Employees’ Retirement System (PERS)

Plan Description

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

Benefits Provided

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

The following represents the membership tiers for PERS:

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

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

District contributions to PERS amounted to \$444,998 for the current fiscal year. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$11,205 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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

At June 30, 2023, the District reported a liability of \$5,325,437 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the District's proportion was 0.0353%, which was a decrease of 0.0021% from its proportion measured as of June 30, 2021.



BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

For the fiscal year ended June 30, 2023, the District recognized an actual pension benefit in the amount of \$403,528 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$11,205 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2018	5.63		\$ (128,014)
	2019	5.21		(159,973)
	2020	5.16		(470,408)
	2021	5.13		(39,034)
	2022	5.04	\$ 16,500	
			<u>16,500</u>	<u>(797,429)</u>
Difference Between Expected and Actual Experience	2018	5.63		(4,875)
	2019	5.21	12,229	
	2020	5.16	26,208	
	2021	5.13		(13,122)
	2022	5.04		(15,899)
			<u>38,437</u>	<u>(33,896)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	5,268	
	2020	5.00	158,308	
	2021	5.00	(987,426)	
	2022	5.00	1,044,265	
			<u>220,415</u>	
Changes in Proportion	2018	5.63	36,371	
	2019	5.21	71,902	
	2020	5.16		(97,763)
	2021	5.13	205,696	
	2022	5.04		(327,929)
			<u>313,969</u>	<u>(425,692)</u>
District Contribution Subsequent to the Measurement Date	2023	1.00	455,078	
			<u>\$ 1,044,399</u>	<u>\$ (1,257,017)</u>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (456,810)
2024	(232,730)
2025	(113,498)
2026	247,609
2027	(544)
	\$ (555,973)

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2022 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%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Management Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2022 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's Proportionate Share - Net Pension Liability	\$ 6,841,627	\$ 5,325,437	\$ 4,035,099

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

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

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situation

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

However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2023, the State of New Jersey contributed \$4,843,791 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$1,680,211.

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

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

At June 30, 2023, the State's proportionate share of the net pension liability associated with the District was \$62,431,693. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the District's proportion was 0.1210%, which was a decrease of 0.0016% from its proportion measured as of June 30, 2021.

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

NOTE 11. PENSION PLANS (Cont'd)

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

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

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		62,431,693
Total	\$	<u>62,431,693</u>

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$1,680,211 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2015	8.30	\$ 213,742,984	
	2016	8.30	1,695,809,748	
	2017	8.30		\$ 3,681,530,748
	2018	8.29		\$ 2,705,362,525
	2019	8.04		2,012,738,111
	2020	7.99	1,007,402,060	
	2021	7.93		11,041,509,093
	2022	7.83	96,143,072	
			<u>3,013,097,864</u>	<u>19,441,140,477</u>
Difference Between Expected and Actual Experience	2015	8.30	13,201,022	
	2016	8.30		21,088,845
	2017	8.30	65,502,212	
	2018	8.29	474,592,771	
	2019	8.04		78,198,040
	2020	7.99		5,368,990
	2021	7.93	146,524,969	
	2022	7.83		18,009,041
			<u>699,820,974</u>	<u>122,664,916</u>
Net Difference Between Projected and Actual and Actual Investment Earnings on Pension Plan Investments	2019	5.00	36,220,692	
	2020	5.00	482,791,080	
	2021	5.00	(2,665,975,358)	
	2022	5.00	3,319,334,659	
			<u>1,172,371,073</u>	
			<u>\$ 4,885,289,911</u>	<u>\$ 19,563,805,393</u>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

Ending June 30,	Total
2023	\$ (2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	(1,687,721,983)
	\$ (14,678,515,482)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. 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	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 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%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate-TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.



BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2022 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	June 30, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 73,202,487	\$ 62,431,693	\$ 53,358,653

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District made pension contributions of \$54,792 for the fiscal year ended June 30, 2023. Employee contributions to DCRP amounted to \$47,205 for the fiscal year ended June 30, 2023.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 12. DEFERRED COMPENSATION

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

AXA Equitable  
Lincoln Investment Planning  
Fidelity Investments

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

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balance remained on the balance sheet at June 30, 2023:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 366,671	
Special Revenue Fund		\$ 366,671
	\$ 366,671	\$ 366,671

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

NOTE 14. TAX CALENDAR

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 15. RISK MANAGEMENT

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

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

Property and Liability Insurance

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

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

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

Selected financial information for the Group as of June 30, 2023 is as follows:

	<u>New Jersey Schools Insurance Group</u>
Total Assets	\$ 429,049,188
Net Position	\$ 201,308,725
Total Revenue	\$ 160,069,780
Total Expenses	\$ 141,165,428
Change in Net Position	\$ 18,904,352
Member Dividends	\$ -0-

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

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 15. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions and Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	\$ - 0 -	\$ 82,063	\$ 74,048	\$ 753,110
2022	- 0 -	87,643	59,420	745,095
2021	- 0 -	85,284	57,309	716,872

NOTE 16. ACCOUNTS PAYABLE

The following accounts payable existed on the various balance sheets as of June 30, 2023:

	<u>Governmental Funds</u>		<u>District Contribution Subsequent to Measurement Date</u>	<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>		
Vendors	\$ 95,703	66,444		\$ 162,147
Payroll Deductions and Withholdings	21,619			21,619
Due to:				
State of New Jersey			\$ 455,078	455,078
	<u>\$ 117,322</u>	<u>\$ 66,444</u>	<u>\$ 455,078</u>	<u>\$ 638,844</u>

NOTE 17. ECONOMIC DEPENDENCY

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 18. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

Encumbrances

At June 30, 2023, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

General Fund	Special Revenue	Total Governmental Funds
\$ 2,261,901	\$ 22,020	\$ 2,283,921

On the District’s Governmental Funds Balance Sheet as of June 30, 2023, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund. Encumbrances in the Special Revenue Fund of \$22,020 are not recognized on the GAAP basis and are reflected either as a reduction in grants receivables or an increase in unearned revenue.

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd)

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

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

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

Employees Covered by Benefit Terms

At June 30, 2021, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	151,669
Active Plan Members	213,148
Total	364,817

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Actuarial Assumptions and Other Inputs

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

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service	based on years of service

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

Mortality Rates

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

	Total OPEB Liability
Balance at June 30, 2021	\$ 76,393,970
Changes for Year:	
Service Cost	3,228,406
Interest on the Total OPEB Liability	1,748,022
Changes of Assumptions	(17,694,460)
Differences between Expected and Actual Experience	3,960,350
Gross Benefit Payments by the State	(1,731,468)
Contributions from Members	55,546
Net Changes	(10,433,604)
Balance at June 30, 2022	\$ 65,960,366

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2022, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
Total OPEB Liability Attributable to the District	\$ 77,529,472	\$ 65,960,366	\$ 56,688,306



BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2022, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 54,520,274	\$ 65,960,366	\$ 80,987,621

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

For the fiscal year ended June 30, 2023 the District recognized OPEB expense of \$1,898,555 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation. In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2022 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 3,424,733
	2018	9.51		3,268,169
	2019	9.29	\$ 461,416	
	2020	9.24	10,894,239	
	2021	9.24	60,415	
	2022	9.13		15,756,403
				11,416,070
Differences Between Expected and Actual Experience	2018	9.51		3,089,437
	2019	9.29		5,430,893
	2020	9.24	10,153,859	
	2021	9.24		11,618,132
	2022	9.13	1,622,683	
				11,776,542
Changes in Proportion	N/A	N/A	3,578,828	2,482,776
			\$ 26,771,440	\$ 45,070,543

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (3,278,258)
2024	(3,278,258)
2025	(3,278,258)
2026	(2,833,238)
2027	(1,620,083)
Thereafter	(5,107,060)
	\$ (19,395,155)

SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's Proportion - Net Pension Liability	0.0379983601%	0.037806674%	0.0387375657%	0.0341224439%	0.0355635074%	0.0366751574%	0.0358929711%	0.0374387265%	0.0352879504%
District's Proportionate Share - Net Pension Liability	\$ 7,114,332	\$ 8,486,841	\$ 11,472,956	\$ 7,943,160	\$ 7,002,277	\$ 6,654,279	\$ 5,853,205	\$ 4,435,178	\$ 5,325,437
District's Covered Employee Payroll	\$ 2,552,695	\$ 2,625,017	\$ 2,354,627	\$ 2,413,370	\$ 2,620,336	\$ 2,580,221	\$ 2,664,785	\$ 2,584,546	\$ 2,598,337
District's Proportionate Share - Net Pension Liability as a Percentage of its Covered Employee Payroll	278.70%	323.31%	487.25%	329.13%	267.23%	257.90%	219.65%	171.60%	204.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2014

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 313,253	\$ 325,036	\$ 346,437	\$ 321,635	\$ 355,910	\$ 361,202	\$ 392,652	\$ 438,451	\$ 444,998
Contributions in Relation to the Contractually Required Contribution	(313,253)	(325,036)	(346,437)	(321,635)	(355,910)	(361,202)	(392,652)	(438,451)	(444,998)
Contribution Deficiency (Excess)	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -
District's Covered Employee Payroll	\$ 2,625,017	\$ 2,354,627	\$ 2,413,370	\$ 2,620,336	\$ 2,580,221	\$ 2,664,785	\$ 2,584,546	\$ 2,598,337	\$ 2,841,640
Contributions as a Percentage of Covered Employee Payroll	11.93%	13.80%	14.35%	12.27%	13.79%	13.55%	15.19%	16.87%	15.66%

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

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
State's Proportion - Net Pension Liability Attributable to the District	0.1299495616%	0.1308605445%	0.1282080348%	0.1304605284%	0.1256523106%	0.1238740318%	0.1231441819%	0.1226135266%	0.1210047490%
State's Proportionate Share - Net Pension Liability Attributable to the District	\$ 69,453,811	\$ 82,709,452	\$ 100,856,603	\$ 87,961,192	\$ 79,937,301	\$ 76,022,663	\$ 81,088,962	\$ 58,946,684	\$ 62,431,693
District's Covered Employee Payroll	\$ 12,821,832	\$ 13,262,413	\$ 12,997,930	\$ 12,736,975	\$ 13,297,398	\$ 13,482,431	\$ 13,553,278	\$ 13,475,218	\$ 14,110,481
State's Proportionate Share - Net Pension Liability Attributable to the District as a Percentage of its Covered Employee Payroll	541.68%	623.64%	775.94%	690.60%	601.15%	563.86%	598.30%	437.45%	442.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%

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

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 3,737,267	\$ 5,050,157	\$ 7,577,970	\$ 6,093,506	\$ 4,660,065	\$ 4,484,020	\$ 5,042,457	\$ 1,387,041	\$ 1,680,211
Contributions in relation to the Contractually Required Contribution	(707,480)	(1,026,484)	(1,416,115)	(1,850,415)	(2,436,303)	(2,701,023)	(3,564,227)	(4,981,349)	(4,843,791)
Contribution Deficiency/(Excess)	\$ 3,029,787	\$ 4,023,673	\$ 6,161,855	\$ 4,243,091	\$ 2,223,762	\$ 1,782,997	\$ 1,478,230	\$ (3,594,308)	\$ (3,163,580)
District's Covered Employee Payroll	\$ 13,262,413	\$ 12,997,930	\$ 12,736,975	\$ 13,297,398	\$ 13,482,431	\$ 13,553,278	\$ 13,475,218	\$ 14,110,481	\$ 14,083,314
Contributions as a percentage of Covered Employee Payroll	5.33%	7.90%	11.12%	13.92%	18.07%	19.93%	26.45%	35.30%	34.39%

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

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

	Fiscal Year Ending June 30,					
	2017	2018	2019	2020	2021	2022
Service Cost	\$ 2,654,071	\$ 2,203,307	\$ 1,945,936	\$ 2,073,973	\$ 3,673,984	\$ 3,228,406
Interest Cost	2,153,533	2,489,404	2,368,879	1,989,224	1,981,740	1,748,022
Change of Benefit Terms					(81,312)	
Changes in Assumptions	(8,849,265)	(4,264,527)	827,340	15,883,821	75,368	(17,694,460)
Differences between Expected & Actual Experience		(6,894,939)	(8,084,640)	12,987,978	(14,701,131)	3,960,350
Member Contributions	58,083	55,528	50,492	45,884	50,663	55,546
Gross Benefit Payments	<u>(1,577,383)</u>	<u>(1,606,624)</u>	<u>(1,703,336)</u>	<u>(1,513,827)</u>	<u>(1,561,056)</u>	<u>(1,731,468)</u>
Net Change in Total OPEB Liability	(5,560,961)	(8,017,851)	(4,595,329)	31,467,053	(10,561,744)	(10,433,604)
Total OPEB Liability - Beginning	<u>73,662,802</u>	<u>68,101,841</u>	<u>60,083,990</u>	<u>55,488,661</u>	<u>86,955,714</u>	<u>76,393,970</u>
Total OPEB Liability - Ending	<u>\$ 68,101,841</u>	<u>\$ 60,083,990</u>	<u>\$ 55,488,661</u>	<u>\$ 86,955,714</u>	<u>\$ 76,393,970</u>	<u>\$ 65,960,366</u>
District's Covered Employee Payroll*	\$ 15,352,557	\$ 15,150,345	\$ 15,917,734	\$ 16,062,652	\$ 16,218,063	\$ 16,059,764
Total OPEB Liability as a Percentage of Covered Employee Payroll	444%	397%	345%	541%	471%	411%

\* - Covered payroll for the fiscal years ending June 30, 2017 through 2022 are based on the payroll on the June 30, 2016 through 2021 census data.

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



BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 6.55% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 2.00%-6.00% through 2026 and 3.00-7.00% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 1.55%-4.45% through 2026 and 2.75%-5.65% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2022 was 3.54%. The discount rate for June 30, 2021 was 2.16%, a change of 1.38%.

The salary increases for TPAF/ABP thereafter were 1.55% - 4.45% through 2026 and 2.75% - 5.65% for thereafter in the valuation as of June 30, 2021. The salary increases for TPAF/ABP were 2.75% - 4.25% in the valuation as of June 30, 2022.

The salary increases for PERS were 2.00% - 6.00% through 2026 and 3.00% - 7.00% for thereafter in the valuation as of June 30, 2021. The salary increases for PERS were 2.75% - 6.55% in the valuation as of June 30, 2022.

BRANCBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

Changes of Actuarial Assumptions (Cont'd)

The salary increases for PFRS were 3.25% - 15.25% through 2026 and not applicable for thereafter in the valuation as of June 30, 2021. The salary increases for PFRS were 3.25% - 16.25% in the valuation as of June 30, 2022.

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates 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 decreasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years.

BUDGETARY COMPARISON SCHEDULES

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 43,616,999		\$ 43,616,999	\$ 43,616,999	\$ (450)
Tuition From Individuals	54,000		54,000	53,550	42,938
Tuition From Other LEAs Within the State			130,000	210,178	80,178
Transportation Fees From Other LEAs	130,000		185,000	214,456	29,456
Rents and Royalties	185,000		40,000	441,062	401,062
Unrestricted Miscellaneous Revenues	40,000			73,954	73,954
Interest Earned on Capital Reserve Funds				12,976	12,976
Other Restricted Miscellaneous Revenues				44,666,113	640,114
Total Revenues from Local Sources	<u>44,025,999</u>		<u>44,025,999</u>	<u>44,666,113</u>	<u>640,114</u>
Revenues from State Sources:					
Categorical Transportation Aid	839,874		839,874	839,874	802,936
Extraordinary Aid				802,936	
Categorical Special Education Aid	2,028,449		2,028,449	2,028,449	
Categorical Security Aid	193,608		193,608	193,608	
Nonpublic Transportation				41,808	41,808
TPAF Post Retirement Contributions (Non-Budgeted)				1,290,106	1,290,106
TPAF Pension Contributions (Non-Budgeted)				4,843,791	4,843,791
TPAF Non-Contributory Insurance (Non-Budgeted)				67,202	67,202
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,823	1,823
Reimbursed TPAF Social Security Contributions				1,053,702	1,053,702
Total Revenues from State Sources	<u>3,061,931</u>		<u>3,061,931</u>	<u>11,163,299</u>	<u>8,101,368</u>
TOTAL REVENUE	<u>47,087,930</u>		<u>47,087,930</u>	<u>55,829,412</u>	<u>8,741,482</u>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>GENERAL CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 697,886	\$ (40,937)	\$ 656,949	\$ 650,754	\$ 6,195
Grades 1-5 - Salaries of Teachers	4,324,199	(523,813)	3,800,386	3,788,331	12,055
Grades 6-8 - Salaries of Teachers	2,742,285	787	2,743,072	2,742,759	313
Regular Programs - Home Instruction:					
Salaries of Teachers	4,500	12,137	16,637	16,484	153
Purchased Professional-Educational Services	15,000	5,605	20,605	6,246	14,359
Regular Programs - Undistributed Instruction:					
Purchased Technical Services	2,200		2,200	985	1,215
Other Purchased Services (400-500 series)	178,717	(200)	178,517	148,897	29,620
General Supplies	648,139	(162,662)	485,477	428,496	56,981
Textbooks	34,300	97,500	131,800	121,907	9,893
Other Objects	800		800	644	156
<b>Total Regular Programs - Instruction</b>	<b>8,648,026</b>	<b>(611,583)</b>	<b>8,036,443</b>	<b>7,905,503</b>	<b>130,940</b>
<b>Special Education - Instruction:</b>					
<b>Learning and/or Language Disabilities - Mild to Moderate:</b>					
Salaries of Teachers	69,134	62,186	131,320	124,372	6,948
Other Salaries for Instruction	52,335	(19,775)	32,560	29,660	2,900
General Supplies	12,000	(1,000)	11,000	10,705	295
<b>Total Learning and/or Language Disabilities - Mild to Moderate</b>	<b>133,469</b>	<b>41,411</b>	<b>174,880</b>	<b>164,737</b>	<b>10,143</b>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Resource Room/Resource Center:					
Salaries of Teachers	\$ 2,481,661	\$ (234,446)	\$ 2,247,215	\$ 2,244,308	\$ 2,907
Other Salaries for Instruction	168,589	(22,406)	146,183	144,028	2,155
General Supplies	25,000	(6,060)	18,940	18,643	297
Total Resource Room/Resource Center	<u>2,675,250</u>	<u>(262,912)</u>	<u>2,412,338</u>	<u>2,406,979</u>	<u>5,359</u>
Autism:					
Salaries of Teachers	65,416	2,091	67,507	63,202	4,305
Other Salaries for Instruction		98,219	98,219	92,427	5,792
General Supplies	2,000	4,000	6,000	5,208	792
Total Autism	<u>67,416</u>	<u>104,310</u>	<u>171,726</u>	<u>160,837</u>	<u>10,889</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	151,583	1,968	153,551	153,551	
Other Salaries for Instruction	86,840	(20,148)	66,692	66,118	574
General Supplies	2,000		2,000	21	1,979
Total Preschool Disabilities - Part-Time	<u>240,423</u>	<u>(18,180)</u>	<u>222,243</u>	<u>219,690</u>	<u>2,553</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>3,116,558</u>	<u>(135,371)</u>	<u>2,981,187</u>	<u>2,952,243</u>	<u>28,944</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,115,836	479,206	1,595,042	1,594,927	115
Other Salaries for Instruction	40,109	(39,536)	573	200	373
Total Basic Skills/Remedial - Instruction	<u>1,155,945</u>	<u>439,670</u>	<u>1,595,615</u>	<u>1,595,127</u>	<u>488</u>
Bilingual Education - Instruction:					
Salaries of Teachers	164,149	(17,000)	147,149	145,360	1,789
General Supplies	1,000		1,000	640	360
Total Bilingual Education - Instruction	<u>165,149</u>	<u>(17,000)</u>	<u>148,149</u>	<u>146,000</u>	<u>2,149</u>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	\$ 115,453		\$ 115,453	\$ 99,972	\$ 15,481
Supplies and Materials	7,310		7,310	2,066	5,244
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	122,763		122,763	102,038	20,725
School-Sponsored Athletics - Instruction:					
Salaries	83,809		83,809	61,840	21,969
Supplies and Materials	15,360	\$ 2,000	17,360	14,646	2,714
Total School-Sponsored Athletics - Instruction	99,169	2,000	101,169	76,486	24,683
Before/After School Programs - Support Services:					
Salaries	27,860		27,860	10,288	17,572
Total Before/after School Programs - Support Svcs	27,860		27,860	10,288	17,572
Total Before/after School Programs	27,860		27,860	10,288	17,572
Other Supplemental/At Risk Programs - Instruction:					
Salaries of Teachers	5,000		5,000		5,000
Purchased Professional & Technical Services	8,000		8,000		8,000
General Supplies	500		500		500
Total Other Suppl//At-Risk Prog - Instruction	13,500		13,500		13,500
Total Other Supplemental/At-Risk Programs	13,500		13,500		13,500
TOTAL INSTRUCTION	13,348,970	(322,284)	13,026,686	12,787,685	239,001

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	\$ 11,022,530	\$ 45,799	\$ 11,068,329	\$ 11,053,192	\$ 15,137
Tuition to Other LEAs Within the State-Special	1,444,844	117,580	1,562,424	1,479,338	83,086
Tuition to County Voc. School Dist.-Regular	46,313	23,392	69,705	68,625	1,080
Tuition to County Voc. School Dist.-Special	37,988	2,137	40,125	26,505	13,620
Tuition to Priv. Sch. for the Handicap. W/I State	2,169,649	(531,613)	1,638,036	1,292,182	345,854
Total Undistributed Expenditures - Instruction	14,721,324	(342,705)	14,378,619	13,919,842	458,777
Undistributed Expend. - Attend. & Social Work:	5,000		5,000	100	4,900
Purchased Professional and Technical Services	5,000		5,000	100	4,900
Total Undist. Expend. - Attendance and Social Work					
Undistributed Expenditures - Health Services:					
Salaries	305,372	(3,726)	301,646	282,692	18,954
Purchased Professional and Technical Services	5,500		5,500	5,500	
Supplies and Materials	8,300	525	8,825	7,911	914
Total Undist. Expenditures - Health Services	319,172	(3,201)	315,971	296,103	19,868
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	548,922	5,627	554,549	553,760	789
Purchased Professional - Educational Services	50,000	6,600	56,600	53,825	2,775
Supplies and Materials	12,000	800	12,800	12,681	119
Total Undist. Expend. - Speech, OT, PT, Related Svcs	610,922	13,027	623,949	620,266	3,683
Undist.Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Salaries	201,089	53,828	254,917	254,917	
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	201,089	53,828	254,917	254,917	



BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	\$ 396,511	\$ (61,604)	\$ 334,907	\$ 330,591	\$ 4,316
Total Undist Expend. - Guidance	<u>396,511</u>	<u>(61,604)</u>	<u>334,907</u>	<u>330,591</u>	<u>4,316</u>
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	763,680	(52,320)	711,360	696,115	15,245
Salaries of Secretarial and Clerical Assistants	124,643	1,444	126,087	126,087	
Purchased Professional - Educational Services	314,582	92,451	407,033	231,220	175,813
Other Purchased Services (400-500 series)	28,150	(2,576)	25,574	22,521	3,053
Supplies and Materials	10,500	(593)	9,907	8,515	1,392
Other Objects	1,300	59	1,359	1,359	
Total Undist Expend. - Child Study Team	<u>1,242,855</u>	<u>38,465</u>	<u>1,281,320</u>	<u>1,085,817</u>	<u>195,503</u>
Undist. Expend. - Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	141,883	(26,324)	115,559	115,148	411
Salaries of Other Professional Staff	65,000	121,526	186,526	170,778	15,748
Salaries of Secretarial and Clerical Assistants	68,117	874	68,991	68,991	
Sal of Facilitators, Math Coaches & Literacy Coaches	402,058	(36,758)	365,300	353,776	11,524
Purchased Professional - Educational Services	9,000		9,000	7,342	1,658
Other Purchased Services (400-500 series)	121,087		121,087	117,746	3,341
Supplies and Materials	3,000		3,000	2,678	322
Other Objects	3,000		3,000	1,944	1,056
Total Undist. Expend. - Improv. of Inst. Serv.	<u>813,145</u>	<u>59,318</u>	<u>872,463</u>	<u>838,403</u>	<u>34,060</u>
Undist. Expend. - Edu. Media Serv./Sch. Library:					
Salaries	604,879	35,611	640,490	640,487	3
Supplies and Materials	14,586	1	14,587	13,416	1,171
Total Undist Expend. - Edu. Media Serv./Sch. Library	<u>619,465</u>	<u>35,612</u>	<u>655,077</u>	<u>653,903</u>	<u>1,174</u>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist.Expend.-Instructional Staff Training Services:					
Salaries of Other Professional Staff	\$ 12,000		\$ 12,000	\$ 6,490	\$ 5,510
Purchased Professional - Educational Service	24,400		24,400	11,635	12,765
Other Purchased Services (400-500 series)	20,000	\$ (9,525)	10,475	133	10,342
Total Undist.Expend.-Instructional Staff Training Services	56,400	(9,525)	46,875	18,258	28,617
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	318,834	30,511	349,345	347,458	1,887
Legal Services	50,000	1,281	51,281	51,008	273
Audit Fees	47,500	9,525	57,025	57,025	
Other Purchased Professional Services	27,100	4,984	32,084	32,066	18
Communications / Telephone	104,420	1,999	106,419	105,975	444
BOE Other Purchased Services	3,000	(1,735)	1,265	1,035	230
Other Purch. Serv. (400-500 series other than 530 & 585)	86,859	25,750	112,609	110,340	2,269
General Supplies	3,850	(1,407)	2,443	2,440	3
BOE In-house training/ Meeting Supplies	500	(250)	250	99	151
Miscellaneous Expenditures	17,000	(140)	16,860	15,652	1,208
BOE Membership Dues and Fees	20,200		20,200	20,200	
Total Undist. Expend.-Support Serv.-Gen. Admin.	679,263	70,518	749,781	743,298	6,483
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	666,661	6,473	673,134	673,132	2
Salaries of Secretarial and Clerical Assistants	429,307	21,145	450,452	445,065	5,387
Other Purchased Services (400-500 series)	5,250		5,250	2,529	2,721
Supplies and Materials	5,300		5,300	4,267	1,033
Other Objects	5,925		5,925	4,945	980
Total Undist. Expend.-Support Serv.-School Adm.	1,112,443	27,618	1,140,061	1,129,938	10,123

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services:					
Salaries	\$ 340,400	\$ (63,024)	\$ 277,376	\$ 265,363	\$ 12,013
Purchased Professional Services	7,050	112,179	119,229	117,429	1,800
Miscellaneous Purchased Services (400-500 series other than 594)	8,900	4,958	13,858	13,764	94
Supplies and Materials	8,200	(1,713)	6,487	6,436	51
Other Objects	2,700	479	3,179	1,529	1,650
Total Undist. Expend. - Central Services	<u>367,250</u>	<u>52,879</u>	<u>420,129</u>	<u>404,521</u>	<u>15,608</u>
Undist. Expend. - Admin. Info. Technology:					
Purchased Technical Services	70,355		70,355	69,923	432
Other Purchased Services (400-500 series)	50,900	(300)	50,600	30,849	19,751
Supplies and Materials	5,700		5,700	5,242	458
Other Objects	150		150	100	50
Total Undist. Expend. - Admin. Info. Technology	<u>127,105</u>	<u>(300)</u>	<u>126,805</u>	<u>106,114</u>	<u>20,691</u>
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	415,499	(15,466)	400,033	384,169	15,864
Cleaning, Repair, and Maintenance Services	267,080	25,621	292,701	263,774	28,927
General Supplies	122,300	(35,500)	86,800	69,450	17,350
Other Objects	100,933	377	101,310	100,767	543
Total Undist. Expend.- Required Maint. for School Facilities	<u>905,812</u>	<u>(24,968)</u>	<u>880,844</u>	<u>818,160</u>	<u>62,684</u>
Undist. Expend.-Custodial Services:					
Salaries	173,485	13,208	186,693	150,195	36,498
Cleaning, Repair, and Maintenance Services	924,700	11,358	936,058	903,225	32,833
Other Purchased Property Services	43,000		43,000	36,913	6,087
Insurance	53,282	(377)	52,905	50,502	2,403
Miscellaneous Purchased Services	23,000		23,000	12,329	10,671

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend.-Custodial Services:					
General Supplies	\$ 100,000	\$ 28,178	\$ 128,178	\$ 100,890	\$ 27,288
Energy (Natural Gas)	147,000		147,000	103,707	43,293
Energy (Electricity)	450,738	(23,866)	426,872	261,077	165,795
Other Objects	3,000	260	3,260	1,920	1,340
<b>Total Undist. Expend.-Custodial Services</b>	<b>1,918,205</b>	<b>28,761</b>	<b>1,946,966</b>	<b>1,620,758</b>	<b>326,208</b>
Security:					
Purchased Professional and Technical Services	20,000		20,000	11,700	8,300
<b>Total Security</b>	<b>20,000</b>		<b>20,000</b>	<b>11,700</b>	<b>8,300</b>
<b>Total Undist. Expend.-Oper. And Maint. Of Plant Serv.</b>	<b>2,844,017</b>	<b>3,793</b>	<b>2,847,810</b>	<b>2,450,618</b>	<b>397,192</b>
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch)-Reg.	1,086,528	(133,215)	953,313	941,458	11,855
Sal. for Pupil Trans. (Bet. Home and Sch)-Spl. Ed.	213,791	35,735	249,526	249,526	
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	100,670	(10,900)	89,770	80,194	9,576
Other Purchased Professional and Technical Services	71,598	54,543	126,141	90,043	36,098
Cleaning, Repair, and Maint. Services	4,100		4,100	3,085	1,015
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studs	133,000	10,200	143,200	124,525	18,675
Contr. Serv.-Aid in Lieu of Payments-Choice Stud.	3,000		3,000	2,044	956
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA's	908,400	433,000	1,341,400	1,113,985	227,415
Misc. Purchased Serv. - Transportation	41,335	(26,252)	15,083	1,400	13,683
General Supplies	177,118	(31,474)	145,644	127,169	18,475
Transportation Supplies	214,525	(20,000)	194,525	172,133	22,392
Other Objects	6,310		6,310	5,443	867
<b>Total Undist. Expend.-Student Trans. Serv.</b>	<b>2,960,375</b>	<b>311,637</b>	<b>3,272,012</b>	<b>2,911,005</b>	<b>361,007</b>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS					
Social Security Contributions	\$ 409,000	\$ 3,109	\$ 412,109	\$ 387,138	\$ 24,971
Other Retirement Contributions - PERS	465,000	(20,002)	444,998	444,998	
Other Retirement Contributions - Regular	50,000	16,923	66,923	54,792	12,131
Workers Compensation	190,526	(479)	190,047	174,589	15,458
Health Benefits	6,208,000	48,688	6,256,688	6,025,648	231,040
Tuition Reimbursement	84,000	5,000	89,000	76,920	12,080
Other Employee Benefits	21,000		21,000	21,000	
Unused Sick Payment to Terminated/Retired Staff	260,000		260,000	250,768	9,232
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>7,687,526</b>	<b>53,239</b>	<b>7,740,765</b>	<b>7,435,853</b>	<b>304,912</b>
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				1,290,106	(1,290,106)
TPAF Pension Contributions (Non-Budgeted)				4,843,791	(4,843,791)
TPAF Non-Contributory Insurance (Non-Budgeted)				67,202	(67,202)
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,823	(1,823)
Reimbursed TPAF Social Security Contributions				1,053,702	(1,053,702)
<b>TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)</b>				<b>7,256,624</b>	<b>(7,256,624)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>7,687,526</b>	<b>53,239</b>	<b>7,740,765</b>	<b>14,692,477</b>	<b>(6,951,712)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>34,763,862</b>	<b>302,599</b>	<b>35,066,461</b>	<b>40,456,171</b>	<b>(5,389,710)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>48,112,832</b>	<b>(19,685)</b>	<b>48,093,147</b>	<b>53,243,856</b>	<b>(5,150,709)</b>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CAPITAL OUTLAY</b>					
Equipment:					
Grades 6-8	\$ 8,700	\$ (3,039)	\$ 5,661	\$ 5,661	\$ 16,984
Undistributed:					
Undistributed Expenditures - Admin. Info. Tech.	77,500	3,039	80,539	63,555	\$ 23,074
Undist. Expend. - Required Maint for School Fac.	95,000		95,000	71,926	177,614
School Buses - Regular	180,550		180,550	2,936	217,672
Total Equipment	361,750		361,750	144,078	
Facilities Acquisition and Construction Serv.:					
Other Purchased Prof. and Tech. Services	4,007,040	61,015	61,015	47,775	13,240
Construction Services	633,000	(57,955)	3,949,085	2,176,564	1,772,521
Land and Improvements	42,724		633,000	633,000	
Assessment for Debt Service on SDA Funding	4,682,764	42,724	42,724	42,724	
Total Facilities Acquisition and Const. Serv.	3,060	4,685,824	2,900,063	1,785,761	
<b>TOTAL CAPITAL OUTLAY</b>	5,044,514	3,060	5,047,574	3,044,141	2,003,433
Transfer of Funds to Charter Schools	60,735	16,625	77,360	77,360	
<b>TOTAL EXPENDITURES</b>	53,218,081		53,218,081	56,365,357	(3,147,276)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(6,130,151)		(6,130,151)	(535,945)	5,594,206
Fund Balance, July 1	15,406,803		15,406,803	15,406,803	
Fund Balance, June 30	\$ 9,276,652	\$ - 0 -	\$ 9,276,652	\$ 14,870,858	\$ 5,594,206

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2023-2024	\$			900,000	
Capital Reserve				4,857,056	
Maintenance Reserve				423,800	
Tuition Reserve - For 2023-2024				900,000	
Tuition Reserve - For 2024-2025				885,003	
Emergency Reserve				120,000	
Unemployment Compensation				753,110	
Assigned Fund Balance:					
Year End Encumbrances				2,261,901	
Designated for Subsequent Year's Expenditures				1,943,069	
Unassigned Fund Balance				1,826,919	
				14,870,858	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(291,721)	
Fund Balance per Governmental Funds (GAAP)				\$ 14,579,137	

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
Local Sources	\$ 90,000	\$ 111,018	\$ 201,018	\$ 156,617	\$ (44,401)
State Sources	16,168	54,976	71,144	37,506	(33,638)
Federal Sources	356,771	838,874	1,195,645	961,976	(233,669)
Total Revenue	462,939	1,004,868	1,467,807	1,156,099	(311,708)
Expenditures:					
Instruction:					
Salaries of Teachers	12,220	321,466	333,686	257,381	76,305
Purchased Professional and Technical Services		14,639	14,639	11,905	2,734
Other Purchased Services		113,884	113,884	113,884	
Tuition	309,639	58,348	367,987	367,987	
General Supplies	6,944	30,507	37,451	35,904	1,547
Textbooks	1,920	(732)	1,188	1,028	160
Total Instruction	330,723	538,112	868,835	788,089	80,746
Support Services:					
Salaries of Other Professional Staff	3,584	49,450	53,034	48,757	4,277
Purchased Professional/Educational Services	17,470	6,297	23,767	23,402	365
Personal Services - Employee Benefits		88,618	88,618	72,916	15,702
Other Purchased Services	21,162	167,947	189,109	60,724	128,385
Student Activities	90,000	92,071	182,071	133,589	48,482
Total Support Services	132,216	404,383	536,599	339,388	197,211
Facilities Acquisition and Construction Services:					
Construction Services		62,373	62,373	24,250	38,123
Total Facilities Acquisition and Construction Services		62,373	62,373	24,250	38,123
Total Expenditures	462,939	1,004,868	1,467,807	1,151,727	316,080
Excess (Deficiency) of Revenue Over (Under) Expenditures	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 4,372	\$ 4,372



BRANCBURG TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 55,829,412	\$ 1,156,099
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.		
Current Year Encumbrances		(22,020)
Prior Year Encumbrances		122,333
Prior Year State Aid Payments recognized for GAAP statements	266,585	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(291,721)	
	\$ 55,804,276	\$ 1,256,412
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.		
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 56,365,357	\$ 1,151,727
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year Encumbrances		(22,020)
Prior Year Encumbrances		122,333
	\$ 56,365,357	\$ 1,252,040
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds		

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budget for the fiscal year ended June 30, 2023 was submitted to the County office and was approved by a vote by the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments and transfers must be made by school Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the of the annual budgets during the year).

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

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

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

SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)

SPECIAL REVENUE FUND

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Climate Awareness	SDA Emergent and Capital Maintenance Needs	Title I	E.S.E.A	Title IIA	Basic	IDEA, Part B	Preschool	ACSERS
REVENUE:									
Local Sources									
State Sources	\$ 6,660	\$ 24,250	\$ 39,042	\$ 31,371	\$ 31,371	\$ 367,987	\$ 21,705	\$ 21,705	\$ 113,884
Federal Sources									
Total Revenue	6,660	24,250	39,042	31,371	31,371	367,987	21,705	21,705	113,884
EXPENDITURES:									
Instruction:									
Salaries of Teachers			30,033						
Purchased Professional and Technical Services						367,987		7,705	113,884
Other Purchased Services									
Tuition	3,098		2,531						
General Supplies									
Textbooks									
Total Instruction	3,098		32,564			367,987		7,705	113,884
Support Services:									
Salaries of Other Professional Staff			6,478						
Purchased Professional and Technical Services								14,000	
Personal Services - Employee Benefits	3,562			31,371					
Other Purchased Services									
Student Activities									
Total Support Services	3,562		6,478	31,371				14,000	
Facilities Acquisition/Construction:									
Construction Services		24,250							
Total Facilities Acquisition/Construction		24,250							
Total Expenditures	\$ 6,660	\$ 24,250	\$ 39,042	\$ 31,371	\$ 31,371	\$ 367,987	\$ 21,705	\$ 21,705	\$ 113,884

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Local Grants	Student Activities	ESSER III	Education Stabilization Aid			
				COVID 19 - ARP Learning Acceleration	Mental Health	COVID 19 - ARP Learning Acceleration	COVID 19 - CRRSA Mental Health
REVENUE:							
Local Sources	\$ 18,656	\$ 137,961					
State Sources							
Federal Sources			\$ 306,583	\$ 29,353	\$ 34,306	\$ 12,363	\$ 5,382
Total Revenue	18,656	137,961	306,583	29,353	34,306	12,363	5,382
EXPENDITURES:							
Instruction:							
Salaries of Teachers			226,302		1,046		
Purchased Professional and Technical Services						11,905	
Other Purchased Services							
Tuition							
General Supplies	18,656						
Textbooks							
Total Instruction	18,656		226,302		1,046	11,905	
Support Services:							
Salaries of Other Professional Staff			8,597				
Purchased Professional and Technical Services							
Personal Services - Employee Benefits			71,684		1,232	458	5,382
Other Purchased Services							
Student Activities		133,589		29,353			
Total Support Services		133,589	80,281	29,353	33,260	458	5,382
Facilities Acquisition/Construction:							
Construction Services							
Total Facilities Acquisition/Construction							
Total Expenditures	\$ 18,656	\$ 133,589	\$ 306,583	\$ 29,353	\$ 34,306	\$ 12,363	\$ 5,382

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Nonpublic				Totals June 30, 2023
	Nursing	Security	Textbooks	Technology	
REVENUE:					
Local Sources					
State Sources	\$ 1,654	\$ 3,200	\$ 1,028	\$ 714	\$ 156,617
Federal Sources					37,506
Total Revenue	1,654	3,200	1,028	714	961,976
EXPENDITURES:					
Instruction:					
Salaries of Teachers					257,381
Purchased Professional and Technical Services					11,905
Other Purchased Services					113,884
Tuition					367,987
General Supplies		3,200		714	35,904
Textbooks			1,028		1,028
Total Instruction		3,200	1,028	714	788,089
Support Services:					
Salaries of Other Professional Staff	1,654				48,757
Purchased Professional and Technical Services					23,402
Personal Services - Employee Benefits					72,916
Other Purchased Services					60,724
Student Activities					133,589
Total Support Services	1,654				339,388
Facilities Acquisition/Construction:					
Construction Services					24,250
Total Facilities Acquisition/Construction					24,250
Total Expenditures	\$ 1,654	\$ 3,200	\$ 1,028	\$ 714	\$ 1,151,727

CAPITAL PROJECTS FUND  
(NOT APPLICABLE)

PROPRIETARY FUNDS



BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2023

	<u>Business-Type Activities - Enterprise Funds Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 235,041
Accounts Receivable:	
State	420
Federal	7,431
Other	2,606
Inventories	<u>18,909</u>
Total Current Assets	<u>264,407</u>
Capital Assets:	
Furniture & Equipment	446,550
Less: Accumulated Depreciation	<u>(408,596)</u>
Total Capital Assets, Net	<u>37,954</u>
Total Assets	<u>302,361</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Unearned Revenue - Prepaid Sales	20,744
Unearned Revenue - Donated Commodities	5,300
Unearned Revenue - Supply Chain Assistance	<u>14,874</u>
Total Current Liabilities	<u>40,918</u>
<b>NET POSITION:</b>	
Investment in Capital Assets	37,954
Unrestricted	<u>223,489</u>
Total Net Position	<u><u>\$ 261,443</u></u>

BRANCBURG BOARD OF EDUCATION  
ENTERPRISE FUNDS  
STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Business-Type Activities - Enterprise Funds Food Service</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 324,521
Daily Sales - Non-Reimbursable Programs	170,748
	495,269
Total Operating Revenue	495,269
Operating Expenses:	
Cost of Sales - Reimbursable Programs	284,875
Cost of Sales - Non-Reimbursable Programs	50,272
Salaries, Benefits & Payroll Taxes	303,263
Supplies and Materials	24,077
Food Service Management Fee	18,563
Purchased Professional/Technical Services	20,149
Depreciation	3,255
	704,454
Total Operating Expenses	704,454
Operating (Loss)	(209,185)
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	7,103
Federal Sources:	
National School Lunch Program	120,326
Food Distribution Program	46,697
Supply Chain Assistance	57,566
Local Sources:	
Interest Income	5,215
	236,907
Total Non-Operating Revenue	236,907
Change in Net Position	27,722
Net Position - Beginning of Year	233,721
Net Position - End of Year	\$ 261,443

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Business-Type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 499,671
Payments to Employees	(303,263)
Payments to Suppliers	(357,904)
Net Cash Used for Operating Activities	<u>(161,496)</u>
Cash Flows from Investing Activities:	
Interest Income	5,215
Net Cash Provided by Investing Activities	<u>5,215</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Capital Assets	(6,665)
Net Cash Used for Capital and Related Financing Activities	<u>(6,665)</u>
Cash Flows from Noncapital Financing Activities:	
Cash Received from State and Federal Reimbursements	234,720
Net Cash Provided by Noncapital Financing Activities	<u>234,720</u>
Net Increase in Cash and Cash Equivalents	71,774
Cash and Cash Equivalents, July 1	<u>163,267</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 235,041</u></u>
Reconciliation of Operating Loss to Net Cash	
Used for Operating Activities:	
Operating Loss	\$ (209,185)
Adjustment to Reconcile Operating Loss to Net Cash	
Used for Operating Activities:	
Depreciation	3,255
Federal Food Distribution Program	46,697
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable - Other	(2,481)
Decrease in Inventory	(6,578)
Increase in Unearned Revenue	6,883
Decrease in Accounts Payable	(87)
Net Cash Used for Operating Activities	<u><u>\$ (161,496)</u></u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received \$50,217 and utilized \$46,697 of commodities from the Federal Food Distribution Program for the fiscal year ended June 30, 2023.

FIDUCIARY ACTIVITIES  
(NOT APPLICABLE)

LONG-TERM LIABILITIES

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds				Interest Rate	Balance July 1, 2022	Retired or Matured	Balance June 30, 2023		
			Outstanding		Amount	Balance July 1, 2022					Retired or Matured	Balance June 30, 2023
			Date	June 30, 2023								
Refunding Bonds of 2016	03/15/2016	\$ 15,490,000	7/15/23	\$ 830,000		5.000%						
			7/15/24	915,000		5.000%						
			7/15/25	1,020,000		5.000%						
			7/15/26	1,120,000		5.000%						
			7/15/27	1,185,000		5.000%						
			7/15/28	1,245,000		5.000%						
			7/15/29	1,295,000		2.500%						
			7/15/30	1,345,000		3.336%						
			7/15/31	1,390,000		3.270%	\$ 11,095,000	\$ 750,000	\$ 10,345,000			
Refunding Bonds of 2019	11/06/2019	4,370,000	2/1/24	785,000		4.000%						
			2/1/25	830,000		4.000%						
			2/1/26	865,000		4.000%	3,240,000	760,000	2,480,000			
							\$ 14,335,000	\$ 1,510,000	\$ 12,825,000			

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 2,091,538		\$ 2,091,538	\$ 2,091,538	
Total Revenue	2,091,538		2,091,538	2,091,538	
EXPENDITURES:					
Regular Debt Service:					
Interest	581,538		581,538	581,538	
Redemption of Principal	1,510,000		1,510,000	1,510,000	
Total Regular Debt Service	2,091,538		2,091,538	2,091,538	
Total Expenditures	2,091,538		2,091,538	2,091,538	
Excess (Deficiency) of Revenue Over (Under) Expenditures					
Fund Balance, July 1	1		1	1	
Fund Balance, June 30	\$ 1	\$ - 0 -	\$ 1	\$ 1	\$ - 0 -

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

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

**Contents**

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

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



BRANCHBURG TOWNSHIP SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

*(Accrual Basis of Accounting)*

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 12,688,164	\$ 14,152,600	\$ 16,567,660	\$ 16,012,567	\$ 16,297,353	\$ 16,297,353	\$ 19,771,236	\$ 22,058,302	\$ 23,306,431	\$ 25,861,469
Restricted	4,266,609	2,933,223	4,063,944	5,870,211	7,188,636	7,188,636	11,188,146	9,753,484	8,821,554	8,892,898
Unrestricted (Deficit)	(6,503,523)	(7,196,220)	(9,743,207)	(9,582,706)	(8,531,601)	(8,531,601)	(9,619,152)	(5,940,673)	(3,068,820)	(2,433,096)
<b>Total Governmental Activities</b>	<b>\$ 10,451,250</b>	<b>\$ 9,889,603</b>	<b>\$ 10,888,397</b>	<b>\$ 12,300,072</b>	<b>\$ 14,954,388</b>	<b>\$ 14,954,388</b>	<b>\$ 21,340,230</b>	<b>\$ 25,871,113</b>	<b>\$ 29,059,165</b>	<b>\$ 32,321,271</b>
<b>Business-Type Activities:</b>										
Investment in Capital Assets	\$ 117,919	\$ 117,109	\$ 104,770	\$ 54,191	\$ 47,878	\$ 47,878	\$ 46,384	\$ 42,044	\$ 34,544	\$ 37,954
Unrestricted	205,450	177,409	205,660	205,536	174,569	174,569	108,397	76,649	199,177	223,489
<b>Total Business-Type Activities Net Position</b>	<b>\$ 323,369</b>	<b>\$ 294,518</b>	<b>\$ 310,430</b>	<b>\$ 259,727</b>	<b>\$ 222,447</b>	<b>\$ 222,447</b>	<b>\$ 154,781</b>	<b>\$ 118,693</b>	<b>\$ 233,721</b>	<b>\$ 261,443</b>
<b>District-Wide:</b>										
Net Investment in Capital Assets	\$ 12,806,083	\$ 14,269,709	\$ 16,672,430	\$ 16,066,758	\$ 16,345,231	\$ 16,345,231	\$ 19,817,620	\$ 22,100,346	\$ 23,340,975	\$ 25,899,423
Restricted	4,266,609	2,933,223	4,063,944	5,870,211	7,188,636	7,188,636	11,188,146	9,753,484	8,821,554	8,892,898
Unrestricted (Deficit)	(6,298,073)	(7,018,811)	(9,537,547)	(9,377,170)	(8,357,032)	(8,357,032)	(9,510,755)	(5,864,024)	(2,869,643)	(2,209,607)
<b>Total District-Wide Net Position</b>	<b>\$ 10,774,619</b>	<b>\$ 10,184,121</b>	<b>\$ 11,198,827</b>	<b>\$ 12,559,799</b>	<b>\$ 15,176,835</b>	<b>\$ 15,176,835</b>	<b>\$ 21,495,011</b>	<b>\$ 25,989,806</b>	<b>\$ 29,292,886</b>	<b>\$ 32,582,714</b>

Source: Branchburg Township School District financial reports.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

Fiscal Year Ended June 30,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 11,292,106	\$ 12,601,388	\$ 13,313,817	\$ 14,629,510	\$ 14,740,212	\$ 13,836,624	\$ 13,731,029	\$ 14,703,672	\$ 14,670,478	\$ 12,707,823
Special Education	4,539,183	5,035,984	4,926,087	5,475,316	5,559,645	5,310,525	5,518,643	5,759,941	5,478,617	5,101,864
Other Special Instruction	1,521,015	1,603,234	1,947,619	2,032,737	2,082,557	2,291,491	2,238,614	1,955,901	2,068,717	2,801,229
School-Sponsored/Other Instruction	267,367	449,652	648,398	740,733	821,798	837,708	869,722	755,876	997,846	330,361
Support Services:										
Tuition	12,753,265	13,260,547	12,987,601	12,863,308	12,181,091	12,094,127	12,580,922	13,006,329	13,979,905	13,919,842
Student & Instruction Related Services	4,344,120	5,066,063	5,454,740	6,107,872	6,372,612	5,800,427	5,579,116	5,625,395	5,718,523	6,758,507
School Administration Services	1,519,679	1,804,833	1,710,545	2,102,409	2,144,192	2,025,079	2,113,871	2,041,423	1,849,726	1,801,147
General Administration Services	787,418	886,590	925,050	794,698	953,315	938,301	883,649	883,913	881,777	938,698
Central Services and Administrative										
Information Technology	790,336	919,708	728,440	851,691	912,960	722,657	709,847	717,200	648,371	663,929
Plant Operations and Maintenance	1,904,141	2,296,007	2,315,820	2,145,436	2,558,894	2,433,608	2,210,817	2,371,133	2,665,324	2,707,792
Pupil Transportation	2,584,224	2,920,064	2,714,783	2,887,552	2,923,879	4,298,042	2,266,449	2,168,731	3,329,548	3,565,239
Capital Outlay	34,194									
Charter Schools									55,412	77,360
Interest On Long-Term Debt	1,157,988	1,156,024	1,360,087	1,023,964	739,820	696,742	604,965	546,308	489,368	436,411
Unallocated Depreciation	1,394,239	1,428,878	1,462,332	1,432,741	1,426,185	1,460,818	1,566,129	1,566,129	1,586,149	1,524,788
Total Governmental Activities Expenses	44,889,275	49,428,972	50,495,319	53,087,967	53,417,160	52,746,149	50,873,773	52,101,951	54,419,761	53,334,990
Business-Type Activities:										
Food Service	646,166	665,162	646,424	690,795	713,950	709,721	562,101	224,055	647,368	704,454
Total Business-Type Activities Expenses	646,166	665,162	646,424	690,795	713,950	709,721	562,101	224,055	647,368	704,454

BRANCHBURG TOWNSHIP SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

Fiscal Year Ended June 30,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total District-Wide Expenses	\$ 45,535,441	\$ 50,094,134	\$ 51,141,743	\$ 53,778,762	\$ 54,131,110	\$ 53,455,870	\$ 51,435,874	\$ 52,326,006	\$ 55,067,129	\$ 54,039,444
Program Revenues:										
Governmental Activities:										
Charges For Services	154,218	117,608	152,146	209,061	140,303	172,206	129,602	142,750	214,898	180,899
Operating Grants and Contributions	5,269,020	8,493,488	9,772,045	12,470,399	13,178,050	11,400,304	10,014,379	11,358,239	11,283,103	9,509,644
Capital Grants and Contributions	55,470	71,615								
Total Governmental Activities Program Revenues	5,478,708	8,682,711	9,924,191	12,679,460	13,318,353	11,572,510	10,143,981	11,500,989	11,498,001	9,690,543
Business-Type Activities:										
Charges for Services:										
Food Service	555,927	544,113	592,524	567,854	540,541	544,508	345,002	4,796	113,259	495,269
Operating Grants and Contributions	87,321	90,134	94,357	111,120	117,903	118,069	97,143	177,266	646,580	231,692
Total Business-Type Activities Program Revenues	643,248	634,247	686,881	678,974	658,444	662,577	442,145	182,062	759,839	726,961
Total District-Wide Program Revenues	6,121,956	9,316,958	10,611,072	13,358,434	13,976,797	12,235,087	10,586,126	11,683,051	12,257,840	10,417,504
Net Revenue/(Expense) - Governmental Activities	(39,410,567)	(40,746,261)	(40,571,128)	(40,408,507)	(40,098,807)	(41,173,639)	(40,729,792)	(40,600,962)	(42,921,760)	(43,644,447)
Net Revenue/(Expense) - Business-Type Activities	(2,918)	(30,915)	40,457	(11,821)	(55,506)	(47,144)	(119,956)	(41,993)	112,471	22,507
Total District-Wide Net Revenue/(Expense)	(39,413,485)	(40,777,176)	(40,530,671)	(40,420,328)	(40,154,313)	(41,220,783)	(40,849,748)	(40,642,955)	(42,809,289)	(43,621,940)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	36,801,457	37,536,975	38,963,858	39,622,347	40,216,682	40,694,329	41,508,216	42,338,380	42,761,764	43,616,999
Taxes Levied for Debt Service	2,102,973	2,205,081	2,130,355	2,109,741	1,944,055	1,968,552	2,018,709	2,011,556	2,046,164	2,091,538

BRANCHBURG TOWNSHIP SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Federal and State Aid not Restricted	\$ 299,973	\$ 335,832	\$ 341,210	\$ 360,773	\$ 353,564	\$ 294,851	\$ 288,812	\$ 364,961	\$ 288,851	\$ 191,840
Investment Earnings	6,832	5,641	8,504	19,001	63,573	180,049	180,049	180,049	180,049	180,049
Miscellaneous Income	358,702	101,085	112,631	78,941	175,249	243,810	160,728	236,899	1,013,033	742,448
Other Item - SDA Grants Cancelled			(13,317)							
Transfers			26,681							
Total Governmental Activities General Revenues and Other Changes in Net Position	39,569,937	40,184,614	41,569,922	42,190,803	42,753,123	43,381,591	44,156,514	45,131,845	46,109,812	46,642,825
Business-Type Activities:										
Investment Earnings	1,446	2,064	2,136	5,465	18,226	56,579	42,855	5,905	2,557	5,215
Transfers			(26,681)							
Total Business-Type Activities General Revenues and Other Changes in Net Position	1,446	2,064	(24,545)	5,465	18,226	56,579	42,855	5,905	2,557	5,215
Total District-Wide General Revenues and Other Changes in Net Position	39,571,383	40,186,678	41,545,377	42,196,268	42,771,349	43,438,170	44,199,369	45,137,750	46,112,369	46,648,040
Change in Net Position:										
Governmental Activities	159,370	(561,647)	998,794	1,782,296	2,654,316	2,207,952	3,426,722	4,530,883	3,188,052	2,998,378
Business-Type Activities	(1,472)	(28,851)	15,912	(6,356)	(37,280)	9,435	(77,101)	(36,088)	115,028	27,722
Total District-Wide Change in Net Position	\$ 157,898	\$ (590,498)	\$ 1,014,706	\$ 1,775,940	\$ 2,617,036	\$ 2,217,387	\$ 3,349,621	\$ 4,494,795	\$ 3,303,080	\$ 3,026,100

Source: Branchburg Township School District financial reports.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

*(Modified Accrual Basis of Accounting)*

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Restricted	\$ 4,046,207	\$ 2,854,349	\$ 4,063,944	\$ 5,857,500	\$ 7,175,925	\$ 7,253,119	\$ 11,117,772	\$ 9,684,977	\$ 8,771,997	\$ 8,838,969
Assigned	588,804	814,758	643,224	932,857	1,846,471	1,903,745	509,745	2,598,751	3,682,903	4,204,970
Unassigned	655,013	654,189	680,232	1,075,839	1,127,697	1,190,788	1,097,765	2,175,656	2,685,318	1,535,198
<b>Total General Fund</b>	<b>\$ 5,290,024</b>	<b>\$ 4,323,296</b>	<b>\$ 5,387,400</b>	<b>\$ 7,866,196</b>	<b>\$ 10,150,093</b>	<b>\$ 10,347,652</b>	<b>\$ 12,725,282</b>	<b>\$ 14,459,384</b>	<b>\$ 15,140,218</b>	<b>\$ 14,579,137</b>
Other Governmental Funds:										
Restricted for:										
Student Activities							\$ 62,271	\$ 65,049	\$ 49,556	\$ 53,928
Debt Service							8,103	3,458	1	1
Restricted	\$ 1	\$ 49,101		\$ 12,711	\$ 12,711					
Committed	220,401	29,773								
<b>Total Other Governmental Funds</b>	<b>\$ 220,402</b>	<b>\$ 78,874</b>	<b>\$ - 0 -</b>	<b>\$ 12,711</b>	<b>\$ 12,711</b>	<b>\$ - 0 -</b>	<b>\$ 70,374</b>	<b>\$ 68,507</b>	<b>\$ 49,557</b>	<b>\$ 53,929</b>
<b>Total All Governmental Funds</b>	<b>\$ 5,510,426</b>	<b>\$ 4,402,170</b>	<b>\$ 5,387,400</b>	<b>\$ 7,878,907</b>	<b>\$ 10,162,804</b>	<b>\$ 10,347,652</b>	<b>\$ 12,795,656</b>	<b>\$ 14,527,891</b>	<b>\$ 15,189,775</b>	<b>\$ 14,633,066</b>

Source: Branchburg Township School District financial reports.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(Modified Accrual Basis of Accounting)*

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues:</b>										
Tax Levy	\$ 38,904,430	\$ 39,742,056	\$ 41,094,213	\$ 41,732,888	\$ 42,160,737	\$ 42,662,881	\$ 43,526,925	\$ 44,349,936	\$ 44,807,928	\$ 45,708,537
Tuition	154,218	117,608	152,146	209,061	140,303	172,206	129,602	114,906	136,778	96,488
Transportation Fees From Other LEAs									277,317	210,178
Interest Earned on Investments	5,678	4,486	6,847	15,929	55,460	159,582	102,926	16,270		
Interest Earned on Capital Reserve Funds	1,154	1,155	1,657	3,072	8,113	20,467	11,268	1,717	2,199	73,954
Miscellaneous	395,573	122,360	143,398	102,995	201,493	279,336	230,298	443,193	818,451	825,111
State Sources	4,888,618	5,257,349	5,571,808	6,182,076	6,737,988	7,462,539	7,700,578	9,315,477	11,162,015	11,174,702
Federal Sources	698,974	592,524	487,007	463,187	528,205	520,590	481,876	697,316	1,066,037	1,063,256
<b>Total Revenue</b>	<b>45,048,645</b>	<b>45,837,538</b>	<b>47,457,076</b>	<b>48,708,408</b>	<b>49,832,299</b>	<b>51,277,601</b>	<b>52,183,473</b>	<b>54,938,815</b>	<b>58,270,725</b>	<b>59,152,226</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	7,772,386	7,955,251	7,894,098	7,719,036	7,874,096	7,984,258	7,792,083	8,457,065	8,817,176	8,318,504
Special Education Instruction	3,231,971	3,273,576	2,984,395	2,994,216	3,072,883	3,111,861	3,306,859	3,319,950	3,454,622	3,346,289
Other Special Instruction	1,019,463	964,216	1,096,442	1,034,996	1,056,649	1,257,445	1,267,485	1,065,124	1,234,478	1,741,127
School-Sponsored/Other Instruction	184,228	274,810	372,395	384,868	429,005	465,096	498,528	417,331	600,493	188,812
<b>Support Services:</b>										
Tuition	12,753,265	13,260,547	12,987,601	12,863,308	12,181,091	12,094,127	12,580,922	13,006,329	13,979,905	13,919,842
Student & Instruction-Related Services	3,069,273	3,131,629	3,155,510	3,184,792	3,424,723	3,277,555	3,274,709	3,182,748	3,638,335	4,519,101
General Administration Services	670,472	693,985	708,491	562,971	648,940	665,179	657,021	633,845	672,781	743,298
School Administration Services	1,051,393	1,077,939	967,675	1,066,325	1,093,830	1,127,759	1,201,810	1,127,719	1,106,890	1,129,938
Central Services	359,335	344,400	366,049	380,936	385,689	348,622	365,800	365,999	357,777	404,521
Administrative Information Technology	280,473	266,495	111,774	113,714	120,141	101,573	80,768	52,978	62,463	106,114
Plant Operations and Maintenance	1,758,171	1,926,153	1,881,080	1,755,110	2,129,316	2,032,049	1,961,192	2,073,474	2,425,820	2,450,618
Pupil Transportation	2,223,660	2,152,300	1,850,927	1,736,612	1,789,017	1,768,816	1,727,872	1,560,361	2,657,367	2,911,005
Unallocated Benefits	7,760,772	8,334,630	8,872,757	9,492,374	10,357,174	10,947,691	11,080,365	12,912,584	13,933,340	14,692,477
Capital Outlay	781,293	1,033,513	955,716	729,429	941,054	3,834,778	2,585,332	2,919,535	2,467,145	3,068,391
<b>Debt Service:</b>										
Principal	1,125,000	1,165,000	1,235,000	1,505,000	1,215,000	1,285,000	1,410,000	1,420,000	1,510,000	1,510,000
Interest and Other Charges	1,135,100	1,091,350	1,045,300	693,214	829,794	790,944	695,891	691,538	634,837	581,538
Charter Schools									55,412	77,360
<b>Total Expenditures</b>	<b>45,176,255</b>	<b>46,945,794</b>	<b>46,485,210</b>	<b>46,216,901</b>	<b>47,548,402</b>	<b>51,092,753</b>	<b>50,486,637</b>	<b>53,206,580</b>	<b>57,608,841</b>	<b>59,708,935</b>

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

*(Modified Accrual Basis of Accounting)*

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ (127,610)	\$ (1,108,256)	\$ 971,866	\$ 2,491,507	\$ 2,283,897	\$ 184,848	\$ 1,696,836	\$ 1,732,235	\$ 661,884	\$ (556,709)
Other Financing Sources/(Uses):										
NJEDA/SDA Grants (Cancelled)			(13,317)							
Refunding Bonds Issued			15,490,000				4,370,000			
School Bonds Defeased			(17,100,000)				(4,635,000)			
Bond Issuance Costs			(141,823)				(108,245)			
Deferred Amount on Refunding			(375,417)				(66,951)			
Original Issuance Bond Premium			2,127,240				440,196			
Transfers In	246,231		43,137							
Transfers Out	(246,231)		(16,456)							
Total Other Financing Sources/(Uses)	- 0 -	- 0 -	13,364	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
Excess (Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	\$ (127,610)	\$ (1,108,256)	\$ 985,230	\$ 2,491,507	\$ 2,283,897	\$ 184,848	\$ 1,696,836	\$ 1,732,235	\$ 661,884	\$ (556,709)
Debt Service As a % of Noncapital Expenditures	5.36%	5.17%	5.27%	5.07%	4.59%	4.59%	4.60%	4.38%	4.05%	3.83%

Source: Branchburg Township School District financial reports.

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition	<u>Transportation Fees</u>	Rentals- Use of Facilities	Other	Total
2014	\$ 6,832	\$ 154,218		\$ 270,624	\$ 88,078	\$ 519,752
2015	5,641	117,608		22,552	78,533	224,334
2016	8,504	152,146		50,670	61,961	273,281
2017	19,001	209,061		73,190	5,751	307,003
2018	63,573	140,303		131,390	35,110	370,376
2019	180,049	172,206		163,953	79,857	596,065
2020	114,194	129,602		182,133	44,450	470,379
2021	17,987	114,906		209,811	189,150	531,854
2022	17,381	136,778	\$ 277,317	219,066	499,269	1,149,811
2023	292,373	96,488	210,178	214,456	235,619	1,049,114

Source: Branchburg Township School District financial reports.



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

Year End Dec. 31	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized) Valuation
2013	\$ 9,576,300	\$ 1,965,401,200	\$29,377,200	\$1,359,600	\$217,471,500	\$521,820,300	\$ 20,000,000	\$ 2,765,006,100	\$ 5,153,713	\$ 2,770,159,813	\$203,243,200	\$ 1.40	\$ 2,839,007,795
2014	10,326,400	1,988,040,700	29,649,700	1,316,100	222,821,400	556,367,300	22,000,000	2,830,521,600	4,079,639	2,834,601,239	203,369,800	1.39	2,877,475,796
2015	22,535,500	1,995,476,000	29,974,800	1,316,000	225,697,700	576,756,700	25,000,000	2,876,756,700	4,200,235	2,880,956,935	202,713,800	1.40	2,931,494,083
2016	18,910,800	2,045,433,700	27,597,700	1,310,300	243,296,400	593,317,700	28,000,000	2,957,866,600	4,323,235	2,962,189,835	204,654,700	1.40	3,017,020,874
2017	18,131,400	2,086,801,600	27,847,300	1,281,300	249,325,500	612,645,000	28,500,000	3,024,532,100	4,439,637	3,028,971,737	201,582,200	1.39	3,056,724,791
2018	15,502,500	2,130,749,600	28,511,800	1,306,700	251,093,600	626,334,800	29,925,000	3,083,424,000	4,536,447	3,087,960,447	202,414,600	1.37	3,119,278,203
2019	5,536,500	2,192,152,800	28,891,600	1,285,900	264,305,000	639,030,600	31,660,000	3,162,862,400	4,580,000	3,167,442,400	205,126,700	1.36	3,229,028,884
2020	4,428,300	2,231,354,500	30,879,100	1,233,900	278,969,200	669,334,400	33,920,000	3,250,119,400	4,689,100	3,254,808,500	229,919,800	1.35	3,348,263,449
2021	6,880,000	2,291,351,400	30,969,000	1,205,200	265,958,600	737,416,700	36,800,000	3,370,580,900	4,757,650	3,375,338,550	233,150,100	1.33	3,440,430,304
2022 *	16,748,700	2,445,703,600	32,170,900	1,221,600	300,104,000	882,602,800	38,942,000	3,717,493,600	4,781,600	3,722,275,200	238,309,100	1.21 *	3,884,267,057

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

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

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

\* Revaluations/reassessment was effective in this year.

Source: Branchburg Township Tax Assessor.

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

Year Ended December 31,	Branchburg Township School District						Total Direct and Overlapping Tax Rate
	Direct Rate			Overlapping Rates			
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Township of Branchburg	Somerset County		
2013	\$ 1.32	\$ 0.08	\$ 1.40	\$ 0.37	\$ 0.39	\$ 2.15	
2014	1.31	0.08	1.39	0.37	0.40	2.16	
2015	1.33	0.07	1.40	0.37	0.40	2.18	
2016	1.33	0.07	1.40	0.39	0.41	2.19	
2017	1.32	0.06	1.39	0.39	0.40	2.18	
2018	1.31	0.06	1.37	0.39	0.40	2.16	
2019	1.30	0.06	1.36	0.39	0.40	2.15	
2020	1.29	0.06	1.35	0.39	0.41	2.14	
2021	1.27	0.06	1.33	0.38	0.40	2.11	
2022	* 1.15	* 0.06	* 1.21	* 0.36	* 0.40	* 1.97	

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

<sup>a</sup> The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

<sup>b</sup> Rates for debt service are based on each year's requirements.

\* Revaluation/reassessment was effective in this year.

Source: Branchburg Township Tax Collector and School Business Administrator.

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

	2022			2013		
	Taxpayer	Taxable Assessed Value	% of Total District Net Valuation Taxable	Taxpayer	Taxable Assessed Value	% of Total District Net Valuation Taxable
Roche & Genetech Inc.		\$ 113,251,700	3.05%	Roche & Genetech Inc.	\$ 87,992,000	3.03%
Imclone Systems Corp.		74,328,400	2.00%	Imclone Systems Corp.	84,323,900	2.90%
Cellco Partnership (Verizon)		46,640,000	1.25%	Maurice M. Weil, Trustee	27,366,100	0.94%
S/K Old York Road Associates		36,800,000	0.99%	S/K Old York Road Associates	25,500,000	0.88%
Transcontinental Gas Pipeline Co.		32,587,100	0.88%	Cellco Partnership (Verizon)	17,300,000	0.60%
Briad Lodging Group Branchburg II		26,513,000	0.71%	AZ Electronic	14,838,300	0.51%
Global Wells Inv Grp LLC c/o TSEN		25,785,000	0.69%	Branchburg Commons	15,785,000	0.54%
Allergen Sales LLC		23,380,000	0.63%	Transcontinental Gas Pipeline Co.	30,174,300	1.04%
Friedrich D&Weill J, Suc-Co-Trustees		22,800,000	0.61%	Branchburg Sierra Assoc.	13,205,000	0.45%
Schutz Container Sytems Incorporated		22,005,000	0.59%	Advance at Branchburg	13,203,300	0.45%
Total		\$ 424,090,200	11.40%		\$ 329,687,900	11.34%

Source: Branchburg Township Tax Assessor.

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 38,904,430	\$ 38,904,430	100.00%	\$ - 0 -
2015	39,742,056	39,742,056	100.00%	- 0 -
2016	41,094,213	41,094,213	100.00%	- 0 -
2017	41,732,088	41,732,088	100.00%	- 0 -
2018	42,160,737	42,160,737	100.00%	- 0 -
2019	42,662,881	42,662,881	100.00%	- 0 -
2020	43,526,925	43,526,925	100.00%	- 0 -
2021	44,349,936	44,349,936	100.00%	- 0 -
2022	44,807,928	44,807,928	100.00%	- 0 -
2023	45,708,537	45,708,537	100.00%	- 0 -

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Bond Anticipation Notes (BANs)	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Financed Purchases/ Leases					
2014	\$ 26,955,000	\$ 80,892	\$ - 0 -	\$ - 0 -	\$ 27,035,892	2.23%	\$ 1,862
2015	25,790,000	- 0 -	- 0 -	- 0 -	25,790,000	2.02%	1,783
2016	22,945,000	- 0 -	- 0 -	- 0 -	22,945,000	1.72%	1,584
2017	21,440,000	- 0 -	- 0 -	- 0 -	21,440,000	1.49%	1,482
2018	20,225,000	- 0 -	- 0 -	- 0 -	20,225,000	1.33%	1,391
2019	18,940,000	- 0 -	- 0 -	- 0 -	18,940,000	1.18%	1,302
2020	17,265,000	- 0 -	- 0 -	- 0 -	17,265,000	1.05%	1,190
2021	15,845,000	- 0 -	- 0 -	- 0 -	15,845,000	0.94%	1,074
2022	14,335,000	- 0 -	- 0 -	- 0 -	14,335,000	0.85%	966
2023	12,825,000	- 0 -	- 0 -	- 0 -	12,825,000	0.76%	865

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

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

Source: Branchburg Township School District financial reports.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation Taxable <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ 26,955,000	\$ - 0 -	\$ 26,955,000	0.97%	\$ 1,853
2015	25,790,000	- 0 -	25,790,000	0.91%	1,776
2016	22,945,000	- 0 -	22,945,000	0.80%	1,586
2017	21,440,000	- 0 -	21,440,000	0.72%	1,480
2018	20,225,000	- 0 -	20,225,000	0.67%	1,398
2019	18,940,000	- 0 -	18,940,000	0.61%	1,302
2020	17,265,000	- 0 -	17,265,000	0.55%	1,190
2021	15,845,000	- 0 -	15,845,000	0.49%	1,074
2022	14,335,000	- 0 -	14,335,000	0.42%	966
2023	12,825,000	- 0 -	12,825,000	0.34%	865

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

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

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

Source: Branchburg Township School District financial reports.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2022  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable *</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Township of Branchburg	\$9,797,413	100.00%	\$ 9,797,413
Somerset County General Obligation Debt	265,237,860	5.69%	<u>15,093,735</u>
Subtotal, Overlapping Debt			24,891,148
Branchburg School District Direct Debt			<u>13,585,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 38,476,148</u></u>

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

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

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

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 88,198,109	\$ 87,142,102	\$ 88,649,952	\$ 90,391,503	\$ 92,073,543	\$ 94,204,077	\$ 97,625,179	\$ 100,961,815	\$ 108,420,285	\$ 116,697,931
Total Net Debt Applicable to Debt Limit	26,955,000	25,790,000	22,945,000	21,440,000	20,225,000	18,940,000	17,265,000	15,845,000	14,335,000	12,825,000
Legal Debt Margin	\$ 61,243,109	\$ 61,352,102	\$ 65,704,952	\$ 68,951,503	\$ 71,848,543	\$ 75,264,077	\$ 71,848,543	\$ 75,264,077	\$ 94,085,285	\$ 103,872,931
Total Net Debt Applicable to Debt Limit as a % of the Debt Limit	30.56%	29.60%	25.88%	23.72%	21.97%	20.11%	17.68%	15.69%	13.22%	10.99%

Legal Debt Margin Calculation for Fiscal Year 2023:

	2020	2021	2022	Branchburg Township
Equalized Valuation Basis				\$ 3,454,633,716
Average Equalized Valuation of Taxable Property				3,991,214,802
Debt Limit (3%* of Average Equalization Value)				4,223,944,552
Net Bonded School Debt as of June 30, 2023				\$ 11,669,793,070
Legal Debt Margin				\$ 3,889,931,023

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

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



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

<u>Year</u>	<u>Township Population<sup>a</sup></u>	<u>Somerset County Per Capita Personal Income<sup>b</sup></u>	<u>Township Personal Income<sup>c</sup></u>	<u>Township Unemployment Rate<sup>d</sup></u>
2014	14,520	\$ 83,386	\$ 1,210,764,720	4.40%
2015	14,465	88,399	1,278,691,535	4.20%
2016	14,486	92,352	1,337,811,072	3.80%
2017	14,470	99,210	1,435,568,700	3.50%
2018	14,543	104,620	1,521,488,660	3.40%
2019	14,548	110,466	1,607,059,368	2.70%
2020	14,512	112,825	1,637,316,400	6.80%
2021	14,752	113,975	1,681,359,200	4.40%
2022	14,835	113,975	** 1,690,819,125	2.90%
2023	14,835	* 113,975	** 1,690,819,125 ***	N/A

N/A - Information is not available.

\* - Latest population data available (2022) was used for calculation purposes.

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

\*\*\* - Latest available population data (2022) and latest available Somerset County per capita personal income (2021) was used for calculation purposes.

Sources:

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

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

	2022		2013		
	Employer	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
AT&T		4,100	2.46%	3,000	1.84%
Janssen Pharmaceuticals, Inc.		1,800	1.08%	930	0.57%
The Chubb Corporation		1,800	1.08%	700	0.43%
Johnson and Johnson Pharmaceuticals		1,700	1.02%	210	0.13%
Bloomberg (Princeton Engineering Office)		1,380	0.83%	400	0.25%
Ethicon, Inc.		1,100	0.66%	200	0.12%
E-Z Go		1,050	0.63%	175	0.11%
Personal Products Company (J&J)		1,000	0.60%	120	0.07%
Ortho Clinical Diagnostics		1,000	0.60%	100	0.06%
Hooper Homes Inc.		900	0.54%	80	0.05%
		<u>15,830</u>	<u>9.51%</u>	<u>5,915</u>	<u>3.63%</u>
Total County Employment		<u>166,372</u>		<u>163,100</u>	
			Total County Employment		

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

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

<u>Function/Program</u>	<u>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>2023</u>
Instruction:										
Regular	110.0	107.3	106.4	108.0	104.8	104.0	107.2	113.0	107.0	107.0
Special Education	49.7	50.5	45.0	45.0	47.3	46.4	45.5	45.0	45.0	45.0
Other Special Education	16.0	18.2	19.7	17.0	15.0	18.0	17.8	21.8	38.0	28.4
Support Services:										
Student & Instruction Related Services	44.6	40.5	42.9	43.0	43.3	47.7	47.4	34.8	35.0	35.0
School Administration Services	13.8	14.0	14.0	13.8	3.0	3.0	3.0	13.0	13.0	16.0
General Administration Services	3.0	3.0	3.0	3.0	13.8	13.8	12.5	3.0	3.0	5.0
Central Services and Administrative Information Technology	6.0	5.5	5.4	9.7	9.0	8.3	8.9	8.4	9.5	17.4
Plant Operations and Maintenance	6.0	9.2	8.6	8.0	7.5	8.7	9.1	9.8	8.5	9.6
Pupil Transportation	25.5	29.7	30.2	28.0	27.0	28.5	29.0	27.2	27.5	27.5
<b>Total</b>	<b>274.6</b>	<b>277.9</b>	<b>275.2</b>	<b>275.4</b>	<b>270.5</b>	<b>278.4</b>	<b>280.4</b>	<b>276.0</b>	<b>286.5</b>	<b>290.9</b>

Source: Branchburg Township School District personnel records.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>b</sup>	Percent Change	Teaching Staff <sup>c</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>d</sup>	Average Daily Attendance (ADA) <sup>d</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle				
2014	2,422	\$ 42,134,862	\$ 17,397	3.80%	162	11:1	9:1	1,624	1,562	-4.25%	96.18%
2015	2,328	43,655,931	18,753	7.79%	160	10:1	9:1	1,557	1,497	-4.13%	96.15%
2016	2,236	43,249,194	19,342	3.14%	162	9:1	9:1	1,459	1,407	-6.29%	96.44%
2017	2,166	43,289,258	19,986	3.33%	153	9:1	10:1	1,462	1,406	0.21%	96.17%
2018	2,191	44,562,554	20,339	1.77%	152	9:1	10:1	1,444	1,382	-1.23%	95.71%
2019	2,097	45,182,031	21,546	5.94%	163	9:1	8:1	1,439	1,382	-0.35%	96.04%
2020	2,031	45,795,414	22,548	4.65%	164	8:1	8:1	1,384	1,346	-3.82%	97.25%
2021	2,031	48,175,507	23,720	5.20%	177	8:1	8:1	1,384	1,346	0.00%	97.25%
2022	1,941	52,996,859	27,304	15.11%	177	9:1	9:1	1,297	1,233	-6.29%	95.07%
2023	1,907	54,549,006	28,605	4.76%	182	9:1	9:1	1,317	1,262	1.54%	95.82%

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

- <sup>a</sup> Operating expenditures equal total expenditures less debt service and capital outlay.
- <sup>b</sup> Cost per pupil is the sum of operating expenditures divided by enrollment. This cost per pupil may be different from the State's cost per pupil calculations.
- <sup>c</sup> Teaching staff includes only full-time equivalents of certificated staff.
- <sup>d</sup> Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Source: Branchburg Township School District records.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

<u>District Building</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Old York Elementary School	*	*	*	*	*	*	*	*	*	*
Square Feet										
Capacity (Students)	*	*	*	*	*	*	*	*	*	*
Enrollment	*	*	*	*	*	*	*	*	*	*
Stony Brook Elementary School										
Square Feet	47,368	47,368	47,368	47,368	47,368	47,368	47,368	47,368	47,368	47,368
Capacity (Students)	398	398	398	398	398	398	398	398	398	398
Enrollment	360	350	326	337	342	316	265	284	284	284
Whiton Elementary School										
Square Feet	90,321	90,321	90,321	90,321	90,321	90,321	90,321	90,321	90,321	90,321
Capacity (Students)	792	792	792	792	792	792	792	792	792	792
Enrollment	660	647	615	629	593	624	613	614	580	580
Central Middle School										
Square Feet	141,310	141,310	141,310	141,310	141,310	141,310	141,310	141,310	141,310	141,310
Capacity (Students)	733	733	733	733	733	733	733	733	733	733
Enrollment	604	566	524	501	500	499	504	486	429	429

Number of Schools at June 30, 2023:

Elementary = 2  
Middle School = 1

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

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

Source: Branchburg Township School District Facilities Office.

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

## Undistributed Expenditures:

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

Fiscal Year	Central Middle School	Old York Elementary School	Stony Brook Elementary School	Whiton Elementary School	Total All Facilities
2014	\$ 169,426	\$ 46,418	\$ 87,106	\$ 100,798	\$ 403,748
2015	206,601	68,850	88,361	191,394	555,206
2016	198,555	72,799	79,390	159,864	510,608
2017	160,792	59,481	68,161	141,017	429,451
2018	190,531	61,925	87,254	485,391	825,101
2019	234,259	80,937	98,128	185,330	598,654
2020	223,896	89,030	100,178	127,558	540,662
2021	265,935	75,914	106,286	206,374	654,509
2022	276,960	115,882	123,936	338,468	855,246
2023	273,435	88,510	128,751	327,464	818,160

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

Source: Branchburg Township School District records.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2023  
UNAUDITED

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

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

Source: Branchburg Township School District records.

SINGLE AUDIT SECTION



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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Branchburg Township School District, in the County of Somerset (the "District") as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 26, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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

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

### Report on Compliance and Other Matters

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

### Purpose of this Report

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

January 26, 2024  
Mt. Arlington, New Jersey

*Nisivoccia, LLP*  
NISIVOCCIA, LLP

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

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

Independent Auditors' Report

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

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

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

We have audited the Branchburg Township School District's (the district's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2023. The district's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

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

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

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

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

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

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

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

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

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

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

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

### **Report on Internal Control Over Compliance**

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

The Honorable President and Members  
of the Board of Education  
Branchburg Township School District  
Page 3

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

January 26, 2024  
Mt. Arlington, New Jersey

*Nisivoccia, LLP*  
NISIVOCCIA, LLP

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

**BRANCHBURG TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2022		Cash Received	Budgetary Expenditures	Balance June 30, 2023	
					Accounts Receivable	Unearned Revenue			(Budgetary Accounts Receivable)	Budgetary Unearned Revenue
<b>U.S. Department of Agriculture:</b>										
Passed-through State Department of Agriculture:										
Child Nutrition Cluster:										
Federal Food Distribution Program	10.555	N/A	7/1/22-6/30/23	\$ 50,217			\$ 50,217	\$ (44,917)		\$ 5,300
Federal Food Distribution Program	10.555	N/A	7/1/21-6/30/22	31,417	\$ 1,780			(1,780)		
National School Lunch Program COVID-19:	10.555	N/A	7/1/22-6/30/23	120,326			112,895	(120,326)	\$ (7,431)	
Seamless Summer Option	10.555	N/A	7/1/21-6/30/22	585,446			41,753			
Supply Chain Assistance	10.555	N/A	7/1/22-6/30/23	72,440			72,440	(57,566)		14,874
Subtotal Child Nutrition Cluster							277,305	(224,589)	(7,431)	20,174
Total Enterprise Funds/U. S. Department of Agriculture							277,305	(224,589)	(7,431)	20,174
<b>U.S. Department of Education</b>										
Passed-through State Department of Education:										
Special Education Cluster:										
I.D.E.A. Part B, Basic	84.027	IDEA-0510-23	7/1/22-9/30/23	367,987			367,987	(367,987)		
I.D.E.A. Part B, Basic	84.027	IDEA-0510-22	7/1/21-9/30/22	364,281	(34,891)		34,891			
I.D.E.A. Part B, Preschool	84.173	IDEA-0510-23	7/1/22-9/30/23	21,690			20,678	(21,690)	(1,012)	
I.D.E.A. Part B, Preschool	84.173	IDEA-0510-22	7/1/21-9/30/22	20,552	(3)		18	(15)		
COVID-19 - ARP - I.D.E.A. Part B, Preschool	84.173X	IDEA-0510-22	7/1/21-9/30/22	4,866	(4,504)		38	(4,466)		
Total Special Education Cluster					(39,398)		423,612	(389,692)	(5,478)	
ESEA Consolidated:										
Title I	84.010	ESEA-0510-23	7/1/22-9/30/23	49,640			14,924	(39,042)	(24,118)	
Title II - Part A	84.367A	ESEA-0510-23	7/1/22-9/30/23	31,411			31,371	(31,371)		
Title II - Part A	84.367A	ESEA-0510-22	7/1/21-9/30/22	47,396	(7,236)		7,236			
Title IV	84.424	ESEA-0510-22	7/1/21-9/30/22	12,610	(2,701)		2,701			
Subtotal ESEA Consolidated					(9,937)		56,232	(70,413)	(24,118)	
Education Stabilization Fund:										
COVID-19 - CRRSA:										
ESSER II	84.425D	S425D210027	3/12/20-9/30/23	219,698	(86,514)		10,297		(76,217)	
Learning Acceleration	84.425D	S425D210027	3/12/20-9/30/23	25,000	(7,377)		7,737	(12,363)	(12,003)	
Mental Health	84.425D	S425D210027	3/12/20-9/30/23	45,000	(15,666)		7,306	(5,382)	(13,742)	
COVID-19 - ARP:										
ESSER III	84.425U	S425U210027	3/12/20-9/30/24	493,759	(45,730)		137,459	(306,583)	(214,854)	
Learning Acceleration	84.425U	S425U210027	3/12/20-9/30/24	157,698			7,500	(29,353)	(21,853)	
NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/12/20-9/30/24	45,000	(532)		32,803	(34,306)	(2,035)	
Total Education Stabilization Fund					(49,335)		203,102	(387,987)	(340,704)	
Total U.S. Department of Education							682,946	(848,092)	(370,300)	

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2022		Cash Received	Budgetary Expenditures	Balance June 30, 2023	
					Accounts Receivable	Unearned Revenue			(Budgetary Accounts Receivable)	Budgetary Unearned Revenue
U.S. Department of Treasury: Passed-through State Department of Education: COVID-19 ACSERS (Additional or Compensatory Special Education and Related Services to Students with Disabilities)	21.027	N/A	7/1/21-6/30/22	\$ 221,376		\$ 221,376				
	21.027	N/A	7/1/22-6/30/23	113,884						
Total U.S. Department of Treasury							\$ (113,884)			\$ (113,884)
Total Special Revenue Fund								(961,976)		(484,184)
Total Federal Awards						\$ 1,181,627	\$ (1,186,565)		\$ 20,174	\$ -0-

N/A - Not applicable/available.

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Project Number	Grant Period	Award Amount	Balance June 30, 2022			Balance June 30, 2023			MEMO Cumulative Total Expenditures
				Budgetary			Budgetary			
				Accounts Receivable	Due to Grantor	Cash Received	Accounts Receivable	Due to Grantor	Revenue	
N. J. Department of Education: General Fund:										
Special Education										
Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	\$ 2,028,449			\$ 1,832,352			\$ 196,097	\$ 2,028,449
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	839,874		764,769				75,105	839,874
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	193,608		173,089				20,519	193,608
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	802,936					\$ 802,936	802,936	802,936
Nonpublic Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	41,808					41,808	41,808	41,808
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	1,053,702		1,001,297			52,405	52,405	1,053,702
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22-6/30/23	1,290,106							1,290,106
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	4,843,791							4,843,791
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	67,202							67,202
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	1,823							1,823
Special Education										
Categorical Aid	22-495-034-5120-089	7/1/21-6/30/22	1,850,306	\$ 179,200	179,200					1,850,306
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	708,668	68,634	68,634					708,668
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	193,608	18,751	18,751					193,608
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	1,032,838	1,032,838	1,032,838					1,032,838
Nonpublic Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	37,990	37,990	37,990					37,990
Total General Fund State Aid				1,337,413	5,108,920	(11,163,299)	897,149	1,188,870	1,188,870	14,986,709
Special Revenue Fund:										
N.J. Nonpublic Aid:										
Textbook Aid	23-100-034-5120-064	9/1/22 - 6/30/23	1,188		1,188				\$ 160	1,028
Textbook Aid	22-100-034-5120-064	9/1/21 - 6/30/22	1,920			\$ 1,040				880
Nursing Aid	23-100-034-5120-070	9/1/22 - 6/30/23	2,016		2,016				362	1,654
Nursing Aid	22-100-034-5120-070	9/1/21 - 6/30/22	3,584			1,691			(1,691)	1,893
Technology Aid	23-100-034-5120-373	9/1/22 - 6/30/23	756		756				42	714
Technology Aid	22-100-034-5120-373	9/1/21 - 6/30/22	1,344			630			(630)	714
Security Aid	23-100-034-5120-509	9/1/22 - 6/30/23	3,485		3,485				285	3,200
Security Aid	22-100-034-5120-509	9/1/21 - 6/30/22	5,600			2,780			(2,780)	2,820
Handicapped Services:										
Corrective Speech	22-100-034-5120-066	9/1/21 - 6/30/22	3,720			3,720				
Examination and Classification	23-100-034-5120-066	9/1/22 - 6/30/23	1,326		1,326				1,326	6,660
School Climate Change Pilot	N/A	7/1/22 - 6/30/23	6,660		6,077				583	
School Development Authority:										
Emergent and Capital Maintenance Needs	N/A	7/1/22 - 6/30/23	62,373		62,373			\$ 38,123		24,250
Total Special Revenue Fund				9,861	77,221	(37,506)	(9,861)	38,123	2,175	43,813



BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Project Number	Grant Period	Award Amount	Balance June 30, 2022			Balance June 30, 2023			MEMO			
				Budgetary Receivable	Due to Grantor	Cash Received	Budgetary Expenditures	Paid to Grantor	GAAP Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
Total N. J. Department of Education				\$ 1,337,413	\$ 9,861	\$ 5,186,141	\$ (11,200,805)	\$ (9,861)	\$ 897,149	\$ 38,123	\$ 2,175	\$ 1,189,453	\$ 15,030,522
N. J. Department of Agriculture:													
Enterprise Fund:													
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	\$ 7,103		\$ 6,683	\$ 949	\$ (7,103)		\$ 420		\$ 420	\$ 420	\$ 7,103
COVID-19 Seamless Summer Option	22-100-010-3350-023	7/1/21-6/30/22	13,577	\$ 949									13,577
Total Enterprise Fund/N. J. Department of Agriculture				949	7,632		(7,103)		420		420		20,680
Total State Awards Subject to Single Audit Determination				\$ 1,338,362	\$ 9,861	\$ 5,193,773	\$ (11,207,908)	\$ (9,861)	\$ 897,569	\$ 38,123	\$ 2,175	\$ 1,189,873	\$ 15,051,202
Less: State Awards Not Subject to Single Audit Major Program Determination													
On-Behalf TPAF Pension System Contributions:													
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22-6/30/23				1,290,106							
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23				4,843,791							
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23				67,202							
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23				1,823							
Subtotal - On-Behalf TPAF Pension System Contributions						6,202,922							
Total State Awards Subject to Single Audit Major Program Determination						\$ (5,004,986)							

N/A - Not applicable/available.

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

BRANCBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards include federal and state grant activity of the Board of Education, Branchburg Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2023. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$25,136) for the General Fund and \$100,313 for the Special Revenue Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and the special revenue funds.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

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

	Federal	State	Total
General Fund		\$ 11,138,163	\$ 11,138,163
Special Revenue Fund	\$ 1,063,256	36,539	1,099,795
Proprietary Funds - Food Service Enterprise	224,589	7,103	231,692
Total Awards	\$ 1,287,845	\$ 11,181,805	\$ 12,469,650

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2023.

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over the major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and NJ OMB 15-08*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following awards:

	<u>Assistance Listing/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Federal:				
Special Education Cluster:				
I.D.E.A. Part B, Basic	84.027	7/1/22-9/30/23	\$ 367,987	\$ 367,987
I.D.E.A. Part B, Preschool	84.173	7/1/22-9/30/23	21,690	21,690
I.D.E.A. Part B, Preschool	84.173	7/1/21-9/30/22	20,552	15
Child Nutrition Cluster:				
Federal Food Distribution Program	10.555	7/1/22-6/30/23	50,217	44,917
Federal Food Distribution Program	10.555	7/1/21-6/30/22	31,417	1,780
National School Lunch Program	10.555	7/1/22-6/30/23	120,326	120,326
COVID-19:				
Supply Chain Assistance	10.555	7/1/22-6/30/23	72,440	57,566

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

Summary of Auditors' Results: (Cont'd)

	<u>Assistance Listing/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
State:				
N. J. Department of Education:				
General Fund:				
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	2,028,449	2,028,449
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	193,608	193,608
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	839,874	839,874
Nonpublic Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	41,808	41,808
- The threshold used for distinguishing between Type A and Type B federal and state programs was \$750,000.				
- The District was determined not to be a "low-risk" auditee for federal and state programs.				

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

BRANCHBURG TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Status of Prior Year Findings:

There were no prior year findings.