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EAST WINDSOR REGIONAL
SCHOOL DISTRICT

Serving Students of East Windsor & Hightstown, NJ

**Hightstown, New Jersey
County of Mercer**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

June 30, 2023



East Windsor Regional School District

Hightstown, New Jersey

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

Prepared by

Business Office

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Introductory Section



Serving Students of East Windsor & Hightstown, NJ

March 29, 2024

Honorable President and
Members of the Board of Education
East Windsor Regional School District
County of Mercer
New Jersey

Dear Board Members and Constituents:

We are pleased to submit the Annual Comprehensive Financial Report of the East Windsor Regional School District (hereafter the "District") for the fiscal year ending June 30, 2023. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge, 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 the results of operations of the various funds and government-wide financial statements of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials, The Financial section includes the Independent Auditor's Report, Management Discussion and Analysis ("MD&A") and the basic financial statements including the government-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the basic financial statements and required supplementary information (RSI) and other supplementary information. The Statistical section includes selected financial and demographic information presented on a multi-year basis and is unaudited. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, Title 2 U.S. *Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), and the New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditors' report on internal control and compliance with applicable laws and regulations and findings and questioned costs, are included in the Single Audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: East Windsor Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB"). All funds and the government-wide financial statements of the District are included in this report. The East Windsor Regional School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational as well as special education for handicapped and preschool handicapped children. The District had 5,042 students enrolled on October 15, 2022. Enrollment is defined as students on roll (both full and shared time count as one) and students placed out of district including Mercer County Special Services School District. The following details the changes in the student enrollment of the District over the last ten years.

ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2013-14	5,106	+0.67%
2014-15	5,019	-1.70%
2015-16	5,139	+2.39%
2016-17	5,221	+0.15%
2017-18	5,129	-0.17%
2018-19	5,113	-0.04%
2019-20	5,178	+0.13%
2020-21	5,019	-3.00%
2021-22	4,954	-1.31%
2022-23	5,042	+1.78%

2) ECONOMIC CONDITION AND OUTLOOK: New residential development has leveled off. Commercial development continues to increase and is helping to add to the tax base.

3) MAJOR INITIATIVES: Expenditures made during the 2022-2023 school year were designed to support the District's mission, goals and instructional action plans as well as the state's core curriculum standards. The 2022-23 goals were:

- A district equity audit was initiated.
- A more modern, unifying district and school logos were developed.
- 15 new instructional and support positions were incorporated into the budget.
- Bringing in an outside vendor (Written Out Loud) to support students in writing and storytelling.
- Interior Renovation at Grace N. Rogers ES, Walter C. Black ES and Melvin H. Kreps MS.
- Partial HVAC replacement at Grace N. Rogers ES, Walter C. Black ES and Melvin H. Kreps MS.
- Replacement of obsolete kitchen equipment at all schools.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Internal control 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 awards and state financial assistance, the District also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control 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 over compliance, including that portion related to federal award and state financial assistance programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

5. BUDGETARY CONTROLS: In addition to internal controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. The legal level of budgetary controls is established at the line item accounts within each fund. Annual appropriated budgets are adopted for the general fund, the special revenue fund and debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end either are canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assigned fund balance at June 30, 2023.

6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles as promulgated by the GASB. The accounting system of the District is organized based on funds and government-wide financial statements. These funds and government-wide financial statements are explained in "Notes to the Basic Financial Statements," Note I.

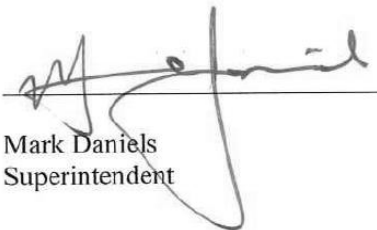
7. CASH MANAGEMENT: The investment policy of the District is regulated by state statute as detailed in "Notes to the Basic Financial Statements," Note 3. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions 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. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. RISK MANAGEMENT: The 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.

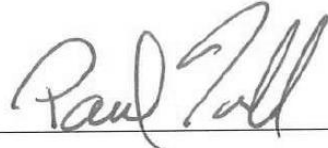
9. OTHER INFORMATION: Independent Audit— State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm, PKF O'Connor Davies, LLP was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996, the Uniform Guidance and New Jersey Treasury Circular OMB 15-08. The auditors' report on the basic financial statements, required supplementary information and other supplementary information are included in the financial section of this report. The auditors' reports, related specifically to the single audit are included in the single audit section of this report.

10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the East Windsor Regional School District 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.

Respectfully submitted,



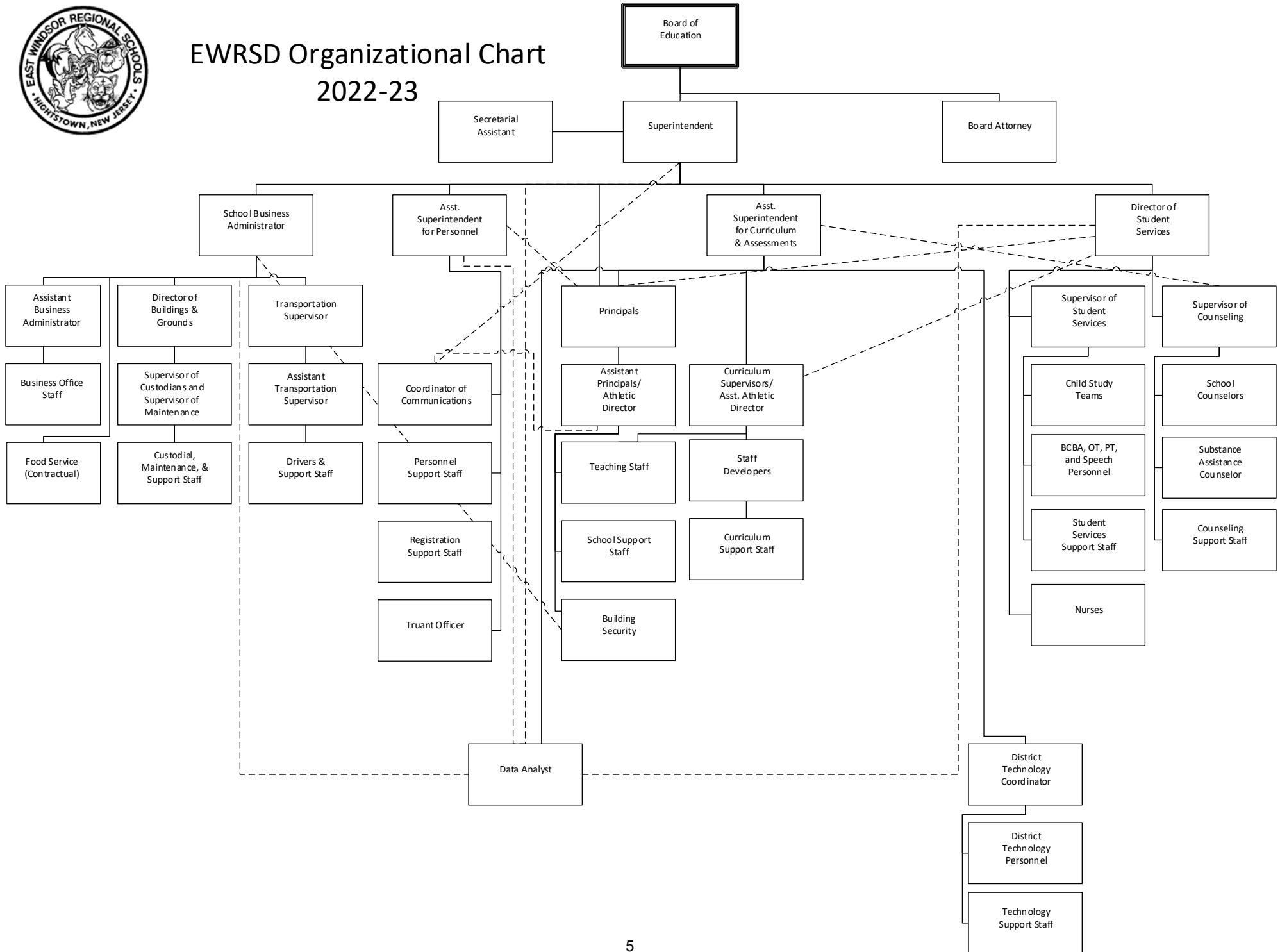
Mark Daniels
Superintendent



Paul Todd
Board Secretary/Business Administrator



EWRSD Organizational Chart 2022-23



**East Windsor Regional School District
Hightstown, New Jersey**

Roster of Officials

June 30, 2023

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Nicole LaRusso, President	2025
Jenna Drake, Vice President	2024
Jeanne Bourjolly	2023
Bertrand Fougnes	2025
Christina "Tina" Lands	2024
Colleen Murphy	2024
Brad Nicholson	2023
Jagruti Patel	2025
Michael Weeks	2023

Other Officials

Mark Daniels, Superintendent
Sandy Small, Assistant Superintendent/Curriculum & Assessment Supervisor
Erin Servillo, Assistant Superintendent/Human Resources
Paul Todd, Business Administrator / Board Secretary
Udaya Batchu, Assistant Business Administrator (through April 14, 2023)
Christina Moskal, Assistant Business Administrator (started May 1, 2023)
David Roe, Director of Student Services
David Rubin, Esq., Solicitor

**East Windsor Regional School District
Hightstown, New Jersey**

Independent Auditors and Advisors

Solicitor

David Rubin, Esq.
Busch Law Group, LLC
450 Main Street
Metuchen, NJ 08520

Independent Auditors

PKF O'Connor Davies, LLP
20 Commerce Drive, Suite 301
Cranford, NJ 07016

Official Depository

Provident Bank
509 Rt. 130 North
East Windsor, New Jersey 08520

Financial Section



Independent Auditors' Report

Honorable President and Members
of the Board of Education
East Windsor Regional School District
Hightstown, New Jersey
County of Mercer

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the East Windsor Regional School District, County of Mercer, New Jersey (the "District"), as of and for the 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, each major fund and the aggregate remaining fund information of the District as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Honorable President and Members
of the Board of Education
East Windsor Regional School District

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Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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.

Honorable President and Members
of the Board of Education
East Windsor Regional School District

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

Supplementary Information

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

Honorable President and Members
of the Board of Education
East Windsor Regional School District

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certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2023. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' opinion 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 March 29, 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 the District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Cranford, New Jersey
March 29, 2024

Scott A. Clelland

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

Required Supplementary Information – Part I
Management’s Discussion and Analysis

East Windsor Regional School District
Hightstown, New Jersey

Management's Discussion and Analysis
Year Ended June 30, 2023

As management of the East Windsor Regional School District ("District"), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the year ended June 30, 2023. We encourage readers to consider the information presented, in conjunction with additional information that we have furnished in our letter of transmittal.

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

Financial Highlights

Key financial highlights for fiscal 2023 are as follows:

- Total net position of the governmental activities and business-type activities is \$101,482,697 at June 30, 2023. It is comprised of both current and capital assets and deferred outflows of resources less deferred inflows of resources and current and outstanding long-term liabilities (Schedule A-1).
- General revenues accounted for \$127,119,670 of total revenue or 92.9 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$9,766,479 or 7.1 percent of total revenues of \$136,886,149 (Schedule A-2).
- The District had \$143,439,525 in governmental fund expenditures (Schedule B-2). Of that amount, the General Fund expenditures totaled \$134,526,182, including \$22,773,748 in State on-behalf TPAF pension, medical, and disability and social security contributions. Grant-related, scholarship and student activity expenditures in the special revenue fund totaled \$5,844,351. Business-type activities expenses were \$2,809,995 (Schedule B-5).
- The District maintains internal service funds to provide service and fuel for the District's vehicles as well as health insurance costs for the District's employees. The internal service fund – fueling facility fund had \$571,450 in revenues and \$699,050 in expenses for supplies, fuel costs, and depreciation. The internal service fund – self-insurance fund had \$16,566,281 in operating revenues and \$15,037,618 in expenses for insurance claims and other objects (Schedule B-5).
- The District transferred unrestricted funds during the year into restricted capital reserves in the amount of \$3,000,000 to fund future capital projects.

Using this Annual Comprehensive Financial Report (ACFR)

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

Overview of the Financial Statements

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

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

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

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

The government-wide financial statements are Schedules A-1 and A-2.

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

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

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

facilitate this comparison between governmental funds and governmental activities.

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

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund and the special revenue fund and as supplementary information for the debt service fund to demonstrate compliance with this budget.

The basic governmental fund financial statements are Schedules B-1, B-2, and B-3.

Proprietary funds. The District maintains proprietary fund types in the form of enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for the operations of its food service and Kid Care, each of which are considered major funds of the District. Enterprise funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service funds provide services and fuel to the District's vehicles and limited other districts and accounts for its self-insured health insurance costs for the District's employees.

The proprietary fund financial statements are Schedules B-4, B-5, and B-6.

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

Other information. The required supplementary information and combining statements referred to earlier in connection with governmental funds and proprietary funds are presented immediately following the notes to the basic financial statements.

The School District as a Whole

The Statement of Net Position provides the perspective of the District as a whole. Net position may serve as an indicator of a government's financial position. However, as noted earlier, net position is not the primary basis for decision making for each budget cycle.

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

The following table provides a summary of net position relating to the District's governmental and business-type activities as of June 30, 2023 and 2022:

East Windsor Regional School District						
Net Position						
June 30,						
	2023			2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 33,629,595	\$ 3,737,392	\$ 37,366,987	\$ 28,136,533	\$ 3,862,555	\$ 31,999,088
Restricted cash	8,426,398		8,426,398	435,918		435,918
Capital assets, net	104,974,177	584,771	105,558,948	101,123,093	113,880	101,236,973
Total assets	147,030,170	4,322,163	151,352,333	129,695,544	3,976,435	133,671,979
Deferred Outflows of Resources:						
Deferred loss on refunding of debt		332	332	8,288		8,288
Pension deferrals	2,960,981		2,960,981	2,577,393		2,577,393
Total deferred outflows	2,961,313		2,961,313	2,585,681		2,585,681
Liabilities:						
Current liabilities	9,165,579	119	9,165,698	3,447,760	132,875	3,580,635
Net pension liability	16,919,314		16,919,314	14,538,208		14,538,208
Unearned revenue	44,513	64,067	108,580	110,027	43,188	153,215
Long-term liabilities outstanding	22,087,072		22,087,072	21,338,627		21,338,627
Total liabilities	48,216,478	64,186	48,280,664	39,434,622	176,063	39,610,685
Deferred Inflows of Resources:						
Deferred gain on refunding of debt	145,344		145,344	173,475		173,475
Pension deferrals	4,404,951		4,404,951	9,384,950		9,384,950
Total deferred outflows	4,550,295	-	4,550,295	9,558,425	-	9,558,425
Net Position:						
Net investment in capital assets	92,111,967	584,771	92,696,738	83,988,713	113,880	84,102,593
Restricted	16,566,637		16,566,637	14,692,249		14,692,249
Unrestricted (deficit)	(11,453,884)	3,673,206	(7,780,678)	(15,392,784)	3,686,492	(11,706,292)
Total net position	\$ 97,224,720	\$ 4,257,977	\$ 101,482,697	\$ 83,288,178	\$ 3,800,372	\$ 87,088,550

The largest portion of the District's net position is its net investment in capital assets, e.g. land, construction in progress, buildings and improvements, and furniture and equipment, less any related debt (general obligation bonds payable and financed purchases) used to acquire those assets that are still outstanding, which amounts to \$92,696,738. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The net pension liability recorded as of June 30, 2023 is the result of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The increase of \$2,381,106 from the prior year relates to changes in the actuarial assumptions from the prior year and the pension funding status of the State of New Jersey.

Capital assets increased due to current year expenses that were capitalized relating to various capital projects exceeding depreciation.

An additional portion of the District's net position (restricted) represents resources that are subject to external restrictions on how they may be used, which total \$16,566,637 at June 30, 2023. The restricted net position increase is a result of additional funds being deposited into the capital reserve and maintenance reserve with balances of \$8,512,217 and \$2,627,910, respectively, at June 30, 2023 and current year excess fund balance generated. Additionally, \$1,545,360 has been restricted for unemployment claims, \$376,494 was restricted for student activities, and \$50,621 was restricted for scholarships. Furthermore, \$800,000 was restricted for subsequent year's expenditures from prior year excess fund balance, and \$2,549,505 was recognized as current year excess surplus to be utilized in the 2024-2025 budget. Lastly, \$8,104,530 is restricted for capital projects within the Capital Projects fund. The remaining balance of unrestricted net position may be used to meet the District's ongoing obligations to citizens and creditors.

Business-type assets increased from the prior year. Overall, the activity within the business-type activities increased approximately \$457,000, mainly due to the increase in operating grants and capital contributions. The increase in net position in the food service enterprise fund is attributed to the increased grant and operating revenues from the prior year. The increase in net position in the Kid Care Enterprise Fund was directly related to the District's increase in revenue for the year ended June 30, 2023.

District activities. The key elements of the District's changes in net position for the years ended June 30, 2023 and 2022 are as follows:

East Windsor Regional School District						
Changes in Net Position						
Year Ended June 30,						
	2023			2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for services	\$ 727,955	\$ 1,349,422	\$ 2,077,377	\$ 727,701	\$ 608,808	\$ 1,336,509
Operating and capital grants and contributions	5,829,639	1,859,463	7,689,102	3,762,731	3,361,992	7,124,723
General revenues:						
Property taxes	72,083,165		72,083,165	70,951,381		70,951,381
Grants and contributions not restricted to specific programs	54,391,380		54,391,380	53,693,146		53,693,146
Other	586,410	58,715	645,125	392,325	5,415	397,740
Total Revenues	133,618,549	3,267,600	136,886,149	129,527,284	3,976,215	133,503,499
Expenses:						
Instructional services	73,510,780		73,510,780	75,811,053		75,811,053
Support services	45,743,988		45,743,988	45,011,772		45,011,772
Special schools	133,065		133,065	195,678		195,678
Interest and other charges on long-term debt	294,174		294,174	208,379		208,379
Food Service		2,299,590	2,299,590		2,115,796	2,115,796
Kid Care		510,405	510,405		508,512	508,512
Total Expenses	119,682,007	2,809,995	122,492,002	121,226,882	2,624,308	123,851,190
Change in net position	13,936,542	457,605	14,394,147	8,300,402	1,351,907	9,652,309
Net position-beginning of year	83,288,178	3,800,372	87,088,550	74,987,776	2,448,465	77,436,241
Net position-end of year	\$ 97,224,720	\$ 4,257,977	\$ 101,482,697	\$ 83,288,178	\$ 3,800,372	\$ 87,088,550

The increase in governmental activities revenues is the result of additional grant revenues and an increase in the local tax levy in the current year.

The decrease in instructional services expenses is mainly the result of the decrease in expenses related to GASB 75.

The activity in the business-type funds increased during the 2023 fiscal year mostly due to increase in sales of food.

Financial Analysis of the District's Funds

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

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

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2023, and the increases in relation to the prior year:

Revenues Year Ended June 30, 2023

Revenue	Amount	Percent of Total	Increase from 2022	Percent of Increase
Local sources	\$ 74,128,477	51.5%	\$ 1,507,773	2.1%
State sources	64,579,136	44.9%	7,499,371	24.4%
Federal sources	5,232,089	3.6%	1,821,492	53.41%
Total	<u>\$ 143,939,702</u>	<u>100.0%</u>	<u>\$ 10,828,636</u>	8.1%

The increase in state sources is mainly due to the increase in TPAF pension contributions made by the State on behalf of the District and additional state formula aid received in 2023.

The increase in federal sources is mainly due to additional grant funds being expended in the 2023 related to the Education Stabilization Funds utilized in the current fiscal year when compared to the prior year.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2023 and the increases and decreases in relation to the prior year:

Expenditures
Year Ended June 30, 2023

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2022	Percent of Increase (Decrease)
Current expenditures:				
Instruction	\$ 46,168,764	32.2%	\$ (372,525)	(0.8)%
Support services	80,814,613	56.1%	3,795,034	5.0%
Capital outlay	11,550,399	8.1%	6,054,205	110.2%
Debt service	5,206,093	3.6%	2,350,748	82.3%
Total	\$143,239,869	100.0%	\$ 11,827,462	9.0%

Support services increased due to the student needs of the District. Capital outlay increased due to the purchase of equipment and additional repair and capital projects in the current year when compared to the prior year. Debt service increased due to the reduction of outstanding debt offset by an increase in financed purchases and amounts paid related to those financed purchases during the 2023 fiscal year. All other fluctuations are less than 10% and are considered immaterial.

General Fund Budgetary Highlights

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

State sources exceeded anticipated revenues by \$23,486,092 as a result of the District not anticipating revenues related to Extraordinary Aid, Non-public transportation aid, State on-behalf TPAF pension, medical and disability contributions, and State reimbursed TPAF social security contributions.

Capital Assets and Debt Administration

Capital Assets: At June 30, 2023, the District's governmental activities and business-type activities had capital assets of \$105,558,958 (net of accumulated depreciation), including land, construction in progress, school buildings and improvements, site and site improvements, machinery, equipment and vehicles.

The District's governmental activities and business-type activities capital assets, net of accumulated depreciation consisted of the following at June 30, 2023 and 2022:

	June 30	
	2023	2022
Land	\$ 149,550	\$ 149,550
Construction in progress	7,968,870	6,141,455
Buildings and improvements	89,584,913	88,297,745
Site and site improvements	1,822,206	2,094,345
Machinery, equipment and vehicles	5,448,648	4,439,998
Business-type	584,771	113,880
Total capital assets, net	<u>\$ 105,558,958</u>	<u>\$ 101,236,973</u>

More detailed information about the District's capital assets can be found in Note 4 to the basic financial statements.

Debt Administration and Long-term Liabilities. During the 2023 fiscal year, the District's governmental activities had outstanding long-term liabilities of \$41,910,309, of which \$5,084,904 was classified as the current portion.

At June 30, 2023 and 2022, the District's long-term liabilities consisted of:

	June 30	
	2023	2022
Bonds payable	\$ 13,135,000	\$ 15,815,000
Net pension liability	16,919,314	14,538,208
Financed Purchases	7,581,397	1,133,921
Compensated absences payable	1,369,864	1,367,215
IBNR Liability	2,903,923	3,002,219
Unamortized bond premium	811	20,273
Total long-term liabilities	<u>\$ 41,910,309</u>	<u>\$ 35,876,836</u>

More detailed information about the District's long-term liabilities and outstanding debt can be found in Note 5 to the basic financial statements.

Requests for Information

This financial report is designed to provide a general overview of the East Windsor Regional School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the School Business Administrator, 25A Leshin Lane, Hightstown, NJ, 08520.

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2023.

East Windsor Regional School District

Statement of Net Position

June 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 28,957,197	\$ 3,781,071	\$ 32,738,268
Accounts receivable	4,437,292	109,634	4,546,926
Internal Balances	205,250	(205,250)	-
Inventories	29,856	51,937	81,793
Restricted assets:			
Cash held by fiscal agent	8,426,398		8,426,398
Capital assets, non-depreciable	8,118,420	304,426	8,422,846
Capital assets, depreciable, net	96,855,767	280,345	97,136,112
Total assets	<u>147,030,180</u>	<u>4,322,163</u>	<u>151,352,343</u>
Deferred Outflows of Resources			
Deferred loss on refunding of debt	332		332
Pension deferrals	2,960,981		2,960,981
Total deferred outflows of resources	<u>2,961,313</u>		<u>2,961,313</u>
Liabilities			
Accounts payable and accrued expenses	8,961,880	119	8,961,999
Payroll deductions and withholdings payable	29,333		29,333
Unemployment claims payable	29,410		29,410
Accrued interest payable	144,956		144,956
Unearned revenue	44,513	64,067	108,580
Net pension liability	16,919,314		16,919,314
Current portion of long-term obligations	5,084,904		5,084,904
Noncurrent portion of long-term obligations	17,002,168		17,002,168
Total liabilities	<u>48,216,478</u>	<u>64,186</u>	<u>48,280,664</u>
Deferred Inflows of Resources			
Deferred gain on refunding of debt	145,344		145,344
Pension deferrals	4,404,951		4,404,951
Total deferred inflows of resources	<u>4,550,295</u>		<u>4,550,295</u>
Net Position			
Net investment in capital assets	92,111,967	584,771	92,696,738
Restricted for:			
Capital projects	104,530		104,530
Capital reserve	8,512,217		8,512,217
Maintenance reserve	2,627,910		2,627,910
Unemployment claims reserve	1,545,360		1,545,360
Student activity reserve	376,494		376,494
Scholarship reserve	50,621		50,621
Excess surplus	3,349,505		3,349,505
Unrestricted (deficit)	(11,453,884)	3,673,206	(7,780,678)
Total net position	<u>\$ 97,224,720</u>	<u>\$ 4,257,977</u>	<u>\$ 101,482,697</u>

See accompanying notes to basic financial statements.

East Windsor Regional School District

Statement of Activities

Year ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities							
Instruction							
Regular Instruction	\$ 45,597,681	\$ 580,856	\$ 1,949,893		\$ (43,066,932)		\$ (43,066,932)
Special Education Instruction	18,370,227		1,373,999		(16,996,228)		(16,996,228)
Other Special Education Instruction	7,477,654				(7,477,654)		(7,477,654)
Other Instruction	2,065,218				(2,065,218)		(2,065,218)
Support Services							
Student and Instruction Related Services	17,496,837	14,712	1,168,115		(16,314,010)		(16,314,010)
School Administration	5,956,420				(5,956,420)		(5,956,420)
Other Administration Services	3,528,482				(3,528,482)		(3,528,482)
Plant Operation and Maintenance	11,771,596			\$ 1,337,632	(10,433,964)		(10,433,964)
Pupil Transportation	6,939,218	132,387			(6,806,831)		(6,806,831)
Charter Schools	51,435				(51,435)		(51,435)
Special Schools	133,065				(133,065)		(133,065)
Interest on long-term debt	294,174				(294,174)		(294,174)
Total governmental activities	<u>119,682,007</u>	<u>727,955</u>	<u>4,492,007</u>	<u>1,337,632</u>	<u>(113,124,413)</u>		<u>(113,124,413)</u>
Business-type activities							
Food service	2,299,590	771,906	1,859,463			\$ 331,779	331,779
Kid Care	510,405	577,516				67,111	67,111
Total business-type activities	<u>2,809,995</u>	<u>1,349,422</u>	<u>1,859,463</u>			<u>398,890</u>	<u>398,890</u>
Total primary government	<u>\$ 122,492,002</u>	<u>\$ 2,077,377</u>	<u>\$ 6,351,470</u>	<u>\$ 1,337,632</u>	<u>(113,124,413)</u>	<u>398,890</u>	<u>(112,725,523)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					69,308,506		69,308,506
Property taxes, levied for debt service					2,774,659		2,774,659
Federal sources					173,041		173,041
State sources—unrestricted					54,218,339		54,218,339
Investment income					326,611	58,715	385,326
Miscellaneous					259,799		259,799
Total general revenues					<u>127,060,955</u>	<u>58,715</u>	<u>127,119,670</u>
Change in net position					13,936,542	457,605	14,394,147
Net Position—beginning					83,288,178	3,800,372	87,088,550
Net Position—ending					<u>\$ 97,224,720</u>	<u>\$ 4,257,977</u>	<u>\$ 101,482,697</u>

See accompanying notes to basic financial statements.

Fund Financial Statements

Governmental Funds

East Windsor Regional School District
Governmental Funds

Balance Sheet

June 30, 2023

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	
Assets				
Cash and cash equivalents	\$ 24,344,026	\$ 427,115		\$ 24,771,141
Accounts receivable:				
State	1,401,097		\$ 213,636	1,614,733
Federal		2,569,616		2,569,616
Other	166,784	209		166,993
Interfund	2,896,690			2,896,690
Restricted assets:				
Cash held by fiscal agent	779		8,018,991	8,019,770
Total assets	\$ 28,809,376	\$ 2,996,940	\$ 8,232,627	\$ 40,038,943
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued expenses	\$ 4,060,694	\$ 119,822		\$ 4,180,516
Payroll deductions and withholdings payable	29,333			29,333
Unemployment claims payable	29,410			29,410
Intergovernmental payables:				
State		15,368		15,368
Interfunds payable		2,390,122	\$ 128,097	2,518,219
Unearned revenue		44,513		44,513
Total liabilities	4,119,437	2,569,825	128,097	6,817,359
Fund balances:				
Restricted for:				
Excess surplus - current year	2,549,505			2,549,505
Excess surplus - prior year - designated for subsequent year's expenditures	800,000			800,000
Unemployment claims	1,545,360			1,545,360
Student activities		376,494		376,494
Scholarships		50,621		50,621
Capital reserve	8,512,217			8,512,217
Maintenance reserve	2,627,910			2,627,910
Capital projects			8,104,530	8,104,530
Assigned to:				
Designated for subsequent year's expenditures	2,430,750			2,430,750
Other purposes	6,224,197			6,224,197
Total fund balances	24,689,939	427,115	8,104,530	33,221,584
Total liabilities and fund balances	\$ 28,809,376	\$ 2,996,940	\$ 8,232,627	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$194,034,997 and the accumulated depreciation is \$89,060,810.	104,974,187
Internal service funds are used by the District to charge the costs of the District's fuel facility fund and self-insurance fund to the individual funds. The assets and liabilities of the internal service funds are included with governmental activities.	1,391,121
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(144,956)
Gains (Losses) arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the bonds.	(145,012)
Deferred pension costs in governmental activities are not financial resources and therefore are not reported in the funds.	(1,443,970)
Accrued pension contributions for the June 30, 2023 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(1,621,848)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(16,919,314)
Long-term liabilities, including bonds payable, financed purchases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(22,087,072)
Net position of governmental activities (A-1)	\$ 97,224,720

See accompanying notes to basic financial statements.

East Windsor Regional School District
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2023

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 69,308,506			\$ 2,774,659	\$ 72,083,165
Transportation fees	132,387				132,387
Tuition	580,856				580,856
Rents and royalties	41,398				41,398
Interest on investments	307,620		\$ 18,991		326,611
Miscellaneous	218,401	\$ 764,650			983,051
Total local sources	<u>70,589,168</u>	<u>764,650</u>	<u>18,991</u>	<u>2,774,659</u>	<u>74,147,468</u>
State sources	64,449,094	35,365		94,677	64,579,136
Federal sources	173,041	5,059,048			5,232,089
Total revenues	<u>135,211,303</u>	<u>5,859,063</u>	<u>18,991</u>	<u>2,869,336</u>	<u>143,958,693</u>
Expenditures					
Instruction:					
Regular instruction	28,739,994	1,949,893			30,689,887
Special education instruction	7,965,735	1,373,999			9,339,734
Other special instruction	4,863,353				4,863,353
Other instruction	1,275,790				1,275,790
Support services:					
Tuition	5,484,435				5,484,435
Student and instruction related services	11,303,398	1,182,827			12,486,225
School administration services	3,875,662				3,875,662
Other administration services	2,664,718				2,664,718
Plant operations and maintenance	9,373,716				9,373,716
Pupil transportation	5,141,581				5,141,581
Employee benefits	18,463,093				18,463,093
On-behalf pension, medical and disability contributions	19,521,709				19,521,709
On-behalf TPAF social security contributions	3,252,039				3,252,039
Capital outlay	10,212,767	1,337,632	199,656		11,750,055
Debt service:					
Principal	2,277,104			2,680,000	4,957,104
Interest	59,653			189,336	248,989
Contribution to charter schools	51,435				51,435
Total expenditures	<u>134,526,182</u>	<u>5,844,351</u>	<u>199,656</u>	<u>2,869,336</u>	<u>143,439,525</u>
Excess (Deficiency) of revenues over (under) expenditures	685,121	14,712	(180,665)		519,168
Other financing sources:					
Proceeds from lease			8,000,000		8,000,000
Assets acquired under financed purchase	719,749				719,749
Total other financing sources	<u>719,749</u>	<u>-</u>	<u>8,000,000</u>	<u>-</u>	<u>8,719,749</u>
Net change in fund balances	1,404,870	14,712	7,819,335	-	9,238,917
Fund balances, July 1	23,285,069	412,403	285,195	-	23,982,667
Fund balances, June 30	<u>\$ 24,689,939</u>	<u>\$ 427,115</u>	<u>\$ 8,104,530</u>	<u>\$ -</u>	<u>\$ 33,221,584</u>

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

See accompanying notes to basic financial statements.

East Windsor Regional School District
Governmental Funds

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

Year Ended June 30, 2023

Total net change in fund balances - governmental funds (from B-2)	\$	9,238,917
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital additions 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 asset additions exceeded depreciation expense in the period.</p>		
	Depreciation expense	\$ (4,940,090)
	Capital asset additions	<u>8,791,184</u>
		3,851,094
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. This represents the change from the prior year.</p>		
		(84,822)
<p>Governmental Funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:</p>		
	Amortization of premium on bonds	19,462
	Amortization of deferred loss on defeasance	<u>20,175</u>
		39,637
<p>The Internal Service Fund is used by the District to service and charge the cost of fuel to other funds. The activity of this fund is included in the Statement of Activities.</p>		
	Change in net position	1,885,051
	Depreciation, included above	<u>(2,366)</u>
		1,882,685
<p>Financed purchases payable and the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. These transactions, however, have no effect on net position.</p>		
	Repayment of long-term debt	2,680,000
	Payments on financed purchases	<u>2,272,273</u>
		4,952,273
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (sick and vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).</p>		
		(2,649)
<p>Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
	Pension expense	<u>2,779,156</u>
Change in net position of governmental activities (A-2)	\$	<u>13,936,542</u>

See accompanying notes to basic financial statements.

Proprietary Funds

East Windsor Regional School District
Proprietary Funds

Statement of Net Position

June 30, 2023

	Major Funds			Nonmajor Funds		
	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds		
	Food Service	Kid Care	Totals	Fueling Facility	Self Insurance	Totals
Assets						
Current assets:						
Cash and cash equivalents	\$ 3,094,085	\$ 686,986	\$ 3,781,071		\$ 4,186,056	\$ 4,186,056
Accounts receivable:						
State	4,286		4,286			
Federal	105,348		105,348			
Other				\$ 68,487	17,463	85,950
Inventories	51,937		51,937	29,856		29,856
Restricted assets:						
Cash held by fiscal agent					406,628	406,628
Total current assets	3,255,656	686,986	3,942,642	98,343	4,610,147	4,708,490
Noncurrent assets:						
Construction in progress	304,426		304,426			
Equipment	777,604		777,604	67,380		67,380
Accumulated depreciation	(497,259)		(497,259)	(43,038)		(43,038)
Total capital assets, net	584,771	-	584,771	24,342		24,342
Total assets	3,840,427	686,986	4,527,413	122,685	4,610,147	4,732,832
Liabilities						
Current liabilities:						
Accounts payable		119	119		240,225	240,225
Accrued liability for insurance claims					2,903,923	2,903,923
Interfund payable	205,250		205,250	173,221		173,221
Unearned revenue	58,867	5,200	64,067			
Total current liabilities	264,117	5,319	269,436	173,221	3,144,148	3,317,369
Total liabilities	264,117	5,319	269,436	173,221	3,144,148	3,317,369
Net Position						
Investment in capital assets	584,771		584,771	24,342		24,342
Unrestricted (deficit)	2,991,539	681,667	3,673,206	(74,878)	1,465,999	1,391,121
Total net position	\$ 3,576,310	\$ 681,667	\$ 4,257,977	\$ (50,536)	\$ 1,465,999	\$ 1,415,463

See accompanying notes to basic financial statements.

East Windsor Regional School District
Proprietary Funds

Statements of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2023

	Major Funds			Nonmajor Funds		
	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds		
	Food Service	Kid Care	Totals	Fueling Facility	Self Insurance	Totals
Operating revenues:						
Local sources:						
Daily sales reimbursable programs	\$ 493,155		\$ 493,155			
Daily sales non-reimbursable programs	278,751		278,751			
Tuition		\$ 577,516	577,516			
Charges for services - district contributions					\$ 14,209,000	\$ 14,209,000
Charges for services - employee contributions					2,357,281	2,357,281
Charges for services				\$ 571,450		571,450
Total operating revenues	771,906	577,516	1,349,422	571,450	16,566,281	17,137,731
Operating expenses						
Salaries	743,423	435,651	1,179,074			
Employee benefits	231,403	31,107	262,510			
Purchased professional services		23,413	23,413	61,489		61,489
Management and admin services	175,113		175,113			
Supplies and materials	139,403	20,234	159,637	635,195		635,195
Depreciation	62,618		62,618	2,366		2,366
Cost of sales - non-reimbursable programs	52,079		52,079			
Cost of sales - reimbursable programs	816,084		816,084			
Insurance claims					13,350,561	13,350,561
Other objects					1,687,057	1,687,057
Equipment	19,918		19,918			
Loss on disposal	30,774		30,774			
Miscellaneous	28,775		28,775			
Total operating expenses	2,299,590	510,405	2,809,995	699,050	15,037,618	15,736,668
Operating (loss) income	(1,527,684)	67,111	(1,460,573)	(127,600)	1,528,663	1,401,063
Non-operating revenues:						
Interest and investment revenue	58,715		58,715		71,819	71,819
Reinsurance reimbursements					412,169	412,169
State sources:						
State school lunch program	50,219		50,219			
School breakfast program	3,784		3,784			
Federal sources:						
School breakfast program	142,766		142,766			
National school lunch program	1,114,390		1,114,390			
HHFKA	34,310		34,310			
COVID-19 Pandemic electronic benefit transfer	3,256		3,256			
Food donation program	267,353		267,353			
COVID-19 Supply Chain Assistance	243,385		243,385			
Total nonoperating revenues	1,918,178		1,918,178		483,988	483,988
Change in net position	390,494	67,111	457,605	(127,600)	2,012,651	1,885,051
Total net position (deficit) - beginning	3,185,816	614,556	3,800,372	77,064	(546,652)	(469,588)
Total net position (deficit) - ending	\$ 3,576,310	\$ 681,667	\$ 4,257,977	\$ (50,536)	\$ 1,465,999	\$ 1,415,463

See accompanying notes to basic financial statements.

East Windsor Regional School District
Proprietary Funds

Statement of Cash Flows

Year Ended June 30, 2023

	Major Funds			Nonmajor Funds		
	Business-Type Activities -			Governmental Activities -		
	Enterprise Funds			Internal Service Funds		
	Food Service	Kid Care	Total	Fueling Facility	Self Insurance	Total
Cash flows from operating activities:						
Receipts from customers	\$ 788,560	\$ 583,974	\$ 1,372,534	\$ 566,963		\$ 566,963
Receipts from services provided					\$ 16,548,830	16,548,830
Payments for insurance claims					(13,699,620)	(13,699,620)
Payments to employees	(743,423)	(466,758)	(1,210,181)			
Payments for benefits	(231,403)	(43,528)	(274,931)			
Payments to suppliers	(1,338,379)		(1,338,379)	(651,050)	(1,446,832)	(2,097,882)
Net cash (used in) provided by operating activities	<u>(1,524,645)</u>	<u>73,688</u>	<u>(1,450,957)</u>	<u>(84,087)</u>	<u>1,402,378</u>	<u>1,318,291</u>
Cash flows from noncapital financing activities:						
Cash received from state and federal sources	1,998,593		1,998,593			
Stop loss insurance proceeds					412,169	412,169
Transfer from other funds				84,087		84,087
Net cash provided by noncapital financing activities	<u>1,998,593</u>		<u>1,998,593</u>	<u>84,087</u>	<u>412,169</u>	<u>496,256</u>
Cash flows from capital and related financing activities						
Purchase of capital assets	(359,033)		(359,033)			
Net cash (used in) capital and related financing activities	<u>(359,033)</u>		<u>(359,033)</u>	-	-	-
Cash flows from investing activity:						
Interest received	58,715		58,715		71,819	71,819
Net cash provided by investing activity	<u>58,715</u>		<u>58,715</u>		<u>71,819</u>	<u>71,819</u>
Net increase in cash and cash equivalents	173,630	73,688	247,318	-	1,886,366	1,886,366
Cash and cash equivalents, beginning of year	2,920,455	613,298	3,533,753	-	2,299,690	2,299,690
Cash and cash equivalents, end of year	<u>\$ 3,094,085</u>	<u>\$ 686,986</u>	<u>\$ 3,781,071</u>	<u>\$ -</u>	<u>\$ 4,186,056</u>	<u>\$ 4,186,056</u>
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:						
Operating (loss) income	\$ (1,527,684)	\$ 67,111	\$ (1,460,573)	\$ (127,600)	\$ 1,528,663	\$ 1,401,063
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:						
Depreciation	62,618		62,618	2,366		2,366
Loss on disposal	30,774		30,774			
Change in assets and liabilities:						
Decrease (Increase) in other accounts receivable		2,233	2,233	(4,487)	(17,451)	(21,938)
Decrease in inventory	14,253		14,253	45,634		45,634
(Decrease) Increase in accounts payable	(132,875)	119	(132,756)		10,225	10,225
(Decrease) in accrued liability for insurance claims					(98,296)	(98,296)
(Increase) in restricted cash					(20,763)	(20,763)
Increase in unearned revenue	28,269	4,225	32,494			
Net cash (used in) provided by operating activities	<u>\$ (1,524,645)</u>	<u>\$ 73,688</u>	<u>\$ (1,450,957)</u>	<u>\$ (84,087)</u>	<u>\$ 1,402,378</u>	<u>\$ 1,318,291</u>

Noncash noncapital financing activities:

The District received \$261,546 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2023.

See accompanying notes to basic financial statements.

East Windsor Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2023

1. Summary of Significant Accounting Policies

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

The more significant of the District's accounting policies are disclosed below:

A. Reporting Entity

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

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

The District, as the primary government for financial reporting entity purposes, has oversight responsibility and control over all activities related to the East Windsor Regional School District. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

The District has reported the following major governmental funds:

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

Special Revenue Fund: The District maintains one special revenue fund, which includes the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes, other than debt service or capital projects.

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

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

The District reports the following proprietary funds:

Food Service Enterprise Fund: The food service enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. This 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 or other entities on a continuing basis are financed or recovered primarily through user charges.

Kid Care Enterprise Fund: This fund accounts for the revenues and expenses pertaining to the District's extended day care program.

Fueling Facility Internal Service Fund: The District's internal service fund provides services and fuel for the District's vehicles, and certain limited outside parties through shared service agreements.

Self-Insurance Internal Service Fund: The self-insurance fund is used to record the activity of the District's self insured health insurance program expenses.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

As a general rule the effect of internal activity has been eliminated from the government-wide financial statements.

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

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

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

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

The County Board of Taxation is responsible for the assessment of properties and the Township of East Windsor and Borough of Hightstown Tax Collectors are responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds and submitted to the county office. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referred in N.J.A.C. 6A:23.

All budget amendments must be approved by School Board resolution and certain others require approval by the County Superintendent of Schools. Budgetary transfers were made during the current year in accordance with statutory guidelines. The amendments made by the District were part of the normal course of operations.

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition in the general fund of the last state aid payments for budgetary purposes and the treatment of encumbrances in 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.

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

E. Cash, Cash Equivalents and Investments

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

Investments are stated at fair value in accordance with the GASB. The District 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 and are stated at cost. All other investments are stated at fair value.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

F. Interfund Receivables/Payables

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

G. Inventories

Inventories that benefit future periods, other than those recorded in the proprietary fund, are recorded as an expenditure during the year of purchase.

Proprietary funds inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. At June 30, 2023, the unused Food Donation Program commodities of \$9,406 are reported as unearned revenue in the food service enterprise fund.

H. Capital Assets

Capital assets, which include land, construction in progress, site and site improvements, buildings and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their acquisition value on the date of acquisition.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Capital assets, being depreciated, of the District are depreciated using the straight-line method. The following estimated useful lives are used to compute depreciation:

	<u>Years</u>
Machinery and equipment	2-20
Buildings	40
Building improvements	20
Vehicles	5-10

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

I. Compensated Absences

A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. The District uses the “vesting method” for estimating its accrued sick and vacation leave liability.

District employees earn vacation and sick leave in varying amounts under the District’s existing collective bargaining agreements. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, a liability existed for compensated absences in the government-wide financial statements in the amount of \$1,369,864 and no liability existed for compensated absences in the proprietary fund types.

J. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category, including deferred gain from the refunding of debt and deferred amounts related to pensions.

K. Long-Term Obligations

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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

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

L. Deferred Gain/Loss on Defeasance of Debt

Deferred gains and losses on defeasance of debt arising from the issuance of refunding bonds are recorded as a deferred outflows and inflows of resources. They are amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. As of June 30, 2023, the District has reported an unamortized loss on the refunding of debt balance of \$332 as a deferred outflow of resources and \$145,344 gain on the refunding of debt as a deferred inflow of resources. Amortization expense for the year ended June 30, 2023 was \$20,175.

M. Unearned Revenue

Unearned revenue in the general fund and special revenue fund represents cash which has been received but not yet earned. Unearned revenue in the food service enterprise fund represents unused food donation commodities and student deposits made for the use of purchasing food in a future period. Unearned revenue in the Kid Care Enterprise Fund represents cash which has been received but not yet earned.

N. Net Position

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

O. Fund Balances

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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

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

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

Of the \$24,689,939 of fund balances in the General Fund, \$6,224,197 is assigned to other purposes, \$800,000 has been classified as restricted excess surplus – prior year – designated for subsequent year's expenditures, \$2,549,505 has been classified as restricted excess surplus – current year, \$11,140,127 has been classified as restricted for maintenance reserve and capital reserve in the amounts of \$2,627,910 and \$8,512,217, respectively, \$1,545,360 has been classified as restricted for unemployment claims, \$2,430,750 is assigned to designated for subsequent year's expenditures.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

Of the \$427,115 of fund balances in the Special Revenue Fund, \$376,494 is classified as restricted for student activities and \$50,621 is classified as restricted for scholarships.

All of the fund balance in the Capital Projects Fund of \$8,104,530 is restricted for capital projects.

P. Management Estimates

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

Q. On-Behalf Payments

Revenues and expenditures of the general fund include payments made or reimbursed by the State of New Jersey for social security and post-retirement medical and pension contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension contributions in the government-wide financial statements have been decreased by \$10,197,373 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

R. Calculation of Excess Surplus

The designation for restricted fund balance - excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve fund balance of the General Fund at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District has excess fund balance at June 30, 2023 in the amount of \$3,349,505. Of this amount, \$800,000 has been appropriated in the 2023/24 budget and the remaining \$2,549,505, which was generated during the 2023 fiscal year, will be appropriated in the 2024/25 budget.

S. GASB Pronouncements

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* in May 2020. This Statement provides guidance on accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has reviewed the requirements of GASB Statement No. 96 and deemed the impact immaterial to the financial statements.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

The GASB issued Statement No. 99, *Omnibus 2022* in April 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has reviewed the requirements of GASB Statement No. 99 and deemed the impact immaterial to the financial statements.

The GASB issued Statement No. 101, *Compensated Absences* in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023. Management has not determined the impact of the Statement on the financial statements.

T. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2023 and March 29, 2024, the date that the financial statements were available for issuance. The effect of those events and transactions that provide additional pertinent information about conditions that existed at the balance sheet and statement of net position date, have been recognized in the accompanying financial statements. The following has been identified:

On February 5, 2024, the District received a grant in the amount of \$1,240,000 for the purchase of electric buses and installation of charging stations.

2. Reconciliation of Government-Wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable, unamortized premiums, financed purchases payable and compensated absences payable are not due and payable in the current period and therefore are not reported in the funds.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

2. Reconciliation of Government-Wide and Fund Financial Statements (continued)

The details of this \$22,087,072 difference are as follows:

Bonds payable	\$	13,135,000
Premium on bonds		811
Financed purchases payable		7,581,397
Compensated absences payable		1,369,864
Net adjustment to reduce fund balance-total governmental funds to arrive at net position - governmental activities	\$	<u>22,087,072</u>

3. Deposits and Investments

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

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit Insurance Corporation, 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 and the New Jersey Asset and Rebate 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.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

3. Deposits and Investments (continued)

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.

The District's cash and cash equivalents are classified below to inform financial statement users about the extent to which the District's deposits and investments are exposed to custodial credit risk.

At June 30, 2023 the carrying amount of the District's deposits was \$32,738,268 and the bank balance was \$37,043,727 (not including mutual funds). Of the bank balance, \$250,000 of the District's cash deposits on June 30, 2023 was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$37,919,920. \$626,193 held in the District's agency accounts are not covered by GUDPA. The District also has \$8,426,398 of funds held with fiscal agent at June 30, 2023 related to scholarship funds held by the State of New Jersey and advance deposits held by the insurance carrier on behalf of the District.

Pursuant to GASB Statement No. 40, *Deposit and Investment Risk Disclosures* ("GASB 40"), the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. The District does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the District's deposits were fully collateralized by funds held by financial institutions, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

3. Deposits and Investments (continued)

Investments

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

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

Custodial Credit Risk: All of the District's investments are uncollateralized. Pursuant to GASB 40, the NJCMF, which is a pooled investment, is exempt from custodial credit risk exposure. The District does not have a policy for custodial credit risk for its investment.

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

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer.

Interest Rate Risk: The District does not have a policy to limit interest rate risk, however, its practice is typically to invest in investments with short maturities.

The District had no investments at June 30, 2023.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

4. Capital Assets

The following is a summarization of the governmental activities changes in capital assets for the fiscal year ended June 30, 2023:

	Beginning Balance		Increases	Transfers/ Dispositions	Ending Balance
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 149,550				\$ 149,550
Construction in progress	6,141,455	\$ 7,061,221		\$ (5,233,806)	7,968,870
Total capital assets, not being depreciated	6,291,005		7,061,221	(5,233,806)	8,118,420
Capital assets, being depreciated					
Site and site improvements	5,978,152				5,978,152
Buildings and building improvements	158,682,756			5,233,806	163,916,562
Machinery, equipment, and vehicles	14,224,520		1,729,963		15,954,483
Machinery, equipment - Internal Service	67,380				67,380
Total capital assets being depreciated	178,952,808		1,729,963	5,233,806	185,916,577
Less accumulated depreciation for:					
Site and site improvements	3,883,807		272,139		4,155,946
Buildings and building improvements	70,385,011		3,946,638		74,331,649
Machinery, equipment, and vehicles	9,811,230		718,947		10,530,177
Machinery, equipment - Internal Service	40,672		2,366		43,038
Total accumulated depreciation	84,120,720		4,940,090	-	89,060,810
Total capital assets being depreciated, net	94,832,088		(3,210,127)	5,233,806	96,855,767
Governmental activities capital assets, net	\$ 101,123,093	\$ 3,851,094		\$ -	\$104,974,187

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

4. Capital Assets (continued)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 1,902,014
Special Education Instruction	578,833
Other Special Instruction	301,408
Other Instruction	79,067
Student and Instruction Related Services	773,837
School Administration Services	240,195
Other Administration Services	165,147
Plant Operations and Maintenance	580,939
Pupil Transportation	318,650
	<u>\$ 4,940,090</u>

The following is a summarization of the business-type activities changes in capital assets for the fiscal year ended June 30, 2023:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Construction in progress	-	\$ 304,426	-	\$ 304,426
Total capital assets, not being depreciated	-	304,426	-	304,426
Capital assets, being depreciated:				
Equipment	\$ 1,123,626	259,857	\$ (605,879)	777,604
Less accumulated depreciation for:				
Equipment	(1,009,746)	(62,618)	575,105	(497,259)
Total business-type activities capital assets, net	<u>\$ 2,133,372</u>	<u>\$ 501,665</u>	<u>\$ (30,774)</u>	<u>\$ 584,771</u>

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

5. Long-Term Liabilities

During the fiscal year ended June 30, 2023, the following changes occurred in long-term liabilities:

	Beginning			Ending	Due within
	Balance	Additions	Reductions	Balance	One Year
Governmental activities:					
Compensated absences payable	\$ 1,367,215	\$ 130,365	\$ 127,716	\$ 1,369,864	\$ 173,625
Bonds payable	15,815,000		2,680,000	13,135,000	2,640,000
Premium on bonds	20,273		19,462	811	811
Financed purchases payable	1,133,921	8,719,749	2,272,273	7,581,397	2,270,468
Subtotal	18,336,409	8,850,114	5,099,451	22,087,072	5,084,904
Net pension liability	14,538,208	2,381,106		16,919,314	
IBNR liability	3,002,219	13,864,677	13,962,973	2,903,923	
Total governmental activities					
long-term liabilities	\$ 35,876,836	\$ 25,095,897	\$ 19,062,424	\$ 41,910,309	\$ 5,084,904

The District expects to liquidate the balance in compensated absences with payments made from the District's general fund. Financed purchases payable will be liquidated with payments from the general fund. Bonds payable will be liquidated with payments from the debt service fund. The net pension liability will be liquidated with payments from the general fund. The IBNR liability will be liquidated with payments from the self-insurance internal service fund.

Bonds Payable

Bonds are authorized in accordance with State law or by the voters of the municipalities through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are direct general obligation bonds. The principal and interest of these bonds will be paid from the debt service fund as required by New Jersey statutes.

Bonds payable at June 30, 2023 are comprised of the following issues:

\$3,280,000, 2015 refunding bonds, with the final installment of \$375,000 due on July 15, 2023 at an interest rate of 3.00%. These bonds were issued to provide resources to refund a portion of the District's outstanding debt. As of June 30, 2023, none of the defeased debt remains outstanding.

\$15,320,000, 2021 refunding bonds, due in annual installments ranging from \$1,970,000 to \$2,265,000 through March 1, 2029 at interest rates ranging from 0.80% to 1.80%. These bonds were issued to provide resources to refund a portion of the District's outstanding debt. As of June 30, 2023, none of the defeased debt remains outstanding.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

5. Long-Term Liabilities (continued)

Principal and interest due on all bonds outstanding at June 30, 2023 are as follows:

	Principal	Interest	Total
Fiscal year ending June 30:			
2024	\$ 2,640,000	\$ 164,281	\$ 2,804,281
2025	2,235,000	141,419	2,376,419
2026	2,155,000	119,405	2,274,405
2027	2,105,000	95,592	2,200,592
2028	2,030,000	66,627	2,096,627
2029	1,970,000	35,243	2,005,243
	\$ 13,135,000	\$ 622,567	\$ 13,757,567

Financed Purchases

Governmental Funds

During the 2023 fiscal year, the District entered into a financed purchase with JP Morgan, in the amount of \$8,000,000 with an interest rate of 2.37%. During the 2023 fiscal year, the District entered into a financed purchase with Apple Financial Services, in the amount of \$719,749 with an interest rate of 0%. During the 2021 fiscal year, the District entered into a financed purchase with TD Equipment Finance, Inc., in the amount of \$1,965,000 with an interest rate of 0.10%. During the 2020 fiscal year, the District entered into a financed purchase with Apple Financial Services, in the amount of \$500,786 with an interest rate of 0%.

The following is a schedule of the future payments at June 30, 2023:

Fiscal Year	Amounts
Year Ending June 30:	
2024	\$ 2,426,257
2025	1,927,209
2026	1,927,209
2027	1,687,293
Total minimum payment	7,967,968
Less amount representing interest	386,571
Present value of net future minimum payments	\$ 7,581,397

Bonds Authorized But Not Issued

As of June 30, 2023, the District does not have any authorized but not issued bonds.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

6. Pension Plans

Description of Systems

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

Teachers' Pension and Annuity Fund

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

Public Employees' Retirement System

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full-time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

6. Pension Plans (continued)

calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

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

Funding Policy

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

During the year ended June 30, 2023, the State of New Jersey contributed \$19,521,709 to the TPAF for post-retirement medical benefits and other pension costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$3,252,039 during the year ended June 30, 2023 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the government-wide and fund financial statements.

The Board's actuarially determined contributions to PERS for each of the years ended June 30, 2023, 2022, and 2021 were \$1,413,792, \$1,437,212, and \$1,354,533, respectively, equal to the required contributions for each year.

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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

6. Pension Plans (continued)

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

Public Employees' Retirement System (PERS)

At June 30, 2023, the District reported a liability of \$16,919,314 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 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 school districts, actuarially determined. At June 30, 2022, the District's proportion was 0.1125603702 percent, which was a decrease of 0.0101611812 from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized full accrual pension benefit of \$1,360,633 in the government-wide financial statements. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Changes of assumptions	\$ 52,421	\$ 2,533,491
Difference between expected and actual experience	122,116	107,689
Net difference between projected and actual earnings on pension plan investments	700,275	
Changes in proportion and differences between District contributions and proportionate share of contributions	464,321	1,763,771
District contributions subsequent to the measurement date	1,621,848	
	<u>\$ 2,960,981</u>	<u>\$ 4,404,951</u>

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

6. Pension Plans (continued)

\$1,621,848 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2024	\$	(1,666,434)
2025		(1,082,353)
2026		(693,606)
2027		356,408
2028		20,167
	\$	<u>(3,065,818)</u>

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 included in the measurement:

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%

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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

6. Pension Plans (continued)

Mortality Rates

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 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 expecting future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US 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 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 Mitigation Strategies	3.00%	4.91%
	100.00%	

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

6. Pension Plans (continued)

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

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

The following presents the District's proportionate share of the net pension liability as of June 30, 2022 calculated using the discount rate as disclosed on the previous page 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
State's proportionate share of the net pension liability associated with the District	\$ 21,736,362	\$ 16,919,314	\$ 12,819,812

Pension Plan Fiduciary Net Position

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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

6. Pension Plans (continued)

Additional Information

Collective balances of the local group at June 30, 2022 are as follows:

Deferred outflows of resources	\$ 1,660,772,008
Deferred inflows of resources	\$ 3,236,303,935
Net pension liability	\$ 15,219,184,920
District's Proportion	0.1125603702%

Collective pension (benefit) for the Local Group for the measurement period ended June 30, 2022 is (\$1,032,778,934).

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2022, 2021, 2020, 2019, 2018, 2017 and 2016 is 5.04, 5.13, 5.16, 5.21, 5.63, 5.48, and 5.57 years, respectively.

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

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer 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 non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2022 was \$195,301,905. The District's proportionate share was \$0.

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 State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State's proportionate share of the TPAF net pension liability associated with the District was 0.3785330294 percent, which was an increase of 0.0101297651 from its proportion measured as of June 30, 2021.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

6. Pension Plans (continued)

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$10,197,373 for contributions incurred by the State.

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

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

Mortality Rates

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

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Divisions 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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

6. Pension Plans (continued)

which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage by adding expected inflation.

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>
US 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 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 Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

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 will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2022 calculated using the discount rate as disclosed above as well as

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

6. Pension Plans (continued)

what the State’s proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	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	\$ 228,995,634	\$ 195,301,905	\$ 166,919,172

Pension plan fiduciary net position

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

Additional Information

Collective balances of the local group at June 30, 2022 are as follows:

Deferred outflows of resources	\$ 4,996,491,160
Deferred inflows of resources	\$ 1,953,696,776
Net pension liability	\$ 51,594,415,806
District's Proportion	0.3785330294%

Collective pension expense-Local Group for the plan for the measurement period ended June 30, 2022 is \$1,424,884,581.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2022, 2021, 2019, 2018, 2017, 2016, and 2015 is 7.83, 7.93, 8.04, 8.29, 8.30, 8.30, and 8.30 years, respectively.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

7. Post-Retirement Benefits

General Information about the OPEB Plan

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

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen’s Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 15:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L. 1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

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

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

7. Post-Retirement Benefits (continued)

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

The State is legally required to pay for the OPEB benefit coverage for participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a Fiscal Year 2022 total OPEB liability of \$50,646,462,966 for this special funding situation.

The State's contributions to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2023, 2022 and 2021 were \$4,059,595, \$3,692,163, and \$3,419,898, respectively, which equaled the required contributions for each year.

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

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

Total OPEB Liability

The Nonemployer OPEB liability from the State of New Jersey's plan is \$50,646,462,966

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

7. Post-Retirement Benefits (continued)

Changes in Total Non-employee OPEB Liability

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2022:

	Total OPEB Liability
Beginning Total OPEB Liability, June 30, 2021	\$ 212,231,046
Charges for the year:	
Service cost	9,905,527
Interest	4,774,858
Difference between actual and expected	6,176,055
Changes in assumptions or other inputs	(48,333,775)
Member contributions	151,729
Benefit payments	(4,729,638)
Net changes	(32,055,244)
Ending Total OPEB Liability, June 30, 2022	\$ 180,175,802

Employees covered by benefit terms

The following employees were covered by the benefit terms:

Local Education Group	June 30, 2022
Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	151,669
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	364,817

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective total OPEB liability on the Statement of Net Position. The State's proportionate share of the total OPEB liability associated with the District as of June 30, 2022 was \$180,175,802. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

7. Post-Retirement Benefits (continued)

Actuarial assumptions and other inputs

The total non-employer OPEB liability in the June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022 and included in the June 30, 2022 audited financial statements of the State Health Benefit Local Education Retired Employees Plan. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	TPAF	PERS
Inflation rate	2.50%	2.50%
Salary increases:		
Through 2026	2.75 - 4.25%	2.75 - 6.55%
	based on years of service	based on years of service

Mortality Rates

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. 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 was based on the Pub-2010 "General" (PERS) and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the actual experience studies for the periods July 1, 2018 to June 30, 2021.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

7. Post-Retirement Benefits (continued)

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-64 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 trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

The following represents sensitivity of total non-employer OPEB liability to changes in the discount rate and health care cost rate

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2022 calculated using a discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	At 1% decrease (2.54%)	At current discount rate (3.54%)	At 1% increase (4.54%)
Total OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 211,777,702	\$ 180,175,802	\$ 154,848,459

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2022 calculated using a healthcare cost trend rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	At 1% decrease	At Healthcare Cost Trend Rates	At 1% increase
Total OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 148,926,313	\$ 180,175,802	\$ 221,223,903

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

For the year ended June 30, 2023, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$10,197,373 for OPEB expenses incurred by the State.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

7. Post-Retirement Benefits (continued)

Collective balances of the Local Education Group at June 30, 2022 are as follows:

Deferred outflows of resources	\$	20,104,625,333
Deferred inflows of resources	\$	34,996,842,046
Collective OPEB Expense	\$	1,595,653,562
District's Proportion		0.36%

Special Funding Situation

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

8. Interfund Receivables and Payables

The total interfund accounts receivable and payable for the District at June 30, 2023 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 2,896,690	
Special Revenue Fund		\$ 2,390,122
Capital Projects Fund		128,097
Enterprise Fund - Food Service		205,250
Internal Service Fund - Fueling Facility		173,221
	\$ 2,896,690	\$ 2,896,690

The interfund receivable in the General Fund of \$2,896,690 is comprised of an interfund payable from the special revenue fund in the amount of \$2,390,122, capital projects fund in the amount of \$128,097, enterprise fund-food service in the amount of \$205,250 and internal service fund – fueling facility in the amount of \$173,221, which represent short-term loans to provide the funds with sufficient cash flow until cash is received for accounts receivable.

All interfunds are expected to be repaid within one year.

9. Economic Dependency

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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

10. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2023 may be impaired. As a result of the impact of COVID-19, the District has received funding under the Elementary and Secondary School Emergency Relief (ESSER) Fund, American Rescue Plan Act (ARP) and the Coronavirus Relief Fund (CRF). To the extent that the District has not complied with the rules and regulations governing the ESSER and CRF funds, money may be required to be returned. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations or final eligible cost requirements governing the respective grants or funding; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

In addition, the District received funding from the New Jersey Schools Development Authority (NJSDA), in connection with certain approved projects. The costs associated with the funding received from the NJSDA are subject to a final review of eligible costs and compliance by the New Jersey Department of Education and the NJSDA. To the extent that the District has not complied with the rules and regulations governing the NJSDA funds or has not met the final eligible costs requirement, refunds of any money received may be required.

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

11. Risk Management

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

Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds and does not retain risk of loss. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverages over the past three years. A complete schedule of insurance coverage can be found in the statistical section of this report.

The District participates in the NJSBA Insurance Group and public entity risk pool. The risk pool provides its members with the following coverages:

- | | |
|---------------------------------------|----------------------------------|
| Property – Blanket Building & Grounds | General and Automobile Liability |
| Boiler and Machinery | Workers' Compensation |
| School Board Legal Liability | Crime Coverage |

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

11. Risk Management (continued)

Self-Insurance

The District is self-insured for medical, prescription and dental benefits and established an internal service fund in the June 30, 2022 fiscal year to account for its self-insurance activities. At June 30, 2023, the accrued liability for unpaid medical, prescription and dental claims of \$2,903,923 has been recorded in the internal service fund financial statements for Incurred But Not Reported Claims (IBNR), which is subject to modification and/or assessment of existing or additional claims. The medical, prescription, and dental benefits IBNR liability has been calculated by an actuary contracted by the District’s claims administrator. The actuary utilized a 21% margin to estimate the liabilities.

Changes in the Incurred But Not Reported claims liability amount for the current and prior year was:

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2022-2023	\$ 3,002,219	\$ 13,864,677	\$ 13,962,973	\$ 2,903,923
2021-2022		11,182,473	8,180,254	3,002,219

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method.” Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The District’s withholdings are recorded in the Unemployment Compensation Reserve in the general fund.

12. Deferred Compensation Plans

The Board offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts unearned under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Aetna/ING Direc	American Century	Ameriprise Financial	AIMInvestments
AXA Equitable	H.C. Copeland/Metlife #64	Fidelity	Valic
Janus Group	Lincoln Financial	Lincoln Investment	Prudential
NEA/Security Benefit	Oppenheimer	Metlife Annuity #78	Putnam
Travelers/Metlife #79	United Way	USAA Life	Vanguard
Great American/Galic			

Participant’s rights under the plans are equal to those of general creditors in an amount equal to the fair market value of the deferred account of each participant. The District has no liability for losses under the plan.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

13. Maintenance Reserve Account

A maintenance reserve account was established by the District by way of a Board approved resolution on June 8, 2009 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP).

Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line – item appropriation amounts, or both. The District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The balance in the maintenance reserve at June 30, 2023 was \$2,627,910, and there was no activity in the current year.

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2023. The District has not budgeted any of the June 30, 2023 maintenance reserve balance in its 2023-24 fiscal year budget.

14. Capital Reserve Account

A capital reserve account was established by the District in July 1, 2001, by way of a Board resolution, and issued for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

14. Capital Reserve Account (continued)

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

Beginning balance July 1, 2022	\$ 8,244,134
Withdrawals:	
Capital Outlay – Budgeted Withdrawal	(2,800,000)
Deposits:	
Interest earned on capital reserve funds	68,083
Deposit into Capital Reserve (June 2023 Board Resolution)	3,000,000
Ending balance, June 30, 2023	\$ 8,512,217

The June 30, 2023 long-range facility plan (LRFP) balance of local support costs of uncompleted projects exceeds the amount set aside in the capital reserve. The District has budgeted \$1,369,250 of the June 30, 2023 capital reserve balance in its 2023-24 fiscal year budget.

15. Commitments

The District has contracts with several vendors for goods and services that have not been received as of June 30, 2023. These encumbrances, in the amount of \$7,274,086, are recorded as part of the assigned to other purposes on the general fund balance sheet.

During the 2023 fiscal year, the New Jersey Department of Labor has been delayed in issuing bills to New Jersey governmental units and as such the District has not been billed for any quarters during the fiscal year. Unemployment claims for the fiscal year cannot be estimated, however, it is expected that the Federal Government, through the CARES Act will reimburse the State of New Jersey between 50 and 75 percent of all claims incurred. Since the District has not received a bill related to fiscal year 2023, and the amounts due are not known, no provision has been made in the District’s financial statements for any liability.

16. Net Position - Net Investment in Capital Assets

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$92,111,967 indicated as part of the Governmental Activities net position is calculated as follows:

Capital assets, net of depreciation	\$ 104,974,187
Bonds payable (used to build or acquire capital assets)	(13,135,000)
Unamortized premium	(811)
Financed purchases payable	(7,581,397)
Deferred gain on defeasance of debt	(145,012)
Unexpended lease proceeds	8,000,000
Total net investment in capital assets	\$ 92,111,967

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

17. Tax Abatements

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

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

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

East Windsor Township recognized revenue of \$999,760 in 2023 from the annual service charge in lieu of payment of taxes and taxes that otherwise would have been due on these long-term tax exemptions amount to \$2,037,687, based upon the assessed valuations of the long-term tax exemptions properties. A portion of the \$1,037,927 abatement would have been allocated to the District. Hightstown Borough does not currently have any such long-term tax exemptions in place.

18. Deficit Fund Balance

The District had a deficit net position of \$50,536 in the Fueling Facility Internal Service Fund as of June 30, 2023 as reported in the fund financial statements. The District has instituted a plan to fund this deficit from the General Fund budget over the next year.

Required Supplementary Information – Part II

**Schedules Related to Accounting and Reporting for
Pensions (GASB 68) and Other Post-Employment
Benefits Other Than Pensions (GASB 75)**

East Windsor Regional School District
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System
 Required Supplementary Information

Last Ten Fiscal Years

	Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset) - Local Group	0.1125603702%	0.1227215514%	0.1238203338%	0.1215957017%	0.1189222327%	0.1144046609%	0.1187251190%	0.1176478520%	0.1180527689%	0.1139395185%
District's proportionate share of the net pension liability (asset)	\$ 16,919,314	\$ 14,538,208	\$ 20,191,858	\$ 21,909,701	\$ 23,415,195	\$ 26,631,576	\$ 35,162,975	\$ 26,409,585	\$ 22,102,707	\$ 21,776,106
District's covered-employee payroll	\$ 8,089,639	\$ 8,517,539	\$ 8,874,466	\$ 8,696,143	\$ 8,291,053	\$ 8,047,029	\$ 7,900,026	\$ 8,106,472	\$ 8,075,037	\$ 7,919,559
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	209.15%	170.69%	227.53%	251.95%	282.42%	330.95%	445.10%	325.78%	273.72%	274.97%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

East Windsor Regional School District
 Schedule of District Contributions
 Public Employees' Retirement System
 Required Supplementary Information

Last Ten Fiscal Years

	Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,413,792	\$ 1,437,212	\$ 1,354,533	\$ 1,182,892	\$ 1,059,837	\$ 1,054,737	\$ 1,046,372	\$ 1,021,477	\$ 983,231	\$ 868,532
Contributions in relation to the contractually required contribution	(1,413,792)	(1,437,212)	(1,354,533)	(1,182,892)	(1,059,837)	(1,054,737)	(1,046,372)	(1,021,477)	(983,231)	(868,532)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 9,489,732	\$ 8,089,639	\$ 8,517,539	\$ 8,874,466	\$ 8,696,143	\$ 8,291,053	\$ 8,047,029	\$ 7,900,026	\$ 8,106,472	\$ 8,075,037
Contributions as a percentage of covered-employee payroll	14.90%	17.77%	15.90%	13.33%	12.19%	12.72%	13.00%	12.93%	12.13%	10.76%

See accompanying notes to required supplementary information.

East Windsor Regional School District
 Schedule of the State's Proportionate Share of the Net Pension
 Liability Associated with the District
 Teachers' Pension and Annuity Fund
 Required Supplementary Information

Last Ten Fiscal Years*

	Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.3785330294%	0.3684032643%	0.3698467189%	0.3605261060%	0.3553317756%	0.3697162402%	0.3616411567%	0.3588673050%	0.3524449084%	0.3442334350%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 195,301,905	\$ 177,110,564	\$ 243,539,614	\$ 221,258,274	\$ 226,054,443	\$ 249,276,021	\$ 284,489,960	\$ 226,819,461	\$ 188,370,333	\$ 173,972,871
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 195,301,905</u>	<u>\$ 177,110,564</u>	<u>\$ 243,539,614</u>	<u>\$ 221,258,274</u>	<u>\$ 226,054,443</u>	<u>\$ 249,276,021</u>	<u>\$ 284,489,960</u>	<u>\$ 226,819,461</u>	<u>\$ 188,370,333</u>	<u>\$ 173,972,871</u>
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

East Windsor Regional School District
Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the District
and Changes in the Total OPEB Liability and Related Ratios
Public Employee's Retirement System and Teachers' Pension and Annuity Fund
Required Supplementary Information

Last Ten Fiscal Years*

	Year Ended June 30,						
	2023	2022	2021	2020	2019	2018	2017
State's proportion of the net OPEB liability (asset) associated with the District	0.36%	0.35%	0.35%	0.36%	0.36%	0.35%	0.36%
District's proportionate share of the net OPEB liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability (asset) associated with the District	\$ 180,175,802	\$ 212,231,046	\$ 238,206,080	\$ 149,521,614	\$ 164,014,658	\$ 190,341,937	\$ 206,215,591
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 180,175,802</u>	<u>\$ 212,231,046</u>	<u>\$ 238,206,080</u>	<u>\$ 149,521,614</u>	<u>\$ 164,014,658</u>	<u>\$ 190,341,937</u>	<u>\$ 206,215,591</u>
Plan fiduciary net position as a percentage of the total OPEB liability -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	2023	2022	2021	2020	2019	2018	2017**
Total OPEB Liability							
Service cost	\$ 9,905,527	\$ 11,156,831	\$ 6,173,234	\$ 5,428,315	\$ 5,976,104	\$ 7,223,585	
Interest cost	4,774,858	5,505,497	5,379,553	6,472,080	6,953,062	6,022,931	
Changes of assumptions and experience and other inputs	(42,157,720)	(38,441,322)	81,152,956	(21,939,627)	(35,022,328)	(24,873,787)	
Member contributions	151,729	140,749	125,695	136,056	151,577	162,340	
Gross benefit payments	(4,729,638)	(4,336,789)	(4,146,972)	(4,589,868)	(4,385,694)	(4,408,723)	
Net change in total OPEB liability	(32,055,244)	(25,975,034)	88,684,466	(14,493,044)	(26,327,279)	(15,873,654)	
Total OPEB liability - beginning	212,231,046	238,206,080	149,521,614	164,014,658	190,341,937	206,215,591	
Total OPEB liability - ending	<u>\$ 180,175,802</u>	<u>\$ 212,231,046</u>	<u>\$ 238,206,080</u>	<u>\$ 149,521,614</u>	<u>\$ 164,014,658</u>	<u>\$ 190,341,937</u>	
Covered-employee payroll	\$ 50,273,519	\$ 51,016,309	\$ 50,438,549	\$ 48,450,339	\$ 47,091,773	\$ 45,239,473	
Total OPEB liability as a percentage of covered-employee payroll	358.39%	416.01%	472.27%	308.61%	348.29%	420.74%	

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

** Information not available.

East Windsor Regional School District

**Notes to Required Supplementary Information
Year Ended June 30, 2023**

1. PENSION - PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

There were none.

2. PENSION – TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

There were none.

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

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022.

Required Supplementary Information – Part III
Budgetary Comparison Schedules

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 69,308,506		\$ 69,308,506	\$ 69,308,506	
Tuition from other LEAs within the State	378,843		378,843	580,856	\$ 202,013
Transportation fees from other LEAs within the State	60,000		60,000	132,387	72,387
Rents and Royalties	250,331		250,331	41,398	(208,933)
Interest Earned on Investments	200		200	307,620	307,420
Miscellaneous	250,000		250,000	218,401	(31,599)
Total - Local Sources	70,247,880		70,247,880	70,589,168	341,288
State Sources:					
Equalization Aid	33,667,900		33,667,900	33,667,900	
Transportation Aid	2,095,914		2,095,914	2,095,914	
Categorical Special Education Aid	4,472,603		4,472,603	4,472,603	
Security Aid	1,255,961		1,255,961	1,255,961	
Additional Non-Public Transportation Aid				48,360	48,360
Extraordinary Aid	210,000		210,000	873,984	663,984
TPAF Pension (On-Behalf - Non-Budgeted)				15,453,493	15,453,493
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				4,059,595	4,059,595
TPAF Non-contributory Insurance (On-Behalf - Non-Budgeted)				8,621	8,621
TPAF Social Security (Reimbursed - Non-Budgeted)				3,252,039	3,252,039
Total - State Sources	41,702,378		41,702,378	65,188,470	23,486,092
Federal Sources:					
Medical Assistance Program	134,669		134,669	173,041	38,372
Total - Federal Sources	134,669		134,669	173,041	38,372
Total Revenues	112,084,927		112,084,927	135,950,679	23,865,752
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	1,148,700	\$ 92,802	1,241,502	1,241,120	382
Grades 1-5 - Salaries of Teachers	9,403,203	(157,198)	9,246,005	8,819,379	426,626
Grades 6-8 - Salaries of Teachers	6,648,055	(363,407)	6,284,648	6,284,629	19
Grades 9-12 - Salaries of Teachers	9,264,775	(30,042)	9,234,733	8,841,196	393,537
Regular Programs - Home Instruction					
Salaries of Teachers	50,000		50,000	43,369	6,631
Purchased Professional-Educational Services	95,000	(13,000)	82,000	41,537	40,463
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	1,341,138	210,250	1,551,388	1,265,256	286,132
Purchased Technical Services	184,000	656,036	840,036	694,652	145,384
Other Purchased Services	5,000	200	5,200		5,200
General Supplies	3,018,490	29,783	3,048,273	1,781,089	1,267,184
Textbooks	1,019,650	(15,247)	1,004,403	370,734	633,669
Other Objects	4,000	9,675	13,675	10,133	3,542
TOTAL REGULAR PROGRAMS - INSTRUCTION	32,182,011	419,852	32,601,863	29,393,094	3,208,769
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	703,804	(163,100)	540,704	519,342	21,362
Other Salaries for Instruction	198,397		198,397	195,609	2,788
General Supplies	5,000	(1,500)	3,500	3,499	1
Total Learning and/or Language Disabilities	907,201	(164,600)	742,601	718,450	24,151
Multiple Disabilities					
Salaries of Teachers	403,477	(14,007)	389,470	331,316	58,154
Other Salaries for Instruction	139,229	19,507	158,736	158,454	282
General Supplies	5,500		5,500	5,339	161
Other Objects	2,000	(1,000)	1,000	644	356
Total Multiple Disabilities	550,206	4,500	554,706	495,753	58,953

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center					
Salaries of Teachers	\$ 5,095,594	\$ (111,351)	\$ 4,984,243	\$ 4,862,203	\$ 122,040
Other Salaries for Instruction	272,713		272,713	255,861	16,852
Purchased Professional-Educational Services	270,000	(6,100)	263,900	161,255	102,645
General Supplies	5,000		5,000	4,999	1
Total Resource Room/Resource Center	5,643,307	(117,451)	5,525,856	5,284,318	241,538
Autism					
Salaries of Teachers	454,670	(15,033)	439,637	396,146	43,491
Other Salaries for Instruction	438,227	144,750	582,977	582,663	314
Purchased Professional-Educational Services		1,000	1,000	218	782
General Supplies	12,000	(2,798)	9,202	9,202	
Total Autism	904,897	127,919	1,032,816	988,229	44,587
Preschool Disabilities - Part-Time					
Salaries of Teachers	468,029	7,500	475,529	475,352	177
Other Salaries for Instruction	122,732		122,732	112,110	10,622
Purchased Professional-Educational Services		1,500	1,500	1,394	106
General Supplies	7,500	3,500	11,000	10,988	12
Total Preschool Disabilities - Part-Time	598,261	12,500	610,761	599,844	10,917
TOTAL SPECIAL EDUCATION - INSTRUCTION	8,603,872	(137,132)	8,466,740	8,086,594	380,146
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,023,999		1,023,999	930,714	93,285
Purchased Professional-Educational Services		300	300	288	12
Total Basic Skills/Remedial - Instruction	1,023,999	300	1,024,299	931,002	93,297
Bilingual Education - Instruction					
Salaries of Teachers	4,064,485	(275,284)	3,789,201	3,758,747	30,454
Other Salaries for Instruction	36,462		36,462	35,429	1,033
Purchased Professional-Educational Services	7,500		7,500	6,506	994
General Supplies	17,600	2,500	20,100	7,176	12,924
Textbooks	125,125		125,125		125,125
Total Bilingual Education - Instruction	4,251,172	(272,784)	3,978,388	3,807,858	170,530
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	360,756		360,756	319,792	40,964
Purchased Services		36,500	36,500	31,679	4,821
Supplies and Materials	50,000	(40,526)	9,474	7,044	2,430
Other Objects	1,750	18,234	19,984	14,123	5,861
Total School-Spon. Cocurricular Actvts. - Inst.	412,506	14,208	426,714	372,638	54,076
School-Spon. Athletics					
Salaries	667,862	133	667,995	643,053	24,942
Purchased Services	89,345	12,247	101,592	94,705	6,887
Supplies and Materials	114,858	35,991	150,849	146,952	3,897
Other Objects	25,115	(5,431)	19,684	18,440	1,244
Total School-Spon. Athletics	897,180	42,940	940,120	903,150	36,970
Other Supplementary/At-Risk Program- Instruction					
Salaries of Teachers	60,000		60,000		60,000
General Supplies	25,000		25,000		25,000
Total Other Supplementary/At-Risk Program- Instruction	85,000		85,000		85,000
TOTAL INSTRUCTION	47,455,740	67,384	47,523,124	43,494,336	4,028,788

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
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>
Undistributed Expenditures - Instruction					
Tuition to County Voc. School Dist. - Regular	\$ 595,800	\$ 91,900	\$ 687,700	\$ 655,532	\$ 32,168
Tuition to CSSD and Regional Day Schools	3,027,604	384,880	3,412,484	3,251,606	160,878
Tuition to Private Schools for the Disabled - Within State	1,787,631	(528,424)	1,259,207	1,257,721	1,486
Tuition - State Facilities	80,540		80,540	80,540	
Tuition - Other	185,000	54,036	239,036	239,036	
Total Undistributed Expenditures - Instruction	5,676,575	2,392	5,678,967	5,484,435	194,532
Undistributed Expend. - Attend. and Social Work					
Salaries	114,192	40,180	154,372	154,355	17
Purchased Professional and Technical Services	6,800	20,799	27,599	11,499	16,100
Supplies and Materials	3,500	1,800	5,300	1,307	3,993
Total Undistributed Expend. - Attend. and Social Work	124,492	62,779	187,271	167,161	20,110
Undist. Expend. - Health Services					
Salaries	798,516	13,329	811,845	765,531	46,314
Purchased Professional and Technical Services	47,280	(6,457)	40,823	39,665	1,158
Supplies and Materials	31,800	(14,645)	17,155	15,161	1,994
Total Undistributed Expenditures - Health Services	877,596	(7,773)	869,823	820,357	49,466
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries	806,294	(2,617)	803,677	803,578	99
Purchased Professional - Educational Services	15,000	(820)	14,180	14,180	
Supplies and Materials	5,250	(2,000)	3,250	2,301	949
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	826,544	(5,437)	821,107	820,059	1,048
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	397,599	56,510	454,109	454,060	49
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	397,599	56,510	454,109	454,060	49
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	2,004,608	(73,314)	1,931,294	1,849,959	81,335
Salaries of Secretarial and Clerical Assistants	88,590		88,590	87,557	1,033
Other Purchased Prof. and Tech. Services	25,000	2,816	27,816	15,131	12,685
Supplies and Materials	59,075	(19)	59,056	29,700	29,356
Other Objects	1,200		1,200	556	644
Total Undist. Expend. - Guidance	2,178,473	(70,517)	2,107,956	1,982,903	125,053
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	2,496,103		2,496,103	2,316,841	179,262
Salaries of Secretarial and Clerical Assistants	164,681		164,681	164,529	152
Purchased Prof. - Educational Services	1,071,200	402,436	1,473,636	1,307,879	165,757
Other Purchased Prof. and Tech. Services	45,000	(45,000)			
Other Purchased Services	13,500	(3,000)	10,500	5,146	5,354
Supplies and Materials	77,500	32,406	109,906	96,314	13,592
Other Objects	7,000	1,000	8,000	7,081	919
Total Undist. Expend. - Child Study Teams	3,874,984	387,842	4,262,826	3,897,790	365,036
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisors of Instruction	988,492		988,492	621,509	366,983
Salaries of Secretarial and Clerical Assistants	112,168		112,168	67,567	44,601
Other Salaries	49,330	1,600	50,930	19,648	31,282
Purchased Prof. - Educational Services	142,000	47,020	189,020	154,438	34,582
Other Purchased Services	1,200		1,200	734	466
Supplies and Materials	17,889	(3,500)	14,389	4,534	9,855
Other Objects	16,017		16,017	11,638	4,379
Total Undist. Expend. - Improvement of Inst. Serv.	1,327,096	45,120	1,372,216	880,068	492,148

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2023

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final to <u>Actual</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	\$ 1,415,918	\$ 32,400	\$ 1,448,318	\$ 1,387,470	\$ 60,848
Purchased Professional and Technical Services	497,200	133,006	630,206	550,886	79,320
Supplies and Materials	28,000	10,435	38,435	37,736	699
Total Undist. Expend. - Edu. Media Serv./Sch. Library	1,941,118	175,841	2,116,959	1,976,092	140,867
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction	257,782		257,782	214,228	43,554
Purchased Professional - Educational Services	7,500	(1,740)	5,760	1,582	4,178
Other Purchased Services	129,700	(749)	128,951	89,098	39,853
Total Undist. Expend. - Instructional Staff Training Serv.	394,982	(2,489)	392,493	304,908	87,585
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	307,395	12,000	319,395	310,688	8,707
Legal Services	90,000	23,405	113,405	73,451	39,954
Audit Fees	71,502	1,898	73,400	73,400	
Architectural/Engineering Services	55,000	(14,120)	40,880	10,576	30,304
Other Purchased Professional Services	39,600	28,452	68,052	62,381	5,671
Communications/Telephone	400,000	(24,658)	375,342	282,342	93,000
Board of Education Other Purchased Services	10,500	305	10,805	4,505	6,300
Miscellaneous Purchased Services	251,349	99,780	351,129	350,302	827
General Supplies	8,000	(247)	7,753	3,461	4,292
Miscellaneous Expenditures	18,000		18,000	10,807	7,193
Board of Education Dues and Fees	26,700		26,700	26,663	37
Total Undist. Expend. - Supp. Serv. - General Admin.	1,278,046	126,815	1,404,861	1,208,576	196,285
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	2,563,569	87,694	2,651,263	2,645,414	5,849
Salaries - Other Professional Staff	129,052	(9,120)	119,932	91,032	28,900
Salaries of Secretarial and Clerical Assistants	1,015,347	8,275	1,023,622	1,023,545	77
Purchased Prof. and Tech. Services	75,500	(3,570)	71,930	49,795	22,135
Other Purchased Services	8,500	(5,539)	2,961	224	2,737
Supplies and Materials	21,500	2,692	24,192	19,234	4,958
Other Objects	71,545	(21,651)	49,894	46,419	3,475
Total Undist. Expend. - Support Serv. - School Admin.	3,885,013	58,781	3,943,794	3,875,663	68,131
Undist. Expend. - Central Services					
Salaries	1,136,291	(21,813)	1,114,478	1,060,261	54,217
Purchased Professional Services	37,000	51,086	88,086	53,168	34,918
Purchased Technical Services	196,500	18,208	214,708	187,875	26,833
Misc Purchased Services	12,000	(2,108)	9,892	7,765	2,127
Supplies and Materials	49,900	21,929	71,829	67,480	4,349
Interest on Lease Purchase Agreements	15,000	39,773	54,773	54,773	
Miscellaneous Expenditures	9,000	11,972	20,972	20,900	72
Total Undist. Expend. - Central Services	1,455,691	119,047	1,574,738	1,452,222	122,516
Undist. Expend. - Technology Admin.					
Salaries	184,099	(122,117)	61,982	56,219	5,763
Purchased Technical Services	10,000		10,000		10,000
Other Purchased Services	3,000		3,000	2,471	529
Supplies and Materials	107,000	(107,000)			
Total Undist. Expend. - Technology Admin.	304,099	(229,117)	74,982	58,690	16,292
Undist. Expend. - Required Maint. for Sch. Facil.					
Salaries	1,825,301	(153,632)	1,671,669	1,671,348	321
Cleaning, Repair and Maintenance Services	567,800	856,016	1,423,816	962,473	461,343
General Supplies	562,000	58,862	620,862	525,197	95,665
Other Objects	16,200	19,130	35,330	35,330	
Total Undist. Expend. - Required Maint. for Sch. Facil.	2,971,301	780,376	3,751,677	3,194,348	557,329

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2023

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final to <u>Actual</u>
Undist. Expend. - Custodial Services					
Salaries	\$ 2,462,060	\$ 172,392	\$ 2,634,452	\$ 2,613,799	\$ 20,653
Purchased Professional - Technical Services		33,519	33,519	33,465	54
Cleaning, Repair and Maintenance Services	141,908	(91,009)	50,899	30,930	19,969
Other Purchased Property Services	88,000	8,448	96,448	89,087	7,361
Insurance	450,724	(117,354)	333,370	315,484	17,886
Travel	8,000	(4,122)	3,878	3,429	449
General Supplies	371,000	29,526	400,526	382,648	17,878
Natural Gas	350,000	110,604	460,604	456,873	3,731
Electricity	1,100,000	126,732	1,226,732	1,226,232	500
Gasoline	20,000	18,000	38,000	29,380	8,620
Total Undist. Expend. - Custodial Services	4,991,692	286,736	5,278,428	5,181,327	97,101
Undist. Expend. - Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	121,500	41,353	162,853	135,343	27,510
General Supplies	107,000	(5,632)	101,368	82,906	18,462
Total Undist. Expend. - Care and Upkeep of Grounds	228,500	35,721	264,221	218,249	45,972
Undist. Expend. - Security					
Salaries	719,236	46,264	765,500	755,620	9,880
Purchased Professional and Technical Services	20,000	4,700	24,700	21,520	3,180
General Supplies		2,652	2,652	2,652	
Total Undist. Expend. - Security	739,236	53,616	792,852	779,792	13,060
Undist. Expend. - Student Transportation Serv.					
Salaries for Non-Instructional Aids	236,287	66,066	302,353	301,712	641
Salaries for Pupil Trans. (Between Home and School) - Regular	1,902,091	230,664	2,132,755	2,024,607	108,148
Salaries for Pupil Trans. (Between Home and School) - Sp. Ed.	385,971	(66,260)	319,711	319,537	174
Salaries for Pupil Trans. (Other than Between Home and School)	561,192	(160,498)	400,694	375,487	25,207
Other Purchased Professional and Technical Services	30,250	6,500	36,750	36,126	624
Cleaning, Repair and Maintenance Services	17,150	25,500	42,650	36,007	6,643
Contracted Services Aid In Lieu of Payment for Non-public School Students	180,000	5,028	185,028	185,028	
Contracted Services (Sp. Ed.) - Joint Agreements	1,851,500	(458,523)	1,392,977	1,377,921	15,056
Contracted Services (Regular Students) - ESCs	250,000	(213,800)	36,200	36,200	
Travel	5,000	(5,000)			
Miscellaneous Purchased Services - Transportation	86,500	(80,602)	5,898		5,898
General Supplies	207,500	109,657	317,157	261,562	55,595
Transportation Supplies	247,500	(9,504)	237,996	174,130	63,866
Other Objects	11,550	2,000	13,550	13,264	286
Total Undist. Expend. - Student Transportation Serv.	5,972,491	(548,772)	5,423,719	5,141,581	282,138
Unallocated Benefits					
Group Insurance	5,000		5,000	4,907	93
Social Security Contributions	1,100,000	75,000	1,175,000	1,174,048	952
TPAF Contributions ERIP	20,000	(1,144)	18,856	7,207	11,649
Other Retirement Contributions - PERS	1,564,000	(134,441)	1,429,559	1,414,936	14,623
Other Retirement Contributions - ERIP	10,000		10,000	3,486	6,514
Other Retirement Contributions - Regular	66,000	18,000	84,000	78,715	5,285
Worker's Compensation	394,131		394,131	375,678	18,453
Health Benefits	15,957,523	(720,270)	15,237,253	15,215,458	21,795
Tuition Reimbursement	223,000	(132,752)	90,248	41,306	48,942
Other Employee Benefits	155,000	20,195	175,195	147,352	27,843
Total Unallocated Benefits	19,494,654	(875,412)	18,619,242	18,463,093	156,149
On-behalf Contributions					
TPAF Pension Contributions (On-behalf - Non-Budgeted)				15,453,493	(15,453,493)
TPAF Post Retirement Medical (On-behalf - Non-Budgeted)				4,059,595	(4,059,595)
TPAF Non-contributory Insurance (On-behalf - Non-Budgeted)				8,621	(8,621)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				3,252,039	(3,252,039)
Total On-behalf Contributions				22,773,748	(22,773,748)
TOTAL UNDISTRIBUTED EXPENDITURES	58,940,182	452,059	59,392,241	79,135,122	(19,742,881)
TOTAL GENERAL CURRENT EXPENSE	106,395,922	519,443	106,915,365	122,629,458	(15,714,093)

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Regular Programs-Instruction					
Grades 1-5		\$ 254,586	\$ 254,586	\$ 254,586	
Grades 6-8		11,267	11,267	11,267	
Grades 9-12		50,685	50,685	5,978	\$ 44,707
Special Education-Instruction					
School- Spons. and Other Instructional Programs	\$ 13,450	(12,953)	497	497	
Undistributed Expenditures					
Support Services - Child Study Teams	15,000	7,481	22,481	17,548	4,933
School Administration		5,306	5,306	5,306	
Central Services		31,549	31,549	31,549	
Admin Info Tech		109,929	109,929	106,121	3,808
Req. Maint. of School Facilities	200,000	291,344	491,344	438,357	52,987
Custodial Services	40,000	61,493	101,493	72,370	29,123
Undistributed Exp.-Care and Upkeep of Grounds		132,702	132,702		132,702
Undistributed Exp.-Security		4,616	4,616	4,616	
Undistributed Exp.-Non-Instructional Services					
Non-Instructional Equipment		38,400	38,400	37,864	536
School buses-regular	600,000	685,042	1,285,042	1,247,994	37,048
Total Equipment	868,450	1,671,447	2,539,897	2,234,053	305,844
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	600,000	1,031,344	1,631,344	1,172,693	458,651
Construction Services	6,060,000	5,592,510	11,652,510	5,882,629	5,769,881
Lease purchase agreements-principal	1,600,000	32,520	1,632,520	1,632,520	
Non-budgeted - financed purchase				719,749	(719,749)
Other Objects - Debt Service Assessment - SDA			203,645	203,645	
Total Facilities Acquisition and Construction Services	8,463,645	6,656,374	15,120,019	9,611,236	5,508,783
TOTAL CAPITAL OUTLAY	9,332,095	8,327,821	17,659,916	11,845,289	5,814,627
Contribution to Charter Schools	64,294		64,294	51,435	12,859
TOTAL EXPENDITURES	115,792,311	8,847,264	124,639,575	134,526,182	(9,886,607)
(Deficiency) Excess of Revenues (Under) Over Expenditures	(3,707,384)	(8,847,264)	(12,554,648)	1,424,497	13,979,145
Other Financing Sources:					
Assets acquired under financed purchase (non-budgeted)				719,749	719,749
Total Other Financing Sources				719,749	719,749
Change in Fund Balance	(3,707,384)	(8,847,264)	(12,554,648)	2,144,246	14,698,894
Fund Balance, July 1	26,396,222		26,396,222	26,396,222	
Fund Balance, June 30	\$ 22,688,838	\$ (8,847,264)	\$ 13,841,574	\$ 28,540,468	\$ 14,698,894
Recapitulation of (Deficiency) Excess of Revenues (Under) Over Expenditures:					
Budgeted Fund Balance	\$ (907,384)	\$ (1,267,196)	\$ (2,174,580)	\$ 12,524,314	\$ 14,698,894
Adjustment for Prior Year Encumbrances, net cancellations		(7,580,068)	(7,580,068)	(7,580,068)	
Withdrawal Capital Reserve	(2,800,000)		(2,800,000)	(2,800,000)	
Total	\$ (3,707,384)	\$ (8,847,264)	\$ (12,554,648)	\$ 2,144,246	\$ 14,698,894
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Excess Surplus Designated for Subsequent Year's Expenditures				\$ 800,000	
Excess Surplus-current year				2,549,505	
Capital Reserve				8,512,217	
Maintenance Reserve				2,627,910	
Unemployment Compensation Claims				1,545,360	
Assigned to:					
Designated for Subsequent Year's Expenditures				2,430,750	
Year End Encumbrances				7,141,728	
Unassigned Fund Balance				2,932,998	
				28,540,468	
Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:					
Final State Aid Payments Not Realized on GAAP Basis				(3,850,529)	
Fund balance per Governmental Funds (GAAP)				\$ 24,689,939	

**East Windsor Regional School District
Special Revenue Fund
Required Supplementary Information
Budgetary Comparison Schedule
(Budgetary Basis)
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>
Revenues					
Federal sources	\$ 4,726,264	\$ 2,861,197	\$ 7,587,461	\$ 5,173,568	\$ 2,413,893
State sources	(1,324,556)	1,374,909	50,353	34,985	15,368
Local sources	25,000	60,291	85,291	765,699	(680,408)
Total revenues	<u>3,426,708</u>	<u>4,296,397</u>	<u>7,723,105</u>	<u>5,974,252</u>	<u>1,748,853</u>
Expenditures					
Current expenditures:					
Instruction:					
Salaries:					
Salaries of teachers	392,795	830,704	1,223,499	552,644	670,855
Purchased professional services	237,434	(42,041)	195,393	123,584	71,809
Other purchased services	1,106,301	404,329	1,510,630	1,509,242	1,388
General supplies	923,784	456,903	1,380,687	725,888	654,799
Textbooks	34,487		34,487	33,317	1,170
Other objects	13,929	(3,495)	10,434	500	9,934
Total instruction	<u>2,708,730</u>	<u>1,646,400</u>	<u>4,355,130</u>	<u>2,945,175</u>	<u>1,409,955</u>
Support services:					
Salaries	22,000	12,000	34,000	33,429	571
Personal services—employee benefits	200,870	163,861	364,731	112,351	252,380
Purchased professional services	158,759	258,000	416,759	47,043	369,716
Other purchased professional services	37,000	8,427	45,427	13,808	31,619
Supplies and materials	293,349	(11,291)	282,058	86,845	195,213
Scholarships awarded				75,252	(75,252)
Student activities				626,022	(626,022)
Other objects	6,000	(6,000)			
Total support services	<u>717,978</u>	<u>424,997</u>	<u>1,142,975</u>	<u>994,750</u>	<u>148,225</u>
Capital outlay:					
Instructional Equipment		225,000	225,000	19,615	205,385
Noninstructional equipment		2,000,000	2,000,000	2,000,000	
Total capital outlay		<u>2,225,000</u>	<u>2,225,000</u>	<u>2,019,615</u>	<u>205,385</u>
Total expenditures	<u>3,426,708</u>	<u>4,296,397</u>	<u>7,723,105</u>	<u>5,959,540</u>	<u>1,763,565</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	14,712	<u>\$ 14,712</u>
Fund Balance July 1, 2022				412,403	
Fund Balance, June 30, 2023				<u>\$ 427,115</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 50,621	
Student activities				376,494	
Total Fund Balance				<u>\$ 427,115</u>	

**East Windsor Regional School District
Note to Required Supplementary Information**

Budget to GAAP Reconciliation

Year ended June 30, 2023

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 135,950,679	\$ 5,974,252
Differences - Budgetary to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior year		716,811
Current year		(832,000)
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	3,111,153	
Current year	(3,850,529)	
<hr/>		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	<u>\$ 135,211,303</u>	<u>\$ 5,859,063</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 134,526,182	\$ 5,959,540
Differences - Budgetary 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.		
Prior year		716,811
Current year		(832,000)
<hr/>		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 134,526,182</u>	<u>\$ 5,844,351</u>

Supplementary Information

Special Revenue Fund

East Windsor Regional School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2023

	E.S.E.A.				I.D.E.A.		COVID-19 CARES Act					Coronavirus State and Local Fiscal Recovery Funds
						Education Stabilization Fund						
	Title I Part A	Title II A	Title III	Title III Immigrant	Title IV	Part B Basic	Preschool	Elementary and Secondary School Emergency Relief Fund I	Elementary and Secondary School Emergency Relief Fund II	ARP Accelerated Learning Coach and Educator Support	ARP ESSER III	
Revenues:												
Local sources												
State sources												
Federal sources	\$ 477,659	\$ 17,346	\$ 105,465	\$ 9,286	\$ 3,000	\$ 1,313,262	\$ 60,737	\$ 29,700	\$ 464,612	\$ 21,600	\$ 2,514,146	\$ 156,755
Total revenues	<u>\$ 477,659</u>	<u>\$ 17,346</u>	<u>\$ 105,465</u>	<u>\$ 9,286</u>	<u>\$ 3,000</u>	<u>\$ 1,313,262</u>	<u>\$ 60,737</u>	<u>\$ 29,700</u>	<u>\$ 464,612</u>	<u>\$ 21,600</u>	<u>\$ 2,514,146</u>	<u>\$ 156,755</u>
Expenditures:												
Instruction:												
Salaries of teachers	\$ 241,125		\$ 13,035							\$ 298,484		
Purchased professional services									\$ 14,000	106,932		
Other purchased services						\$ 1,313,262	\$ 60,737				\$ 135,243	
Instructional supplies	152,248		80,812	\$ 9,286					450,612		11,634	
Textbooks											27,227	
Other objects			500									
Total instruction	<u>393,373</u>		<u>94,347</u>	<u>9,286</u>		<u>1,313,262</u>	<u>60,737</u>		<u>464,612</u>		<u>444,277</u>	<u>135,243</u>
Undistributed:												
Support services:												
Salaries	11,917											21,512
Personal services—employee benefits	62,097										50,254	
Purchased professional services		\$ 9,787			\$ 3,000					\$ 21,600		
Other purchased professional services		4,000	9,808									
Supplies and materials	10,272	3,559	1,310					\$ 29,700				
Student activities												
Scholarships awarded												
Total support services	<u>84,286</u>	<u>17,346</u>	<u>11,118</u>		<u>3,000</u>			<u>29,700</u>		<u>21,600</u>	<u>50,254</u>	<u>21,512</u>
Capital outlay:												
Instructional equipment											19,615	
Noninstructional equipment											2,000,000	
Total capital outlay											<u>2,019,615</u>	
Total expenditures	<u>\$ 477,659</u>	<u>\$ 17,346</u>	<u>\$ 105,465</u>	<u>\$ 9,286</u>	<u>\$ 3,000</u>	<u>\$ 1,313,262</u>	<u>\$ 60,737</u>	<u>\$ 29,700</u>	<u>\$ 464,612</u>	<u>\$ 21,600</u>	<u>\$ 2,514,146</u>	<u>\$ 156,755</u>
Excess (Deficiency) of Revenues (Under) Over Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

East Windsor Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2023

	Nonpublic Aid					Safety Grant	Student Activities	Scholarships	Other Local	Totals
	Textbooks	Nursing	Handicapped	Security	Technology					
Revenues:										
Local sources						\$ 42,004	\$ 669,606	\$ 46,380	\$ 7,709	\$ 765,699
State sources	\$ 6,090	\$ 12,656	\$ 2,652	\$ 9,190	\$ 4,397					34,985
Federal sources										5,173,568
Total revenues	\$ 6,090	\$ 12,656	\$ 2,652	\$ 9,190	\$ 4,397	\$ 42,004	\$ 669,606	\$ 46,380	\$ 7,709	\$ 5,974,252
Expenditures:										
Instruction:										
Salaries of teachers										\$ 552,644
Purchased professional services			\$ 2,652							123,584
Other purchased services										1,509,242
Instructional supplies				\$ 9,190	\$ 4,397			\$ 7,709		725,888
Textbooks	\$ 6,090									33,317
Other objects										500
Total instruction	6,090		2,652	9,190	4,397			7,709		2,945,175
Undistributed:										
Support services:										
Salaries										33,429
Personal services—employee benefits										112,351
Purchased professional services		\$ 12,656								47,043
Other purchased professional services										13,808
Supplies and materials						\$ 42,004				86,845
Student activities							\$ 626,022			626,022
Scholarships awarded								\$ 75,252		75,252
Total support services		12,656				42,004	626,022	75,252		994,750
Capital outlay:										
Instructional equipment										19,615
Noninstructional equipment										2,000,000
Total capital outlay										2,019,615
Total expenditures	\$ 6,090	\$ 12,656	\$ 2,652	\$ 9,190	\$ 4,397	\$ 42,004	\$ 626,022	\$ 75,252	\$ 7,709	\$ 5,959,540
Excess (Deficiency) of Revenues (Under) Over Expenditures	-	-	-	-	-	-	43,584	(28,872)	-	14,712
Fund Balance, July 1	-	-	-	-	-	-	332,910	79,493	-	412,403
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 376,494	\$ 50,621	\$ -	\$ 427,115

Capital Projects Fund

East Windsor Regional School District
Capital Projects Fund

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

(Budgetary Basis)

Year ended June 30, 2023

	Current Year
Revenues and other financing sources	
Financed Purchase Proceeds	\$ 8,000,000
Interest on investments	18,991
Total Revenues	8,018,991
Expenditures	
Construction Services	199,656
Total Expenditures	199,656
Excess of Revenues Over Expenditures	7,819,335
Fund Balance, July 1	302,109
Fund Balance, June 30	\$ 8,121,444
<u>Reconciliation of budgetary basis to GAAP basis:</u>	
Fund Balance, Budgetary Basis at June 30, 2023	\$ 8,121,444
Less: Revenue not recognized on a GAAP basis	(16,914)
Fund Balance - June 30, 2023 GAAP Basis	\$ 8,104,530

East Windsor Regional School District
Capital Projects Fund

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

From Inception and for the year ended June 30, 2023

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing				
State Sources - SDA Grant	\$ 1,612,185		\$ 1,612,185	\$ 1,612,185
Financed Purchase Proceeds		\$ 8,000,000	8,000,000	8,000,000
Transfer from Capital Reserve	2,574,589		2,574,589	2,574,589
Interest earned on investments		18,991	18,991	
Total Revenues	<u>4,186,774</u>	<u>8,018,991</u>	<u>12,205,765</u>	<u>12,186,774</u>
Expenditures and Other Financing				
Purchased Professional Services				
Construction Services	3,884,710	199,656	4,084,366	
Other Expense				
Transfers Out				
Total Expenditures	<u>3,884,710</u>	<u>199,656</u>	<u>4,084,366</u>	<u>-</u>
Excess (Deficiency) of Revenues (Under) Expenditures	<u>\$ 302,064</u>	<u>\$ 7,819,335</u>	<u>\$ 8,121,399</u>	<u>\$ 12,186,774</u>
Other Revenue - 2016	45		45	
Budgetary Fund Balance	<u>\$ 302,109</u>		<u>\$ 8,121,444</u>	

East Windsor Regional School District
Capital Projects Fund

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

Telecommunication Replacement for Various Schools

From Inception and for the year ended June 30, 2023

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing				
State Sources - SDA Grant	\$ 226,679		\$ 226,679	\$ 226,679
Financed Purchase Proceeds				
Transfer from Capital Reserve	340,872		340,872	340,872
Interest earned on investments				
Total Revenues	567,551	-	567,551	567,551
Expenditures and Other Financing				
Purchased Professional Services				
Construction Services	520,550		520,550	
Other Expense				
Transfer Out to Debt Service Fund				
Total Expenditures	520,550	-	520,550	-
Excess (Deficiency) of Revenues (Under) Expenditures	<u>\$ 47,001</u>	<u>\$ -</u>	<u>\$ 47,001</u>	<u>\$ 567,551</u>
Additional project information				
Project number	050-14-1001;055-14-1002;060-14-1003;070-14-1004;075-14-1005			
Grant date	January 6, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 578,390			
Additional Authorized Cost	\$ (10,839)			
Revised Authorized Cost	\$ 567,551			
Percentage Increase over Original Authorized Cost	-2%			
Percentage completion	100%			
Original target completion date	December 2016			
Revised target completion date	Complete			

East Windsor Regional School District
Capital Projects Fund

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

Roof and Door Replacement for Various Schools

From Inception and for the year ended June 30, 2023

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing				
State Sources - SDA Grant	\$ 1,385,506		\$ 1,385,506	\$ 1,385,506
Financed Purchase Proceeds				
Transfer from Capital Reserve	2,233,717		2,233,717	2,233,717
Interest earned on investments				
Total Revenues	<u>3,619,223</u>	<u>-</u>	<u>3,619,223</u>	<u>3,619,223</u>
Expenditures and Other Financing				
Purchased Professional Services				
Construction Services	3,364,160		3,364,160	
Other Expense				
Transfer Out to Debt Service Fund				
Total Expenditures	<u>3,364,160</u>	<u>-</u>	<u>3,364,160</u>	<u>-</u>
Excess (Deficiency) of Revenues (Under) Expenditures	<u>\$ 255,063</u>	<u>\$ -</u>	<u>\$ 255,063</u>	<u>\$ 3,619,223</u>
Additional project information				
Project number	050-14-1007;055-14-1008;070-14-1010;075-14-1011			
Grant date	2/24/2014			
Bond authorization date	12/10/2014			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 3,619,223			
Additional Authorized Cost				
Revised Authorized Cost	\$ 3,619,223			
Percentage Increase over Original Authorized Cost		0%		
Percentage completion		100%		
Original target completion date	June 2016			
Revised target completion date	Complete			

East Windsor Regional School District
Capital Projects Fund

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

District Wide HVAC Upgrades

From Inception and for the year ended June 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing				
State Sources - SDA Grant				
Financed Purchase Proceeds		\$8,000,000	\$ 8,000,000	\$ 8,000,000
Transfer from Capital Reserve				
Interest earned on investments		18,991	18,991	18,991
Total Revenues		<u>8,018,991</u>	<u>8,018,991</u>	<u>8,018,991</u>
Expenditures and Other Financing				
Purchased Professional Services				
Construction Services		199,656	199,656	8,018,991
Other Expense				
Transfer Out to Debt Service Fund				
Total Expenditures		<u>199,656</u>	<u>199,656</u>	<u>8,018,991</u>
Excess (Deficiency) of Revenues (Under) Expenditures		<u>\$7,819,335</u>	<u>\$ 7,819,335</u>	<u>\$ -</u>
Additional project information				
Project number	2023-1			
Grant date	NA			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$	8,000,000		
Additional Authorized Cost		18,991		
Revised Authorized Cost	\$	8,018,991		
Percentage Increase over Original Authorized Cost			0%	
Percentage completion			2%	
Original target completion date	September 2025			
Revised target completion date	September 2025			

East Windsor Regional School District
 Capital Projects Fund

Summary Schedule of Project Expenditures

Year ended June 30, 2023

Issue/Project Title	Date	Appropriations	Expenditures to Date		Unexpended Balance
			Prior Year	Current Year	
Telecommunication Replacement for Various Schools	1/27/14	\$ 567,551	\$ 520,550		\$ 47,001
Roof Replacement for Various Schools	5/12/14	3,619,223	3,364,160		255,063
District Wide HVAC Upgrades	4/24/23	8,018,991		\$ 199,656	7,819,335
		<u>\$ 12,205,765</u>	<u>\$3,884,710</u>	<u>\$ 199,656</u>	<u>8,121,399</u>
Other					<u>45</u>
					<u>\$ 8,121,444</u>

Long-Term Debt

East Windsor Regional School District
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2023

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2022	Retired	Balance June 30, 2023
			Date	Amount				
2015 Refunding Bonds	3/18/2015	\$ 3,280,000	7/15/2023	\$ 375,000	3.00%	\$ 765,000	\$ 390,000	\$ 375,000
2021 Refunding Bonds	2/24/2021	15,320,000	3/1/2024	2,265,000	0.80%	15,050,000	2,290,000	12,760,000
			3/1/2025	2,235,000	1.00%			
			3/1/2026	2,155,000	1.10%			
			3/1/2027	2,105,000	1.40%			
			3/1/2028	2,030,000	1.50%			
			3/1/2029	1,970,000	1.80%			
						<u>\$ 15,815,000</u>	<u>\$ 2,680,000</u>	<u>\$ 13,135,000</u>

East Windsor Regional School District
Long-Term Debt

Schedule of Financed Purchases Payable

Year ended June 30, 2023

	Interest Rate	Amount of Original Issue	Balance July 1, 2022	Issued	Retired	Balance June 30, 2023
Apple Financial Services - Education Finance	0.00%	\$ 500,786	\$ 150,417		\$ 150,417	
TD Equipment Finance	0.10%	1,965,000	983,504		489,336	\$ 494,168
JPMorgan Chase Bank	2.37%	8,000,000		\$ 8,000,000	1,632,520	6,367,480
Apple Financial Services - Education Finance	0.00%	719,749		719,749		719,749
			\$ 1,133,921	\$ 8,719,749	\$ 2,272,273	\$ 7,581,397

East Windsor Regional School District
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:					
Local sources:					
Local tax levy	\$ 2,774,659		\$ 2,774,659	\$ 2,774,659	
State sources:					
Debt Service Aid Type II	94,677		94,677	94,677	
Total revenues	<u>2,869,336</u>		<u>2,869,336</u>	<u>2,869,336</u>	
Expenditures:					
Principal on bonds	2,680,000		2,680,000	2,680,000	
Interest on bonds	189,336		189,336	189,336	
Total expenditures	<u>2,869,336</u>		<u>2,869,336</u>	<u>2,869,336</u>	
Net change in fund balances	-		-	-	
Fund balance, July 1	-		-	-	
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Statistical Section
(Unaudited)**

**Statistical Section
Unaudited**

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

East Windsor Regional School District
 Net Position by Component
 Last Ten Fiscal Years

(Accrual Basis of Accounting)
 Unaudited

	As of June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities		(As restated)								
Net investment in capital assets	\$ 63,790,253	\$ 66,115,732	\$ 69,467,999	\$ 72,406,375	\$ 72,810,331	\$ 75,373,950	\$ 78,784,906	\$ 81,933,434	\$ 83,988,713	\$ 92,111,967
Restricted	12,504,920	9,808,188	10,665,161	11,385,023	28,407,639	10,937,952	11,004,607	12,553,088	14,692,249	16,566,637
Unrestricted (deficit)	1,321,990	(17,505,642)	(20,297,232)	(23,932,469)	(24,778,738)	(24,538,403)	(21,829,520)	(19,498,746)	(15,392,784)	(11,453,884)
Total governmental activities net position	<u>\$ 77,617,163</u>	<u>\$ 58,418,278</u>	<u>\$ 59,835,928</u>	<u>\$ 59,858,929</u>	<u>\$ 76,439,232</u>	<u>\$ 61,773,499</u>	<u>\$ 67,959,993</u>	<u>\$ 74,987,776</u>	<u>\$ 83,288,178</u>	<u>\$ 97,224,720</u>
Business-type activities										
Investment in capital assets	\$ 32,670	\$ 278,395	\$ 237,717	\$ 255,267	\$ 216,040	\$ 181,316	\$ 146,261	\$ 125,340	\$ 113,880	\$ 584,771
Unrestricted	1,338,750	1,223,267	1,517,967	1,794,993	1,993,734	2,382,596	2,502,191	2,323,125	3,686,492	3,673,206
Total business-type activities net position	<u>\$ 1,371,420</u>	<u>\$ 1,501,662</u>	<u>\$ 1,755,684</u>	<u>\$ 2,050,260</u>	<u>\$ 2,209,774</u>	<u>\$ 2,563,912</u>	<u>\$ 2,648,452</u>	<u>\$ 2,448,465</u>	<u>\$ 3,800,372</u>	<u>\$ 4,257,977</u>
Government-wide										
Net investment in capital assets	\$ 64,111,923	\$ 66,394,127	\$ 69,705,716	\$ 72,661,642	\$ 73,026,371	\$ 75,555,266	\$ 78,931,167	\$ 82,058,774	\$ 84,102,593	\$ 92,696,738
Restricted	12,504,920	9,808,188	10,665,161	11,385,023	28,407,639	10,937,952	11,004,607	12,553,088	14,692,249	16,566,637
Unrestricted (deficit)	2,660,740	(16,282,375)	(18,779,265)	(22,137,476)	(22,785,004)	(22,155,807)	(19,327,329)	(17,175,621)	(11,706,292)	(7,780,678)
Total government-wide net position	<u>\$ 79,277,583</u>	<u>\$ 59,919,940</u>	<u>\$ 61,591,612</u>	<u>\$ 61,909,189</u>	<u>\$ 78,649,006</u>	<u>\$ 64,337,411</u>	<u>\$ 70,608,445</u>	<u>\$ 77,436,241</u>	<u>\$ 87,088,550</u>	<u>\$ 101,482,697</u>

Source: ACFR Schedule A-1 and District records.

GASB 68 was implemented during the 2015 fiscal year, which required the restatement of beginning net position in the amount of \$22,102,707. This amount is not reflected in the June 30, 2014 Net Position, above.

GASB 84 was implemented during the 2021 fiscal year, which required a retroactive adjustment of beginning net position in the amount of \$1,399,107. This amount is not reflected in the June 30, 2020 Net Position, above.

East Windsor Regional School District
Changes in Net Position
Last Ten Fiscal Years

(Accrual Basis of Accounting)
Unaudited

	Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 25,711,382	\$ 25,670,386	\$ 43,048,737	\$ 48,218,048	\$ 49,708,064	\$ 46,264,449	\$ 44,153,643	\$ 51,771,380	\$ 48,544,655	\$ 45,597,681
Special Education	6,190,211	6,096,653	18,572,594	17,694,893	18,895,740	18,269,286	23,667,122	27,071,401	25,327,515	18,370,227
Other Instruction	2,965,778	2,992,569	6,747,736	7,808,512	8,499,028	7,962,224	1,966,362	1,738,551	1,938,883	7,477,654
Adult/Continuing Education Programs	1,127,451	1,197,485	27,184	2,197	3,473					2,065,218
Support services:										
Tuition	6,103,650	6,491,066								
Student and Instruction Related Services	7,643,146	7,829,405	13,487,234	15,681,851	17,371,718	15,418,777	16,037,004	18,184,520	17,077,635	17,496,837
School Administrative Services	2,916,851	3,042,989	6,227,047	6,460,488	6,823,317	6,365,761	5,880,643	6,626,438	6,089,212	5,956,420
General and Business Administrative Services	806,864	987,075	2,505,451	3,718,895	3,664,616	3,328,359	3,215,601	3,892,060	3,559,290	3,528,482
Central Services	1,030,751	979,006								
Administrative Information Technology	197,839	235,688								
Plant Operations and Maintenance	7,498,827	7,230,915	9,715,746	10,536,268	10,937,635	10,835,855	10,282,857	11,855,706	11,599,043	11,771,596
Pupil Transportation	3,717,215	3,491,546	4,153,905	5,892,631	6,266,659	6,312,275	5,931,103	5,978,881	6,622,369	6,939,218
Transfers to Charter Schools	11,137	9,751	46,778	59,443	50,430	48,568	56,722	64,223	51,435	
Special Schools	38,685	42,676	48,765	115,976	108,738	100,065	104,872	144,746	195,678	133,065
Interest on Long-Term Debt	1,557,907	1,532,276	1,124,003	1,005,821	926,240	845,734	787,111	641,801	208,379	294,174
Unallocated Employee Benefits	19,412,671	29,249,738								
Unallocated Amortization of Bond Costs	(115,974)	(119,329)								
Unallocated Depreciation	3,816,984	3,842,200								
Unallocated Compensated Absences	(55,173)	(237,384)								
Loss/Adjustment to Fixed Assets	1,283,869	2,509,558								
Total governmental activities	91,860,071	103,064,518	105,668,153	117,182,358	123,264,671	115,753,215	112,074,886	127,962,206	121,226,882	119,682,007
Business-type activities:										
Food service	1,655,075	1,681,029	1,778,459	1,858,803	1,855,771	1,850,931	1,496,245	592,410	2,115,796	2,299,590
Kid Care	714,803	753,458	737,167	526,130	565,897	555,112	548,797	537,525	508,512	510,405
Total business-type activities expense	2,369,878	2,434,487	2,515,626	2,384,933	2,421,668	2,406,043	2,045,042	1,129,935	2,624,308	2,809,995
Total district expenses	94,229,949	105,499,005	108,183,779	119,567,291	125,686,339	118,159,258	114,119,928	129,092,141	123,851,190	122,492,002
Program Revenues										
Governmental activities:										
Charges for services	1,289,218	1,146,167	525,533	618,167	553,987	613,972	799,128	734,046	727,701	727,955
Operating grants and contributions	2,100,542	18,026,976	2,021,484	2,113,637	2,277,674	2,137,277	2,097,632	4,169,514	3,762,731	4,492,007
Capital grants and contributions			751,239	903,611						1,337,632
Total governmental activities program revenues	3,389,760	19,173,143	3,298,256	3,635,415	2,831,661	2,751,249	2,896,760	4,903,560	4,490,432	6,557,594
Business-type activities:										
Charges for services										
Food service	816,347	736,272	751,380	781,171	821,284	881,280	626,563	32,247	91,064	771,906
Kid Care	847,004	866,156	841,422	638,994	603,502	645,438	451,769	93,663	517,744	577,516
Operating grants and contributions	988,014	1,073,302	1,174,301	1,259,344	1,156,396	1,233,463	1,051,250	795,241	3,361,992	1,859,463
Total business type activities program revenues	2,651,365	2,675,730	2,767,103	2,679,509	2,581,182	2,760,181	2,129,582	921,151	3,970,800	3,208,885
Total district program revenues	6,041,125	21,848,873	6,065,359	6,314,924	5,412,843	5,511,430	5,026,342	5,824,711	8,461,232	9,766,479
Net (Expense)/Revenue										
Governmental activities	(88,470,311)	(83,891,375)	(102,369,897)	(113,546,943)	(120,433,010)	(113,001,966)	(109,178,126)	(123,058,646)	(116,736,450)	(113,124,413)
Business-type activities	281,487	241,243	251,477	294,576	159,514	354,138	84,540	(208,784)	1,346,492	398,890
Total government-wide net expense	\$ (88,188,824)	\$ (83,650,132)	\$ (102,118,420)	\$ (113,252,367)	\$ (120,273,496)	\$ (112,647,828)	\$ (109,093,586)	\$ (123,267,430)	\$ (115,389,958)	\$ (112,725,523)

East Windsor Regional School District
Changes in Net Position
Last Ten Fiscal Years

(Accrual Basis of Accounting)
Unaudited

	Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes	\$ 59,096,205	\$ 60,278,129	\$ 61,483,692	\$ 62,713,366	\$ 63,717,633	\$ 64,741,986	\$ 65,786,826	\$ 67,102,563	\$ 68,194,614	\$ 69,308,506
Property taxes levied for debt service	3,231,358	3,201,658	3,167,898	3,124,874	3,054,895	3,046,318	3,003,784	2,958,285	2,756,767	2,774,659
Unrestricted grants and contributions	25,840,199	20,526,963	38,936,163	46,732,774	53,216,994	46,762,945	46,035,664	57,728,140	53,693,146	54,391,380
Investment earnings	4,698	19,457	33,883	52,598	108,526	253,906	361,548	164,539	40,961	326,611
Miscellaneous income	458,385	318,898	165,911	946,332	265,265	181,078	176,798	320,756	351,364	259,799
Transfers	230,000	400,000								
Total governmental activities	88,860,845	84,745,105	103,787,547	113,569,944	120,363,313	114,986,233	115,364,620	128,274,283	125,036,852	127,060,955
Business-type activities:										
Investment income			2,545					8,797	5,415	58,715
Transfers	(230,000)	(400,000)								
Total business-type activities	(230,000)	(400,000)	2,545	-	-	-	-	8,797	5,415	58,715
Total government-wide	88,630,845	84,345,105	103,790,092	113,569,944	120,363,313	114,986,233	115,364,620	128,283,080	125,042,267	127,119,670
Change in Net Position										
Governmental activities	390,534	853,730	1,417,650	23,001	(69,697)	1,984,267	6,186,494	5,215,637	8,300,402	13,936,542
Business-type activities	51,487	(158,757)	254,022	294,576	159,514	354,138	84,540	(199,987)	1,351,907	457,605
Total district	\$ 442,021	\$ 694,973	\$ 1,671,672	\$ 317,577	\$ 89,817	\$ 2,338,405	\$ 6,271,034	\$ 5,015,650	\$ 9,652,309	\$ 14,394,147

Source: ACFR Schedules A-2 and District records

GASB No. 75 was implemented in the 2018 fiscal year, which increased the unrestricted grants and contributions and various expense lines from the previous year. This required presentation did not impact any of the balances from prior years.

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

East Windsor Regional School District
Fund Balances - Governmental Funds
Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)
Unaudited

	As of June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 10,139,379	\$ 9,848,926	\$ 8,831,520	\$ 10,836,908	\$ 11,472,444	\$ 10,652,757	\$ 10,719,412	\$ 11,900,508	\$ 13,994,651	\$ 16,034,992
Assigned to	2,651,497	4,313,306	3,732,985	2,479,687	2,776,584	3,438,211	6,249,392	7,920,684	7,654,975	8,654,947
Unassigned	489,774	238,946	318,702	254,557	243,346			1,810,236	1,635,443	
Total general fund	<u>\$ 13,280,650</u>	<u>\$ 14,401,178</u>	<u>\$ 12,883,207</u>	<u>\$ 13,571,152</u>	<u>\$ 14,492,374</u>	<u>\$ 14,090,968</u>	<u>\$ 16,968,804</u>	<u>\$ 21,631,428</u>	<u>\$ 23,285,069</u>	<u>\$ 24,689,939</u>
All Other Governmental Funds										
Restricted for:										
Special revenue fund *								\$ 367,385	\$ 412,403	\$ 427,115
Capital projects fund	\$ 2,836,234	\$ 364,249	\$ 1,833,641	\$ 536,629	\$ 285,195	\$ 285,195	\$ 285,195	285,195	285,195	8,104,530
Debt service fund	489,774	1	25,968	25,967						
Total all other governmental funds	<u>\$ 3,326,008</u>	<u>\$ 364,250</u>	<u>\$ 1,859,609</u>	<u>\$ 562,596</u>	<u>\$ 285,195</u>	<u>\$ 285,195</u>	<u>\$ 285,195</u>	<u>\$ 652,580</u>	<u>\$ 697,598</u>	<u>\$ 8,531,645</u>

Source: ACFR Schedule B-1 and District records.

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

East Windsor Regional School District
 Changes in Fund Balances - Governmental Funds
 Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)
 Unaudited

	Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$ 62,327,563	\$ 63,479,787	\$ 64,651,590	\$ 65,838,240	\$ 66,772,528	\$ 67,788,304	\$ 68,790,610	\$ 70,060,848	\$ 70,951,381	\$ 72,083,165
Transportation Fees	61,721.00	43,521.24	83,599	146,570	111,460	98,967	51,412	37,176	71,442	132,387
Tuition Charges	541,560	560,407	441,934	471,597	442,527	515,005	747,716	696,870	656,259	580,856
Interest on Investments	4,698		33,883	52,598	108,526	253,906	361,548	164,539	40,961	326,611
Rents & Royalties			23,011	38,469	66,758	51,722	13,460	151,350	10,598	41,398
Miscellaneous	485,027	375,525	1,375,584	961,561	226,041	164,677	204,611	425,224	890,063	983,051
State Sources	25,843,624	28,221,958	28,646,863	30,302,752	32,266,716	37,546,828	41,221,554	45,880,450	57,079,765	64,579,136
Federal Sources	2,070,475	2,098,887	2,048,759	2,176,690	2,329,762	2,207,442	2,153,081	4,037,209	3,410,597	5,232,089
Total revenue	91,334,668	94,780,086	97,305,223	99,988,477	102,324,318	108,626,851	113,543,992	121,453,666	133,111,066	143,958,693
Expenditures										
Instruction										
Regular Instruction	25,711,382	25,670,386	25,349,163	25,946,098	26,259,020	27,354,545	27,380,721	29,731,941	31,555,570	30,689,887
Special Education Instruction	6,190,211	6,096,653	7,875,334	7,450,145	7,780,064	8,225,324	8,382,494	8,937,870	9,333,844	9,339,734
Other Special Instruction			2,727,753	2,851,959	3,195,190	3,265,287	3,668,783	4,184,472	4,405,549	4,863,353
Other Instruction	2,965,778	2,992,569	1,100,372	1,185,551	1,137,566	1,187,644	1,143,738	912,593	1,246,326	1,275,790
Community Svc Program/Operations	1,127,451	1,197,485	15,899	2,057	3,250					
Support Services:										
Tuition	6,103,650	6,491,066	5,652,013	5,163,274	5,495,412	5,754,332	5,497,365	4,792,165	4,828,163	5,484,435
Student and Instruction Related Services	7,643,146	7,829,405	7,949,697	8,655,610	9,023,052	9,299,784	10,262,079	10,875,470	11,485,228	12,486,225
General administration	1,056,864	1,487,075								
School Administration Services	2,916,851	3,042,989	3,062,994	3,342,918	3,502,028	3,618,698	3,562,179	3,605,471	3,795,449	3,875,662
Central services	1,034,212	979,006								
Other Admin Services			2,210,539	2,335,736	2,324,464	2,281,641	2,295,407	2,544,884	2,528,219	2,664,718
Admin. Information Technology	197,839	235,688								
Plant Operations and maintenance	6,809,832	6,699,051	6,749,160	6,616,091	6,650,372	7,267,385	7,475,062	7,546,228	8,859,474	9,373,716
Pupil transportation	3,717,215	3,491,546	3,782,275	3,564,618	3,797,700	4,282,557	4,283,391	3,802,156	4,891,315	5,141,581
Employee Benefits	19,446,606	20,805,829	22,452,902	24,860,559	25,768,632	28,278,639	28,143,033	33,525,531	39,919,058	41,236,841
Transfer to Charter School	11,317		9,751	46,778	59,443	50,430	48,568	56,722	64,223	51,435
Capital Outlay	4,461,944	8,513,481	5,067,632	5,274,048	3,430,388	4,945,610	5,346,253	6,543,850	5,496,194	11,750,055
Special Schools	38,685	42,676	48,765	60,978	56,091	58,356	65,633	80,650	148,450	
Debt Service:										
Principal	1,367,153	2,020,000	2,065,000	2,070,000	2,105,000	2,145,000	2,180,000	2,230,000	2,555,000	4,957,104
Interest and other charges	2,005,000	1,394,335	1,208,585	1,171,125	1,092,825	1,013,025	931,450	963,985	300,345	248,989
Total expenditures	92,805,136	98,989,240	97,327,834	100,597,545	101,680,497	109,028,257	110,666,156	120,333,988	131,412,407	143,439,525
Excess (Deficiency) of revenues over (under) expenditures	(1,470,468)	(4,209,154)	(22,611)	(609,068)	643,821	(401,406)	2,877,836	1,119,678	1,698,659	519,168
Other financing sources (uses)										
Lease proceeds	2,232,000	2,246,183								8,000,000
Assets acquired by financed purchases								1,965,000		719,749
Payment to bond refunding escrow agent		(3,366,301)						(15,186,815)		
Refunding bonds issued								15,320,000		
Transfers In	2,804,589	535,632	2,547,303		251,057					
Transfers Out	(2,574,589)		(2,547,303)		(251,057)					
Total other financing sources (uses)	2,462,000	2,857,698	-	-	-	-	-	2,098,185	-	8,719,749
Net change in fund balances	\$ 991,532	\$ (1,351,456)	\$ (22,611)	\$ (609,068)	\$ 643,821	\$ (401,406)	\$ 2,877,836	\$ 3,217,863	\$ 1,698,659	\$ 9,238,917
Debt service as a percentage of noncapital expenditures	3.82%	3.77%	3.55%	3.40%	3.25%	3.03%	2.95%	2.81%	2.27%	3.95%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
Unaudited**

FISCAL YEAR ENDED JUNE 30,	PRIOR YEAR REFUNDS	RENTAL OF FACILITIES	TUITION	TRANSPORTATION FEES	INTEREST EARNINGS	MISCELLANEOUS	Annual Totals
2023		\$ 41,398	\$ 580,856	\$ 132,387	\$ 307,620	\$ 218,401	\$ 1,280,662
2022		10,598	656,259	71,442	40,961	340,766	1,120,026
2021		151,350	696,870	37,176	164,539	169,406	1,219,341
2020	\$ 39,212	13,460	747,716	51,412	361,548	124,126	1,337,474
2019		44,172	422,463	98,967	253,906	105,526	925,034
2018		66,758	442,527	111,460	108,526	198,507	927,778
2017	499,994	38,469	471,597	146,570	52,598	407,869	1,617,097
2016		23,011	441,934	83,599	33,856	142,855	725,255
2015		19,457	560,407	43,521		318,898	942,283
2014	378,518	50,626	541,560	61,721	4,698	29,241	1,066,364

Source: District records

East Windsor Regional School District
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

FISCAL YEAR ENDED JUNE 30	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	PERS. PROP	TOTAL ASSESSED VALUE	TAX EXEMPT PROPERTY	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE b	ACTUAL (COUNTY EQUALIZED) VALUE
East Windsor													
2023	\$ 36,809,100	\$ 2,022,456,800	\$ 10,157,000	\$ 1,263,500	\$ 401,873,300	\$ 214,099,100	\$ 172,391,500	\$ 3,918,700	\$ 2,862,969,000	\$ 241,578,700	\$ 2,862,969,000	\$ 2.19	\$ 4,140,874,712
2022	35,998,700	2,019,600,600	10,115,300	1,216,700	400,361,500	213,613,500	172,391,500	4,289,845	2,857,587,645	240,502,600	2,857,587,645	2.16	3,571,086,108
2021	35,117,100	2,019,677,100	10,102,900	1,220,600	400,481,800	188,851,700	171,420,800	4,542,658	2,831,414,658	238,573,400	2,831,414,658	2.16	3,157,457,835
2020	29,514,800	2,016,561,800	10,808,800	1,279,900	401,985,050	186,547,700	169,966,300	4,443,653	2,821,108,003	244,492,800	2,821,108,003	2.14	3,047,818,651
2019	29,623,500	2,015,198,300	11,011,700	1,299,700	405,311,650	179,766,200	169,288,300	4,507,360	2,816,006,710	245,033,200	2,816,006,710	2.11	2,816,006,710
2018	38,039,700	2,014,170,300	10,542,400	1,324,700	420,630,150	151,870,200	169,889,900	4,591,136	2,811,058,486	199,219,200	2,811,058,486	2.09	2,862,184,819
2017	53,385,400	2,008,698,197	10,283,500	1,299,900	416,028,050	104,470,200	158,328,000	4,679,638	2,757,172,885	199,061,000	2,757,172,885	2.09	2,801,966,101
2016	40,292,200	2,004,509,297	10,264,300	1,327,800	418,307,250	103,107,300	158,328,000	4,537,469	2,740,673,616	193,193,200	2,740,673,616	2.07	2,700,842,361
2015	36,112,600	2,007,679,679	17,725,000	1,675,100	421,826,350	105,287,300	158,560,400	4,536,175	2,753,402,604	193,637,200	2,753,402,604	2.01	2,753,402,604
2014	33,339,600	2,009,223,497	15,586,700	1,844,800	427,125,450	105,284,500	158,844,400	4,913,771	2,756,162,718	187,119,800	2,756,162,718	1.97	2,668,935,776
Hightstown													
2023	\$ 2,706,000	\$ 318,253,900			\$ 54,577,700	\$ 3,552,900	\$ 13,373,200	\$ 3,249,600	\$ 395,713,300	\$ 157,892,500	\$ 395,713,300	\$ 2.44	\$ 576,643,697
2022	2,778,300	317,106,600			56,068,100	3,552,900	13,373,200	3,222,092	396,101,192	157,301,600	396,101,192	2.42	534,602,123
2021	2,318,700	316,258,000			56,615,600	4,012,500	13,373,200	3,594,397	396,172,397	156,451,300	396,172,397	2.34	494,617,614
2020	2,365,800	314,503,000			56,967,000	4,193,400	13,373,200	3,284,099	394,686,499	148,641,300	394,686,499	2.28	463,643,730
2019	2,436,800	314,070,100			54,258,400	3,167,900	13,373,200	3,381,420	393,687,620	146,638,200	393,687,620	2.21	393,687,620
2018	2,529,900	312,979,100			57,485,900	3,167,900	13,349,900	3,582,656	393,095,356	146,682,000	393,095,356	2.16	408,925,687
2017	2,652,000	312,588,100			57,330,600	3,149,400	13,043,900	3,416,396	392,180,396	146,885,100	392,180,396	2.20	412,573,255
2016	3,121,500	310,610,300			57,167,600	3,149,400	13,043,900	3,374,648	390,467,348	147,275,600	390,467,348	2.20	414,616,885
2015	3,096,100	310,248,700			57,030,300	3,149,400	13,043,900	2,963,474	389,531,874	193,367,200	389,531,874	2.19	415,636,477
2014	2,562,400	311,352,900			57,641,600	3,909,700	13,043,900	3,348,297	391,858,797	143,473,200	391,858,797	2.19	424,168,371
East Windsor & Hightstown													
2023	\$ 39,515,100	\$ 2,340,710,700	\$ 10,157,000	\$ 1,263,500	\$ 456,451,000	\$ 217,652,000	\$ 185,764,700	\$ 7,168,300	\$ 3,258,682,300	\$ 399,471,200	\$ 3,258,682,300	\$ 4.63	\$ 4,717,518,409.00
2022	38,777,000	2,336,707,200	10,115,300	1,216,700	456,429,600	217,166,400	185,764,700	7,511,937	3,253,688,837	397,804,200	3,253,688,837	4.58	4,105,688,231
2021	37,435,800	2,335,935,100	10,102,900	1,220,600	457,097,400	192,864,200	184,794,000	8,137,055	3,227,587,055	395,024,700	3,227,587,055	4.50	3,652,075,449
2020	31,880,600	2,331,064,800	10,808,800	1,279,900	458,952,050	190,741,100	183,339,500	7,727,752	3,215,794,502	393,134,100	3,215,794,502	4.42	3,511,462,381
2019	32,060,300	2,329,268,400	11,011,700	1,299,700	459,570,050	182,934,100	182,661,500	7,888,780	3,209,694,330	391,671,400	3,209,694,330	4.32	3,209,694,330
2018	40,569,600	2,327,149,400	10,542,400	1,324,700	478,116,050	155,038,100	183,239,800	8,173,792	3,204,153,842	345,901,200	3,204,153,842	4.25	3,271,110,506
2017	56,037,400	2,321,286,297	10,283,500	1,299,900	473,358,650	107,619,600	171,371,900	8,096,034	3,149,353,281	345,946,100	3,149,353,281	4.29	3,214,539,356
2016	43,413,700	2,315,119,597	10,264,300	1,327,800	475,474,850	106,256,700	171,371,900	7,912,117	3,131,140,964	340,468,800	3,131,140,964	4.27	3,115,459,246
2015	39,208,700	2,317,928,379	17,725,000	1,675,100	478,856,650	108,436,700	171,604,300	7,499,649	3,142,934,478	387,004,400	3,142,934,478	4.20	3,169,039,081
2014	35,902,000	2,320,576,397	15,586,700	1,844,800	484,767,050	109,194,200	171,888,300	8,262,068	3,148,021,515	330,593,000	3,148,021,515	4.16	3,093,104,147

Source: Municipal Tax Assessors

- a. Taxable Value of Machinery, Implements and equipment of Telephone, Telegraph and Messenger System Companies
- b. Tax Rates are per \$100

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**
(Rate per \$100 of Assessed Value)
Unaudited

EAST WINDSOR REGIONAL SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES		
FISCAL YEAR ENDED JUNE 30,	BASIC RATE	TOTAL DIRECT SCHOOL TAX RATE	BOROUGH OR TOWNSHIP	MERCER COUNTY	TOTAL DIRECT & OVERLAPPING TAX RATE
East Windsor					
2023	\$ 2.19	\$ 2.19	\$ 0.43	\$ 0.78	\$ 3.40
2022	2.16	2.16	0.43	0.71	3.31
2021	2.16	2.16	0.43	0.71	3.28
2020	2.14	2.14	0.43	0.71	3.29
2019	2.11	2.11	0.43	0.71	3.25
2018	2.09	2.09	0.43	0.69	3.21
2017	2.09	2.09	0.43	0.60	3.12
2016	2.07	2.07	0.43	0.58	3.08
2015	2.01	2.01	0.43	0.57	3.02
2014	1.97	1.97	0.46	0.64	3.06
Hightstown					
2023	\$ 2.44	\$ 2.44	\$ 1.57	\$ 0.84	\$ 4.85
2022	2.42	2.42	1.47	0.80	4.69
2021	2.34	2.34	1.35	0.78	4.52
2020	2.28	2.28	1.35	0.78	4.41
2019	2.21	2.21	1.33	0.75	4.29
2018	2.16	2.16	1.29	0.71	4.16
2017	2.20	2.20	1.22	0.62	4.04
2016	2.20	2.20	1.18	0.71	4.09
2015	2.19	2.19	1.16	0.62	4.06
2014	2.19	2.19	1.18	0.71	4.09

Source: Municipal Tax Collectors

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO
*Unaudited***

NOT AVAILABLE

**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 TAX LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2023	\$ 72,083,165	\$ 72,083,165	100.00%	
2022	70,951,381	70,951,381	100.00%	
2021	70,060,848	70,060,848	100.00%	
2020	68,790,610	68,790,610	100.00%	
2019	67,788,304	67,788,304	100.00%	
2018	66,772,528	66,772,528	100.00%	
2017	65,838,240	65,838,240	100.00%	
2016	64,651,590	64,651,590	100.00%	
2015	63,479,787	63,479,787	100.00%	
2014	62,327,563	62,327,563	100.00%	

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

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
*Unaudited***

YEAR ENDED JUNE 30,	GENERAL OBLIGATIONS BONDS	FINANCED PURCHASES	TOTAL DISTRICT	PER CAPITA INCOME	PERCENTAGE OF PERSONAL INCOME ^a	DISTRICT POPULATION	PER CAPITA ^a
2023	\$ 13,135,000	\$ 7,581,397	\$ 20,716,397	\$ 42,130	1.41%	29,823	\$ 594
2022	15,815,000	1,133,920	16,948,920	42,130	1.41%	29,823	594
2021	18,370,000	1,768,888	20,138,888	74,218	2.47%	30,045	1,833
2020	19,875,000	500,786	20,375,786	69,344	2.13%	32,592	1,477
2019	22,055,000	880,389	22,935,389	56,102	1.71%	32,757	959
2018	24,200,000	1,745,534	25,945,534	54,894	1.33%	33,025	733
2017	26,305,000	2,595,703	28,900,703	53,673	0.20%	32,933	799
2016	28,375,000		28,375,000	N/A	N/A	N/A	N/A
2015	30,440,000		30,440,000	N/A	N/A	N/A	N/A
2014	32,480,000		32,480,000	N/A	N/A	33,103	N/A

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

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

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Unaudited

GENERAL BONDED DEBT OUTSTANDING

FISCAL YEAR ENDED JUNE 30,	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
2023	\$ 13,135,000		\$ 13,135,000	0.403%	\$ 440
2022	15,815,000		15,815,000	0.486%	530
2021	18,370,000		18,370,000	0.569%	611
2020	19,875,000		19,875,000	0.618%	610
2019	22,050,000		22,050,000	0.687%	673
2018	24,200,000		24,200,000	0.755%	733
2017	26,305,000	\$ 25,967	26,279,033	0.835%	799
2016	28,375,000	25,968	28,349,032	0.905%	867
2015	30,440,000		30,440,000	1.873%	N/A
2014	32,480,000		32,480,000	1.690%	N/A

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

Source: Assessed valuations were provided by the Abstract of Ratables, County Board of Taxation.

EAST WINDSOR REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of December 31, 2022
Unaudited

GOVERNMENTAL UNIT	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE</u>	<u>SHARE OF OVERLAPPING DEBT</u>
Debt Repaid With Property Taxes:	\$ 640,218,719		
Township of East Windsor		6.5275%	\$ 41,790,237
Borough of Hightstown		1.0285%	6,584,565
Other Debt: M.C.I.A.	53,576,127		
Township of East Windsor		6.5275%	3,497,178
Borough of Hightstown		1.0285%	<u>551,023</u>
Subtotal, Overlapping Debt			52,423,003
East Windsor Regional School District Direct Debt			<u>13,135,000</u>
Total Direct & Overlapping Debt			<u>\$ 65,558,003</u>

* As of December 31, 2022

Sources: Assessed value data used to estimate applicable percentages provided by County of Mercer, Debt outstanding data provided by each governmental unit.

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
*Unaudited***

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt limit	\$ 166,284,845	\$ 141,253,296	\$ 135,246,390	\$ 133,230,232	\$ 129,271,259	\$ 128,014,788	\$ 126,653,836	\$ 126,096,951	\$ 126,360,057	\$ 130,131,016
Total Net Debt Applicable to Limit	<u>13,135,000</u>	<u>15,815,000</u>	<u>18,370,000</u>	<u>19,875,000</u>	<u>22,055,000</u>	<u>24,200,000</u>	<u>26,279,033</u>	<u>28,375,000</u>	<u>30,440,000</u>	<u>32,480,000</u>
Legal Debt Margin	<u>\$ 153,149,845</u>	<u>\$ 125,438,296</u>	<u>\$ 116,876,390</u>	<u>\$ 113,355,232</u>	<u>\$ 107,216,259</u>	<u>\$ 103,814,788</u>	<u>\$ 100,374,803</u>	<u>\$ 97,721,951</u>	<u>\$ 95,920,057</u>	<u>\$ 97,651,016</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	7.90%	11.20%	13.58%	14.92%	17.06%	18.90%	20.75%	22.50%	24.09%	24.96%

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized valuation basis

	East Windsor	Hightstown	Total
2023	\$ 4,136,956,012	\$ 576,643,697	\$ 4,713,599,709
2022	3,571,086,108	534,602,123	4,105,688,231
2021	3,157,457,835	494,617,614	3,652,075,449
	<u>\$10,865,499,955</u>	<u>\$ 1,605,863,434</u>	<u>\$ 12,471,363,389</u>

Average Equalized Valuation of Taxable Property	\$ 3,621,833,318	\$ 535,287,811	\$ 4,157,121,130
Value)			\$ 166,284,845
Net Bonded School Debt			<u>13,135,000</u>
Legal Debt Margin			<u>\$ 153,149,845</u>

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

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**
Unaudited

EAST WINDSOR

<u>YEAR</u>	<u>POPULATION (a)</u>	<u>PER CAPITA PERSONAL INCOME (b)</u>	<u>UNEMPLOYMENT RATE (c)</u>
2023	29,823	\$ 42,130	10.00%
2022	29,823	42,130	10.00%
2021	30,045	74,218	6.40%
2020	32,592	69,344	2.40%
2019	32,757	56,102	5.70%
2018	33,025	54,894	3.40%
2017	32,933	53,673	3.60%
2016	32,690	N/A	3.70%
2015	N/A	N/A	N/A
2014	33,103	N/A	4.60%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development.

^b Per capita information provided by US Dept of Commerce, Bureau of Economic Analysis

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

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**
Unaudited

NOT AVAILABLE

EAST WINDSOR REGIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
Unaudited

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction:										
Regular	327	378	371	328	353	356	346	335	320	339
Special Education	174	84	84	140	82	73	72	71	72	72
Other Special Education Aides	51	32	32	28	28	30	29	28	29	28
Other Instruction/ Nurse	11	8	8	9	9	9	9	8	8	8
Guidance	24	22	20	20	20	19	17	15	15	17
Support Services:										
Student & Instruction Related Services	19	53	50	47	47	44	42	46	39	41
General Administration	2	6	6	8	8	8	8	7	7	10
School Administrative Services	43	17	16	17	17	18	18	16	15	15
Other Administrative Services		12	12	10	9	8	10	9	10	9
Central Services	14	23	21	13	20	16	17	15	15	20
Administrative Information Technology	11	1	1	1	1	1	1	1	1	1
Plant Operations & Maintenance	65	56	55	59	53	51	53	53	53	54
Pupil Transportation	74	75	72	73	69	65	66	68	74	65
Other Support Services VA	2	31	31	36	31	34	34	34	34	30
Campus Monitor	7	6	7	7	7	6	6	6	6	6
Computer Technician		8	7	7	7	7	6	6	6	6
Courier		1	1	1	1	1	1	1	1	1
Duplicating Eq. Operator		1	1	1	1	1	1	1	1	1
Child Care	16	16	16	30	29	26	31	22	23	23
Custodial Supervisor		1	1	1	1	1	1	1	1	1
Director of Buildings & Grounds		1	1	1	1	1	1	1	1	1
Lunch Monitors	36	33	25	39	34	29	27	17	16	19
Total	876	865	838	876	828	804	796	761	747	767

Source: District Personnel Records

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
*Unaudited***

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	MIDDLE SCHOOL	SENIOR HIGH SCHOOL				
2023	4,979	\$ 126,002,313	\$ 25,307	1.88%	501	10.3	10.7	11.5	4,964	4,698	0.04%	95.80%
2022	4,954	123,060,868	24,841	0.57%	462	10.3	10.7	11.5	4,962	4,691	-0.41%	94.10%
2021	5,019	110,596,153	22,035	9.10%	455	10.1	11.0	12.3	4,969	4,806	-3.42%	96.71%
2020	5,178	102,208,453	19,739	3.29%	483	9.8	11.7	11.3	5,139	4,979	0.41%	96.83%
2019	5,113	95,267,251	18,632	0.54%	435	11.4	11.5	11.8	5,101	4,960	1.60%	97.01%
2018	5,129	95,052,284	18,532	2.38%	429	10.1	10.8	10.8	5,094	4,882	0.04%	95.85%
2017	5,221	92,082,372	17,637	2.24%	418	14.8	12.2	12.4	5,160	4,947	1.67%	95.89%
2016	5,139	88,986,617	17,316	5.29%	411	14.8	12.2	12.4	5,075	5,022	-0.07%	97.00%
2015	5,019	85,139,792	16,963	1.00%	411	14.8	12.2	12.4	5,112	5,059	9.20%	97.00%
2014	5,106	82,520,106	16,161	-0.31%	411	14.6	11.1	11.7	5,091	4,892	0.61%	96.09%

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

EAST WINDSOR REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
Unaudited

DISTRICT BUILDINGS	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>Elementary Schools:</u>										
McKnight ES (1970):										
Square Feet	84,596	84,596	84,596	84,596	84,596	84,596	84,596	84,596	84,596	84,596
Capacity (Students)	660	660	660	660	660	660	660	660	660	660
Enrollment	587	562	539	555	521	521	521	521	508	644
Drew ES (1975):										
Square Feet	92,224	92,224	92,224	92,224	92,224	92,224	92,224	92,224	92,224	92,244
Capacity (Students)	728	728	728	728	728	728	728	728	728	728
Enrollment (a)	579	551	567	580	666	666	666	666	668	671
Walter C Black ES (1949):										
Square Feet	78,697	78,697	78,697	78,697	78,697	78,697	78,697	78,697	78,697	78,570
Capacity (Students)	615	615	615	615	615	615	615	615	615	615
Enrollment	479	472	491	521	539	539	539	539	541	488
Rogers ES (1924):										
Square Feet	103,470	103,470	103,470	103,470	103,470	103,470	103,470	103,470	103,470	107,908
Capacity (Students)	698	698	698	698	698	698	698	698	698	543
Enrollment	610	596	561	610	680	680	680	680	686	699
<u>Middle School:</u>										
Kreps Middle School (1968):										
Square Feet	205,021	205,021	205,021	205,021	205,021	205,021	205,021	205,021	205,021	205,021
Capacity (Students)	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135
Enrollment	1,117	1,193	1,237	1,239	1,245	1,245	1,245	1,245	1,256	1,105
<u>High School:</u>										
Hightstown High School (1966):										
Square Feet	271,758	271,758	271,758	271,758	271,758	271,758	271,758	271,758	262,435	262,435
Capacity (Students)	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274
Enrollment	1,547	1,512	1,520	1,580	1,526	1,526	1,526	1,526	1,527	1,458
<u>Other Buildings:</u>										
Transportation (1979):										
Square Feet	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Central Administration (1846):										
Square Feet	4,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150
Maintenance (1986)										
Square Feet	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600

Number of Schools at June 30, 2023:

Elementary = 4
Middle School = 1
Senior High School = 1
Other = 3

Source: District Facilities Office

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

EAST WINDSOR REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
Unaudited

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

FISCAL YEAR	BLACK ELEMENTARY SCHOOL	DREW ELEMENTARY SCHOOL	MC KNIGHT ELEMENTARY SCHOOL	ROGERS ELEMENTARY SCHOOL	KREPS ELEMENTARY SCHOOL	HIGHTSTOWN HIGH SCHOOL	TOTAL
2023	\$ 287,491	\$ 351,378	\$ 319,435	\$ 383,322	\$ 798,587	\$ 1,054,135	\$ 3,194,348
2022	305,048	372,836	338,942	406,730	847,355	1,118,507	3,389,418
2021	262,722	307,881	282,415	345,424	684,442	907,237	2,790,121
2020	222,591	260,851	239,276	292,660	579,893	768,655	2,363,926
2019	214,415	251,325	230,487	281,910	558,592	740,423	2,277,152
2018	185,263	217,108	199,151	243,582	482,647	639,755	1,967,506
2017	174,446	204,806	187,825	239,584	455,200	603,372	1,865,233
2016	222,783	261,555	239,869	305,970	581,330	770,561	2,382,068
2015	219,651	187,368	204,248	167,112	609,527	722,102	2,110,008
2014	220,461	258,830	237,370	302,782	575,273	736,373	2,331,089
Total	\$ 2,580,699	\$ 2,985,428	\$ 2,764,912	\$ 3,335,631	\$ 6,866,621	\$ 9,073,891	\$ 27,607,182

Source: District records and M-1

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023
Unaudited**

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
Multiperil Package Policy:		
Property - Blank Building & Contents	\$ 268,178,993	\$ 5,000
Demolition/Increase Cost of Construction	25,000,000	5,000
Extra Expense	50,000,000	5,000
Valuable Papers	10,000,000	5,000
Satellite Dishes	Included	5,000
Commercial General Liability		
Per Occurrence	31,000,000	
Policy Aggregate	31,000,000	
Commercial Crime Coverage		
Blkt Faithful Perf	500,000	1,000
Forgery, M&S, Comp	100,000/250,000	1,000
Underground Storage Tank Liability:		
Per Occurrence	1,000,000	10,000
Policy Aggregate	1,000,000	
Computers and Schedule Equipment:		
Data Processing Equipment	3,800,000	1,000
Commercial Auto:		
Liability	31,000,000	
Physical Damage	Actual Cash Value	1,000
Boiler and Machinery	268,012,967	5,000
School Board Legal Liability:		
Coverage A	31,000,000	30,000
Coverage B	100,000/300,000	30,000
Professional Nurses Liability:		
Per Occurrence	11,000,000	
Policy Aggregate	11,000,000	
Public Employees' Faithful Performance Bonds:		
Board Secretary- School Business Administrator	400,000	
Workers Compensation Excess Liability	Statutory	
Group Accident	5,000,000	Excess
	Each Accident	
CAP Policy	50,000,000	Excess

Source: District records

Single Audit Section

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

Independent Auditors' Report

Honorable President and
Members of the Board of Education
East Windsor Regional School District
Hightstown, New Jersey
County of Mercer

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the East Windsor Regional School District, in the County of Mercer, New Jersey (the "District") as of and for the 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 March 29, 2024.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Honorable President and
Members of the Board of Education
East Windsor Regional School District

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
March 29, 2024

Scott A. Clelland

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

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

Independent Auditors' Report

Honorable President and
Members of the Board of Education
East Windsor Regional School District
Hightstown, New Jersey
County of Mercer

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the East Windsor Regional School District's, in the County of Mercer, New Jersey (the "District") compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 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 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 OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance, and New Jersey OMB Circular 15-08 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Honorable President and
Members of the Board of Education
East Windsor Regional School District

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for each major federal and state program. Our audit does not provide a legal determination compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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.

Honorable President and
Members of the Board of Education
East Windsor Regional School District

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Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies 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.

Purpose of this Report

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
March 29, 2024

Scott A. Clelland

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

East Windsor Regional School District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022	Carryover/ (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Balance at June 30, 2023			Amount Provided to Subrecipients
					From	To					Adjustments	Accounts Receivable	Unearned Revenue	
General Fund:														
U.S. Department of Health and Human Services														
Passed-through State Department of Education														
Medical Assistance Program (SEM)	93.778	2205NJ5MAP	N/A	\$ 158,689	7/1/22	6/30/23			\$ 158,689	\$ (158,689)				
Medical Assistance Program (SEM)	93.778	2105NJ5MAP	N/A	137,389	7/1/21	6/30/22	\$ (35,465)		35,465					
COVID-19 Medical Assistance Program (SEM)	93.778	2205NJ5MAP	N/A	14,352	7/1/22	6/30/23			14,352	(14,352)				
Total U.S. Department of Health and Human Services - Passed-through State Department of Education							(35,465)		208,506	(173,041)				
U.S. Department of Labor - Passed-through State Department of Labor:														
COVID-19 American Rescue Plan Act (ARPA) Unemployment Reimbursement (NC)	17.000	Not Available	N/A	156,925	7/1/21	6/30/23			156,925	(156,925)				
Total U.S. Department of Labor - Passed-through State Department of Labor									156,925	(156,925)				
Total General Fund							(35,465)		385,431	(329,966)				
Special Revenue Fund:														
U.S. Department of Education														
Passed-through State Department of Education														
Special Revenue Fund:														
Title I, Part A	84.010A	S010A210030	N/A	941,950	7/1/22	9/30/23			204,418	(477,659)		\$ (273,241)		
Title I, Part A	84.010A	S010A210030	N/A	753,982	7/1/21	9/30/22	(296,935)		296,935					
Title II, Part A Improving Teacher Quality	84.367A	S367A220029	N/A	229,731	7/1/22	9/30/23			9,137	(17,346)		(8,209)		
Title II, Part A Improving Teacher Quality	84.367A	S367A210029	N/A	373,137	7/1/21	9/30/22	(76,993)		76,993					
Language Instruction for English Learners and Immigrant Students:														
Title III	84.365A	S365A220030	N/A	211,701	7/1/22	9/30/23			76,034	(105,465)		(28,431)		
Title III	84.365A	S365A210030	N/A	187,648	7/1/21	9/30/22	(14,981)		14,981					
Title III, Immigrant	84.365A	S365A220030	N/A	62,976	7/1/22	9/30/23			1,556	(9,286)		(7,730)		
Title III, Immigrant	84.365A	S365A210030	N/A	36,165	7/1/21	9/30/22	(583)		583					
Subtotal Language Instruction for English Learners and Immigrant Students:							(15,564)		93,154	(114,751)		(37,161)		
Title IV	84.424A	S424A220031	N/A	88,377	7/1/22	9/30/23			3,000	(3,000)				
Title IV	84.424A	S424A210031	N/A	97,919	7/1/21	9/30/22	(775)		775					
Subtotal Title IV							(775)		3,775	(3,000)				
Special Education Grant Cluster:														
I.D.E.A. Part B, Basic Regular	84.027A	H027A210100	N/A	1,357,706	7/1/22	9/30/23			878,689	(1,313,262)		(434,573)		
COVID-19 ARP - I.D.E.A. Basic	84.027A	H027A210100	N/A	270,394	7/1/21	9/30/22	(33,715)		33,715					
I.D.E.A. Part B, Basic Regular	84.027A	H027A210100	N/A	1,331,925	7/1/21	9/30/22	(112,312)		112,312					
I.D.E.A., Part B, Preschool	84.173	H173A220114	N/A	60,737	7/1/22	9/30/23			60,737	(60,737)				
I.D.E.A., Part B, Preschool	84.173	H173A210114	N/A	59,528	7/1/21	9/30/22	(20,268)		20,268					
Subtotal of Special Education Grant Cluster:							(166,295)		1,105,721	(1,373,999)		(434,573)		
COVID-19 Education Stabilization Fund (ESF):														
COVID-19 ARP ESSER III	84.425U	S425U210027	N/A	4,086,450	3/13/20	9/30/24	(697,660)		1,095,118	(2,514,146)		(2,116,688)		
COVID-19 CR Mental Health (ESSER II)	84.425D	S425D210027	N/A	45,000	3/13/20	9/30/23	(5,999)		5,999					
COVID-19 ESSER II	84.425D	S425D200027	N/A	1,818,272	3/13/20	9/30/23	(20,596)		20,596	(464,612)		(444,016)		
COVID-19 CARES Emergency Relief (ESSER I)	84.425D	S425D200027	N/A	469,066	3/13/20	9/30/22	(22,519)		50,870	(29,700)	\$ 1,349			
COVID-19 ARP Accelerated Learning Coach and Educator Support	84.425U	S425U210027	N/A	493,349	3/13/20	9/30/24			(21,600)					
Subtotal Elementary and Secondary School Emergency Relief (ESSER) Cluster:							(705,582)		1,151,987	(3,030,058)	1,349	(2,560,704)		
Total U.S. Department of Education Passed Through the State Department of Education							(1,262,144)		2,942,120	(5,016,813)	1,349	(3,313,888)		
U.S. Department of the Treasury Passed-Through State														
Department of Education														
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ACSERS)	21.027	SLFRFDOE1SES	N/A	156,755	3/3/21	12/31/24			70,198	(156,755)		(86,557)		
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ACSERS)	21.027	SLFRFDOE1SES	N/A	173,018	3/3/21	12/31/24	(121,561)		121,561					
Total U.S. Department of the Treasury Passed Through the State Department of Education							(121,561)		191,759	(156,755)		(86,557)		
Total Special Revenue Fund							(1,383,705)		3,133,879	(5,173,568)	1,349	(3,400,445)		
U.S. Department of Agriculture														
Passed-through State Department of Agriculture														
Enterprise Fund:														
Child Nutrition Program Cluster:														
Noncash Assistance (Commodities)														
Food Donation (NC)	10.555	231NJ304N1099	N/A	261,546	7/1/22	6/30/23			261,546	(252,140)		\$ 9,406		
Food Donation (NC)	10.555	221NJ304N1099	N/A	230,477	7/1/21	6/30/22	15,213			(15,213)				
Cash Assistance:														
School Breakfast Program	10.553	231NJ304N1099	N/A	142,766	7/1/22	6/30/23			130,769	(142,766)		(11,997)		
School Breakfast Program	10.553	221NJ304N1099	N/A	432,676	7/1/21	6/30/22	(41,953)		41,953					
National School Lunch Program	10.555	231NJ304N1099	N/A	1,114,390	7/1/22	6/30/23			1,026,982	(1,114,390)		(87,408)		
National School Lunch Program	10.555	221NJ304N1099	N/A	2,626,643	7/1/21	6/30/22	(207,836)		207,836					
Healthy Hunger-Free Kids Act	10.555	231NJ304N1099	N/A	34,310	7/1/22	6/30/23			31,623	(34,310)		(2,687)		
COVID-19 Supply Chain Assistance	10.555	221NJ34N8903	N/A	198,060	7/1/22	6/30/23			198,060	(198,060)				
COVID-19 Supply Chain Assistance	10.555	231NJ304N1199	N/A	45,324	7/1/22	6/30/23			45,324	(45,324)				
Total Child Nutrition Program Cluster							(234,576)		1,944,093	(1,802,203)		(102,092)		9,406
COVID-19 Pandemic EBT	10.649	221NJ34N8903	N/A	3,256	7/1/22	6/30/23				(3,256)		(3,256)		
Total Enterprise Fund							(234,576)		1,944,093	(1,805,459)		(105,348)		9,406
Total Federal Awards Expenditures							\$ (1,653,746)	\$ -	\$ 5,443,403	\$ (7,308,993)	\$ 1,349	\$ (3,505,793)	\$ 9,406	\$ -
NC-represents noncash expenditures														

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

**East Windsor Regional School District
Schedule of Expenditures of State Financial Assistance
Year ended June 30, 2023**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022					Balance at June 30, 2023			MEMO		
			From	To	Unearned Revenue (Accts Receivable)	Due to Grantor	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Intergovernmental (Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
New Jersey Department of Education															
General Fund:															
Equalization Aid	23-495-034-5120-078	\$ 33,667,900	7/1/22	6/30/23			\$ 30,543,489	\$ (33,667,900)						\$ (3,124,411)	\$ 33,667,900
Equalization Aid	22-495-034-5120-078	26,005,194	7/1/21	6/30/22	\$ (2,391,573)		2,391,573							(415,061)	4,472,603
Special Education Categorical Aid	23-495-034-5120-089	4,472,603	7/1/22	6/30/23			4,057,542	(4,472,603)							
Special Education Categorical Aid	22-495-034-5120-089	4,472,603	7/1/21	6/30/22	(411,324)		411,324								
Extraordinary Aid	23-100-034-5120-473	873,984	7/1/22	6/30/23				(873,984)		\$ (873,984)					873,984
Extraordinary Aid	22-100-034-5120-473	835,909	7/1/21	6/30/22	(835,909)		835,909								
Security Aid	23-495-034-5120-084	1,255,961	7/1/22	6/30/23			1,139,407	(1,255,961)						(116,554)	1,255,961
Security Aid	22-495-034-5120-084	1,255,961	7/1/21	6/30/22	(115,505)		115,505								
Transportation Aid	23-495-034-5120-014	2,095,914	7/1/22	6/30/23			1,901,411	(2,095,914)						(194,503)	2,095,914
Transportation Aid	22-495-034-5120-014	2,095,914	7/1/21	6/30/22	(192,751)		192,751								
On-Behalf Teachers' Pension and Annuity Fund	23-495-034-5094-002	15,453,493	7/1/22	6/30/23			15,453,493	(15,453,493)							15,453,493
On-Behalf Teachers' Pension and Annuity Fund - Post Retirement Medical	23-495-034-5094-001	4,059,595	7/1/22	6/30/23			4,059,595	(4,059,595)							4,059,595
On-Behalf Teachers' Pension and Annuity Fund - Non-contributory Insurance	23-495-034-5094-004	8,621	7/1/22	6/30/23			8,621	(8,621)							8,621
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	3,252,039	7/1/22	6/30/23			2,773,286	(3,252,039)		(478,753)					3,252,039
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	3,337,749	7/1/21	6/30/22	(162,841)		162,841								
Other State Aid-Add'l NP Transportation	23-495-034-5120-014	48,360	7/1/22	6/30/23				(48,360)		(48,360)					48,360
Other State Aid-Add'l NP Transportation	22-495-034-5120-014	44,370	7/1/21	6/30/22	(44,370)		44,370								
Total General Fund					<u>(4,154,273)</u>		<u>64,091,117</u>	<u>(65,188,470)</u>		<u>(1,401,097)</u>				<u>(3,850,529)</u>	<u>65,188,470</u>
Special Revenue Fund:															
New Jersey Department of Education:															
N.J. Nonpublic Aid:															
Textbook Aid	23-100-034-5120-064	7,260	7/1/22	6/30/23			7,260	(6,090)					\$ 1,170		6,090
Textbook Aid	22-100-034-5120-064	5,162	7/1/21	6/30/22		\$ 2,907				\$ (2,907)					
Nursing Services Aid	23-100-034-5120-070	12,656	7/1/22	6/30/23			12,656	(12,656)							12,656
Technology Initiative	23-100-034-5120-373	4,620	7/1/22	6/30/23			4,620	(4,397)				223			4,397
Technology Initiative	22-100-034-5120-373	3,612	7/1/21	6/30/22		346				(346)					
Security Aid	23-100-034-5120-509	23,165	7/1/22	6/30/23			23,165	(9,190)				13,975			9,190
Security Aid	22-100-034-5120-509	15,400	7/1/21	6/30/22		1,349				(1,349)					
Nonpublic Handicapped Aid (Chapter 193)															
Examination and Classification	23-100-034-5120-066	2,652	7/1/22	6/30/23			2,652	(2,652)							2,652
Home Instruction	22-100-034-5120-066	734	7/1/21	6/30/22	(734)		734								
New Jersey Department of Agriculture:															
Grow Healthy Mini Grant	021-0245	3,771	4/1/11	6/30/12		3,771			\$ (3,771)						
Total Special Revenue Fund					<u>(734)</u>	<u>8,373</u>	<u>51,087</u>	<u>(34,985)</u>		<u>(3,771)</u>			<u>15,368</u>	<u>34,985</u>	

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

**East Windsor Regional School District
Schedule of Expenditures of State Financial Assistance
Year ended June 30, 2023**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022				Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2023			MEMO	
			From	To	Unearned Revenue (Accts Receivable)	Due to Grantor	Cash Received	Total Budgetary Expenditures			Intergovernmental (Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
Capital Projects Fund:															
Schools Development Authority:															
SDA Grant High School - Telecommunication	1245-050-14-1001-G04	\$ 129,125	2014	Completion	\$ (103,299)						\$ (103,299)				\$ 116,213
SDA Grant High School - Roof and Door Replacement	1245-050-14-1007-G04	210,993	2014	Completion	(39,850)						(39,850)				208,645
SDA Grant Kreps Middle School - Roof and Door Replacement	1245-070-14-1010-G04	1,144,372	2014	Completion	(56,292)						(56,292)				1,143,445
SDA Grant Drew Elementary School - Roof and Door Replacement	1245-075-14-1011-G04	30,140	2014	Completion	(14,195)						(14,195)				29,416
Total Capital Projects Fund					<u>(213,636)</u>						<u>(213,636)</u>				<u>1,497,719</u>
Debt Service Fund:															
Debt Service Aid	23-495-034-5120-075	94,677	7/1/22	6/30/23				\$ 94,677	\$ (94,677)						94,677
Total Debt Service Fund								<u>94,677</u>	<u>(94,677)</u>						<u>94,677</u>
Enterprise Fund:															
New Jersey Department of Agriculture:															
National School Lunch Program (State Share)	23-100-010-3350-023	50,219	7/1/22	6/30/23				46,234	(50,219)		(3,985)				50,219
National School Lunch Program (State Share)	22-100-010-3350-023	61,800	7/1/21	6/30/22	(4,783)			4,783							
National School Breakfast (State Share)	N/A	3,784	7/1/22	6/30/23				3,483	(3,784)		(301)				3,784
Total Enterprise Fund					<u>(4,783)</u>			<u>54,500</u>	<u>(54,003)</u>		<u>(4,286)</u>				<u>54,003</u>
Total State Financial Assistance Expenditures					<u>\$ (4,373,426)</u>	<u>\$ 8,373</u>	<u>\$ 64,291,381</u>	<u>\$ (65,372,135)</u>	<u>\$ (3,771)</u>	<u>\$ (4,602)</u>	<u>\$ (1,619,019)</u>	<u>\$ -</u>	<u>\$ 15,368</u>	<u>\$ (3,850,529)</u>	<u>\$ 66,869,854</u>
State Financial Assistance Not Subject to Single Audit Determination:															
On-Behalf Teachers' Pension and Annuity Fund	23-495-034-5094-002	15,453,493	7/1/22	6/30/23				15,453,493	(15,453,493)						15,453,493
On-Behalf Teachers' Pension and Annuity Fund - Post Retirement Medical	23-495-034-5094-001	4,059,595	7/1/22	6/30/23				4,059,595	(4,059,595)						4,059,595
On-Behalf Teachers' Pension and Annuity Fund - Non-contributory Insurance	23-495-034-5094-004	8,621	7/1/22	6/30/23				8,621	(8,621)						8,621
Total State Financial Assistance Subject to Single Audit Determination					<u>\$ (4,373,426)</u>	<u>\$ 8,373</u>	<u>\$ 44,769,672</u>	<u>\$ (45,850,426)</u>	<u>\$ (3,771)</u>	<u>\$ (4,602)</u>	<u>\$ (1,619,019)</u>	<u>\$ -</u>	<u>\$ 15,368</u>	<u>\$ (3,850,529)</u>	<u>\$ 86,391,563</u>

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

East Windsor Regional School District

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

Year ended June 30, 2023

1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal award and state financial assistance activity under programs of the federal and state government for the year ended June 30, 2023. The District is defined in Note 1 to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

The information in these schedules are 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 OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Therefore, some amounts presented in these schedules may differ from amounts presented, or used in the preparation of, the basic financial statements. Because the schedules present only selected portions of the operations of the District, they are not intended to and do not present the financial position, changes in net position, or cash flows of the District.

2. Summary of Significant Accounting Policies

The expenditures reported on the accompanying schedules of expenditures of federal awards and state financial assistance (Schedules) are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and New Jersey OMB Circular 15-08, wherein certain types of expenditures are allowable or are limited as to reimbursement. These bases of accounting are described in Note 1 to the District's basic financial statements.

3. Relationship to Basic Financial Statements

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

East Windsor Regional School District

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

Year ended June 30, 2023

3. Relationship to Basic Financial Statements (continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$739,376 for the general fund and \$115,189 for the special revenue fund. See note to Required Supplementary Information (C-3) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. The adjustment to reconcile from budgetary basis accounts receivable to GAAP basis accounts receivable is \$832,000 for the special revenue fund. This is a result of recognizing encumbrances as expenditures on the budgetary basis but not the GAAP basis. Financial award revenues are reported in the District’s basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	\$ 173,041	\$ 64,449,094	\$ 64,622,135
Special Revenue Fund	5,059,048	35,365	5,094,413
Debt Service Fund		94,677	94,677
Food Service Enterprise Fund	1,805,460	54,003	1,859,463
Total award revenues	<u>\$ 7,037,549</u>	<u>\$ 64,633,139</u>	<u>\$ 71,670,688</u>

The adjustment to reconcile from budgetary basis federal accounts receivable to GAAP basis accounts receivable is \$830,829 for the special revenue fund. This is a result of recognizing encumbrances as expenditures on the budgetary basis but not the GAAP basis.

4. Relationship to Federal and State Financial Reports

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

East Windsor Regional School District

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

Year ended June 30, 2023

5. Adjustments

The adjustments presented on schedule K-3 and K-4 are the result of the cancellations of prior year encumbrances or reallocations of grant misallocations in prior years.

6. Other

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions, respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2023.

The post-retirement pension, disability insurance and medical benefits received on-behalf of the District for the year ended June 30, 2023 amounted to \$19,521,709. Since on-behalf post-retirement pension, disability insurance and medical benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however, they are required to be reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

During fiscal year 2023, the New Jersey Department of Labor notified the District that federal legislation under the CARES Act and the American Rescue Plan Act of 2021 provided for partial federal subsidies related to unemployment insurance benefits attributable to the District's account. The amount of federal subsidies received by the District during fiscal year 2023 amounted to \$156,925, which have been included on the schedule of federal awards. These subsidies represent amounts paid on behalf of the District for time periods prior to the current fiscal year (third quarter of 2020 through the third quarter of 2021) and therefore have been excluded from the District's basic financial statements.

7. Indirect Costs

The District did not elect to use the 10% de minimis indirect cost rate as allowed by the Uniform Guidance.

East Windsor Regional School District
 Schedule of Findings and Questioned Costs
 Year ended June 30, 2023

Part I – Summary of Auditors’ Results

Financial Statements Section

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

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards Section

Internal control over major federal programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of major federal programs:

AL Number(s)	FAIN Number	Name of Federal Program or Cluster
84.425D, 84.425U	S425D200027, S425U210027	COVID-19 Education Stabilization Fund - ESF

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

Auditee qualified as low-risk auditee? X Yes No

East Windsor Regional School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2023

Part I – Summary of Auditor’s Results (continued)

State Financial Assistance Section

Internal control over major state programs:

Material weakness(es) identified? _____ Yes X No

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

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

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

Identification of major state programs:

GMIS/Program Number	Name of State Program or Cluster
	General State Aid Cluster:
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5094-004	TPAF Social Security Contributions

Dollar threshold used to distinguish between Type A and Type B programs: _____
\$1,375,513

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

East Windsor Regional School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2023

Part II – Schedule of Financial Statement Findings

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

East Windsor Regional School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2023

**Part III - Schedule of Federal and State Award Findings
and Questioned Costs**

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