

Annual Comprehensive Financial Report

of the

Sayreville Borough School District

County of Middlesex

Sayreville, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

**Sayreville Borough, Board of Education
Finance Department**

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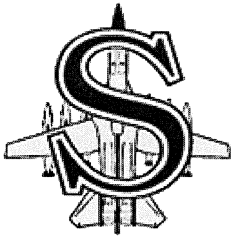
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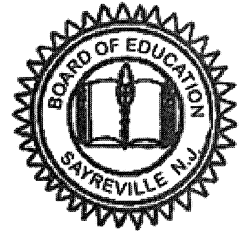
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INTRODUCTORY SECTION



Sayreville Public Schools
Vision 2030

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Sayreville, New Jersey 08871
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Dr. Richard R. Labbe, Superintendent of Schools
Dr. Marilyn J. Shediack, Assistant Superintendent

Mr. Eric Glock-Molloy, Assistant Superintendent
Ms. Erin Hill, Business Administrator/Board Secretary

January 9, 2024

Mr. Anthony Esposito, President and
Members of the Board of Education
Sayreville School District
Middlesex County, New Jersey

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Sayreville Borough School District for the fiscal year ended June 30, 2023 is hereby submitted. This ACFR includes the District's Basic Financial Statements prepared in accordance with U.S. generally accepted accounting principles for governmental entities as established by the Governmental Accounting Standards Board. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Sayreville Borough School 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 various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

- The Introductory Section includes this transmittal letter, the District's organizational chart and a list of principal officials.
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, P.L. 104 - 156 and the Uniform Guidance and the New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Sayreville Borough School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No.3. All funds of the District are included in this report. The Sayreville Borough School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PRE-K through 12. These include regular as well as special education for students with disabilities. Those students who have a desire for vocational training attend the Middlesex County Vocational School. The District enrollment for the 2022-23 fiscal year as reported on the ASSA report in October 2022 was 5,896 students, which is 110 students more than the previous year's enrollment. The following chart details the changes in the student enrollment of the District since the 2013 - 2014 school year. Not included in this chart is the additional preschool enrollment that is not used to calculate School Aid. In October 2022 there were 563 students enrolled in the preschool program compared to 547 enrolled in October 2021 and 420 enrolled in October 2020.

<u>Enrollment Comparison as of October 2022</u>		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2013/14	6,104	0.83%
2014/15	6,120	0.26%
2015/16	6,157	0.60%
2016/17	6,169	0.19%
2017/18	6,284	1.86%
2018/19	6,284	0.00%
2019/20	6,118	(2.64%)
2020/21	5,925	(3.15%)
2021/22	5,786	(2.35%)
2021/22	5,896	1.90%

2. ECONOMIC CONDITION AND OUTLOOK: The Borough of Sayreville is a community which has experienced moderate, but increasing growth over the past decade. Building room exists for residential dwellings, condominiums, commercial structures and light industry. The Borough is convenient to urban centers, manufacturing areas, several institutes of higher learning and merchandise malls. The community has benefited from a healthy national economy by maintaining established small businesses and moderate expansion of commerce.

3. MAJOR INITIATIVES: The District passed a referendum in November 2022 for \$97M in facility upgrades district wide. In the next three years the District will see those projects completed which will include replacing HVAC so that all spaces in the district are air conditioned and upgrading building envelopes including roofs, doors and windows. The District continues to focus on Social and Emotional Learning and addressing Student Learning Loss. Through grant funding the district was able to offer summer learning opportunities and mental health services to assist students. The District continues to fund 1:1 technology devices for students and replaced staff devices to enhance the overall classroom technology experience and is maintaining a replacement schedule for those devices.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) there are limited resources and that 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 made to determine the adequacy of the internal structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget 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. Amendments to the line items within these funds are approved by the Superintendent and subsequently ratified by the Board of Education, in accordance with state statute and Board Policy.

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 reservations of fund balance at June 30, 2023.

6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds which are explained in "Notes to the Financial Statements," Note 1.


7. DEBT ADMINISTRATION: Series 2005 bonds were refunded to the series 2013 bonds in the amount of \$28,725,000.00. The remaining principal balance of the 2013 bonds at June 30, 2023 was \$20,310,000.00. Series 2006 bonds were refunded to the series 2016 bonds in the amount of \$6,640,000.00. The remaining principal balance of the 2016 bonds at June 30, 2023 was \$2,730,000.00. Series 2007 bonds were refunded to the series 2017 bonds in the amount of \$7,880,000.00. The remaining principal balance of the 2017 bonds at June 30, 2023 was \$3,315,000.00. Series 2020 School Energy Savings Obligation Refunding Bonds were issued in the amount of \$8,140,000.00. The remaining principal balance of the 2020 bonds at June 30, 2023 was \$7,755,000.00. Series 2022 School Bonds were issued in the amount of \$97,474,000.00. The remaining principal balance of the 2022 bonds at June 30, 2023 was \$97,474,000.00.

8. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District's cash management plan allows 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 and updated in 2009 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

9. RISK MANAGEMENT: The Board of Education carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property damage and contents and fidelity bonds.

10. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Suplee Clooney & Company was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related Uniform Guidance and state Treasury Circular 15-08 OMB. The auditor's report on the basic financial statements and combining individual fund statements and schedules is 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.

Respectfully submitted,


Dr. Richard R. Labbe
Superintendent of Schools


Erin Hill
School Business Administrator/Board Secretary

SAYREVILLE BOROUGH SCHOOL DISTRICT

SAYREVILLE, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2023

Members of the Board of Education

Term Expires

Lucille Bloom, President	2025
Danielle Pieloch, Vice President	2024
Christopher Callahan	2025
Anthony Esposito	2024
Eloy Fernandez	2023
Alison Napolitano	2023
Eileen Pabon	2023
Jeffrey Smith	2025
Patrick Walsh	2024

Other Officials

Dr. Richard Labbe, Superintendent of Schools

Dr. Marilyn Shediack, Assistant Superintendent of Schools

Mr. Eric Glock-Molloy, Assistant Superintendent of Schools

Erin Hill, School Business Administrator/Board Secretary

Carolyn Magielnicki, Comptroller/Assistant to the Business Administrator

Diana Ruiz, Payroll & Benefits Coordinator

Nicole Petrone, Treasurer of School Monies

SAYREVILLE BOROUGH SCHOOL DISTRICT

SAYREVILLE, NEW JERSEY

CONSULTANTS AND ADVISORS

JUNE 30, 2023

Auditor/Audit Firm

Suplee, Clooney and Company
308 East Broad Street
Westfield, New Jersey 07090-2122

Attorney

Busch Law Group LLC
450 Main Street
Metuchen, New Jersey 08840

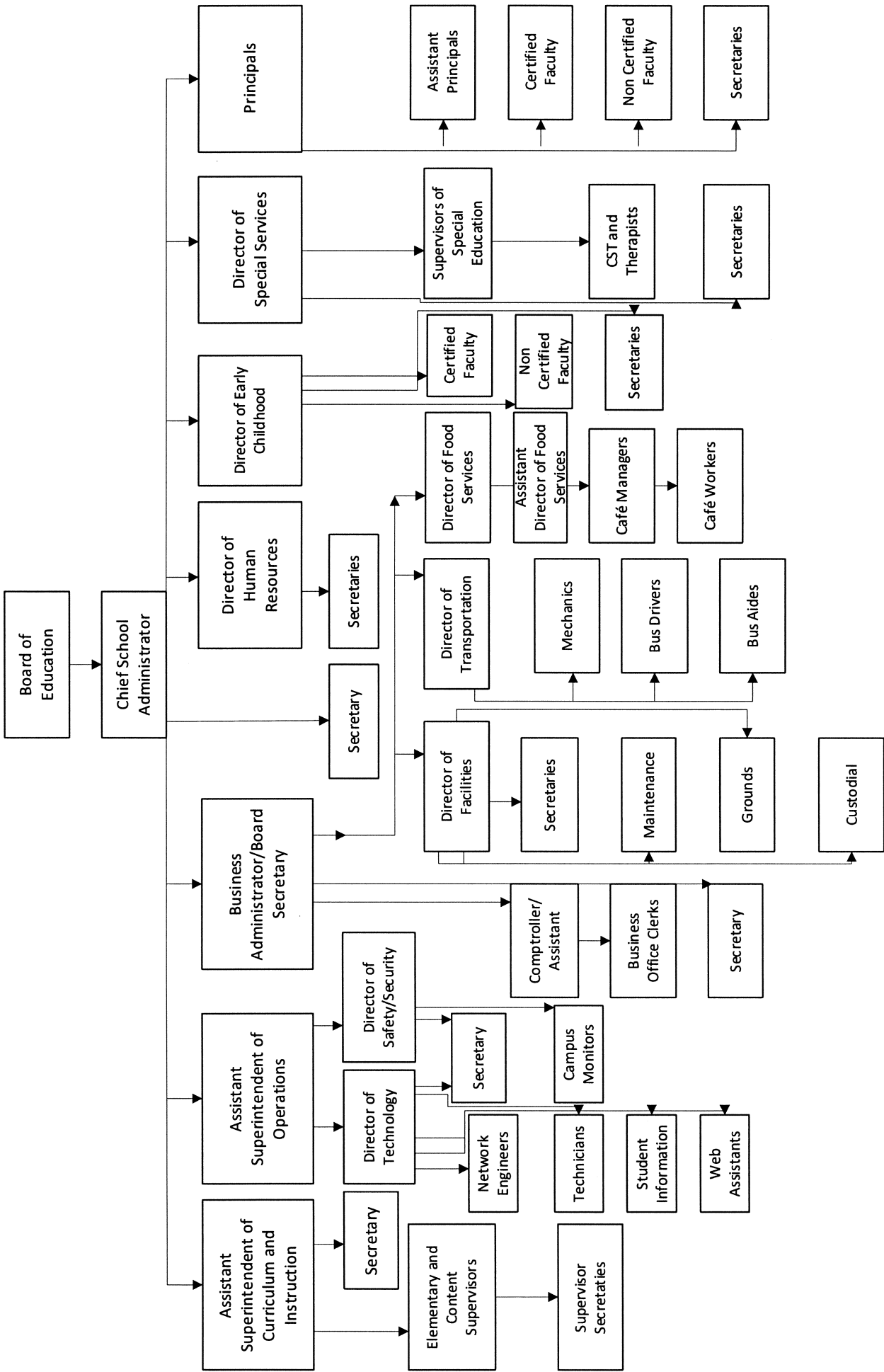
Official Depository

Amboy National Bank
Highway No. 9, Ticetown Road
Old Bridge, New Jersey 08857

Official Newspapers

Home News/Tribune
3601 State Highway 66
Neptune, New Jersey 07753

The Newark Star Ledger
One Star Ledger Plaza
Newark, New Jersey 07102



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FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Sayreville Borough School District
County of Middlesex
Sayreville, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Sayreville Borough School District, County of Middlesex, New Jersey (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the District as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the 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, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, 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 (the "Uniform Guidance") the audit requirements of State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards and provisions are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, for the year ended June 30, 2023, the District adopted Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, the Uniform Guidance, the State of New Jersey OMB Circular 15-08 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards the Uniform Guidance, the State of New Jersey OMB Circular 15-08 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.

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- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information in Exhibit C-1 through C-3, the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 and the schedules related to accounting and reporting for postretirement benefits other than pensions (OPEB) in Exhibits M-1 and M-2 are presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and data such as the combining statements and individual fund financial statements, and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements 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.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 9, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

January 9, 2024

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

**SAYREVILLE BOROUGH SCHOOL DISTRICT
SAYREVILLE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED**

The discussion and analysis of Sayreville Borough 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 an element of 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 the MD&A. In fiscal year 2023 the District implemented GASB Statement No. 96- SBITAs.

Financial Highlights

Key financial highlights for 2023 are as follows:

In the District Wide Statements:

- ◆ In total, net position increased \$6,423,173 which represents a 17 percent increase from 2022.
- ◆ General revenues accounted for \$116,734,367 in revenue or 77 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$33,945,853 or 23 percent of total revenues of \$150,680,220.
- ◆ The School District had \$144,257,047 in expenses; \$33,945,853 of these expenses were offset by program specific charges for services, grants or contributions; \$110,311,194 of these expenses were offset by General revenues.

In the Fund Financial Statements:

- ◆ The General Fund had \$131,295,546 in revenues and \$129,514,070 in expenditures.
- ◆ Overall, the General Fund's fund balance increased \$2,173,152 from 2022.

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 Sayreville Borough 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. In the case of Sayreville Borough School District, the General Fund is by far the most significant fund.

**SAYREVILLE BOROUGH SCHOOL DISTRICT
SAYREVILLE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED (Continued)**

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains most of the 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 Statement of Net Position and the Statement of Activities answers 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 changes in those activities. 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, and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct 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 Activity – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and Community School enterprise funds are reported as business activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

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

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities.

**SAYREVILLE BOROUGH SCHOOL DISTRICT
SAYREVILLE, NEW JERSEY
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 immediately following the fund financial statements.

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 a 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.

Table 1 provides a summary of the School District's net position for 2023. In accordance with GASB Statement 34, net position comparisons to fiscal year 2022 are presented.

**TABLE 1
NET POSITION**

	FY 2023			FY 2022		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
ASSETS						
Current & Other Assets	\$120,671,101	\$2,584,191	\$123,255,292	\$30,145,424	\$2,468,472	\$32,613,896
Capital Assets	89,214,924	296,759	89,511,683	83,916,564	10,049	83,926,613
TOTAL ASSETS	209,886,024	2,880,950	212,766,974	114,061,987	2,478,521	116,540,508
DEFERRED OUTFLOWS OF RESOURCES:						
Pension Related	2,863,007		2,863,007	1,926,367		1,926,367
LIABILITIES						
Long-Term Liabilities	148,502,600	40,679	148,543,278	52,546,569	37,877	52,584,446
Other Liabilities	20,091,059	258,371	20,349,430	19,163,332	505,084	19,668,416
TOTAL LIABILITIES	168,593,658	299,050	168,892,708	71,709,901	542,961	72,252,861
DEFERRED INFLOWS OF RESOURCES:						
Pension Related	2,984,353		2,984,353	8,884,267		8,884,267
NET POSITION						
Net investment in capital assets	22,476,000	296,759	22,772,759	45,105,343	10,049	45,115,392
Restricted:	45,284,551		45,284,551	13,109,672		13,109,672
Unrestricted:						
Pension related (deficit)	(18,523,582)		(18,523,582)	(21,382,311)		(21,382,311)
Other (deficit)	(8,065,950)	2,285,142	(5,780,808)	(1,438,518)	1,925,512	486,994
TOTAL NET POSITION	\$41,171,020	\$2,581,901	\$43,752,920	\$35,394,187	\$1,935,561	\$37,329,747

The District's combined net position was \$43,752,920 on June 30, 2023.

**SAYREVILLE BOROUGH SCHOOL DISTRICT
SAYREVILLE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED (Continued)**

Table 2 shows changes in net assets for fiscal year 2023. In accordance with GASB Statement 34, revenue and expense comparisons to fiscal year 2022 is presented to comparatively analyze district-wide data.

**TABLE 2
CHANGES IN NET POSITION**

	FY 2023			FY 2022		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
Revenues:						
Program Revenues:						
Operating Grants & Contributions	\$29,878,623	\$2,255,450	\$32,134,073	\$34,342,090	\$4,116,198	\$38,458,288
Charges for Services	465,266	1,346,515	1,811,780	407,202	386,702	793,904
General Revenues:						
Property Taxes	70,567,401		70,567,401	69,243,038		69,243,038
Grants (includes State Aid) and Entitlements	43,669,643		43,669,643	35,648,236		35,648,236
Other Revenues	2,497,323		2,497,323	1,869,824		1,869,824
Transfers	43,386	(43,386)		805,932		805,932
Total Revenues	147,121,641	3,558,579	150,680,220	142,316,321	4,502,900	146,819,221
Expenses:						
Instruction	84,823,895		84,823,895	83,775,448		83,775,448
Pupils and Instructional Staff	22,416,284		22,416,284	21,169,354		21,169,354
General & School Adm, Central Serv & Adm Technology	11,058,581		11,058,581	10,542,214		10,542,214
Maintenance	11,818,962		11,818,962	13,826,943		13,826,943
Transportation	7,230,379		7,230,379	6,662,342		6,662,342
Interest on Long-Term Debt	3,216,802		3,216,802	1,218,267		1,218,267
Other	779,905		779,905	568,554		568,554
Business-Type		2,912,239	2,912,239		2,841,636	2,841,636
Total Expenses	141,344,808	2,912,239	144,257,047	137,763,122	2,841,636	140,604,758
Change in Net Position	5,776,833	646,340	6,423,173	4,553,199.06	1,661,263.98	6,214,463
Net Position July 1,	35,394,186	1,935,561	37,329,747	30,840,987	274,297	31,115,284
Net Position June 30,	\$41,171,019	\$2,581,901	\$43,752,920	\$35,394,186	\$1,935,561	\$37,329,747

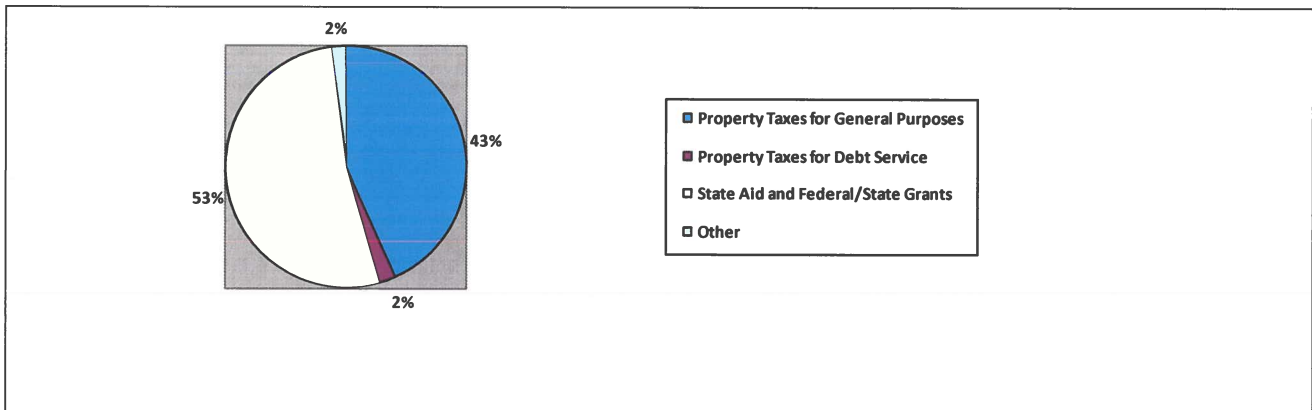
The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

**SAYREVILLE BOROUGH SCHOOL DISTRICT
 SAYREVILLE, NEW JERSEY
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023
 UNAUDITED (Continued)**

Governmental Activities

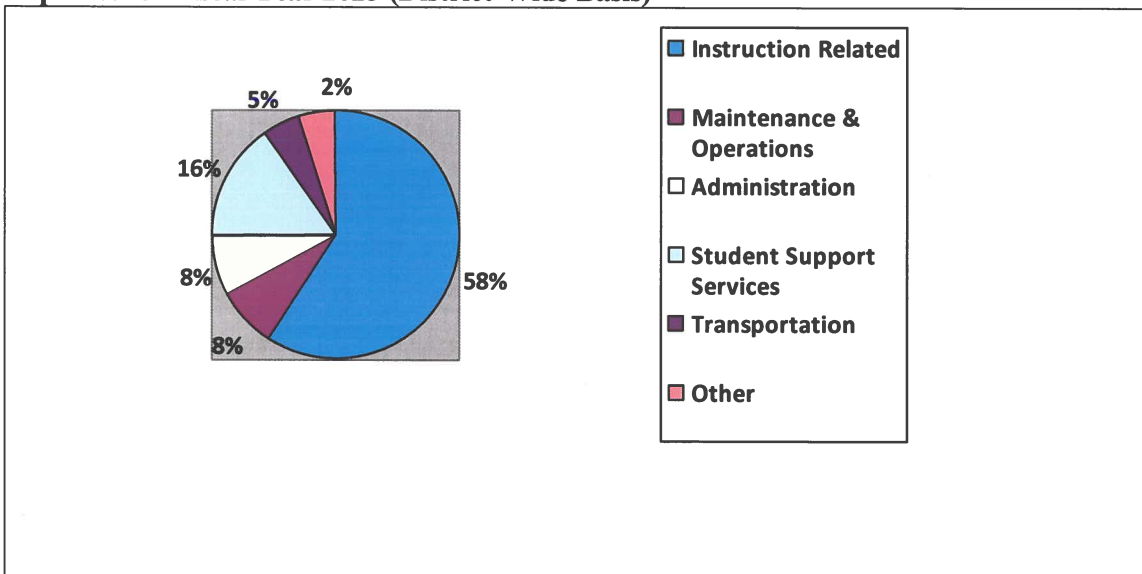
As shown in Table 2 the District's total revenue from Governmental Activities was \$150,680,220. Property taxes made up 53 percent of these revenues. Federal, state, and local grants and state aid accounted for 47 percent of revenue.

Sources of Revenue for Fiscal Year 2023 (District-Wide Basis)



Also on Table 2, the total cost of Governmental programs and services was \$141,344,808. Direct instruction comprises 58 percent of District expenses.

Expenses for Fiscal Year 2023 (District-Wide Basis)



**SAYREVILLE BOROUGH SCHOOL DISTRICT
SAYREVILLE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED (Continued)**

Business-Type Activities

Revenues for the District's business-type activities (food service and community school program) were comprised of charges for services and federal and state reimbursements.

- ◆ Business Type revenues exceeded expenses by \$646,340.
- ◆ Charges for services represent \$1,346,515 of revenue. This represents amounts paid by patrons for the various program services.
- ◆ Federal and state reimbursement for meals, including payments for free and reduced lunches, and donated commodities was \$2,255,450.

Governmental Activities

The 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 total costs include compensating absences, unallocated benefits, and depreciation and is reduced by grants and specific state aid. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. In accordance with GASB Statement 34, a comparison to fiscal year 2022 is presented.

Instruction expenses include the activities involving the interaction between teachers and students in a school classroom, another location such as a home or hospital, and in other learning situations such as those involving co-curricular activities.

Support Services includes expenses for pupils and instructional staff providing administrative, technical, and logistical support to facilitate and enhance instruction. This area includes Attendance and Social Work Services, Health Services, Child Study Team Services, Curriculum Development, Staff Training, and School Library Services.

**TABLE 3
NET COST OF SERVICES**

	Total Cost of Services FY 2023	Total Cost of Services FY 2022	Net Cost of Services FY 2023	Net Cost of Services FY 2022
Instruction	\$84,823,895	\$83,775,448	\$68,857,653	\$64,592,909
Pupils and Instructional Staff	22,416,284	21,169,354	13,134,205	12,066,144
Gen. & School Adm, Central				
Serv & Adm Technology	11,058,581	10,542,214	8,744,440	7,690,930
Maintenance	11,818,962	13,826,943	11,583,402	13,060,662
Transportation	7,230,379	6,662,342	4,704,425	3,837,829
Interest on Long-Term Debt	3,216,802	1,218,267	3,196,889	1,196,802
Business-Type	2,912,239	2,841,636	(689,726)	(1,661,264)
Other	779,905	568,554	779,905	568,554
Total Expenses	\$144,257,047	\$140,604,758	\$110,311,193	\$101,352,567

School Administration, General Administration, Central Service & Administrative Technology includes expenses associated with administrative responsibility for the schools: Supervision of the schools, evaluation of school staff members, fiscal services, human resources, strategic planning, purchasing, payroll, and management of the district's information technology system.

Operation and Maintenance of Facilities involve keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working condition.

**SAYREVILLE BOROUGH SCHOOL DISTRICT
SAYREVILLE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED (Continued)**

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

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

Business Type Activities involves the transactions associated with the operation of the Food Service and Community School program.

Other includes charter school contributions and unallocated depreciation.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues and other financing sources amounted to \$253,711,115 and expenditures were \$156,515,859. The net change in fund balance for the year was \$97,195,256.

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 summary of the revenues of the general fund, special revenue fund and debt service fund for the fiscal year ended June 30, 2023, and the amount and percentage of increases and decreases in relation to prior year revenues.

REVENUES (FUND-BASED FINANCIAL STATEMENTS):

	<u>Amount</u>	<u>Percentage</u>	<u>Increase/Decrease from FY 2022</u>	<u>Percentage Change</u>
Local Sources	\$73,529,990	47.46%	\$2,009,926	2.81%
State Sources	72,069,154	46.52%	5,228,562	7.82%
Federal Sources	<u>9,327,137</u>	<u>6.02%</u>	<u>5,073,594</u>	<u>119.28%</u>
	<u>\$154,926,280</u>	<u>100.00%</u>	<u>\$12,312,083</u>	<u>8.63%</u>

The increase in State Sources is due largely to an increase in the States contribution for On-behalf pensions and post-retirement contributions, along with an increase in State Aid. The increase in the federal sources is due largely to the increase in revenue realized for ARP ESSER funds.

**SAYREVILLE BOROUGH SCHOOL DISTRICT
SAYREVILLE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED (Continued)**

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

EXPENDITURES (FUND BASED FINANCIAL STATEMENTS)

	<u>Amount</u>	<u>Percentage</u>	<u>Increase/(Decrease) from FY 2022</u>	<u>Percentage Change</u>
Current Expense:				
Instruction	\$52,885,500	34.46%	\$2,878,563	5.76%
Undistributed	89,874,440	58.57%	6,486,912	7.78%
Capital Outlay	7,073,972	4.61%	2,439,166	52.63%
Debt Service:				
Principal	2,725,000	1.78%	100,000	3.81%
Interest	900,560	0.58%	(89,636)	(9.05%)
Total	<u>\$153,459,472</u>	<u>100.00%</u>	<u>\$11,815,005</u>	<u>8.34%</u>

General Fund Budgeting Highlights

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

Over the course of the year, the District revised the annual operating budget as needed. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

◆ The District received \$1,299,075 in extraordinary aid, which is state aid for special education students whose individual program cost exceeds program guidelines; this was \$449,075 more than anticipated. There was no guarantee from the Department of Education that these funds would be available.

◆ TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the District but is required to be reflected in the financial statements. This number is reflective of the amount of money the New Jersey Department of Education pays on-behalf of certified staff for pension and FICA purposes. Salaries of regular instruction continue to increase in proportion with negotiated contracts.

◆ The District's philosophy is to include special education students in regular academic classes whenever possible but with additional services. Students who may have been originally scheduled for Resource Room classes were scheduled for Inclusion classes. This necessitates the cost for additional instructional aides and teachers to accommodate resource students.

**SAYREVILLE BOROUGH SCHOOL DISTRICT
SAYREVILLE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED (Continued)**

Capital Assets

At the end of the fiscal year 2023, the School District had \$89,214,924 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2023 balances compared to 2022.

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

	<u>2023</u>	<u>2022</u>
Land	\$6,767,549	\$6,767,549
Construction in Progress	3,816,110	12,514,984
Site Improvements	632,424	676,828
Buildings	74,128,357	60,795,728
Equipment	3,870,484	3,161,475
	<u>\$89,214,924</u>	<u>\$83,916,564</u>

Overall capital assets increased \$5,298,360 from fiscal year 2022 to fiscal year 2023. The increase in capital assets is due primarily to the ongoing Energy Savings Improvement Program project in FY2023. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2023, the School District had \$155,583,735 of long-term liabilities. Of this amount, \$4,204,619 is for compensated absences; \$2,372,678 for various installment purchase contracts; \$131,584,000 of serial bonds, \$576,328 of unamortized bond premium and \$16,846,110 in net pension liability.

Table 5 illustrates the balances of the District's various bonds issues outstanding at June 30, 2023 and June 30, 2022.

**Table 5
Outstanding Debt at June 30,**

	2023	2022
2012 Refunding Bonds	\$20,310,000	\$21,630,000
2016 Refunding Bonds	2,730,000	3,345,000
2017 Refunding Bonds	3,315,000	4,105,000
2021 ESIP Refunding Bonds	7,555,000	8,140,000
2023 School Bonds	97,474,000	
Total	<u>\$131,584,000</u>	<u>\$37,220,000</u>

**SAYREVILLE BOROUGH SCHOOL DISTRICT
SAYREVILLE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED (Continued)**

For the Future

The Sayreville Borough School District is in good financial condition presently. The School District is proud of its community support of the public schools. The state has slightly increased state aid in each year since 2017-18 school year in an effort to fully fund the state aid formula. The School District anticipates being fully funded in the near future, though, the School District is still operating below adequacy per the NJDOE calculation. The Board and Administration continue to find creative means to fill the gap between funding and the cost to provide education to Sayreville's students. The School District successfully sought taxpayer approval for a referendum in the Fall of 2022 that will address all remaining facility needs including the replacement of windows, roofs and HVAC that will add air conditioning to every classroom district wide. The School District has funds set aside in Capital Reserve for the addition of a Transportation Complex so that the School District can continue to expand their fleet of school buses and not rely on outside contractors.

In addition, the School District's system for financial planning, budgeting and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future. In conclusion, the Sayreville Borough School District has committed itself to financial excellence for many years.

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. If you have questions about this report or need additional information, contact Erin Hill, Business Administrator/Board Secretary at Sayreville Borough Board of Education, 298 Ernston Rd, Sayreville, NJ 08859. Please visit our website at www.Sayrevillek12.net.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2023.

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

SAYREVILLE BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$98,947,708.11	\$2,508,452.42	\$101,456,160.53
Receivables, net	4,644,736.43	209,050.66	4,853,787.09
Internal balances	182,470.24	(182,470.24)	
Inventory		49,158.23	49,158.23
Restricted assets:			
Restricted cash and cash equivalents	16,896,185.84		16,896,185.84
Capital assets:			
Land and Construction in progress	10,583,658.54		10,583,658.54
Other Capital Assets net of depreciation	78,631,265.00	296,759.00	78,928,024.00
Total Assets	209,886,024.16	2,880,950.07	212,766,974.23
DEFERRED OUTFLOWS OF RESOURCES:			
Pension Related	2,863,007.00		2,863,007.00
LIABILITIES:			
Accounts payable	9,186,032.37	198,119.44	9,384,151.81
Payable to state government	47,108.57		47,108.57
Payroll deductions and withholdings payable	274,700.24		274,700.24
Unemployment compensation claims payable	170,927.14		170,927.14
Unearned revenue	1,018,019.70	60,251.56	1,078,271.26
Accrued Interest Payable	2,353,813.66		2,353,813.66
Noncurrent liabilities:			
Due within one year:			
Bonds and installment purchase contracts payable	7,040,457.21		7,040,457.21
Due beyond one year:			
Net Pension Liability	16,846,110.00		16,846,110.00
Compensated absences payable	4,163,940.94	40,678.51	4,204,619.45
Bonds and installment purchase contracts payable	127,492,548.65		127,492,548.65
Total liabilities	168,593,658.48	299,049.51	168,892,707.99
DEFERRED INFLOWS OF RESOURCES:			
Pension Related	2,984,353.00		2,984,353.00
NET POSITION:			
Net investment in capital assets	22,476,000.17	296,759.00	22,772,759.17
Restricted for:			
Special revenue fund	368,428.43		368,428.43
Capital projects fund	42,307,616.41		42,307,616.41
Other purposes	2,608,506.18		2,608,506.18
Unrestricted (deficit)	(26,589,531.51)	2,285,141.56	(24,304,389.95)
Total net position	\$41,171,019.68	\$2,581,900.56	\$43,752,920.24

The accompanying Notes to the Financial Statements are an integral part of this statement.

SAYREVILLE BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Programs Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Indirect Cost Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 35,354,225.96	\$ 18,380,265.13	\$	9,077,903.47	\$ (44,656,587.62)	\$	\$ (44,656,587.62)
Special	13,106,273.78	10,832,296.54		5,564,924.46	(18,373,645.86)		(18,373,645.86)
Other Instruction	4,384,458.72	2,698,108.33		1,320,250.24	(5,762,316.81)		(5,762,316.81)
Support services:							
Tuition	3,943,450.53	(3,943,450.53)					
Student and instruction related services	18,699,238.50	3,717,045.88	465,285.86	10,147,464.30	(11,803,554.22)		(11,803,554.22)
General administrative services	2,058,328.62	(684,256.43)		43,420.99	(1,330,651.20)		(1,330,651.20)
School administrative services	3,557,727.96	2,556,435.51		849,326.18	(5,264,837.29)		(5,264,837.29)
Central service/Admin information technology	3,283,136.44	287,208.75		90,742.52	(3,479,602.67)		(3,479,602.67)
Plant operations and maintenance	11,073,391.19	745,570.72		235,560.24	(11,583,401.67)		(11,583,401.67)
Pupil transportation	6,787,015.13	443,364.30		2,525,954.27	(4,704,425.16)		(4,704,425.16)
Unallocated benefits	34,945,677.42	(34,945,677.42)					
Special Schools	58,252.90	10,013.22		3,163.62	(65,102.50)		(65,102.50)
Transfer to Charter Schools	779,905.00				(779,905.00)		(779,905.00)
Interest on Long-Term Debt	3,216,801.95			19,912.75	(3,196,889.20)		(3,196,889.20)
Unallocated depreciation	96,924.00	(96,924.00)					
Total governmental activities	141,344,808.10		465,285.86	29,878,623.04	(111,000,919.20)		(111,000,919.20)
Business-type activities							
Food Service	2,912,074.76		1,346,514.61	2,255,450.00	689,889.85		689,889.85
Community School	164.13				(164.13)		(164.13)
Total business-type activities	2,912,238.89		1,346,514.61	2,255,450.00	689,725.72		689,725.72
Total primary government	\$ 144,257,046.99	\$	\$ 1,811,780.47	\$ 32,134,073.04	\$ (111,000,919.20)	\$ 689,725.72	\$ (110,311,193.48)
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 67,021,492.00	\$	\$ 67,021,492.00
Taxes levied for debt service					3,545,909.00		3,545,909.00
Federal and state aid not restricted					34,768,547.03		34,768,547.03
Federal and state aid restricted					8,901,095.81		8,901,095.81
Miscellaneous income					2,497,322.71		2,497,322.71
Transfers					43,385.74	(43,385.74)	
Total general revenues					116,777,752.29	(43,385.74)	116,734,366.55
Change in Net Position					5,776,833.09	646,339.98	6,423,173.07
Net Position - beginning					35,394,186.59	1,935,560.58	37,329,747.17
Net Position ending					\$ 41,171,019.68	\$ 2,581,900.56	\$ 43,752,920.24

The accompanying Notes to the Financial Statements are an integral part of this statement.

MAJOR FUND FINANCIAL STATEMENTS

The Individual Fund financial statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

SAYREVILLE BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash and cash equivalents	\$ 2,164,911.16	\$	\$ 97,556,426.47	\$ 1.29	\$ 99,721,338.92
Restricted cash	15,879,279.17				15,879,279.17
Accounts Receivable:					
Federal		2,895,574.16			2,895,574.16
State	1,616,841.91	417.30			1,617,259.21
Other	129,994.12	1,908.94			131,903.06
Due from other funds	1,900,399.71	308,902.00		412,141.18	2,621,442.89
 Total assets	\$ 21,691,426.07	\$ 3,206,802.40	\$ 97,556,426.47	\$ 412,142.47	\$ 122,866,797.41
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 3,002,192.89	\$ 1,594,263.68	\$ 726,623.34	\$	\$ 5,323,079.91
Cash deficit		1,089,147.70			1,089,147.70
Payroll deductions and withholdings payable	274,700.24				274,700.24
Unemployment compensation claims payable	170,927.14				170,927.14
Interfund payables			428,972.65		428,972.65
Payable to state government		47,108.57			47,108.57
Unearned revenue	7,815.20	1,010,204.50			1,018,019.70
 Total liabilities	3,455,635.47	3,740,724.45	1,155,595.99		8,351,955.91
Fund balances:					
Restricted:					
Capital reserve	13,700,868.42				13,700,868.42
Maintenance reserve	1,169,511.23				1,169,511.23
Emergency reserve	360,421.28				360,421.28
Excess surplus - Current Year	875,722.81				875,722.81
Capital projects fund			67,794,082.49		67,794,082.49
Debt service fund				412,142.47	412,142.47
Unemployment compensation	202,850.86				202,850.86
Student Activities		334,164.18			334,164.18
Scholarships		34,264.25			34,264.25
Committed:					
Year-end encumbrances			28,606,747.99		28,606,747.99
Assigned:					
Designated for subsequent years expenditures	1,926,416.00				1,926,416.00
Unassigned:					
Special revenue fund (deficit)	(902,350.48)	(902,350.48)			(902,350.48)
 Total fund balances	18,235,790.60	(533,922.05)	96,400,830.48	412,142.47	114,514,841.50
 Total liabilities and fund balances	\$ 21,691,426.07	\$ 3,206,802.40	\$ 97,556,426.47	\$ 412,142.47	\$ 122,866,797.41

The accompanying Notes to the Financial Statements are an integral part of this statement.

SAYREVILLE BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total Fund Balances (Brought Forward) \$ 114,514,841.50

Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Cost of Assets	\$ 161,057,327.54	
Accumulated Depreciation	<u>(71,842,404.00)</u>	89,214,923.54

The Internal Service Fund is used to account for the financing of dental and prescription benefits to district employees. Employee benefits are governmental activities. This amount is the unrestricted net position in the Internal Service Fund.

(2,984,402.90)

Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Net Pension Liability	(16,846,110.00)	
Compensated Absences	(4,163,940.94)	
Installment Purchase Contracts Payable	(2,372,677.71)	
Serial Bonds Payable	(131,584,000.00)	
Premium on Refunding Debt, Net	<u>(576,328.15)</u>	
	<u>(132,160,328.15)</u>	(155,543,056.80)

Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.

Pensions:

Deferred Outflows		
Pension related		2,863,007.00

Deferred Inflows:

Pension related		(2,984,353.00)
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Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.

Accounts Payable - Pension Related	(1,556,126.00)	
Accrued Interest Payable	<u>(2,353,813.66)</u>	
		<u>(3,909,939.66)</u>

Net Position of Governmental Activities \$ 41,171,019.68

The accompanying Notes to the Financial Statements are an integral part of this statement.

SAYREVILLE BOROUGH BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$ 67,021,492.00	\$	\$	\$ 3,545,909.00	\$ 70,567,401.00
Tuition from other LEAs within the State	116,037.70				116,037.70
Transportation fees from other LEAs	1,650.00				1,650.00
Rents and Royalties	192,507.76				192,507.76
Interest on Emergency Reserve	3,421.28				3,421.28
Interest on Maintenance Reserve	11,101.51				11,101.51
Interest on Capital Reserve	92,540.41				92,540.41
Other restricted miscellaneous revenues	4,083.07				4,083.07
Miscellaneous	1,652,638.83	477,804.29		410,803.72	2,541,246.84
Total - local sources	69,095,472.56	477,804.29		3,956,712.72	73,529,989.57
State sources	62,022,619.21	9,966,883.39		79,651.00	72,069,153.60
Federal sources	177,454.03	9,149,683.25			9,327,137.28
Total revenues	131,295,545.80	19,594,370.93		4,036,363.72	154,926,280.45
EXPENDITURES:					
Current expense:					
Regular instruction	29,810,870.22	5,527,158.74			35,338,028.96
Special instruction	11,248,283.19	1,856,476.59			13,104,759.78
Other Instruction	4,384,458.72				4,384,458.72
Support services:					
Tuition	3,943,450.53				3,943,450.53
Student & instruction related services	10,170,338.89	8,386,958.61			18,557,297.50
General administrative services	2,057,806.62				2,057,806.62
School administrative services	3,504,445.96				3,504,445.96
Central service/Admin information technology	3,283,136.44				3,283,136.44
Plant operations and maintenance	8,697,495.81				8,697,495.81
Pupil transportation	6,664,024.07				6,664,024.07
Unallocated benefits	42,386,878.43				42,386,878.43
Transfer to Charter Schools	779,905.00				779,905.00
Special schools	58,252.90				58,252.90
Debt Service:					
Principal				2,725,000.00	2,725,000.00
Interest				900,559.73	900,559.73
Cost of issuance			177,900.00		177,900.00
Capital outlay	2,524,723.28	4,549,248.69	2,878,486.03		9,952,458.00
Total expenditures	129,514,070.06	20,319,842.63	3,056,386.03	3,625,559.73	156,515,858.45
Excess (deficiency) of revenues over (under) expenditures	1,781,475.74	(725,471.70)	(3,056,386.03)	410,803.99	(1,589,578.00)
Other financing sources (uses):					
Transfers In/out	(697,872.26)	741,258.00			43,385.74
Bonds issued			97,474,000.00		97,474,000.00
Premium on bonds, net			177,900.00		177,900.00
Installment Purchase Contracts (non-budgeted)	1,089,548.39				1,089,548.39
Total other financing sources	391,676.13	741,258.00	97,651,900.00		98,784,834.13
Net change in fund balances	2,173,151.87	15,786.30	94,595,513.97	410,803.99	97,195,256.13
Fund balances, July 1, 2022	16,062,638.73	(549,708.35)	1,805,316.51	1,338.48	17,319,585.37
Fund balances, June 30, 2023 (deficit)	\$ 18,235,790.60	\$ (533,922.05)	\$ 96,400,830.48	\$ 412,142.47	\$ 114,514,841.50

The accompanying Notes to the Financial Statements are an integral part of this statement.

SAYREVILLE BOROUGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total net change in fund balances - governmental funds (from B-2)		\$97,195,256.13
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation expense		(4,355,565.00)
Capital outlays	\$9,952,458.00	
Less: Capital Outlays not capitalized	<u>(298,533.00)</u>	
		9,653,925.00
<p>Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.</p>		
Installment purchase proceeds	(1,089,547.96)	
Issuance of refunding bonds	(97,474,000.00)	
Refunding bonds issuance premium	<u>(177,900.00)</u>	
		(98,741,447.96)
<p>The Internal Service Fund is used by management to charge the costs of providing dental and prescription insurance to district employees. This amount is the change in net position for the Internal Service Fund, exclusive of any gain/(loss) on disposal of Internal Service Fund capital assets.</p>		
		(1,995,733.83)
<p>Repayment of long-term debt 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.</p>		
Payment of bond principal	3,110,000.00	
Payment of installment purchase contract payable	1,161,298.56	
Amortization of premium on refunding bonds	<u>31,722.84</u>	
		4,303,021.40
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>		
		(1,871,532.50)
<p>District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>		
District pension contributions	\$1,407,675.00	
Add: Pension benefit	<u>1,451,054.00</u>	
		2,858,729.00
<p>In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-). When the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		<u>(1,269,819.15)</u>
Change in net position of governmental activities (A-2)		<u>\$5,776,833.09</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

OTHER FUNDS

SAYREVILLE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>			<u>GOVERNMENTAL</u>
	<u>FOOD</u>	<u>COMMUNITY</u>	<u>TOTAL</u>	<u>ACTIVITIES -</u>
	<u>SERVICE</u>	<u>SCHOOL</u>		<u>INTERNAL</u>
				<u>SERVICE FUND</u>
ASSETS:				
Current assets:				
Cash and cash equivalents	\$2,461,492.58	\$46,959.84	\$2,508,452.42	\$1,332,423.56
Accounts receivable:				
State	4,204.53		4,204.53	
Federal	116,544.08		116,544.08	
Other	88,302.05		88,302.05	
Inventories	49,158.23		49,158.23	
Total current assets	<u>2,719,701.47</u>	<u>46,959.84</u>	<u>2,766,661.31</u>	<u>1,332,423.56</u>
Noncurrent assets:				
Furniture, machinery and equipment	829,025.00		829,025.00	
Less accumulated depreciation	<u>(532,266.00)</u>		<u>(532,266.00)</u>	
Total noncurrent assets	<u>296,759.00</u>		<u>296,759.00</u>	
Total assets	<u>3,016,460.47</u>	<u>46,959.84</u>	<u>3,063,420.31</u>	<u>1,332,423.56</u>
LIABILITIES:				
Current liabilities:				
Interfunds payable	182,470.24		182,470.24	2,010,000.00
Unearned revenue	60,251.56		60,251.56	
Accounts payable	198,119.44		198,119.44	804,126.46
Accrued liabilities				<u>1,502,700.00</u>
Total current liabilities	<u>440,841.24</u>		<u>440,841.24</u>	<u>4,316,826.46</u>
Noncurrent liabilities:				
Compensated Absences	<u>40,678.51</u>		<u>40,678.51</u>	
Total noncurrent liabilities	<u>40,678.51</u>		<u>40,678.51</u>	
Total liabilities	<u>481,519.75</u>		<u>481,519.75</u>	<u>4,316,826.46</u>
NET POSITION:				
Net investment in capital assets	296,759.00		296,759.00	
Unrestricted	<u>2,238,181.72</u>	<u>46,959.84</u>	<u>2,285,141.56</u>	<u>(2,984,402.90)</u>
Total net position	<u>\$2,534,940.72</u>	<u>\$46,959.84</u>	<u>\$2,581,900.56</u>	<u>(\$2,984,402.90)</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

SAYREVILLE BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>			GOVERNMENTAL
	<u>FOOD SERVICE</u>	<u>COMMUNITY</u>	<u>TOTAL</u>	ACTIVITIES -
	<u>SCHOOL NUTRITION</u>	<u>SCHOOL</u>		INTERNAL
				<u>SERVICE FUND</u>
OPERATING REVENUES:				
Charges for services:				
Daily sales - reimbursable programs	\$969,902.97		\$969,902.97	
Daily sales - non-reimbursable programs	356,299.03		356,299.03	
Special Functions	20,312.61		20,312.61	
Services provided to other funds				\$18,616,575.52
Total operating revenues	1,346,514.61		1,346,514.61	18,616,575.52
OPERATING EXPENSES:				
Cost of sales - reimbursable	1,556,238.70		1,556,238.70	
Cost of sales - non-reimbursable	54,294.69		54,294.69	
Salaries	896,005.35	164.13	896,169.48	
Employee benefits	260,321.34		260,321.34	20,621,183.75
Other purchase services	65,990.02		65,990.02	
Supplies and materials	65,166.94		65,166.94	
Depreciation	11,987.00		11,987.00	
Miscellaneous	2,070.72		2,070.72	
Total operating expenses	2,912,074.76	164.13	2,912,238.89	20,621,183.75
Operating income (loss)	(1,565,560.15)	(164.13)	(1,565,724.28)	(2,004,608.23)
NONOPERATING REVENUES (EXPENSES):				
State Sources:				
State School Lunch Program	55,981.59		55,981.59	
State School Breakfast Program	5,271.60		5,271.60	
Federal Sources:				
National School Lunch Program	1,374,524.27		1,374,524.27	
School Breakfast Program	279,757.10		279,757.10	
Supply Chain Assistance	292,359.08		292,359.08	
National food distribution commodities	247,556.36		247,556.36	
Interest				8,874.40
Total nonoperating revenues (expenses)	2,255,450.00		2,255,450.00	8,874.40
Excess (deficiency) of revenues over (under) expenditures	689,889.85	(164.13)	689,725.72	(1,995,733.83)
Other financing sources/(uses):				
Transfer of funds		(43,385.74)	(43,385.74)	
Total other financing (uses)		(43,385.74)	(43,385.74)	
Net change in fund balances	689,889.85	(43,549.87)	646,339.98	(1,995,733.83)
Total net position - beginning	1,845,050.87	90,509.71	1,935,560.58	(988,669.07)
Total net position - ending (deficit)	\$2,534,940.72	\$46,959.84	\$2,581,900.56	(\$2,984,402.90)

The accompanying Notes to the Financial Statements are an integral part of this statement.

SAYREVILLE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
	FOOD SERVICE	COMMUNITY SCHOOL	TOTAL	
Cash flows from operating activities:				
Receipts from customers	\$1,457,143.95		\$1,457,143.95	\$18,674,749.08
Payments to employees	(894,075.69)	(164.13)	(894,239.82)	
Payments to employee benefits	(249,544.58)		(249,544.58)	(20,353,468.25)
Payments to suppliers	(1,524,823.25)		(1,524,823.25)	
Net cash provided by (used for) operating activities	(1,211,299.57)	(164.13)	(1,211,463.70)	(1,678,719.17)
Cash flows from noncapital financing activities:				
State sources	63,203.13		63,203.13	
Federal sources	2,167,662.38		2,167,662.38	
Operating subsidies and transfers to other funds		(343,385.74)	(343,385.74)	2,010,000.00
Net cash provided by noncapital financing activities	2,230,865.51	(343,385.74)	1,887,479.77	2,010,000.00
Cash flows from investing activities:				
Interest on investments and deposits				8,874.40
Net cash provided by (used for) capital and related financing activities				8,874.40
Net increase (decrease) in cash and cash equivalents	808,865.94	(343,549.87)	465,316.07	340,155.23
Cash and cash equivalents, July 1, 2022	1,652,626.64	390,509.71	2,043,136.35	992,268.33
Cash and cash equivalents, June 30, 2023	\$2,461,492.58	\$46,959.84	\$2,508,452.42	\$1,332,423.56
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	(\$1,565,560.15)	(\$164.13)	(\$1,565,724.28)	(\$2,004,608.23)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	11,987.00		11,987.00	
Federal commodities	247,556.36		247,556.36	
Change in assets and liabilities:				
(Increase) decrease in other accounts receivable	(71,140.77)		(71,140.77)	58,173.56
Increase (decrease) in unearned revenue	(7,612.26)		(7,612.26)	
Increase (decrease) in accounts payable	158,174.34		158,174.34	267,715.50
(Increase) decrease in inventories	15,295.91		15,295.91	
	354,260.58		354,260.58	325,889.06
Net cash provided by (used for) operating activities	(1,211,299.57)	(164.13)	(1,211,463.70)	(1,678,719.17)

The accompanying Notes to the Financial Statements are an integral part of this statement.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Sayreville Borough School District (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 more significant of the District's accounting policies are described below:

Reporting Entity

The Sayreville Borough School District is a Type II District located in Middlesex County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Education of the Sayreville Borough School District, comprised of nine elected individuals, is the primary governing authority of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39), as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government
2. The primary government, or its component unit, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools, a middle school and a high school, located in the Sayreville Borough. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

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

District-wide 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 overall District. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activities of the District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements: During the fiscal 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. The fund financial statements provide information about the District's funds. Separate statements are presented for each fund category- governmental and proprietary. Internal service funds are aggregated and presented in a single column on the face of the proprietary fund statements. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE as the oversight entity believes that the presentation of all funds as major is important for the public interest and to promote consistency among District financial reporting models.

Governmental Funds

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

As required by the New Jersey Statement Department of Education, the District includes budgeted capital outlay in this fund. U.S. Generally Accepted Accounting Principles 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 capital 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 the current expense by Board resolution; in certain instances, approval by the County Superintendent of Schools may also be required.

Special Revenue Fund The special revenue fund is used to account for the proceeds of specific revenue sources from State and Federal Government (other than those for major capital projects, debt service or proprietary funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Projects Funds 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 debt issued to finance major property acquisition, construction and improvement programs.

Proprietary Funds

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

Internal Service Funds This fund has been established to account for the financing of the self-insurance of the health plan, prescription plan and dental plan provided by the Sayreville Borough School District. Services are provided on a cost-reimbursement basis.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting-Measurement Focus

Basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements.

District-wide and Proprietary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation for expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions 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. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from the issuance of long-term debt and acquisitions under leases and installment purchase contracts are reported as other financing sources.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the April 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. 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. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. Budget amendments totaling \$624,470 were approved by resolution during the year ended June 30, 2023.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the legally mandated (NJSA 18A:22-44.2) revenue recognition of one or more deferred State Aid payments for budgetary purposes only due to the State deferral of such payments into the subsequent budget year and the accounting treatment of encumbrances in the special revenue fund as described 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.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

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 recognized 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 records.

Encumbrance Accounting

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditures 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 assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned 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.

Interfunds

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.

Inventories and Prepaid Expenses

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

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

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

	<u>Estimated Life</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	10
Instructional Equipment	10
Grounds Equipment	15

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. The District uses the "vesting method" for estimating its accrued sick and vacation leave liability. District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. The liability for vested compensated absences of the District is recorded in the government-wide financial statements and includes salary related payments.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

For the district-wide statements, the current portion is the amount estimated to be used in the following year. For the governmental funds in the fund financial statements, a liability is reported only for to the extent of the amount actually due at year end as a result of employee resignations/retirements. Compensated absences are a reconciling item between the fund level and district-wide presentations.

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

Fund Equity

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designation of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

Unearned Revenue

Unearned revenue in the general, special revenue, capital projects and proprietary funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is an allowable practice under generally accepted accounting principles. Unearned revenue in the Proprietary Fund represents deposits from students for future program fees.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the district-wide financial statements. In general, governmental fund 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 funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long term debt is recognized as a liability on the fund financial statements when due.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Fund Balance Reserves

Under GASB 54, in the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Maintenance Reserve, Emergency Reserve, Student Activities, Scholarships, Unemployment and Excess Surplus as Restricted Fund Balance.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances and Amounts Designated for Subsequent Years Expenditures as Assigned Fund Balance.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Restrictions (Continued)

Unassigned - is the residual classification for 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 should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Revenues Exchange and Non-exchange Transactions

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

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

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-exchange Transactions (Continued)

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

Proprietary Fund Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating 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 funds 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 non-operating revenues and expenses.

Allocation of Indirect 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. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent of occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

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.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting and Financial Reporting for Pensions

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

In the Governmental Fund Financial Statements, the year-end Net pension liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1st of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The Governmental Fund Financial Statements reflects both a revenue and expenses for this pension contribution.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts that are pension related.

In addition to liabilities, the statement of financial 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts that are pension related.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncements

Beginning with the year ended June 30, 2023, the District implemented GASB Statement 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. GASB Statement No. 96 defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding liability; provides capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosure regarding SBITAs. The District has evaluated the effects of this standard on its financial statements and found it to be immaterial to the financial statement presentation.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), 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 the deposits to the governmental unit.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Deposits (Continued)

The Sayreville Borough School District had the following cash and cash equivalents at June 30, 2023:

<u>Fund Type</u>	<u>Amount</u>
Cash in Bank:	
Governmental Funds	\$ 115,505,621.59
Proprietary Funds	2,585,742.04
Internal Service Funds	<u>1,332,248.56</u>
Total Cash in Bank	\$ 119,423,612.19
Less: Reconciling Items	<u>(1,071,265.82)</u>
	<u>\$ 118,352,346.37</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2023, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$119,423,612.19, \$250,000.00 was covered by Federal Depository Insurance, \$23,143,304.07 was covered under the provisions of NJGUDPA and \$96,030,308.12 was on deposit with the New Jersey Assets Rebate Management (NJARM).

Investments

The types of investments which may be purchased by the District are strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a1 et seq., and operated in accordance with 17 C.F.R. § 270.2a7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 C. 52:18A-90.4); or

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

8. Agreements for the repurchase of fully collateralized securities if:
- a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 C. 17:1941); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2023, the District has \$96,030,308.12 on deposit with NJARM. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1, and existing investment practices of NJARM, the District is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 3: CAPITAL ASSETS

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

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions &</u> <u>Transfers</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$6,767,549.00			\$6,767,549.00
Construction in Progress	<u>12,514,983.54</u>	<u>\$7,915,359.00</u>	<u>(\$16,614,233.00)</u>	<u>3,816,109.54</u>
Total Capital Assets not being depreciated	<u>19,282,532.54</u>	<u>7,915,359.00</u>	<u>(16,614,233.00)</u>	<u>10,583,658.54</u>
Leasehold improvements	521,800.00			521,800.00
Site improvements	3,799,998.00		52,520.00	3,852,518.00
Buildings & Building Improvements	113,533,443.00		16,561,713.00	130,095,156.00
Machinery & Equipment	<u>14,426,549.00</u>	<u>1,738,566.00</u>	<u>(160,920.00)</u>	<u>16,004,195.00</u>
Totals at historical cost	<u>132,281,790.00</u>	<u>1,738,566.00</u>	<u>16,453,313.00</u>	<u>150,473,669.00</u>
Gross Assets (Memo only)	<u>151,564,322.54</u>	<u>9,653,925.00</u>	<u>(160,920.00)</u>	<u>161,057,327.54</u>
Less: Accumulated Depreciation				
Leasehold improvements	(521,800.00)			(521,800.00)
Site improvements	(3,123,170.00)	(96,924.00)		(3,220,094.00)
Buildings & Building Improvements	(52,737,715.00)	(3,229,084.00)		(55,966,799.00)
Machinery & Equipment	<u>(11,265,074.00)</u>	<u>(1,029,557.00)</u>	<u>160,920.00</u>	<u>(12,133,711.00)</u>
Total Depreciation	<u>(67,647,759.00)</u>	<u>(4,355,565.00)</u>	<u>160,920.00</u>	<u>(71,842,404.00)</u>
Total capital assets being depreciated, net of depreciation	<u>64,634,031.00</u>	<u>(2,616,999.00)</u>	<u>16,614,233.00</u>	<u>78,631,265.00</u>
Total Governmental Activities, net	<u><u>\$83,916,563.54</u></u>	<u><u>\$5,298,360.00</u></u>	<u><u>(160,920.00)</u></u>	<u><u>\$89,214,923.54</u></u>

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 3: CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Ending Balance</u>
Proprietary Activities:			
Machinery & Equipment	\$530,328.00	\$298,697.00	\$829,025.00
Totals at historical cost	<u>530,328.00</u>	<u>298,697.00</u>	<u>829,025.00</u>
Less: Accumulated Depreciation			
Machinery & Equipment	(520,279.00)	(11,987.00)	(532,266.00)
Total Depreciation	<u>(520,279.00)</u>	<u>(11,987.00)</u>	<u>(532,266.00)</u>
Total Proprietary Fund Activities, net	<u>\$10,049.00</u>	<u>\$286,710.00</u>	<u>\$296,759.00</u>

Depreciation expense was charged to functional expenses areas of the District for Governmental Activities as follows:

Instruction	\$17,711.00
Support services:	
Student & Instruction Related Services	141,941.00
General Administration	522.00
School Administration	53,282.00
Plant Operations & Maintenance	3,286,959.00
Pupil Transportation	758,226.00
Direct Expense of Various Functions	<u>96,924.00</u>
	<u>\$4,355,565.00</u>

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 4: LONG-TERM LIABILITIES

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2023:

Governmental Activities:

	Balance June 30, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2023</u>	Amounts due Within <u>one year</u>
Bonds Payable	\$37,220,000.00	\$97,474,000.00	\$3,110,000.00	\$131,584,000.00	\$6,244,000.00
Unamortized Bond Premium	430,150.99	177,900.00	31,722.84	576,328.15	31,722.84
Compensated Absences	2,894,121.79	1,269,819.15		4,163,940.94	
Installment Purchase Contracts Payable	3,151,109.91	382,866.36	1,161,298.56	2,372,677.71	764,734.37
Pension Liability	<u>13,016,736.00</u>	<u>3,829,374.00</u>	<u> </u>	<u>16,846,110.00</u>	<u> </u>
Totals	<u>\$56,712,118.69</u>	<u>\$103,133,959.51</u>	<u>\$4,303,021.40</u>	<u>\$155,543,056.80</u>	<u>\$7,040,457.21</u>

Business-Type Activities:

	Balance June 30, <u>2022</u>	<u>Additions</u>	Balance June 30, <u>2023</u>	Amounts due Within <u>one year</u>
Compensated Absences	<u>\$37,876.95</u>	<u>\$2,801.56</u>	<u>\$40,678.51</u>	<u>-0-</u>
Totals	<u>\$37,876.95</u>	<u>\$2,801.56</u>	<u>\$40,678.51</u>	<u>-0-</u>

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Installment Purchase Contracts Payable

The District has entered into several installment purchase agreements for copier equipment, technology and school buses. The agreements are for terms up to five years. Future annual debt service payments on installment purchases as of June 30, 2023, including interest, are as follows:

Fiscal Year Ended			
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$764,734.37	\$45,228.31	\$809,962.68
2025	777,510.61	32,452.07	809,962.68
2026	640,160.89	17,817.06	657,977.95
2027	<u>190,271.84</u>	<u>12,122.54</u>	<u>202,394.38</u>
	<u>\$2,372,677.71</u>	<u>\$107,619.98</u>	<u>\$2,480,297.69</u>

Debt Service Requirements:

The annual requirements to amortize all bonded debt outstanding as of June 30, 2023, including interest payments on issued debt, are as follows:

Fiscal Year			
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY 2024	\$3,235,000.00	\$981,712.20	\$4,216,712.20
FY 2025	6,364,000.00	4,754,208.27	11,118,208.27
FY 2026	6,860,000.00	4,273,089.32	11,133,089.32
FY 2027	7,110,000.00	4,070,511.60	11,180,511.60
FY2028	7,590,000.00	3,816,429.50	11,406,429.50
FY 2029-33	34,855,000.00	15,566,886.00	50,421,886.00
FY 2034-38	28,925,000.00	10,643,686.00	39,568,686.00
FY 2039-43	30,645,000.00	4,822,218.00	35,467,218.00
FY 2044	<u>6,000,000.00</u>	<u>240,000.00</u>	<u>6,240,000.00</u>
	<u>\$131,584,000.00</u>	<u>\$49,168,740.89</u>	<u>\$174,512,740.89</u>

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

General obligation school and refunding bonds payable with their outstanding balances are comprised of the following individual issues:

<u>Issue</u>	<u>Amount Outstanding June 30, 2023</u>
\$28,725,000.00 in Refunding School Bonds dated July 15, 2012, due in remaining annual installments ranging between \$1,380,000.00 and \$3,800,000.00 beginning July 15, 2023 and ending July 15, 2030 with interest from 3.00% to 4.00%	\$20,310,000.00
\$6,640,000.00 in Refunding School Bonds dated March 7, 2016, due in remaining annual installments ranging between \$200,000.00 and \$695,000.00 beginning March 1, 2024 and ending March 1, 2027 with interest from 2.75% to 5.00%	2,730,000.00
\$7,880,000.00 in Refunding School Bonds dated January 26, 2017, due in remaining annual installments ranging between \$810,000.00 and \$850,000.00 beginning March 1, 2024 and ending March 1, 2027 with interest from 2.00% to 3.00%	3,315,000.00
\$8,140,000.00 in ESIP Refunding School Bonds dated December 17, 2020, due in remaining annual installments ranging between \$195,000.00 and \$610,000.00 beginning August 1, 2023 and ending August 1, 2040 with interest from 1.700% to 3.000%	7,755,000.00
\$97,474,000.00 in School Bonds dated December 15, 2022, due in remaining annual installments ranging between \$3,009,000.00 and \$6,000,000.00 beginning January 15, 2024 and ending January 15, 2043 with interest from 3.000% to 4.000%	97,474,000.00
	\$131,584,000.00

Bonds Authorized But Not Issued

As of June 30, 2023, the District did not have any Bonds Authorized But Not Issued.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 5: PENSION PLANS

Description of Plans All required employees of the District are covered by the Public Employees' Retirement System, the Teachers' Pension and Annuity Fund or the Defined Contribution Retirement Program which 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 each system will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the above systems. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or online at www.state.nj.us/treasury/pensions.

Teachers' Pension and Annuity Fund (TPAF) The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provision of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state administered retirement system or other state or local jurisdiction.

Defined Contribution Retirement Program (DCRP) The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 5: PENSION PLANS (CONTINUED)

Significant Legislation

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

As a result of these changes new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

COLA Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

Vesting and Benefit Provisions

The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43:3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Contribution Requirements

The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements (Continued)

Employers are required to contribute at an actuarially determined rate in both 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 TPAF (i.e., the State of New Jersey makes the employer contribution on behalf of public school districts).

Three Year Trend Information for PERS

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2023	\$1,407,675.00	100%	\$1,407,675.00
2022	1,286,803.00	100%	1,286,803.00
2021	1,192,608.00	100%	1,192,608.00

Three Year Trend Information for TPAF (On-behalf Contribution)

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2023	\$16,803,436.00	100%	-0-
2022	16,545,339.00	100%	-0-
2021	11,476,300.00	100%	-0-

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District for the years ended June 30, 2023, 2022 and 2021 \$3,853,207.09, \$3,461,612.28 and \$3,377,788.10, respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Public Employees Retirement System (PERS)

At June 30, 2023, the District reported a liability of \$16,846,110.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the District's proportion was 0.1116273905 percent, which was an increase of 0.0017490563 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension benefit of \$1,451,056.00 in the government-wide financial statements. This pension benefit was based on the pension plans June 30, 2022 measurement date.

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</u> <u>Outflow of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflow of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 121,587.00	\$ 107,223.00
Changes of assumptions	52,195.00	2,522,530.00
Net difference between projected and actual earnings on pension plan investments	697,245.00	
Changes in proportion and differences between District contributions and proportionate share of contributions	435,854.00	354,600.00
District contributions subsequent to the measurement date	<u>1,556,126.00</u>	
	<u>\$ 2,863,007.00</u>	<u>\$ 2,984,353.00</u>

The \$1,556,126.00 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.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Public Employees Retirement System (PERS) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	<u>Amount</u>
2023	(\$1,428,792.20)
2024	(719,950.20)
2025	(342,780.20)
2026	799,519.80
2027	14,530.80
	<u>(\$1,677,472.00)</u>

Actuarial Assumptions

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.75%-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

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

Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 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.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

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

Long-Term 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 Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major assets class included in PERS's target assets allocation as of June 30, 2022 asset are summarized in the following table:

<u>Assets 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. Treasury's	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the 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 in determining the total pension liability.

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

The following presents the District's proportionate share of the net pension liability as of June 30, 2022, calculated using the discount rate as disclosed 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		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
District's proportionate share of the pension liability	\$21,642,317.00	\$16,846,110.00	\$12,764,345.00

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). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF)

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 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share	
associated with the District	204,479,273.00
	\$204,479,273.00

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 which was rolled forward to June 30, 2022. 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. At June 30, 2022, the proportion of the TPAF net pension liability associated with the District was .3963205505% which was an increase of .0088938516 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue of \$5,503,109.00 in the government-wide financial statements for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2022 measurement date.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (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 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	1.55%-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rate

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

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

Long-Term Expected Rate of Return

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

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return (Continued)

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

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.19%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

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

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

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

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

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 Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT
BENEFITS OTHER THAN PENSIONS – GASB 75

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

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Employees Covered by Benefit Terms

The State Health Benefit Local Education Retired Employees Plan Membership covered by the benefit terms consisted of the following:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	151,669
Inactive Plan Members or Beneficiaries Not Yet Receiving Benefits	<u>- 0 -</u>
Total Plan Members	<u>364,817</u>

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Total Non-Employer OPEB Liability

The portion of the total Non-Employer OPEB Liability that was associated with the District at June 30, 2023 was as follows:

Total OPEB Liability:	
District's Proportionate Share	\$-0-
State's Proportionate Share associated with the District	<u>182,173,189</u>
	<u><u>\$182,173,189</u></u>

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

The total Non-Employer OPEB liability was determined separately based on actual data of the District.

For the year ended June 30, 2023, the District recognized on-behalf post-employment expense and revenue of \$7,866,524.00 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2022 measurement date.

At June 30, 2023, the District's proportion was .3596957780 percent, which was an increase of .0010335582 from its proportion measured as of June 30, 2022.

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, TPAF/ABP and PFRS participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Consequently, the District did not recognize any portion of the collective Non-Employer OPEB liability on the Statement of Net Position.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs

The total Non-Employer OPEB liability that was associated with the District as of June 30, 2022 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:

	<u>June 30, 2022</u>		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Inflation – 2.5%			
Salary Increases	2.75-4.25%*	2.75-6.55%*	3.25-16.25%*

*- Based on Years of Service

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

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

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Health Care Trend Assumptions

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

Discount Rate

The discount rate used to measure the total OPEB liability 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.

Changes in the Total Non-Employer OPEB Liability

Shown below are details regarding The Total OPEB non-employer Liability associated with the District for the measurement period from June 30, 2021 to June 30, 2022.

Balance at 6/30/21		\$215,224,773
Changes for the year:		
Service cost	\$10,841,977	
Interest	4,827,790	
Changes of Benefit Terms		
Differences between expected and actual experience	4,776,899	
Changes in assumptions or other inputs	(48,869,592)	
Membership Contributions	153,411	
Benefit payments - Net	<u>(4,782,069)</u>	
Net changes		<u>(33,051,584)</u>
Balance at 6/30/22		<u><u>\$182,173,189</u></u>

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate

The following presents the total Non-Employer 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 Non-Employer 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		
	1.00% Decrease (2.54%)	At Discount Rate (3.54%)	1.00% Increase (4.54%)
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$214,125,421	\$182,173,189	\$156,565,073

Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Trends

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the total Non-Employer 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		
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$150,577,276	\$182,173,189	\$223,676,340

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Employer OPEB Liability (Continued)

In accordance with GASBS No. 75, the District's 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 in the financial statements.

State Health Benefit Local Education Retired Employee Plan Information

The New Jersey Division of Pension and Benefits issues publicly available reports on the OPEB plan. Those reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295 or on their website at <http://www.state.nj.us/treasury/pensions/gasb-notices-oheb.shtml>

NOTE 8: LITIGATION

The District is a defendant in several legal proceedings that are in various stages of litigation. It is either believed that the outcome of exposure to the Board from such litigation is either unknown or potential losses, if any, would not be material to the financial statements as they would be covered by the District's insurance policy.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 9: 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.

Property and Liability Insurance The District maintains insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. Charges are applied to the Unemployment Compensation Claims Payable first, and any remaining charges are applied to the Unemployment compensation budget appropriation. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the combined ending balance of the District's Unemployment Compensation Claims Payable for the current and previous two years:

<u>Year Ended June 30,</u>	<u>Employee Contributions</u>	<u>Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>	<u>Analysis of Balance</u>	
					<u>Unemployment Insurance Payable</u>	<u>Restricted Fund Balance</u>
2023	\$249,919.98	\$4,083.07	\$267,522.74	\$373,778.00	\$170,927.14	\$202,850.86
2022	291,849.10	753.61	199,588.36	387,297.69	188,529.90	198,767.79
2021	288,813.98	530.07	192,544.82	294,283.34	96,269.16	198,014.18

Self-Insurance The District is self-insured for health benefits, prescription benefits and dental benefits, and has established an internal service fund to account for its self-insurance activities. The accrued liability for unpaid health, prescription and dental claims of \$1,405,000.00, \$85,000.00 and 12,700.00, respectively, has been recorded in the financial statements for Incurred But Not Reported Claims (IBNR) The IBNR liability for prescription benefits has been calculated by the District based on actual enrollment, the statute of limitations in reporting a claim, and actual claims reported. In addition, the District has unrestricted net position (deficit) of (\$3,889,982.86), \$592,526.11 and \$313,053.85, respectively, for future health, prescription and dental claims.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 10: CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2022-2023 fiscal year were subject to the Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$750,000.00. Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

NOTE 11: COMPENSATED ABSENCES

The District accounts for compensated absences (e.g., unused vacation and 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 varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net position. As of June 30, 2023, a liability existed for compensated absences for governmental fund-types and enterprise fund-types in the district- wide statement of net position of \$4,163,940.94 and \$40,678.51, respectively.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 12: FUND BALANCE

General Fund The table below reflects the District's Fund Balance at June 30, 2023 on both a GAAP (Exhibit B-1) and Budgetary (Exhibit C-1) basis including the required adjustment related to the last state aid payment which under GAAP is not recognized:

	<u>Budgetary</u> <u>Basis</u>	<u>Adjustment</u>	<u>GAAP</u> <u>Basis</u>
Restricted:			
Excess Surplus:			
Current Year	\$ 949,019.16	\$ (73,296.35)	\$ 875,722.81
Emergency Reserve	360,421.28		360,421.28
Maintenance Reserve	1,169,511.23		1,169,511.23
Capital Reserve	13,700,868.42		13,700,868.42
Unemployment Compensation	202,850.86		202,850.86
Assigned:			
Designated for Subsequent Year's Expenditures	1,926,416.00		1,926,416.00
Encumbrances	869,516.08	(869,516.08)	
Unassigned	<u>2,591,822.09</u>	<u>(2,591,822.09)</u>	
	<u>\$ 21,770,425.12</u>	<u>\$ (3,534,634.52)</u>	<u>\$ 18,235,790.60</u>

NOTE 13: DEFICIT FUND BALANCES

The District has a deficit fund balance of \$902,350.48 in the Special Revenue Fund and \$2,984,402.90 in the Internal Service 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, in the current budget year. The statute 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, expenditures, 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 state aid payment in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the fund balance deficits in the General and Special Revenue Funds do not alone indicate that the District is facing financial difficulties. Pursuant to P.L. 2003, c.97, any negative unreserved, undesignated general fund balance that is reported as a direct result from the 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.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 13: DEFICIT FUND BALANCES / NET POSITION

Per GASB 10, deficits, if any, in an internal service fund do not need to be charged back to the other funds in any one year, as long as adjustments are made over a reasonable period of time; however, a deficit fund balance of the internal service fund should be disclosed in the notes to financial statements. If the charge by the internal service fund to the other funds fails to recover the full cost of claims over a reasonable period of time, any deficit fund balance in the internal service fund should be charged back to the other funds and reported as an expenditure/expense of those funds. It is the District intention to recover the cost of claims.

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Balance</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$1,900,399.71	
Special Revenue Fund	308,902.00	
Capital Projects Fund		\$428,972.65
Debt Service Fund	412,141.18	
Enterprise Fund		182,470.24
Internal Service Fund		2,010,000.00
	<u>\$2,621,442.89</u>	<u>\$2,621,442.89</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 15: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

Calculation of Excess Surplus In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2007, c73 (S1701), the Restricted Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if the District did not appropriate a required minimum amount as budgeted fund balance in the subsequent year's budget.

General Fund Expenditures:		
Fiscal Year Ended, June 30, 2023		\$129,514,070.06
Increased by:		
Transfer from General Fund to SRF for PreK		741,258.00
		\$130,255,328.06
Less:		
Reimb. TPAF Social Security Contributions	\$3,853,207.09	
Reimb. TPAF Pension Contributions	21,224,218.00	
Installment Purchase Contracts	1,089,548.39	
		26,166,973.48
Adjusted General Fund Expenditures		\$104,088,354.58
Excess Surplus Percentage		2.00%
		\$2,081,767.09
Increased by:		
Extraordinary Aid (unbudgeted)	\$449,075.00	
Non-Public Transportation Aid (unbudgeted)	60,980.00	
		510,055.00
Maximum Unassigned General Fund Balance		\$2,591,822.09
Actual Unassigned General Fund Balance		3,540,841.25
Excess Surplus		\$949,019.16
Recapitulation of Excess Surplus, June 30, 2023:		
Restricted for Excess Surplus - Designated for Subsequent Year's Expenditure		\$0.00
Restricted for Excess Surplus		949,019.16
		\$949,019.16

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 16: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Sayreville Borough Board of Education in prior years for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

Balance, June 30, 2022 (Budgetary Basis)	\$	9,854,621.25
Interest Earnings		92,540.41
Deposits:		
Board Resolution dated 06/13/23	\$	4,351,623.08
Unexpended Appropriations		<u>26,553.68</u>
		<u>4,378,176.76</u>
	\$	14,325,338.42
Withdrawals:		
Board Resolution dated 09/27/22		205,850.00
Board Resolution dated 01/17/23		48,450.00
Board Resolution dated 01/17/23		35,750.00
Board Resolution dated 06/13/23		<u>334,420.00</u>
		<u>624,470.00</u>
Balance, June 30, 2023 (Budgetary Basis)	\$	<u><u>13,700,868.42</u></u>

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 17: MAINTENANCE RESERVE ACCOUNT

In accordance with N.J.S.A. 18A:7G-13, a Maintenance reserve account was established by the District. The Maintenance reserve account is maintained in the general fund.

A district board of education or board of school estimate, as appropriate, may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes.

A district board of education or board of school estimate, as appropriate, may by resolution withdraw such funds from the maintenance reserve account and appropriate into the required maintenance account lines at budget time or any time during the year for use on required maintenance activities for a school facility as reported in the comprehensive maintenance plan pursuant to N.J.A.C. 6A:26A-4.

The district board of education shall ensure that the maintenance reserve account balance does not, at any time, exceed four percent of the replacement cost of the school district's school facilities for the current year. If the account exceeds this maximum amount at June 30, the district board of education shall reserve and designate such excess in the subsequent year's budget.

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

Balance, June 30, 2022 (Budgetary Basis)	\$ 1,599,909.72
Interest Earnings	<u>11,101.51</u>
	\$ 1,611,011.23
Withdrawals:	
Budget	<u>441,500.00</u>
Balance, June 30, 2023 (Budgetary Basis)	<u>\$ 1,169,511.23</u>

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 18: EMERGENCY RESERVE ACCOUNT

In accordance with N.J.S.A. 18A:7F-41c(1), an emergency reserve account was established by the District by Board Resolution dated June 26, 2018. The emergency reserve account is maintained in the general fund.

The funds in the reserve shall be used to finance unanticipated general fund current expense costs required for T&E. For the purpose of the emergency reserve account "unanticipated" shall mean reasonably unforeseeable and shall not include additional costs caused by poor planning or error.

The account balance is not to exceed \$250,000 or one percent of the district's general fund budget up to a maximum of \$1,000,000 whichever is greater. Withdrawals require approval by the Commissioner.

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

Balance, June 30, 2022 (Budgetary Basis)	\$	550,000.00
Interest Earnings		3,421.28
	\$	<u>553,421.28</u>
Withdrawals:		
Budget		<u>193,000.00</u>
Balance, June 30, 2023 (Budgetary Basis)	\$	<u><u>360,421.28</u></u>

NOTE 19: INVENTORY

Inventory in the Food Service Fund at June 30, 2023 consisted of the following:

Food and Supplies	<u>\$49,158.23</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act Amendment of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2023

NOTE 20: 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. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. 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.

The District has identified several agreements that have been entered into by Sayreville Borough that require disclosure under this statement. It is important to note that the District Tax Levy is guaranteed to be paid in full by the municipalities and that the District collected its full tax levy for FY2023.

The property owner under the terms of these agreements are required to pay the municipalities an annual service charge in lieu of taxes. In certain cases, a portion of this fee is remitted to the school district. As of the date of the audit the amount due to the District has not been finalized.

NOTE 21: SUBSEQUENT EVENTS

The Board of Education has evaluated subsequent events occurring after the financial statement date through January 9, 2024 which is the date the financial statements were available to be issued. Based upon this evaluation, the District has determined that no subsequent events needed to be disclosed.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES:					
Local Sources:					
Local Tax Levy	\$67,021,492.00		\$67,021,492.00	\$67,021,492.00	
Tuition from Individuals	50,000.00		50,000.00		(\$50,000.00)
Tuition from Other LEAs Within State	150,000.00		150,000.00	116,037.70	(33,962.30)
Transportation Fees From Other LEAs	10,000.00		10,000.00	1,650.00	(8,350.00)
Rents and Royalties	55,000.00		55,000.00	192,507.76	137,507.76
Unrestricted Miscellaneous Revenues	357,943.00		357,943.00	1,652,638.83	1,294,695.83
Interest Earned on Emergency Reserve	10.00		10.00	3,421.28	3,411.28
Interest Earned on Maintenance Reserve	90.00		90.00	11,101.51	11,011.51
Interest Earned on Capital Reserve Funds	100.00		100.00	92,540.41	92,440.41
Other Restricted Miscellaneous Revenues				4,083.07	4,083.07
Total Local Sources	67,644,635.00		67,644,635.00	69,095,472.56	1,450,837.56
State Sources:					
Categorical Transportation Aid	2,289,895.00		2,289,895.00	2,289,895.00	
Extraordinary Aid	850,000.00		850,000.00	1,299,075.00	449,075.00
Categorical Special Education Aid	5,243,822.00		5,243,822.00	5,243,822.00	
Equalization Aid	26,781,303.00		26,781,303.00	26,781,303.00	
Categorical Security Aid	1,481,817.00		1,481,817.00	1,481,817.00	
Other State Aids	35,000.00		35,000.00	95,980.00	60,980.00
On-behalf TPAF Contributions-non-budgeted				16,573,498.00	16,573,498.00
On-behalf TPAF N.C.G.I.-non-budgeted				229,938.00	229,938.00
Reimbursed TPAF Social Security Contribution-non-budgeted				3,853,207.09	3,853,207.09
Post Retirement Medical-non budgeted				4,414,222.00	4,414,222.00
Long Term Disability Insurance				6,560.00	6,560.00
Total State Sources	36,681,837.00		36,681,837.00	62,269,317.09	25,587,480.09
Federal Sources:					
Medicaid Reimbursement	136,942.00		136,942.00	177,454.03	40,512.03
Total Federal Sources	136,942.00		136,942.00	177,454.03	40,512.03
Total Revenues	\$104,463,414.00		\$104,463,414.00	\$131,542,243.68	\$27,078,829.68

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - Regular Programs:					
Kindergarten	\$1,595,009.00	(\$76,917.00)	\$1,518,092.00	\$1,518,092.00	
Grades 1-5	10,103,740.00	(141,537.63)	9,962,202.37	9,962,202.37	
Grades 6-8	6,759,860.00	43,051.28	6,802,911.28	6,802,911.28	
Grades 9-12	9,095,140.00	(172,029.24)	8,923,110.76	8,902,307.28	\$20,803.48
Regular programs - home instruction:					
Salaries of teachers	195,000.00	33,992.30	228,992.30	228,992.30	
Purchased professional educational services	30,000.00	31,865.00	61,865.00	58,554.39	3,310.61
Regular programs - undistributed instruction:					
Other salaries for instruction	19,068.00	(7,723.43)	11,344.57	11,344.57	
Purchased professional - educational services	796,989.29	(29,324.93)	767,664.36	707,399.20	60,265.16
Purchased technical services	24,500.00	46,830.15	71,330.15	70,701.67	628.48
Other purchased services (400 - 500 series)	489,799.00	14,439.89	504,238.89	504,238.89	
General supplies	1,199,850.64	(172,965.96)	1,026,884.68	934,449.52	92,435.16
Textbooks	264,300.00	(155,298.25)	109,001.75	109,001.75	
Other objects	4,500.00	(3,825.00)	675.00	675.00	
Total regular programs	30,577,755.93	(589,442.82)	29,988,313.11	29,810,870.22	177,442.89
Instruction - Special Education:					
Behavioral Disabilities:					
Salaries of Teachers	347,515.00	(25,250.92)	322,264.08	316,381.36	5,882.72
Other Salaries for Instruction	187,927.00	(84,247.22)	103,679.78	103,679.78	
General Supplies	11,500.00	(532.03)	10,967.97	5,345.31	5,622.66
Total Behavioral Disabilities	546,942.00	(110,030.17)	436,911.83	425,406.45	11,505.38
Multiple Disabilities:					
Salaries for Teachers	1,116,332.00	92,798.61	1,209,130.61	1,192,685.17	16,445.44
Other Salaries for Instruction	296,856.00	(20,060.35)	276,795.65	276,795.65	
Purchased Prof. Educ Services		1,590.00	1,590.00	1,590.00	
General Supplies	23,000.00	(3,320.47)	19,679.53	14,924.46	4,755.07
Other Objects		1,330.00	1,330.00	1,225.00	105.00
Total Multiple Disabilities	1,436,188.00	72,337.79	1,508,525.79	1,487,220.28	21,305.51
Resource Room / Resource Center:					
Salaries of Teachers	8,200,420.00	21,722.92	8,222,142.92	8,215,083.07	7,059.85
Other salaries for instruction	741,338.00	(60,833.06)	680,504.94	596,334.73	84,170.21
Purchased Professional-Educational Services		574.00	574.00	574.00	
General Supplies	15,000.00	(574.00)	14,426.00	11,750.54	2,675.46
Total Resource Room / Resource Center	\$8,956,758.00	(\$39,110.14)	\$8,917,647.86	\$8,823,742.34	\$93,905.52

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Preschool Disabilities - Full - Time:					
Salaries of Teachers	\$247,763.00	\$64,874.52	\$312,637.52	\$312,637.52	
Other Salaries for Instruction	147,035.00	45,572.73	192,607.73	192,607.73	
Supplies and Materials	7,500.00		7,500.00	6,668.87	\$831.13
Total Preschool Disabilities - Full - Time	402,298.00	110,447.25	512,745.25	511,914.12	831.13
Total Special Education	11,342,186.00	33,644.73	11,375,830.73	11,248,283.19	127,547.54
Basic Skills / Remedial:					
Salaries of Teachers	2,366,070.00	108,166.28	2,474,236.28	2,474,236.28	
Total Basic Skills / Remedial	2,366,070.00	108,166.28	2,474,236.28	2,474,236.28	
Bilingual Education Instruction:					
Salaries of Teachers	542,416.00	5,062.75	547,478.75	536,941.75	10,537.00
Total Bilingual Education Instruction	542,416.00	5,062.75	547,478.75	536,941.75	10,537.00
School Sponsored Co-Curricular Activities:					
Salaries	221,676.00	4,298.40	225,974.40	225,974.40	
Purchased Services (300-500 series)	7,485.00	10,326.24	17,811.24	17,811.24	
Supplies and Materials	48,900.00	(22,304.97)	26,595.03	14,768.09	11,826.94
Other Objects	39,900.00	109,439.38	149,339.38	145,389.74	3,949.64
Total School Sponsored Co-Curricular Activities	317,961.00	101,759.05	419,720.05	403,943.47	15,776.58
School Sponsored Athletics:					
Salaries	763,988.00	(4,298.40)	759,689.60	753,044.50	6,645.10
Purchased Services (300-500 Series)	142,327.40	(21,647.44)	120,679.96	103,701.83	16,978.13
Supplies and Materials	137,699.09	(28,233.21)	109,465.88	102,186.69	7,279.19
Other Objects	12,145.00	(1,740.80)	10,404.20	10,404.20	
Total School Sponsored Athletics	\$1,056,159.49	(\$55,919.85)	\$1,000,239.64	\$969,337.22	\$30,902.42

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Community Services Programs/Operation:					
Salaries	\$5,000.00		\$5,000.00		\$5,000.00
Total Community Services Programs/Operation	5,000.00		5,000.00		5,000.00
Total Other Instructional Programs	4,287,606.49	\$159,068.23	4,446,674.72	\$4,384,458.72	62,216.00
Total - Instruction	46,207,548.42	(396,729.86)	45,810,818.56	45,443,612.13	367,206.43
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's within the State - Regular	199,609.00	(78,652.57)	120,956.43	120,956.43	6,512.47
Tuition to Other LEA's within the State - Special	65,000.00	322,337.19	387,337.19	380,824.72	58,512.47
Tuition to CSSD & Regional Day Schools	954,162.00	(632,601.50)	321,560.50	262,607.92	58,952.58
Tuition to Private Schools for the Handicapped w/in State	2,763,512.00	345,642.46	3,109,154.46	3,098,802.46	10,352.00
Tuition - State Facilities	4,500.00		4,500.00	4,500.00	
Tuition - Other		75,759.00	75,759.00	75,759.00	
Total Undistributed Expenditures - Instruction	3,986,783.00	32,484.58	4,019,267.58	3,943,450.53	75,817.05
Health Services:					
Salaries	602,551.00	22,240.33	624,791.33	624,791.33	
Purchased Professional and Technical Services	72,855.00	(16,057.61)	56,797.39	56,797.39	
Supplies and Materials	34,292.00	3,257.15	37,549.15	37,549.15	
Total Health Services	709,698.00	9,439.87	719,137.87	719,137.87	
Other Support Services - Speech, OT, PT & Related Services:					
Salaries	1,593,128.00	239,713.41	1,832,841.41	1,832,841.41	
Purchased Professional - Educational Services	848,057.00	(690,593.55)	157,463.45	95,796.52	61,666.93
Supplies and Materials	8,000.00	(2,756.74)	5,243.26	4,991.17	252.09
Total Other Support Services - Speech, OT, PT & Related Services	2,449,185.00	(453,636.88)	1,995,548.12	1,933,629.10	61,919.02
Other Support Services - Students - Extra Services					
Salaries	847,334.00	(49,920.53)	797,413.47	795,082.66	2,330.81
Purchased Professional - Educational Services	540,000.00	65,698.62	605,698.62	522,736.84	82,961.78
Total Other Support Services - Students - Extra Services	\$1,387,334.00	\$15,778.09	\$1,403,112.09	\$1,317,819.50	\$85,292.59

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Guidance:					
Salaries of Other Professional Staff	\$1,467,017.00	(\$67,780.43)	\$1,399,236.57	\$1,399,236.57	
Salaries of Secretarial and Clerical Assistants	183,122.00	(256.17)	182,865.83	182,865.83	
Other Salaries	78,010.00	(191.20)	77,818.80	77,818.80	
Purchased Professional - Educational Services	47,000.00	(11,804.00)	35,196.00	35,196.00	
Other Purchased Professional and Tech Services	110,000.00	376,383.58	486,383.58	486,025.72	\$357.86
Other Purchased Services	3,780.00	1,500.00	5,280.00	5,280.00	
Supplies and Materials	14,950.00	(7,335.49)	7,614.51	7,575.94	38.57
Other Objects	1,469.00	(778.00)	691.00	691.00	
Total Guidance	1,905,348.00	289,738.29	2,195,086.29	2,194,689.86	396.43
Child Study Teams:					
Salaries of Other Professional Staff	1,437,099.00	145,120.91	1,582,219.91	1,582,219.91	
Salaries of Secretarial and Clerical Assistants	117,361.00	40,262.62	157,623.62	157,623.62	
Purchased Professional Educational Services		36,917.50	36,917.50	32,682.50	4,235.00
Other Purchased Professional and Technical Services	133,794.00	219,039.80	352,833.80	329,753.80	23,080.00
Other Purchased Services (400-500 series)	41,830.00	(870.03)	40,959.97	40,959.97	
Supplies and Materials	28,500.00	1,416.79	29,916.79	29,597.81	318.98
Other Objects	2,295.00		2,295.00	945.00	1,350.00
Total Child Study Teams	1,760,879.00	441,887.59	2,202,766.59	2,173,782.61	28,983.98
Improvement of Instruction Services					
Other Support Services - Instructional Staff:					
Salaries of Supervisors of Instruction	796,141.00	4,822.46	800,963.46	799,674.88	1,288.58
Salaries of Other Professional Staff	45,000.00	(7,666.50)	37,333.50	37,333.50	
Salaries of Secretarial and Clerical Assts.	76,600.00	10,035.62	86,635.62	86,635.62	
Purchased Prof. and Tech. Services	124,000.00	(18,310.61)	105,689.39	105,689.39	
Total Improvement of Instruction Services /					
Other Support Services - Instructional Staff	1,041,741.00	(11,119.03)	1,030,621.97	1,029,333.39	1,288.58
Educational Media Services / School Library:					
Salaries	618,571.00	(46,450.91)	572,120.09	572,120.09	
Purchased Professional and Technical Services	47,950.00	(5,738.85)	42,211.15	42,211.15	
Supplies and materials	32,100.00	(4,106.95)	27,993.05	27,843.83	149.22
Other Objects	100.00	(100.00)			
Total Educational Media Services / School Library	\$698,721.00	(\$56,396.71)	\$642,324.29	\$642,175.07	\$149.22

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction Summer Hours	\$86,145.00	(\$12,732.20)	\$73,412.80	\$73,412.80	\$8,881.00
Salaries of Other Professional Staff	52,820.00	(8,374.92)	44,445.08	44,445.08	22,746.41
Unused Vacation Payment to Terminated/Retired Staff	15,600.00	(15,600.00)			4,080.00
Other Purchased Technical Services	40,000.00	13,281.00	13,281.00	4,400.00	\$8,881.00
Other Purchased Services (400- 500)	11,100.00	(1,681.00)	38,319.00	15,572.59	22,746.41
Supplies and materials		13,110.69	24,210.69	20,130.69	4,080.00
Other Objects		2,000.00	2,000.00	1,810.33	189.67
Total Instructional Staff Training Services	205,665.00	(9,996.43)	195,668.57	159,771.49	35,897.08
Support Services General Administration:					
Salaries	795,393.00	4,120.44	799,513.44	799,513.44	
Unused Vacation Payment to Terminated/Retired Staff		32,712.94	32,712.94	32,712.94	
Legal Services	150,000.00	(19,996.12)	130,003.88	125,153.60	4,850.28
Expenditure and Internal Control Audit Fees	30,320.00	480.00	30,800.00	30,800.00	
Architectural/Engineering Services	24,916.53		24,916.53	4,567.66	20,348.87
Other Purchased Professional Services	17,040.00	(65.00)	16,975.00	14,725.00	2,250.00
Other Purchased Technical Services	12,500.00	(746.95)	11,753.05	11,753.05	
Communications / Telephone	415,688.00	(43,824.34)	371,863.66	365,578.61	6,285.05
Miscellaneous Expenditures	719,834.00	(106,307.00)	613,527.00	612,214.61	1,312.39
General Supplies	8,868.63	5,201.24	14,069.87	14,069.87	
BOE In- House Training/ Meeting Supplies	7,139.02	4,130.12	11,269.14	11,269.14	
Miscellaneous Expenditures	13,000.00	(4,439.00)	8,561.00	8,561.00	
BOE Membership Dues and Fees	31,500.00	(4,612.30)	26,887.70	26,887.70	
Total Support Services General Administration	2,226,199.18	(133,345.97)	2,092,853.21	2,057,806.62	35,046.59
Support Services School Administration:					
Salaries of Principals / Asst. Principals	2,468,324.00	(35,063.83)	2,433,260.17	2,433,260.17	
Salaries of Secretarial and Clerical Assistants	825,589.00	(25,034.81)	800,554.19	800,554.19	
Unused Vacation Payment to Terminated/Retired Staff		70,357.79	70,357.79	70,357.79	
Purchased Professional and Technical Services	10,150.00	(2,198.32)	7,951.68	7,951.68	
Other Purchased Services(400-500 series)	132,338.00	(18,676.24)	113,661.76	101,550.31	12,111.45
Supplies and Materials	41,700.00	(5,964.64)	35,735.36	35,729.62	5.74
Other Objects	55,950.00	(854.40)	55,095.60	55,042.20	53.40
Total Support Services School Administration	\$3,534,051.00	(\$17,434.45)	\$3,516,616.55	\$3,504,445.96	\$12,170.59

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Central Service:					
Salaries	\$878,087.00	(\$58,270.10)	\$819,816.90	\$819,816.90	\$2,239.01
Purchased Professional Services	10,300.00	(5,910.99)	4,389.01	2,150.00	
Other Purchase Professional Service	125,518.76	7,119.30	132,638.06	132,638.06	
Misc. Purch Services (400-500)	12,050.00	6,469.92	18,519.92	18,320.62	199.30
Supplies and Materials	56,002.01	2,606.97	58,608.98	57,504.40	1,104.58
Interest on Lease Purchase Agreements	68,182.00	(16,017.43)	52,164.57	51,980.86	183.71
Miscellaneous Expenditures	14,800.00	2,924.70	17,724.70	17,389.48	335.22
Total Central Service	1,164,939.77	(61,077.63)	1,103,862.14	1,099,800.32	4,061.82
Administrative Information Technology:					
Salaries	855,099.00	37,860.41	892,959.41	851,030.72	41,928.69
Unused Vacation Payment to Terminated/Retired Staff		5,299.80	5,299.80	5,299.80	
Purchased Technical Services	1,139,226.55	(98,411.33)	1,040,815.22	1,019,195.58	21,619.64
Other Purchased Services	60,943.00	240.29	61,183.29	61,166.92	16.37
Supplies and Materials	261,619.31	35,622.68	297,241.99	246,018.10	51,223.89
Other objects	2,475.00	(1,850.00)	625.00	625.00	
Total Administrative Information Technology	2,319,362.86	(21,238.15)	2,298,124.71	2,183,336.12	114,788.59
Required Maintenance for School Facilities:					
Salaries	739,392.00	(32,141.68)	707,250.32	707,250.32	
Cleaning, Repair and Maintenance Services	1,361,011.43	(194,730.74)	1,166,280.69	944,622.35	221,658.34
Lead Testing of Drinking Water	8,000.00	(8,000.00)			
General Supplies	139,864.65	2,134.08	141,998.73	133,139.07	8,859.66
Other Objects	6,200.00	8,500.00	14,700.00	14,682.95	17.05
Total Required Maintenance for School Facilities	\$2,254,468.08	(\$224,238.34)	\$2,030,229.74	\$1,799,594.69	\$230,535.05

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Custodial Services:					
Salaries	\$2,424,508.00	(\$211.41)	\$2,424,296.59	\$2,424,296.59	
Salaries of Non-Instructional Aides	281,220.00	(31,126.75)	250,093.25	234,260.43	\$15,832.82
Unused Vacation Payment to Terminated/Retired Staff		16,378.74	16,378.74	16,378.74	
Purchased Professional and Technical Services	41,600.00	(24,000.00)	17,600.00	13,445.87	4,154.13
Cleaning, Repair and Maintenance Services	13,841.96	(4,500.00)	9,341.96	6,625.12	2,716.84
Rental of Land and Building	53,400.00		53,400.00	52,200.00	1,200.00
Lease Purchase Pymts- Energy Savings Impr Prog	577,468.00	(0.50)	577,467.50	577,467.50	
Other Purchased Property Services	23,000.00	(23,000.00)			
Insurance	474,942.00	48,120.00	523,062.00	523,062.00	
General Supplies	150,000.00		150,000.00	149,143.09	856.91
Energy (Natural Gas)	190,606.00	156,769.45	347,375.45	338,084.55	9,290.90
Energy (Heat and Electricity)	344,721.00	219,270.52	563,991.52	537,688.71	26,302.81
Total Custodial Services	4,575,306.96	357,700.05	4,933,007.01	4,872,652.60	60,354.41
Care and Upkeep of Grounds:					
Salaries	92,262.00	(23,384.74)	68,877.26	68,877.26	
Cleaning, Repair And Maintenance	627,571.00	(198,526.35)	429,044.65	382,490.50	46,554.15
General Supplies	24,745.81	12,000.00	36,745.81	31,457.27	5,288.54
Total Care and Upkeep of Grounds	744,578.81	(209,911.09)	534,667.72	482,825.03	51,842.69
Security:					
Salaries	916,873.00	(14,172.07)	902,700.93	902,700.93	
Purchased Professional and Technical Services	441,000.00	(43,000.00)	398,000.00	394,290.83	3,709.17
Cleaning, Repair, and Maintenance Services	39,123.00	249.22	39,372.22	39,372.22	
General Supplies	154,401.88	32,918.98	187,320.86	179,788.53	7,532.33
Total Security	\$1,551,397.88	(\$24,003.87)	\$1,527,394.01	\$1,516,152.51	\$11,241.50

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Student Transportation Services:					
Salaries of Non-Instructional Aides	\$282,085.00	(\$61,196.11)	\$220,888.89	\$220,888.89	\$20,596.12
Salaries for Pupil Transportation (Between Home and School) - Regular	1,585,329.00	183,644.99	1,768,973.99	1,748,377.87	
Salaries for Pupil Transportation (Between Home and School) - Special	652,945.00	(81,151.25)	571,793.75	512,921.64	58,872.11
Salaries (Other than H & S)	115,000.00	77.00	115,077.00	97,100.04	17,976.96
Unused Vacation Payment to Terminated/Retired Staff		4,376.94	4,376.94	4,376.94	
Management Fee- ESC & CTSA Trans. Program	52,950.00	21,930.79	74,880.79	71,010.18	3,870.61
Transportation- Other Purchased Prof & Tech	47,500.00	2,343.34	49,843.34	44,858.82	4,984.52
Cleaning, Repair and Maintenance Services	83,655.86	(29,890.09)	53,765.77	53,196.43	569.34
Rental Payments	10,000.00	(9,999.00)	1.00		1.00
Lease Payments	555,724.00	1,703.69	557,427.69	557,427.69	
Contracted Services - Aid in Lieu Payments-NonPub Sch	130,000.00	33,509.02	163,509.02	163,428.58	80.44
Contracted Services - Aid in Lieu Payments-Charter Sch	35,000.00	14,066.98	49,066.98	49,066.98	
Contracted Services (Between Home & School) - Vendors and School) - Vendors	933,519.00	(176,876.21)	756,642.79	740,056.66	16,586.13
Contract Services (Sp. Ed. Stds.) - Vendors	84,000.00	(14,457.75)	69,542.25	68,444.25	1,098.00
Contracted Services (Spec. Ed. Students) - Joint Agreements	493,587.00	(143,984.57)	349,602.43	310,203.50	39,398.93
Contract. Serv. (Reg. Students)-ESCs & CTSA	53,000.00	(16,555.00)	36,445.00	36,445.00	
Contracted Services - (Spec.Ed. Students) - ESCs & CTSA	247,295.00	(65,445.00)	181,850.00	167,009.94	14,840.06
Miscellaneous Purchased Services - Transportation	1,005,529.00	340,632.66	1,346,161.66	1,301,670.14	44,491.52
General Supplies	45,735.00	(1,095.00)	44,640.00	44,640.00	
Transportation Supplies	1,500.00		1,500.00	1,412.03	87.97
Other Objects	462,248.08	1,182.13	463,430.21	458,236.54	5,193.67
Total Student Transportation Services	9,031.00	3,200.00	12,231.00	11,972.25	258.75
	<u>6,885,632.94</u>	<u>6,017.56</u>	<u>6,891,650.50</u>	<u>6,662,744.37</u>	<u>228,906.13</u>
Allocated Benefits - Employee Benefits:					
Other Employee Benefits - Required Maintenance	7,600.00	(3,000.00)	4,600.00	4,122.94	477.06
Other Employee Benefits - Custodial Services	24,000.00	(4,000.00)	20,000.00	18,217.27	1,782.73
Other Employee Benefits - Care and Upkeep of Grounds	1,500.00		1,500.00	1,286.77	213.23
Other Employee Benefits - Security	10,000.00	(5,000.00)	5,000.00	2,544.00	2,456.00
Other Employee Benefits - Student Transportation Services	1,820.00	(172.64)	1,647.36	1,279.70	367.66
Total Allocated Benefits - Employee Benefits	<u>\$44,920.00</u>	<u>(\$12,172.64)</u>	<u>\$32,747.36</u>	<u>\$27,450.68</u>	<u>\$5,296.68</u>

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	\$1,284,250.00	\$178,504.48	\$1,442,754.48	\$1,442,754.48	
Other Retirement Contributions - PERS	1,440,425.00	(45,571.81)	1,394,853.19	1,394,572.69	\$280.50
Other Retirement Contributions - Regular	117,000.00	29,780.09	146,780.09	146,780.09	
Unemployment Compensation	100,000.00	(100,000.00)			
Workmen's Compensation	645,856.00	(103,179.00)	542,677.00	542,677.00	
Health Benefits	15,413,083.00	338,574.17	15,751,657.17	13,181,650.20	2,570,006.97
Tuition Reimbursements	125,000.00	(23,948.50)	101,051.50	101,051.50	
Other Employee Benefits	261,500.00	(8,083.33)	253,416.67	253,416.67	
Unused sick payment	275,000.00	(28,449.29)	246,550.71	246,550.71	
Total Unallocated Benefits - Employee Benefits	19,642,114.00	237,626.81	19,879,740.81	17,309,453.34	2,570,287.47
On-Behalf TPAF Contributions (Non-Budgeted):					
On-behalf TPAF Contributions-non-budgeted				16,573,498.00	(16,573,498.00)
On-behalf TPAF N.C.G.I.-non-budgeted				229,938.00	(229,938.00)
Post Retirement Medical-non budgeted				4,414,222.00	(4,414,222.00)
Reimbursed TPAF Social Security Contribution-non-budgeted				3,853,207.09	(3,853,207.09)
Long Term Disability Insurance				6,560.00	(6,560.00)
Total TPAF Pension/Social Security				25,077,425.09	(25,077,425.09)
Total Undistributed Expenditures	59,088,325.48	156,101.65	59,244,427.13	80,707,576.75	(21,463,149.62)
Interest Earned on Maintenance Reserve	90.00		90.00	90.00	90.00
Interest Earned on Current Expense Emergency Res	10.00		10.00	10.00	10.00
Total General Current Expense	100.00		100.00	100.00	100.00
TOTAL EXPENDITURES - CURRENT EXPENSE	\$105,295,973.90	(\$240,628.21)	\$105,055,345.69	\$126,151,188.88	(\$21,095,843.19)

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
CAPITAL OUTLAY:					
Equipment:					
Grades 1-5		\$2,658.96	\$2,658.96	\$2,658.96	
Grades 9-12 - Equipment		15,900.62	15,900.62	15,900.62	
School Sponsored and Other Instructional Program	\$11,000.00	17,931.99	28,931.99	28,931.99	
Undistributed-Admin. Info Technology	10,486.64	36,920.68	47,407.32	46,907.32	\$500.00
Undistributed-Req. Maint. For Schools	5,000.00	(2,134.08)	2,865.92	2,865.92	
Undist. Expend. - Care and Upkeep of Grounds	70,277.50	(27,000.00)	43,277.50	43,277.50	
School Buses - Special	3.92	0.00	3.92	3.92	
Total Equipment	96,768.06	44,278.17	141,046.23	97,268.73	43,777.50
Facilities Acquisition and Construction Services:					
Architectural/engineering services	483,777.00	276,690.00	760,467.00	523,211.00	237,256.00
Construction services	1,048,211.84	347,780.00	1,395,991.84	516,162.16	879,829.68
Assessment for Debt Service on SDA Funding	298,533.00		298,533.00	298,533.00	
Total Facilities Acquisition and Construction Services	1,830,521.84	624,470.00	2,454,991.84	1,337,906.16	1,117,085.68
Interest Deposit to Capital Reserve	100.00		100.00		100.00
Assets acquired under installment purchase contracts (non-budgeted)					
Undistributed expenditures:					
Equipment				1,089,548.39	(1,089,548.39)
Total assets acq. under inst. purchase contracts (non-budgeted)				1,089,548.39	(1,089,548.39)
TOTAL CAPITAL OUTLAY	1,927,389.90	668,748.17	2,596,138.07	2,524,723.28	71,414.79
Summer School Instruction:					
Salaries of Teachers	30,000.00		30,000.00		30,000.00
Total Summer School Instruction	30,000.00		30,000.00		30,000.00
Total Summer School	30,000.00		30,000.00		30,000.00
Other Special Schools Instruction:					
Salaries of Teachers	120,000.00	(14,807.96)	105,192.04	58,252.90	46,939.14
Total Other Special Schools Instruction	120,000.00	(14,807.96)	105,192.04	58,252.90	46,939.14
Total Other Special Schools	120,000.00	(14,807.96)	105,192.04	58,252.90	46,939.14
Total Special Schools	\$150,000.00	(\$14,807.96)	\$135,192.04	\$58,252.90	\$76,939.14

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Transfer of funds to charter schools	\$568,747.00	\$211,158.00	\$779,905.00	\$779,905.00	
TOTAL EXPENDITURES	<u>107,942,110.80</u>	<u>624,470.00</u>	<u>108,566,580.80</u>	<u>129,514,070.06</u>	<u>(\$2,947,489.26)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,478,696.80)</u>	<u>(624,470.00)</u>	<u>(4,103,166.80)</u>	<u>2,028,173.62</u>	<u>6,131,340.42</u>
Other financing sources (uses)					
Transfers to grants and entitlements - Local Contribution	(741,258.00)		(741,258.00)	(741,258.00)	
Transfers from Other Funds	343,386.00		343,386.00	43,385.74	(300,000.26)
Proceeds from Installment Purchase Contracts (non-budgeted)				1,089,548.39	1,089,548.39
Total other financing sources	<u>(397,872.00)</u>		<u>(397,872.00)</u>	<u>391,676.13</u>	<u>789,548.13</u>
Excess of revenues and other financing sources over expenditures and other expenditures and other financing sources	<u>(3,876,568.80)</u>	<u>(624,470.00)</u>	<u>(4,501,038.80)</u>	<u>2,419,849.75</u>	<u>6,920,888.55</u>
Fund balances, July 1	19,350,575.37		19,350,575.37	19,350,575.37	
Fund balances, June 30	<u>\$15,474,006.57</u>	<u>(\$624,470.00)</u>	<u>\$14,849,536.57</u>	<u>\$21,770,425.12</u>	<u>\$6,920,888.55</u>
Recapitulation:					
Assigned - year-end encumbrances				\$869,516.08	
Restricted - excess surplus - current year				949,019.16	
Restricted - capital reserve				13,700,868.42	
Restricted - maintenance reserve				1,169,511.23	
Restricted - emergency reserve				360,421.28	
Restricted - unemployment				202,850.86	
Unassigned fund balance				2,591,822.09	
Assigned - designated for subsequent years expenditures				1,926,416.00	
				<u>\$21,770,425.12</u>	
Reconciliation to governmental funds statements (GAAP):					
Prior Year aid payment not recognized on GAAP basis				(3,534,634.52)	
Fund balance per governmental funds (GAAP)				<u>\$18,235,790.60</u>	

SAYREVILLE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
State sources	\$ 9,293,809.00	\$ 576,324.28	\$ 9,870,133.28	\$ 9,548,283.42	\$ (321,849.86)
Federal sources	2,374,173.00	5,418,995.81	7,793,168.81	5,343,070.04	(2,450,098.77)
Other sources		853,220.30	853,220.30	477,804.29	(375,416.01)
Total revenues	11,667,982.00	6,843,540.39	18,516,522.39	15,369,157.75	(3,147,364.64)
EXPENDITURES:					
Instruction:					
Salaries of teachers	3,066,598.00	761,321.24	3,827,919.24	3,197,208.36	630,710.88
Other salaries	795,674.00	460,893.10	1,256,567.10	1,056,087.54	200,479.56
Purchased professional services		127,989.50	127,989.50	73,428.25	54,561.25
Other purchased services	82,222.00	599,997.70	682,219.70	585,865.65	96,354.05
Tuition	1,201,727.00	462,487.00	1,664,214.00	1,633,860.80	30,353.20
Supplies and materials	127,676.00	1,118,389.34	1,246,065.34	810,264.75	435,800.59
Textbooks	11,274.00	(3,684.00)	7,590.00	7,333.62	256.38
Total instruction	5,285,171.00	3,527,393.88	8,812,564.88	7,364,048.97	1,448,515.91
Support services:					
Salaries	261,833.00	190,400.00	452,233.00	261,832.80	190,400.20
Salaries of Program Directors	382,370.00	12,220.00	394,590.00	394,590.00	
Salaries of Other Professional Staff	642,543.00	(179,365.82)	463,177.18	329,083.90	134,093.28
Salaries of Secretarial and Clerical Assistants	131,414.00	9,130.97	140,544.97	140,544.97	
Other Salaries	419,337.00	(2,428.83)	416,908.17	387,494.05	29,414.12
Salaries of Master Teachers	220,880.00	78,243.50	299,123.50	299,123.50	
Personal services - employee benefits	1,559,691.00	99,337.62	1,659,028.62	1,572,659.43	86,369.19
Purchased professional - technical services	21,039.00	790,216.32	811,255.32	229,929.08	581,326.24
Purchased professional - educational services		731,699.00	731,699.00	628,330.84	103,368.16
Purchased educational services - Pre-K	1,980,000.00		1,980,000.00	1,980,000.00	
Purchased educational services - Head Start	315,000.00		315,000.00	315,000.00	
Contracted services - Transp. (Bet. Home & School)	450,000.00		450,000.00	450,000.00	
Other purchased services	686,198.00	411,753.09	1,097,951.09	1,038,008.15	59,942.94
Supplies and materials	53,764.00	199,426.44	253,190.44	153,525.49	99,664.95
Scholarships awarded		51,607.15	51,607.15	17,342.90	34,264.25
Student activities		798,613.15	798,613.15	464,448.97	334,164.18
Total support services	7,124,069.00	3,190,852.59	10,314,921.59	8,661,914.08	1,653,007.51
Facilities acquisition and construction services:					
Instructional equipment		18,293.92	18,293.92	18,293.92	
Non-Instructional equipment		112,000.00	112,000.00	82,146.36	29,853.64
Total facilities acquisition and construction serv.		130,293.92	130,293.92	100,440.28	29,853.64
Total expenditures	12,409,240.00	6,848,540.39	19,257,780.39	16,126,403.33	3,131,377.06
Other financing sources (uses):					
Transfer from general fund	741,258.00		741,258.00	741,258.00	
Total expenditures and other financing sources (uses)	11,667,982.00	6,848,540.39	18,516,522.39	15,385,145.33	3,131,377.06
Excess (deficiency) of revenues over (under) expenditures	\$ -0-	\$ -0-	\$ -0-	\$ (15,987.58)	\$ (15,987.58)
Fund Balance, July 1				384,416.01	
Fund Balance, June 30				\$ 368,428.43	
Recapitulation of Balance:					
Restricted:					
Scholarships				\$ 34,264.25	
Student Activities				334,164.18	
Total Fund Balance				\$ 368,428.43	

SAYREVILLE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note A - Explanation of difference 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	\$131,542,243.68	\$15,369,157.75
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Add prior year encumbrances		4,869,252.09
Less current year encumbrances		(675,812.79)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(3,534,634.52)	(902,350.48)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	3,287,936.64	934,124.36
	\$131,295,545.80	\$19,594,370.93
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$129,514,070.06	\$16,126,403.33
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		4,193,439.30
	\$129,514,070.06	\$20,319,842.63

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)

SAYREVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

Measurement Date Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's		Plan Fiduciary Net Position as a percentage of the total Pension Liability
				Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	Proportionate Share of the Net Pension Liability (Asset)	
2022	0.1116273905%	\$ 16,846,110	\$ 8,341,123	201.96%	52.08%	
2021	0.1098783342%	13,016,736	7,879,781	165.19%	70.33%	
2020	0.1090185545%	17,778,075	7,909,254	224.78%	58.32%	
2019	0.1084374530%	19,538,784	7,621,601	256.36%	56.27%	
2018	0.1131685100%	22,282,316	7,760,554	287.12%	53.60%	
2017	0.1173570789%	27,318,852	7,890,934	346.21%	48.10%	
2016	0.1165963140%	34,532,484	8,072,478	427.78%	40.14%	
2015	0.1152490806%	25,871,109	7,915,231	326.85%	47.92%	
2014	0.1168082056%	21,869,691	7,630,444	286.61%	52.08%	
2013	0.1207477986%	23,077,303	*		48.72%	

* Data was not provided by School District.

SAYREVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

Fiscal Year Ending June 30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2023	\$ 1,407,675	\$ 1,407,675	-0-	8,743,089	16.10%
2022	1,286,803	1,286,803	-0-	8,341,123	15.43%
2021	1,192,608	1,192,608	-0-	7,879,781	15.14%
2020	1,054,783	1,054,783	-0-	7,909,254	13.34%
2019	1,125,661	1,125,661	-0-	7,621,601	14.77%
2018	1,087,188	1,087,188	-0-	7,760,554	14.01%
2017	1,035,825	1,035,825	-0-	7,890,934	13.13%
2016	990,833	990,833	-0-	8,072,478	12.27%
2015	962,950	962,950	-0-	7,915,231	12.17%
2014	909,810	909,810	-0-	7,630,444	11.92%

SAYREVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS PENSION AND ANNUITY FUND
LAST TEN YEARS

Measurement Date Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	District's Covered-Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll	State's Proportionate Share of the Total Net Pension Liability associated with the District as a percentage of the District's Covered-Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2022	0.3963205505%	\$ -0-	\$ 204,479,273	\$ 46,682,717	-0-	438.02%	32.29%
2021	0.3874266989%	-0-	186,256,116	46,091,333	-0-	404.10%	35.52%
2020	0.3839491667%	-0-	252,825,906	43,461,219	-0-	581.73%	24.60%
2019	0.3650562145%	-0-	224,038,444	42,637,977	-0-	525.44%	26.95%
2018	0.3684645779%	-0-	234,409,250	40,060,558	-0-	585.14%	26.49%
2017	0.3622764728%	-0-	244,259,861	38,455,992	-0-	635.17%	25.41%
2016	0.3387927333%	-0-	266,519,507	37,395,419	-0-	712.71%	22.33%
2015	0.3445131159%	-0-	217,747,001	36,572,793	-0-	595.38%	28.71%
2014	0.3626118465%	-0-	193,804,230	33,967,435	-0-	570.56%	33.64%
2013	0.3472433264%	-0-	175,494,046	*	-0-	-0*	33.76%

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

* Data was not provided by School District.

SAYREVILLE BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>	Long-Term Expected Rate of <u>Return</u>	Actuarial Experience <u>Study Period</u>
2022	7.00%	7.00%	07/01/18-06/30/21
2021	7.00%	7.00%	07/01/14-06/30/18
2020	7.00%	7.00%	07/01/14-06/30/18
2019	6.28%	7.00%	07/01/14-06/30/18
2018	5.66%	7.00%	07/01/11-06/30/14
2017	5.00%	7.00%	07/01/11-06/30/14
2016	3.98%	7.65%	07/01/11-06/30/14
2015	4.90%	7.90%	07/01/08-06/30/11
2014	5.39%	7.90%	07/01/08-06/30/11
2013	5.55%	7.90%	07/01/08-06/30/11

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>	Long-Term Expected Rate of <u>Return</u>	Actuarial Experience <u>Study Period</u>
2022	7.00%	7.00%	07/01/18-06/30/21
2021	7.00%	7.00%	07/01/15-06/30/18
2020	5.40%	7.00%	07/01/15-06/30/18
2019	5.60%	7.00%	07/01/15-06/30/18
2018	4.86%	7.00%	07/01/12-06/30/15
2017	4.25%	7.00%	07/01/12-06/30/15
2016	3.22%	7.65%	07/01/12-06/30/15
2015	4.13%	7.90%	07/01/09-06/30/12
2014	4.68%	7.90%	07/01/09-06/30/12
2013	4.95%	7.90%	07/01/09-06/30/12

REQUIRED SUPPLEMENTARY INFORMATION - PART IV

SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (GASB 75)

SAYREVILLE BOROUGH SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN THE DISTRICT'S
 TOTAL OPEB LIABILITY AND RELATED RATIOS
 LAST SIX YEARS

	Measurement Date Ended June 30,					
	2022	2021	2020	2019	2018	2017
Total Non-Employer OPEB Liability - State's Proportionate Share of Total OPEB Liability Associated with the School District						
Balance at 6/30	\$215,224,773	\$243,114,100	\$147,527,033	\$159,743,603	\$182,768,181	\$196,875,089
Changes for the year:						
Service cost	10,841,977	12,633,899	7,030,002	6,647,913	7,482,195	9,046,240
Interest	4,827,790	5,583,157 (229,081)	5,338,292	6,355,127	6,737,795	5,811,063
Changes of benefit terms and actual experience						
Differences between expected and actual experience	4,776,899	(41,834,408)	42,914,313	(23,024,851)	(14,789,332)	
Changes in assumptions or other inputs	(48,869,592)	212,336	44,408,592	2,199,640	(18,331,378)	(24,886,793)
Membership Contributions	153,411	142,734	128,284	134,241	147,629	155,881
Benefit payments - Net	(4,782,069)	(4,397,964)	(4,232,416)	(4,528,640)	(4,271,487)	(4,233,299)
Net changes	(33,051,584)	(27,889,327)	95,587,067	(12,216,570)	(23,024,578)	(14,106,908)
Balance at 6/30	\$182,173,189	\$215,224,773	\$243,114,100	\$147,527,033	\$159,743,603	\$182,768,181
Covered Employee Payroll	55,023,840	53,971,114	51,370,473	50,259,578	47,821,112	46,346,926
District's Proportionate Share of the Total Non-Employer OPEB Liability as a percentage of the District's Covered Employee Payroll	-0-	-0-	-0-	-0-	-0-	-0-
State's Proportionate Share of the Total Non-Employer OPEB Liability associated with the District as a percentage of the District's Covered Employee Payroll	331.08%	398.78%	473.26%	293.53%	334.04%	394.35%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

SAYREVILLE BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART IV
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net OPEB liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.87%

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

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

	TITLE I	TITLE IIA	TITLE III	TITLE IV	ARP-IDEA PART B BASIC	ARP- HOMELESS TRANSPORTATION	IDEA PART B BASIC	IDEA PRESCHOOL
REVENUES:								
State sources	\$ 1,038,639.00	\$ 152,851.33	\$ 31,278.00	\$ 33,491.49	\$ 165,926.00	\$ 26,813.00	\$ 1,703,601.65	\$ 70,039.00
Federal sources								
Other sources								
Total revenues	\$ 1,038,639.00	\$ 152,851.33	\$ 31,278.00	\$ 33,491.49	\$ 165,926.00	\$ 26,813.00	\$ 1,703,601.65	\$ 70,039.00
EXPENDITURES:								
Instruction:								
Salaries of teachers	\$ 423,727.00	\$	\$	\$	\$	\$	\$	\$ 49,085.00
Other salaries	296,960.08		15,163.76	8,524.32	58,761.00		70,240.00	
Purchased services - Instruction	11,290.00			13,577.50	3,744.00		14,904.00	
Other purchased services								
Tuition								
Supplies and materials	33,298.65		3,797.60	3,300.84	103,421.00		1,530,022.50	
Textbooks							70,141.23	
Total instruction	725,275.73		18,961.36	25,402.66	165,926.00		1,685,307.73	49,085.00
Support services:								
Salaries								
Salaries of Program Directors								
Salaries of Other Professional Staff	58,407.00	30,121.08	10,935.00	3,034.83				
Salaries of Secretarial and Clerical Assistants								
Other Salaries								
Salaries of Master Teachers								
Personal services - employee benefits	254,177.27	57,314.15						20,954.00
Purchased professional - technical services								
Purchased professional - educational services								
Purchased educational services - Pre-K								
Purchased educational services - Head Start								
Contracted services - Transp. (Bet. Home & School)						26,813.00		
Other purchased services	779.00	56,622.74	1,381.64	5,054.00				
Supplies and materials		8,793.36						
Scholarships awarded								
Student activities								
Total support services	313,363.27	152,851.33	12,316.64	8,088.83		26,813.00		20,954.00
Facilities acquisition and construction serv:								
Instructional equipment							18,293.92	
Non - instructional equipment								
Total facilities acquisition and construction serv.							18,293.92	
Total expenditures	\$ 1,038,639.00	\$ 152,851.33	\$ 31,278.00	\$ 33,491.49	\$ 165,926.00	\$ 26,813.00	\$ 1,703,601.65	\$ 70,039.00
Other financing sources (uses):								
Transfer from general fund	\$	\$	\$	\$	\$	\$	\$	\$
Total other financing sources (uses)								
Excess (deficiency) of revenues Over (under) expenditures	\$	\$	\$	\$	\$	\$	\$	\$
Fund Balance, July 1	\$	\$	\$	\$	\$	\$	\$	\$
Fund Balance, June 30	\$	\$	\$	\$	\$	\$	\$	\$

(Continued on next page)

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

	CRSA- ESSER II	CRSA-ESSER II- LEARNING ACCELERATION	CRSA-ESSER II- MENTAL HEALTH	MIDDLE GRADES CAREER AWARENESS	ARP-ESSER	ARP-ESSER - LEARNING ACCELERATION	ARP-ESSER - MENTAL HEALTH	PRESCHOOL EDUCATION AID
REVENUES:								
State sources	717,114.40	89,137.43	4,500.00	51,016.65	60,000.00	95,200.00	445,613.00	9,438,723.69
Federal sources								
Other sources								
Total revenues	717,114.40	89,137.43	4,500.00	51,016.65	60,000.00	95,200.00	445,613.00	9,438,723.69
EXPENDITURES:								
Instruction:								
Salaries of teachers	2,648.12	7,176.00		30,555.00				2,672,017.24
Other salaries								646,438.38
Purchased services - Instruction	195.00	28,977.50		149.00				740.25
Other purchased services								
Tuition								
Supplies and materials	552,916.00	13,838.93		14,312.65				118,658.85
Textbooks								
Total instruction	555,759.12	49,992.43		45,016.65				3,437,854.72
Support services:								
Salaries								
Salaries of Program Directors								261,832.80
Salaries of Other Professional Staff					60,000.00			394,590.00
Salaries of Secretarial and Clerical Assistants								163,410.99
Other Salaries								140,544.97
Salaries of Master Teachers								387,484.05
Personal services - employee benefits								299,123.50
Purchased professional - technical services	143,355.00	10,616.48		6,000.00				1,297,285.27
Purchased professional - educational services								87,517.84
Purchased educational services - Pre-K						95,200.00		1,980,000.00
Purchased educational services - Head Start								315,000.00
Contracted services - Transp. (Bet. Home & School)	18,000.28	28,528.52	4,500.00					450,000.00
Other purchased services								754,432.11
Supplies and materials								128,749.08
Scholarships awarded								
Student activities								
Total support services	161,355.28	39,145.00	4,500.00	6,000.00	60,000.00	95,200.00	445,613.00	6,659,980.61
Facilities acquisition and construction serv:								
Instructional equipment								
Non - instructional equipment								82,146.36
Total facilities acquisition and construction serv.								82,146.36
Total expenditures	717,114.40	89,137.43	4,500.00	51,016.65	60,000.00	95,200.00	445,613.00	10,179,981.69
Other financing sources (uses):								
Transfer from general fund								741,258.00
Total other financing sources (uses)								741,258.00
Excess (deficiency) of revenues Over (under) expenditures								
Fund Balance, July 1								
Fund Balance, June 30								

(Continued on next page)

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

	CARL PERKINS SECONDARY	ACERS- STUDENTS W/ DISABILITIES	NON-PUBLIC COMP. EDUCATION	EXAMINATION & CLASSIFICATION	NON-PUBLIC SPEECH	NON-PUBLIC SUPPLEMENTAL
REVENUES:						
State sources	\$ 7,269.89	\$ 650,579.20	\$ 35,783.59	\$ 14,789.36	\$ 13,206.00	\$ 11,564.00
Federal sources						
Other sources						
Total revenues	\$ 7,269.89	\$ 650,579.20	\$ 35,783.59	\$ 14,789.36	\$ 13,206.00	\$ 11,564.00
EXPENDITURES:						
Instruction:						
Salaries of teachers	\$	\$	\$	\$	\$	\$
Other salaries						
Purchased services - Instruction						
Other purchased services		510,373.70	35,783.59	14,789.36	13,206.00	11,564.00
Tuition						
Supplies and materials						
Textbooks						
Total instruction		510,373.70	35,783.59	14,789.36	13,206.00	11,564.00
Support services:						
Salaries						
Salaries of Program Directors	3,175.00					
Salaries of Other Professional Staff						
Salaries of Secretarial and Clerical Assistants						
Other Salaries						
Salaries of Master Teachers	242.89					
Personal services - employee benefits						
Purchased professional - technical services						
Purchased professional - educational services						
Purchased educational services - Pre-K						
Purchased educational services - Head Start						
Contracted services - Transp. (Bet. Home & School)	3,852.00	140,205.50				
Other purchased services						
Supplies and materials						
Scholarships awarded						
Student activities						
Total support services	7,269.89	140,205.50				
Facilities acquisition and construction serv:						
Instructional equipment						
Non - instructional equipment						
Total facilities acquisition and construction serv.						
Total expenditures	\$ 7,269.89	\$ 650,579.20	\$ 35,783.59	\$ 14,789.36	\$ 13,206.00	\$ 11,564.00
Other financing sources (uses):						
Transfer from general fund						
Total other financing sources (uses)						
Excess (deficiency) of revenues	\$	\$	\$	\$	\$	\$
Over (under) expenditures						
Fund Balance, July 1	\$	\$	\$	\$	\$	\$
Fund Balance, June 30	\$	\$	\$	\$	\$	\$

(Continued on next page)

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

	NON-PUBLIC TEXTBOOKS	NON-PUBLIC NURSING	NON-PUBLIC SECURITY	NON-PUBLIC HOME INSTRUCTION	STUDENT ACTIVITY FUNDS	SCHOLARSHIP FUNDS	LOCAL GRANTS	TOTAL
REVENUES:								
State sources	\$ 7,333.62	\$ 12,643.45	\$ 13,822.41	\$ 417.30	\$ 465,265.86	\$ 538.43	\$	\$ 9,548,283.42
Federal sources							12,000.00	5,343,070.04
Other sources								477,804.29
Total revenues	\$ 7,333.62	\$ 12,643.45	\$ 13,822.41	\$ 417.30	\$ 465,265.86	\$ 538.43	\$ 12,000.00	\$ 15,389,157.75
EXPENDITURES:								
Instruction:								
Salaries of teachers								3,197,208.36
Other salaries								1,056,087.54
Purchased services - Instruction								73,428.25
Other purchased services								585,865.65
Tuition				417.30				1,633,860.80
Supplies and materials								810,264.75
Textbooks	7,333.62							7,333.62
Total instruction	\$ 7,333.62			\$ 417.30			\$ 12,000.00	\$ 7,364,048.97
Support services:								
Salaries								261,832.80
Salaries of Program Directors								394,590.00
Salaries of Other Professional Staff								329,083.90
Salaries of Secretarial and Clerical Assistants								140,544.97
Other Salaries								387,494.05
Salaries of Master Teachers								289,123.50
Personal services - employee benefits								1,572,659.43
Purchased professional - technical services		12,643.45						229,929.08
Purchased professional - educational services								628,330.84
Purchased educational services - Pre-K								1,980,000.00
Purchased educational services - Head Start								315,000.00
Contracted services - Transp. (Bet. Home & School)								450,000.00
Other purchased services			13,822.41			17,342.90		1,038,008.15
Supplies and materials								153,525.49
Scholarships awarded								17,342.90
Student activities								464,448.97
Total support services		\$ 12,643.45	\$ 13,822.41		\$ 464,448.97	\$ 17,342.90		\$ 8,661,914.08
Facilities acquisition and construction serv:								
Instructional equipment								18,293.92
Non - instructional equipment								82,146.36
Total facilities acquisition and construction serv.								100,440.28
Total expenditures	\$ 7,333.62	\$ 12,643.45	\$ 13,822.41	\$ 417.30	\$ 464,448.97	\$ 17,342.90	\$ 12,000.00	\$ 16,126,403.33
Other financing sources (uses):								
Transfer from general fund								\$ 741,258.00
Total other financing sources (uses)								741,258.00
Excess (deficiency) of revenues								(15,987.58)
Over (under) expenditures								
Fund Balance, July 1								384,416.01
Fund Balance, June 30								368,428.43

SAYREVILLE BOROUGH SCHOOL DISTRICT
STUDENT ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>BALANCE</u> <u>JUNE 30, 2022</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE</u> <u>JUNE 30, 2023</u>
Elementary Schools				
Dwight D. Eisenhower	\$ 2,954.20	\$	\$	\$ 2,954.20
Harry S. Truman	959.86		567.50	392.36
Samsel Upper	7,207.48	1,698.98	1,699.40	7,207.06
Woodrow Wilson	805.20		20.00	785.20
	<u>11,926.74</u>	<u>1,698.98</u>	<u>2,286.90</u>	<u>11,338.82</u>
Middle Schools				
Sayreville Middle School	30,107.39	36,835.84	37,263.75	29,679.48
	<u>30,107.39</u>	<u>36,835.84</u>	<u>37,263.75</u>	<u>29,679.48</u>
High Schools:				
Sayreville High School	281,050.14	353,242.44	345,372.72	288,919.86
Athletic Fund	10,263.02	73,488.60	79,525.60	4,226.02
	<u>291,313.16</u>	<u>426,731.04</u>	<u>424,898.32</u>	<u>293,145.88</u>
Grand Total	<u>\$ 333,347.29</u>	<u>\$ 465,265.86</u>	<u>\$ 464,448.97</u>	<u>\$ 334,164.18</u>

SAYREVILLE BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$2,695,293.75	\$2,672,017.24	\$23,276.51
Other Salaries for Instruction	673,028.89	646,438.38	26,590.51
Purchased Professional - Educational Services	10,000.00	740.25	9,259.75
General supplies	167,551.00	118,658.85	48,892.15
Total instruction	3,545,873.64	3,437,854.72	108,018.92
Support Services:			
Salaries of Supervisors of Instruction	261,833.00	261,832.80	0.20
Salaries of Program Directors	394,590.00	394,590.00	
Salaries of Other Professional Staff	217,769.45	163,410.99	54,358.46
Salaries of Secretarial and Clerical Assistants	140,544.97	140,544.97	
Other Salaries	416,908.17	387,494.05	29,414.12
Salaries of Master Teachers	299,123.50	299,123.50	
Unused Vacation Payment to Terminated / Retired Staff	2,428.83	2,428.83	
Personal Services - Employee Benefits	1,294,856.44	1,294,856.44	
Purchased Educational Services - Contracted Pre-K	1,980,000.00	1,980,000.00	
Purchased Educational Services - Head Start	315,000.00	315,000.00	
Other Purchased Professional - Ed. Services	10,000.00	4,860.00	5,140.00
Other Purchased Professional Services	82,657.84	82,657.84	
Cleaning, Repair & Maintenance Services	229,875.76	200,583.15	29,292.61
Rentals	506,111.96	506,111.96	
Contr Services - Transportation (Bet. Home & School)	450,000.00	450,000.00	
Other Purchased Services (400-500 series)	47,737.00	47,737.00	
Supplies and Materials	147,829.72	128,749.08	19,080.64
Total support services	6,797,266.64	6,659,980.61	137,286.03
Facilities acquisition and const. serv.:			
Noninstructional Equipment	112,000.00	82,146.36	29,853.64
Total facilities acquisition and const. serv.	112,000.00	82,146.36	29,853.64
Total expenditures	\$10,455,140.28	\$10,179,981.69	\$275,158.59

CALCULATION OF BUDGET AND CARRYOVER

Total 2022-23 Preschool Education Aid Allocation	\$9,138,510.00
Add: Actual PreK Carryover (June 30, 2022)	575,522.28
Add: Budgeted Transfer From General Fund	741,258.00
Total Preschool Education Funds Available for 2022-23 Budget	10,455,290.28
Less: 2022-23 Budgeted Prek (Including prior year budgeted carryover)	10,455,140.28
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2023	150.00
Add: June 30, 2023 Unexpended Preschool Education Aid	275,158.59
	\$275,308.59
2022-23 Preschool Education Aid Carryover Budgeted for Preschool Programs 2023-24	-0-

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

EXHIBIT "F-1"

SAYREVILLE BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
AS OF JUNE 30, 2023

<u>ISSUE/PROJECT TITLE</u>	<u>APPROPRIATIONS</u>	<u>PRIOR YEAR</u>	<u>EXPENDITURES TO DATE</u> <u>CURRENT YEAR</u>	<u>(MEMO ONLY)</u> <u>UNEXPENDED</u> <u>PROJECT</u> <u>BALANCE</u>
Energy Savings Improvement Program	\$8,572,082.73	\$7,288,723.61	\$303,335.00	\$980,024.12
Referendum Project	97,474,000.00		30,659,941.63	66,814,058.37
Totals	<u>\$106,046,082.73</u>	<u>\$7,288,723.61</u>	<u>\$30,963,276.63</u>	<u>\$67,794,082.49</u>

SAYREVILLE BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

Revenues and Other Financing Sources:	
Bond Proceeds	\$97,474,000.00
Total revenues	<u>97,474,000.00</u>
Expenditures and Other Financing Uses:	
Architectural Services	\$6,558,556.63
Construction services	24,404,720.00
Total expenditures	<u>30,963,276.63</u>
Excess (deficiency) of revenues over (under) expenditures	66,510,723.37
Fund balance - beginning	<u>1,283,359.12</u>
Fund balance - ending	<u><u>\$67,794,082.49</u></u>
 <u>Reconciliation to Governmental Fund Statements (GAAP):</u>	
Fund Balance - budgetary basis	\$67,794,082.49
Add: Current year encumbrances	28,606,747.99
Fund Balance - GAAP basis (exhibit B-1)	<u><u>\$96,400,830.48</u></u>

SAYREVILLE BOROUGH SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 ENERGY SAVINGS IMPROVEMENT PROGRAM
 FOR THE 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 and transfers	\$8,572,082.73		\$8,572,082.73	\$8,572,082.73
Total revenues	<u>8,572,082.73</u>		<u>8,572,082.73</u>	<u>8,572,082.73</u>
Expenditures and Other Financing Uses:				
Architectural Services	1,097,457.94	(\$31,085.00)	1,066,372.94	1,105,107.27
Legal	30,633.10		30,633.10	32,633.10
Construction services	6,160,632.57	334,420.00	6,495,052.57	7,434,342.36
Total expenditures	<u>7,288,723.61</u>	<u>303,335.00</u>	<u>7,592,058.61</u>	<u>\$8,572,082.73</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$1,283,359.12</u>	<u>(\$303,335.00)</u>	<u>\$980,024.12</u>	

Additional project information:

Bond Authorization Date	12/17/20
Bonds Authorized	\$8,140,000.00
Bonds Issued	\$8,140,000.00
Bond Premium, net Discount	\$432,082.73
Original Authorized Cost	\$8,572,082.73
Additional Authorized Cost	
Revised Authorized Cost	\$8,572,082.73

Percentage Increase over Original Authorized Cost	
Percentage completion	88.57%
Original target completion date	12/31/2022
Revised target completion date	12/31/2025

SAYREVILLE BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
REFERENDUM PROJECT
FOR THE 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		\$97,474,000.00	\$97,474,000.00	\$97,474,000.00
Total revenues		<u>97,474,000.00</u>	<u>97,474,000.00</u>	<u>97,474,000.00</u>
Expenditures and Other Financing Uses:				
Architectural Services		6,514,875.93	6,514,875.93	6,564,050.00
Legal		74,765.70	74,765.70	74,765.70
Construction services		24,070,300.00	24,070,300.00	90,835,184.30
Total expenditures		<u>30,659,941.63</u>	<u>30,659,941.63</u>	<u>\$97,474,000.00</u>
Excess (deficiency) of revenues over (under) expenditures		<u>\$66,814,058.37</u>	<u>\$66,814,058.37</u>	

Additional project information:

Bond Authorization Date	12/15/22
Bonds Authorized	\$97,474,000.00
Bonds Issued	\$97,474,000.00
Bond Premium, net Discount	
Original Authorized Cost	\$97,474,000.00
Additional Authorized Cost	
Revised Authorized Cost	\$97,474,000.00

Percentage Increase over Original Authorized Cost	31.45%
Percentage completion	12/31/2025
Original target completion date	8/31/2026
Revised target completion date	

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

- FOOD SERVICES FUND:** This fund provides for the operation of Food services within the school district.
- COMMUNITY SCHOOL:** This fund provides for the operation of a community school program.

SAYREVILLE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		<u>TOTAL</u>
	<u>FOOD SERVICE</u>	<u>COMMUNITY SCHOOL</u>	
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 2,461,492.58	\$ 46,959.84	\$ 2,508,452.42
Accounts receivable:			
State	4,204.53		4,204.53
Federal	116,544.08		116,544.08
Other	88,302.05		88,302.05
Inventories	49,158.23		49,158.23
	<hr/>	<hr/>	<hr/>
Total current assets	2,719,701.47	46,959.84	2,766,661.31
	<hr/>	<hr/>	<hr/>
Noncurrent assets:			
Furniture, machinery & equipment	829,025.00		829,025.00
Less accumulated depreciation	(532,266.00)		(532,266.00)
	<hr/>	<hr/>	<hr/>
Total noncurrent assets	296,759.00		296,759.00
	<hr/>	<hr/>	<hr/>
Total assets	\$ 3,016,460.47	\$ 46,959.84	\$ 3,063,420.31
	<hr/>	<hr/>	<hr/>
LIABILITIES:			
Current liabilities:			
Interfund payable	\$ 182,470.24	\$	\$ 182,470.24
Unearned revenue	60,251.56		60,251.56
Accounts payable	198,119.44		198,119.44
	<hr/>	<hr/>	<hr/>
Total current liabilities	440,841.24		440,841.24
	<hr/>	<hr/>	<hr/>
Noncurrent liabilities:			
Compensated Absences	40,678.51		40,678.51
	<hr/>	<hr/>	<hr/>
Total noncurrent liabilities	40,678.51		40,678.51
	<hr/>	<hr/>	<hr/>
Total liabilities	481,519.75		481,519.75
	<hr/>	<hr/>	<hr/>
NET POSITION:			
Net investment in capital assets	296,759.00		296,759.00
Unrestricted	2,238,181.72	46,959.84	2,285,141.56
	<hr/>	<hr/>	<hr/>
Total net position	\$ 2,534,940.72	\$ 46,959.84	\$ 2,581,900.56
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

SAYREVILLE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		<u>TOTAL</u>
	<u>FOOD SERVICE</u>		
	<u>SCHOOL NUTRITION</u>	<u>COMMUNITY SCHOOL</u>	
OPERATING REVENUES:			
Charges for services:			
Daily sales - reimbursable programs	\$ 969,902.97	\$	\$ 969,902.97
Daily sales - non-reimbursable programs	356,299.03		356,299.03
Miscellaneous	20,312.61		20,312.61
Total operating revenues	<u>1,346,514.61</u>		<u>1,346,514.61</u>
OPERATING EXPENSES:			
Cost of sales - reimbursable	1,556,238.70		1,556,238.70
Cost of sales - non-reimbursable	54,294.69		54,294.69
Salaries	896,005.35	164.13	896,169.48
Employee benefits	260,321.34		260,321.34
Other purchased services	65,990.02		65,990.02
Supplies and materials	65,166.94		65,166.94
Miscellaneous	2,070.72		2,070.72
Depreciation	11,987.00		11,987.00
Total operating expenses	<u>2,912,074.76</u>	<u>164.13</u>	<u>2,912,238.89</u>
Operating income (loss)	<u>\$ (1,565,560.15)</u>	<u>\$ (164.13)</u>	<u>\$ (1,565,724.28)</u>
NONOPERATING REVENUES (EXPENSES):			
State sources			
State school lunch program	\$ 55,981.59	\$	\$ 55,981.59
State school breakfast program	5,271.60		5,271.60
Federal sources:			
National school lunch program	1,374,524.27		1,374,524.27
School breakfast program	279,757.10		279,757.10
Supply Chain Assistance	292,359.08		292,359.08
National food distribution commodities	247,556.36		247,556.36
Total nonoperating revenues	<u>2,255,450.00</u>		<u>2,255,450.00</u>
Income before contributions & transfers	<u>689,889.85</u>	<u>(164.13)</u>	<u>689,725.72</u>
Other financing sources/(uses):			
Transfer of funds		(43,385.74)	(43,385.74)
Total other financing sources/(uses)		<u>(43,385.74)</u>	<u>(43,385.74)</u>
Change in net position	689,889.85	(43,549.87)	646,339.98
Total net position - beginning	<u>1,845,050.87</u>	<u>90,509.71</u>	<u>1,935,560.58</u>
Total net position - ending	<u>\$ 2,534,940.72</u>	<u>\$ 46,959.84</u>	<u>\$ 2,581,900.56</u>

SAYREVILLE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		<u>TOTAL</u>
	<u>FOOD SERVICE</u>	<u>COMMUNITY SCHOOL</u>	
Cash flows from operating activities:			
Receipts from customers and other funds	\$ 1,457,143.95	\$ (164.13)	\$ 1,457,143.95
Payments to employees	(894,075.69)	(164.13)	(894,239.82)
Payments to employee benefits	(249,544.58)		(249,544.58)
Payments to suppliers	(1,524,823.25)		(1,524,823.25)
Net cash provided by (used for) operating activities	<u>(1,211,299.57)</u>	<u>(164.13)</u>	<u>(1,211,463.70)</u>
Cash flows from noncapital financing activities:			
State sources	63,203.13		63,203.13
Federal sources	2,167,662.38		2,167,662.38
Operating subsidies and transfers to other funds		(343,385.74)	(343,385.74)
Net cash provided by (used for) noncapital financing activities	<u>2,230,865.51</u>	<u>(343,385.74)</u>	<u>1,887,479.77</u>
Cash flows from capital and related financing activities:			
Purchases of capital assets	(210,700.00)		(210,700.00)
Net cash provided by (used for) capital and related financing activities	<u>(210,700.00)</u>		<u>(210,700.00)</u>
Net increase (decrease) in cash and cash equivalents	<u>808,865.94</u>	<u>(343,549.87)</u>	<u>465,316.07</u>
Cash and cash equivalents, July 1, 2022	<u>1,652,626.64</u>	<u>390,509.71</u>	<u>2,043,136.35</u>
Cash and cash equivalents, June 30, 2023	<u>\$ 2,461,492.58</u>	<u>\$ 46,959.84</u>	<u>\$ 2,508,452.42</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (1,565,560.15)	\$ (164.13)	\$ (1,565,724.28)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Federal commodities	247,556.36		247,556.36
Change in assets and liabilities:			
(Increase) decrease in other accounts receivable	(71,140.77)		(71,140.77)
Increase (decrease) in unearned revenue	(7,612.26)		(7,612.26)
Increase (decrease) in accounts payable	158,174.34		158,174.34
(Increase) decrease in inventories	15,295.91		15,295.91
	<u>354,260.58</u>		<u>354,260.58</u>
Net cash provided by (used for) operating activities	<u>\$ (1,211,299.57)</u>	<u>\$ (164.13)</u>	<u>\$ (1,211,463.70)</u>

SAYREVILLE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>HEALTH PLAN</u>	<u>PRESCRIPTION PLAN</u>	<u>DENTAL PLAN</u>	<u>TOTAL GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND</u>
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 54,722.90	\$ 899,605.79	\$ 378,094.87	\$ 1,332,423.56
Total assets	<u>54,722.90</u>	<u>899,605.79</u>	<u>378,094.87</u>	<u>1,332,423.56</u>
LIABILITIES:				
Interfunds payable	2,010,000.00			2,010,000.00
Accounts payable	529,705.76	222,079.68	52,341.02	804,126.46
Accrued liabilities	<u>1,405,000.00</u>	<u>85,000.00</u>	<u>12,700.00</u>	<u>1,502,700.00</u>
Total liabilities	<u>3,944,705.76</u>	<u>307,079.68</u>	<u>65,041.02</u>	<u>4,316,826.46</u>
NET POSITION:				
Unrestricted (deficit)	<u>(3,889,982.86)</u>	<u>592,526.11</u>	<u>313,053.85</u>	<u>(2,984,402.90)</u>
Total net position	<u>\$ (3,889,982.86)</u>	<u>\$ 592,526.11</u>	<u>\$ 313,053.85</u>	<u>\$ (2,984,402.90)</u>

SAYREVILLE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>HEALTH PLAN</u>	<u>PRESCRIPTION PLAN</u>	<u>DENTAL PLAN</u>	<u>TOTAL GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND</u>
OPERATING REVENUES:				
Charges for services:				
Services provided to other funds	\$ 14,117,248.58	\$ 3,127,769.62	\$ 469,304.84	\$ 17,714,323.04
Quarterly rebates		893,777.21		893,777.21
Miscellaneous		8,475.27		8,475.27
	<hr/>	<hr/>	<hr/>	<hr/>
Total operating revenues	14,117,248.58	4,030,022.10	469,304.84	18,616,575.52
OPERATING EXPENSES:				
Claims	16,303,686.83	3,688,825.33	628,671.59	20,621,183.75
	<hr/>	<hr/>	<hr/>	<hr/>
Total operating expenses	16,303,686.83	3,688,825.33	628,671.59	20,621,183.75
Operating income (loss)	<hr/> <u>(2,186,438.25)</u>	<hr/> <u>341,196.77</u>	<hr/> <u>(159,366.75)</u>	<hr/> <u>(2,004,608.23)</u>
Nonoperating Revenues (Expenses):				
Interest	4,302.15		4,572.25	4,572.25
	<hr/>	<hr/>	<hr/>	<hr/>
Total nonoperating revenues (expenses)	4,302.15		4,572.25	4,572.25
Excess (deficiency) of revenues over (under) expenditures	(2,182,136.10)	341,196.77	(154,794.50)	(1,995,733.83)
Total net position - beginning (deficit)	<hr/> <u>(1,707,846.76)</u>	<hr/> <u>251,329.34</u>	<hr/> <u>467,848.35</u>	<hr/> <u>(988,669.07)</u>
Total net position - ending (deficit)	<hr/> <u>\$ (3,889,982.86)</u>	<hr/> <u>\$ 592,526.11</u>	<hr/> <u>\$ 313,053.85</u>	<hr/> <u>\$ (2,984,402.90)</u>

SAYREVILLE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>HEALTH PLAN</u>	<u>PRESCRIPTION PLAN</u>	<u>DENTAL PLAN</u>	<u>TOTAL GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND</u>
Cash flows from operating activities:				
Receipts from customers and other funds	\$ 14,117,248.58	\$ 4,030,022.10	\$ 527,478.40	\$ 18,674,749.08
Cash Payments for Employee Benefits	<u>(16,142,330.63)</u>	<u>(3,583,088.01)</u>	<u>(628,049.61)</u>	<u>(20,353,468.25)</u>
Net cash provided by (used for) operating activities	<u>\$ (2,025,082.05)</u>	<u>\$ 446,934.09</u>	<u>\$ (100,571.21)</u>	<u>\$ (1,678,719.17)</u>
Cash flows from noncapital financing activities:				
Operating subsidies and transfers to other funds	<u>2,010,000.00</u>	<u></u>	<u></u>	<u>2,010,000.00</u>
Net cash provided by noncapital financing activities	<u>2,010,000.00</u>	<u></u>	<u></u>	<u>2,010,000.00</u>
Cash Flows From Investing Activities:				
Interest on Deposits	<u>4,302.15</u>	<u></u>	<u>4,572.25</u>	<u>8,874.40</u>
Net Cash Provided/(Used) by Investing Activities	<u>4,302.15</u>	<u></u>	<u>4,572.25</u>	<u>8,874.40</u>
Net increase (decrease) in cash and cash equivalents	<u>(10,779.90)</u>	<u>446,934.09</u>	<u>(95,998.96)</u>	<u>340,155.23</u>
Balances - Beginning of Year	<u>\$ 65,502.80</u>	<u>\$ 452,671.70</u>	<u>\$ 474,093.83</u>	<u>\$ 992,268.33</u>
Balances - End of Year	<u>\$ 54,722.90</u>	<u>\$ 899,605.79</u>	<u>\$ 378,094.87</u>	<u>\$ 1,332,423.56</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (2,186,438.25)	\$ 341,196.77	\$ (159,366.75)	\$ (2,004,608.23)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:				
(Increase) decrease in accounts receivable	<u>161,356.20</u>	<u>105,737.32</u>	<u>58,173.56</u>	<u>58,173.56</u>
Increase (decrease) in claims payable	<u></u>	<u></u>	<u>621.98</u>	<u>267,715.50</u>
Total Adjustments	<u>161,356.20</u>	<u>105,737.32</u>	<u>58,795.54</u>	<u>325,889.06</u>
Net cash provided by (used for) operating activities	<u>\$ (2,025,082.05)</u>	<u>\$ 446,934.09</u>	<u>\$ (100,571.21)</u>	<u>\$ (1,678,719.17)</u>

LONG-TERM LIABILITIES SCHEDULES

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds, Leases and Installment Purchase Contracts.

SAYREVILLE BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES		RATE OF INTEREST	BALANCE JULY 1, 2022	ISSUED	RETIRED	BALANCE JUNE 30, 2023
			DATE	AMOUNT					
Refunding School Bonds	7/15/2012	\$ 28,725,000.00	07/15/23	\$ 1,380,000.00	4.00%				
			07/15/24	1,435,000.00	3.00%				
			07/15/25	1,480,000.00	3.00%				
			07/15/26	1,535,000.00	4.00%				
			07/15/27	3,430,000.00	4.00%				
			07/15/28	3,565,000.00	3.00%				
			07/15/29	3,685,000.00	3.00%				
			07/15/30	3,800,000.00	3.00%	\$ 21,630,000.00	\$	1,320,000.00	\$ 20,310,000.00
Refunding School Bonds	3/7/2016	6,640,000.00	03/01/24	640,000.00	5.00%				
			03/01/25	675,000.00	3.00%				
			03/01/26	695,000.00	3.00%				
			03/01/27	200,000.00	2.75%			615,000.00	2,730,000.00
Refunding School Bonds	1/26/2017	7,880,000.00	03/01/24	810,000.00	2.00%				
			03/01/25	820,000.00	2.00%				
			03/01/26	835,000.00	2.00%				
			03/01/27	850,000.00	3.00%	4,105,000.00		790,000.00	3,315,000.00
School Energy Savings Obligation Refunding Bonds	12/17/2020	8,140,000.00	08/01/23	405,000.00	3.00%				
			08/01/24	425,000.00	3.00%				
			08/01/25	445,000.00	3.00%				
			08/01/26	445,000.00	2.00%				
			08/01/27	440,000.00	3.00%				
			08/01/28	460,000.00	3.00%				
			08/01/29	485,000.00	3.00%				
			08/01/30	510,000.00	3.00%				
			08/01/31	530,000.00	2.25%				
			08/01/32	550,000.00	2.25%				
			08/01/33	575,000.00	1.70%				
			08/01/34	590,000.00	1.75%				
			08/01/35	610,000.00	1.80%				
			08/01/36	445,000.00	2.00%				
		08/01/37	195,000.00	2.00%					
		08/01/38	205,000.00	2.25%					
		08/01/39	215,000.00	2.25%					
		08/01/40	225,000.00	2.25%		8,140,000.00	385,000.00	7,755,000.00	

SAYREVILLE BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES		RATE OF INTEREST	BALANCE JULY 1, 2022	ISSUED	RETIRED	BALANCE JUNE 30, 2023
			DATE	AMOUNT					
	12/15/2022	\$ 97,474,000.00	01/15/24	\$ 3,009,000.00	3.00%				
			01/15/25	3,405,000.00	3.00%				
			01/15/26	3,560,000.00	3.00%				
			01/15/27	3,720,000.00	3.00%				
			01/15/28	3,890,000.00	3.00%				
			01/15/29	4,065,000.00	3.00%				
			01/15/30	4,245,000.00	3.25%				
			01/15/31	4,435,000.00	3.25%				
			01/15/32	4,635,000.00	3.25%				
			01/15/33	4,845,000.00	4.00%				
			01/15/34	5,065,000.00	4.00%				
			01/15/35	5,290,000.00	4.00%				
			01/15/36	5,530,000.00	4.00%				
			01/15/37	5,780,000.00	4.00%				
			01/15/38	6,000,000.00	4.00%				
			01/15/39	6,000,000.00	4.00%				
			01/15/40	6,000,000.00	4.00%				
			01/15/41	6,000,000.00	4.00%				
			01/15/42	6,000,000.00	4.00%				
			01/15/43	6,000,000.00	4.00%				
						\$ 37,220,000.00	\$ 97,474,000.00	\$ 3,110,000.00	\$ 131,584,000.00
								\$ 2,725,000.00	
								\$ 385,000.00	
								\$ 3,110,000.00	

Bonds Paid in Debt Service Fund
Bonds Paid in General Fund- ESIP

School Bonds

SAYREVILLE BOROUGH SCHOOL DISTRICT
 SCHEDULE OF OBLIGATIONS UNDER INSTALLMENT PURCHASE CONTRACTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>SERIES</u>	<u>INTEREST RATE PAYABLE</u>	<u>AMOUNT OF ORIGINAL CONTRACT</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2022</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2023</u>
<u>Governmental Funds</u>						
Technology and Equipment	0.000%	\$ 1,788,457.00	\$ 357,691.40	\$	\$ 357,691.40	\$ 298,235.97
School Buses and Technology	1.279%	733,158.18	444,535.36		146,299.39	859,877.32
School Buses	1.183%	1,648,920.28	1,139,824.47		279,947.15	227,040.79
School Buses	1.365%	375,025.60	300,692.01		73,651.22	571,344.85
School Buses	2.621%	706,682.03	706,682.03		135,337.18	162,312.42
Technology and Equipment	2.089%	201,684.64	201,684.64		39,372.22	253,866.36
Broadband Improvements	4.470%	382,866.36		382,866.36	129,000.00	
			\$ 3,151,109.91	\$ 382,866.36	\$ 1,161,298.56	\$ 2,372,677.71
Grand Total						

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

	<u>BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:				
Local sources:				
Local tax levy	\$ 3,545,909.00	\$ 3,545,909.00	\$ 3,545,909.00	\$
State sources:				
Debt service aid type II	79,651.00	79,651.00	79,651.00	
Bond Interest			410,803.72	410,803.72
Total revenues	<u>3,625,560.00</u>	<u>3,625,560.00</u>	<u>4,036,363.72</u>	<u>410,803.72</u>
EXPENDITURES:				
Regular debt service:				
Interest	900,560.00	900,560.00	900,559.73	0.27
Redemption of principal	<u>2,725,000.00</u>	<u>2,725,000.00</u>	<u>2,725,000.00</u>	
Total regular debt service-expenditures	<u>3,625,560.00</u>	<u>3,625,560.00</u>	<u>3,625,559.73</u>	<u>0.27</u>
Excess (deficiency) of revenues over (under) expenditures			410,803.99	410,803.99
Fund balance, July 1	<u>1,338.48</u>	<u>1,338.48</u>	<u>1,338.48</u>	
Fund balance, June 30	<u>\$ 1,338.48</u>	<u>\$ 1,338.48</u>	<u>\$ 412,142.47</u>	<u>\$ 410,803.99</u>

STATISTICAL SECTION - UNAUDITED

SAYREVILLE BOROUGH SCHOOL DISTRICT
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends: These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-4
Revenue Capacity: These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-5 to J-9
Debt Capacity: These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information: These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information: These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

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

SAYREVILLE BOROUGH SCHOOL DISTRICT
NET POSITION BY COMPONENT
UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015 (a)	2014
Governmental activities										
Net investment in capital assets	\$22,476,000.17	\$45,105,343.36	\$40,006,518.20	\$41,892,077.77	\$40,485,241.86	\$38,905,898.58	\$39,012,616.00	\$37,233,881.00	\$36,067,326.00	\$34,845,118.00
Restricted	45,284,551.02	13,109,672.16	16,336,227.36	8,499,508.80	7,627,357.20	5,755,040.74	5,608,094.00	4,696,222.00	5,001,248.00	6,392,450.00
Unrestricted (deficit)	(26,589,531.51)	(22,820,828.93)	(25,501,758.04)	(28,232,430.33)	(26,295,118.49)	(25,871,948.41)	(26,172,215.00)	(23,371,315.00)	(23,545,422.00)	(1,197,431.00)
Total governmental activities net position	\$41,171,019.68	\$35,394,186.59	\$30,840,987.52	\$22,159,156.24	\$21,817,480.57	\$18,788,990.91	\$18,448,495.00	\$18,558,788.00	\$17,523,152.00	\$40,040,137.00
Business-type activities										
Invested in capital assets	\$296,759.00	\$10,049.00	\$10,049.00	\$7,715.00	\$6,069.00	\$3,105.00				
Net of related debt	2,285,141.56	1,925,511.58	264,247.60	877,547.91	1,355,547.63	925,151.04	599,313.00	274,998.00	292,132.00	294,736.00
Unrestricted			\$274,296.60	\$885,262.91	\$1,361,616.63	\$928,256.04	\$599,313.00	\$274,998.00	\$292,132.00	\$294,736.00
Total business-type activities net position	\$2,581,900.56	\$1,935,560.58	\$274,296.60	\$885,262.91	\$1,361,616.63	\$928,256.04	\$599,313.00	\$274,998.00	\$292,132.00	\$294,736.00
District-wide										
Net investment in capital assets	\$22,772,759.17	\$45,115,392.36	\$40,016,567.20	\$41,899,792.77	\$40,491,310.86	\$38,909,003.58	\$39,012,616.00	\$37,233,881.00	\$36,067,326.00	\$34,845,118.00
Restricted	45,284,551.02	13,109,672.16	16,336,227.36	8,499,508.80	7,627,357.20	5,755,040.74	5,608,094.00	4,696,222.00	5,001,248.00	6,392,450.00
Unrestricted (deficit)	(24,304,389.95)	(20,895,317.35)	(25,237,510.44)	(27,354,882.42)	(24,939,570.86)	(24,946,797.37)	(25,572,902.00)	(23,096,317.00)	(23,253,290.00)	(902,695.00)
Total district net position	\$43,752,920.24	\$37,329,747.17	\$31,115,284.12	\$23,044,419.15	\$23,179,097.20	\$19,717,246.95	\$19,047,808.00	\$18,833,786.00	\$17,815,284.00	\$40,334,873.00

Source: ACFR Schedule A-1
a - In FY2015 the District Implemented GASB 68

SAYREVILLE BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
EXPENSES										
Governmental activities										
Instruction:										
Regular	\$53,734,491.09	\$54,127,081.43	\$50,726,670.48	\$50,029,707.51	\$51,593,055.17	\$39,395,467.00	\$36,006,586.00	\$48,728,322.00	\$36,632,902.00	\$34,017,114.00
Special Education	23,938,570.32	22,633,358.56	24,578,085.39	24,265,385.20	22,930,026.71	12,808,935.00	11,780,097.00	15,904,719.00	10,683,219.00	10,531,590.00
Other Special Instruction	7,150,833.17	7,015,008.44	6,060,592.60	5,687,545.49	5,951,363.20	2,593,126.00	2,341,497.00	3,569,102.00	2,208,174.00	2,195,099.00
School Sponsored Activities and Athletics						1,587,123.00	1,497,762.00	1,768,659.00	1,373,451.00	1,360,331.00
Support services:										
Student and instruction related services	22,416,284.38	21,169,353.72	16,118,682.28	14,489,561.27	15,812,138.99	17,680,147.00	16,899,922.00	18,920,488.00	15,250,423.00	14,699,576.00
General administrative services	1,374,072.19	1,418,349.26	1,542,129.38	1,725,682.47	1,664,706.17	2,185,208.00	2,493,123.00	2,831,933.00	2,168,189.00	2,038,814.00
School administrative services	6,114,163.47	6,192,390.44	5,462,005.15	5,303,591.26	5,497,477.70	3,566,225.00	3,746,368.00	5,049,623.00	3,547,891.00	3,572,941.00
Central Services/Business Services	3,570,345.19	2,931,473.82	2,423,620.77	2,168,133.39	2,555,859.98	766,684.00	854,507.00	811,675.00	820,257.00	812,586.00
Administrative Information Technology						1,367,906.00	930,404.00	1,134,214.00	873,317.00	735,470.00
Plant operations and maintenance	11,818,961.91	13,826,943.44	6,816,636.06	5,960,438.38	6,317,583.26	7,398,339.00	7,082,143.00	7,055,419.00	6,622,968.00	7,334,708.00
Pupil transportation	7,230,379.43	6,662,341.82	5,935,677.98	6,180,005.31	6,091,667.91	7,771,959.00	7,363,654.00	7,106,528.00	6,571,629.00	6,618,660.00
Special Schools						174,967.00	134,776.00		27,109.00	
Charter schools	779,905.00	568,584.00	529,565.00	369,009.00	186,129.00	255,597.00	116,240.00	67,219.00	106,976.00	
Interest on Long-Term Debt	3,216,801.95	1,218,267.46	2,443,022.46	1,514,422.20	1,640,709.20	1,231,423.00	2,323,332.00	2,414,075.00	1,060,474.00	1,697,213.00
Total governmental activities expenses	141,344,808.10	137,763,122.38	122,636,687.55	117,693,481.48	120,240,717.29	98,803,106.00	93,570,411.00	115,361,976.00	87,946,979.00	85,614,102.00
Business-type activities:										
Food Service	2,912,074.76	2,811,667.04	2,103,052.68	2,464,032.63	2,368,852.11	2,419,989.00	2,383,621.00	2,281,939.00	2,182,427.00	2,239,837.00
Adult School	164.13	29,968.79	56,259.81	168,528.21	172,009.87	165,152.00	188,433.00	143,436.00	145,343.00	145,341.00
Total business-type activities expense	2,912,238.89	2,841,635.83	2,159,312.49	2,632,560.84	2,540,861.98	2,585,141.00	2,572,054.00	2,425,375.00	2,327,770.00	2,385,178.00
Total district expenses	\$144,257,046.99	\$140,604,758.21	\$124,796,000.04	\$120,326,042.32	\$122,781,579.27	\$101,388,247.00	\$96,142,465.00	\$117,787,351.00	\$90,274,749.00	\$87,999,280.00
PROGRAM REVENUES										
Governmental activities:										
Charges for Services:										
Student and instruction related services	\$465,265.86	407,201.60	\$29,897,236.43	\$35,336,490.91	\$10,234,298.00	\$8,665,687.00	\$30,600,615.00	\$6,677,161.00	\$7,466,925.00	\$6,078,493.00
Operating grants and contributions	29,878,623.04	\$34,342,090.08	28,897,236.43	10,234,298.00	8,665,687.00	30,600,615.00	6,677,161.00	7,466,925.00	6,078,493.00	4,862,861.00
Total governmental activities program revenues	30,343,888.90	34,749,291.68	28,897,236.43	10,234,298.00	8,665,687.00	30,600,615.00	6,677,161.00	7,466,925.00	6,078,493.00	4,862,861.00

SAYREVILLE BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
PROGRAM REVENUES										
Business-type activities:										
Charges for services										
Food Service	\$1,346,514.61	\$359,108.17	\$793,741.66	\$1,110,902.29	\$1,118,723.00	\$1,081,226.00	\$1,048,457.00	\$987,209.00	\$985,956.00	\$1,082,740.00
Adult School		27,594.00	69,916.00	462,320.90	432,061.00	\$296,921.00	\$104,727.00	\$213,685.00	\$157,568.00	\$179,598.00
Operating grants and contributions	2,255,450.00	4,116,197.64	1,114,301.11	1,406,581.45	1,408,673.00	1,326,773.00	1,269,588.00	1,180,115.00	1,163,950.00	1,132,992.00
Total business type activities program revenues	3,601,964.61	4,502,899.81	1,977,958.77	2,959,457.00	2,704,920.00	2,422,772.00	2,381,009.00	2,307,474.00	2,395,330.00	3,510,231.00
Total district program revenues	\$33,945,853.51	\$39,252,191.49	\$30,875,195.20	\$31,146,340.52	\$12,939,218.00	\$11,088,459.00	\$32,981,624.00	\$9,984,635.00	\$9,862,256.00	\$9,588,724.00
NET (EXPENSE)/REVENUE										
Governmental activities	(\$111,000,919.20)	(\$103,013,830.70)	(\$93,739,451.12)	(\$107,459,183.48)	(\$111,575,030.29)	(\$68,202,491.00)	(\$86,893,250.00)	(\$107,895,050.00)	(\$81,868,486.00)	(\$80,751,441.00)
Business-type activities	689,725.72	1,661,263.98	(181,353.72)	326,896.16	164,058.02	(162,369.00)	(191,045.00)	(117,901.00)	67,560.00	1,125,053.00
Total district-wide net expense	(\$110,311,193.48)	(\$101,352,566.72)	(\$93,920,804.84)	(\$87,809,095.55)	(\$88,449,029.00)	(\$85,054,006.00)	(\$84,805,727.00)	(\$81,290,114.00)	(\$78,137,024.00)	(\$72,820,277.00)
GENERAL REVENUES AND OTHER CHANGES										
IN NET POSITION										
Governmental activities:										
Property taxes levied for general purposes, net	\$67,021,492.00	\$65,707,345.00	\$63,155,849.00	\$60,289,602.00	\$58,677,741.00	\$56,876,379.00	\$55,338,023.00	\$54,252,964.00	\$53,189,180.00	\$52,146,255.00
Taxes levied for debt service	3,545,909.00	3,535,693.00	3,531,727.00	3,445,666.00	3,577,205.00	3,648,826.00	3,622,396.00	3,627,168.00	3,734,882.00	3,779,763.00
Federal and state aid not restricted	34,768,547.03	31,596,329.41	26,204,463.06	22,554,984.79	25,072,087.00	24,566,473.00	24,590,124.00	24,629,625.00	23,444,950.00	24,232,606.00
Federal and state aid restricted	8,901,095.81	4,051,906.98	54,016.48	46,257.92	89,600.00	89,967.00	96,985.00	93,510.00	94,832.00	
Tuition					306,729.00	265,697.00				
Private Sources					368,245.00	16,690.00				
Miscellaneous income	2,497,322.71	1,869,823.57	475,508.12	554,687.09	316,909.00	326,339.00	764,340.00	1,257,706.00	651,395.00	689,400.00
Transfers	43,385.74	805,931.81	659,630.52	110,000.00	50,000.00	150,000.00				
Total governmental activities	116,777,752.29	107,567,029.77	94,081,194.18	88,458,516.00	85,940,361.00	84,411,868.00	83,860,973.00	81,115,239.00	80,848,024.00	78,179,114.00
Business-type activities:										
Transfers	(43,385.74)		(295,000.00)	(110,000.00)	50,000.00	150,000.00				
Total business-type activities	(43,385.74)		(110,000.00)	50,000.00	150,000.00					
Total district-wide	\$116,734,366.55	\$107,567,029.77	\$93,971,194.18	\$88,508,516.00	\$86,090,361.00	\$84,411,868.00	\$83,860,973.00	\$81,115,239.00	\$80,848,024.00	\$78,179,114.00
CHANGE IN NET POSITION										
Governmental activities	\$5,776,833.09	\$4,553,199.07	\$341,743.06	(\$19,000,667.48)	(\$25,634,669.29)	\$16,209,377.00	(\$3,032,277.00)	(\$26,779,811.00)	(\$1,020,462.00)	(\$2,572,327.00)
Business-type activities	646,339.98	1,661,263.98	(291,353.72)	376,896.16	314,058.02	(162,369.00)	(191,045.00)	(117,901.00)	67,560.00	1,125,053.00
Total district	\$6,423,173.07	\$6,214,463.05	\$50,389.34	\$689,420.45	(\$2,358,688.00)	(\$642,138.00)	(\$944,754.00)	(\$174,875.00)	\$2,711,000.00	\$5,358,837.00

Source: ACFR Schedule A-2

SAYREVILLE BOROUGH SCHOOL DISTRICT
 FUND BALANCES - GOVERNMENTAL FUNDS
 UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Restricted	\$16,309,374.60	\$12,203,298.76	\$8,499,508.80	\$7,627,357.20	\$6,217,928.21	\$5,457,828.00	\$4,554,424.00	\$3,875,984.00	\$4,940,320.00	\$5,109,150.00
Assigned	1,926,416.00	3,242,068.80	1,415,854.94	970,662.16	1,107,384.49	(170,904.00)	(49,323.00)	(717,352.00)	(481,643.00)	(682,263.00)
Reserved										
Unreserved		617,271.17								
Total general fund	<u>\$18,235,790.60</u>	<u>\$16,062,638.73</u>	<u>\$9,915,363.74</u>	<u>\$8,598,019.36</u>	<u>\$7,325,312.70</u>	<u>\$5,286,924.00</u>	<u>\$4,505,101.00</u>	<u>\$3,158,632.00</u>	<u>\$4,458,677.00</u>	<u>\$4,426,887.00</u>
All Other Governmental Funds										
Restricted	\$68,574,653.39	\$1,669,113.61	\$2.23	\$1.43	\$1.08					
Assigned					74,933.00					
Reserved						\$150,266.00	\$131,792.00	\$1,124,932.00	\$1,451,800.00	\$5,109,150.00
Committed	28,606,747.99	521,957.39	(279,592.41)							
Unassigned	(902,350.48)	(934,124.36)								
Unreserved, reported in:										
Capital projects fund							10,006.00	331.00	330.00	(671,934.00)
Total all other governmental funds	<u>\$96,279,050.90</u>	<u>\$1,256,946.64</u>	<u>(\$279,590.18)</u>	<u>\$1.43</u>	<u>\$74,934.08</u>	<u>\$150,266.00</u>	<u>\$141,798.00</u>	<u>\$1,125,263.00</u>	<u>\$1,452,130.00</u>	<u>\$4,437,216.00</u>

Source: ACFR Schedule B-1

SAYREVILLE BOROUGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Tax levy	\$70,567,401.00	\$69,243,038.00	\$66,687,576.00	\$65,357,364.00	\$63,735,268.00	\$62,254,946.00	\$60,525,205.00	\$58,960,419.00	\$57,880,132.00	\$56,924,062.00
Interest on emergency reserve	3,421.28	-	3,243.93	3,716.65	-	-	-	-	-	-
Interest on maintenance reserve	11,101.51	-	12,377.08	14,155.62	5.07	-	-	-	-	-
Interest on capital reserve	92,540.41	-	18,802.51	19,562.84	5,510.33	-	-	-	-	-
Tuition/Program Fees	116,037.70	82,992.32	-	71,299.32	197,402.81	306,729.00	265,697.00	-	-	-
Transportation Fees	1,650.00	170,300.00	5,640.00	2,520.00	-	-	-	-	-	-
Investment and Interest Earnings	2,737,837.67	2,023,732.85	436,675.40	1,010,759.53	360,168.88	315,280.00	326,339.00	764,340.00	1,257,706.00	651,395.00
Miscellaneous						368,245.00	16,680.00	-	-	-
Private Source						32,830,169.00	30,968,223.00	29,772,717.00	28,966,299.00	28,611,277.00
State sources	72,069,153.60	66,840,591.44	46,158,674.09	39,895,333.00	35,342,538.60	32,830,169.00	30,968,223.00	29,772,717.00	28,966,299.00	28,611,277.00
Federal sources	9,327,137.28	4,253,543.03	2,585,486.08	2,672,444.19	2,490,000.82	2,565,816.00	2,353,903.00	2,437,704.00	2,433,997.00	2,395,431.00
Total revenue	154,926,280.45	142,614,197.64	115,908,475.09	109,141,155.15	102,130,894.51	98,642,813.00	94,456,047.00	91,935,180.00	90,538,134.00	88,562,165.00
Expenditures										
Instruction:										
Regular Instruction	35,338,028.96	33,578,495.92	27,479,950.26	27,040,925.29	26,015,259.15	27,035,807.00	26,054,582.00	26,576,290.00	27,557,916.00	25,349,040.00
Special Education Instruction	13,104,759.78	12,200,888.82	13,145,308.31	12,530,900.04	11,723,175.30	8,790,349.00	8,524,061.00	8,671,422.00	8,036,689.00	7,847,982.00
Other Special Instruction	4,384,458.72	4,093,728.69	3,264,752.46	3,065,533.81	2,930,877.42	1,779,576.00	1,699,453.00	1,784,346.00	1,661,148.00	1,635,755.00
Other Instruction						1,086,144.00	1,080,515.00	1,067,602.00	1,033,209.00	1,013,698.00
Community Service Services						3,046.00	-	-	-	-
Support Services:										
Tuition	3,943,450.53	3,537,349.34	3,037,173.33	2,584,415.67	2,524,806.52	12,133,301.00	12,184,849.00	11,614,381.00	11,472,470.00	10,781,620.00
Student and instruction related services	18,557,297.50	16,984,221.73	11,640,380.84	9,761,496.93	9,425,164.74	1,499,636.00	1,797,537.00	1,743,511.00	1,631,068.00	1,519,293.00
General administrative services	2,057,806.62	2,067,007.77	1,706,739.07	1,714,157.60	1,494,965.42	2,669,464.00	2,711,344.00	2,729,391.00	2,668,980.00	2,662,501.00
School administrative services	3,504,445.96	3,367,337.55	3,106,778.03	2,958,823.46	2,944,611.37	2,669,464.00	2,711,344.00	2,729,391.00	2,668,980.00	2,662,501.00
Central Services/Business Services / Info Tech.	3,283,136.44	2,586,566.52	2,227,161.08	1,928,645.70	1,874,547.49	1,478,624.00	1,284,540.00	1,298,427.00	1,274,029.00	1,153,688.00
Plant operations and maintenance	8,697,495.81	7,574,702.98	7,548,753.95	6,307,352.49	5,142,107.86	5,077,325.00	5,085,739.00	5,174,748.00	4,982,275.00	4,843,654.00
Pupil transportation	6,664,024.07	6,083,211.56	5,518,767.89	5,406,802.55	5,019,919.01	5,333,638.00	5,287,894.00	5,212,233.00	4,943,654.00	4,932,125.00
Employee benefits	42,386,878.43	40,628,577.29	30,251,000.13	28,720,323.05	26,178,261.08	25,760,760.00	23,136,949.00	20,694,121.00	18,669,538.00	19,883,882.00
Special School	58,252.90	133,824.00	86,418.20	101,513.40	87,219.20	120,074.00	96,794.00	20,383.00	20,383.00	26,474.00
Charter School						175,408.00	83,473.00	49,301.00	80,475.00	78,760.00
Debt service:										
Principal	2,725,000.00	2,625,000.00	2,440,000.00	2,350,000.00	2,290,000.00	2,135,000.00	2,070,000.00	1,985,000.00	2,005,000.00	1,740,000.00
Interest and other charges	900,559.73	900,195.44	1,171,162.20	1,245,439.65	1,303,276.00	1,392,172.00	1,668,793.00	1,744,380.00	1,715,677.00	2,099,714.00
Capital Outlay	9,952,458.00	9,886,030.48	3,539,910.10	4,080,860.00	1,891,936.55	1,432,287.00	1,476,530.00	3,216,940.00	1,312,021.00	3,855,947.00
Transfer to Charter Schools	779,905.00	568,554.00	529,565.00	369,009.00	186,129.00	97,902,521.00	94,243,043.00	93,562,093.00	89,064,542.00	90,046,093.00
Total expenditures	156,515,858.45	146,695,691.99	116,694,255.85	110,166,198.64	101,032,256.11	97,902,521.00	94,243,043.00	93,562,093.00	89,064,542.00	90,046,093.00
Excess (Deficiency) of revenues over (under) expenditures	(1,589,578.00)	(4,081,494.35)	(785,780.76)	(1,025,043.49)	1,098,638.40	740,292.00	213,004.00	(1,626,913.00)	1,473,592.00	(1,463,926.00)
Other Financing sources (uses)										
Lease Proceeds (Non-Budgeted)	1,089,546.39	576,710.67	1,163,903.01	2,012,817.50	754,418.89	-	-	-	-	-
Cancellation of Local Share						156,094.00	184,800.00	2,260,028.00	1,432,920.00	(267,440.00)
Transfers In						(106,094.00)	(34,800.00)	(2,260,028.00)	(1,432,920.00)	(433,886.00)
Transfers Out	43,385.74	805,931.81	659,630.52	210,000.00	110,000.00	(106,094.00)	(34,800.00)	(2,260,028.00)	(1,432,920.00)	(433,886.00)
Total other financing sources (uses)	98,784,834.13	1,382,642.48	1,823,533.53	2,222,817.50	864,418.89	50,000.00	150,000.00	-	-	(267,440.00)
Net change in fund balances	97,195,256.13	(2,698,851.87)	1,037,752.77	1,197,774.01	1,963,057.29	790,292.00	363,004.00	(1,626,913.00)	1,473,592.00	(1,731,368.00)
Debt service as a percentage of noncapital expenditures	2.47%	2.64%	3.19%	3.39%	3.62%	3.66%	4.03%	4.13%	4.24%	4.45%

Source: ACRF Schedule B-2

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>INTEREST</u> <u>ON INVESTMENTS</u>	<u>TUITION</u>	<u>E-RATE</u> <u>REIMBURSEMENT</u>	<u>PRIOR YEAR</u> <u>REFUNDS</u>	<u>CANCELLED</u> <u>PAYABLES</u>	<u>RENTALS</u>	<u>MISCELLANEOUS</u>	<u>TOTAL</u>
2023	\$ 106,556.09	\$ 51,319.00	\$	\$ 244,897.64	\$ 977,591.77	\$	\$ 272,274.33	\$ 1,652,638.83
2022	28,554.15	12,276.00	167,596.24	241,374.69	709,834.33	148,416.76	154,871.58	1,462,923.75
2021	31,466.61	46,896.00	135,506.14	9,328.05			11,343.39	234,540.19
2020	111,265.65	74,105.75	112,921.79				3,507.99	301,801.18
2019	185,454.95	25,646.75	179,854.06	23,378.60		164,981.93	250,733.42	830,049.71
2018	60,529.12		98,301.56	27,686.90			6,294.03	192,811.61
2017	15,322.56		114,942.78	25,821.14			158,566.29	314,652.77
2016	13,499.63		205,316.98				97,848.87	316,665.48
2015	16,397.75	176,087.35	18,816.28	11,644.41			227,494.83	450,440.62
2014	37,120.21	138,646.02	119,808.07	50,476.66			103,232.80	449,283.76

Source: District Records

SAYREVILLE BOROUGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 SAYREVILLE BOROUGH
UNAUDITED

Calendar Year Ended December 31,	Vacant Land	Residential	Farm Req.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (a)	Net Valuation Taxable	Est. Actual (County Equalized Value)	Total Direct School Tax Rate (b)
2022	\$56,633,000.00	\$1,760,562,000.00	\$143,900.00	\$12,000.00	\$163,336,300.00	\$184,477,000.00	\$181,266,300.00	\$2,346,430,500.00	\$100.00	\$2,346,430,600.00	\$5,918,156,559.00	3.351
2021	51,645,200.00	1,756,270,200.00	143,900.00	12,000.00	163,653,600.00	169,843,800.00	172,879,700.00	2,314,448,400.00	44.00	2,314,448,444.00	5,340,618,813.00	3.026
2020	53,836,100.00	1,738,245,300.00	143,900.00	12,000.00	171,597,700.00	159,824,300.00	179,416,500.00	2,303,075,800.00	46.00	2,303,075,846.00	5,058,686,037.00	2.992
2019	39,905,500.00	1,729,676,500.00	143,900.00	12,000.00	170,666,600.00	176,334,600.00	179,416,500.00	2,292,234,400.00	48.00	2,292,234,448.00	4,835,821,184.00	2.952
2018	37,610,500.00	1,725,561,800.00	143,900.00	12,000.00	172,760,400.00	183,096,600.00	172,049,200.00	2,287,466,700.00	49.00	2,287,466,750.00	4,770,519,092.00	2.905
2017	38,679,300.00	1,723,535,800.00	143,900.00	12,000.00	168,918,300.00	180,968,900.00	175,178,500.00	2,286,008,200.00	50.00	2,286,008,251.00	4,635,190,931.00	2.851
2016	40,247,400.00	1,722,569,200.00	143,900.00	9,400.00	167,208,600.00	182,670,600.00	173,159,100.00	2,277,669,600.00	51.00	2,277,669,652.00	4,589,924,865.00	2.724
2015	38,133,300.00	1,718,999,000.00	143,900.00	9,400.00	171,816,000.00	178,427,000.00	170,141,000.00	2,277,685,100.00	52.00	2,280,450,118.00	4,495,104,796.00	2.657
2014	40,360,200.00	1,721,223,500.00	143,900.00	9,400.00	171,610,900.00	178,677,000.00	165,660,200.00	2,273,637,200.00	2,765,018.00	2,276,664,074.00	4,479,649,835.00	2.586
2013	40,576,200.00	1,720,761,400.00	143,900.00	9,400.00	172,343,800.00	177,851,700.00	161,950,800.00	2,278,195,500.00	3,026,874.00	2,281,711,612.00	4,361,475,542.00	2.543

Source: District records Tax list summary & Municipal Tax Assessor
 Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.
 Reassessment occurs when ordered by the County Board of Taxation
 (a): Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
 (b): Tax rates are per \$100

SAYREVILLE BOROUGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
UNAUDITED

Fiscal Year Ended June 30.	Sayreville School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	Obligation Debt Service (b)	Total Direct School Tax Rate	Municipality of Sayreville	Library	County of Middlesex	
2023	\$3.183	\$0.168	\$3.351	\$1.553	\$0.084	\$0.948	\$5.936
2022	2.871	0.155	3.026	1.514	0.079	0.926	5.545
2021	2.868	0.158	2.992	1.504	0.075	0.913	5.484
2020	2.796	0.156	2.952	1.469	0.072	0.852	5.345
2019	2.755	0.150	2.905	1.443	0.069	0.816	5.233
2018	2.701	0.150	2.851	1.586	0.067	0.815	5.319
2017	2.564	0.160	2.724	1.350	0.067	0.816	4.957
2016	2.497	0.160	2.657	1.314	0.065	0.783	4.819
2015	2.426	0.160	2.586	1.277	0.064	0.777	4.704
2014	2.383	0.160	2.543	1.228	0.063	0.770	4.604

* - Not Available

Source: District Records and Municipal Tax Collector
(Rates are per \$100 of assessed value)

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.

SAYREVILLE BOROUGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS - CURRENT YEAR AND NINE YEARS AGO
SAYREVILLE BOROUGH
UNAUDITED

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Hillside Estates, Inc.	\$71,130,500	1	3.050%	\$71,130,500.00	1	3.124%
Kaplan (and Related Ownerships)	\$34,215,800	2	1.467%	\$35,267,100.00	3	1.549%
E.I. Dupont de Nemours & Co.	\$30,794,100	3	1.320%	\$38,305,700.00	2	1.683%
Skytop Gardens, Inc.	\$30,424,300	4	1.304%	\$30,424,300.00	4	1.336%
Hercules, Inc.	\$21,392,700	5	0.917%	\$21,873,500.00	5	0.961%
(NL Redevelopment) SERA	\$17,962,100	6	0.770%	\$17,281,100.00	9	0.759%
CMC Steel US, LLC	\$14,271,500	7	0.612%	\$14,384,100.00	7	0.632%
Brooklawn Gardens, Inc.	\$14,154,200	8	0.607%			0.000%
North Jersey Energy Associates (Coge ProLogis (Related Ownerships)	\$13,650,300	9	0.585%	\$13,183,900.00	8	0.579%
Gerdau USA, Inc. (NJ Steel)	\$13,183,900	10	0.565%			0.000%
GJM Bordentown, LLC				\$16,600,000.00	6	0.729%
Lakeview Developers, Ltd.				\$12,000,000.00	10	0.527%
				\$12,000,000.00	10	0.527%
Total	\$261,179,400.00		11.198%	\$282,450,200.00		12.406%

Source: Municipal Tax Assessor

SAYREVILLE BOROUGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (a)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2023	\$70,567,401.00	\$70,567,401.00	100.00%	0.00
2022	69,243,038.00	69,243,038.00	100.00%	0.00
2021	67,957,093.00	67,957,093.00	100.00%	0.00
2020	66,687,576.00	66,687,576.00	100.00%	0.00
2019	65,357,364.00	65,357,364.00	100.00%	0.00
2018	65,363,165.00	65,363,165.00	100.00%	0.00
2017	62,254,946.00	62,254,946.00	100.00%	0.00
2016	60,525,205.00	60,525,205.00	100.00%	0.00
2015	58,960,419.00	58,960,419.00	100.00%	0.00
2014	57,880,132.00	57,880,132.00	100.00%	0.00

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

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

SAYREVILLE SCHOOL DISTRICT
 RATIOS OF OUTSTANDING DEBT BY TYPE
 UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Installment Purchase Agreements				
2023	\$131,584,000.00	\$2,372,677.71		\$133,956,677.71	N/A	N/A
2022	37,220,000.00	3,151,109.91		40,371,109.91	1.344%	\$894.69
2021	39,845,000.00	3,114,816.00		42,959,816.00	1.563%	952.84
2020	34,240,000.00	1,991,011.61		36,231,011.61	1.355%	826.15
2019	36,680,000.00	2,050,209.52		38,730,209.52	1.509%	877.02
2018	39,030,000.00	2,481,296.80		41,511,296.80	1.636%	935.74
2017	41,320,000.00	471,938.00		41,791,938.00	1.714%	938.79
2016	43,855,000.00	795,546.00		44,650,546.00	1.915%	1,007.46
2015	45,925,000.00	1,358,194.00		47,283,194.00	2.092%	1,071.14
2014	47,910,000.00	1,001,979.00		48,911,979.00	2.099%	1,112.67

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

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

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

(b) Includes Energy Savings Obligation Refunding Bonds (ESIP)

N/A - Not available

SAYREVILLE BOROUGH SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Deductions			
2023	\$131,584,000.00		\$131,584,000.00	N/A	N/A
2022	37,220,000.00		37,220,000.00	1.59%	824.86
2021	39,845,000.00		39,845,000.00	1.72%	883.76
2020	34,240,000.00		34,240,000.00	1.49%	780.75
2019	36,680,000.00		36,680,000.00	1.60%	830.60
2018	39,030,000.00		39,030,000.00	1.71%	879.81
2017	41,320,000.00		41,320,000.00	1.81%	928.18
2016	43,855,000.00		43,855,000.00	1.93%	989.51
2015	45,925,000.00		45,925,000.00	2.01%	1,040.37
2014	47,910,000.00		47,910,000.00	2.10%	1,089.88

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

(a) See Exhibit J-6 for property tax data.

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

N/A - Not Applicable

SAYREVILLE BOROUGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022
UNAUDITED

<u>Governmental Unit</u>	<u>Gross Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Sayreville Borough	\$62,413,774.00	100.00%	\$62,413,774.00
Other debt			
Middlesex County	610,710,958.00	4.50%	<u>27,512,171.74</u>
Subtotal, overlapping debt			89,925,945.74
Sayreville Borough School District Direct Debt			<u>131,584,000.00</u>
Total direct and overlapping debt			<u><u>\$221,509,945.74</u></u>

Source: Annual Debt Statements

(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.

SAYREVILLE BOROUGH SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
 SAYREVILLE BOROUGH
 UNAUDITED

Legal Debt Margin Calculation 2023

Equalized Valuation Basis

Calendar Year	
2022	\$5,918,156,559.00
2021	5,507,968,586.00
2020	5,253,273,848.00
	<u>\$16,679,398,993.00</u>
Average Equalized Valuation of Taxable Property	\$5,559,799,664.33
Debt Limit (4% of average equalization value)	222,391,986.57
Total Net Debt Applicable to Limit	131,584,000.00
Legal Debt Margin	<u>\$90,807,986.57</u>

	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	\$222,391,986.57	\$209,995,089.93	\$200,162,429.36	\$191,921,323.13	\$186,898,489.93	\$183,226,299.97	\$179,825,937.00	\$176,489,920.00	\$179,185,993.00	\$187,291,703.00
Total Net Debt Applicable To Limit	131,584,000.00	37,220,000.00	39,845,000.00	34,240,000.00	36,680,000.00	39,030,000.00	41,320,000.00	43,855,000.00	45,925,000.00	47,910,000.00
Legal Debt Margin	<u>\$90,807,986.57</u>	<u>\$172,775,089.93</u>	<u>\$160,317,429.36</u>	<u>\$157,681,323.13</u>	<u>\$150,218,489.93</u>	<u>\$144,196,299.97</u>	<u>\$138,505,937.00</u>	<u>\$132,634,920.00</u>	<u>\$133,260,993.00</u>	<u>\$139,381,703.00</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	59.17%	17.72%	19.91%	17.84%	19.63%	21.30%	22.98%	24.85%	25.63%	25.58%

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 N.J.S.A. 18A:24-19 for a K through 12 district, other % limits would be applicable for other district types.

SAYREVILLE BOROUGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Middlesex County Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2022	45,123	\$ 3,168,582,183.00	\$ 70,221.00	3.50%
2021	45,086	3,004,531,040.00	66,640.00	6.30%
2020	43,855	2,748,173,575.00	62,665.00	9.00%
2019	44,161	2,673,816,067.00	60,547.00	3.10%
2018	44,362	2,566,336,488.00	57,889.00	3.70%
2017	44,517	2,537,293,500.00	56,207.00	4.30%
2016	44,320	2,438,205,887.00	54,542.00	4.60%
2015	44,143	2,332,208,019.00	53,501.00	5.00%
2014	43,959	2,260,338,155.00	52,115.00	6.10%
2013	43,609	2,329,861,898.00	53,059.00	7.70%

Source:

- (a) Population information provided by the NJ Dept. of Labor and Workforce Development.
- (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 2001 Census published by the US Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

SAYREVILLE BOROUGH SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS - CURRENT YEAR AND NINE YEARS AGO
 UNAUDITED

2023		2014		Estimated Number of Employees
Employer	Business	Employer	Business	
*	*	*	*	*
*	*	*	*	*
*	*	*	*	*
*	*	*	*	*
*	*	*	*	*

Source: Borough of Sayreville Administrator
 * - Data not provided by School District

SAYREVILLE BOROUGH SCHOOL DISTRICT
 FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
 UNAUDITED

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction:										
Regular	387	386	377	344	339	333	487	479	544	475
Special education	125	122	123	135	129	127				
Other Instruction	37	35	37	33	29	30				
Support Services:										
Student and instruction related services	175	172	166	166	165	162	150	140	59	65
General administrative services	7	7	7	7	9	9	8	10	10	10
School administrative services	42	38	35	32	32	37	34	39	46	28
Central services	13	11	11	11	9	9	8	8	8	7
Administrative Information Technology	17	13	10	9	8	8	7	7	6	6
Plant operations and maintenance	120	112	111	105	84	64	64	64	68	83
Pupil transportation	74	72	65	45	37	36	34	36	37	5
Food Service	42	41	47	45	45	44	45	44	44	47
Total	1,039	1,009	989	932	886	859	837	827	822	726

Source: District Personnel Records

SAYREVILLE BOROUGH SCHOOL DISTRICT
OPERATING STATISTICS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Teacher/Pupil Ratio			Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2023	6,388	\$126,989,346.78	\$19,879	4.60%	549	1:11	1:11	1:12	6,169.38	5,755	1.83%	93.28%
2022	6,289	119,528,825.95	19,006	11.37%	543	1:11	1:11	1:12	6,058.69	5,618	(0.51%)	92.73%
2021	6,267	106,949,777.28	17,066	2.54%	537	1:11	1:11	1:12	6,089.53	5,792	(1.50%)	95.11%
2020	6,271	104,364,731.63	16,642	0.39%	512	1:11	1:11	1:12	6,182.09	5,838	0.10%	94.43%
2019	6,165	99,780,233.14	16,185	0.39%	497	1:13	1:12	1:13	6,175.85	5,873	0.07%	95.10%
2018	6,189	93,078,469.28	16,122	5.60%	490	1:12	1:13	1:14	6,171.51	5,857	1.66%	94.90%
2017	6,088	92,943,064.00	15,267	6.88%	487	1:12	1:12	1:13	6,070.60	5,767	0.09%	95.00%
2016	6,069	86,687,434.00	14,284	1.94%	479	1:12	1:13	1:13	6,064.90	5,719	0.90%	94.30%
2015	6,009	84,196,822.00	14,012	0.86%	471	1:11	1:11	1:13	6,010.70	5,686	(0.42%)	94.60%
2014	6,049	84,031,844.00	13,892	(1.41%)	44	1:13	1:11	1:13	6,035.90	5,744	1.56%	95.16%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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

SAYREVILLE BOROUGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District Buildings										
Elementary School(s):										
Selover:	36,153	36,153	36,153	36,153	36,153	36,153	36,153	36,153	36,153	36,153
Square Feet	450	65	65	65	65	65	65	65	65	65
Capacity (students)	226	46	0	0	0	0	0	0	0	0
Enrollment										
Arleth:	73,426	73,426	73,426	73,426	73,426	73,426	73,426	73,426	73,426	73,426
Square Feet	593	593	593	593	593	593	593	593	593	593
Capacity (students)	489	472	487	490	510	507	507	469	469	469
Enrollment										
Eisenhower:	59,738	59,738	59,738	59,738	59,738	59,738	59,738	59,738	59,738	59,738
Square Feet	481	481	481	481	481	481	481	481	481	481
Capacity (students)	470	474	489	488	504	514	535	551	551	551
Enrollment										
Truman:	53,275	53,275	53,275	53,275	53,275	53,275	53,275	53,275	53,275	53,275
Square Feet	474	474	474	474	474	474	474	474	474	474
Capacity (students)	447	438	470	465	475	496	524	508	508	508
Enrollment										
Wilson:	54,150	54,150	54,150	54,150	54,150	54,150	54,150	54,150	54,150	54,150
Square Feet	373	373	373	373	373	373	373	373	373	373
Capacity (students)	334	305	327	337	356	381	403	368	368	368
Enrollment										
Upper Elementary School	174,800	174,800	174,800	174,800	174,800	174,800	174,800	174,800	174,800	174,800
Square Feet	1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095
Capacity (students)	841	830	1,261	1,283	1,120	1,152	1,067	1,004	1,004	1,004
Enrollment										
Middle School(s)										
Sayreville Middle School	170,847	170,847	170,847	170,847	170,847	170,847	170,847	170,847	170,847	170,847
Square Feet	1,608	1,608	1,608	1,608	1,608	1,608	1,608	1,608	1,608	1,608
Capacity (students)	1,357	1,384	1,442	1,437	1,406	1,410	1,392	1,330	1,330	1,330
Enrollment										
High School(s)										
War Memorial High School	292,289	292,289	292,289	292,289	292,289	292,289	292,289	292,289	292,289	292,289
Square Feet	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Capacity (students)	1,738	1,697	1,791	1,771	1,794	1,729	1,665	1,714	1,714	1,714
Enrollment										

Number of Schools at June 30, 2023

- Elementary = 6
- Middle School = 1
- High School = 1

Source: District records

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

SAYREVILLE SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
UNAUDITED

Undistributed expenditures - Required maintenance for school facilities - 11-000-261-XXX

School Facilities *	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Selover	\$ 71,089.00	\$ 61,393.00	\$ 48,915.00	\$ 58,205.00	\$ 43,661.00	\$ 38,077.00	\$ 37,978.00	\$ 46,126.00	\$ 42,339.00	\$ 37,430.00
Arleth	144,515.00	124,807.00	99,441.00	118,326.00	88,760.00	77,406.00	78,281.00	94,044.00	103,512.00	79,164.00
Eisenhower	117,520.00	101,493.00	80,865.00	96,223.00	72,179.00	62,947.00	63,728.00	76,742.00	79,886.00	62,666.00
Truman	104,742.00	90,458.00	72,073.00	85,760.91	64,331.00	56,103.00	55,996.00	68,002.00	74,079.00	55,794.00
Wilson	106,542.00	92,012.00	73,311.00	85,035.00	65,437.00	57,067.00	57,441.00	69,169.00	86,541.00	56,339.00
Upper Elementary School	343,922.00	297,019.00	236,652.00	281,596.00	211,233.00	184,213.00	184,835.00	225,122.00	215,060.00	186,702.00
Middle School	336,183.00	290,336.00	231,327.00	275,260.00	206,479.00	180,068.00	181,951.00	221,047.00	257,550.00	204,768.00
Highschool	575,182.00	496,743.00	395,781.00	470,948.00	353,270.00	308,082.00	321,055.00	400,584.00	430,379.00	335,021.00
Total School Facilities	1,799,695.00	1,554,261.00	1,238,365.00	1,471,353.91	1,105,350.00	963,963.00	981,265.00	1,200,836.00	1,289,346.00	1,017,884.00

* - 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

SAYREVILLE BOROUGH SCHOOL DISTRICT
INSURANCE SCHEDULE
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
<u>School Alliance Insurance Fund</u>		
School Package Property:		
Property-Blanket Building and Contents	\$500,000,000.00 Per Occurrence	\$2,500.00
Boiler and Machinery	\$100,000,000.00 Per Occurrence	\$2,500.00
Cyber Liability	\$2,000,000.00 Per Occurrence	\$50,000.00
Crime and Fidelity		
Blanket Dishonesty Bond	\$500,000.00 each loss	\$1,000.00
Money and securities	\$50,000.00 each loss	\$1,000.00
Comprehensive General Liabilities and Automobile Liability Including Employees Benefit Liability	\$5,000,000.00 Per Occurrence/ Per Member	
Environmental Impairment Liability (Excludes Mold)	\$1,000,000.00 Per incident \$25,000,000.00 Fund Annual Aggregate	\$10,000.00
Armed Guard Professional Liability	\$1,000,000.00 Per Occurrence/Annual Aggregate	
Student Accident Insurance	\$1,000,000.00 Per accident/ 3 year benefit	
School Leaders Professional Liability	\$5,000,000.00 Per claim/ Aggregate per member	\$10,000.00
SAIF Excess Liability Coverage (GL/Auto/School Bd Legal)	\$5,000,000.00 Per Occurrence/Aggregate	
Workers Compensation:	Statutory	
Workers Compensation Employer's Liability	\$5,000,000.00 Per Occurrence/ Aggregate	
NJ Unshared Excess Liability Coverage (Excess SAIF Program (Hudson/Allied World/Evanston)	\$30,000,000.00 Per Occurrence/ Aggregate	
Zurich Student Accident Coverage-Accident Medical		
Class I	5,000,000.00 Max Benefit per insured per covered accident	
Class II	25,000.00 Max Benefit per insured per covered accident	
Hartford Excess Environmental Liability (includes Mold)	1,000,000.00	10,000 100,000
<u>Selective Insurance Company of America</u>		
Public Officials' Bond		
Treasurer	384,000.00	
Business Administrator	375,000.00	

Source: District Records

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SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable President and Members
of the Board of Education
Sayreville Borough School District
County of Middlesex
Sayreville, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the Sayreville Borough School District (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated January 9, 2024.

Internal Control Over Financial Reporting

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

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

SUPLEE, CLOONEY & COMPANY

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

Compliance and Other Matters

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

Purpose of This Report

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



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

January 9, 2024



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable President and Members
of the Board of Education
Sayreville Borough School District
County of Middlesex
Sayreville, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Sayreville Borough School District's compliance with the types of compliance requirements described in the federal *OMB Compliance Supplement* and the New Jersey *OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Sayreville Borough School District's major state programs for the year ended June 30, 2023. The District'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 District 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 the *New Jersey OMB State Grant Compliance Supplement*. Our responsibilities under those standards, the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

SUPLEE, CLOONEY & COMPANY

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

Responsibilities of Management for Compliance

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

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 District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal or 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 State Grant Compliance Supplement, we:

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

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

SUPLEE, CLOONEY & COMPANY

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.

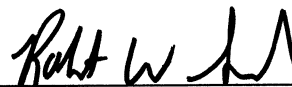
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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 the New Jersey OMB State Grant Compliance Supplement. Accordingly, this report is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

January 9, 2024

SAYREVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEARS ENDED JUNE 30, 2023

FEDERAL AGENCY	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD FROM	GRANT PERIOD TO	AWARD AMOUNT	BALANCE AT JUNE 30, 2022	CARRY OVER	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PHS BALANCE	(ACCOUNTS RECEIVABLE)	BALANCE JUNE 30, 2023	UNEARNED REVENUE	DUE GRANTOR
General Fund:														
U.S. Department of Education														
Passed-through State Department of Education:														
Perkins Career and Technical Education Program (SEMI)	2105N5MAP	N/A	7/1/22	6/30/23	\$129,866.41	(42,083.12)		\$ 42,083.12	(163,545.52)			\$	\$	
Medical Assistance Program (SEMI)	2105N5MAP	N/A	7/1/22	6/30/23	163,545.52			163,545.52						
Medical Assistance Program (SEMI-FFCRA)	2105N5MAP	N/A	7/1/21	6/30/22	13,908.51	(42,083.12)		219,537.15	(177,454.03)					
Total General Fund														
U.S. Department of Education														
Passed-through State Department of Education:														
Title I	S010A220030	ESEA466021	7/1/22	9/30/23	1,018,286.00		665.85	313,992.00	(884,626.17)		(669,968.32)			
Title I, SIA	S010A210030	ESEA466020	7/1/21	9/30/22	1,041,994.00	(592,184.88)	(665.85)	717,501.00	(124,650.27)		(17,842.56)			
Title I, SIA	S010A220030	ESEA466021	7/1/22	9/30/23	38,627.00			11,520.00	(29,362.56)					
Title II Part A	S367A220029	ESEA466020	7/1/21	9/30/22	42,914.00	(24,886.40)		24,886.40						
Title II Part A	S367A210029	ESEA466021	7/1/22	9/30/23	316,134.00			46,490.00	(129,552.33)		(83,062.33)			
Title III	S365A220030	ESEA466020	7/1/21	9/30/22	362,158.00	(132,649.84)		132,649.00	(23,299.84)		(23,299.84)			
Title III	S365A210030	ESEA466021	7/1/22	9/30/23	76,838.00			9,417.00	(24,201.04)		(14,784.04)			
Title IV	S424A220031	ESEA466020	7/1/21	9/30/22	128,485.00	(19,857.57)		22,974.53	(3,116.96)		(20,350.49)			
Title IV	S424A210031	ESEA466021	7/1/22	9/30/23	107,958.00			32,808.00	(21,796.49)		(11,695.00)			
Middle Grades Career Awareness & Exploration	V048A220030	ESEA466020	7/1/21	9/30/22	68,992.00	(21,113.00)		8,450.00	(51,016.65)		(42,556.65)			
Middle Grades Career Awareness & Exploration	V048A210030	ESEA466021	7/1/22	9/30/23	68,992.00	(56,146.60)		56,146.60						
ARP - I.D.E.A. Part B	H027X21100	IDEA466021	7/1/22	9/30/23	309,348.00	(142,174.00)		250,421.00	(165,926.00)		(57,679.00)			
ARP - I.D.E.A. Part B	H027A21100	IDEA466020	7/1/21	9/30/22	1,699,638.00		8,195.32	760,324.00	(1,624,875.36)		(936,356.04)			
ARP - I.D.E.A. Part B	H027A21100	IDEA466021	7/1/22	9/30/23	1,612,859.00	(899,124.39)		966,046.00	(78,726.29)					
ARP - I.D.E.A. Preschool	H173A210114	IDEA466021	7/1/21	9/30/22	26,356.00	(26,356.00)		26,356.00						
ARP - I.D.E.A. Preschool	H173A220114	IDEA466020	7/1/22	9/30/23	70,039.00			28,651.00	(70,039.00)		(41,388.00)			
ARP - I.D.E.A. Preschool	H173A210114	IDEA466021	7/1/21	9/30/22	61,999.00	(43,641.00)		43,641.00						
Total I.D.E.A. Part B Special Education Cluster						(1,111,295.39)		2,115,439.00	(1,935,566.65)		(935,423.04)			
Carl D. Perkins Secondary Education	V048A220030	N/A	7/1/22	6/30/23	7,270.00			2,871.00	(7,269.89)		(4,398.89)			
Carl D. Perkins Secondary Education	V048A210030	N/A	7/1/21	6/30/22	4,709.00	105.00								
Education Stabilization Fund:														
CARRS - ESSERF	S425D200027	N/A	3/13/20	9/30/22	634,506.00	(150.86)		150.86	(717,114.40)		(976,768.00)			
CARRS - ESSERF II	S425D210027	N/A	3/13/20	9/30/23	2,383,802.00	(1,405,917.60)		1,546,284.00	(89,137.63)		(4,500.00)			
CARRS - ESSERF II - Learning Acceleration	S425D210027	N/A	3/13/20	9/30/23	152,980.00	(0.20)		40,500.00	(4,500.00)		(20,000.00)			
CARRS - ESSERF II - Mental Health	S425D210027	N/A	3/13/20	9/30/24	45,000.00	(4,020,250.00)		4,079,250.00	(60,000.00)		(28,800.00)			
ARP - ESSER - Learning Acceleration	S425U210027	N/A	3/13/20	9/30/24	5,357,441.00			66,400.00	(95,200.00)		(147,263.00)			
ARP - ESSER - Mental Health	S425U210027	N/A	3/13/20	9/30/24	561,586.00			298,350.00	(445,613.00)		(9,546.00)			
ARP - Homeless Children and Youth	S425U210027	N/A	3/13/20	9/30/24	445,613.00			6,046,181.86	(1,436,377.83)		(2,581,660.79)			
Total Education Stabilization Fund					26,613.00	(5,475,618.66)		9,544,792.39	(4,692,490.84)		(2,581,660.79)			
Total U.S. Department of Education						(7,433,847.34)								
U.S. Department of Treasury														
Passed-through State Department of Education:														
Coronavirus Relief Fund:														
ACCESS-Add or Compensatory Special Ed & Rel. Sv.	SUFRFDOEISES	N/A	7/1/22	6/30/23	653,464.00			345,527.00	(650,579.20)		(305,052.20)			
Total U.S. Department of Treasury								345,527.00	(650,579.20)		(305,052.20)			
Total Special Revenue Fund								9,890,309.39	(5,343,070.04)		(2,866,712.99)			
Enterprise Fund:														
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Child Nutrition Cluster:														
National School Lunch Program	211NJ30A1199	N/A	7/1/22	6/30/23	1,331,632.51			1,239,025.26	(1,331,632.51)		(92,607.25)			
National School Lunch Program	211NJ30A1189	N/A	7/1/21	6/30/22	3,078,725.79	(267,426.38)		267,426.38	(220,669.37)					
U.S.D.A. Commodities Program	211NJ30A1189	N/A	7/1/22	6/30/23	247,556.36			228,646.73	(26,866.98)					
U.S.D.A. Commodities Program	211NJ30A1189	N/A	7/1/21	6/30/22	145,915.28	26,886.99			(278,757.10)		(20,973.87)			
School Breakfast Program	211NJ30A1199	N/A	7/1/22	6/30/23	278,757.10			258,783.23	(70,139.63)		(2,962.96)			
School Breakfast Program	211NJ30A1189	N/A	7/1/21	6/30/22	819,208.51	(70,139.63)		70,139.63	(42,891.76)		(282,359.08)			
National School Lunch Program-HHFA	211NJ30A1199	N/A	7/1/22	6/30/23	42,891.76			39,928.80	(292,359.08)		(408,903.16)			
Supply Chain Assistance	211NJ30A1199	N/A	7/1/22	6/30/23	292,359.08	(310,679.02)		2,103,950.03	(2,184,196.81)					
Total Child Nutrition Cluster														
Total U.S. Department of Agriculture														
P-EBT Administrative Cost	202121S900941	N/A	7/1/22	6/30/23	3,063.00									
P-EBT Administrative Cost	202121S900941	N/A	7/1/21	6/30/22	3,135.00	(310,679.02)		2,103,950.03	(2,184,196.81)		(408,903.16)			
Total Enterprise Fund														
Total Federal Financial Assistance								\$12,213,796.57	(\$7,714,720.88)		(\$3,295,616.15)			\$5,082.36

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

SAYREVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE, JUNE 30, 2022		CARRY OVER	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS BALANCES	BALANCE, JUNE 30, 2023		BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES
				UNEARNEED REVENUE (ACCTG REC)	DUE TO GRANITOR					(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE		
State Department of Education													
General Funds:													
Equalization Aid	23-65-034-5120-078	7/1/22	26,781,303.00				\$24,136,876.11	(\$26,781,303.00)	\$2,644,428.89			\$2,644,428.89	\$26,781,303.00
Categorical Special Education Aid	23-65-034-5120-069	7/1/22	5,243,822.00				4,726,038.99	(5,243,822.00)	517,783.01			517,783.01	5,243,822.00
Categorical Security Aid	23-65-034-5120-064	7/1/22	1,481,817.00				1,356,500.11	(1,481,817.00)	146,316.89			146,316.89	1,481,817.00
Equalization Aid	22-65-034-5120-078	6/30/22	24,205,557.00				2,395,656.94	(3,395,656.94)	(518,986.21)				24,205,557.00
Categorical Special Education Aid	22-65-034-5120-069	7/1/21	5,243,822.00				516,999.21		(146,957.47)				5,243,822.00
Categorical Security Aid	22-65-034-5120-064	7/1/21	1,481,817.00				33,259,777.83	(33,506,942.00)	247,224.17			3,308,526.79	1,481,817.00
State Aid Public Cluster													64,438,138.00
Extraordinary Aid	23-65-034-5120-044	7/1/22	1,289,075.00					(1,289,075.00)				1,289,075.00	1,289,075.00
Extraordinary Aid	22-65-034-5120-044	7/1/21	1,249,881.00	(\$1,249,881.00)			1,249,881.00						1,249,881.00
Categorical Transportation Aid	23-65-034-5120-014	7/1/22	2,289,895.00				2,063,787.27	(2,289,895.00)	226,107.73			226,107.73	2,289,895.00
Categorical Transportation Aid	22-65-034-5120-014	7/1/21	2,289,895.00				228,634.02	(228,634.02)					2,289,895.00
Non-Public Transportation Aid	Not Available	6/30/22	95,980.00					(95,980.00)				95,980.00	95,980.00
Non-Public Transportation Aid	Not Available	6/30/22	85,291.00	(85,291.00)									85,291.00
Reimbursed TPAF Social Security Contributions	23-65-034-5094-003	7/1/22	3,853,207.09				3,669,849.18	(3,853,207.09)				183,357.91	3,853,207.09
Reimbursed TPAF Social Security Contributions	22-65-034-5094-003	7/1/21	3,461,812.28	(171,428.14)			171,428.14					3,461,812.28	3,461,812.28
On-behalf TPAF non-contributory insurance	23-65-034-5094-004	7/1/22	229,938.00				229,938.00						229,938.00
On-behalf TPAF Long-Term Disability Insurance (non-bud.)	23-65-034-5094-002	7/1/22	16,573,498.00				16,573,498.00						16,573,498.00
On-behalf TPAF Long-Term Disability Insurance (non-bud.)	23-65-034-5094-004	7/1/22	6,560.00				6,560.00						6,560.00
On-behalf TPAF post retirement/medical	23-65-034-5094-001	7/1/22	4,414,222.00	(1,506,801.14)			4,414,222.00	(4,414,222.00)				5,113,047.43	4,414,222.00
Total General Funds							61,950,607.44	(62,269,317.09)	246,897.88				102,287,192.37
Special Revenue Fund:													
Preschool Education Aid	23-65-034-5120-086	7/1/22	9,138,510.00			575,522.28						902,350.48	9,438,723.69
Preschool Education Aid	22-65-034-5120-086	7/1/21	9,438,330.00	575,522.28		(575,522.28)							9,438,330.00
Non-Public Textbooks	23-100-034-5120-064	6/30/22	7,590.00				7,590.00	(7,590.00)			256.38		7,333.62
Non-Public Textbooks	22-100-034-5120-064	7/1/21	13,284.00	88.00									13,196.00
Non-Public Camp Ed	22-100-034-5120-067	6/30/22	40,421.00				40,421.00	(35,783.59)			4,637.41		35,783.59
Non-Public Camp Ed	22-100-034-5120-067	7/1/21	51,061.00										32,191.00
Non-Public English as a Second Language	22-100-034-5120-067	7/1/21	914.00			18,870.00		(914.00)					914.00
Non-Public Examination & Classification	22-100-034-5120-066	7/1/21	31,471.00				31,471.00	(14,789.36)				16,681.64	14,789.36
Non-Public Examination & Classification	22-100-034-5120-066	7/1/22	12,137.00										12,137.00
Non-Public Corrective Speech	23-100-034-5120-066	7/1/22	13,206.00				13,206.00	(13,206.00)					13,206.00
Non-Public Supplemental Instruction	23-100-034-5120-066	7/1/21	13,216.00				13,216.00	(11,564.00)				1,652.00	11,564.00
Non-Public Nursing	23-100-034-5120-070	7/1/22	14,042.00				14,042.00						14,042.00
Non-Public Nursing	22-100-034-5120-070	7/1/21	12,890.00				12,890.00	(12,643.45)				236.55	10,738.00
Non-Public Transportation	22-100-034-5120-068	6/30/22	24,752.00										24,752.00
Non-Public Transportation	22-100-034-5120-068	7/1/21	9,062.00				9,062.00	(5,989.00)					9,062.00
Non-Public Technology Initiative	23-100-034-5120-373	7/1/22	4,830.00				4,830.00						4,830.00
Non-Public Technology Initiative	22-100-034-5120-373	7/1/21	9,282.00										9,282.00
Non-Public Security	23-100-034-5120-084	7/1/22	23,575.00			4,548.00						9,752.59	13,822.41
Non-Public Security	22-100-034-5120-084	7/1/21	38,675.00										38,675.00
Total Special Revenue Fund							8,392,410.52	(9,548,283.42)	849,251.48			902,350.48	9,848,873.20
Debt Service Fund:													
Debt Service Aid Type II - School Building Aid	23-100-034-5120-017	7/1/22	79,651.00				79,651.00						79,651.00
Total Debt Service Fund							79,651.00	(79,651.00)					79,651.00
Enterprise Fund:													
National School Breakfast Program (State Share)	23-100-010-3350-023	7/1/22	5,271.60				4,892.10	(5,271.60)				379.50	5,271.60
National School Lunch Program (State Share)	23-100-010-3350-023	7/1/22	55,981.59				52,156.56	(55,981.59)				3,825.03	55,981.59
National School Lunch Program (State Share)	22-100-010-3350-023	7/1/21	75,467.82				6,154.47						75,467.82
Total Enterprise Fund							63,203.13	(61,253.19)				4,204.53	136,711.01
Total State Financial Assistance							\$70,486,072.09	(\$71,956,504.70)	\$1,094,949.36			\$6,019,602.44	\$110,352,427.58
Less: On-Behalf amounts not utilized for determination of Major Programs:													
On-behalf TPAF non-contributory insurance	23-65-034-5094-004						(\$229,938.00)						
On-behalf TPAF Pension	23-65-034-5094-002						(16,573,498.00)						
On-behalf TPAF Long-term disability insurance	23-65-034-5094-004						(6,560.00)						
On-behalf TPAF post retirement/medical	23-65-034-5094-001						(4,414,222.00)						
Total State Financial Assistance Subject to Single Audit							\$49,261,854.09	(\$50,734,286.70)				\$6,019,602.44	\$110,352,427.58

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

Sayreville Borough School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2023

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Sayreville Borough School District ("the District"). The District is defined in Note 1 to the basic financial statements. All federal and state awards received directly from the federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions 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 of the District's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

NOTE 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 schedule (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated 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 deferred state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP accounting purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas GAAP basis does not. The special revenue fund also recognizes the deferred state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

Sayreville Borough School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2023

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$246,697.88) for the general fund and \$4,225,213.18 for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$177,454.03	\$62,022,619.21	\$62,200,073.24
Special Revenue Fund	9,149,683.25	9,966,883.39	19,116,566.64
Debt Service Fund		79,651.00	79,651.00
Food Service Fund	2,194,196.81	61,253.19	2,255,450.00
	<u>11,521,334.09</u>	<u>72,130,406.79</u>	<u>83,651,740.88</u>
GAAP Adjustment	<u>(3,806,613.21)</u>	<u>(171,902.09)</u>	<u>(3,978,515.30)</u>
Total Awards & Financial Assistance	<u>\$7,714,720.88</u>	<u>\$71,958,504.70</u>	<u>\$79,673,225.58</u>

NOTE 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.

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions, post-retirement medical benefits and long-term disability insurance represents the amount paid by the state on behalf of the district for the year ended June 30, 2023. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2023.

Sayreville Borough School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section I – Summary of Auditor’s Results

Financial Statements

- | | | |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued: | Unmodified |
| (2) | Internal Control Over Financial Reporting: | |
| | (a) Material weakness(es) identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (3) | Noncompliance material to the basic financial statements noted during the audit? | No |

Federal Program(s)

- | | | |
|-----|--|------------|
| (1) | Internal Control Over Major Federal Programs: | |
| | (a) Material weakness(es) identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)? | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? | No |
| (4) | Identification of Major Federal Program(s): | |

Program Title

ALN

Education Stabilization Fund:

CRRSA - ESSER II 84.425D

ARP - ESSER 84.425U

ACSERS 21.027

Special Education Cluster:

I.D.E.A. Part B 84.027

ARP- I.D.E.A. Part B 84.027X

I.D.E.A. Preschool 84.173

- | | | |
|-----|---|-----|
| (5) | Program Threshold Determination:
Type A State Program Threshold > \$750,000.00
Type B State Program Threshold <= \$750,000.00 | |
| (6) | Auditee qualified as a low-risk auditee under OMB Uniform Guidance? | Yes |

Sayreville Borough School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section I – Summary of Auditor’s Results (Continued)

State Program(s)

- (1) Internal Control Over Major State Programs:
- (a) Material weakness(es) identified? No
- (b) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? No
- (4) Identification of Major State Program(s):
- | <u>Program Title</u> | <u>Project Number</u> |
|-----------------------------------|-----------------------|
| State Aid Cluster: | |
| Equalization Aid | 23-495-034-5120-078 |
| Categorical Special Education Aid | 23-495-034-5120-089 |
| Categorical Security Aid | 23-495-034-5120-084 |
| Preschool Education Aid | 23-495-034-5120-086 |
- (5) Program Threshold Determination:
Type A State Program Threshold > \$1,522,028
Type B State Program Threshold <= \$1,522,028
- (6) Auditee qualified as a low-risk auditee under OMB Circular 15-08? Yes

Sayreville Borough School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards

Internal Control Findings – None Reported

Compliance Findings – None Reported

Section III – Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs – None Reported

State Programs – None Reported

Sayreville Borough School District
Schedule of Prior Year Audit Findings

Not Applicable

