

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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Prepared by

The School Business Administrator's Staff

Of the North Brunswick Township Board of Education

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INTRODUCTORY SECTION

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

District Web Site: www.nbtschools.org

LETTER OF TRANSMITTAL

February 21, 2024

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

Dear Board Members:

It is with pleasure that we submit the Annual Comprehensive Financial Report (ACFR) of the North Brunswick Township School District for the fiscal year ended June 30, 2023. This ACFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

- The Single Audit Section – The District is required to undergo an annual audit in conformity with the provisions of the Title 2 US Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB’s Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Information related to this single audit including the independent auditor’s report on compliance for each major federal and state program and report on internal control over compliance along with findings and questioned costs if any, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

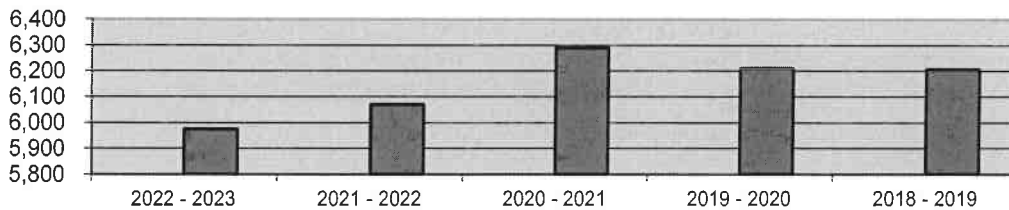
The North Brunswick Township School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds of the District are included in this report. The North Brunswick Township Board of Education and all its schools constitute the District’s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

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

The District’s enrollment at October 15, 2023 was 6,042 students. The following details the changes in enrollment over the last five years:

| <u>Fiscal Year</u> | <u>Student Enrollment</u> | <u>Percent Change</u> |
|--------------------|---------------------------|-----------------------|
| 2022 - 2023 | 6,042 | 1.14% |
| 2021 - 2022 | 5,974 | (1.58%) |
| 2020 - 2021 | 6,070 | (3.48%) |
| 2019 - 2020 | 6,289 | 1.26% |
| 2018 - 2019 | 6,211 | 0.08% |
| 2017 - 2018 | 6,206 | (1.12%) |

District Enrollment



2. ECONOMIC CONDITION AND OUTLOOK

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

3. MAJOR INITIATIVES

Facilities Improvement Plan

In 2023 the District was awarded Schools Development Authority Section 15 Grant funds (Regular Operating Grants) for HVAC control upgrades at district schools, including, North Brunswick Township High School, Linwood Campus, John Adams, Judd, Livingston Park, and Parsons. The total cost of the project is estimated to be \$8.7M with the local share of \$5.2M funded through capital reserves, and the SDA funding totaling \$3.5M. Work is projected to begin in the fall of 2024.

The District has also engaged with its architect of record to conduct a district-wide facilities study to inventory and assess all macadam, parking lots, playgrounds and playfields, building exteriors, building interiors, and the building infrastructure, including plumbing, mechanicals, electrical, and fire suppression systems. This Comprehensive Facilities Study will provide a written evaluation of each facility's components and a cost estimate to address deficiencies, in addition to an update to the district's New Jersey Department of Education Long Range Facility Plan.

The District continues to follow its roofing plan, initiated in 2018, to replace existing school roofs. The final phase of the roofing plan, two sections of the Linwood School, will be completed in the Spring of 2024. The majority of the funding for the roofing projects was through the use of capital reserves. Some of the roof replacement projects were funded 40% through Regular Operating District Grants. The roof projects did not require the collection of additional taxes.

Personnel Management

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

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

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

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

Educational Program

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

The District's exemplary academic program goes beyond state standards. Visual arts programs have a diverse student population of participants. The District offers school STEAM enrichment programs as well as the use of adaptive technology to address the needs and challenges of all children. The district continues to "prepare students for their future" with the implementation of *Coding* and *Robotics* throughout the K-12 curriculum. All of our elementary schools are equipped with computer labs, 1:1 Chromebooks, and school libraries. The district continues to enhance services for students who are identified as gifted or twice exceptional. We have developed S.O.A.R. (Seeing Our Achievements Rise) in which students across various grade levels are administered a universal screener (ie. CogAT, Sages-3 Nonverbal Reasoning test). All middle and high school students may choose from a wide range of rigorous courses that address their individual abilities and not their grade level.

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

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

4. LONG TERM FINANCIAL PLANNING

District administrators continue to evaluate the long-term financial impact of increased charter school enrollment, increased state-mandated initiatives, state health benefit plan costs, upgrades/replacement of facility mechanicals and equipment, and the S2 SFRA state aid funding formula.

5. INTERNAL ACCOUNTING CONTROLS

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

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

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

6. BUDGETARY CONTROLS

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

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

7. ACCOUNTING SYSTEM AND REPORTS

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

8. DEBT ADMINISTRATION

The District's outstanding debt issues as of June 30, 2023 included \$81,130,000 of general obligation bonds. Under provisions of New Jersey statutes, school districts may not incur indebtedness greater than 4% of the average equalized valuation of taxable property. On June 30, 2023 the District's outstanding debt issues are well below the legal debt margin. The District continues to be committed to providing the debt rating agencies and all other interested parties with annual audited financial statements and other pertinent credit information relevant to our outstanding securities.

9. **FINANCIAL STATUS**

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


10. **OTHER INFORMATION**

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

11. **ACKNOWLEDGEMENTS**

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

Respectfully submitted,

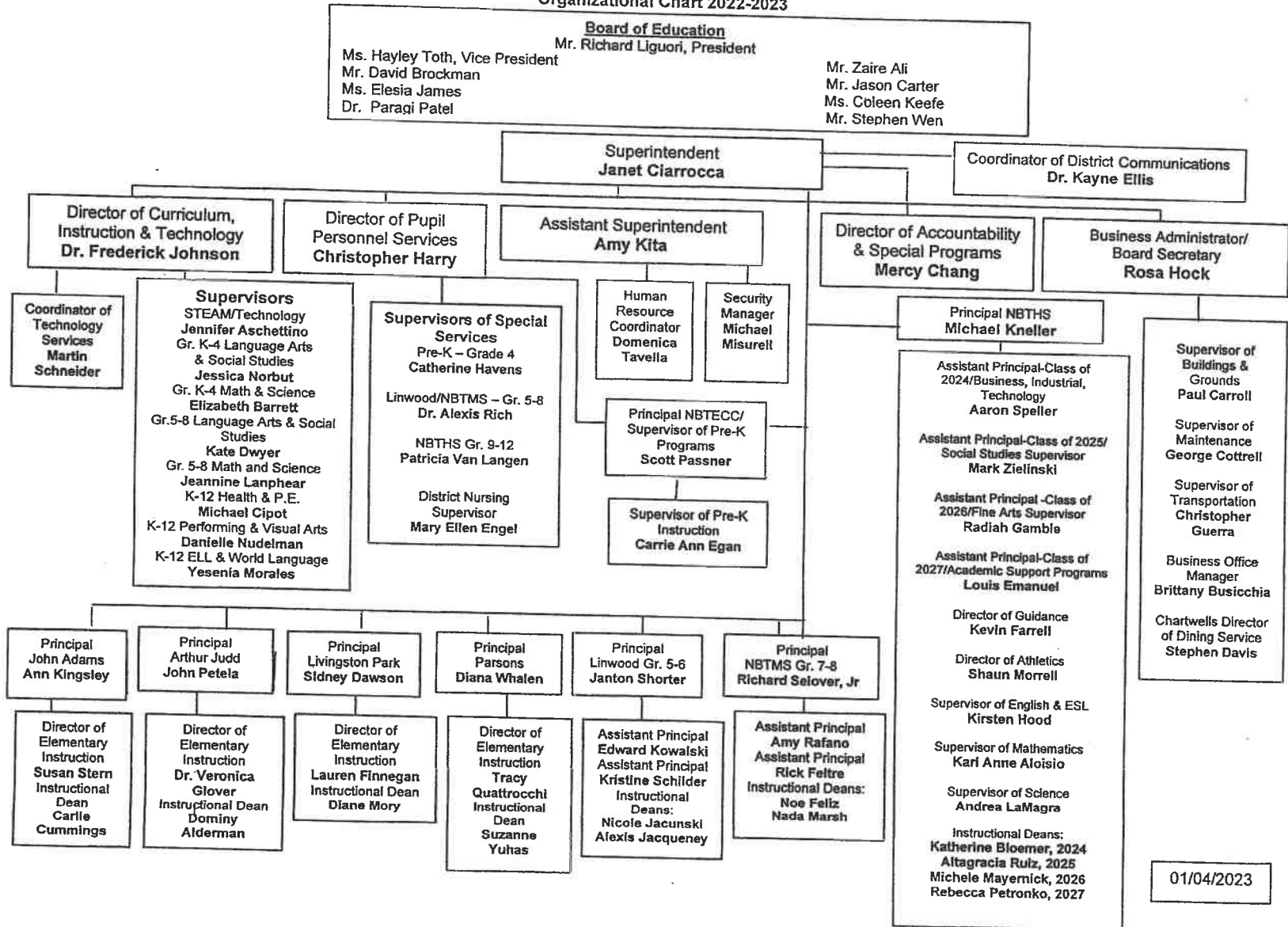


Janet Ciarrocca
Superintendent of Schools



Rosa Hock
Business Administrator/Board Secretary

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
Organizational Chart 2022-2023



01/04/2023

NORTH BRUNSWICK TOWNSHIP BOARD OF EDUCATION

NORTH BRUNSWICK, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2023

| <u>Members of the Board of Education</u> | <u>Term Expires</u> |
|---|----------------------------|
| Richard Liguori, President | 2023 |
| Hayley Toth, Vice President | 2023 |
| Zaire Ali | 2025 |
| David R. Brockman | 2024 |
| Jason Carter | 2025 |
| Elesia James | 2023 |
| Coleen Keefe | 2025 |
| Paraji Patel | 2024 |
| Steven Wen | 2024 |

Other Officials

Janet Ciarrocca, Superintendent of Schools

Amy Kita, Assistant Superintendent

Gerald Seneski, Treasurer of School Funds

Rosa Hock, School Business Administrator/Board Secretary

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

JUNE 30, 2023

Consultants and Advisors

Audit Firm

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

Attorney

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

Official Depository

TD Bank
286 Milltown Road
East Brunswick, NJ 08816

FINANCIAL SECTION

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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NEWARK, N.J. 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

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FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

Opinions

We have audited the accompanying financial statements of the governmental activities, the business type activities each major fund and the aggregate remaining fund information of the Board of Education of the North Brunswick Township School District, County of Middlesex, State of New Jersey, as of and for the year ended June 30, 2023 and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities each major fund and the aggregate remaining fund information of the Board of Education of the North Brunswick Township School District, as of June 30, 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), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for Audit of the Financial Statements section of our report. We are required to be independent of the Board of Education of the North Brunswick Township School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Management's Responsibility for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other Matters

Required Supplementary Information

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

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

Other Information

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2024, on our consideration of the Board of Education of the North Brunswick Township School District internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the North Brunswick Township School District's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the North Brunswick Township School District internal control over financial reporting compliance.



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
February 21, 2024

REQUIRED SUPPLEMENTARY INFORMATION – PART I

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

District Web Site: www.nbtschools.org

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

UNAUDITED

Management's Discussion and Analysis

The discussion and analysis of North Brunswick Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999. Certain comparative information between the current year (2022-2023) and the prior year (2021-2022) is required to be presented in MD&A. The District has elected to prepare comparative data which includes prior year's financial statements.

Overview of Financial Statements-

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

Financial Highlights

Key financial highlights for 2022-2023 are as follows:

- General revenues accounted for \$167,256,410 in revenue or 93.56% of all revenues. Program specific revenues in the form of charges for services, operating grants, and contributions, and accounted for \$11,515,067 or 6.44% to total revenues of \$178,771,477.
- Total net position of governmental activities increased by \$8,624,073.
- The School District had \$170,147,404 in expenses, of which only \$11,515,067 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes of \$93,579,189 along with Federal and State aid, of \$71,746,117 were adequate to provide for these programs.
- The Governmental – General Fund had \$153,853,763 in revenues and \$152,595,320 in expenditures. The General Fund's fund balance increased \$851,550 compared to 2022, as adjusted.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

Reporting the School District as a Whole

Comparative Statement of Net Position and Comparative Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The Comparative Statement of Net Position and the Comparative Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

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

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

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund, special revenue fund and debt service fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 33-36 of this report.

Proprietary Funds

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

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found on pages 40-93 of this report.

Other Information

Combining fund statements can be found on pages 33-39 and schedules on pages 94-125 of this report.

The School District as a Whole

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

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

The Statement of Net Position provides the financial perspective of the District as a whole. Table 1 provides a comparative summary of the School District's net position for 2023 and 2022.

Government-wide Financial Statements

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

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

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave). The Government-wide financial statements can be found on pages 31-32 of this report.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

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

Table 1 provides a comparative summary of the School District's net position for 2023 and 2022.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$76,556,485 at the close of fiscal 2023. The following table provides a summary of net position at June 30, 2023 and 2022 relating to the District's governmental and business-type activities:

Table 1 – Comparative Summary of Net Position

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total School District</u> | |
|---------------------------------------|--------------------------------|-----------------------|---------------------------------|---------------------|------------------------------|-----------------------|
| | <u>2022-2023</u> | <u>2021-2022</u> | <u>2022-2023</u> | <u>2021-2022</u> | <u>2022-2023</u> | <u>2021-2022</u> |
| Assets | | | | | | |
| Current and other assets | \$ 23,709,911 | \$ 25,093,688 | \$ 1,764,540 | \$ 1,370,333 | \$ 25,474,451 | \$ 26,464,021 |
| Capital assets, net | 179,924,512 | 180,940,962 | 56,481 | 93,866 | 179,980,993 | 181,034,828 |
| Total Assets | <u>\$ 203,634,423</u> | <u>\$ 206,034,650</u> | <u>\$ 1,821,021</u> | <u>\$ 1,464,199</u> | <u>\$ 205,455,444</u> | <u>\$ 207,498,849</u> |
| Deferred outflows of resources | | | | | | |
| Loss on Defeasance of Bonds | \$ 205,601 | \$ 526,519 | | | \$ 205,601 | \$ 526,519 |
| Pension | 4,040,421 | 3,459,316 | | | 4,040,421 | 3,459,316 |
| Total Deferred outflows of resources | <u>\$ 4,246,022</u> | <u>\$ 3,985,835</u> | | | <u>\$ 4,246,022</u> | <u>\$ 3,985,835</u> |
| Liabilities | | | | | | |
| Current and other liabilities | \$ 8,080,544 | \$ 8,975,871 | \$ 219,435 | \$ 5,646 | \$ 8,299,979 | \$ 8,981,517 |
| Net pension liability | 20,664,095 | 16,035,665 | | | 20,664,095 | 16,035,665 |
| Long-term liabilities outstanding | 99,353,564 | 107,037,276 | | | 99,353,564 | 107,037,276 |
| Total Liabilities | <u>\$ 128,098,203</u> | <u>\$ 132,048,812</u> | <u>\$ 219,435</u> | <u>\$ 5,646</u> | <u>\$ 128,317,638</u> | <u>\$ 132,054,458</u> |
| Deferred inflow of resources | | | | | | |
| Pension | <u>\$ 3,225,757</u> | <u>\$ 10,047,812</u> | | | <u>\$ 3,225,757</u> | <u>\$ 10,047,812</u> |
| Net Position | | | | | | |
| Net investment in capital assets | \$ 84,605,800 | \$ 78,288,063 | \$ 56,481 | \$ 93,866 | \$ 84,662,281 | \$ 78,381,929 |
| Restricted | 436,631 | 456,223 | | | 436,631 | 456,223 |
| Unrestricted (deficit) | (8,485,946) | (10,820,424) | 1,545,105 | 1,364,687 | (6,940,841) | (9,455,737) |
| Total Net Position | <u>\$ 76,556,485</u> | <u>\$ 67,923,862</u> | <u>\$ 1,601,586</u> | <u>\$ 1,458,553</u> | <u>\$ 78,158,071</u> | <u>\$ 69,382,415</u> |

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

The District's combined net position were \$78,158,130 on June 30, 2023. This is an increase of \$8,775,715 or 12.65% from the prior year.

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

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

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

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

Unrestricted net position decreased mainly due to a planned higher level of expenditures. General fund encumbrances at June 30, 2023 totaled \$3,058,458 as compared with \$1,129,992 at June 30, 2022.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

Table 2 shows the comparative changes in net position from fiscal year 2023 and 2022.

Table 2 – Comparative Changes in Net Position

| | Governmental Activities | | Business-Type Activities | | Total School District | |
|--------------------------------------|-------------------------|----------------------|--------------------------|---------------------|-----------------------|----------------------|
| | 2022-2023 | 2021-2022 | 2022-2023 | 2021-2022 | 2022-2023 | 2021-2022 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | | | \$ 955,747 | \$ 209,402 | \$ 955,747 | \$ 209,402 |
| Operating Grants and Contributions | \$ 11,515,067 | \$ 11,824,178 | 3,146,707 | 4,249,080 | 14,661,774 | 16,073,258 |
| General Revenue: | | | | | | |
| Property Taxes | 93,579,189 | 91,701,700 | | | 93,579,189 | 91,701,700 |
| Federal and State Aid | 71,746,117 | 66,928,275 | | | 71,746,117 | 66,928,275 |
| Miscellaneous | 1,931,104 | 1,846,047 | | | 1,931,104 | 1,846,047 |
| Total Revenue | 178,771,477 | 172,300,200 | 4,102,454 | 4,458,482 | 182,873,931 | 176,758,682 |
| Expenses: | | | | | | |
| Instruction | 85,299,164 | 83,217,556 | | | 85,299,164 | 83,217,556 |
| Tuition | 1,590,290 | 1,022,112 | | | 1,590,290 | 1,022,112 |
| Student and Instruction | | | | | | |
| Related Services | 29,872,640 | 27,777,578 | | | 29,872,640 | 27,777,578 |
| School Administration | 9,982,691 | 13,034,110 | | | 9,982,691 | 13,034,110 |
| General Administration | 4,536,456 | 3,015,039 | | | 4,536,456 | 3,015,039 |
| Operation and Maintenance | | | | | | |
| of Facilities | 14,436,321 | 14,596,409 | | | 14,436,321 | 14,596,409 |
| Pupil Transportation | 14,104,550 | 12,360,049 | | | 14,104,550 | 12,360,049 |
| Interest on Debt | 3,132,461 | 3,421,528 | | | 3,132,461 | 3,421,528 |
| Charter Schools | 7,192,831 | 6,231,538 | | | 7,192,831 | 6,231,538 |
| Business Type Actives | | | 3,959,362 | 3,539,634 | 3,959,362 | 3,539,634 |
| Total Expenses | 170,147,404 | 164,675,919 | 3,959,362 | 3,539,634 | 174,106,766 | 168,215,553 |
| Special and Extraordinary Items, Net | | 1,891,612 | | - | - | 1,891,612 |
| Change in Net Position | \$ 8,624,073 | \$ 9,515,893 | \$ 143,092 | \$ 918,848 | \$ 8,767,165 | \$ 10,434,741 |
| Net Position - beginning | 67,923,862 | 58,407,969 | 1,458,553 | 539,705 | 69,382,415 | 58,947,674 |
| Prior Period Adjustment | 8,550 | | | | 8,550 | - |
| Net Position, beginning as Adjusted | 67,932,412 | 58,407,969 | 1,458,553 | 539,705 | 69,390,965 | 58,947,674 |
| Net Position - ending | \$ 76,556,485 | \$ 67,923,862 | \$ 1,601,645 | \$ 1,458,553 | \$ 78,158,130 | \$ 69,382,415 |

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

General Fund Budgetary Highlights

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

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

Revenues

- Actual miscellaneous revenue was in excess of the modified budgeted amount by approximately \$735,535 or 97.10% as a result mostly of a refund of E-Rate Funds, Tuition.

Expenditures

- Total regular programs – instruction final budget was less than the original budget by \$948,195 or 2.91%. Actual expenditures of \$31,533,329 represented 93.35% of budget. The decrease in the budget was caused primarily by less of a need for instructional salaries.
- Total special education – instruction final budget was less than the original budget by \$320,197 or 2.51%. Actual expenditures of \$12,182,507 represented 98.77% of budget. The decrease in the budget was caused by less of a need for instructional salaries.
- Total instructional expenditures final budget was more than the original budget by \$1,511,005 or 2.94%. Actual total instructional expenditures were \$49,403,188 or 99.04% of the budget. The decrease in the budget was caused by a decreased need for teacher-related salaries and purchased services.
- Total undistributed expenditures – other support service students related services – final budget was higher than the original by \$453,000 or 32.07%. Actual expenditures were \$1,818,237 or 97.4% of final budget. The increase in the budget was due to student needs.
- Total undistributed expenditures – other support students – student extra services final budget was less than the original by \$491,000 or 30.33%. Actual expenditures were \$874,203 or 77.57% of final budget. The decrease in the budget was due to less required services for students.
- Total undistributed expenditures – other required maintenance for school facilities – final budget was less than the original by \$210,664 or 2.03%. Actual expenditures were \$9,652,336 or 95.39% of final budget. The decrease in the budget was due to less than anticipated material costs and unanticipated repairs.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

Expenditures (Continued)

- Undistributed – student transportation final budget was higher than the original budget by \$713,721 or 8.05% due to higher than anticipated student transportation service costs offset by staff vacancies. Actual expenditures of \$8,976,071 represented 99.47% of budget.
- Undistributed – other operating and maintenance of plant expenditures were less than the final budget by \$626,347 or 98.41%, primarily due to lower than anticipated utility costs staff vacancies. Actual expenditures were \$6,088,039 or 98.40% of the final budget.
- Total undistributed expenditures – total maintenance for school facilities – final budget was more than the original by \$425,815 or 17.29%. Actual expenditures were \$2,591,767 or 89.67% of final budget. The increase in the budget was due to higher material costs and unanticipated repairs.
- Total undistributed expenditures – tuition – final budget was lower than the original by \$106,611 or 5.81%. Actual expenditures were \$1,590,290 or 91.97% of final budget.
- Total undistributed expenditures – unallocated benefits final budget was higher than the original by \$1,434,749 or 6.74% due to increased health benefit costs. Actual expenditures were \$22,719,404 or 99.51% of final budget.
- Total undistributed expenditures final budget was higher than the original budget by \$1,638,559 or 2.51%. Expenditures, net of on-behalf payments, were \$65,390,330 or 97.56% of final budget. This was aided by lower than anticipated operations, maintenance costs and administrative expenses.
- The capital outlay portion of the budget was adjusted based on the needs of the District and various projects are prioritized and as funds become available.
- The general fund expense portion of the budget as modified (final) was \$1,192,992 or .09% more than the adopted budget. Total expenditures net of on-behalf payment was \$125,678,043 or 96.21% of the budget.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

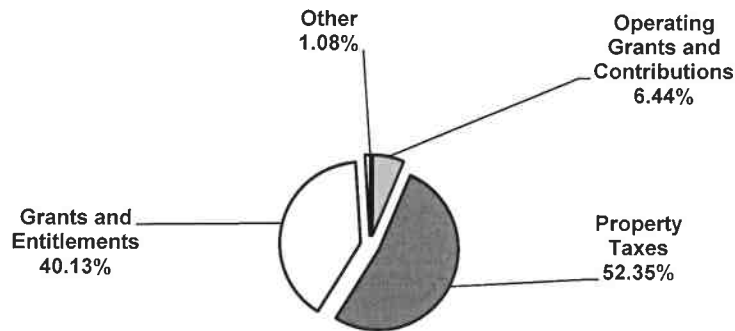
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

UNAUDITED – (CONTINUED)

Governmental Activities

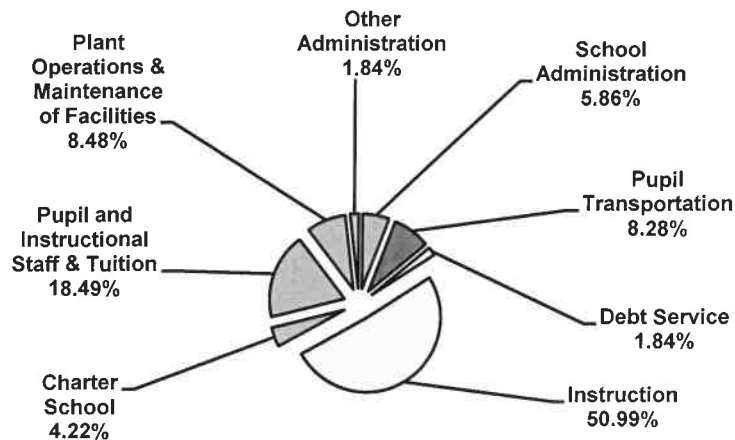
The unique nature of property taxes in New Jersey creates the legal requirement to annually seek voter approval for the School District operations. Property taxes of \$93,578,889 made up 52.34% of revenue for governmental activities for the North Brunswick School District for fiscal year 2023. Federal, state and local grants of \$85,192,588 accounted for another 47.65% of revenue. The District's total revenues were \$178,771,477 for the year ended June 30, 2023.

Revenue for Fiscal Year 2023



Expenses for Fiscal Year 2023

The total cost of all programs and services was \$170,147,403.



NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

Business-Type Activities

Food Service

- Revenues for the District's business-type activities for the food service program are comprised of charges for services and federal and state reimbursements.
- Food service revenues exceeded expenditures by \$173,624.
- Charges for services represent \$893,830 or 22.12% of revenue. This represents amounts paid by patrons for daily food service, as well as special functions.
- Federal and state reimbursement for meals, including payments for free and reduced priced lunches and donated commodities was \$3,146,707 or 77.88% of revenue.

School Facilities

- Revenues for the District's business-type activities for the school facilities program are comprised of charges for use of District's facilities.
- School facilities expenditures exceeded revenue by \$14,988.

Integrated Pre-K/Summer Enrichment

- Revenues for the District's business-type activities for the integrated pre-K/summer program are comprised of charges for pre-K/summer services.
- Integrated pre-k/summer expenditures exceeded revenues by \$15,604.
- Operations were lower than prior years.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

Governmental Activities

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

Table 3 - Comparative Statement of Activities

| | Total Cost of Services | | | Net Cost of Services | | |
|---|------------------------|-----------------------|--------------|-----------------------|-----------------------|--------------|
| | 2022-2023 | 2021-2022 | % Change | 2022-2023 | 2021-2022 | % Change |
| Regular Instruction | \$ 49,678,110 | \$ 48,552,151 | 2.32% | \$ 49,678,110 | \$ 48,375,905 | 2.69% |
| Special Education | 26,684,233 | 26,015,011 | 2.57% | 21,657,409 | 20,687,321 | 4.69% |
| Other Special Education | 6,345,324 | 6,254,339 | 1.45% | 6,345,324 | 6,231,732 | 1.82% |
| Other Instruction | 2,591,497 | 2,396,055 | 8.16% | 2,591,497 | 2,387,394 | 8.55% |
| Tuition | 1,590,290 | 1,022,112 | 55.59% | 1,590,290 | 1,022,112 | 55.59% |
| Student and Instruction Related Services | 29,872,640 | 27,777,578 | 7.54% | 23,785,140 | 21,495,198 | 10.65% |
| General and Business Administrative Services | 4,536,456 | 3,015,039 | 50.46% | 4,536,456 | 3,004,140 | 51.01% |
| School Administrative Services | 9,982,691 | 13,034,110 | -23.41% | 9,982,691 | 12,986,794 | -23.13% |
| Plant Operations and Maintenance | 14,436,321 | 14,596,409 | -1.10% | 14,436,321 | 14,542,404 | -0.73% |
| Pupil Transportation | 14,104,550 | 12,360,049 | 14.11% | 14,104,550 | 12,315,370 | 14.53% |
| Charter Schools | 7,192,831 | 6,231,538 | 15.43% | 7,192,831 | 6,231,538 | 15.43% |
| Interest and Fiscal Charges | 3,132,461 | 3,421,528 | -8.45% | 2,731,718 | 3,015,657 | -9.42% |
| Total Expenses | \$ 170,147,404 | \$ 164,675,919 | 3.32% | \$ 158,632,337 | \$ 152,295,565 | 4.16% |

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

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

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

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

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

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

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

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund and debt service fund presented in the fund-based statements), exclusive of the capital projects fund, are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$175,220,212 and expenditures exclusive of the capital projects fund \$174,634,885.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a comparative summary of the revenues of the general fund, special revenue fund and debt service fund for the fiscal years ended June 30, 2023 and June 30, 2022, and the amount of increase and decreases in relation to prior year revenues.

Comparative Summary of Revenues

| <u>Revenue</u> | 2022-2023 | | 2021-2022 | | Increase/ (Decrease) from 2021-2022 to 2022-2023 |
|-----------------|----------------|-----------------------------|----------------|-----------------------------|---|
| | <u>Amount</u> | <u>Percent of Total</u> | <u>Amount</u> | <u>Percent of Total</u> | |
| Local Sources | \$ 95,484,523 | 54.49% | \$ 93,297,047 | 56.68% | \$ 2,187,476 |
| State Sources | 72,874,103 | 41.59% | 64,803,916 | 39.37% | 8,070,187 |
| Federal Sources | 6,861,586 | 3.92% | 6,497,633 | 3.95% | 363,953 |
| | \$ 175,220,212 | 100.00% | \$ 164,598,596 | 100.00% | \$ 10,621,616 |

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

Local revenues increased by \$2,187,476. The increase in local revenue was due to an increase in the tax levy for 2022-2023, of \$1,877,489 and an increase in miscellaneous revenue of \$309,957

Federal source revenues increased by \$363,953 due mostly to increase in COVID related revenue and expenditures.

State sources revenue increased \$8,070,187 due mostly to an increase in on-behalf pension payments and offset with an increase in other state aid in the General Fund including Pre-School Education Funding.

The following schedule presents a comparative summary of general fund, special revenue fund and debt service fund expenditures for the fiscal years ended June 30, 2023 and June 30, 2022, and the increases and decreases in relation to prior year amounts.

Comparative Summary of Expenditures

| Expenditures | 2022-2023 | | 2021-2022 | | Increase/ (Decrease) from 2021-2022 to 2022-2023 |
|-------------------------------|----------------|---------------------|----------------|---------------------|---|
| | Amount | Percent of Total | Amount | Percent of Total | |
| Current Expense: | | | | | |
| Instruction | \$ 53,804,036 | 30.81% | \$ 50,694,219 | 31.07% | \$ 3,109,817 |
| Undistributed Expenditures | 99,021,082 | 56.70% | 92,380,290 | 56.61% | 6,640,792 |
| Capital Outlay | 5,354,002 | 3.07% | 4,554,166 | 2.79% | 799,836 |
| Charter School | 7,192,831 | 4.12% | 6,231,538 | 3.82% | 961,293 |
| Debt Service: | | | | | |
| Principal | 6,790,000 | 3.89% | 6,590,000 | 4.04% | 200,000 |
| Interest | 2,472,934 | 1.42% | 2,727,336 | 1.67% | (254,402) |
| | \$ 174,634,885 | 100.00% | \$ 163,177,549 | 100.00% | \$ 11,457,336 |

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

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

General Fund Budgeting Highlights

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

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

Capital Assets

At the end of the fiscal year 2023, the School District had \$265,593,841 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2023 balances compared to 2022.

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

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total School District</u> | |
|--|--------------------------------|-----------------------|---------------------------------|------------------|------------------------------|-----------------------|
| | <u>2022-2023</u> | <u>2021-2022</u> | <u>2022-2023</u> | <u>2021-2022</u> | <u>2022-2023</u> | <u>2021-2022</u> |
| Land | \$ 10,865,232 | \$ 10,865,232 | | | \$ 10,865,232 | \$ 10,865,232 |
| Construction in Progress | 19,145,548 | 15,220,144 | | | 19,145,548 | 15,220,144 |
| Building and Building Improvements | 140,992,656 | 145,689,704 | | | 140,992,656 | 145,689,704 |
| Machinery and Equipment | 6,023,980 | 6,243,403 | \$ 56,481 | \$ 93,867 | 6,080,461 | 6,337,270 |
| Right to Use | 2,897,096 | 2,922,479 | | | 2,897,096 | 2,922,479 |
| | | | | | | |
| Total Capital Assets - Net of Depreciations | <u>\$ 179,924,512</u> | <u>\$ 180,940,962</u> | <u>\$ 56,481</u> | <u>\$ 93,867</u> | <u>\$ 179,980,993</u> | <u>\$ 181,034,829</u> |

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

Overall Governmental Activities capital assets decreased by \$1,016,450 from fiscal year 2022 to fiscal year 2023. The decrease in capital assets is due to the additional depreciation expense that was in excess of capital asset addition.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

Debt Administration

At the end of the fiscal year 2023, the School District had noncurrent outstanding debt as follows:

Table 5 – Debt Administration

| | June 30, | |
|----------------------|----------------------|-----------------------|
| | <u>2023</u> | <u>2022</u> |
| Compensated Absences | \$ 3,829,251 | \$ 3,857,858.00 |
| Capital Leases | 13,437,648 | 14,921,742 |
| Serial Bonds | 81,221,280 | 88,056,920 |
| Copy Machine Lease | 844,805 | 200,756 |
| Subscriptions | <u>20,580</u> | |
| Totals | <u>\$ 99,353,564</u> | <u>\$ 107,037,276</u> |

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

For the Future

The District continues to be proactive and takes great pride in the positive physical environment of our facilities to ensure healthy, safe and secure schools. In late 2023 the District was awarded Schools Development Authority Section 15 Grant funds (Regular Operating Grants) for HVAC control upgrades at district schools, including, North Brunswick Township High School, Linwood Campus, John Adams, Judd, Livingston Park, and Parsons.

The District has engaged with its architect of record to conduct district-wide facilities study to inventory and assess all macadam, parking lots, playgrounds and playfields, building exteriors, building interiors, and the building infrastructure, including plumbing, mechanicals, electrical, and fire suppression systems. This Comprehensive Facilities Study will provide a written evaluation of each facility's components and a cost estimate to address deficiencies.

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

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

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

UNAUDITED – (CONTINUED)

Contacting the School District's Financial Management

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

Respectfully submitted,



Janet Ciarrocca
Superintendent of Schools



Rosa Hock
Business Administrator/Board Secretary

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF NET POSITION
JUNE 30, 2023

| | <u>Governmental</u> | <u>Business-Type</u> | <u>Total</u> |
|---------------------------------------|-----------------------|----------------------|-----------------------|
| <u>ASSETS</u> | <u>Activities</u> | <u>Activities</u> | |
| Cash and Cash Equivalents | \$ 18,916,684 | \$ 1,468,240 | \$ 20,384,924 |
| Receivables - Net | 3,392,664 | 181,217 | 3,573,881 |
| Inventory | | 115,083 | 115,083 |
| Other Current Assets | 1,305,057 | | 1,305,057 |
| Restricted Assets: | | | |
| Cash and Cash Equivalents | 95,506 | | 95,506 |
| Capital Assets: | | | |
| Nondepreciable | 30,010,780 | | 30,010,780 |
| Depreciable | 147,016,636 | 56,481 | 147,073,117 |
| Right of Use | 2,897,096 | | 2,897,096 |
| Total Assets | <u>\$ 203,634,423</u> | <u>\$ 1,821,021</u> | <u>\$ 205,455,444</u> |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | | |
| Loss on Defeasance of Debt | \$ 205,601 | | \$ 205,601 |
| Pension | 4,040,421 | | 4,040,421 |
| | <u>\$ 4,246,022</u> | | <u>\$ 4,246,022</u> |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ 6,681,619 | \$ 219,435 | \$ 6,901,054 |
| Other Current Liabilities | 107,208 | | 107,208 |
| Intergovernmental Accounts Payable | 10,385 | | 10,385 |
| Unearned Revenue | 115,396 | | 115,396 |
| Accrued Interest | 1,165,936 | | 1,165,936 |
| Net Pension Liability | 20,664,095 | | 20,664,095 |
| Noncurrent Debt: | | | |
| Due Within One Year | 8,901,558 | | 8,901,558 |
| Due Beyond One Year | 90,452,006 | | 90,452,006 |
| Total Liabilities | <u>\$ 128,098,203</u> | <u>\$ 219,435</u> | <u>\$ 128,317,638</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Pension | <u>\$ 3,225,757</u> | | <u>\$ 3,225,757</u> |
| <u>NET POSITION</u> | | | |
| Invested in Capital Assets | \$ 84,605,800 | \$ 56,481 | \$ 84,662,281 |
| Restricted | 436,631 | | 436,631 |
| Unrestricted (Deficit) | (8,485,946) | 1,545,105 | (6,940,841) |
| Total Net Position | <u>\$ 76,556,485</u> | <u>\$ 1,601,586</u> | <u>\$ 78,158,071</u> |

See accompanying notes to financial statements.

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Change in Net Position | | |
|---|-----------------------|----------------------|------------------------------------|--|--------------------------|-------------------------|
| | | Charges for Services | Operating Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Governmental Activities: | | | | | | |
| Instruction: | | | | | | |
| Regular | \$ 49,678,110 | | | \$ (49,678,110) | | \$ (49,678,110) |
| Special Education | 26,684,233 | \$ 5,026,824 | | (21,657,409) | | (21,657,409) |
| Other Special Education | 6,345,324 | | | (6,345,324) | | (6,345,324) |
| Other Instruction | 2,591,497 | | | (2,591,497) | | (2,591,497) |
| Support Services: | | | | | | |
| Tuition | 1,590,290 | | | (1,590,290) | | (1,590,290) |
| Student and Instruction Related Services | 29,872,640 | | 6,087,500 | (23,785,140) | | (23,785,140) |
| General Administrative Services | 4,536,456 | | | (4,536,456) | | (4,536,456) |
| School Administrative Services | 9,982,691 | | | (9,982,691) | | (9,982,691) |
| Plant Operations and Maintenance | 14,436,321 | | | (14,436,321) | | (14,436,321) |
| Pupil Transportation | 14,104,550 | | | (14,104,550) | | (14,104,550) |
| Charter Schools | 7,192,831 | | | (7,192,831) | | (7,192,831) |
| Interest on Long Term Debt | 3,132,461 | | 400,743 | (2,731,718) | | (2,731,718) |
| Total Governmental Activities | \$ 170,147,403 | | \$ 11,515,067 | \$ (158,632,336) | | \$ (158,632,336) |
| Business-Type Activities: | | | | | | |
| Food Service | \$ 3,866,912 | \$ 893,830 | \$ 3,146,707 | | \$ 173,625 | \$ 173,625 |
| School Facilities | 76,905 | 61,917 | | | (14,988) | (14,988) |
| Integrated Pre-K/Summer Enrichment | 15,604 | | | | (15,604) | (15,604) |
| Total Business-Type Activities | \$ 3,959,421 | \$ 955,747 | \$ 3,146,707 | | \$ 143,033 | \$ 143,033 |
| Total Primary Government | \$ 174,106,824 | \$ 955,747 | \$ 14,661,774 | \$ (158,632,336) | \$ 143,033 | \$ (158,489,303) |
| General Revenues | | | | | | |
| Property Taxes Levied for: | | | | | | |
| General Purposes | | | | \$ 84,925,897 | | \$ 84,925,897 |
| Debt Service | | | | 8,653,292 | | 8,653,292 |
| Federal and State Aid Not Restricted | | | | 71,746,117 | | 71,746,117 |
| Miscellaneous Income | | | | 1,931,104 | | 1,931,104 |
| Total General Revenues | | | | \$ 167,256,410 | | \$ 167,256,410 |
| Excess (Deficit) of Revenue over Expenditures | | | | 8,624,074 | 143,033 | 8,767,107 |
| Prior Period Adjustment | | | | 8,549 | | 8,549 |
| Change in Net Position | | | | \$ 8,632,623 | \$ 143,033 | \$ 8,775,656 |
| Net Position - Beginning | | | | 67,923,862 | 1,458,553 | 69,382,415 |
| Net Position - Ending | | | | <u>\$ 76,556,485</u> | <u>\$ 1,601,586</u> | <u>\$ 78,158,071</u> |

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

| | <u>General</u> <u>Fund</u> | <u>Special</u> <u>Revenue</u> <u>Fund</u> | <u>Capital</u> <u>Projects</u> <u>Fund</u> | <u>Debt</u> <u>Service</u> <u>Fund</u> | <u>Total</u> <u>Governmental</u> <u>Funds</u> |
|--|-------------------------------|---|--|--|---|
| <u>ASSETS</u> | | | | | |
| Cash and Cash Equivalents | \$ 19,270,763 | | | \$ 46,622 | \$ 19,317,385 |
| Cash with Fiscal Agents | | | \$ 95,506 | | 95,506 |
| Intergovernmental Accounts Receivable | 2,101,086 | \$ 1,291,578 | | | 3,392,664 |
| Other Receivables | <u>976,990</u> | | <u>328,067</u> | | <u>1,305,057</u> |
| Total Assets | <u>\$ 22,348,839</u> | <u>\$ 1,291,578</u> | <u>\$ 423,573</u> | <u>\$ 46,622</u> | <u>\$ 24,110,612</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | | | | |
| Liabilities: | | | | | |
| Cash and Cash Equivalents (<i>Overdraft</i>) | | \$ 294,317 | \$ 106,385 | | \$ 400,702 |
| Accounts Payable | \$ 4,069,079 | 658,441 | | | 4,727,520 |
| Other Current Liabilities | 107,208 | | | | 107,208 |
| Intergovernmental Accounts Payable | | 10,385 | | | 10,385 |
| Unearned Revenue | | <u>23,152</u> | <u>92,243</u> | | <u>115,395</u> |
| Total Liabilities | <u>\$ 4,176,287</u> | <u>\$ 986,295</u> | <u>\$ 198,628</u> | | <u>\$ 5,361,210</u> |
| Fund Balances | | | | | |
| Reserved for: | | | | | |
| Maintenance Reserve | \$ 4,482,036 | | | | \$ 4,482,036 |
| Reserved for FFCRA-SEMI | 27,318 | | | | 27,318 |
| Emergency Reserve Des. Sub's Year Exp. | 52,461 | | | | 52,461 |
| Capital Reserve | 10,552,279 | | \$ 99,426 | | 10,651,705 |
| Debt Service | | | | \$ 46,622 | 46,622 |
| Student Activities | | \$ 402,404 | | | 402,404 |
| Scholarship | | 34,227 | | | 34,227 |
| Committed for Yearend Encumbrances | 3,058,458 | | 125,519 | | 3,183,977 |
| Special Revenue Fund (Deficit) | | <u>(131,348)</u> | | | <u>(131,348)</u> |
| Total Fund Balances | <u>\$ 18,172,552</u> | <u>\$ 305,283</u> | <u>\$ 224,945</u> | <u>\$ 46,622</u> | <u>\$ 18,749,402</u> |
| Total Liabilities and Fund Balance | <u>\$ 22,348,839</u> | <u>\$ 1,291,578</u> | <u>\$ 423,573</u> | <u>\$ 46,622</u> | <u>\$ 24,110,612</u> |

See Notes to financial statements.

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2023

| | <u>Total Governmental Funds</u> |
|--|---|
| Total Fund Balances above | \$ 18,749,402 |
| Amounts reported for <i>governmental activities</i> in the Statement of Net Position (A-1) are different because: | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of capital assets is \$260,969,482 and the accumulated depreciation is \$84,172,332. (see Note 6) | 177,027,416 |
| Deferred loss on defeasance of debt, unamortized (see Note 8D) | 205,600 |
| Lease and subscription assets used in governmental activities are not financial resources and therefore, are not reported in the funds. The cost basis of the asset is \$4,394,093 and the accumulated amortization is \$1,496,997. (See Note 6) | 2,897,096 |
| Noncurrent liabilities, including bonds, loans, leases payable and compensated absence are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 8) | (99,353,563) |
| Certain liabilities are not due and payable in the current period, and therefore are not | |
| Accrued Interest Payable | (1,165,936) |
| (Accrued interest is a current liability that will be paid from the debt service fund. Therefore, the liability reduces the restricted for debt service net asset balance.) | |
| Accrued Pension Liability | (1,954,099) |
| (Accrued pension is a current liability that will be paid from the general fund, attributed to the fiscal year ending June 30th, 2022, however will be raised in the budget for the fiscal year ending June 30th, 2024) | |
| Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds. (See Note 9) | <u>(19,849,431)</u> |
| Net position of governmental activities (A-1) | <u>\$ 76,556,485</u> |

See Notes to financial statements.

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>General</u> <u>Fund</u> | <u>Special</u> <u>Revenue</u> <u>Fund</u> | <u>Capital</u> <u>Projects</u> <u>Fund</u> | <u>Debt</u> <u>Service</u> <u>Fund</u> | <u>Total</u> <u>Governmental</u> <u>Funds</u> |
|--|-------------------------------|---|--|--|---|
| REVENUES | | | | | |
| Local sources: | | | | | |
| Local tax levy | \$ 84,925,897 | | | \$ 8,653,292 | \$ 93,579,189 |
| Transportation Fees | 156,063 | | | | 156,063 |
| Interest on Investments | | | \$ 4,587 | | 4,587 |
| Interest on Capital Reserve | 500 | | | | 500 |
| Interest on Maintenance Reserve | 500 | | | | 500 |
| Miscellaneous | 982,835 | \$ 765,436 | 21,183 | | 1,769,454 |
| Total Local Sources | 86,065,795 | 765,436 | 25,770 | 8,653,292 | 95,510,293 |
| State Sources | 67,422,360 | 5,051,000 | | 400,743 | 72,874,103 |
| Federal Sources | 365,608 | 6,495,978 | | | 6,861,586 |
| Total Revenues | \$ 153,853,763 | \$ 12,312,414 | \$ 25,770 | \$ 9,054,035 | \$ 175,245,982 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Regular Instruction | \$ 31,533,329 | | | | \$ 31,533,329 |
| Special Education Instruction | 12,182,507 | \$ 4,400,848 | | | 16,583,355 |
| Other Special Instruction | 4,038,135 | | | | 4,038,135 |
| Other Instruction | 1,649,217 | | | | 1,649,217 |
| Support Services and Undistributed Costs: | | | | | |
| Tuition | 1,590,290 | | | | 1,590,290 |
| Student and Instruction Related Services | 13,198,945 | 5,329,441 | | | 18,528,386 |
| Other Administrative Services | 2,886,980 | | | | 2,886,980 |
| School Administrative Services | 6,366,303 | | | | 6,366,303 |
| Plant Operations and Maintenance | 9,652,336 | | | | 9,652,336 |
| Pupil Transportation | 8,976,071 | | | | 8,976,071 |
| Employee Benefits | 49,636,681 | 1,384,035 | | | 51,020,716 |
| Transfer to Charter Schools | 7,192,831 | | | | 7,192,831 |
| Debt Service: | | | | | |
| Principal | | | | \$ 6,790,000 | 6,790,000 |
| Interest | | | | 2,472,934 | 2,472,934 |
| Capital Outlay | 3,691,695 | 1,662,007 | \$ 606,533 | | 5,960,235 |
| Total Expenditures | \$ 152,595,320 | \$ 12,776,331 | \$ 606,533 | \$ 9,262,934 | \$ 175,241,118 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | \$ 1,258,443 | \$ (463,917) | \$ (580,763) | \$ (208,899) | \$ 4,864 |
| Other Financing Sources/(Uses): Transfer to/(from) | (406,893) | 406,893 | (34,469) | 34,468 | |
| Net Change in Fund Balances | \$ 851,550 | \$ (57,024) | \$ (615,232) | \$ (174,431) | \$ 4,864 |
| Fund Balance - July 1 | 17,321,003 | 362,307 | 840,177 | 221,053 | 18,744,540 |
| Fund Balance - June 30 | \$ 18,172,553 | \$ 305,283 | \$ 224,945 | \$ 46,622 | \$ 18,749,404 |

See Notes to financial statements.

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | | |
|---|----|-------------------------|
| Total Net Change in Fund Balance - Governmental Funds (from B-2) | \$ | 4,864 |
| Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because: | | |
| Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciated expense. This is the amount by which capital outlays exceeded depreciation in the period. | | |
| Capital outlay | \$ | 4,806,187 |
| Depreciation expense | | (5,797,249) |
| Amortization expense | | (915,010) |
| Miscellaneous Adjustments | | <u>549,261</u> |
| | | (1,356,811) |
| Governmental funds report the effect of premiums and similar items when the debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This represents the following related to the premiums on bonds. | | |
| Amortization of premium | | 45,640 |
| Governmental funds report the effect of defeasances and similar items when the debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This represents the following related to the deferred loss of refunding. | | |
| Amortization of deferred loss | | (320,918) |
| Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. | | |
| | | 6,790,000 |
| Repayment of lease principal of ESIP | | |
| | | 790,000 |
| In the statement of activities, interest on noncurrent debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation. | | |
| | | 103,912 |
| In the statement of activities, certain operating expenses, e.g. compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation. | | |
| | | 28,606 |
| Net pension obligation related to PERS which is attributable to June 30, 2021 (<i>the measurement date</i>) not reported in governmental funds; however, it is reported in the statement of activities. | | |
| | | <u>2,547,330</u> |
| Change in Net Position of Governmental Activities (A-2) | \$ | <u><u>8,632,623</u></u> |

See accompanying notes to financial statements

**PROPRIETARY FUNDS –
ENTERPRISE FUNDS**

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUNDS - ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2023

| <u>ASSETS</u> | <u>Food Service</u> | <u>School Facilities</u> | <u>Integrated Pre-K/Summer Enrichment</u> | <u>Total Enterprise</u> |
|------------------------------------|---------------------|------------------------------|---|-----------------------------|
| Current assets: | | | | |
| Cash and cash equivalents | \$ 1,353,998 | \$ 11,547 | \$ 102,694 | \$ 1,468,240 |
| Accounts receivable: | | | | |
| State | 5,657 | | | 5,657 |
| Federal | 175,560 | | | 175,560 |
| Inventories | <u>115,083</u> | | | <u>115,083</u> |
| Total current assets | <u>\$ 1,650,298</u> | <u>\$ 11,547</u> | <u>\$ 102,694</u> | <u>\$ 1,764,540</u> |
| Noncurrent assets: | | | | |
| Furniture, machinery and equipment | \$ 627,182 | \$ 211,796 | \$ 139,787 | \$ 978,765 |
| Less: accumulated depreciation | <u>627,182</u> | <u>155,315</u> | <u>139,787</u> | <u>922,284</u> |
| Total noncurrent assets | | <u>\$ 56,481</u> | | <u>\$ 56,481</u> |
| Total assets | <u>\$ 1,650,298</u> | <u>\$ 68,028</u> | <u>\$ 102,694</u> | <u>\$ 1,821,021</u> |
| <u>LIABILITIES</u> | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | <u>\$ 219,435</u> | | | <u>\$ 219,435</u> |
| Total Liabilities | <u>\$ 219,435</u> | | | <u>\$ 219,435</u> |
| <u>NET POSITION</u> | | | | |
| Net investment in capital assets | | \$ 56,481 | | \$ 56,481 |
| Unrestricted | <u>\$ 1,430,863</u> | <u>11,547</u> | <u>\$ 102,694</u> | <u>1,545,105</u> |
| Total net position | <u>\$ 1,430,863</u> | <u>\$ 68,028</u> | <u>\$ 102,694</u> | <u>\$ 1,601,586</u> |

See accompanying notes to financial statements

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION
JUNE 30, 2023

| | Business-Type Activities Enterprise Fund | | | |
|---|---|------------------------------|--|-----------------------------|
| | <u>Food Service</u> | <u>School Facilities</u> | <u>Integrated Pre-K/Summer Enrichment/</u> | <u>Total Enterprise</u> |
| <u>OPERATING REVENUES</u> | | | | |
| Local Sources: | | | | |
| Daily sales - reimbursable programs: | | | | |
| School lunch program | \$ 893,830 | | | \$ 893,830 |
| Tuition and services | | \$ 61,917 | | 61,917 |
| Total operating revenues | \$ 893,830 | \$ 61,917 | | \$ 955,747 |
| <u>OPERATING EXPENSES</u> | | | | |
| Cost of sales - reimbursable programs | \$ 1,546,724 | | | \$ 1,546,724 |
| Cost of sales - non-reimbursable programs | 137,274 | | | 137,274 |
| Salaries | 1,297,998 | \$ 54,625 | | 1,352,623 |
| Employee benefits | 362,663 | | | 362,663 |
| Insurance | 48,771 | | | 48,771 |
| Repairs and maintenance | 207,593 | | | 207,593 |
| General supplies | 17,607 | 836 | | 18,443 |
| Depreciation | 338 | 21,444 | \$ 15,604 | 37,386 |
| Management Fee | 210,857 | | | 210,857 |
| Other | 37,089 | | | 37,089 |
| Total operating expenses | \$ 3,866,914 | \$ 76,905 | \$ 15,604 | \$ 3,959,422 |
| Operating income/(loss) | \$ (2,973,083) | \$ (14,988) | \$ (15,604) | \$ (3,003,675) |
| <u>NONOPERATING REVENUES</u> | | | | |
| State sources: | | | | |
| State school lunch program | \$ 67,423 | | | \$ 67,423 |
| State breakfast program | 14,548 | | | 14,548 |
| Federal sources: | | | | |
| National school lunch program | 1,781,602 | | | 1,781,602 |
| National breakfast program | 702,935 | | | 702,935 |
| Commodities Donated | 272,452 | | | 272,452 |
| Miscellaneous Revenue- other federal | 297,279 | | | 297,279 |
| Interest Income | 10,468 | | | 10,468 |
| Total nonoperating revenues | \$ 3,146,707 | | | \$ 3,146,707 |
| Change in net position | \$ 173,624 | \$ (14,988) | \$ (15,604) | \$ 143,032 |
| Total net position - beginning | 1,257,240 | 83,016 | 118,298 | 1,458,554 |
| Total net position - ending | \$ 1,430,864 | \$ 68,028 | \$ 102,694 | \$ 1,601,586 |

See accompanying notes to financial statements

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUNDS - ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | Business-Type Activities Enterprise Fund | | | |
|--|---|------------------------------|--|-----------------------------|
| | <u>Food Service</u> | <u>School Facilities</u> | <u>Integrated Pre-K/Summer Enrichment/</u> | <u>Total Enterprise</u> |
| <u>Cash Flows from Operating Activities</u> | | | | |
| Receipts from Customers | \$ 893,830 | \$ 66,322 | | \$ 960,152 |
| Payments to Employees | (1,297,999) | (54,625) | | (1,352,624) |
| Payments for Employee Benefits | (362,663) | | | (362,663) |
| Payments to Suppliers | (1,805,764) | (6,482) | | (1,812,246) |
| Payment for Management Fee | (210,857) | | | (210,857) |
| Net Cash Provided by/(Used for) Operating Activities | <u>\$ (2,783,453)</u> | <u>\$ 5,215</u> | | <u>\$ (2,778,238)</u> |
| <u>Cash Flows from Noncapital Financing Activities</u> | | | | |
| State Sources | \$ 81,971 | | | \$ 81,971 |
| Federal Sources | 3,132,470 | | | 3,132,470 |
| Other Revenue | 9,148 | | \$ (1) | 9,147 |
| Net Cash Provided by/(Used for) Noncapital Financing Activities | <u>\$ 3,223,589</u> | | <u>(1)</u> | <u>\$ 3,223,588</u> |
| Net Increase/(decrease) in Cash and Cash Equivalents | \$ 440,136 | \$ 5,215 | \$ (1) | \$ 445,350 |
| Balances - Beginning of Year | <u>913,862</u> | <u>6,332</u> | <u>102,695</u> | <u>1,022,889</u> |
| Balances - End of Year | <u>\$ 1,353,998</u> | <u>\$ 11,547</u> | <u>\$ 102,694</u> | <u>\$ 1,468,239</u> |
| <u>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities</u> | | | | |
| Operating Gain/(Loss) | \$ (2,973,083) | \$ (14,988) | \$ (15,604) | \$ (3,003,675) |
| Adjustments to Reconcile Operating Loss to Cash Provided/(Used) by Operating Activities: | | | | |
| Depreciation | \$ 338 | \$ 21,444 | \$ 15,604 | \$ 37,386 |
| Change in Assets and Liabilities: | | | | |
| (Increase)/Decrease in Accounts Receivable | | 4,405 | | 4,405 |
| (Increase)/Decrease in Inventories | (30,143) | | | (30,143) |
| Increase/(Decrease) in Accounts Payable | 219,435 | (5,646) | | 213,789 |
| Total Adjustments | <u>\$ 189,630</u> | <u>\$ 20,203</u> | <u>\$ 15,604</u> | <u>\$ 225,437</u> |
| Net Cash Provided by/(Used for) by Operating Activities | <u>\$ (2,783,453)</u> | <u>\$ 5,215</u> | <u>\$</u> | <u>\$ (2,778,238)</u> |

See accompanying notes to financial statements

NOTES TO THE FINANCIAL STATEMENTS

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The North Brunswick Township School District (the "District") is a Type II district located in the County of Middlesex, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (the "Board"). The Board is comprised of nine (9) members elected to three (3) year terms. The purpose of the District is to educate students in grades pre-K-12. The District had an approximate enrollment at June 30, 2023 of 6,042 students.

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation (Continued)

1. Government-Wide Financial Statements

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

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

2. Fund Financial Statements

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

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting

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

1. Governmental Funds

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

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment that are classified in the Capital Outlay subfund. The General Fund also includes the payroll agency, payroll net and the flexible spending accounts.

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

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

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

1. Governmental Funds (Continued)

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

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

2. Proprietary Fund Type

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

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

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

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

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

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

2. Proprietary Fund Type (Continued)

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

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

C. Measurement Focus

1. Government-Wide Financial Statements

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

2. Fund Financial Statements

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

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting

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

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

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

E. Budgets/Budgetary Control

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets/Budgetary Control (Continued)

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

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

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

Refer to Exhibit C-3 for a reconciliation of the general fund revenue and special revenue fund revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

F. Encumbrances

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

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

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity

1. Cash, Cash Equivalents and Investments

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

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

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

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

2. Inventories and Prepaid Expenses

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

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

3. Allowance for Uncollectible Accounts

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

4. Tuition Receivable

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

5. Tuition Payable

Tuition charges for the fiscal years 2021-2022 and 2022-2023 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

6. Interfund Receivables/Payables

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

7. Capital Assets

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

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

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

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

8. Lease Assets

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

9. Subscription Assets

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

10. Deferred Outflows/Inflows of Resources

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

11. Compensated Absences

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

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

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

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

12. Accrued Liabilities and Noncurrent Obligations

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

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the governmental funds. However, the noncurrent portion of capital leases, compensated absences and bonds payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

13. Deferred Loss on Refunding of Debt

Deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.

14. Net Position

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

15. Unearned (Deferred) Revenue

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

16. Fund Equity

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

17. Fund Balance

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB No. 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB No. 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five (5) categories, as defined below:

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, noncurrent receivables and corpus of any permanent funds.
- b. Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.
- c. Committed – includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revised or changes the specified use by taking the same action (resolution) taken to originally commit these funds.

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.

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

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

18. Lease Payable

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

19. Subscriptions Payable

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

20. Proprietary Funds Revenues and Expenses

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

21. Rebatable Arbitrage

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

22. Non-Monetary Transactions

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

23. Allocation of Expenses

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

24. Extraordinary and Special Items

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

25. Management Estimates

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

H. Other Accounting Standards

- *GASB Statement 99. Omnibus 2022.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:
 - Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.
 - Clarification of provisions in Statement No. 87, *Leases*.
 - Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.
 - Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*.
 - *Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for accounting for the distribution benefits (SNAP).*
 - Disclosures related to nonmonetary transactions.
 - Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*.
 - Terminology used in Statement 53 to refer to resource flows statements.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Other Accounting Standards (Continued)

GASB Statement 99. (Continued)

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

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPSs, and SBITAs are effective for fiscal years beginning after June 15, 2022 and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023 and all reporting periods thereafter.
- *GASB Statement 100. Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62.* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

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

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

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

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

I. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2023 through February 21, 2024, the date that the financial statements are issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

A. Deposits

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

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

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

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

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

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

| | <u>Cash and Cash Equivalents</u> |
|--------------------------------------|----------------------------------|
| Checking Accounts - Interest Bearing | \$ 25,525,727 |
| Fiscal Agent | 95,506 |
| | \$ 25,621,233 |
| Reconciliation: | |
| Governmental Funds | \$ 24,153,023 |
| Proprietary Funds | 1,468,240 |
| | \$ 25,621,263 |

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

Allocation of Cash and Cash Equivalents

| | | |
|--------------|----|--------------------------|
| Unrestricted | \$ | 25,525,727 |
| Restricted | | <u>95,506</u> |
| | \$ | <u><u>25,621,233</u></u> |

Custodial Credit Risk – The NJARM accounts are collateralized by U.S. government securities (both U.S. Treasury and Federal Agency) and other permitted money market instruments and not exposed to custodial credit risk. The checking accounts were on deposit in a bank which had the Government Unit Deposit Protection Act coverage (“GUDPA”) as of June 30, 2023 which minimizes credit risk.

B. Investments

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

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

Custodial Credit Risk – The District had no securities as of June 30, 2023 that would be considered investments as defined by GASB Statement No. 3 as amended by GASB Statement No. 40.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

4. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE

Intergovernmental Accounts Receivable at June 30, 2023 consisted of Federal source, State source, transportation, a local project and other revenue. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

| | <u>Governmental Fund Financial Statements</u> | <u>Business Type Activities</u> |
|---|---|-------------------------------------|
| General Fund | | |
| State Aid: | | |
| Extraordinary Special Education Aid | \$ 1,780,232 | |
| New Public Transportation | 106,232 | |
| TPAF FICA Reimbursement | <u>198,862</u> | |
| | <u>\$ 2,085,326</u> | |
| Other Receivables -Homeless Reimbursement | <u>\$ 15,760</u> | |
| | <u>\$ 2,101,086</u> | |
| Other Sources | <u>\$ 976,990</u> | |

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

4. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE (CONTINUED)

| | <u>Governmental Fund</u> <u>Financial Statements</u> | <u>Business Type</u> <u>Activities</u> |
|----------------------------------|---|---|
| Special Revenue Fund | | |
| Federal Aid: | | |
| Title I A | \$ 357,397 | |
| Title I D | 60,582 | |
| Title II | 57,053 | |
| Title III | 2,614 | |
| Title IV | 2,348 | |
| IDEA Part B Basic Regular | 276,490 | |
| IDEA Preschool | 3,338 | |
| Perkins | 18,426 | |
| Cares - Learning Acceleration | 16,610 | |
| ARP IDEA Regular | 2,260 | |
| ARP ESSR | 414,584 | |
| ARP Learning Acceleration | 69,797 | |
| ARP Comprehensive | 852 | |
| ARP Mental Health | 1,507 | |
| ARP Summer Learning | <u>1,160</u> | |
| | 1,285,018 | |
| Local Aid: | | |
| ESCNJ - Refund NJ Non-Public Aid | <u>6,560</u> | |
| | <u>\$ 1,291,578</u> | |
| Proprietary Fund | | |
| Enterprise Fund: | | |
| State Source | | <u>\$ 5,657</u> |
| Federal Source | | <u>\$ 175,560</u> |

5. INVENTORY

The value of Federal donated commodities as reflected on Schedule A of \$272,452 (required by the Single Audit Act) is the difference between market value and cost of the commodities at the date of the purchase and has been included as an item of nonoperating revenue in the financial statements. As of June 30, 2023, the federal donated commodities food inventory of \$4,792 was included in the year end food and supplies amount of \$115,083.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

6. CAPITAL ASSETS, NET

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Transfers (Retirements)</u> | <u>Ending Balance</u> |
|--|------------------------------|---------------------|------------------------------------|---------------------------|
| <u>Governmental Activities:</u> | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 10,865,232 | | | \$ 10,865,232 |
| Construction in Progress | 15,220,144 | \$ 3,925,404 | - | 19,145,548 |
| Total capital assets not being depreciated | <u>26,085,376</u> | <u>3,925,404</u> | <u>-</u> | <u>30,010,780</u> |
| Capital assets being depreciated: | | | | |
| Building and Building Improvements | 218,608,712 | | \$ (5) | 218,608,707 |
| Machinery and Equipment | 12,574,636 | 880,783 | (875,158) | 12,580,261 |
| Total at historical cost | <u>231,183,348</u> | <u>880,783</u> | <u>(875,163)</u> | <u>231,188,968</u> |
| Less accumulated depreciation for: | | | | |
| Building and Building Improvements | (72,919,008) | (4,697,043) | | (77,616,051) |
| Machinery and Equipment | (6,331,233) | (1,100,206) | 875,158 | (6,556,281) |
| Total accumulated depreciation | <u>(79,250,241)</u> | <u>(5,797,249)</u> | <u>875,158</u> | <u>(84,172,332)</u> |
| Total capital assets being depreciated, net of accumulated depreciation | <u>151,933,107</u> | <u>(4,916,466)</u> | <u>(5)</u> | <u>147,016,636</u> |
| Governmental activities capital assets, net | <u>\$ 178,018,483</u> | <u>\$ (991,062)</u> | <u>\$ (5)</u> | <u>\$ 177,027,416</u> |
| Capital Assets being Amortized: | | | | |
| Lease equipment - copy machine | 933,131 | 844,805 | (933,131) | 844,805 |
| Lease equipment - other | 3,500,000 | | | 3,500,000 |
| Subscriptions | | 49,289 | | 49,289 |
| Total Capital Assets being amortized | <u>4,433,131</u> | <u>894,093</u> | <u>\$ (933,131)</u> | <u>4,394,093</u> |
| Less accumulated amortization: | | | | |
| Leased Equipment - Copy Machine | (732,394) | (200,737) | 933,131 | - |
| Leased Equipment- Other | (778,258) | (694,095) | | (1,472,353) |
| Subscriptions | | (24,644) | | (24,644) |
| Total capital assets being amortized, net | <u>2,922,479</u> | <u>(25,383)</u> | <u>-</u> | <u>2,897,096</u> |
| Govern. activities capital assets, net | <u>180,940,962</u> | <u>(1,016,445)</u> | <u>(5)</u> | <u>179,924,512</u> |
| <u>Business-Type Activities:</u> | | | | |
| Furniture, machinery and equipment | \$ 978,765 | | | \$ 978,765 |
| Less accumulated depreciation for: | | | | |
| Furniture, machinery and equipment | (884,898) | (37,386) | | (922,284) |
| Business type activities capital assets, net | <u>\$ 93,867</u> | <u>\$ (37,386)</u> | <u>-</u> | <u>\$ 56,481</u> |

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

6. CAPITAL ASSETS, NET (CONTINUED)

Note: The July 1, 2022 beginning balance includes right-to-use assets due to the implementation of GASB Statement No. 87, *Leases*. The accounting standard states that it should be applied retroactively by restating beginning net position. However, due to the insignificant impact of this implementation to the District's capital assets – as well as the financial statements – as a whole, management deemed that a restatement of beginning net position related to GASB 87 was not considered necessary.

Depreciation expense was charged to functions as follows:

| | | |
|--|--------|-----------------------------|
| Regular Instruction | \$ | 1,824,160 |
| Special Education Instruction | | 959,324 |
| Other Special Instruction | | 233,601 |
| Other Instruction | | 95,405 |
| Support Services and Undistributed Cost: | | |
| Student and Instruction Related Services | | 1,071,842 |
| School Administrative Services | | 368,282 |
| General and Business Administrative Services | | 167,008 |
| Plant Operations and Maintenance | | 558,374 |
| Pupil Transportation | | <u>519,253</u> |
| Total | \$ | <u><u>5,797,249</u></u> |

7. UNEARNED REVENUE

Cash receipts that are earmarked for use in subsequent year as of June 30, 2023 is as follows:

| | | |
|----------------------------|----|-----------------------|
| Special Revenue Fund: | | |
| ARP ESSER III | \$ | 6,524 * |
| Local | | <u>16,628</u> |
| | \$ | <u>23,152</u> |
| Capital Projects Fund: | | |
| Unexpended Lease Proceeds | \$ | <u>92,243</u> |
| | \$ | <u><u>115,395</u></u> |

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

8. NONCURRENT (LONG-TERM) DEBT

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

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Retirements</u> | <u>Ending Balance</u> | <u>Amounts Due within One Year</u> | <u>Noncurrent Portion</u> |
|---------------------------------|------------------------------|-------------------|---------------------|---------------------------|--|-------------------------------|
| <u>Governmental Activities:</u> | | | | | | |
| Bonds Payable - | | | | | | |
| General Obligation Debt | \$ 87,920,000 | | \$ 6,790,000 | \$ 81,130,000 | \$ 6,995,000 | \$ 74,135,000 |
| Add: Unamortized | | | | | | |
| Premium on Bonds | <u>136,920</u> | | <u>45,640</u> | <u>91,280</u> | <u>45,640</u> | <u>45,640</u> |
| | 88,056,920 | | 6,835,640 | 81,221,280 | 7,040,640 | 74,180,640 |
| Lease: | | | | | | |
| ESIP Finance | 12,200,000 | | 790,000 | 11,410,000 | 600,000 | 10,810,000 |
| Other - Equipment etc. | 2,721,742 | | 694,094 | 2,027,648 | 703,600 | 1,324,048 |
| Copy Machine | 200,756 | \$ 844,805 | 200,756 | 844,805 | 153,813 | 690,992 |
| Subscriptions | | <u>40,740</u> | <u>20,160</u> | <u>20,580</u> | <u>20,580</u> | |
| | <u>15,122,498</u> | <u>885,545</u> | <u>1,705,010</u> | <u>14,303,032</u> | <u>1,477,993</u> | <u>12,825,040</u> |
| Compensated | | | | | | |
| Absences Payable | <u>3,857,858</u> | | <u>28,606</u> | <u>3,829,251</u> | <u>382,925</u> | <u>3,446,326</u> |
| | <u>\$ 107,037,276</u> | <u>\$ 885,545</u> | <u>\$ 8,569,256</u> | <u>\$ 99,353,564</u> | <u>\$ 8,901,558</u> | <u>\$ 90,452,006</u> |

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

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

A. Bonds Payable

Bonds payable current outstanding is summarized as follows:

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

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

\$ 1,430,000

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

School District Bonds, Series 2017

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

\$ 30,875,000

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

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

A. Bonds Payable (Continued)

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

School District Bonds, Series 2019

The District issued bonds dated February 7, 2019 in the amount of \$42,348,000. The purpose of the bonds is to permanently finance the acquisition of land, the associated design fees and the partial construction of a new middle school, including fixtures, furnishings and equipment and to permanently finance design, partial construction costs including fixtures, furnishings and equipment associated with the renovation to the Linwood Middle School. The bonds are payable commencing August 15, 2020 through August 15, 2043, ranging in maturing of \$990,000 to \$1,900,000 at interest rates ranging from 3.125% to 3.625%. \$ 39,375,000

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

School District Refunding Bonds 2020 Series B [Federally Taxable]

The annual remaining maturities of \$2,225,000 to \$4,740,000 are due through January 15, 2025 at interest rates ranging from 0.567% to 0.707%. \$ 9,450,000

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

TOTAL: \$ 81,130,000

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

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

A. Bonds Payable (Continued)

Debt service requirements on serial bonds payable are as follows:

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|--------------------------------|----------------------|----------------------|-----------------------|
| 2024 | \$ 6,995,000 | \$ 2,341,541 | \$ 9,336,541 |
| 2025 | 7,035,000 | 2,228,982 | 9,263,982 |
| 2026 | 4,060,000 | 2,082,813 | 6,142,813 |
| 2027 | 3,580,000 | 1,953,737 | 5,533,737 |
| 2028 | 3,580,000 | 1,843,863 | 5,423,863 |
| | <u>25,250,000</u> | <u>10,450,936</u> | <u>35,700,936</u> |
| 2029 | 3,580,000 | 1,733,987 | 5,313,987 |
| 2030 | 3,580,000 | 1,624,113 | 5,204,113 |
| 2031 | 3,580,000 | 1,513,000 | 5,093,000 |
| 2032 | 3,580,000 | 1,400,650 | 4,980,650 |
| 2033 | 3,580,000 | 1,288,300 | 4,868,300 |
| | <u>17,900,000</u> | <u>7,560,050</u> | <u>25,460,050</u> |
| 2034 | 3,580,000 | 1,175,950 | 4,755,950 |
| 2035 | 3,605,000 | 1,063,225 | 4,668,225 |
| 2036 | 3,630,000 | 949,750 | 4,579,750 |
| 2037 | 3,630,000 | 834,662 | 4,464,662 |
| 2038 | 3,630,000 | 718,338 | 4,348,338 |
| | <u>18,075,000</u> | <u>4,741,925</u> | <u>22,816,925</u> |
| 2039 | 3,630,000 | 600,775 | 4,230,775 |
| 2040 | 3,630,000 | 481,975 | 4,111,975 |
| 2041 | 3,630,000 | 363,175 | 3,993,175 |
| 2042 | 3,565,000 | 245,512 | 3,810,512 |
| 2043 | 3,550,000 | 128,063 | 3,678,063 |
| | <u>18,005,000</u> | <u>1,819,500</u> | <u>19,824,500</u> |
| 2044 | 1,900,000 | 34,438 | 1,934,438 |
| | <u>1,900,000</u> | <u>34,438</u> | <u>1,934,438</u> |
| Total | <u>\$ 81,130,000</u> | <u>\$ 24,606,849</u> | <u>\$ 105,736,849</u> |

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

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

A. Bonds Payable (Continued)

Bonds Pledge

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

Continuing Secondary Market Disclosure

The District in conjunction with the issuance of the Bonds has agreed to undertake and provide certain information to Bondholders on a continuing basis. The Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) "Continuing Disclosure" requirements, which the District has adopted, requires that various financial information about the District and the Municipality be provided annually to various information repositories. The requirement effective for the fiscal years ended June 30, 2023. Bonds are authorized in accordance with State law by the voters of the Municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Bonds Authorized but Not Issued

As of June 30, 2023 the District had unissued debt authorization of \$1,200,000 from the November 1994 Referendum:

Defeasance

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

| <u>Refunding Bonds</u> | <u>Amount</u> | <u>Beginning Balance</u> | <u>Amortization</u> | <u>Ending Balance</u> |
|------------------------|---------------|------------------------------|---------------------|---------------------------|
| 2014 Series | \$ 331,039 | \$ 90,283 | \$ 30,094 | \$ 60,189 |
| 2020 Series B | 1,308,707 | <u>436,235</u> | <u>290,824</u> | <u>145,411</u> |
| | | <u>\$ 526,518</u> | <u>\$ 320,918</u> | <u>\$ 205,600</u> |

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

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

B. Capital Lease Financing

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

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|----------------------|---------------------|----------------------|
| 2024 | \$ 600,000 | \$ 340,475 | \$ 940,475 |
| 2025 | 625,000 | 322,570 | 947,570 |
| 2026 | 610,000 | 303,921 | 913,921 |
| 2027 | 645,000 | 285,718 | 930,718 |
| 2028 | 680,000 | 266,471 | 946,471 |
| 2029 | 715,000 | 246,180 | 961,180 |
| 2030 | 755,000 | 224,844 | 979,844 |
| 2031 | 795,000 | 202,315 | 997,315 |
| 2032 | 835,000 | 178,593 | 1,013,593 |
| 2033 | 880,000 | 153,676 | 1,033,676 |
| 2034 | 925,000 | 127,417 | 1,052,417 |
| 2035 | 970,000 | 99,815 | 1,069,815 |
| 2036 | 750,000 | 70,870 | 820,870 |
| 2037 | 790,000 | 48,490 | 838,490 |
| 2038 | 835,000 | 24,916 | 859,916 |
| | <u>\$ 11,410,000</u> | <u>\$ 2,896,271</u> | <u>\$ 14,306,271</u> |

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

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

C. Leases

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

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

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

C. Leases (Continued)

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

Copy Machine Leases

The District entered into lease agreements for twenty-eight (28) school copy machines resulting in recognition of the cost basis of the assets of \$844,805 and the lease principal balance due of \$844,805. The future minimum lease obligations and the net present value of the future payments, with an imputed or stated interest rate of 3.86% at June 30, 2023 are as follows:

| | | | |
|---|--|----|---------|
| Total minimum lease payments remaining | | \$ | 986,189 |
| Less: Amount representing interest | | | 141,384 |
| Present value of minimum lease payments | | \$ | 844,805 |

Five Years and Thereafter Payments

Principal and interest due on copy machine lease obligations outstanding at June 30, 2023 are as follows:

| Year Ending June 30 | Copy Machine Leases | | Total |
|------------------------|---------------------|-----------|------------|
| | Principal | Interest | |
| 2024 | \$ 153,813 | \$ 32,645 | \$ 186,458 |
| 2025 | 161,039 | 28,419 | 189,458 |
| 2026 | 168,605 | 20,853 | 189,458 |
| 2027 | 176,527 | 12,931 | 189,458 |
| 2028 | 184,820 | 4,638 | 189,458 |
| | \$ 844,805 | \$ 99,485 | \$ 944,290 |

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

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

C. Leases (Continued)

Various Equipment Lease

The District entered into lease purchase agreements for various equipment, computers and textbooks. The future minimum lease obligations for the machine and the net present value of the future payments, with an imputed or stated interest rate approximately from .9875% to 3.124% at June 30, 2023 are as follows:

| | | |
|---|----|-----------|
| Total minimum lease payments remaining | \$ | 2,080,066 |
| Less: Amount representing interest | | 52,419 |
| Present value of minimum lease payments | \$ | 2,027,647 |

Five Years and Thereafter Payments

Principal and interest due on equipment lease obligations outstanding at June 30, 2023 are as follows:

| Year Ending June 30 | Leases | | Total |
|------------------------|--------------|-----------|--------------|
| | Principal | Interest | |
| 2024 | \$ 703,600 | \$ 27,278 | \$ 730,878 |
| 2025 | 714,016 | 16,862 | 730,878 |
| 2026 | 406,231 | 6,266 | 412,497 |
| 2027 | 203,800 | 2,013 | 205,813 |
| | \$ 2,027,647 | \$ 52,419 | \$ 2,080,066 |

D. Subscriptions

The implementation of GASB No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, results in the recognition of a right-of-use asset of \$49,289 and a subscription liability of \$40,740. Amortization of the subscriptions are included in the capital assets.

The District entered into two (2) subscription agreements for educational software. The future minimum subscription obligations and the net present value of the future payments, with an estimated incremental borrowing rate of 2.00% at June 30, 2023 are as follows:

| | | |
|---|----|--------|
| Total minimum lease payments remaining | \$ | 21,000 |
| Less: Amount representing interest | | 420 |
| Present value of minimum lease payments | \$ | 20,580 |

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

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

D. Subscriptions (Continued)

Five Years and Thereafter Payments

Principal and interest due on subscription lease obligations outstanding at June 30, 2023 is as follows:

| Year Ending June 30 | Subscriptions | | Total |
|------------------------|------------------|---------------|------------------|
| | Principal | Interest | |
| 2024 | \$ <u>20,580</u> | \$ <u>420</u> | \$ <u>21,000</u> |

9. PENSION PLANS

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

Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

9. PENSION PLANS (CONTINUED)

Description of Plans (Continued)

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

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

Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

9. PENSION PLANS (CONTINUED)

Description of Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

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

During the year ended June 30, 2023 for TPAF, which is a cost sharing plan with special funding situations, the annual pension costs equals annual required contribution. For PERS, which is a cost sharing multi-employer pension plan, the annual pension costs differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

Three-Year Trend Information for PERS

| <u>Year Funding June 30,</u> | <u>Net Cost to District</u> | <u>Percentage of APC Contributed</u> | <u>Employee Contribution</u> |
|--------------------------------------|---------------------------------|--|----------------------------------|
| 2023 | \$ 1,726,709 | 100% | \$ 851,597 |
| 2022 | 1,583,247 | 100% | 796,502 |
| 2021 | 1,489,912 | 100% | 743,251 |

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

9. PENSION PLANS (CONTINUED)

Funding Policy: (Continued)

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

| <u>Year Funding</u> <u>June 30</u> | <u>Cost</u> <u>(APC)</u> | <u>APC</u> <u>Contributed</u> | <u>Total</u> <u>On-Behalf of</u> | <u>Employee</u> <u>Contribution</u> | <u>TPAF</u> <u>FICA</u> |
|---------------------------------------|-----------------------------|----------------------------------|-------------------------------------|--|----------------------------|
| 2023 | \$ None | 100% | \$ 18,106,652 | \$ 4,125,133 | \$ 4,045,802 |
| 2022 | None | 100% | 17,499,440 | 3,948,370 | 3,876,094 |
| 2021 | None | 100% | 12,354,386 | 3,687,366 | 3,564,106 |

During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$17,499,440 to the TPAF for normal pension. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$4,045,802 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. This amount has been included in the basic financial statements, and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 24.

Public Employees Retirement System (PERS)

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2022 and June 30, 2021 Independent Auditor's Reports dated May 18, 2023 and July 21, 2022, respectively.

The District reported a liability of \$20,664,095 and \$16,035,812 for its proportionate share of the net pension liability as of June 30, 2023 and June 30, 2022, respectively. The net pension liability was measured as of June 30, 2022 and June 30, 2021 (the *Measurement Date*), and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 and July 1, 2020, whichever were rolled forward to the respective *management dates*. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined.

| | <u>June 30, [Measurement Date]</u> | |
|------------------------------|------------------------------------|----------------|
| | <u>2022</u> | <u>2021</u> |
| District Proportionate Share | 0.1369265064 % | 0.1353620560 % |
| Difference - Increase | 0.0015644504 | |

The contribution policy for PERS is set by N.J.S.A. 43.15A and requires contributions by active members and contributing employers. Employee contributions for 2023 were seven and 50/100th percent (7.5%) for PERS. Employer's contributions are actuarially determined annually by the Division of Pensions.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

9. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

For the year ended June 30, 2023, the District recognized pension benefit of \$2,547,330. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Changes of Assumptions | \$ 64,024 | \$ 3,094,233 |
| Difference between expected and actual experience | 149,144 | 131,524 |
| Net difference between projected and actual earnings on pension plan investments | 855,268 | |
| Changes in proportion | 1,017,876 | |
| District contributions subsequent to the measurement date | <u>1,954,099</u> | |
| Total | <u>\$ 4,040,411</u> | <u>\$ 3,225,757</u> |

The \$1,954,099 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense/(benefit) as follows:

| <u>Fiscal Year Ended June 30,</u> | <u>Amount</u> |
|-----------------------------------|----------------|
| 2024 | \$ (1,757,660) |
| 2025 | (895,469) |
| 2026 | (436,703) |
| 2027 | 952,720 |
| 2028 | (2,093) |

Collective balances of local group are as follows:

| | <u>2022</u> | <u>2021</u> |
|--|------------------|------------------|
| Collective deferred outflows of resources | \$ 1,660,772,008 | \$ 1,164,738,169 |
| Collective deferred inflows of resources | 3,236,303,935 | 39,123,762 |
| Collective net pension liability | 15,219,184,920 | 11,972,782,878 |
| Collective total pension expense/(benefit) | (1,032,778,934) | (1,599,674,464) |
| District's proportion (of Local Group) | 0.1369265064 % | 0.1353620560 % |

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

9. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

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 rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

| | |
|---------------------------|---------------------------------------|
| Inflation: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases | 2.75-6.55% (based on year of service) |
| Investment Rate of Return | 7.00% |

Mortality Rates

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

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

9. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 (*measurement date*) are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-term Expected Real Rate of Return</u> |
|----------------------------------|--------------------------|---|
| US Equity | 27.00 % | 8.12 % |
| Non-U.S. Developed Market Equity | 13.50 | 8.38 |
| Emerging Market Equity | 5.50 | 10.33 |
| Private Equity | 13.00 | 11.80 |
| Real Estate | 8.00 | 11.19 |
| Real Assets | 3.00 | 7.60 |
| High Yield | 4.00 | 4.95 |
| Private Credit | 8.00 | 8.10 |
| Investment Grade Credit | 7.00 | 3.38 |
| Cash Equivalents | 4.00 | 1.75 |
| U.S. Treasuries | 4.00 | 1.75 |
| Risk Mitigation Strategies | <u>3.00</u> | 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 (*measurement date*). The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the state employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

9. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

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

The following presents the collective net pension liability of the participating employers as of June 30, 2022 (*Measurement date*), calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

| | June 30, 2022 [<i>Measurement Date</i>] | | |
|--|---|---------------|---------------|
| | 1% Decrease | At Current | 1% Increase |
| | <u>6.00%</u> | <u>7.00%</u> | <u>8.00%</u> |
| District's proportionate share of the pension liability | \$ 26,547,309 | \$ 20,664,095 | \$ 15,657,243 |

Pension Plan Fiduciary Net Position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS) or by visiting their website at www.state.nj.us/treasury/pensions/pers1.

Teachers Pensions and Annuity Fund (TPAF)

Data for the TPAF was abstracted from the State of New Jersey Teachers' Pension and Annuity Fund Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer and Nonemployer as of June 30, 2022 and June 30, 2021 Independent Auditor's Reports dated May 18, 2023 and July 21, 2022, respectively.

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2023 (*measurement date* of June 30, 2022) was as follows:

| | |
|--|----------------|
| Net Pension Liability: | |
| District's proportionate share | None |
| State's proportionate share associated with the District | \$ 213,798,996 |
| | \$ 213,798,996 |

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

9. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

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 June 30, 2021. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The proportion of the TPAF net pension liability associated with the District was as follows:

| | June 30, | |
|------------------------------|-----------------|-----------------|
| | 2022 | 2021 |
| District Proportionate Share | 0.41438398480 % | 0.41708508780 % |
| Difference - Decrease | (0.0027011030) | |

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue of \$12,222,732 for contributions provided by the State.

Actuarial Assumptions

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

| | |
|---------------------------|--|
| Inflation Rate: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases | 2.75% - 5.65% (based on year of service) |
| Investment Rate of Return | 7.00% |

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

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

9. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.0% at June 30, 2022 *measurement date*) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the table as follows:

| <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 Market Equity | 13.50 | 8.38 |
| Emerging Market Equity | 5.50 | 10.33 |
| Private Equity | 13.00 | 11.80 |
| Real Estate | 8.00 | 11.19 |
| Real Assets | 3.00 | 7.60 |
| High Yield | 4.00 | 4.95 |
| Private Credit | 8.00 | 8.10 |
| Investment Grade Credit | 7.00 | 3.38 |
| Cash Equivalents | 4.00 | 1.75 |
| U.S. Treasuries | 4.00 | 1.75 |
| Risk Mitigation Strategies | <u>3.00</u> | 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 the most recent fiscal years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

9. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

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

The following presents the proportionate share of the net pension liability associated with the District as of June 30, 2023 (*measurement date June 30, 2022*) calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| | 1% Decrease <u>6.00%</u> | At Current Discount Rate <u>7.00%</u> | At 1% Increase <u>8.00%</u> |
|---|-----------------------------|---|-----------------------------------|
| State's proportionate share of the net pension liability associated with the District | \$ 250,683,866 | \$ 213,798,996 | \$ 182,728,128 |

Pension Plan Fiduciary Net Position

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

Additional Information

Collective balances of the Local Group are as follows:

| | <u>June 30 [Measurement Date]</u> | |
|--------------------------------|-----------------------------------|------------------|
| | <u>2022</u> | <u>2021</u> |
| Deferred outflows of resources | \$ 4,996,491,160 | \$ 6,373,530,834 |
| Deferred inflows of resources | 19,532,696,776 | 27,175,330,929 |
| Net pension liability | 51,594,415,806 | 48,075,188,642 |
| Total expenses - non-employer | 1,424,884,581 | 1,133,770,138 |
| District share of liability | 0.4143839848 % | 0.4170850878 % |

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

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

Data for the OPEB was abstracted from the State of New Jersey Local Education Retired Employees Plan as of June 30, 2022 and June 30, 2021 [*measurement dates*] Independent Auditor's Reports dated September 27, 2023 and January 18, 2023, respectively.

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for “pay-as-you-go” PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. 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. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. 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. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

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

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

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

| <u>Fiscal Year Ended June 30,</u> | <u>Post-Retirement Medical</u> |
|-----------------------------------|--------------------------------|
| 2023 | \$ 4,756,574 |
| 2022 | 4,041,849 |
| 2021 | 3,571,813 |

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

The District is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the board of education level. Note that actual numbers will be published in the NJ State's ACFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>). The portion of the PERS and TPAF OPEB Liability that was associated with the District recognized at June 30, 2023 was as follows:

Net OPEB Liability:

| | |
|--|------------------------------|
| Districts proportionate share | None |
| State's proportionate share associated with the District | <u>\$ 195,432,236</u> |
| | <u><u>\$ 195,432,236</u></u> |

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

| June 30, | |
|----------------|----------------|
| <u>2022</u> | <u>2021</u> |
| 0.0038587557 % | 0.0038635371 % |

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 (*measurement date*) was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

| | | |
|-----------------|---------------------------------|---------------------------------|
| Inflation rate | 2.50% | |
| | <u>TPAF/ABP</u> | <u>PERS</u> |
| | <i>(based on service years)</i> | <i>(based on service years)</i> |
| Salary increase | 2.75-4.25% | 2.75-6.55% |

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

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

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.5% long-term trend rate after eight (8) years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.5% 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 (8) years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

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

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.

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

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

| June 30, 2022 [<i>Measurement Date</i>] | | |
|---|-----------------------------|---------------------------|
| At 1% Decrease (2.54%) | At Discount Rate (3.54%) | At 1% Increase (4.54%) |
| \$ 229,710,142 | \$ 195,432,326 | \$ 167,960,370 |

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

The following represents the total nonemployer OPEB liability as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| June 30, 2022 [<i>Measurement Date</i>] | | |
|---|-------------------------------|----------------|
| 1% Decrease | Healthcare Cost Trend Rate | 1% Increase |
| \$ 161,536,763 | \$ 195,432,326 | \$ 239,956,207 |

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

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

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

Shown below are details regarding the Total OPEB Liability for the measurement period from June 30, 2021 to June 30, 2022:

| | <u>Total OPEB Liability</u> |
|---|-----------------------------|
| Balance as of June 30, 2021 <i>Measurement Date</i> | \$ 233,210,957 |
| Changes Recognized for the Fiscal Year: | |
| Service Cost | \$ 12,469,606 |
| Interest on the Total OPEB Liability | 5,179,172 |
| Changes of Assumptions | (52,426,475) |
| Gross Benefit Payments | (5,130,123) |
| Difference between Expected and Actual Experience | 1,964,612 |
| Change of Benefit Terms | - |
| Contributions from the Member | <u>164,577</u> |
| Net Changes | <u>\$ (37,778,631)</u> |
| Balance as of June 30, 2022 <i>Measurement Date</i> | <u>\$ 195,432,326</u> |

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022.

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

| | <u>[Measurement Date]</u> <u>June 30, 2022</u> |
|--|---|
| Total OPEB Liability | \$ 195,432,326 |
| Plan Fiduciary Net Position | None |
| Net OPEB Liability | \$ 195,432,326 |
| Net Position as a Percentage of OPEB Liability | 0.0% |
| OPEB Expense | \$ 9,045,710 |

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

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

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

For the year ended June 30, 2023, the board of education recognized OPEB expense of \$9,045,710 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the District proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee’s OPEB from the following sources:

The following table illustrates the Deferred Inflows and Outflows as of June 30, 2022 [*measurement date*] under GASB No. 75 prior to any reduction due to the Fiscal Year 2023 amortizations.

| | <u>Deferred Outflows</u> | <u>Deferred Inflows</u> |
|--|--------------------------|-------------------------|
| Changes of Assumptions | \$ 33,824,388 | \$ 66,514,488 |
| Differences between Actual and Expected Experience | 34,892,422 | 59,667,749 |
| Changes in Proportion | 8,201,245 | 1,603,040 |
| Sub-total | 76,918,055 | 127,785,277 |
| Contributions made in Fiscal Year Ending 2023 After June 30, 2022 <i>Measurement Date</i> | None | None |
| Total | \$ 76,918,055 | \$ 127,785,277 |

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

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

| Fiscal Year Ending June 30, | |
|-----------------------------|----------------|
| 2024 | \$ (9,713,073) |
| 2025 | (9,713,073) |
| 2026 | (9,713,073) |
| 2027 | (8,394,529) |
| 2028 | (4,800,104) |
| Total Thereafter | (15,131,574) |

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

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

Pension Plan Fiduciary Net Position

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

Additional Information

Collective balances of the Local Education Group are as follows:

| | June 30, | |
|--------------------------------|-------------------|-------------------|
| | 2022 | 2021 |
| Deferred outflows of resources | \$ 20,104,625,333 | \$ 21,546,947,255 |
| Deferred inflows of resources | 34,996,842,046 | 26,769,148,209 |
| Net OPEB liability | 50,646,462,966 | 60,007,650,970 |
| OPEB expense | 1,595,653,562 | 3,527,672,060 |

Other

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

11. COMPENSATED ABSENCES

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

District employees are granted vacation and sick leave in varying amounts in accordance with various employment agreements under the District’s personnel policies. 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 fifteen years of service.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. The current portion of the compensated absence balance of the governmental funds is reported separately on the Statement of Net Position.

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 no liability existed for compensated absences in the proprietary fund types.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

12. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

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

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

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

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

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

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

Contributions Required and Made

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

| Fiscal Year Ended <u>June 30,</u> | <u>Employee</u> | <u>Employer</u> |
|--------------------------------------|-----------------|-----------------|
| 2023 | \$ 48,745 | \$ 26,588 |
| 2022 | 36,506 | 19,912 |
| 2021 | 31,483 | 17,236 |

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

13. DEFERRED COMPENSATION

A. IRS Code Section 403(b)

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

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

B. IRS Code Section 457

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

14. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

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

Health Benefits: The Board of Education has procured medical insurance coverage for its employees under a “self-insurance plan” provisions have be made for the current claims liability and IBNR of \$2,061,663 and for a stop loss (excess) coverage of \$1,667,000.

15. INTERFUND BALANCES AND TRANSFERS

There were no interfunds as of June 30, 2023.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

16. RESERVE ACCOUNTS

A. CAPITAL RESERVE

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

| | | |
|---------------------------------|------------------|----------------------|
| Contributions from Board | | |
| Prior to June 30, 2022 | \$ 34,194,052 | |
| During year ended June 30, 2023 | <u>2,491,009</u> | \$ 36,685,061 |
| Interest Earned | | |
| Prior to June 30, 2022 | \$ 113,174 | |
| During year ended June 30, 2023 | <u>500</u> | \$ 113,674 |
| Less Withdrawals: | | |
| Prior to June 30, 2022 | \$ 23,757,256 | |
| During year ended June 30, 2023 | <u>2,489,200</u> | <u>\$ 26,246,456</u> |
| Balance June 30, 2023 | | <u>\$ 10,552,279</u> |

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board Resolution at year end, if any, Unanticipated Revenue or Unexpended Line Item Appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-5.1(d) 7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

16. RESERVE ACCOUNTS (CONTINUED)

B. MAINTENANCE RESERVE

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

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

| | | |
|--|--|--------------|
| Balance June 30, 2022 | | \$ 6,500,000 |
| Less Withdrawals: | | |
| During year ended June 30, 2023 | | 600,000 |
| Balance June 30, 2023 (C-1) | | \$ 5,900,000 |
| Less: Adjustment for State Aid Not Recognized as a GAAP Basis | | \$ 1,417,964 |
| As Adjusted (B-1) | | \$ 4,482,036 |

17. DEFICIT FUND BALANCES – SPECIAL REVENUE FUND

The District has a fund balance of \$305,283 in the Special Revenue Fund as of June 30, 2023 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two (2) state aid payments in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements for the Special Revenue Fund of \$131,348 was caused by the net effect of the non-recognition of the final state aid payment of \$522,956 for preschool offset by the expenditures \$654,304.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

18. FUND BALANCE APPROPRIATED

General Fund - Of the \$18,172,552 General Fund fund balance at June 30, 2023, \$3,058,458 is assigned – for other purposes (encumbrances); \$10,552,479 is restricted for the Capital Reserve Account, \$4,482,036 is restricted for the Maintenance Reserve and \$27,318 is FFCRA/SEMI funds, assigned designated of subsequent year's expenditures.

Special Revenue Fund – The \$305,283 Special Revenue Fund fund balance at June 30, 2023 is a result of the net offset of \$402,404 assigned – for student activities; \$34,229 is for scholarships and reduced by a deficit of \$131,348 related to grants (see Note 15).

Debt Service Fund – Of the \$46,622 Debt Service Fund fund balance at June 30, 2023, all of which is included as revenue in the 2023-2024 debt service fund budget to offset expenditures.

Capital Projects Fund – Of the \$224,945 Capital Projects Fund fund balance at June 30, 2023 is restricted for capital projects most of which have been committed.

19. CONTINGENT LIABILITIES AND COMMITMENTS

- A. **Grant Programs** – The school district participates in federal, state and locally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.
- B. **Pending Litigation** – As of the date of this report, in the opinion of the management, there was no litigation pending which, in the event of an adverse or unfavorable outcome, would materially impair the financial position of the District. There were several matters pending that are being handled by the Board's insurance carrier which should not have any adverse impact.
- C. **Interlocal Services Agreement** – The District has an agreement with the Township for reimbursement for unforeseen soil remediation at the High School. The Township adopted an Improvement Authorization to provide funds and the District actually awarded and managed the related contracts. The agreement also requires payment back to the Township for debt service.
- D. **Contractual Commitments**

The District has contractual commitments at June 30, 2023 to various vendors, which are recorded in the general fund as fund balance assigned for other purposes in the amount of \$3,058,458 and in the capital projects \$125,510 for the electrical and other improvements.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

20. CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was no excess surplus as a result of the 2021-2022 or 2022-2023 school years at June 30, 2023.

21. RECONCILIATION OF FUND BALANCE

Current Fund

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

| <u>General Fund</u> | <u>Unassigned</u> | <u>Maintenance Reserve</u> |
|--|-------------------|----------------------------|
| Balance on a Budget Basis on the General Fund Budgetary Basic Comparison | \$ 2,513,561 | \$ 5,900,000 |
| Less: Allocation of state aid payment not recognized on a GAAP basis - \$3,931,525 | <u>2,513,561</u> | <u>1,417,964</u> |
| | <u>\$ None</u> | <u>\$ 4,482,036</u> |

22. 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.

23. 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 \$265,593,841 indicated as part of the Governmental Activities net position is calculated as follows:

| | <u>Amount</u> |
|---|----------------------|
| Capital assets, net of depreciation | \$ 179,924,512 |
| Bonds payable (used to build or acquire capital assets) | (81,130,000) |
| Deferred loss on defeasance of debt | 205,600 |
| Unamortized deferred premium | (91,280) |
| Capital Lease Obligation | <u>(14,303,032)</u> |
| | <u>\$ 84,605,800</u> |

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

24. TAX ABATEMENTS

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

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

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

The Township of North Brunswick anticipated revenue of \$3,481,765 from the annual service charge in lieu of payment of taxes in 2022 had the true amount been levied on these long-term tax exemptions, the school tax due would be substantially higher and a portion of the abatement would have been allocated to the District.

25. SUBSEQUENT EVENT: COVID-19 CORONAVIRUS PANDEMIC

The COVID-19 Coronavirus outbreak in the United States has caused the Governor of the State of New Jersey to mandate closures and a curfew for all nonessential citizens and businesses. The management of the District (which is essential) has evaluated the impact of the situation and has determined that overall there is no adverse impact on its June 30, 2023 financial statements (*audited*). Financial impact for the year ending June 30, 2024 is uncertain at this time. A significant portion of the revenue to support the District operations is state aid and taxation; however, the outcome is uncertain at this time. It is not known at this time if there are any federal or state funds available for impact relief.

26. PRIOR PERIOD ADJUSTMENT GASB STATEMENT No. 96

The District implemented GASB No. 96 related to subscription-based information technology being reclassified into the Governmental Funds. The reclassification was reflected as a prior period adjustment to the Statement of Activities (A-2), effective July 1, 2022, and no retroactive restatement of the financial statements was done since they are not comparative. The reclassification involved liabilities, capital (fixed) assets (right-of-use) and fund balance with no adverse impact on the financial position of the District.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

BOARD OF EDUCATION
 NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit C-1
 Sheet 1 of 10

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|-----------------------|---------------------|-----------------------|-----------------------|-----------------------------|
| REVENUES: | | | | | |
| Local sources: | | | | | |
| Local tax levy | \$ 84,925,897 | | \$ 84,925,897 | \$ 84,925,897 | |
| Interest on Capital Reserve | 500 | | 500 | 500 | |
| Interest on Maintenance Reserve | 500 | | 500 | 500 | |
| Transportation Fees | 110,000 | | 110,000 | 156,063 | \$ (46,063) |
| Miscellaneous | 247,500 | | 247,500 | 982,835 | \$ (735,335) |
| Total - local sources | 85,284,397 | | 85,284,397 | 86,065,795 | (781,398) |
| State sources: | | | | | |
| Special Education Categorical Aid | 5,372,023 | | 5,372,023 | 5,372,023 | |
| Equalization Aid | 29,984,119 | | 29,984,119 | 29,984,119 | |
| Extraordinary aid | 1,500,000 | | 1,500,000 | 1,780,232 | (280,232) |
| Security Aid | 1,619,505 | | 1,619,505 | 1,619,505 | |
| Transportation Aid | 2,310,618 | | 2,310,618 | 2,310,618 | |
| Non Public Transportation Aid | | | | 106,392 | (106,392) |
| On behalf - TPAF - Pension Contribution (Non-budgeted) | | | | 18,106,652 | (18,106,652) |
| On behalf - TPAF - Post Retirement Medical (Non-budgeted) | | | | 4,756,574 | (4,756,574) |
| On behalf - TPAF - Long-Term Disability Insurance (Non-budgeted) | | | | 8,249 | (8,249) |
| Reimbursed TPAF social security contributions (Non-budgeted) | | | | 4,045,802 | (4,045,802) |
| Total - state sources | 40,786,265 | | 40,786,265 | 68,090,166 | (27,303,901) |
| Federal sources: | | | | | |
| Medical Assistance Program | 219,267 | | 219,267 | 338,290 | (119,023) |
| FFCRA/Semi | | | | 27,318 | (27,318) |
| Total - federal sources | 219,267 | | 219,267 | 365,608 | (146,341) |
| TOTAL REVENUES | \$ 126,289,929 | | \$ 126,289,929 | \$ 154,521,569 | \$ (28,231,640) |

BOARD OF EDUCATION
 NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|-------------------|-------------------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE: | | | | | |
| Regular programs - instruction: | | | | | |
| Salaries of teachers: | | | | | |
| Kindergarten | \$ 1,481,701 | \$ 10,428 | \$ 1,492,129 | \$ 1,492,038 | \$ 91 |
| Grades 1 - 5 | 11,531,776 | (64,893) | 11,466,883 | 11,462,486 | 4,397 |
| Grades 6 - 8 | 6,987,936 | (380,380) | 6,607,556 | 6,606,876 | 680 |
| Grades 9 - 12 | 10,670,441 | (404,958) | 10,265,483 | 10,265,482 | 1 |
| | <u>30,671,854</u> | <u>(839,803)</u> | <u>29,832,051</u> | <u>29,826,882</u> | <u>5,169</u> |
| Regular programs - home instruction: | | | | | |
| Purchased professional - education services | 50,000 | 75,725 | 127,945 | 122,955 | 4,990 |
| | <u>50,000</u> | <u>75,725</u> | <u>127,945</u> | <u>122,955</u> | <u>4,990</u> |
| Regular programs - undistributed instruction: | | | | | |
| Other salaries for instruction | 160,000 | (122,373) | 37,627 | 37,576 | 51 |
| Other purchased services (400-500 Series) | 875,075 | (18,400) | 856,675 | 763,413 | 93,262 |
| General supplies | 648,864 | (1,396) | 647,468 | 559,062 | 88,406 |
| Textbooks | 250,625 | (42,148) | 208,477 | 196,344 | 12,133 |
| Other objects | 28,594 | 200 | 28,794 | 27,097 | 1,697 |
| | <u>1,963,158</u> | <u>(184,117)</u> | <u>1,779,041</u> | <u>1,583,492</u> | <u>195,549</u> |
| Total regular programs - undistributed instruction | <u>1,963,158</u> | <u>(184,117)</u> | <u>1,779,041</u> | <u>1,583,492</u> | <u>195,549</u> |
| Total regular programs - instructions | <u>32,685,012</u> | <u>(948,195)</u> | <u>31,739,037</u> | <u>31,533,329</u> | <u>205,708</u> |
| Special education instruction: | | | | | |
| Learning and/or language disabilities: | | | | | |
| Salaries of teachers | 1,375,570 | (199,866) | 1,175,704 | 1,175,008 | 696 |
| Other salaries for instruction | 492,706 | 125,169 | 617,875 | 609,222 | 8,653 |
| General supplies | 39,275 | (14,000) | 25,275 | 24,219 | 1,056 |
| | <u>1,907,551</u> | <u>(88,697)</u> | <u>1,818,854</u> | <u>1,808,448</u> | <u>10,406</u> |
| Total learning and/or language disabilities | <u>1,907,551</u> | <u>(88,697)</u> | <u>1,818,854</u> | <u>1,808,448</u> | <u>10,406</u> |
| Emotional Regulation Impairment: | | | | | |
| Salaries of teachers | 309,917 | (27,854) | 282,063 | 281,966 | 97 |
| Other salaries for instruction | 117,690 | (11,337) | 106,353 | 102,201 | 4,152 |
| General Supplies | 7,995 | 3,500 | 11,495 | 10,950 | 545 |
| | <u>435,602</u> | <u>(35,691)</u> | <u>399,911</u> | <u>395,117</u> | <u>4,794</u> |
| Total Emotional Regulation Impairment | <u>435,602</u> | <u>(35,691)</u> | <u>399,911</u> | <u>395,117</u> | <u>4,794</u> |

BOARD OF EDUCATION
 NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit C-1
 Sheet 3 of 10

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|-------------------|-------------------------------------|
| Multiple Disabilities: | | | | | |
| Salaries of teachers | \$ 814,457 | \$ (54,200) | \$ 760,257 | \$ 760,061 | \$ 196 |
| Other salaries for instruction | 294,537 | 150,153 | 444,690 | 427,452 | 17,238 |
| General supplies | <u>28,185</u> | <u>(5,000)</u> | <u>23,185</u> | <u>22,910</u> | <u>275</u> |
| Total Multiple Disabilities | <u>1,137,179</u> | <u>90,953</u> | <u>1,228,132</u> | <u>1,210,423</u> | <u>17,709</u> |
| Resource room/resource center: | | | | | |
| Salaries of teachers | 5,513,433 | (86,972) | 5,426,461 | 5,414,988 | 11,473 |
| Other salaries for instruction | 618,964 | (232,082) | 386,882 | 373,864 | 13,018 |
| General supplies | <u>21,999</u> | <u>(2,000)</u> | <u>19,999</u> | <u>16,971</u> | <u>3,028</u> |
| Total resource room/resource center | <u>6,154,396</u> | <u>(321,054)</u> | <u>5,833,342</u> | <u>5,805,823</u> | <u>27,519</u> |
| Autism: | | | | | |
| Salaries of teachers | 755,203 | 18,823 | 774,026 | 758,081 | 15,945 |
| Other salaries for instruction | 661,824 | (62,031) | 599,793 | 590,404 | 9,389 |
| General Supplies | <u>31,195</u> | <u>(9,500)</u> | <u>21,695</u> | <u>21,577</u> | <u>118</u> |
| Total Autism | <u>1,448,222</u> | <u>(52,708)</u> | <u>1,395,514</u> | <u>1,370,063</u> | <u>25,451</u> |
| Preschool disabilities - full time | | | | | |
| Salaries of teachers | 907,735 | (19,405) | 888,330 | 875,620 | 12,710 |
| Other salaries for instruction | 600,542 | (30,595) | 569,947 | 530,436 | 39,511 |
| General supplies | <u>12,000</u> | <u></u> | <u>12,000</u> | <u>9,667</u> | <u>2,333</u> |
| Total preschool disabilities-full-time | <u>1,520,277</u> | <u>(50,000)</u> | <u>1,470,277</u> | <u>1,415,723</u> | <u>54,554</u> |
| Home Instruction: | | | | | |
| Purchased professional-educational services | 50,000 | 137,000 | 187,000 | 176,910 | 10,090 |
| Total home instruction | <u>50,000</u> | <u>137,000</u> | <u>187,000</u> | <u>176,910</u> | <u>10,090</u> |
| Total special education - instruction | <u>12,653,227</u> | <u>(320,197)</u> | <u>12,333,030</u> | <u>12,182,507</u> | <u>150,523</u> |
| Basic skills/remedial - Instruction: | | | | | |
| Salaries of teachers | 2,708,940 | (50,740) | 2,658,200 | 2,653,739 | 4,461 |
| General supplies | <u>3,125</u> | <u></u> | <u>3,125</u> | <u>3,007</u> | <u>118</u> |
| Total basic skills/remedial - Instruction | <u>2,712,065</u> | <u>(50,740)</u> | <u>2,661,325</u> | <u>2,656,747</u> | <u>4,578</u> |

BOARD OF EDUCATION
 NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit C-1
 Sheet 4 of 10

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-------------------|-------------------|-----------------------------|
| Bilingual education - Instruction: | | | | | |
| Salaries of teachers | \$ 1,423,694 | \$ (21,463) | \$ 1,402,231 | \$ 1,378,863 | \$ 23,368 |
| Other salaries for instruction | 18,413 | (18,413) | | | |
| Purchased Professional-Educational Services | | 1,500 | 1,500 | 1,390 | 110 |
| General supplies | 1,681 | | 1,681 | 1,136 | 545 |
| Total bilingual education - Instruction | 1,443,788 | (38,376) | 1,405,412 | 1,381,388 | 24,024 |
| School sponsored co/extra - curricular activities - Instructions: | | | | | |
| Salaries | 424,108 | (10,987) | 413,121 | 394,010 | 19,111 |
| Supplies and materials | 64,180 | (6,622) | 57,558 | 44,263 | 13,295 |
| Total school sponsored co/extra - curricular activities - Instruction | 488,288 | (17,609) | 470,679 | 438,273 | 32,406 |
| School sponsored athletics - Instruction: | | | | | |
| Salaries | 811,195 | 18,910 | 830,105 | 811,267 | 18,838 |
| Purchased services (300-500 Series) | 125,174 | (35,710) | 89,464 | 63,981 | 25,484 |
| Supplies and materials | 224,186 | (35,102) | 189,084 | 172,639 | 16,445 |
| Other objects | 86,780 | 14,000 | 100,780 | 100,260 | 520 |
| Total school sponsored athletic activities | 1,247,335 | (37,902) | 1,209,433 | 1,148,146 | 61,287 |
| Before/After School programs: | | | | | |
| Salaries | 160,785 | (97,986) | 62,799 | 62,798 | 1 |
| Total Before/After School Programs | 160,785 | (97,986) | 62,799 | 62,798 | 1 |
| Total special programs | 6,052,261 | (242,613) | 5,809,648 | 5,687,352 | 122,296 |
| Total instructional programs | 51,390,500 | (1,511,005) | 49,881,715 | 49,403,188 | 478,527 |
| Undistributed expenditures: | | | | | |
| Instruction: | | | | | |
| Tuition to other LEAs within the state - regular | 139,500 | 60,653 | 200,153 | 145,137 | 55,016 |
| Tuition to other LEAs within the state - special | 571,531 | 166,118 | 737,649 | 713,763 | 23,886 |
| Tuition to CSSD and regular day schools | | 31,920 | 31,920 | | 31,920 |
| Tuition to private schools-disabled within the state | 1,039,668 | (339,664) | 700,004 | 672,028 | 27,976 |
| Tuition - state facilities | 85,000 | (85,000) | | | |
| Tuition - other | | 59,362 | 59,362 | 59,362 | |
| Total undistributed expenditures - instruction | 1,835,699 | (106,611) | 1,729,088 | 1,590,290 | 138,798 |

BOARD OF EDUCATION
 NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit C-1
 Sheet 5 of 10

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|-----------|-----------------------------|
| Attendance and social work: | | | | | |
| Salaries | \$ 85,000 | \$ (76,168) | \$ 8,832 | \$ 8,832 | |
| Total attendance and Social Work | 85,000 | (76,168) | 8,832 | 8,832 | |
| Health services: | | | | | |
| Salaries | 951,730 | 11,300 | 963,030 | 930,805 | \$ 32,225 |
| Purchased professional and technical services | 70,000 | 40,000 | 110,000 | 73,755 | 36,245 |
| Other purchased services (400-500 Series) | 12,090 | 100 | 12,190 | 2,556 | 9,634 |
| Supplies and materials | 50,561 | (11,400) | 40,989 | 24,902 | 16,087 |
| Other objects | 5,300 | (4,600) | 700 | 322 | 378 |
| Total health services | 1,089,681 | 35,400 | 1,126,909 | 1,032,340 | 94,569 |
| Other support services - student-related services: | | | | | |
| Salaries | 790,538 | | 790,538 | 785,065 | 5,473 |
| Purchased professional - educational services | 609,200 | 453,000 | 1,062,200 | 1,020,372 | 41,828 |
| Supplies and materials | 12,800 | | 12,800 | 12,800 | |
| Total other support services - student-related services | 1,412,538 | 453,000 | 1,865,538 | 1,818,237 | 47,301 |
| Other support services - student extra services | | | | | |
| Salaries | 447,242 | (194,640) | 252,602 | 212,222 | 40,380 |
| Purchased professional - educational services | 1,168,500 | (296,360) | 872,140 | 659,612 | 212,528 |
| Supplies and Materials | 3,100 | | 3,100 | 3,069 | 31 |
| Total other support services - student-extra services | 1,618,842 | (491,000) | 1,127,842 | 874,903 | 252,939 |
| Other support services - students - regular: | | | | | |
| Salaries of other professional staff | 1,469,568 | | 1,469,568 | 1,454,501 | 15,067 |
| Salaries of secretarial & clerical assistants | 127,603 | | 127,603 | 111,357 | 16,246 |
| Purchased professional - educational services | 15,500 | 500 | 16,000 | 186 | 15,814 |
| Other purchased services (400-500 Series) | 138,540 | (25,400) | 113,140 | 105,215 | 7,925 |
| Supplies and materials | 7,527 | 4,500 | 12,027 | 9,768 | 2,259 |
| Other Objects | 2,525 | | 2,525 | 2,495 | 30 |
| Total other support services - students - regular | 1,761,263 | (20,400) | 1,740,863 | 1,683,522 | 57,341 |
| Other support services - students - special: | | | | | |
| Salaries of other professional staff | 2,889,777 | (44,621) | 2,845,156 | 2,810,256 | 34,900 |
| Salaries of secretarial & clerical assistants | 279,078 | (11,839) | 267,239 | 260,670 | 6,569 |
| Purchased professional - educational services | 625,000 | 327,000 | 952,000 | 927,546 | 24,454 |
| Miscellaneous purchased services (400-500 Series) | 5,000 | | 5,000 | 1,324 | 3,676 |
| Supplies and materials | 43,500 | (16,741) | 26,759 | 26,353 | 406 |
| Other Objects | 10,400 | | 10,400 | 8,237 | 2,163 |
| Total other support services - students - special | 3,852,755 | 253,799 | 4,106,554 | 4,034,386 | 72,168 |

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit C-1
Sheet 6 of 10

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|------------------|-------------------------------------|
| Improvement of instructional services: | | | | | |
| Salaries of supervisors of instruction | \$ 3,728,465 | \$ (91,885) | \$ 3,636,580 | \$ 3,624,059 | \$ 12,521 |
| Salaries of other professional staff | 43,325 | 4,068 | 47,393 | 47,390 | 3 |
| Salaries of secretarial & clerical assistants | 67,116 | | 67,116 | 66,169 | 947 |
| Purchased professional - educational services | | 17,000 | 17,000 | 3,900 | 13,100 |
| Other objects | | 5,208 | 5,208 | 5,208 | |
| Total improvement of instructional services | <u>3,838,906</u> | <u>(65,609)</u> | <u>3,773,297</u> | <u>3,746,725</u> | <u>26,571</u> |
| Educational media services/school library: | | | | | |
| Salaries | 651,888 | (50,508) | 601,380 | 572,839 | 28,541 |
| Supplies and materials | 28,796 | 5,278 | 34,074 | 29,585 | 4,489 |
| Total educational media services/school library | <u>680,684</u> | <u>(45,230)</u> | <u>635,454</u> | <u>602,424</u> | <u>33,030</u> |
| Instructional staff training services: | | | | | |
| Salaries of other professional staff | 75,740 | | 75,740 | 68,443 | 7,297 |
| Purchased professional - educational services | 122,901 | (10,000) | 112,901 | 99,500 | 13,401 |
| Other purchased prof. and tech. services | 400 | | 400 | | 400 |
| Other purchased services (400-500 Series) | 77,194 | 6,200 | 83,394 | 54,768 | 28,626 |
| Supplies and materials | 5,000 | 9,148 | 14,148 | 12,621 | 1,527 |
| Total instructional staff training services | <u>281,235</u> | <u>5,348</u> | <u>286,583</u> | <u>235,333</u> | <u>51,250</u> |
| Support services - general administration: | | | | | |
| Salaries | 878,429 | (90,000) | 788,429 | 774,262 | 14,167 |
| Legal services | 180,000 | (24,601) | 155,399 | 139,802 | 15,597 |
| Audit fee | 62,500 | 56,520 | 119,020 | 64,115 | 54,905 |
| Architects/Engineering services | 18,000 | 15,000 | 33,000 | 16,996 | 16,004 |
| Other purchased professional services | 32,200 | (14,000) | 18,200 | 13,776 | 4,424 |
| Purchased technical services | 87,000 | (20,650) | 66,350 | 63,660 | 2,690 |
| Communications/telephone | 356,758 | 32,251 | 389,009 | 380,956 | 8,053 |
| BOE other purchased services | 5,450 | (33) | 5,417 | 3,036 | 2,381 |
| Other purchased services (400-500) | 523,850 | 6,033 | 529,883 | 521,834 | 8,049 |
| General supplies | 21,100 | 500 | 21,600 | 18,850 | 2,750 |
| Miscellaneous expenditures | 28,000 | (3,000) | 25,000 | 20,121 | 4,879 |
| BOE membership dues and fees | 40,500 | (3,000) | 37,500 | 31,814 | 5,686 |
| Total support services - general administration | <u>2,233,787</u> | <u>(44,980)</u> | <u>2,188,807</u> | <u>2,049,223</u> | <u>139,584</u> |
| Support services - school administration: | | | | | |
| Salaries of principals/assistant principals | \$ 2,551,522 | \$ (112,638) | \$ 2,438,884 | \$ 2,436,706 | \$ 2,178 |
| Salaries of other professional staff | 171,652 | | 171,652 | 171,652 | |
| Salaries of secretarial and clerical assistants | 1,179,138 | 82,149 | 1,261,287 | 1,257,952 | 3,335 |
| Other purchased services (400-500 Series) | 2,950 | 477 | 3,427 | 913 | 2,514 |
| Supplies and materials | 84,757 | 21,716 | 106,473 | 102,640 | 3,833 |
| Total support services - school administration | <u>3,990,019</u> | <u>(8,296)</u> | <u>3,981,723</u> | <u>3,969,864</u> | <u>11,859</u> |

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit C-1
 Sheet 7 of 10

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|------------------|-------------------------------------|
| Central services: | | | | | |
| Salaries | \$ 675,667 | \$ (110,000) | \$ 565,667 | \$ 559,645 | \$ 6,022 |
| Purchased professional services | 64,500 | | 64,500 | 35,407 | 29,093 |
| Purchased technical services | 22,200 | | 22,200 | 17,096 | 5,104 |
| Miscellaneous purchased services (400-500 Series) | 4,000 | | 4,000 | 355 | 3,645 |
| Supplies and materials | 13,500 | (500) | 13,000 | 398 | 12,602 |
| Interest on lease purchase agreements | 32,844 | | 32,844 | 32,843 | 1 |
| Other Objects | 50,365 | | 50,365 | 39,758 | 10,607 |
| Total central services | 863,076 | (110,500) | 752,576 | 685,502 | 67,074 |
| Admin. Info. technology: | | | | | |
| Salaries | 1,134,567 | (80,000) | 1,054,567 | 1,050,412 | 4,155 |
| Purchased technical services | 588,050 | 2,000 | 590,050 | 579,767 | 10,283 |
| Other purchased services (400-500 Series) | 4,000 | | 4,000 | 304 | 3,696 |
| Supplies and materials | 84,000 | | 84,000 | 79,940 | 4,060 |
| Other objects | 6,825 | | 6,825 | 515 | 6,310 |
| Total admin. Info. technology | 1,817,442 | (78,000) | 1,739,442 | 1,710,937 | 28,505 |
| Required maintenance for school facilities: | | | | | |
| Salaries | 1,207,379 | (173,048) | 1,034,331 | 1,034,283 | 48 |
| Cleaning, repair and maintenance services | 773,730 | 743,201 | 1,516,931 | 1,232,635 | 284,296 |
| Lead Testing of Drinking Water | 36,000 | (36,000) | | | |
| General supplies | 406,900 | (68,438) | 338,462 | 324,850 | 13,612 |
| Other objects | 40,000 | (39,900) | 100 | | 100 |
| Total required maintenance for school facilities | 2,464,009 | 425,815 | 2,889,824 | 2,591,767 | 298,057 |
| Other operation and maintenance of plant: | | | | | |
| Salaries | 2,880,878 | (224,673) | 2,656,205 | 2,656,202 | 3 |
| Salaries of non-instructional aids | 780,058 | (120,200) | 659,858 | 659,858 | |
| Cleaning, repair and maintenance services | 140,000 | (42,095) | 97,905 | 78,533 | 19,372 |
| Other purchased property services | 120,000 | 4,500 | 124,500 | 123,592 | 908 |
| Insurance | 301,290 | 29,692 | 330,982 | 330,971 | 11 |
| Travel | 28 | 28 | 28 | 28 | |
| General supplies | 332,835 | 34,018 | 366,853 | 347,781 | 19,072 |
| Energy (Natural Gas) | 484,000 | (37,500) | 446,500 | 420,843 | 25,657 |
| Energy (Electricity) | 1,350,000 | (216,140) | 1,133,860 | 1,100,386 | 33,474 |
| Other Objects | 60,000 | (53,977) | 6,023 | 5,796 | 227 |
| Interest on ESIP | 364,048 | | 364,048 | 364,048 | |
| Total other operation and maintenance of plant | 6,813,109 | (626,347) | 6,186,762 | 6,088,039 | 98,723 |

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit C-1
Sheet 8 of 10

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|-------------------|-------------------------------------|
| Care and upkeep of grounds | | | | | |
| Salaries | \$ 195,090 | \$ (7,273) | \$ 187,817 | \$ 187,790 | \$ 27 |
| General supplies | | 550 | 550 | 549 | 1 |
| Total care and upkeep of grounds | <u>195,090</u> | <u>(6,723)</u> | <u>188,367</u> | <u>188,339</u> | <u>28</u> |
| Security: | | | | | |
| Salaries | 378,266 | 10,998 | 389,264 | 389,263 | 1 |
| Purch Prof & Tech Svcs | 437,008 | (4,850) | 432,158 | 362,278 | 69,880 |
| General Supplies | 42,250 | (9,557) | 32,693 | 32,649 | 44 |
| Total security | <u>857,524</u> | <u>(3,409)</u> | <u>854,115</u> | <u>784,190</u> | <u>69,925</u> |
| Total operation and maintenance of plant services | <u>10,329,732</u> | <u>(210,664)</u> | <u>10,119,068</u> | <u>9,652,336</u> | <u>466,732</u> |
| Student transportation services: | | | | | |
| Salaries of Pupil transportation (between home and school) - regular | 946,654 | (370,206) | 576,448 | 576,446 | 2 |
| Salaries of Pupil transportation (between home and school) - special education | 505,848 | 309,012 | 814,860 | 814,859 | 1 |
| Salaries of Pupil transportation (between home and school) - non public | | 550 | 550 | 549 | 1 |
| Other purchased professional and technical services | 19,281 | 3,150 | 22,431 | 22,431 | |
| Cleaning, repair and maintenance services | 19,529 | 5,800 | 25,329 | 25,123 | 206 |
| Contracted services - aid in lieu of payments - nonpublic schools | 350,000 | 27,100 | 377,100 | 376,122 | 978 |
| Contracted services (between home and school) - vendors | 3,999,024 | 154,842 | 4,153,866 | 4,153,454 | 413 |
| Contracted services (other than between home and school) - vendors | 453,075 | (71,469) | 381,606 | 354,517 | 27,089 |
| Contracted services (between home and school) - joint agreements | 639,664 | 190,664 | 830,328 | 830,321 | 7 |
| Contracted services (special education students) - vendors | 1,170,469 | 492,864 | 1,663,333 | 1,651,299 | 12,034 |
| Supplies and Materials | 196,814 | (20,836) | 175,978 | 169,416 | 6,562 |
| Miscellaneous expenditures | 9,300 | (7,750) | 1,550 | 1,534 | 16 |
| Total student transportation services | <u>8,309,658</u> | <u>713,721</u> | <u>9,023,379</u> | <u>8,976,071</u> | <u>47,308</u> |
| Unallocated benefits - Employee benefits: | | | | | |
| Social security contribution | 1,300,000 | 130,433 | 1,430,433 | 1,430,433 | |
| Other retirement contributions - regular | 1,676,690 | 90,766 | 1,767,456 | 1,767,456 | |
| Unemployment compensation | 250,000 | 11,709 | 346,062 | 258,067 | 87,995 |
| Workmen's compensation | 446,330 | 76,088 | 522,418 | 522,418 | |
| Health benefits | 17,104,228 | 1,221,112 | 18,325,340 | 18,318,295 | 7,045 |
| Tuition reimbursement | 170,095 | (117,655) | 52,440 | 52,440 | 1 |
| Other employee benefits | 348,000 | 22,296 | 370,296 | 370,296 | |
| Total unallocated benefits | <u>21,295,343</u> | <u>1,434,749</u> | <u>22,814,445</u> | <u>22,719,404</u> | <u>95,041</u> |

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit C-1
Sheet 9 of 10

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|---------------------|-------------------------------------|
| On behalf - TPAF - Pension Contribution (Non-budgeted) | | | | \$ 18,106,652 | \$ 18,106,652 |
| On behalf - TPAF - Post Retirement Medical (Non-budgeted) | | | | 4,756,574 | 4,756,574 |
| On behalf - TPAF - Long-Term Disability Insurance (Non-budgeted) | | | | 8,249 | 8,249 |
| Reimbursed TPAF social security contributions (Non-budgeted) | | | | <u>4,045,802</u> | <u>4,045,802</u> |
| Total on behalf - Contributions | | | | <u>26,917,277</u> | <u>26,917,277</u> |
| Total personal services - employee benefits | \$ 21,295,343 | \$ 1,434,749 | \$ 22,814,445 | \$ 49,636,681 | \$ 27,012,318 |
| Total undistributed expenditures | <u>65,295,660</u> | <u>1,638,559</u> | <u>67,020,401</u> | <u>92,307,606</u> | <u>28,547,347</u> |
| TOTAL EXPENDITURES - CURRENT EXPENSE | <u>116,686,160</u> | <u>127,554</u> | <u>116,902,116</u> | <u>141,710,794</u> | <u>29,025,874</u> |
| CAPITAL OUTLAY: | | | | | |
| Undistributed expenditures: | | | | | |
| Instruction | 581,480 | 10,261 | 591,741 | 561,700 | 30,041 |
| Technology | 162,500 | | 174,500 | 171,765 | 2,735 |
| Furniture | 164,800 | (50,552) | 114,248 | 28,965 | 85,283 |
| Required Maint for School Fac. | 540,500 | 52,948 | 593,448 | 565,117 | 28,331 |
| School buses - regular | <u>65,000</u> | <u>5,866</u> | <u>70,866</u> | <u>70,866</u> | |
| | <u>1,514,280</u> | <u>18,523</u> | <u>1,544,803</u> | <u>1,398,414</u> | <u>146,389</u> |
| Facilities acquisition and construction services: | | | | | |
| Other purchased professional and technical services | | | \$ 22,194 | \$ 2,472 | \$ 19,722 |
| Construction services | \$ 2,508,200 | | 3,222,459 | 642,551 | 2,579,908 |
| Lease purchase agreements - principal | 1,384,314 | | 1,384,314 | 1,384,314 | |
| Assessment for Debt Service on SDA Funding | <u>263,945</u> | | <u>263,945</u> | <u>263,945</u> | |
| Total facilities acquisition and construction services | <u>4,156,459</u> | | <u>4,892,912</u> | <u>2,293,281</u> | <u>2,599,630</u> |
| TOTAL EXPENDITURES - CAPITAL OUTLAY | <u>\$ 5,670,739</u> | <u>\$ 18,523</u> | <u>\$ 6,437,715</u> | <u>\$ 3,691,695</u> | <u>\$ 2,746,020</u> |
| Transfer of funds to charter schools | <u>7,043,000</u> | <u>149,831</u> | <u>7,192,831</u> | <u>7,192,831</u> | |
| Total transfer of funds to charter schools | <u>\$ 7,043,000</u> | <u>\$ 149,831</u> | <u>\$ 7,192,831</u> | <u>\$ 7,192,831</u> | |
| TOTAL GENERAL FUND EXPENDITURES | <u>\$ 129,399,899</u> | <u>1,129,992</u> | <u>130,529,891</u> | <u>152,595,320</u> | <u>31,771,894</u> |
| Excess/(deficiency) of revenues over/(under) expenditures | <u>\$ (3,109,970)</u> | <u>\$ (1,129,992)</u> | <u>\$ (4,239,962)</u> | <u>\$ 1,926,249</u> | <u>\$ 6,166,211</u> |
| Other financing sources/(uses): | | | | | |
| Operating Transfers in/(out) - Special Revenue | | | | \$ (406,893) | \$ 37,938,104 |
| Total other financing sources/(uses) | | | | <u>\$ (406,893)</u> | <u>\$ 37,938,104</u> |

BOARD OF EDUCATION
 NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit C-1
 Sheet 10 of 10

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|---------------|-----------------------------|
| Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing sources/(uses) | \$ (3,109,970) | \$ (1,129,992) | \$ (4,239,962) | \$ 1,519,356 | \$ 5,759,318 |
| Fund balance, July 1 | \$ 20,584,721 | | \$ 20,584,721 | \$ 20,584,721 | |
| Fund balance, June 30 | \$ 17,474,751 | (1,129,992) | \$ 16,344,759 | \$ 22,104,077 | \$ 5,759,318 |
| Capital Reserve appropriated per Budget | \$ 2,489,200 | | | | |
| Budget Fund Balance - Operating Budget | 21,770 | | | | |
| Maintenance Reserve appropriated per Budget | 600,000 | | | | |
| Less: Interest Earned on Capital Reserve | (500) | | | | |
| Less: Interest Earned on Maintenance Reserve | (500) | | | | |
| | \$ 3,109,970 | | | | |
| Detail of budget transfers: | | | | | |
| Prior year-end encumbrances | | \$ 1,129,992 | | | |
| Recapitulation of fund balance: | | | | | |
| Committed for year-end encumbrances | | | | \$ 3,058,458 | |
| Emergency Reserve - Designated for subsequent years expenditures | | | | 52,461 | |
| Restricted: | | | | | |
| Capital Reserve | | | \$ 7,552,279 | | |
| Capital Reserve - Designated for subsequent years expenditures | | | 3,000,000 | 10,552,279 | |
| Maintenance Reserve - Unassigned | | | \$ 5,121,750 | | |
| Maintenance Reserve - Designated for subsequent years expenditures | | | 778,250 | 5,900,000 | |
| Reserve for FFCRA - SEMI - Designated for subsequent years | | | | 27,318 | |
| Unassigned Fund Balance (2%) | | | | 2,513,561 | |
| | | | | 22,104,077 | |
| Reconciliation to governmental funds statements (GAAP): | | | | | |
| Less: Last Two (2) State Aid Payments not recognized on GAAP basis | | | | 3,931,525 | |
| Fund balance per governmental funds (GAAP) | | | | \$ 18,172,552 | |

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | Final Budget | Actual | Variance Final to Actual |
|---|----------------------|----------------------|-----------------------------|
| REVENUES: | | | |
| Federal Sources | \$ 8,035,161 | \$ 5,561,951 | \$ 2,473,210 |
| State Sources | 5,897,865 | 5,753,924 | 143,941 |
| Local Sources | <u>780,000</u> | <u>742,262</u> | <u>37,738</u> |
| Total Revenues | <u>\$ 14,713,026</u> | <u>\$ 12,058,137</u> | <u>\$ 2,654,889</u> |
| EXPENDITURES: | | | |
| Instruction: | | | |
| Salaries of teachers | \$ 3,232,738 | \$ 2,997,615 | \$ 235,123 |
| Salaries of other professional staff | 411,038 | 410,338 | 700 |
| Purchased professional and technical services | 370,798 | 104,430 | 266,368 |
| Other purchased services | 509,514 | 448,884 | 60,630 |
| General supplies | 645,061 | 420,550 | 224,511 |
| Textbooks | <u>7,667</u> | <u>4,176</u> | <u>3,491</u> |
| Total Instruction | <u>5,176,816</u> | <u>4,385,993</u> | <u>790,823</u> |
| Support Services: | | | |
| Salaries of teachers | 459,381 | 405,604 | 53,777 |
| Salaries of program director | 227,860 | 202,817 | 25,043 |
| Salaries of supervisors of Instruction | 157,315 | 157,312 | 3 |
| Salaries of other professional staff | 90,819 | 90,788 | 31 |
| Salaries of secretarial and clerical assistants | 83,399 | 82,852 | 547 |
| Other salaries | 117,495 | 117,495 | |
| Salaries of parents liaison | 7,878 | 7,878 | |
| Salaries of master teacher | 115,582 | 113,255 | 2,327 |
| Unused Vacation | 7,300 | 6,319 | 981 |
| Personal services-employee benefits | 1,530,226 | 1,384,035 | 146,191 |
| Purchased Educational Services: | | | |
| Head Start | 975,000 | 975,000 | |
| Purchased Professional | 382,372 | 381,000 | |
| Pro Services | 43,000 | 39,790 | |
| Purchased professional/technical services | 3,175,453 | 1,729,849 | 1,445,604 |
| Repairs | 145,240 | 144,240 | 1,000 |
| Travel | 1,500 | 276 | 1,224 |
| Other Purchased Services | 133,695 | 47,715 | 85,980 |
| Supplies and materials | 209,120 | 163,330 | 45,790 |
| Other objects | <u>648,339</u> | <u>638,609</u> | <u>9,730</u> |
| Total Support Services | <u>8,510,974</u> | <u>6,688,164</u> | <u>1,818,228</u> |
| Facilities Acquisition and Construction Services: | | | |
| Instructional Equipment | 592,546 | 592,296 | 250 |
| Noninstructional Equipment | <u>279,200</u> | <u>411,272</u> | <u>(132,072)</u> |
| Total Facilities Acquisition and Construction Services | <u>871,746</u> | <u>1,003,568</u> | <u>(132,072)</u> |
| Total Expenditures | <u>\$ 14,559,536</u> | <u>\$ 12,077,725</u> | <u>\$ 2,476,979</u> |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | \$ 153,490 | \$ (19,588) | |
| Beginning - Fund Balance as Restated | <u>456,223</u> | <u>456,223</u> | |
| Fund Balance, June 30 | <u>\$ 609,713</u> | <u>\$ 436,635</u> | |

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

| | <u>General Fund</u> | <u>Special Revenue Fund</u> |
|--|---------------------------|-----------------------------|
| Sources/Inflows of Resources: | | |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule | C-1 \$ 154,521,569 | C-2 \$ 12,058,137 |
| Difference - Budget to GAAP: | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | |
| June 30, 2022 | None | 965,908 |
| June 30, 2023 | None | (267,301) |
| State aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes. | (3,931,525) | (522,956) |
| State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year. | <u>3,263,719</u> | <u>78,626</u> |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. | B-2 \$ <u>153,853,763</u> | B-2 \$ <u>12,312,414</u> |
| Uses/Outflows of Resources: | | |
| Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule. | C-1 \$ 152,595,320 | C-2 \$ 12,077,725 |
| Difference - Budget to GAAP: | | |
| Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial | | |
| June 30, 2022 | None | 965,907 |
| June 30, 2023 | <u>None</u> | <u>(267,301)</u> |
| Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. | B-2 \$ <u>152,595,320</u> | B-2 \$ <u>12,776,331</u> |

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST TEN (10) FISCAL YEARS

| <u>Year</u> | <u>District's Proportion of Net Pension Liability</u> | <u>District's Proportionate Share of Net Pension Liability (asset)</u> | <u>District's Covered-Employee Payroll</u> | <u>District's Proportionate Share of Net Pension Liability (asset) as Percentage of Covered-Employee Payroll</u> | <u>Plan Fiduciary Net Position as Percentage of Total Pension Liability</u> |
|-------------|---|--|--|--|---|
| 2023 | 0.1369265064 % | \$ 20,664,095 | \$ 11,354,561 | 181.99 % | 62.91 % |
| 2022 | 0.1353620560 | 16,035,812 | 10,626,603 | 150.90 | 70.33 |
| 2021 | 0.1340935679 | 21,867,154 | 9,922,835 | 220.37 | 58.32 |
| 2020 | 0.1292993699 | 23,297,785 | 9,802,714 | 237.67 | 56.27 |
| 2019 | 0.1291616400 | 25,431,283 | 9,382,043 | 271.06 | 46.40 |
| 2018 | 0.1231599065 | 28,669,658 | 8,947,809 | 320.41 | 48.09 |
| 2017 | 0.1175406110 | 34,812,158 | 8,820,428 | 394.68 | 40.14 |
| 2016 | 0.1169371652 | 26,250,050 | 8,296,804 | 316.39 | 47.92 |
| 2015 | 0.1144388046 | 21,426,074 | 8,150,544 | 262.88 | 48.72 |
| 2014 | 0.1160444197 | 22,178,394 | 7,851,216 | 282.48 | 52.08 |

Note: The last ten (10) years of information are presented as GASB 68 was implemented during the year ended June 30, 2015.

Notes to Required Supplementary Information:

Benefit Changes - there were none.

Changes of Assumptions - the discount rate of 7.0% remained the same as of June 30, 2021 and as of June 30, 2022.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE DISTRICT'S CONTRIBUTION
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST TEN (10) FISCAL YEARS

| <u>Year</u> | <u>Contractually Required Contribution</u> | <u>Contributions in Relation to Contractually Required Contributions</u> | <u>Contribution Deficiency (Excess)</u> | <u>District's Covered-Employee Payroll</u> | <u>Contributions as Percentage of Covered-Employee Payroll</u> |
|-------------|--|--|---|--|--|
| 2023 | \$ 1,726,709 | \$ 1,726,709 | None | \$ 11,354,561 | 15.21 % |
| 2022 | 1,611,321 | 1,611,321 | None | 10,626,603 | 15.16 |
| 2021 | 1,585,247 | 1,585,247 | None | 9,922,835 | 15.98 |
| 2020 | 1,466,917 | 1,466,917 | None | 9,802,714 | 14.96 |
| 2019 | 1,284,741 | 1,284,741 | None | 9,382,043 | 13.69 |
| 2018 | 1,140,945 | 1,140,945 | None | 8,947,809 | 12.75 |
| 2017 | 1,087,258 | 1,087,258 | None | 8,820,428 | 12.33 |
| 2016 | 954,254 | 954,254 | None | 8,296,804 | 11.50 |
| 2015 | 943,417 | 943,417 | None | 8,150,544 | 11.57 |
| 2014 | 874,371 | 874,371 | None | 7,851,216 | 11.14 |

Note: The last nine (10) years of information are presented as GASB 68 was implemented during fiscal year ended June 30, 2015.

Notes to Required Supplementary Information:

Benefit Changes - There were none.

Changes of Assumptions - The discount rate changed from 5.40% as of June 30, 2021 to 7.00% as of June 30, 2022.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHERS PENSION AND ANNUITY FUND (TPAF)
LAST TEN (10) FISCAL YEARS

| Year | District's Proportion of Net Pension Liability | Proportionate Share of Net Pension Liability (Asset) | | | District's Covered-Employee Payroll | District's Proportionate Share of Net Pension Liability (asset) as Percentage of Covered-Employee Payroll | Plan Fiduciary Net Position as Percentage of Total Pension Liability |
|------|--|---|----------------|----------------|---|---|---|
| | | District | State | Total | | | |
| 2023 | 0.4143839848 % | \$ None | \$ 213,798,996 | \$ 213,798,996 | \$ 54,986,897 | None | 32.29 % |
| 2022 | 0.4170850878 | None | 200,514,443 | 200,514,443 | 52,650,620 | None | 35.52 |
| 2021 | 0.4082925768 | None | 268,855,749 | 268,855,749 | 49,458,253 | None | 24.60 |
| 2020 | 0.3907325290 | None | 239,796,241 | 239,796,241 | 46,585,768 | None | 26.95 |
| 2019 | 0.3883126563 | None | 247,036,169 | 247,036,169 | 45,318,619 | None | 26.49 |
| 2018 | 0.3764293042 | None | 253,802,214 | 253,802,214 | 38,611,684 | None | 25.41 |
| 2017 | 0.3796856640 | None | 298,684,842 | 298,684,842 | 41,186,013 | None | 22.33 |
| 2016 | 0.3664226574 | None | 231,594,767 | 231,594,767 | 38,953,673 | None | 28.71 |
| 2015 | 0.3598476484 | None | 192,326,856 | 192,326,856 | 38,603,846 | None | 33.64 |
| 2014 | 0.3677159608 | None | 185,840,754 | 185,840,754 | 37,328,236 | None | 33.76 |

Note: The last ten (10) years of information are presented as GASB 68 was implemented during the year ended June 30, 2015.

Notes to Required Supplementary Information:

Benefit Changes - there were none.

Changes of Assumptions - The discount rate changed from 5.40% as of June 30, 2021 to 7.00% as of June 30, 2022.

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

LAST SIX (6) FISCAL YEARS *

| <u>Total OPEB Liability</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Service cost | \$ 12,469,606 | \$ 14,055,615 | \$ 7,652,253 | \$ 7,138,702 | \$ 7,979,278 | \$ 9,644,737 |
| Interest | 5,179,172 | 6,049,738 | 5,694,178 | 6,783,817 | 7,297,528 | 6,293,116 |
| Differences between expected and actual experience | 1,964,612 | (40,191,391) | 44,622,586 | (24,859,702) | (18,884,008) | (26,836,209) |
| Changes of assumptions or other inputs | (52,426,475) | 230,080 | 47,114,213 | 2,343,819 | (19,562,598) | - |
| Change in Benefits Terms | - | (248,225) | | | | |
| Benefit payments | (5,130,123) | (4,765,499) | (4,490,279) | (4,825,477) | (4,558,380) | (4,587,105) |
| Contributions from members | 164,577 | 154,662 | 136,100 | 143,041 | 157,545 | 168,909 |
| Net changes in total OPEB liability | (37,778,631) | (24,715,020) | 100,729,051 | (13,275,800) | (27,570,635) | (15,316,552) |
| Total OPEB liability - beginning | 233,210,957 | 257,925,977 | 157,196,926 | 170,472,726 | 198,043,361 | 213,359,913 |
| Total OPEB liability - ending | <u>\$ 195,432,326</u> | <u>\$ 233,210,957</u> | <u>\$ 257,925,977</u> | <u>\$ 157,196,926</u> | <u>\$ 170,472,726</u> | <u>\$ 198,043,361</u> |
| Covered-employee payroll (PERS and TPAF) | <u>\$ 66,341,458</u> | <u>\$ 63,277,223</u> | <u>\$ 59,381,087</u> | <u>\$ 56,388,482</u> | <u>\$ 54,700,622</u> | <u>\$ 47,559,493</u> |
| Total OPEB liability as a percentage of covered-employee payroll | <u>None</u> | <u>None</u> | <u>None</u> | <u>None</u> | <u>None</u> | <u>None</u> |

Note: Only the last six (6) years of information are presented as GASB 75 was implemented during fiscal year ended June 30, 2018. Eventually a full ten (10) years schedule will be compiled.

Notes to Required Supplementary Information:

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

Changes of Assumptions - The discount rate utilized was 2.21% for June 30, 2021 and 2.16% as of June 30, 2022.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

**BOARD OF EDUCATION
NORTH BRUNSWICK SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Exhibit E-1

| | Total Brought Forward (Exh. E-1a) | Title I | | I.D.E.A. Part B | | Title II | Totals 2023 |
|---|--|-------------------|-------------------|--------------------|------------------|-------------------|----------------------|
| | | Part A | Part D | Regular Program | Preschool | Part A | |
| REVENUES: | | | | | | | |
| State sources | \$ 5,753,924 | | | | | | \$ 5,753,924 |
| Federal sources | 3,207,297 | \$ 930,522 | \$ 227,406 | \$ 987,740 | \$ 16,049 | \$ 192,937 | \$ 5,561,951 |
| Local sources | 742,262 | | | | | | 742,262 |
| Total revenues | \$ 9,703,483 | \$ 930,522 | \$ 227,406 | \$ 987,740 | \$ 16,049 | \$ 192,937 | \$ 12,058,137 |
| EXPENDITURES: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of teachers | \$ 2,446,015 | \$ 401,033 | | \$ 150,567 | | | \$ 2,997,615 |
| Other salaries for instructors | 410,338 | | | | | | 410,338 |
| Purchased professional and technical services | 103,230 | | | 1,200 | | | 104,430 |
| Other purchased services | 3,375 | | | 445,509 | | | 448,884 |
| General supplies | 301,561 | 43,628 | \$ 28,794 | 46,567 | | | 420,550 |
| Textbooks | 4,176 | | | | | | 4,176 |
| Total instruction | 3,268,696 | 444,661 | 28,794 | 643,843 | | | 4,385,994 |
| Support services: | | | | | | | |
| Salaries of teachers | 180,156 | 161,821 | | 63,627 | | | 405,604 |
| Salaries of program director | 95,021 | 33,307 | 6,314 | 64,488 | | \$ 3,687 | 202,817 |
| Salaries of supervisors of instruction | 67,830 | | | | | 89,482 | 157,312 |
| Salaries of other professional staff | 87,002 | | | | | 3,786 | 90,788 |
| Salaries of secretarial and clerical assistants | 62,752 | | | 20,100 | | | 82,852 |
| Other salaries | 117,495 | | | | | | 117,495 |
| Salaries of parents liaison | 7,878 | | | | | | 7,878 |
| Salaries of master teacher | 113,255 | | | | | | 113,255 |
| Unused Vacation | 6,319 | | | | | | 6,319 |
| Personal services-employee benefits | 958,707 | 274,042 | 3,321 | 101,301 | | 46,664 | 1,384,035 |
| Purchased educational services: | | | | | | | |
| Contracted Pre-K | 975,000 | | | | | | 975,000 |
| Head Start | 381,000 | | | | | | 381,000 |
| Purchased Professional | 39,790 | | | | | | 39,790 |
| Purchased professional/technical services | 1,417,235 | 9,482 | 185,252 | 62,604 | \$ 6,456 | 48,820 | 1,729,849 |
| Repair | 144,240 | | | | | | 144,240 |
| Travel | 276 | | | | | | 276 |
| Other purchased services | 42,412 | 1,080 | 3,725 | | | 498 | 47,715 |
| Supplies and materials | 124,170 | 6,129 | | 23,438 | | 9,593 | 163,330 |
| Other objects | 630,270 | | | 8,339 | | | 638,609 |
| Total support services | 5,450,809 | 485,861 | 198,812 | 343,897 | 16,049 | 192,937 | 6,688,165 |
| Facilities acquisition and construction services: | | | | | | | |
| Instructional equipment | 582,296 | | | | | | 582,296 |
| Noninstructional equipment | 411,272 | | | | | | 411,272 |
| Total facilities acquisition and construction services | 1,003,568 | | | | | | 1,003,568 |
| Total expenditures | \$ 9,723,074 | \$ 930,522 | \$ 227,406 | \$ 987,740 | \$ 16,049 | \$ 192,937 | \$ 12,077,728 |
| Excess/(Deficit) of Revenues | | | | | | | |
| Over/(Under) Expenditures | \$ (19,591) | | | | | | \$ (19,591) |
| Fund Balance, July 1 | 456,223 | | | | | | 456,223 |
| Fund Balance, June 30 | \$ 436,633 | | | | | | \$ 436,633 |

BOARD OF EDUCATION
NORTH BRUNSWICK SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit E-1a

| | Total Brought Forward (Exh. E-1b) | Title III Regular | Title IV | Perkins Grant | CARES ESSR II | Acceleration CRRSA Learning | Climate Control | ASCERS Program | Totals Carried Forward 2023 |
|---|--|----------------------|------------------|------------------|------------------|-----------------------------------|--------------------|-------------------|--------------------------------------|
| REVENUES: | | | | | | | | | |
| State sources | \$ 5,675,336 | | | | | | | | |
| Federal sources | 2,873,437 | \$ 74,030 | \$ 58,549 | \$ 26,763 | \$ 82,434 | \$ 92,084 | \$ 6,600 | \$ 71,988 | \$ 5,753,924 |
| Local sources | 742,262 | | | | | | | | 3,207,297 |
| | | | | | | | | | 742,262 |
| Total revenues | \$ 9,291,035 | \$ 74,030 | \$ 58,549 | \$ 26,763 | \$ 82,434 | \$ 92,084 | \$ 6,600 | \$ 71,988 | \$ 9,703,483 |
| EXPENDITURES: | | | | | | | | | |
| Instruction: | | | | | | | | | |
| Salaries of teachers | \$ 2,340,608 | \$ 2,287 | | \$ 2,147 | \$ 76,576 | \$ 24,397 | | | \$ 2,446,015 |
| Other salaries for instructors | 410,338 | | | | | | | | 410,338 |
| Purchased professional and technical services | 31,242 | | | | | | | \$ 71,988 | 103,230 |
| Other purchased services | 3,375 | | | | | | | | 3,375 |
| General supplies | 207,847 | 51,979 | \$ 26,773 | 6,394 | | 8,568 | | | 301,561 |
| Textbooks | 4,176 | | | | | | | | 4,176 |
| Total instruction | 2,997,587 | 54,266 | 26,773 | 8,541 | 76,576 | 32,965 | | 71,988 | 3,268,696 |
| Support services: | | | | | | | | | |
| Salaries of teachers | 136,317 | 7,343 | 14,040 | | | 22,456 | | | 180,156 |
| Salaries of program director | 94,169 | 852 | | | | | | | 95,021 |
| Salaries of supervisors of instruction | 67,830 | | | | | | | | 67,830 |
| Salaries of other professional staff | 87,002 | | | | | | | | 87,002 |
| Salaries of secretarial and clerical assistants | 62,752 | | | | | | | | 62,752 |
| Other salaries | 117,495 | | | | | | | | 117,495 |
| Salaries of parents liaison | 7,878 | | | | | | | | 7,878 |
| Salaries of master teacher | 113,255 | | | | | | | | 113,255 |
| Unused Vacation | 6,319 | | | | | | | | 6,319 |
| Personal services-employee benefits | 940,861 | 1,185 | 1,571 | 164 | 5,858 | 9,068 | | | 958,707 |
| Purchased educational services: | | | | | | | | | |
| Contracted Pre-K | 975,000 | | | | | | | | 975,000 |
| Head Start | 381,000 | | | | | | | | 381,000 |
| Purchased Professional | 39,790 | | | | | | | | 39,790 |
| Purchased professional/technical services | 1,382,738 | 3,000 | 12,349 | | | 17,948 | 1,200 | | 1,417,235 |
| Repair | 144,240 | | | | | | | | 144,240 |
| Travel | 276 | | | | | | | | 276 |
| Other purchased services | 32,732 | 7,212 | 525 | 1,943 | | | | | 42,412 |
| Supplies and materials | 118,098 | 172 | 3,291 | | | 2,609 | | | 124,170 |
| Other objects | 630,270 | | | | | | | | 630,270 |
| Total support services | 5,338,023 | 19,764 | 31,776 | 2,107 | 5,858 | 52,081 | 1,200 | | 5,450,809 |
| Facilities acquisition and construction services: | | | | | | | | | |
| Instructional equipment | 563,743 | | | 16,115 | | 7,038 | 5,400 | | 592,296 |
| Noninstructional equipment | 411,272 | | | | | | | | 411,272 |
| Total facilities acquisition and construction services | 975,015 | | | 16,115 | | 7,038 | 5,400 | | 1,003,568 |
| Total expenditures | \$ 9,310,626 | \$ 74,030 | \$ 58,549 | \$ 26,763 | \$ 82,434 | \$ 92,084 | \$ 6,600 | \$ 71,988 | \$ 9,723,074 |
| Excess/(Deficit) of Revenues | | | | | | | | | |
| Over/(Under) Expenditures | \$ (19,591) | | | | | | | | \$ (19,591) |
| Fund Balance, July 1 | 456,223 | | | | | | | | 456,223 |
| Fund Balance, June 30 | \$ 436,633 | | | | | | | | \$ 436,633 |

**BOARD OF EDUCATION
NORTH BRUNSWICK SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Exhibit E-1b

| | Total Brought Forward (Exh. E-1c) | ARP | | | | | | | Totals Carried Forward 2023 | |
|---|--|-------------------|-----------------|---------------------|------------------------------|------------------------|------------------------|------------------------|--------------------------------------|---------------------|
| | | IDEA REG | IDEA PRE | ESSER | ARP ESSER Acc Learning | ARP Summer Learning | ESSER Comprehensive | ESSER Mental Health | | |
| REVENUES: | | | | | | | | | | |
| State sources | \$ 5,675,336 | | | | | | | | | \$ 5,675,336 |
| Federal sources | | \$ 148,611 | \$ 1,055 | \$ 2,369,880 | \$ 274,237 | \$ 31,316 | \$ 6,764 | \$ 41,574 | | \$ 2,873,437 |
| Local sources | 742,262 | | | | | | | | | 742,262 |
| Total revenues | \$ 6,417,598 | \$ 148,611 | \$ 1,055 | \$ 2,369,880 | \$ 274,237 | \$ 31,316 | \$ 6,764 | \$ 41,574 | | \$ 9,291,035 |
| EXPENDITURES: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Salaries of teachers | \$ 1,487,009 | | | \$ 758,116 | \$ 71,982 | \$ 15,163 | \$ 5,215 | \$ 3,123 | | \$ 2,340,608 |
| Other salaries for instructors | 410,338 | | | | | | | | | 410,338 |
| Purchased professional and technical services | 31,242 | | | | | | | | | 31,242 |
| Other purchased services | 375 | | | | | | | | 3,000 | 3,375 |
| General supplies | 75,706 | | | 115,999 | | 14,992 | 1,150 | | | 207,847 |
| Textbooks | 4,176 | | | | | | | | | 4,176 |
| Total instruction | 2,008,847 | | | 874,115 | 71,982 | 30,155 | 6,365 | 6,123 | | 2,997,587 |
| Support services: | | | | | | | | | | |
| Salaries of teachers | | | | 29,376 | 101,308 | | | | 5,633 | 136,317 |
| Salaries of program director | 94,169 | | | | | | | | | 94,169 |
| Salaries of supervisors of instruction | 67,830 | | | | | | | | | 67,830 |
| Salaries of other professional staff | 87,002 | | | | | | | | | 87,002 |
| Salaries of secretarial and clerical assistants | 62,752 | | | | | | | | | 62,752 |
| Other salaries | 117,495 | | | | | | | | | 117,495 |
| Salaries of parents liaison | 7,878 | | | | | | | | | 7,878 |
| Salaries of master teacher | 113,255 | | | | | | | | | 113,255 |
| Unused Vacation | 6,319 | | | | | | | | | 6,319 |
| Personal services-employee benefits | 696,462 | | | 202,072 | 40,097 | 1,161 | 399 | 670 | | 940,861 |
| Purchased educational services: | | | | | | | | | | |
| Contracted Pre-K | 975,000 | | | | | | | | | 975,000 |
| Head Start | 381,000 | | | | | | | | | 381,000 |
| Purchased Professional | 39,790 | | | | | | | | | 39,790 |
| Purchased professional/technical services | 131,583 | \$ 104,361 | 1,055 | 1,060,008 | 60,850 | | | 24,881 | | 1,382,738 |
| Repair | 144,240 | | | | | | | | | 144,240 |
| Travel | 276 | | | | | | | | | 276 |
| Other purchased services | 1,329 | | | 31,403 | | | | | | 32,732 |
| Supplies and materials | 33,561 | 44,250 | | 36,020 | | | | | 4,267 | 118,098 |
| Other objects | 630,270 | | | | | | | | | 630,270 |
| Total support services | 3,590,212 | 148,611 | 1,055 | 1,358,879 | 202,255 | 1,161 | 399 | 35,451 | | 5,338,023 |
| Facilities acquisition and construction services: | | | | | | | | | | |
| Instructional equipment | 563,743 | | | | | | | | | 563,743 |
| Noninstructional equipment | 274,386 | | | 136,886 | | | | | | 411,272 |
| Total facilities acquisition and construction services | 838,129 | | | 136,886 | | | | | | 975,015 |
| Total expenditures | \$ 6,437,189 | \$ 148,611 | \$ 1,055 | \$ 2,369,880 | \$ 274,237 | \$ 31,316 | 6,764 | \$ 41,574 | | \$ 9,310,626 |
| Excess/(Deficit) of Revenues | | | | | | | | | | |
| Over/(Under) Expenditures | \$ (19,591) | | | | | | | | | \$ (19,591) |
| Fund Balance, July 1 | 456,223 | | | | | | | | | 456,223 |
| Fund Balance, June 30 | \$ 436,633 | | | | | | | | | \$ 436,633 |

BOARD OF EDUCATION
 NORTH BRUNSWICK SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
 SPECIAL REVENUE FUND - BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit E-1c

| | Total Brought Forward (Exh. E-1d) | NonPublic Textbooks | NonPublic Nursing | NonPublic Security | NonPublic Technology | SDA Grant | Pre-School Education State Aid | Totals Carried Forward 2023 |
|--|--|------------------------|----------------------|-----------------------|-------------------------|-------------------|--------------------------------------|--------------------------------------|
| REVENUES: | | | | | | | | |
| State sources | \$ 20,585 | \$ 1,980 | \$ 3,216 | \$ 6,966 | \$ 1,285 | \$ 144,240 | \$ 5,497,064 | \$ 5,675,336 |
| Federal sources | | | | | | | | |
| Local sources | <u>742,262</u> | | | | | | | <u>742,262</u> |
| Total revenues | <u>762,847</u> | <u>1,980</u> | <u>3,216</u> | <u>6,966</u> | <u>1,285</u> | <u>144,240</u> | <u>5,497,064</u> | <u>6,417,598</u> |
| EXPENDITURES: | | | | | | | | |
| Instruction: | | | | | | | | |
| Salaries of teachers | | | | | | | \$ 1,487,009 | \$ 1,487,009 |
| Other salaries for instructors | | | | | | | 410,338 | 410,338 |
| Purchased professional and technical services | \$ 20,585 | | \$ 3,216 | \$ 6,966 | | | 475 | 31,242 |
| Other purchased services | | | | | | | 375 | 375 |
| General supplies | | | | | | | 75,706 | 75,706 |
| Textbooks | | \$ 1,980 | | | | | 2,196 | 4,176 |
| Total instruction | <u>20,585</u> | <u>1,980</u> | <u>3,216</u> | <u>6,966</u> | | | <u>1,976,100</u> | <u>2,008,847</u> |
| Support services: | | | | | | | | |
| Salaries of teachers | | | | | | | | |
| Salaries of program director | | | | | | | 94,169 | 94,169 |
| Salaries of supervisors of instruction | | | | | | | 67,830 | 67,830 |
| Salaries of other professional staff | | | | | | | 87,002 | 87,002 |
| Salaries of secretarial and clerical assistants | | | | | | | 62,752 | 62,752 |
| Other salaries | | | | | | | 117,495 | 117,495 |
| Salaries of parents liaison | | | | | | | 7,878 | 7,878 |
| Salaries of master teacher | | | | | | | 113,255 | 113,255 |
| Unused Vacation | | | | | | | 6,319 | 6,319 |
| Personal services-employee benefits | | | | | | | 696,462 | 696,462 |
| Purchased educational services: | | | | | | | | |
| Contracted Pre-K | | | | | | | 975,000 | 975,000 |
| Head Start | | | | | | | 381,000 | 381,000 |
| Purchased Professional | | | | | | | 39,790 | 39,790 |
| Purchased professional/technical services | 131,583 | | | | | | | 131,583 |
| Repair | | | | | | | | |
| Travel | | | | | | \$ 144,240 | | 144,240 |
| Other purchased services | | | | | | | 276 | 276 |
| Supplies and materials | | | | | \$ 1,285 | | 44 | 1,329 |
| Other objects | <u>630,270</u> | | | | | | <u>33,561</u> | <u>630,270</u> |
| Total support services | <u>761,853</u> | | | | <u>1,285</u> | <u>144,240</u> | <u>2,682,834</u> | <u>3,590,212</u> |
| Facilities acquisition and construction services: | | | | | | | | |
| Instructional equipment | | | | | | | 563,743 | 563,743 |
| Noninstructional equipment | | | | | | | 274,386 | 274,386 |
| Total facilities acquisition and construction services | | | | | | | <u>838,129</u> | <u>838,129</u> |
| Total expenditures | \$ <u>782,438</u> | \$ <u>1,980</u> | \$ <u>3,216</u> | \$ <u>6,966</u> | \$ <u>1,285</u> | \$ <u>144,240</u> | \$ <u>5,497,064</u> | \$ <u>6,437,189</u> |
| Excess/(Deficit) of Revenues | | | | | | | | |
| Over/(Under) Expenditures | \$ (19,591) | | | | | | | \$ (19,591) |
| Fund Balance, July 1 | <u>456,223</u> | | | | | | | <u>456,223</u> |
| Fund Balance, June 30 | \$ <u>436,632</u> | | | | | | | \$ <u>436,632</u> |

BOARD OF EDUCATION
 NORTH BRUNSWICK SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
 SPECIAL REVENUE FUND - BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit E-1d

| | Total Brought Forward (Exh. E-1e) | NJ Chapter 193 Auxiliary Service Compensatory Education | NJ Chapter 193 - Handicapped | | | Local Grants | Totals Carried Forward 2023 |
|---|--|---|------------------------------|----------------------------------|-----------------------------------|-----------------|--------------------------------------|
| | | | Suppl. Inst. | NonPublic Exam. and Class. | NonPublic Corrective Speech | | |
| REVENUES: | | | | | | | |
| State sources | | \$ 6,824 | \$ 4,130 | \$ 7,771 | \$ 1,860 | | \$ 20,585 |
| Federal sources | | | | | | | |
| Local sources | \$ 732,646 | | | | | \$ 9,616 | 742,262 |
| Total revenues | \$ 732,646 | \$ 6,824 | \$ 4,130 | \$ 7,771 | \$ 1,860 | \$ 9,616 | \$ 762,847 |
| EXPENDITURES: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of teachers | | | | | | | |
| Other salaries for instructors | | | | | | | |
| Purchased professional and technical services | | \$ 6,824 | \$ 4,130 | \$ 7,771 | \$ 1,860 | | \$ 20,585 |
| Other purchased services | | | | | | | |
| General supplies | | | | | | | |
| Textbooks | | | | | | | |
| Total instruction | | \$ 6,824 | \$ 4,130 | \$ 7,771 | \$ 1,860 | | \$ 20,585 |
| Support services: | | | | | | | |
| Salaries of teachers | | | | | | | |
| Salaries of program director | | | | | | | |
| Salaries of supervisors of instruction | | | | | | | |
| Salaries of other professional staff | | | | | | | |
| Salaries of secretarial and clerical assistants | | | | | | | |
| Other salaries | | | | | | | |
| Salaries of parents liaison | | | | | | | |
| Salaries of master teacher | | | | | | | |
| Unused Vacation | | | | | | | |
| Personal services-employee benefits | | | | | | | |
| Purchased educational services: | | | | | | | |
| Contracted Pre-K | | | | | | | |
| Head Start | | | | | | | |
| Purchased Professional | | | | | | | |
| Purchased professional/technical services | \$ 121,967 | | | | | \$ 9,616 | 131,583 |
| Repair | | | | | | | |
| Travel | | | | | | | |
| Other purchased services | | | | | | | |
| Supplies and materials | | | | | | | |
| Other objects | 630,270 | | | | | | 630,270 |
| Total support services | 752,237 | | | | | 9,616 | 761,853 |
| Facilities acquisition and construction services: | | | | | | | |
| Instructional equipment | | | | | | | |
| Noninstructional equipment | | | | | | | |
| Total facilities acquisition and construction services | | | | | | | |
| Total expenditures | \$ 752,237 | \$ 6,824 | \$ 4,130 | \$ 7,771 | \$ 1,860 | \$ 9,616 | \$ 782,438 |
| Excess/(Deficit) of Revenues | | | | | | | |
| Over/(Under) Expenditures | \$ (19,591) | | | | | | \$ (19,591) |
| Fund Balance, July 1 | 456,223 | | | | | | 456,223 |
| Fund Balance, June 30 | \$ 436,632 | | | | | | \$ 436,632 |

BOARD OF EDUCATION
NORTH BRUNSWICK SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit E-1e

| | Total Brought Forward (Exh. E-1f) | Remediation | Scholarship | Student Activity Elementary Schools | | Totals Carried Forward 2023 |
|--|--|-------------|-------------|--|------------|--------------------------------------|
| | | | | Judd | John Adams | |
| REVENUES: | | | | | | |
| State sources | | | | | | |
| Federal sources | | | | | | |
| Local sources | \$ 581,800 | \$ 116,667 | _____ | \$ 19,275 | \$ 14,904 | \$ 732,646 |
| Total revenues | \$ 581,800 | \$ 116,667 | _____ | \$ 19,275 | \$ 14,904 | \$ 732,646 |
| EXPENDITURES: | | | | | | |
| Instruction: | | | | | | |
| Salaries of teachers | | | | | | |
| Other salaries for instructors | | | | | | |
| Purchased professional and technical services | | | | | | |
| Other purchased services | | | | | | |
| General supplies | | | | | | |
| Textbooks | _____ | _____ | _____ | _____ | _____ | _____ |
| Total instruction | _____ | _____ | _____ | _____ | _____ | _____ |
| Support services: | | | | | | |
| Salaries of teachers | | | | | | |
| Salaries of program director | | | | | | |
| Salaries of supervisors of instruction | | | | | | |
| Salaries of other professional staff | | | | | | |
| Salaries of secretarial and clerical assistants | | | | | | |
| Other salaries | | | | | | |
| Salaries of parents liaison | | | | | | |
| Salaries of master teacher | | | | | | |
| Unused Vacation | | | | | | |
| Personal services-employee benefits | | | | | | |
| Purchased educational services: | | | | | | |
| Contracted Pre-K | | | | | | |
| Head Start | | | | | | |
| Purchased Professional | | | | | | |
| Purchased professional/technical services | | \$ 116,667 | \$ 5,300 | | | \$ 121,967 |
| Repair | | | | | | |
| Travel | | | | | | |
| Other purchased services | | | | | | |
| Supplies and materials | | | | | | |
| Other objects | \$ 592,067 | _____ | _____ | \$ 23,784 | \$ 14,419 | 630,270 |
| Total support services | \$ 592,067 | 116,667 | 5,300 | 23,784 | 14,419 | 752,237 |
| Facilities acquisition and construction services: | | | | | | |
| Instructional equipment | | | | | | |
| Noninstructional equipment | _____ | _____ | _____ | _____ | _____ | _____ |
| Total facilities acquisition and construction services | _____ | _____ | _____ | _____ | _____ | _____ |
| Total expenditures | \$ 592,067 | \$ 116,667 | \$ 5,300 | \$ 23,784 | \$ 14,419 | \$ 752,237 |
| Excess/(Deficit) of Revenues | | | | | | |
| Over/(Under) Expenditures | \$ (10,267) | | \$ (5,300) | \$ (4,509) | \$ 485 | \$ (19,591) |
| Fund Balance, July 1 | 371,330 | _____ | 39,527 | 32,052 | 13,314 | 456,223 |
| Fund Balance, June 30 | \$ 361,063 | _____ | \$ 34,227 | \$ 27,543 | \$ 13,799 | \$ 436,632 |

BOARD OF EDUCATION
 NORTH BRUNSWICK SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
 SPECIAL REVENUE FUND - BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit E-1f

| | Student Activity | | | | | | | | | Totals Carried Forward 2023 |
|--|--------------------|-----------------|------------------------------|------------------|--------------------|--------------------|-------------------|----------------------|---------------------|--------------------------------------|
| | Elementary Schools | | | Middle School | | | High School | | | |
| | Livingston Park | Parson | Early Childhood Center | Middle School | Linwood Account | Athletic Middle | High School | High School Store | Athletic Account | |
| REVENUES: | | | | | | | | | | |
| State sources | | | | | | | | | | |
| Federal sources | | | | | | | | | | |
| Local sources | \$ 21,031 | \$ 9,600 | \$ 1,726 | \$ 32,316 | \$ 1,687 | \$ 8,737 | \$ 437,883 | \$ 7,921 | \$ 60,899 | \$ 581,800 |
| Total revenues | <u>\$ 21,031</u> | <u>\$ 9,600</u> | <u>\$ 1,726</u> | <u>\$ 32,316</u> | <u>\$ 1,687</u> | <u>\$ 8,737</u> | <u>\$ 437,883</u> | <u>\$ 7,921</u> | <u>\$ 60,899</u> | <u>\$ 581,800</u> |
| EXPENDITURES: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Salaries of teachers | | | | | | | | | | |
| Other salaries for instructors | | | | | | | | | | |
| Purchased professional and technical services | | | | | | | | | | |
| Other purchased services | | | | | | | | | | |
| General supplies | | | | | | | | | | |
| Textbooks | | | | | | | | | | |
| Total instruction | | | | | | | | | | |
| Support services: | | | | | | | | | | |
| Salaries of teachers | | | | | | | | | | |
| Salaries of program director | | | | | | | | | | |
| Salaries of supervisors of instruction | | | | | | | | | | |
| Salaries of other professional staff | | | | | | | | | | |
| Salaries of secretarial and clerical assistants | | | | | | | | | | |
| Other salaries | | | | | | | | | | |
| Salaries of parents liaison | | | | | | | | | | |
| Salaries of master teacher | | | | | | | | | | |
| Unused Vacation | | | | | | | | | | |
| Personal services-employee benefits | | | | | | | | | | |
| Purchased educational services: | | | | | | | | | | |
| Contracted Pre-K | | | | | | | | | | |
| Head Start | | | | | | | | | | |
| Purchased Professional | | | | | | | | | | |
| Purchased professional/technical services | | | | | | | | | | |
| Repair | | | | | | | | | | |
| Travel | | | | | | | | | | |
| Other purchased services | | | | | | | | | | |
| Supplies and materials | | | | | | | | | | |
| Other objects | \$ 21,396 | \$ 9,322 | \$ 1,818 | \$ 33,172 | \$ 2,572 | \$ 8,928 | \$ 439,759 | \$ 15,673 | \$ 59,427 | \$ 592,067 |
| Total support services | <u>21,396</u> | <u>9,322</u> | <u>1,818</u> | <u>33,172</u> | <u>2,572</u> | <u>8,928</u> | <u>439,759</u> | <u>15,673</u> | <u>59,427</u> | <u>592,067</u> |
| Facilities acquisition and construction services: | | | | | | | | | | |
| Instructional equipment | | | | | | | | | | |
| Noninstructional equipment | | | | | | | | | | |
| Total facilities acquisition and construction services | | | | | | | | | | |
| Total expenditures | <u>\$ 21,396</u> | <u>\$ 9,322</u> | <u>\$ 1,818</u> | <u>\$ 33,172</u> | <u>\$ 2,572</u> | <u>\$ 8,928</u> | <u>\$ 439,759</u> | <u>\$ 15,673</u> | <u>\$ 59,427</u> | <u>\$ 592,067</u> |
| Excess/(Deficit) of Revenues | | | | | | | | | | |
| Over/(Under) Expenditures | \$ (365) | \$ 278 | \$ (92) | \$ (856) | \$ (885) | \$ (191) | \$ (1,876) | \$ (7,752) | \$ 1,472 | \$ (10,267) |
| Fund Balance, July 1 | <u>12,816</u> | <u>8,504</u> | <u>3,164</u> | <u>16,887</u> | <u>3,589</u> | <u>4,003</u> | <u>295,370</u> | <u>26,376</u> | <u>619</u> | <u>371,330</u> |
| Fund Balance, June 30 | <u>\$ 12,451</u> | <u>\$ 8,782</u> | <u>\$ 3,072</u> | <u>\$ 16,031</u> | <u>\$ 2,704</u> | <u>\$ 3,812</u> | <u>\$ 293,494</u> | <u>\$ 18,624</u> | <u>\$ 2,091</u> | <u>\$ 361,063</u> |

NORTH BRUNSWICK BOARD OF EDUCATION SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
PRESCHOOL - ALL PROGRAMS
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|----------------------------|-------------------------|---------------------|-------------------|
| REVENUES: | | | | |
| State sources | \$ 5,224,632 | \$ 5,626,771 | \$ 5,497,064 | \$ 129,707 |
| Total revenues | <u>\$ 5,224,632</u> | <u>\$ 5,626,771</u> | <u>\$ 5,497,064</u> | <u>\$ 129,707</u> |
| EXPENDITURES: | | | | |
| Instruction: | | | | |
| Salaries of teachers | \$ 1,337,711 | \$ 1,487,011 | \$ 1,487,009 | \$ 2 |
| Salaries of other professional staff | 613,888 | 411,038 | 410,338 | 700 |
| Purchased professional - education services | | 500 | 475 | 25 |
| Other purchased services | 9,300 | 3,300 | 375 | 2,925 |
| General supplies | 26,500 | 86,500 | 75,706 | 10,794 |
| Other objects | 33,000 | 4,895 | 2,196 | 2,699 |
| Total instruction | <u>\$ 2,020,399</u> | <u>\$ 1,993,244</u> | <u>\$ 1,976,100</u> | <u>\$ 17,144</u> |
| Support services: | | | | |
| Salaries of program directors | \$ 122,122 | \$ 110,598 | \$ 94,169 | \$ 16,429 |
| Salaries of supervisors of instruction | 58,812 | 67,832 | 67,830 | 2 |
| Salaries of other professional staff | 81,583 | 87,003 | 87,002 | 1 |
| Salaries of secretarial and clerical assistants | 60,798 | 63,298 | 62,752 | 546 |
| Other salaries for instruction | 109,390 | 117,495 | 117,495 | - |
| Parent liaison | 7,874 | 7,878 | 7,878 | - |
| Salaries of master teachers | 161,302 | 115,582 | 113,255 | 2,327 |
| Unused vac. Payment to terminated/retired staff | - | 7,300 | 6,319 | 981 |
| Personal services-employee benefits | 835,685 | 778,385 | 696,462 | 81,923 |
| Purchased educational services | 977,385 | 975,000 | 975,000 | - |
| Purchased professional educational services | 175,200 | 43,000 | 39,790 | 3,210 |
| Head start | 229,140 | 381,000 | 381,000 | - |
| Purchased professional/technical services | 72,816 | 341 | - | 341 |
| Travel | - | 1,500 | 276 | 1,224 |
| Miscellaneous purchased services | 20,276 | 276 | 44 | 232 |
| Supplies and materials | 15,000 | 33,850 | 33,561 | 289 |
| Total support services | <u>\$ 2,927,383</u> | <u>\$ 2,790,338</u> | <u>\$ 2,682,834</u> | <u>\$ 107,504</u> |
| Facilities acquisition and construction services: | | | | |
| Instructional equipment | \$ 201,850 | \$ 563,989 | \$ 563,793 | \$ 196 |
| Noninstructional equipment | 75,000 | 279,200 | 274,336 | 4,864 |
| Total facilities acquisition and construction services | <u>\$ 276,850</u> | <u>\$ 843,189</u> | <u>\$ 838,129</u> | <u>\$ 5,060</u> |
| Total expenditures | <u>\$ 5,224,632</u> | <u>\$ 5,626,771</u> | <u>\$ 5,497,064</u> | <u>\$ 129,708</u> |

CALCULATION OF BUDGET & CARRYOVER

| | |
|---|-------------------|
| Total 2022-2023 PreK Aid Allocation | \$ 5,224,632 |
| Add: Actual PreK Aid Carryover June 30, 2022 | <u>\$ 405,445</u> |
| Total Funds Available for 2022-2023 Budget | \$ 5,630,077 |
| Less: 2022-2023 Budgeted PreK (Including prior year budgeted carryover) | <u>5,497,064</u> |
| Available & Unbudgeted Funds as of June 30, 2023 | <u>\$ 133,013</u> |

CAPITAL PROJECTS FUND

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| <u>Project Title/Issue</u> | <u>Original Date</u> | <u>Appropriations</u> | <u>Expenditures to Date</u> | | <u>Unexpended Balance June 30, 2023</u> |
|----------------------------|----------------------|-----------------------|-----------------------------|---|---|
| | | | <u>Prior Years</u> | <u>Current Year</u> | |
| New Middle School | 12/13/16 | \$ 77,395,520 | \$ 77,361,051 | \$ 34,469 | |
| ESIP | 04/01/19 | <u>14,136,859</u> | <u>13,305,381</u> | <u>606,533</u> | \$ <u>224,945</u> |
| | | \$ <u>91,532,379</u> | \$ <u>90,666,432</u> | \$ <u>641,002</u> | \$ <u>224,945</u> |
| | | | (1) | New Middle School- Transfer to Debt Service Fund - \$34,469 | |

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | | |
|--|----|-----------------------|
| Revenues | | |
| Miscellaneous - Rebate | \$ | 21,183 |
| Interest on investments | | <u>4,587</u> |
| Total revenues | \$ | <u>25,770</u> |
| Expenditures | | |
| Construction Improvements | \$ | <u>606,533</u> |
| Total expenditures | \$ | <u>606,533</u> |
| Excess/(deficiency) of revenues over/(under) expenditures: | \$ | (580,763) |
| Other financing sources/(uses): | | |
| Transfer in/(out): | | |
| Debt Service Fund | | <u>(34,469)</u> |
| Net change in fund balance | \$ | (615,232) |
| Fund balance, beginning | | <u>840,177</u> |
| Fund balance, ending | \$ | <u><u>224,945</u></u> |

Note: ESIP

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
CONSTRUCTION OF NEW MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Additional project information:

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

| | |
|--|----------|
| Percentage Increase over Original Authorized Cost | |
| Percentage completion | 100.00% |
| Original target completion date | 4/1/2020 |

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
DISTRICT WIDE ENERGY PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|----------------------|---------------------|----------------------|--|
| Revenues and Other Financing Sources | | | | |
| Lease Proceeds | \$ 13,500,000 | | \$ 13,500,000 | \$ 13,500,000 |
| Interest Earnings | 65,925 | \$ 4,587 | 70,512 | 70,512 |
| Rebates | 545,164 | 21,183 | 566,347 | 566,347 |
| | <u>\$ 14,111,089</u> | <u>\$ 25,770</u> | <u>\$ 14,136,859</u> | <u>\$ 14,136,859</u> |
| Total revenues | | | | |
| Expenditures and Other Financing Uses | | | | |
| Salaries | | | | |
| Employee Benefits | | | | |
| Legal Fees | | | | |
| Purchase Professional/Technical Services | | | | |
| Other Purchased Services | | | | |
| Construction Services | | | | |
| Equipment | \$ 13,305,381 | \$ 606,533 | \$ 13,911,914 | \$ 13,911,914 |
| | <u>\$ 13,305,381</u> | <u>\$ 606,533</u> | <u>\$ 13,911,914</u> | <u>\$ 13,911,914</u> |
| Total expenditures | | | | |
| Excess (deficiency) of revenues over/(under) expenditures | <u>\$ 805,708</u> | <u>\$ (580,763)</u> | <u>\$ 224,945</u> | <u>\$ 224,945</u> |

Additional project information:

| | |
|----------------------------|---------------|
| Project Number | |
| Grant Date | |
| Lease Authorization Date | 3/15/2019 |
| Leases Authorized | \$ 13,500,000 |
| Leases Issued | \$ 13,500,000 |
| Original Authorized Cost | \$ - |
| Additional Authorized Cost | \$ 636,869 |
| Revised Authorized Cost | \$ 14,136,859 |

| | |
|--|-----------|
| Percentage Increase over Original Authorized Cost | |
| Percentage completion | 98.40% |
| Original target completion date | 9/15/2020 |
| Revised target completion date | 9/15/2026 |

NONCURRENT DEBT

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NONCURRENT DEBT
SCHEDULE OF SERIAL BONDS
AS OF JUNE 30, 2023

| Issue | Original | | Annual Maturities | | Interest Rate | Balance July 1, 2022 | Retired | Balance June 30, 2023 |
|---|------------------------------|-----------------------|-------------------|------------|---------------|-------------------------|------------|--------------------------|
| | Date of Original Issue | Amount of Issue | Date | Amount | | | | |
| | | | | | | | | |
| 2014 Refunding Bonds - (Refunding a Portion of 2006 Bonds) | 5/23/2012 | \$ 4,260,000 | 3/15/2024 | \$ 470,000 | 4.000% | \$ 1,885,000 | \$ 455,000 | \$ 1,430,000 |
| | | | 3/15/2025 | 480,000 | 4.000% | | | |
| | | | 3/15/2026 | 480,000 | 4.000% | | | |
| School District Bonds Series 2017 | 9/1/2017 | 35,000,000 | 9/15/2024 | 825,000 | 2.750% | 31,700,000 | 825,000 | 30,875,000 |
| | | | 9/15/2025 | 1,600,000 | 3.000% | | | |
| | | | 9/15/2026 | 1,600,000 | 3.000% | | | |
| | | | 9/15/2027 | 1,600,000 | 3.000% | | | |
| | | | 9/15/2028 | 1,600,000 | 3.000% | | | |
| | | | 9/15/2029 | 1,600,000 | 3.000% | | | |
| | | | 9/15/2030 | 1,600,000 | 3.000% | | | |
| | | | 9/15/2031 | 1,600,000 | 3.000% | | | |
| | | | 9/15/2032 | 1,600,000 | 3.000% | | | |
| | | | 9/15/2033 | 1,600,000 | 3.000% | | | |
| | | | 9/15/2034 | 1,625,000 | 3.000% | | | |
| | | | 9/15/2035 | 1,650,000 | 3.000% | | | |
| | | | 9/15/2036 | 1,650,000 | 3.000% | | | |
| | | | 9/15/2037 | 1,650,000 | 3.000% | | | |
| | | | 9/15/2038 | 1,650,000 | 3.000% | | | |
| | | | 9/15/2039 | 1,650,000 | 3.000% | | | |
| 9/15/2040 | 1,650,000 | 3.000% | | | | | | |
| 9/15/2041 | 1,650,000 | 3.000% | | | | | | |
| 9/15/2042 | 1,650,000 | 3.000% | | | | | | |

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NONCURRENT DEBT
SCHEDULE OF SERIAL BONDS
AS OF JUNE 30, 2023**

| Issue | Original | | Annual Maturities | | Interest Rate | Balance July 1, 2022 | Retired | Balance June 30, 2023 |
|---|------------------------------|-----------------------|-------------------|------------|---------------|-------------------------|--------------|--------------------------|
| | Date of Original Issue | Amount of Issue | Date | Amount | | | | |
| | | | | | | | | |
| School District Bonds Series 2019 | 1/24/2019 | \$ 42,348,000 | 8/15/2023 | \$ 990,000 | 3.125% | | | |
| | | | 8/15/2024 | 990,000 | 3.125% | | | |
| | | | 8/15/2025 | 1,980,000 | 3.125% | | | |
| | | | 8/15/2026 | 1,980,000 | 3.125% | | | |
| | | | 8/15/2027 | 1,980,000 | 3.125% | | | |
| | | | 8/15/2028 | 1,980,000 | 3.125% | | | |
| | | | 8/15/2029 | 1,980,000 | 3.125% | | | |
| | | | 8/15/2030 | 1,980,000 | 3.250% | | | |
| | | | 8/15/2031 | 1,980,000 | 3.250% | | | |
| | | | 8/15/2032 | 1,980,000 | 3.250% | | | |
| | | | 8/15/2033 | 1,980,000 | 3.250% | | | |
| | | | 8/15/2034 | 1,980,000 | 3.250% | | | |
| | | | 8/15/2035 | 1,980,000 | 3.250% | | | |
| | | | 8/15/2036 | 1,980,000 | 3.375% | | | |
| | | | 8/15/2037 | 1,980,000 | 3.375% | | | |
| | | | 8/15/2038 | 1,980,000 | 3.500% | | | |
| | | | 8/15/2039 | 1,980,000 | 3.500% | | | |
| | | | 8/15/2040 | 1,980,000 | 3.500% | | | |
| | | | 8/15/2041 | 1,915,000 | 3.500% | | | |
| | | | 8/15/2042 | 1,900,000 | 3.625% | | | |
| 8/15/2043 | 1,900,000 | 3.625% | | | | | | |
| | | | | | | \$ 40,365,000 | \$ 990,000 | \$ 39,375,000.00 |
| Refunding School Bonds, Series 2020A (refunding a portion of 2010 and 2012 bonds) | | | | | | 2,295,000 | 2,295,000 | |
| Refunding School Bonds, Series 2020B (Federally Taxable) (Refunding a Portion of 2010 and 2012 Bonds) | 10/7/2020 | 12,010,000 | 1/15/2024 | 4,710,000 | 0.874% | 11,675,000 | 2,225,000 | 9,450,000 |
| | | | 1/15/2025 | 4,740,000 | 0.954% | | | |
| | | | | | | | | |
| | | | | | | \$ 87,920,000 | \$ 6,790,000 | \$ 81,130,000 |
| | | | | | | | \$ 6,790,000 | |

Detail:
Budget Appropriation

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
AS OF JUNE 30, 2023

| <u>Series</u> | <u>Interest Rate Payable</u> | <u>Amount of Original Issue</u> | <u>Balance July 1, 2022</u> | <u>Retired Current Year</u> | <u>Balance June 30, 2023</u> |
|---------------|------------------------------|---------------------------------|-----------------------------|-----------------------------|------------------------------|
| ESIP | 2.984% | \$ <u>12,860,000</u> | \$ <u>12,200,000</u> | \$ <u>790,000</u> | \$ <u>11,410,000</u> |
| | | \$ <u>12,860,000</u> | \$ <u>12,200,000</u> | \$ <u>790,000</u> | \$ <u>11,410,000</u> |

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|-------------------------|---------------------|-------------------------------------|
| REVENUES: | | | | |
| Local Sources: | | | | |
| Local Tax Levy | \$ 8,653,292 | \$ 8,653,292 | \$ 8,653,292 | |
| State Sources: | | | | |
| Debt Service Aid Type II | <u>400,743</u> | <u>400,743</u> | <u>400,743</u> | |
| Total Revenues | <u>\$ 9,054,035</u> | <u>\$ 9,054,035</u> | <u>\$ 9,054,035</u> | |
| EXPENDITURES: | | | | |
| Regular Debt Service: | | | | |
| Interest on Bonds | \$ 2,472,935 | \$ 2,472,935 | \$ 2,472,934 | \$ 1 |
| Redemption of Principal | <u>6,790,000</u> | <u>6,790,000</u> | <u>6,790,000</u> | |
| Total Expenditures | <u>\$ 9,262,935</u> | <u>\$ 9,262,935</u> | <u>\$ 9,262,934</u> | <u>\$ 1</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | <u>\$ (208,900)</u> | <u>\$ (208,900)</u> | <u>\$ (208,899)</u> | <u>\$ (1)</u> |
| Other Financing Sources/(Uses): | | | | |
| Transfer from Capital Projects Fund | | | <u>\$ 34,468</u> | <u>\$ 34,468</u> |
| Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures | \$ (208,900) | \$ (208,900) | \$ (174,431) | \$ (34,469) |
| Fund Balance, July 1 | <u>221,053</u> | <u>221,053</u> | <u>221,053</u> | |
| Fund Balance, June 30 | <u>\$ 12,153</u> | <u>\$ 12,153</u> | <u>\$ 46,622</u> | <u>\$ (34,469)</u> |
| Recapitulation of Excess/(Deficiency) of Revenues Over/(Under) Expenditures: | | | | |
| Budgeted Fund Balance | <u>\$ 12,153</u> | <u>\$ 12,153</u> | <u>\$ 46,622</u> | <u>\$ (34,469)</u> |

STATISTICAL TABLES (SECTION)
(UNAUDITED)

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

| <u>Contents</u> | <u>Exhibit</u> |
|---|------------------------|
| <p>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.</p> | J-1 to J-5 |
| <p>Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p> | J-6 to J-9 |
| <p>Debt Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p> | J-10 to J-13 |
| <p>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.</p> | J-14 & J-15 |
| <p>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.</p> | J-16 to J-20 |

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

FINANCIAL TRENDS

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

(accrual basis of accounting)

| | Fiscal Year Ending June 30, | | | | | | | | | |
|---|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Governmental activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 59,606,188 | \$ 60,817,113 | \$ 62,963,514 | \$ 64,422,276 | \$ 46,810,376 | \$ 28,217,525 | \$ 60,015,522 | \$ 73,856,712 | \$ 78,288,063 | \$ 84,605,800 |
| Restricted | 4,728,729 | 4,389,769 | 5,602,959 | 4,312,604 | 22,340,628 | 45,216,162 | 14,888,846 | 8,597,708 | 456,223 | 10,674,268 |
| Unrestricted (Deficit) | <u>(21,583,862)</u> | <u>(21,583,862)</u> | <u>(24,095,986)</u> | <u>(25,872,968)</u> | <u>(27,771,570)</u> | <u>(29,632,721)</u> | <u>(30,724,698)</u> | <u>(24,046,544)</u> | <u>(10,820,424)</u> | <u>(18,723,583)</u> |
| Total governmental activities net position | <u>\$ 64,334,917</u> | <u>\$ 43,623,020</u> | <u>\$ 44,470,487</u> | <u>\$ 42,861,912</u> | <u>\$ 41,379,434</u> | <u>\$ 43,800,966</u> | <u>\$ 44,179,670</u> | <u>\$ 58,407,876</u> | <u>\$ 67,923,862</u> | <u>\$ 76,556,485</u> |
| Business-type activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 139,222 | \$ 120,178 | \$ 128,124 | \$ 277,577 | \$ 279,167 | \$ 233,340 | \$ 185,931 | \$ 139,312 | \$ 93,866 | \$ 56,481 |
| Unrestricted | 992,897 | 1,046,310 | 949,518 | 541,785 | 554,993 | 398,626 | 247,496 | 400,393 | 1,364,687 | 1,545,105 |
| Total business-type activities net position | <u>\$ 1,132,119</u> | <u>\$ 1,166,488</u> | <u>\$ 1,077,642</u> | <u>\$ 819,362</u> | <u>\$ 834,160</u> | <u>\$ 631,966</u> | <u>\$ 433,427</u> | <u>\$ 539,705</u> | <u>\$ 1,458,553</u> | <u>\$ 1,601,586</u> |
| District-wide | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 55,300,982 | \$ 60,937,291 | \$ 63,091,638 | \$ 64,699,853 | \$ 47,089,543 | \$ 28,450,865 | \$ 60,201,454 | \$ 73,996,024 | \$ 78,381,929 | \$ 84,662,281 |
| Restricted | 7,137,475 | 4,728,729 | 5,602,959 | 4,312,604 | 22,340,628 | 45,216,162 | 14,888,845 | 8,597,708 | 456,223 | 10,674,268 |
| Unrestricted (Deficit) | 823,174 | 992,897 | (20,537,552) | (25,331,183) | (27,216,577) | (29,234,095) | (30,477,202) | (23,646,151) | (9,455,737) | (17,178,478) |
| Total district net position | <u>\$ 63,261,631</u> | <u>\$ 66,658,917</u> | <u>\$ 48,157,045</u> | <u>\$ 43,681,274</u> | <u>\$ 42,213,594</u> | <u>\$ 44,432,932</u> | <u>\$ 44,613,097</u> | <u>\$ 58,947,581</u> | <u>\$ 69,382,415</u> | <u>\$ 78,158,071</u> |

Source: ACFR Exhibit A-1

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

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

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

In 2023 GASB No. 96 related to subscription-based information technology was implemented.

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | \$ 39,207,495 | \$ 39,199,442 | \$ 42,406,923 | \$ 51,004,075 | \$ 49,104,993 | \$ 47,362,218 | \$ 44,671,009 | \$ 43,926,951 | \$ 48,552,151 | \$ 46,678,110 |
| Special education | 10,264,997 | 14,935,960 | 16,587,884 | 20,880,083 | 19,775,812 | 21,376,879 | 21,510,173 | 25,499,570 | 26,015,011 | 26,684,233 |
| Other special education | 3,189,618 | 3,599,276 | 4,204,642 | 5,523,165 | 6,290,261 | 6,614,351 | 6,582,876 | 6,195,446 | 6,254,339 | 6,345,324 |
| Other instruction | 1,606,666 | 1,837,034 | 2,002,021 | 2,583,783 | 2,513,464 | 2,492,554 | 2,272,762 | 2,049,955 | 2,396,055 | 2,591,497 |
| Support Services: | | | | | | | | | | |
| Tuition | 2,508,032 | 2,246,896 | 2,684,498 | 2,431,882 | 2,367,233 | 1,884,450 | 1,294,958 | 761,294 | 1,022,112 | 1,590,290 |
| Student & instruction related services | 11,948,893 | 13,702,695 | 15,469,731 | 19,128,659 | 20,656,200 | 23,322,315 | 27,354,628 | 24,775,517 | 27,777,578 | 29,872,640 |
| School Administrative services | 1,631,703 | 6,467,081 | 7,330,606 | 8,876,197 | 8,452,595 | 8,167,249 | 8,068,967 | 8,243,511 | 13,034,110 | 4,536,456 |
| General administration | 5,520,690 | 2,426,073 | 2,669,144 | 3,304,717 | 3,152,880 | 3,433,380 | 2,892,276 | 3,230,141 | 3,015,039 | 9,982,691 |
| Plant operations and maintenance | 11,245,538 | 10,918,984 | 11,774,688 | 14,322,137 | 13,191,633 | 12,675,934 | 12,363,953 | 12,788,529 | 14,596,409 | 14,436,321 |
| Pupil transportation | 6,235,929 | 7,099,988 | 8,408,418 | 10,170,754 | 9,728,987 | 9,253,346 | 8,218,916 | 7,729,328 | 12,360,049 | 14,104,550 |
| Charter Schools | 809,793 | 1,024,971 | 1,213,693 | 1,731,185 | 2,293,492 | 3,601,674 | 4,247,611 | 5,078,028 | 6,231,538 | 7,192,831 |
| Interest on long-term debt | 2,482,388 | 2,303,872 | 2,124,370 | 2,126,318 | 2,686,874 | 3,281,679 | 4,439,058 | 3,852,790 | 3,421,528 | 3,132,461 |
| Total governmental activities expenses | 96,651,742 | 105,762,271 | 116,876,618 | 142,082,955 | 140,214,425 | 143,466,029 | 143,916,987 | 144,131,060 | 164,675,919 | 170,147,404 |
| Business-type activities: | | | | | | | | | | |
| Food service | 2,816,626 | 2,918,502 | 3,135,363 | 3,384,197 | 3,413,001 | 3,514,672 | 2,996,342 | 1,771,281 | 3,440,529 | 3,866,912 |
| School Facilities | 216,633 | 330,158 | 354,943 | 378,595 | 322,255 | 348,591 | 273,417 | 27,312 | 86,665 | 76,905 |
| Integrated Pre-K | 277,602 | 400,735 | 418,303 | 344,767 | 258,845 | 168,838 | 66,078 | 12,440 | 12,440 | 15,604 |
| Summer Enrichment | 49,216 | | | | | | | | | |
| After School | 21,768 | 37,231 | 25,096 | 26,477 | 27,562 | 28,076 | 23,932 | | | |
| Total business-type activities expense | 3,381,845 | 3,686,626 | 3,933,705 | 4,134,036 | 4,021,663 | 4,060,177 | 3,359,769 | 1,811,033 | 3,539,634 | 3,959,421 |
| Total district expenses | \$ 100,033,587 | \$ 109,448,897 | \$ 120,810,323 | \$ 146,216,991 | \$ 144,236,088 | \$ 147,526,206 | \$ 147,276,756 | \$ 145,942,093 | \$ 168,215,553 | \$ 174,106,825 |

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Instruction (tuition) | \$ 75,286 | \$ 34,061 | \$ 31,282 | \$ 14,291 | | | | | | |
| Pupil transportation | 134,304 | 115,425 | 100,878 | 114,161 | \$ 129,006 | \$ 150,672 | \$ 101,753 | | | |
| Operating grants and contributions | 2,172,056 | 2,746,290 | 2,391,375 | 2,443,869 | 2,807,394 | 3,928,823 | 5,442,615 | \$ 9,309,744 | \$ 11,824,178 | \$ 11,515,067 |
| Total governmental activities program revenues | \$ 2,381,646 | \$ 2,895,776 | \$ 2,523,535 | \$ 2,572,321 | \$ 2,936,400 | \$ 4,079,495 | \$ 5,544,368 | \$ 9,309,744 | \$ 11,824,178 | \$ 11,515,067 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Food service | \$ 1,367,431 | \$ 1,321,990 | \$ 1,337,928 | \$ 1,378,611 | \$ 1,307,173 | \$ 1,323,832 | \$ 952,384 | \$ 17,345 | \$ 141,992 | \$ 893,830 |
| School Facilities | 343,947 | 344,086 | 316,677 | 293,954 | 352,486 | 253,510 | 176,367 | 1,091 | 61,917 | 61,917 |
| Integrated Pre-K | 242,922 | 286,214 | 322,360 | 319,624 | 348,001 | 172,722 | 12,080 | | 5,493 | |
| Summer Enrichment | 25,165 | | | | | | | | | |
| After School | 22,460 | 33,965 | 29,400 | 21,677 | 24,791 | 27,125 | 20,499 | | | |
| Operating grants and contributions | 1,569,720 | 1,734,740 | 1,838,495 | 1,894,902 | 2,037,395 | 2,080,793 | 1,881,001 | 1,890,890 | 4,249,080 | 3,146,707 |
| Total business type activities program revenues | 3,571,645 | 3,720,995 | 3,844,860 | 3,908,768 | 4,069,846 | 3,857,982 | 3,042,331 | 1,909,326 | 4,456,482 | 4,102,454 |
| Total district program revenues | \$ 5,953,291 | \$ 6,616,771 | \$ 6,368,395 | \$ 6,481,089 | \$ 7,006,246 | \$ 7,937,477 | \$ 8,586,699 | \$ 11,219,070 | \$ 16,282,660 | \$ 15,617,521 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$ (94,270,096) | \$ (102,866,495) | \$ (114,353,083) | \$ (139,510,634) | \$ (137,278,025) | \$ (139,386,534) | \$ (138,372,619) | \$ (134,821,316) | \$ (152,851,741) | \$ (158,632,337) |
| Business-type activities | 189,800 | 34,369 | (88,845) | (225,268) | 48,183 | (202,195) | (317,438) | 98,293 | 918,848 | 143,033 |
| Total district-wide net expense | \$ (94,080,296) | \$ (102,832,126) | \$ (114,441,928) | \$ (139,735,902) | \$ (137,229,842) | \$ (139,588,729) | \$ (138,690,057) | \$ (134,723,023) | \$ (151,932,893) | \$ (158,489,304) |

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| General Revenues and Other Change in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes levied for general purposes, net | \$ 70,797,537 | \$ 72,463,487 | \$ 74,574,523 | \$ 76,515,723 | \$ 78,416,037 | \$ 79,754,358 | \$ 81,099,445 | \$ 82,721,433 | \$ 83,260,683 | \$ 84,925,897 |
| Taxes levied for debt service | 6,007,891 | 6,102,675 | 5,351,035 | 5,331,602 | 5,366,247 | 6,189,010 | 7,804,774 | 8,441,851 | 8,441,017 | 8,653,292 |
| Unrestricted grants and contributions | 19,083,081 | 27,825,358 | 34,192,622 | 55,742,461 | 51,474,481 | 46,999,919 | 46,467,308 | 57,043,661 | 66,928,275 | 71,746,117 |
| Miscellaneous income | 247,334 | 679,388 | 460,339 | 638,032 | 715,577 | 1,406,564 | 1,992,788 | 648,008 | 1,846,047 | 1,931,104 |
| Special and Extraordinary Items | | | | | (176,796) | 7,458,215 | 1,387,008 | (270,103) | 1,891,612 | |
| Transfers | 149,858 | 244,168 | 622,031 | (325,759) | | | | | | |
| Total governmental activities | \$ 96,285,701 | \$ 107,315,076 | \$ 115,200,550 | \$ 137,902,059 | \$ 135,795,546 | \$ 141,808,066 | \$ 138,751,323 | \$ 148,584,850 | \$ 162,367,634 | \$ 167,256,410 |
| Business-type activities: | | | | | | | | | | |
| Prior year accounts receivable canceled | | | | | (33,013) | - | 118,878 | 7,985 | | |
| Total business-type activities | - | - | - | - | (33,013) | - | 118,878 | 7,985 | - | - |
| Total district-wide | \$ 96,285,701 | \$ 107,315,076 | \$ 115,200,550 | \$ 137,902,059 | \$ 135,762,533 | \$ 141,808,066 | \$ 138,870,201 | \$ 148,592,835 | \$ 162,367,634 | \$ 167,256,410 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 2,015,605 | \$ 4,448,581 | \$ 847,467 | \$ (1,608,575) | \$ (1,482,479) | \$ 2,421,532 | \$ 378,704 | \$ 13,763,534 | \$ 9,515,892 | \$ 8,632,622 |
| Business-type activities | 189,600 | 34,369 | (88,845) | (225,268) | 15,170 | (202,195) | (198,560) | 106,278 | 918,848 | 143,033 |
| Total district | \$ 2,205,405 | \$ 4,482,950 | \$ 758,622 | \$ (1,833,843) | \$ (1,467,309) | \$ 2,219,337 | \$ 180,144 | \$ 13,869,812 | \$ 10,434,740 | \$ 8,775,655 |

Source: ACFR Exhibit A-2

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

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

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

In 2023 GASB No. 96 related to subscription-based information technology was implemented.

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|---|-----------------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| General Fund | | | | | | | | | | |
| Restricted | \$ 4,087,866 | \$ 5,856,769 | \$ 7,319,959 | \$ 6,168,336 | \$ 4,660,911 | \$ 4,227,954 | \$ 5,938,472 | \$ 14,342,480 | \$ 16,169,241 | \$ 15,114,094 |
| Assigned | 2,814,143 | 1,506,355 | 398,602 | 71,608 | 350,199 | 199,913 | 712,188 | 1,469,282 | 1,151,762 | |
| Unassigned | 936,764 | 710,730 | 630,956 | 1,706,015 | 940,267 | 205,622 | - | 21,770 | | 3,058,458 |
| Total general fund | \$ 7,838,773 | \$ 8,073,854 | \$ 8,349,517 | \$ 7,945,959 | \$ 5,951,377 | \$ 4,633,489 | \$ 6,650,660 | \$ 15,833,532 | \$ 17,321,003 | \$ 18,172,552 |
| All Other Governmental Funds | | | | | | | | | | |
| Restricted | | | | | | | | | | \$ 18,172,552 |
| Special revenue fund | | | | | | | | | | 305,283 |
| Capital projects fund | \$ 162,943 | \$ 101,302 | \$ 86,572 | \$ 24,575,435 | \$ 18,829,519 | \$ 42,038,295 | \$ 9,742,711 | \$ 592,646 | \$ 1,210,010 | 224,945 |
| Debt service fund | 140,079 | 66,064 | 37,499 | 1 | 1,493,941 | 1,211,551 | 1,012,060 | 679,350 | 221,053 | 46,622 |
| Total all other governmental funds | \$ 303,022 | \$ 167,366 | \$ 124,071 | \$ 24,575,436 | \$ 20,323,460 | \$ 43,249,846 | \$ 10,754,771 | \$ 1,271,996 | \$ 1,431,063 | \$ 18,749,402 |

Source: ACFR Schedule B-1

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

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

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|--------------------|--------------------|----------------------|-----------------------|----------------------|------------------------|---------------------|---------------------|--------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Revenues | | | | | | | | | | |
| Tax levy | \$ 76,805,428 | \$ 78,566,162 | \$ 79,925,558 | \$ 81,847,325 | \$ 83,782,284 | \$ 85,943,368 | \$ 88,904,219 | \$ 91,163,284 | \$ 91,701,700 | \$ 93,579,189 |
| Tuition charges | 75,286 | 34,061 | 31,282 | 14,291 | 97,090 | | | | | |
| Transportation charges | 134,304 | 115,425 | 100,878 | 114,161 | 129,006 | 150,672 | 101,753 | 42,435 | 61,775 | 156,063 |
| Interest earnings | 5,769 | 5,384 | 8,053 | 13,097 | 169,064 | 607,267 | 486,753 | 32,284 | 13,400 | 5,587 |
| Miscellaneous | 363,675 | 828,874 | 408,997 | 545,852 | 570,139 | 970,936 | 1,657,701 | 1,106,044 | 1,770,872 | 1,769,454 |
| State sources | 18,951,157 | 19,936,331 | 22,030,785 | 24,676,744 | 28,692,074 | 36,288,627 | 42,283,335 | 50,626,571 | 65,003,916 | 72,874,103 |
| Federal sources | 2,181,863 | 3,091,020 | 2,608,803 | 2,752,475 | 2,826,985 | 2,819,350 | 2,892,344 | 5,450,108 | 6,497,633 | 6,861,586 |
| Total revenue | 98,517,482 | 102,577,257 | 105,114,356 | 109,963,945 | 116,266,642 | 126,780,220 | 136,326,105 | 148,420,726 | 165,049,296 | 175,245,982 |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular instruction | 27,345,502 | 25,057,883 | 25,213,491 | 25,699,997 | 27,181,546 | 28,474,219 | 28,829,711 | 26,542,467 | 29,628,696 | 31,533,329 |
| Special education instruction | 7,045,952 | 9,986,789 | 10,273,565 | 10,902,305 | 10,946,691 | 11,516,307 | 12,441,208 | 15,078,966 | 15,808,839 | 16,583,355 |
| Other special instruction | 2,189,372 | 2,300,804 | 2,499,916 | 2,783,019 | 3,481,907 | 3,976,555 | 4,248,318 | 3,743,543 | 3,800,646 | 4,038,135 |
| Other instruction | 1,102,825 | 1,174,307 | 1,190,323 | 1,301,920 | 1,391,301 | 1,498,526 | 1,466,792 | 1,238,667 | 1,426,038 | 1,649,217 |
| Support Services: | | | | | | | | | | |
| Tuition | 2,508,032 | 2,246,896 | 2,684,498 | 2,431,882 | 2,367,233 | 1,884,450 | 1,294,958 | 761,294 | 1,022,112 | 1,590,290 |
| Student & inst. related services | 8,278,014 | 8,809,458 | 9,246,267 | 9,678,386 | 11,434,020 | 13,112,059 | 13,394,334 | 12,800,545 | 14,065,183 | 18,528,386 |
| General administration | 1,120,010 | 1,550,845 | 1,586,968 | 1,665,185 | 1,745,243 | 2,064,152 | 1,866,613 | 1,951,784 | 1,871,350 | 2,886,980 |
| School administrative services | 2,495,936 | 2,752,852 | 2,844,390 | 2,929,953 | 2,933,601 | 2,921,060 | 5,207,538 | 4,981,068 | 7,954,196 | 6,366,303 |
| Central services | 519,007 | 509,284 | 484,749 | 573,599 | 516,050 | 1,308,061 | 635,777 | 772,938 | 820,994 | |
| Admin. information technology | 774,490 | 871,886 | 1,029,352 | 968,997 | 1,229,193 | 681,038 | 1,374,437 | 1,178,846 | 1,533,126 | |
| Plant operations and maintenance | 7,719,001 | 6,979,860 | 7,000,767 | 7,216,656 | 7,191,380 | 7,620,786 | 7,979,430 | 7,727,354 | 9,078,853 | 9,652,336 |
| Pupil transportation | 4,280,377 | 4,538,602 | 4,999,315 | 5,124,852 | 5,385,377 | 5,563,122 | 5,304,312 | 4,670,377 | 7,510,972 | 8,976,071 |
| Employee benefits | 23,269,863 | 25,120,168 | 27,509,184 | 30,242,798 | 31,881,337 | 34,232,296 | 35,054,448 | 39,926,491 | 48,553,504 | 51,020,716 |
| Charter Schools | 809,793 | 1,024,971 | 1,213,693 | 1,731,185 | 2,293,492 | 3,601,674 | 4,247,611 | 5,078,028 | 6,231,538 | 7,192,831 |
| Scholarships | | | | | | | | | | |
| Capital outlay | 5,678,163 | 3,362,949 | 1,782,061 | 13,296,303 | 6,753,243 | 34,948,349 | 35,021,825 | 13,011,881 | 4,852,068 | 5,960,235 |
| Debt service: | | | | | | | | | | |
| Principal | 3,840,000 | 4,205,000 | 3,600,000 | 3,735,000 | 3,875,000 | 4,850,000 | 4,995,000 | 6,258,000 | 6,590,000 | 6,790,000 |
| Interest and other charges | 2,170,851 | 1,988,899 | 1,779,600 | 1,634,100 | 1,501,600 | 2,858,908 | 3,630,379 | 3,116,362 | 2,727,336 | 2,472,934 |
| Total expenditures | 101,147,188 | 102,481,453 | 104,938,139 | 121,916,137 | 122,108,214 | 161,111,562 | 166,992,691 | 148,838,611 | 163,475,451 | 175,241,118 |
| Excess (Deficiency) of revenues over (under) expenditures | (2,629,706) | 95,804 | 176,217 | (11,952,192) | (5,841,572) | (34,331,342) | (30,666,586) | (417,885) | 1,573,845 | 4,864 |
| Other Financing sources (uses) | | | | | | | | | | |
| Proceeds from borrowing | | | | 35,000,000 | | 42,348,000 | | | | |
| Capital leases (non-budgeted) | | | | 1,000,000 | | 13,500,000 | | | | |
| Proceeds from refunding | | 3,619 | | | | | | | | |
| Cancellation of prior years payable | | | 56,151 | | | | | | | |
| Total other financing sources (uses) | - | 3,619 | 56,151 | 36,000,000 | - | 55,848,000 | - | - | - | - |
| Net change in fund balances | \$ (2,629,706) | \$ 99,423 | \$ 232,368 | \$ 24,047,808 | \$ (5,841,572) | \$ 21,516,658 | \$ (30,666,586) | \$ (417,885) | \$ 1,573,845 | \$ 4,864 |
| Debt service as a percentage of noncapital expenditures | 6.30% | 6.25% | 5.22% | 4.94% | 4.66% | 6.11% | 6.54% | 6.90% | 5.87% | 5.47% |

Source: ACFR Schedule B-2
 Note: Noncapital expenditures are total expenditures less capital outlay.

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

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

| Fiscal Year Ending June 30, | <u>Refund of Prior Years Expenditures</u> | <u>Tuition</u> | <u>Interest on Investments</u> | <u>Miscellaneous</u> | <u>Annual Totals</u> |
|--------------------------------|---|----------------|------------------------------------|----------------------|----------------------|
| 2014 | \$ 108,763 | \$ 75,286 | \$ 30,211 | \$ 236,887 | \$ 451,147 |
| 2015 | 20,241 | 34,062 | 20,735 | 627,754 | 702,792 |
| 2016 | 11,562 | 31,282 | 16,658 | 129,318 | 188,820 |
| 2017 | 55,267 | 14,291 | 12,757 | 553,930 | 636,245 |
| 2018 | 69,420 | 97,090 | 137,246 | 363,473 | 667,229 |
| 2019 | 86,338 | 103,401 | 161,413 | 448,145 | 799,297 |
| 2020 | 53,321 | - | 111,244 | 1,103,910 | 1,268,475 |
| 2021 | 74,203 | 91,516 | 25,151 | 334,689 | 525,559 |
| 2022 | 11,446 | 217,175 | 15,932 | 185,271 | 429,824 |
| 2023 | 6,255 | 283,993 | 520,942 | 172,645 | 983,835 |

Source: District records

REVENUE CAPACITY

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

| Fiscal Year Ended June 30, | Vacant Land | Residential | Farm Reg. | Qfarm | Commercial | Industrial | Apartment | Total Assessed Value | Public Utilities ^a | Tax-Exempt Property | Net Valuation | Estimated Actual (County Equalized) Value | Total Direct School Tax Rate ^b |
|----------------------------|-------------|---------------|-----------|--------|-------------|-------------|-------------|----------------------|-------------------------------|---------------------|---------------|---|---|
| 2014 | 41,203,600 | 1,535,377,100 | 1,182,400 | 36,100 | 379,262,800 | 290,745,200 | 201,554,600 | 2,449,361,800 | 2,789,231 | 417,671,700 | 2,869,822,731 | 4,573,448,641 | 3.204 |
| 2015 | 39,881,100 | 1,544,335,100 | 1,182,300 | 36,100 | 380,685,800 | 286,469,800 | 201,554,600 | 2,454,144,800 | 2,905,820 | 417,856,200 | 2,874,906,820 | 4,488,181,475 | 3.253 |
| 2016 | 51,134,100 | 1,541,110,700 | 1,182,300 | 36,100 | 396,166,900 | 267,856,900 | 201,554,600 | 2,459,041,600 | 2,888,810 | 417,465,800 | 2,879,396,210 | 4,535,680,708 | 3.325 |
| 2017 | 55,505,800 | 1,543,724,900 | 1,182,300 | 36,100 | 392,856,900 | 264,787,200 | 201,554,600 | 2,459,647,800 | 2,983,967 | 418,226,400 | 2,880,858,167 | 4,498,276,710 | 3.402 |
| 2018 | 42,898,900 | 1,565,223,600 | 1,182,300 | 36,100 | 398,754,000 | 271,527,800 | 206,404,100 | 2,486,026,800 | - | 422,608,400 | 2,908,635,200 | 4,591,529,090 | 3.458 |
| 2019 | 43,147,500 | 1,578,813,800 | 1,182,300 | 36,100 | 394,855,200 | 286,815,400 | 201,325,800 | 2,506,176,100 | - | 428,545,100 | 2,934,721,200 | 4,653,563,648 | 3.548 |
| 2020 | 40,120,500 | 1,587,324,900 | 1,182,300 | 36,100 | 401,991,506 | 294,319,300 | 206,255,800 | 2,531,230,406 | - | 428,925,600 | 2,960,156,006 | 4,792,576,882 | 5.786 |
| 2021 | 36,537,400 | 1,599,201,100 | 1,182,300 | 28,300 | 401,907,100 | 289,783,800 | 211,605,800 | 2,540,245,800 | | 429,658,900 | 2,969,904,700 | 5,256,353,384 | 5.867 |
| 2022 | 37,697,100 | 1,603,085,000 | 1,182,300 | 28,300 | 391,135,900 | 302,523,800 | 212,123,800 | 2,547,776,200 | | 526,075,000 | 3,073,851,200 | 5,692,862,084 | 6.010 |
| 2023 | 35,258,300 | 1,602,912,900 | 1,182,300 | 28,300 | 393,081,000 | 300,699,900 | 228,123,800 | 2,561,286,500 | | 527,865,400 | 3,089,151,900 | 6,313,822,763 | 6.222 |

Source: Municipal Tax Assessor

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

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

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

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

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

| <u>Fiscal Year Ended June 30,</u> | <u>North Brunswick Township School District Direct Rate</u> | | | <u>Overlapping Rates</u> | | <u>Total Direct and Overlapping Tax Rate</u> |
|-----------------------------------|---|---|---|--|----------------------------|--|
| | <u>Basic Rate ^a</u> | <u>General Obligation Debt Service ^b</u> | <u>(From J-6) Total Direct School Tax Rate ^c</u> | <u>Municipality of North Brunswick</u> | <u>County of Middlesex</u> | |
| 2014 | 2.950 | 0.254 | 3.204 | 1.245 | 0.741 | 5.190 |
| 2015 | 3.035 | 0.218 | 3.253 | 1.267 | 0.729 | 5.249 |
| 2016 | 3.108 | 0.217 | 3.325 | 1.292 | 0.723 | 5.340 |
| 2017 | 3.184 | 0.218 | 3.402 | 1.322 | 0.730 | 5.454 |
| 2018 | 3.210 | 0.248 | 3.458 | 1.356 | 0.738 | 5.552 |
| 2019 | 3.236 | 0.312 | 3.548 | 1.392 | 0.728 | 5.668 |
| 2020 | 3.276 | 0.334 | 3.610 | 1.429 | 0.747 | 5.786 |
| 2021 | 3.276 | 0.334 | 3.610 | 1.435 | 0.822 | 5.867 |
| 2022 | 3.335 | 0.338 | 3.673 | 1.475 | 0.862 | 6.010 |
| 2023 | 3.026 | 0.351 | 3.377 | 1.471 | 0.838 | 5.686 |

Source: Municipal Tax Collector

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

- a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- b** Rates for debt service are based on each year's requirements.
- c** Tax rates are per \$100 of assessed valuation.

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

| | <u>2023</u> | | | | <u>2013</u> | | |
|-------------------------------------|------------------------------|--------------------|---|--------------------------------------|------------------------------|--------------------|---|
| | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value | | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value |
| ER Squibb & Sons Inc. | \$ 140,262,100 | 1 | 5.48% | ER Squibb & Sons Inc. | \$ 148,612,900 | 1 | 6.17% |
| Kimco North Brunswick 617 Inc. | 33,000,000 | 2 | 1.29% | Kimco North Brunswick 617 Inc. | 33,000,000 | 2 | 1.37% |
| Ads North Village LLC | 31,755,000 | 3 | 1.24% | Sodowick S. Etals c/o No. Vill Assn. | 29,900,000 | 3 | 1.24% |
| Kaplan Associates LLC | 26,000,000 | 4 | 1.02% | Kaplan Assoc. LLC | 26,000,000 | 4 | 1.08% |
| Maebrook at Renaissance LLC | 26,000,000 | 5 | 1.02% | Maebrook at Renaissance | 23,515,600 | 5 | 0.98% |
| Renaissance Terrace LLC | 21,000,000 | 6 | 0.82% | Levin Properties LLC | 23,000,000 | 6 | 0.96% |
| Colony Oaks Associates | 20,000,000 | 7 | 0.78% | Renaissance Terrace LLC | 19,000,000 | 7 | 0.79% |
| North Brunswick Manor LLC | 19,427,800 | 8 | 0.76% | North Brunswick Manor LLC | 18,986,000 | 8 | 0.79% |
| Brunswick Circle Developers | 17,245,000 | 9 | 0.67% | Commerce CTR NB LLC % Perstige Inc. | 17,272,000 | 9 | 0.72% |
| Commerce CTR NB LLC % Perstige Inc. | <u>25,633,000</u> | 10 | <u>1.00%</u> | Brunswick Circle Developers | <u>17,245,000</u> | 10 | <u>0.72%</u> |
| Total | <u>\$ 360,322,900</u> | | <u>14.07%</u> | Total | <u>\$ 356,531,500</u> | | <u>14.80%</u> |
| Total Assessed Valuation | <u>\$ 2,561,286,500</u> | | | Total Assessed Valuation | <u>\$ 2,408,289,400</u> | | |

Source: Municipal Tax Assessor

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

| <u>Fiscal Year Ended June 30,</u> | <u>Taxes Levied for the Fiscal Year</u> | <u>Collected within the Fiscal Year of the Levy^a</u> | | <u>Collections in Subsequent Years</u> |
|---------------------------------------|---|---|-------------------------------|--|
| | | <u>Amount</u> | <u>Percentage of Levy</u> | |
| 2014 | 125,871,013 | 125,466,068 | 99.68% | \$ 375,582 |
| 2015 | 129,659,436 | 129,522,487 | 99.89% | 23,640 |
| 2016 | 129,973,745 | 129,855,000 | 99.91% | 62,775 |
| 2017 | 133,808,210 | 133,726,337 | 99.94% | 149,425 |
| 2018 | 136,252,492 | 136,556,446 | 100.22% | 513,611 |
| 2019 | 141,191,607 | 142,325,091 | 100.80% | 231,738 |
| 2020 | 145,152,203 | 144,567,484 | 99.60% | 836,867 |
| 2021 | 148,433,064 | 147,858,104 | 99.61% | 638,121 |
| 2022 | 152,686,323 | 151,907,399 | 99.49% | 927,601 |
| 2023 | 154,938,843 | 154,294,044 | 99.58% | 728,070 |

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

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

DEBT CAPACITY

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

| Fiscal Year Ended June 30, | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | <u>Total District</u> | Percentage of Personal Income ^a | Per Capita ^a |
|-------------------------------------|---|-----------------------|-------------------------------------|-----------------------|--|----------------------------|
| | <u>General Obligation Bonds</u> | <u>Capital Leases</u> | <u>Capital Leases</u> | | | |
| 2014 | 48,136,000 | | | 48,136,000 | 3.55% | 1,170 |
| 2015 | 43,760,000 | | | 43,760,000 | 3.23% | 1,064 |
| 2016 | 40,160,000 | | | 40,160,000 | 2.96% | 976 |
| 2017 | 36,425,000 | - | | 36,425,000 | 2.69% | 885 |
| 2018 | 67,550,000 | - | | 67,550,000 | 4.98% | 1,641 |
| 2019 | 105,048,000 | 13,500,000 | | 118,548,000 | 8.74% | 2,881 |
| 2020 | 100,768,000 | 13,500,000 | | 114,268,000 | 8.43% | 2,777 |
| 2021 | 94,510,000 | 12,860,000 | | 107,370,000 | 7.92% | 2,445 |
| 2022 | 87,920,000 | 12,200,000 | | 100,120,000 | 5.57% | 2,280 |
| 2023 | 81,130,000 | 11,410,000 | | 92,540,000 | 5.16% | 2,264 |

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

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

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

| <u>General Bonded Debt Outstanding</u> | | | | | |
|---|---|-------------------|--|--|--|
| <u>Fiscal Year Ended</u> <u>June 30,</u> | <u>General</u> <u>Obligation</u> <u>Bonds</u> | <u>Deductions</u> | <u>Net General</u> <u>Bonded Debt</u> <u>Outstanding</u> | <u>Percentage of</u> <u>Actual Taxable</u> <u>Value ^a of</u> <u>Property</u> | <u>Per</u> <u>Capita ^b</u> |
| 2014 | 48,136,000 | - | 48,136,000 | 1.67% | 1,170 |
| 2015 | 43,760,000 | | 43,760,000 | 1.52% | 1,064 |
| 2016 | 40,160,000 | | 40,160,000 | 1.39% | 976 |
| 2017 | 36,425,000 | | 36,425,000 | 1.26% | 885 |
| 2018 | 67,550,000 | | 67,550,000 | 2.32% | 885 |
| 2019 | 105,048,000 | | 105,048,000 | 4.19% | 2,553 |
| 2020 | 100,768,000 | | 100,768,000 | 3.98% | 2,449 |
| 2021 | 94,510,000 | | 94,510,000 | 3.72% | 2,153 |
| 2022 | 87,920,000 | | 87,920,000 | 3.40% | 2,003 |
| 2023 | 81,130,000 | | 81,130,000 | 2.84% | 1,848 |

Notes:

- Details regarding the district's outstanding debt can be found in the notes to the financial statements.
- a** See Exhibit J-6 for property tax data.
- b** Population data can be found in Exhibit J-14.

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2023
(UNAUDITED)

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable ^a</u> | <u>Estimated Share of Overlapping Debt</u> |
|---|-------------------------|---|--|
| Debt repaid with property taxes | | | |
| Township of North Brunswick | \$ 89,966,248 | 100.000% | \$ 89,966,248 |
| County of Middlesex | 464,093,646 | 4.6398% | <u>21,533,017</u> |
| Subtotal, overlapping debt | | | \$ 111,499,265 |
| Township of North Brunswick District Direct Debt | | | |
| Bonds Issued | \$ 81,130,000.00 | | |
| Bonds and Notes Authorized but Not Issued | <u>1,200,000.00</u> | | <u>\$ 82,330,000</u> |
| Total direct and overlapping debt | | | <u><u>\$ 193,829,265</u></u> |

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2023

| | |
|---|---------------------------|
| | Equalized valuation basis |
| | 2020 5,189,736,128 |
| | 2021 5,637,474,035 |
| | 2022 <u>6,239,961,303</u> |
| | <u>\$ 17,067,171,466</u> |
| Average equalized valuation of taxable property | \$ 5,689,057,155 |
| Debt limit (4 % of average equalization value) | 227,562,286 ^a |
| Total Net Debt Applicable to Limit | <u>82,330,000</u> |
| Legal debt margin | <u>\$ 145,232,286</u> |

| | Fiscal Year | | | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
| Debt limit | \$ 181,299,319 | \$ 176,689,504 | \$ 178,382,034 | \$ 178,391,775 | \$ 179,315,118 | \$ 180,572,196 | \$ 184,095,101 | \$ 193,204,913 | \$ 207,304,376 | \$ 227,512,286 |
| Total net debt applicable to limit | <u>49,336,000</u> | <u>44,960,000</u> | <u>41,360,000</u> | <u>114,973,000</u> | <u>111,098,000</u> | <u>106,248,000</u> | <u>101,968,000</u> | <u>95,710,000</u> | <u>89,120,000</u> | <u>82,330,000</u> |
| Legal debt margin | <u>\$ 131,963,319</u> | <u>\$ 131,729,504</u> | <u>\$ 137,022,034</u> | <u>\$ 63,418,775</u> | <u>\$ 68,217,118</u> | <u>\$ 74,324,196</u> | <u>\$ 82,127,101</u> | <u>\$ 97,494,913</u> | <u>\$ 118,184,376</u> | <u>\$ 145,182,286</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 27.21% | 25.45% | 23.19% | 64.45% | 61.96% | 58.84% | 55.39% | 49.54% | 42.99% | 36.19% |

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

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

| <u>Year</u> | <u>Population ^a</u> | <u>Personal Income ^b</u> | <u>Per Capita Personal Income ^c</u> | <u>Unemployment Rate ^d</u> |
|-------------|--------------------------------|-------------------------------------|--|---------------------------------------|
| 2014 | 41,153 | 1,355,744,432 | 32,944 | 6.10% |
| 2015 | 41,153 | 1,355,744,432 | 32,944 | 5.60% |
| 2016 | 41,153 | 1,355,744,432 | 32,944 | 4.60% |
| 2017 | 41,153 | 1,355,744,432 | 32,944 | 4.20% |
| 2018 | 41,153 | 1,355,744,432 | 32,944 | 4.00% |
| 2019 | 41,153 | 1,355,744,432 | 32,944 | 3.50% |
| 2020 | 41,153 | 1,355,744,432 | 32,944 | 3.00% |
| 2021 | 43,905 | 1,794,968,115 | 40,883 | 8.60% |
| 2022 | 43,905 | 1,794,968,115 | 40,883 | 5.60% |
| 2023 | 43,905 | 1,794,968,115 | 40,883 | 3.20% |

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development for 2014 through 2020 and the U.S. Census Bureau for 2021-2023.

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

^c Per capita personal income by municipality estimated based upon the 2014-2023 published by the US Bureau of Economic Analysis.

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

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

| | <u>2023</u> | | <u>2014</u> | |
|-----------------|------------------|-------------|------------------|-------------|
| <u>Employer</u> | <u>Employees</u> | <u>Rank</u> | <u>Employees</u> | <u>Rank</u> |
| | N/A | 1 | N/A | |
| | N/A | 2 | N/A | |
| | N/A | 3 | N/A | |
| | N/A | 4 | N/A | |
| | N/A | 5 | N/A | |
| | N/A | 6 | N/A | |
| | N/A | 7 | N/A | |
| | N/A | 8 | N/A | |
| | N/A | 9 | N/A | |
| | N/A | 10 | N/A | |
| | N/A | | N/A | |
| | N/A | | N/A | |

OPERATING INFORMATION

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

| <u>Function/Program</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|--------------------|--------------------|--------------------|
| Instruction | | | | | | | | | | |
| Regular | 405 | 405 | 428 | 431 | 430 | 435 | 446 | 448 | 449 | 426 |
| Special education | 178 | 178 | 185 | 190 | 191 | 197 | 196 | 195 | 195 | 183 |
| Other special education | | | | | | | | | | |
| Support Services: | | | | | | | | | | |
| Student & instruction related services | 131 | 131 | 134 | 141 | 148 | 160 | 158 | 148 | 144 | 156 |
| General administration | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 6 |
| School administrative services | 27 | 27 | 28 | 34 | 42 | 40 | 41 | 39 | 41 | 50 |
| Central services | 8 | 8 | 8 | 8 | 9 | 7 | 8 | 11 | 11 | 18 |
| Administrative Information Technology | 11 | 11 | 12 | 13 | 13 | 11 | 10 | 12 | 12 | 11 |
| Plant operations and maintenance | 102 | 102 | 107 | 108 | 120 | 114 | 104 | 94 * | 97 | 107 |
| Pupil transportation | 31 | 31 | 34 | 33 | 34 | 38 | 34 | 36 | 36 | 34 |
| Other support services | - | - | - | | | | | | | |
| Total | <u>898</u> | <u>898</u> | <u>941</u> | <u>963</u> | <u>993</u> | <u>1,008</u> | <u>1,003</u> | <u>989</u> | <u>991</u> | <u>991</u> |

Source: District Personnel Records

* Lunchroom/Playground Aides Reduction in Force due to COVID

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

| Fiscal Year | Enrollment | Operating Expenditures ^a | Cost Per Pupil ^d | Percentage Change | Teaching Staff | Pupil/Teacher Ratio | | | Attendance | | | |
|-------------|------------|-------------------------------------|-----------------------------|-------------------|----------------|---------------------|---------------|--------------------|---|---|--------------------------------------|-------------------------------|
| | | | | | | Elementary | Middle School | Senior High School | Average Daily Enrollment (ADE) ^c | Average Daily Attendance (ADA) ^c | % Change in Average Daily Enrollment | Student Attendance Percentage |
| 2014 | 6,162 | 89,458,174 | 14,518 | 2.77% | 583 | 1:10.4 | 1:10.8 | 1:10.3 | 6,162.5 | 5,828.5 | 0.69% | 94.58% |
| 2015 | 6,224 | 92,924,605 | 14,930 | 2.84% | 583 | 1:10.4 | 1:10.8 | 1:10.3 | 6,147.2 | 5,853.1 | -0.25% | 95.22% |
| 2016 | 6,245 | 99,543,809 | 15,940 | 6.76% | 613 | 1:11.1 | 1:11.9 | 1:11.3 | 6,068.5 | 5,779.9 | -1.28% | 95.24% |
| 2017 | 6,175 | 103,250,734 | 16,721 | 4.90% | 621 | 1:11.2 | 1:12.0 | 1:11.4 | 6,044.6 | 5,729.1 | -0.39% | 94.78% |
| 2018 | 6,206 | 109,978,371 | 17,721 | 5.98% | 621 | 1:11.2 | 1:12.0 | 1:11.4 | 5,987.0 | 5,688.5 | -0.95% | 95.01% |
| 2019 | 6,211 | 118,454,305 | 19,072 | 7.62% | 632 | 1:11.2 | 1:12.0 | 1:11.4 | 5,939.1 | 5,627.6 | -0.80% | 94.76% |
| 2020 | 6,081 | 123,345,487 | 20,284 | 6.36% | 642 | 1:11.2 | 1:12.0 | 1:11.4 | 5,906.4 | 5,701.9 | -0.55% | 96.54% |
| 2021 | 6,068 | 125,894,773 | 20,747 | 2.29% | 643 | 1:11.2 | 1:12.0 | 1:11.4 | 5,716.2 | 5,385.5 | -3.22% | 94.22% |
| 2022 | 6,095 | 148,265,765 | 24,326 | 17.25% | 644 | 1:09 | 1:11 | 1:13 | 5,748.0 | 5,282.7 | 0.56% | 91.91% |
| 2023 | 6,042 | 160,027,949 | 26,486 | 8.88% | 644 | 1:09 | 1:10 | 1:12 | 5,802.0 | 5,344.4 | 0.94% | 92.11% |

Sources: District records

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

- a Operating expenditures equal total expenditures less debt service, capital outlay and scholarships.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d Cost per pupil calculated by dividing operating expenditures by enrollment; not intended to represent the statutory calculation of cost per pupil.

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

| <u>District Building</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>Elementary</u> | | | | | | | | | | |
| Judd (1967) | | | | | | | | | | |
| Square Feet | 88,595 | 88,595 | 88,595 | 88,595 | 88,595 | 88,595 | 88,595 | 88,595 | 88,595 | 88,595 |
| Capacity (students) | 709 | 709 | 709 | 709 | 709 | 709 | 709 | 709 | 709 | 709 |
| Enrollment | 792 | 805 | 749 | 714 | 720 | 720 | 720 | 600 | 573 | 601 |
| John Adams (1961) | | | | | | | | | | |
| Square Feet | 79,257 | 79,257 | 79,257 | 79,257 | 79,257 | 79,257 | 79,257 | 79,257 | 79,257 | 79,257 |
| Capacity (students) | 634 | 634 | 634 | 634 | 634 | 634 | 634 | 634 | 634 | 634 |
| Enrollment | 725 | 719 | 649 | 672 | 650 | 650 | 650 | 456 | 479 | 506 |
| Livingston Park (1930) | | | | | | | | | | |
| Square Feet | 84,573 | 84,573 | 84,573 | 84,573 | 84,573 | 84,573 | 84,573 | 84,573 | 84,573 | 84,573 |
| Capacity (students) | 677 | 677 | 677 | 677 | 677 | 677 | 677 | 677 | 677 | 677 |
| Enrollment | 716 | 702 | 646 | 600 | 593 | 593 | 593 | 489 | 482 | 490 |
| Parsons (1965) | | | | | | | | | | |
| Square Feet | 84,079 | 84,079 | 84,079 | 84,079 | 84,079 | 84,079 | 84,079 | 84,079 | 84,079 | 84,079 |
| Capacity (students) | 673 | 673 | 673 | 673 | 673 | 673 | 673 | 673 | 673 | 673 |
| Enrollment | 771 | 790 | 770 | 769 | 735 | 735 | 735 | 548 | 559 | 577 |
| Early Childhood Center | | | | | | | | | | |
| Square Feet | | | 14,340 | 14,340 | 14,340 | 14,340 | 14,340 | 14,340 | 14,340 | 14,340 |
| Capacity (students) | | | 174 | 174 | 174 | 174 | 174 | 174 | 174 | 174 |
| Enrollment | | | 174 | 153 | 154 | 154 | 154 | - | 108 | 104 |
| <u>Intermediate & Middle School</u> | | | | | | | | | | |
| Linwood (1951) | | | | | | | | | | |
| Square Feet | 204,557 | 204,557 | 204,557 | 204,557 | 204,557 | 204,557 | 204,557 | 155,921 | 155,921 | 155,921 |
| Capacity (students) | 1,527 | 1,527 | 1,527 | 1,527 | 1,527 | 1,527 | 1,527 | 1,527 | 1,527 | 1,527 |
| Enrollment | 1,341 | 1,334 | 1,345 | 1,347 | 1,380 | 1,380 | 1,380 | 864 | 814 | 770 |
| North Brunswick Twp Middle School (2020) | | | | | | | | | | |
| Square Feet | - | - | - | - | - | - | - | 176,950 | 176,950 | 176,950 |
| Capacity (students) | - | - | - | - | - | - | - | - | - | - |
| Enrollment | - | - | - | - | - | - | - | 889 | 854 | 869 |
| <u>High School</u> | | | | | | | | | | |
| North Brunswick Twp High School (1973) | | | | | | | | | | |
| Square Feet | 394,716 | 394,716 | 394,716 | 394,716 | 394,716 | 394,716 | 394,716 | 394,716 | 394,716 | 394,716 |
| Capacity (students) | 2,614 | 2,614 | 2,614 | 2,614 | 2,614 | 2,614 | 2,614 | 2,614 | 2,614 | 2,614 |
| Enrollment | 1,796 | 1,777 | 1,752 | 1,789 | 1,781 | 1,781 | 1,781 | 1,870 | 1,870 | 1,881 |
| <u>Other</u> | | | | | | | | | | |
| Athletic Building (1979) | | | | | | | | | | |
| Square Feet | 2,704 | 2,704 | 2,704 | 2,704 | 2,704 | 2,704 | 2,704 | 2,704 | 2,704 | 2,704 |
| Central Administration (1927) | | | | | | | | | | |
| Square Feet | 24,642 | 24,642 | 24,642 | 24,642 | 24,642 | 24,642 | 24,642 | 24,642 | 24,642 | 24,642 |
| Warehouse | | | | | | | | | | |
| Square Feet | 5,376 | 5,376 | 5,376 | 5,376 | 5,376 | 5,376 | 5,376 | 5,376 | 5,376 | 5,376 |
| Linwood Campus - Under Renovation | | | | | | | | | | |
| Square Footage BOE/ECC | | | | | | | | 48,636 | 48,636 | 48,636 |
| Number of Buildings at June 30, 2023 | | | | | | | | | | |
| Elementary Schools = 5 | | | | | | | | | | |
| Intermediate/Middle School = 2 | | | | | | | | | | |
| High School = 1 | | | | | | | | | | |
| Other = 3 | | | | | | | | | | |

Source: District Facilities Office

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

a Beacon Heights was sold during 2004.

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

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

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

| * | School | Early | John Adams | Judd | Livingston Parl | Parsons | Linwood | North | North | Other | Total |
|-------------------------|--------|------------|--------------|--------------|-----------------|--------------|--------------|------------|--------------|------------|---------------|
| 2013 | N/A | | 116,464 | 124,876 | 119,207 | 118,511 | 288,327 | | 556,361 | 34,733 | 1,358,479 |
| 2014 | N/A | | 136,974 | 122,454 | 130,687 | 129,939 | 316,164 | | 610,172 | 50,598 | 1,496,988 |
| 2015 | N/A | | 132,599 | 142,176 | 135,722 | 134,929 | 328,271 | | 633,436 | 39,545 | 1,546,678 |
| 2016 | N/A | 23,268 | 128,603 | 143,755 | 137,229 | 136,428 | 331,917 | | 640,471 | 53,096 | 1,594,767 |
| 2017 | N/A | 25,842 | 142,827 | 159,654 | 152,406 | 151,516 | 368,626 | | 711,307 | 58,967 | 1,771,145 |
| 2018 | N/A | 21,084 | 116,529 | 130,259 | 124,345 | 123,619 | 300,755 | | 580,341 | 48,110 | 1,445,042 |
| 2019 | N/A | 25,217 | 139,375 | 155,796 | 148,723 | 147,855 | 359,718 | | 694,116 | 57,542 | 1,728,342 |
| 2020 | N/A | 25,291 | 139,784 | 156,253 | 149,159 | 148,288 | 360,772 | | 696,151 | 57,711 | 1,733,409 |
| 2021 | N/A | 22,664 | 174,781 | 186,433 | 163,128 | 151,477 | 419,473 | 94,533 | 792,978 | 46,608 | 2,052,075 |
| 2022 | N/A | 33,768 | 191,351 | 213,862 | 205,421 | 202,606 | 495,260 | 96,158 | 984,891 | 56,280 | 2,479,597 |
| 2023 | N/A | 33,289 | 222,639 | 248,831 | 239,009 | 235,734 | 576,239 | 105,499 | 1,145,931 | 65,484 | 2,872,655 |
| Total School Facilities | | \$ 210,423 | \$ 1,641,926 | \$ 1,784,349 | \$ 1,705,036 | \$ 1,680,902 | \$ 4,145,522 | \$ 296,190 | \$ 8,046,155 | \$ 568,674 | \$ 20,079,177 |

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

Source: District records

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
INSURANCE SCHEDULE
JUNE 30, 2023
UNAUDITED

| <u>Type of Policy</u> | <u>Coverage</u> | <u>Deductible</u> |
|--|-----------------|-------------------|
| Glatfelters Insurance - AIG | | |
| Property Insurance | \$ 386,260,285 | \$ 25,000 |
| Valuable Papers | 250,000 | 500 |
| Extra Expense | 1,000,000 | 25,000 |
| Electronic Data Processing - Hardware/Software | Included in | 500 |
| Equipment Breakdown | 150,000,000 | 10,000 |
| Business Income from Equipment Breakdown | 425,000 | |
| Casualty Insurance - Glatfelters Insurance - AIG & NJUEP | | |
| Comprehensive General Liability | 31,000,000 | |
| Automobile Liability | 31,000,000 | |
| Employee Benefit Liability - Glatfelters Insurance - AIG & NJUEP | 31,000,000 | 1,000 |
| New Jersey Workers Compensation - PIP Insurance | Statutory | |
| Public Employees' Faithful Performance Blanket | | |
| Position Bond - Hanover Insurance Company | 1,000,000 | 1,000 |
| Business Administrator | 200,000 | |
| Position Bond - CNA Surety | | |
| Treasurer | 400,000 | |

Source: District records.

SINGLE AUDIT SECTION

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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NEWARK, N.J. 07102-9969
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FREEHOLD, N.J. 07728-2291
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FAX (732) 780-1030

Exhibit K-1
Sheet 1 of 2

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance Department, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of North Brunswick Board of Education, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Township of North Brunswick Board of Education's basic financial statements, and have issued our report thereon dated February 21, 2024.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
February 21, 2024

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Exhibit K-2
Sheet 1 of 3

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB 15-08

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Township of North Brunswick Board of Education, State of New Jersey's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement and New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Township of North Brunswick Board of Education, State of New Jersey's major federal and state programs for the year ended June 30, 2023. The Township of North Brunswick District Board of Education, State of New Jersey's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Township of North Brunswick Board of Education, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB 15-08 (CONTINUED)**

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB 15-08 (CONTINUED)**

Report on Internal Control over Compliance

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

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

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

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



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
February 21, 2024

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| Federal Grantor / Pass-Through Grantor / Program Title | Assistance Listing Number | Federal FAIN Number | Program or Award Amount | Grant Period From To | | June 30, 2022 | | | | | June 30, 2023 | | | |
|--|---------------------------------|---------------------------|-------------------------------|-------------------------|-----------|-------------------|---------------------|--------------------------|------------------|---------------------------|----------------------|--------------------------|---------------------|-------------------|
| | | | | | | Due to Grantor | Deferred Revenue | (Accounts Receivable) | Cash Received | Budgetary Expenditures | Refund To Grantor | (Accounts Receivable) | Deferred Revenue | Due to Grantor |
| | | | | | | | | | | | | | | |
| U.S. Department of Education: | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | |
| FFCRA - SEMI | 93.778 | 2205NJ5MAP | \$ 27,318 | 7/1/2022 | 6/30/2023 | | | | \$ 27,318 | | | | | \$ 27,318 |
| FFCRA - SEMI | 93.778 | 2005NJ5MAP | 21,770 | 7/1/2020 | 6/30/2021 | \$ (21,770) | | | | \$ (21,770) | | | | |
| Medical Assistance Program | 93.778 | 2205NJ5MAP | 338,290 | 7/1/2022 | 6/30/2023 | | | | 338,290 | (338,290) | | | | |
| Total General Fund | | | | | | \$ (21,770) | | | \$ 365,608 | \$ (360,060) | | | | \$ 27,318 |
| U.S. Department of Education | | | | | | | | | | | | | | |
| Passed - Through State Department of Education: | | | | | | | | | | | | | | |
| Special Revenue Fund: | | | | | | | | | | | | | | |
| Title 1, Part A | 84.010 | S013A210030 | \$ 969,946 | 7/1/2021 | 9/30/2022 | | | \$ (291,160) | \$ 291,162 | | \$ (2) | | | |
| Title 1, Part A | 84.010 | S013A220030 | 1,007,698 | 7/1/2022 | 9/30/2023 | | | | 573,125 | \$ (930,522) | | \$ (357,397) | | |
| Title 1, Part D | 84.010 | S013A210030 | 245,423 | 7/1/2021 | 9/30/2022 | | | (69,254) | 69,254 | | | | | |
| Title 1, Part D | 84.010 | S013A220030 | 190,985 | 7/1/2022 | 9/30/2023 | | | | 166,824 | (227,406) | | (60,582) | | |
| Title II, Part A | 84.367A | S367A210029 | 178,624 | 7/1/2021 | 9/30/2022 | | | (44,187) | 44,186 | | 1 | | | |
| Title II, Part A | 84.367A | S367A220029 | 155,465 | 7/1/2022 | 9/30/2023 | | | | 135,884 | (192,936) | | (57,052) | | |
| Title III | 84.365A | S365A210030 | 56,711 | 7/1/2021 | 9/30/2022 | | | (18,333) | 18,332 | | 1 | | | |
| Title III | 84.365A | S365A220030 | 65,067 | 7/1/2022 | 9/30/2023 | | | | 71,415 | (74,029) | | (2,614) | | |
| Title IV | 84.424A | S369A210031 | 84,593 | 7/1/2021 | 9/30/2022 | | | (1,314) | 1,314 | | | | | |
| Title IV | 84.424A | S369A220031 | 84,593 | 7/1/2022 | 9/30/2023 | | | | 56,201 | (58,548) | | (2,347) | | |
| I.D.E.A. Part B, Basic | 84.027A | H027A210100 | 1,385,472 | 7/1/2021 | 9/30/2022 | | | (115,820) | 115,819 | | (1) | \$ (2) | | |
| I.D.E.A. Part B, Basic | 84.027A | H027A220100 | 1,386,337 | 7/1/2022 | 9/30/2023 | | | | 711,250 | (987,740) | | (276,490) | | |
| ARP I.D.E.A. REG | 84.027X | H027X210100 | 296,862 | 7/1/2021 | 9/30/2022 | | | (19,714) | 166,065 | (148,611) | | (2,260) | | |
| Title I Reallocated | 84.010 | S013A210030 | 37,704 | 7/1/2020 | 9/30/2021 | | \$ 573 | | | | | | | \$ 573 |
| I.D.E.A. Preschool | 84.173 | H173A210114 | 39,254 | 7/1/2021 | 9/30/2022 | | | (2,604) | 2,604 | | | | | |
| I.D.E.A. Preschool | 84.173 | H173A220114 | 44,786 | 7/1/2022 | 9/30/2023 | | | | 12,711 | \$ (16,049) | | (3,338) | | |
| ARP I.D.E.A. Preschool | 84.173X | H173X210114 | 25,223 | 7/1/2021 | 9/30/2022 | | | | 1,055 | (1,055) | | | | |

See accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| Federal Grantor / Pass-Through Grantor / Program Title | Assistance Listing Number | Federal FAIN Number | Program or Award Amount | Grant Period From To | | June 30, 2022 | | | Cash Received | Budgetary Expenditures | Refund To Grantor | June 30, 2023 | | |
|--|---------------------------------|---------------------------|-------------------------------|-------------------------|-----------|-------------------|---------------------|--------------------------|------------------|---------------------------|----------------------|--------------------------|---------------------|-------------------|
| | | | | | | Due to Grantor | Deferred Revenue | (Accounts Receivable) | | | | (Accounts Receivable) | Deferred Revenue | Due to Grantor |
| | | | | | | | | | | | | | | |
| U.S. Department of Education | | | | | | | | | | | | | | |
| Passed - Through State Department of Education: | | | | | | | | | | | | | | |
| Special Revenue Fund: (Continued) | | | | | | | | | | | | | | |
| Perkins Grant | 84.048A | V048A210030 | \$ 43,227 | 7/1/2021 | 6/30/2022 | | | \$ (11,265) | \$ 11,265 | | | | | |
| Perkins Grant | 84.048A | V048A200030 | 36,878 | 7/1/2022 | 6/30/2023 | | | 8,337 | | \$ (26,763) | | \$ (18,426) | | |
| Cares ESSER II | 84.425D | S425D200027 | 1,951,497 | 3/13/2020 | 9/30/2023 | | | (844,277) | 926,711 | (82,434) | | | | |
| Cares Learning Acc | 84.425D | S425D200027 | 49,853 | 3/13/2020 | 9/30/2023 | | | (15,246) | 90,721 | (92,085) | | | (16,610) | |
| ARP ESSER III | 84.425U | S425U210027 | 5,608,198 | 3/13/2020 | 9/30/2024 | | | (946,421) | 2,901,531 | (2,369,880) | | | (414,770) | |
| ARP Acc Learning | 84.425U | S425U210027 | 564,202 | 3/13/2020 | 9/30/2024 | | | (2,068) | 206,508 | (274,237) | \$ 1 | | (69,796) | |
| ARP Comprehensive | 84.425U | S425U210027 | 40,000 | 3/13/2020 | 9/30/2024 | | | (843) | 6,756 | (6,765) | (1) | | (853) | |
| ARP Mental Health | 84.425U | S425U210027 | 88,501 | 3/13/2020 | 9/30/2024 | | | (3,877) | 43,944 | (41,574) | | | (1,507) | |
| ARP Summer Learning | 84.425U | S425U210027 | 40,000 | 3/13/2020 | 9/30/2024 | | | | 30,156 | (31,316) | | | (1,160) | |
| ARP Homeless II | 84.425W | S425W210027 | 25,011 | 4/23/2021 | 9/30/2023 | | | (25,011) | 25,011 | | | | | |
| U.S. Federal Communication Commission: | | | | | | | | | | | | | | |
| Connectivity | 32.009 | Not Available | 48,000 | 7/1/2021 | 6/30/2022 | | | (48,000) | 47,214 | | | (786) | | |
| U.S. Department of Treasury: | | | | | | | | | | | | | | |
| Passed-Through State Department of Education | | | | | | | | | | | | | | |
| Bridge the Digital Divide | 21.019 | C8220COVID19 | 715,103 | 7/1/2020 | 6/30/2021 | \$ (332) | | | | | | 332 | | |
| Non-Public Digital Divide | 21.019 | C8220COVID19 | 1,653 | 7/1/2020 | 6/30/2021 | (1,653) | | | | | | 1,653 | | |
| Coronavirus Relief Fund | 21.019 | C8220COVID19 | 436,871 | 7/1/2020 | 6/30/2021 | (120) | | | | | | 120 | | |
| Total Special Revenue Fund | | | | | | \$ (2,105) | \$ 573 | \$ (2,451,057) | \$ 6,727,018 | \$ (5,561,950) | \$ 1,318 | \$ (1,285,202) | \$ (2) | \$ 573 |

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**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| Federal Grantor / Pass-Through Grantor / <u>Program Title</u> | Assistance Listing <u>Number</u> | Federal FAIN <u>Number</u> | Program or Award <u>Amount</u> | Grant Period | | June 30, 2022 | | | Cash Received | Budgetary Expenditures | Refund To Grantor | June 30, 2023 | | |
|---|--|----------------------------------|--------------------------------------|--------------|-----------|-------------------|---------------------|--------------------------|-----------------------|---------------------------|----------------------|--------------------------|---------------------|-------------------|
| | | | | <u>From</u> | <u>To</u> | Due to Grantor | Deferred Revenue | (Accounts Receivable) | | | | (Accounts Receivable) | Deferred Revenue | Due to Grantor |
| U.S. Department of Agriculture | | | | | | | | | | | | | | |
| Passed-through State Department of Education: | | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | | |
| Food Distribution Program | 10.565 | 211NJ304N1099 | \$ 259,029 | 7/1/2021 | 6/30/2022 | \$ 23,099 | | | \$ (23,099) | | | | | |
| Food Distribution Program | 10.565 | 221NJ304N1099 | 272,452 | 7/1/2022 | 6/30/2023 | - | | \$ 272,452 | (267,660) | | | | \$ 4,792 | |
| School Breakfast Program | 10.553 | 221NJ304N1099 | 702,935 | 7/1/2022 | 6/30/2023 | | | \$ 650,223 | (702,935) | | \$ (52,712) | | | |
| School Breakfast Program | 10.553 | 211NJ304N1099 | 951,345 | 7/1/2021 | 6/30/2022 | | | (67,415) | 67,415 | | | | | |
| National School Lunch Program | 10.555 | 211NJ304N1099 | 1,781,602 | 7/1/2022 | 6/30/2023 | | | 1,658,754 | (1,781,602) | | (122,848) | | | |
| National School Lunch Program | 10.555 | 211NJ304N1099 | 2,773,735 | 7/1/2021 | 6/30/2022 | | | (185,232) | 185,232 | | | | | |
| National School Lunch Program (PB) | 10.555 | 201NJ304N1099 | 17,531 | 7/1/2020 | 6/30/2021 | | | | | | | | | |
| After School Snacks | 10.555 | 211NJ304N1099 | 17,497 | 7/1/2021 | 6/30/2022 | | | (1,115) | 1,115 | | | | | |
| Emergency Operational Cost Program | 10.555 | 22212H170341 | 178,973 | 9/7/2021 | 6/30/2022 | | | 297,279 | (297,279) | | | | | |
| Total Enterprise Fund | | | | | | \$ 23,099 | \$ (253,762) | \$ 3,132,470 | \$ (3,072,575) | | \$ (175,560) | | \$ 4,792 | |
| Total Federal Awards | | | | | | \$ (2,105) | \$ 1,902 | \$ (2,704,819) | \$ 10,225,096 | \$ (8,994,585) | \$ 1,318 | \$ (1,460,762) | \$ 32,108 | \$ 573 |

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(1) Equals inventory.

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| State Grantor/ Program Title | Grant or State Project Number | Program or Award Amount | Grant Period From To | June 30, 2022 | | Cash Received | Budgetary (Expenditures) | (Adjustment) Repayment of Prior Year's Balances | Balance, June 30, 2023 | | MEMO | |
|---|----------------------------------|-------------------------------|-------------------------|--------------------------|-------------------|------------------|-----------------------------|--|---------------------------|-------------------|-------------------------|-------------------------------------|
| | | | | (Accounts Receivable) | Due to Grantor | | | | (Accounts Receivable) | Due to Grantor | Budgetary Receivable | Cumulative Total Expenditures |
| General Fund: | | | | | | | | | | | | |
| Categorical Special Education Aid | 23-495-034-5121-089 | \$ 5,372,023 | 7/1/2022 - 6/30/2023 | | | \$ 5,372,023 | \$ (5,372,023) | | | | \$ (537,656) | \$ (5,372,023) |
| Equalization Aid | 23-495-034-5121-078 | 29,984,119 | 7/1/2022 - 6/30/2023 | | | 29,984,119 | (29,984,119) | | | | (3,000,538) | (29,984,119) |
| Categorical Security Aid | 23-495-034-5121-084 | 1,619,505 | 7/1/2022 - 6/30/2023 | | | 1,619,505 | (1,619,505) | | | | (162,143) | (1,619,505) |
| Transportation Aid | 23-495-034-5121-014 | 2,310,618 | 7/1/2022 - 6/30/2023 | | | 2,310,618 | (2,310,618) | | | | (231,188) | (2,310,618) |
| Extraordinary Aid | 22-495-034-5121-044 | 2,079,269 | 7/1/2021 - 6/30/2022 | \$ (2,079,269) | | 2,079,269 | | | | | | |
| Extraordinary Aid | 23-495-034-5121-044 | 1,780,232 | 7/1/2022 - 6/30/2023 | | | | (1,780,232) | | \$ (1,780,232) | | | (1,780,232) |
| Securing Our Children's Future Bond Act - | | | | | | | | | | | | |
| Alyssa's Law | S010A200030 | 319,643 | 7/1/2020 - 6/30/2021 | (319,643) | | 319,643 | | | | | | |
| On Behalf TPAF - | | | | | | | | | | | | |
| Non-Contributory Insurance | 23-495-034-5094-004 | 8,249 | 7/1/2022 - 6/30/2023 | | | 8,249 | (8,249) | | | | | (8,249) |
| On-Behalf TPAF - Pension | 23-495-034-5094-002 | 18,106,652 | 7/1/2022 - 6/30/2023 | | | 18,106,652 | (18,106,652) | | | | | (18,106,652) |
| On Behalf TPAF - | | | | | | | | | | | | |
| Post Retirement Medical | 23-495-034-5094-001 | 4,756,574 | 7/1/2022 - 6/30/2023 | | | 4,756,574 | (4,756,574) | | | | | (4,756,574) |
| On Behalf TPAF - FICA | 22-495-034-5094-003 | 3,876,095 | 7/1/2021 - 6/30/2022 | (189,356) | | 189,356 | | | | | | |
| On Behalf TPAF - FICA | 23-495-034-5094-003 | 4,045,802 | 7/1/2022 - 6/30/2023 | | | 3,846,940 | (4,045,802) | | (198,862) | | | (4,045,802) |
| Nonpublic Transportation | 22-495-034-5121-014 | 109,670 | 7/1/2021 - 6/30/2022 | (109,670) | | 109,670 | | | | | | |
| Nonpublic Transportation | 23-495-034-5121-014 | 106,232 | 7/1/2022 - 6/30/2023 | | | | (106,232) | | (106,232) | | | (106,232) |
| Total General Fund | | | | | | \$ (2,697,938) | \$ 68,702,618 | \$ (68,090,006) | \$ (2,085,326) | | \$ (3,931,525) | \$ (68,090,006) |

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See Accompanying Notes to Schedules of Financial Assistance.

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| State Grantor/ Program Title | Grant or State Project Number | Program or Award Amount | Grant Period From To | June 30, 2022 | | Cash Received | Budgetary (Expenditures) | (Adjustment) Repayment of Prior Year's Balances | Balance, June 30, 2023 | | MEMO | |
|---------------------------------|----------------------------------|-------------------------------|-------------------------|--------------------------|-------------------|------------------|-----------------------------|--|---------------------------|-------------------|-------------------------|-------------------------------------|
| | | | | (Accounts Receivable) | Due to Grantor | | | | (Accounts Receivable) | Due to Grantor | Budgetary Receivable | Cumulative Total Expenditures |
| Special Revenue Fund: | | | | | | | | | | | | |
| N.J. Nonpublic Aid: | | | | | | | | | | | | |
| Textbook Aid | 23-100-034-5121-064 | \$ 2,772 | 7/1/2022 - 6/30/2023 | | | \$ 2,772 | \$ (1,980) | | \$ 792 | | \$ (1,980) | |
| Nursing Services | 22-100-034-5121-070 | 3,920 | 7/1/2021 - 6/30/2022 | | \$ 325 | | | \$ 325 | | | | |
| Nursing Services | 23-100-034-5121-070 | 5,152 | 7/1/2022 - 6/30/2023 | | | 5,152 | (3,216) | | 1,936 | | (3,216) | |
| Technology | 23-100-034-5121-373 | 1,764 | 7/1/2022 - 6/30/2023 | | | 1,764 | (1,285) | | 479 | | (1,285) | |
| Security | 22-100-034-5121-509 | 6,125 | 7/1/2021 - 6/30/2022 | | 1,193 | | | 1,193 | | | | |
| Security | 23-100-034-5121-510 | 9,430 | 7/1/2022 - 6/30/2023 | | | 9,430 | (6,966) | | 2,464 | | (6,966) | |
| Auxiliary Services: | | | | | | | | | | | | |
| Transportation | 23-495-034-5121-014 | 1,664 | 7/1/2022 - 6/30/2023 | | | 1,664 | | | 1,664 | | | |
| Compensatory Education | 23-100-034-5121-067 | 7,709 | 7/1/2022 - 6/30/2023 | | | 7,709 | (6,824) | | 885 | | (6,824) | |
| Compensatory Education | 22-100-034-5121-067 | 4,479 | 7/1/2021 - 6/30/2022 | | 4,479 | | | 4,479 | | | | |
| Handicapped Services: | | | | | | | | | | | | |
| Examination & Classification | 22-100-034-5121-066 | 5,879 | 7/1/2021 - 6/30/2022 | | 4,359 | | | 4,359 | | | | |
| Examination & Classification | 23-100-034-5121-066 | 8,531 | 7/1/2022 - 6/30/2023 | | | 8,531 | (7,771) | | 760 | | (7,771) | |
| Supplemental Instruction | 23-100-034-5121-066 | 4,956 | 7/1/2022 - 6/30/2023 | | | 4,956 | (4,130) | | 826 | | (4,130) | |
| Supplemental Instruction | 22-100-034-5121-066 | 4,791 | 7/1/2021 - 6/30/2022 | | 826 | | | 826 | | | | |
| Corrective Speech | 23-100-034-5121-066 | 1,860 | 7/1/2022 - 6/30/2023 | | | 1,860 | (1,860) | | | | (1,860) | |
| SDA Emergency Needs | 23-100-034-5120-519 | 144,240 | 7/1/2022 - 6/30/2023 | | | 144,240 | (144,240) | | | | (144,240) | |
| Climate Control | 23-100-034-5063-359 | 6,660 | 7/1/2022 - 6/30/2023 | | | 6,600 | (6,600) | | | | (6,600) | |
| ACERS | <i>Not Available</i> | 76,356 | 7/1/2022 - 6/30/2023 | | | 71,988 | (71,988) | | | | (71,988) | |
| Preschool Educ. Expansion Aid | 22-495-034-5121-086 | 5,058,158 | 7/1/2021 - 6/30/2022 | | | 499,361 | | (499,361.00) | | | | |
| Preschool Educ. Expansion Aid | 23-495-034-5121-086 | 5,224,632 | 7/1/2022 - 6/30/2023 | | | 4,701,676 | (5,497,064) | 499,361.00 | | \$ (522,956) | (5,497,064) | |
| Total Special Revenue Fund | | | | | | \$ 11,182 | \$ 5,467,703 | \$ (5,753,924) | \$ 11,182 | \$ 9,806 | \$ (522,956) | \$ (5,753,924) |

See Accompanying Notes to Schedules of Financial Assistance.

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| State Grantor/ Program Title | Grant or State Project Number | Program or Award Amount | Grant Period From To | June 30, 2022 | | Cash Received | Budgetary (Expenditures) | (Adjustment) Repayment of Prior Year's Balances | Balance, June 30, 2023 | | MEMO | |
|----------------------------------|----------------------------------|-------------------------------|-------------------------|--------------------------|-------------------|------------------|-----------------------------|--|---------------------------|-------------------|-------------------------|-------------------------------------|
| | | | | (Accounts Receivable) | Due to Grantor | | | | (Accounts Receivable) | Due to Grantor | Budgetary Receivable | Cumulative Total Expenditures |
| Debt Service Fund: | | | | | | | | | | | | |
| Debt Service Aid Type II | 23-495-034-5121-075 | \$ 400,743 | 7/1/2021 - 6/30/2022 | | | \$ 400,743 | \$ (400,743) | | | | | \$ (400,743) |
| Total Debt Service Fund | | | | | | \$ 400,743 | \$ (400,743) | | | | | \$ (400,743) |
| State Department of Agriculture | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | |
| State School Lunch Program | 23-100-010-3350-023 | \$ 61,766 | 7/1/2022 - 6/30/2023 | | | \$ 62,840 | \$ (67,423) | | \$ (4,583) | | | \$ (67,423) |
| State School Lunch Program | 22-100-010-3350-023 | 65,366 | 7/1/2021 - 6/30/2022 | \$ (4,335) | | 4,335 | | | (5,657) | | | |
| State School Breakfast Program | 22-100-010-3350-023 | 14,548 | 7/1/2022 - 6/30/2023 | | | 13,474 | (14,548) | | (1,074) | | | (14,548) |
| Total Enterprise Fund | | | | \$ (4,335) | | \$ 80,649 | \$ (81,971) | | \$ (11,314) | | | \$ (81,971) |
| Total State Financial Assistance | | | | \$ (2,702,273) | \$ 11,182 | \$ 74,651,713 | \$ (74,326,644) | \$ 11,182 | \$ (2,096,640) | \$ 9,806 | \$ (4,454,481) | \$ (74,326,644) |
| Less On-behalf TPAF: | | | | | | | | | | | | |
| Pension | 23-495-034-5094-002 | | | | | \$ 18,106,652 | | | | | | |
| Post-Retirement Medical | 23-495-034-5094-001 | | | | | 4,756,574 | | | | | | |
| Non-Contributory Insurance | 23-495-034-5094-004 | | | | | 8,249 | | | | | | |
| | | | | | | | | | | | | \$ (51,455,169) |

See Accompanying Notes to Schedules of Financial Assistance.

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

1. GENERAL

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

2. BASIS OF ACCOUNTING

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

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$667,806 for the general fund and an increase of \$444,330 in the special revenue fund. See *Note 1* (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented are as follows:

| | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|-----------------------------|---------------------|----------------------|----------------------|
| General Fund | \$ 365,608 | \$ 67,422,360 | \$ 67,787,968 |
| Special Revenue Fund | 6,495,978 | 5,051,000 | 11,546,978 |
| Debt Service Fund | | 400,743 | 400,743 |
| Food Service Fund | <u>3,054,268</u> | <u>83,971</u> | <u>3,138,239</u> |
| Total Awards and Assistance | <u>\$ 9,915,854</u> | <u>\$ 72,958,074</u> | <u>\$ 82,873,928</u> |

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. FEDERAL AND STATE LOANS OUTSTANDING

The District had no federal or state loans outstanding.

6. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contribution and Post-Retirement Medical Contributions represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

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

7. INDIRECT COSTS

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

**BOARD OF EDUCATION
 TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified, dated February 21, 2024

Internal control over financial reporting:

1. Material weakness(es) identified? yes X no
2. Significant deficiency(ies) identified that are not considered to be material weaknesses? yes X none reported
- Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal control over major programs:

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

Type of auditor's report issued on compliance for major programs: Unmodified, dated February 21, 2024

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee? yes X no

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

State Financial Assistance

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

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

Type of auditor's report issued on compliance for major programs: Unmodified, dated February 21, 2024

Internal Control over major programs:

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

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

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

Identification of major programs:

| <u>GMIS Number</u> | <u>Name of State Program</u> |
|----------------------------|--|
| <u>23-495-034-5120-089</u> | Cluster: <u>Categorical Special Education Aid</u> |
| <u>23-495-034-5120-078</u> | <u>Equalization Aid</u> |
| <u>23-495-034-5120-014</u> | <u>Categorical Transportation Aid</u> |
| <u>23-495-034-5120-044</u> | <u>Extraordinary Aid</u> |
| <u>22-495-034-5120-086</u> | <u>Pre-School Education Expansion Aid</u> |
| <u>22-495-034-5094-003</u> | <u>Reimbursed TPAF Social Security Contribution</u> |

Section II - Schedule of Financial Statement Findings

None

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

None

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

FOR THE YEAR ENDED JUNE 30, 2022:

There were no findings for the year ended June 30, 2022.