

**Annual Comprehensive
Financial Report**

of the

Township of South Brunswick School District

County of Middlesex

South Brunswick, New Jersey

For the Fiscal Year Ended June 30, 2022

Prepared by

**Township of South Brunswick, Board of Education
Finance Department**

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INTRODUCTORY SECTION

SOUTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

David E. Pawlowski
Business Administrator/ Board Secretary

Scott Feder
Superintendent of Schools

Kimberly Maloy-White
Assistant Superintendent for Human Resources

Suzanne Luck-Born
Assistant Superintendent



Dr. Evelyn Mamman
Assistant Superintendent of
Curriculum & Instruction

January 31, 2023

Honorable President and
Members of the Board of Education South
Brunswick Township
P.O. Box 181
Monmouth Junction, NJ 08852 Dear

Board Members:

The Annual Comprehensive Financial Report of the South Brunswick Township Board of Education for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. 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 and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and required supplemental information, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the audit requirements of Title 2 U.S. Code of Federal regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (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.

SOUTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

David E. Pawlowski
Business Administrator/ Board Secretary

Scott Feder
Superintendent of Schools

Kimberly Maloy-White
Assistant Superintendent for Human Resources

Suzanne Luck-Born
Assistant Superintendent



Dr. Evelyn Mamman
Assistant Superintendent of
Curriculum & Instruction

1. Reporting Entity and Its Services: South Brunswick Township Schools is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The South Brunswick Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K – 12. These include regular and vocational as well as special education for handicapped youngsters. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal</u> <u>Year</u>	<u>Average Daily</u> <u>Student</u> <u>Enrollment</u>	<u>Increase/</u> <u>Decrease</u>	<u>Percent Change</u>
2013-14	8,774	(107)	(1.2)
2014-15	8,665	(109)	(1.2)
2015-16	8,755	90	1.0
2016-17	8,786	31	0.4
2017-18	8,744	(42)	(0.5)
2018-19	8,420	(324)	(3.8)
2019-20	8,228	(192)	(2.2)
2020-21	8,228	(192)	(2.2)
2021-22	8,073	(123)	(1.5)
2022-23	7,889	(184)	(2.3)

The preliminary enrollment projection for the 2023-24 school year is 7,800 students or an decrease of 89 students. This includes a projected kindergarten class of 409.

2. Economic Condition and Outlook: South Brunswick property tax rate increased to 4.990 with an equalized rate of 2.04 which is 20th out of twenty-five municipalities in Middlesex County. This along with the district managing its health benefits program facility improvements once again allowed the district to provide a school tax rate of 2.978.

The District continues to be proactive in ways to reduce non-instructional costs specifically in the areas of energy, insurance and the reduction of debt in order to maintain a consistent level of educational program offerings. As an example, the Board and Administration moved to a self-insured model for Health Benefits and opened a Health Center for employees to better manage healthcare and costs.

The continuing economic uncertainty of both our nation and state will make it necessary for us to keenly monitor operations at all levels, most notably financially. The current economic conditions are likely to have a direct impact with respect to the state funding of any future budgets. The District administration will continue to implement budgets with an eye towards reducing expenditures and maximizing revenues wherever possible. Likewise, the Board will continue with its one major goal. That goal is stated as follows:

WHEREAS, the SOUTH BRUNSWICK BOARD OF EDUCATION reaffirms its mission as follows:

The South Brunswick Township Public Schools will prepare students to be lifelong learners, critical thinkers, effective communicators, and wise decision-makers. This will be accomplished through the use of the New Jersey Student Learning Standards (NJSLS) at all grade levels. The schools will maintain an environment that promotes intellectual challenge, creativity, social and emotional growth, and the healthy physical development of each student; and

WHEREAS, the

SOUTH BRUNSWICK BOARD OF EDUCATION is proud of the South Brunswick tradition of furnishing innovative child-centered programs; and

WHEREAS, the

SOUTH BRUNSWICK BOARD OF EDUCATION, in order to meet the needs of the children in the community, to enable them to continue their education or training beyond high school, to prepare them to be productive citizens in the 21st century, and in order to fulfill its mission, believes that it should seek to raise the academic achievement level of its students;

NOW, THEREFORE, BE IT RESOLVED that the

SOUTH BRUNSWICK BOARD OF EDUCATION hereby establishes that its first priority is high academic performance and achievement for all students in South Brunswick; and

BE IT FURTHER RESOLVED, that the

SOUTH BRUNSWICK BOARD OF EDUCATION use objective indicators of student performance to measure the District's progress toward the goal of high academic performance and achievement; and

BE IT FURTHER RESOLVED, that in order to achieve this goal it will be necessary

- for the Board of Education to articulate clearly and consistently this goal to the community,
- to foster widespread community support for this goal,
- to develop action plans at each school, and
- to reallocate and focus resources; and

BE IT FURTHER RESOLVED, that as part of the Superintendent's annual evaluation, the SOUTH BRUNSWICK BOARD OF EDUCATION will consider the District's progress toward the goal of high academic performance and achievement as measured by agreed upon indicators.

All activities for the 2022-2023 school year will continue to focus on achieving this Board goal.

3. **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) 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 control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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

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

5. **Accounting System and Reports:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

6. **Debt Administration:** The District Finance Committee recommended the refinancing of a 2004 Refunding Bond issue. After receiving approval from the Local Finance Board, the District refinanced Series 2004 Bonds and issued Series 2014 AA + Refunding School Bonds on February 12, 2014. These bonds resulted in a net present value savings of more than \$1.9 million. The Administration continues to monitor the current market conditions with the financial advisor and will look for the appropriate opportunity for significant savings in the future. Similarly the administration has positioned itself well with capital reserve which can be used to offset principal and opportunity for significant savings in the future. Similarly the administration has positioned itself well with capital reserve which can be used to offset principal and interest payments for bonded projects. District administration is currently monitoring all debt for the possibility of a refunding opportunity which would provide additional tax relief to the South Brunswick community.

7. **Risk Management:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/ collision, hazard and theft insurance on property and contents, student accident insurance and fidelity bonds. The District likewise belongs to various consortiums in an effort to spread risk and reduce premium costs.

8. **Other Information:** Independent Audit - State statute requires an annual audit by Independent Certified Public Accountants or Registered Municipal Accountants. The accounting firm of Suplee, Clooney and Company, CPA was selected by the Board audit committee. In addition to meeting the requirements set forth in state statute, the audit also was designed to meet the requirements of the Single Audit Act as amended and the related Uniform Guidance and State Treasury Circular Letter 15-08. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

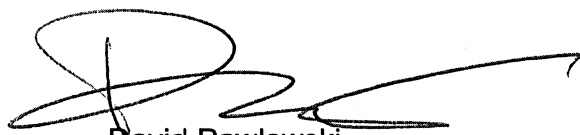
9. **Acknowledgments:** We would like to express our appreciation to the members of the South Brunswick Board of Education for their concern in providing fiscal

accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a long horizontal line extending to the right.

Scott Feder,
Superintendent of Schools

A handwritten signature in black ink, featuring a large, stylized 'D' followed by a long horizontal line extending to the right.

David Pawlowski,
Business Administrator/
Board Secretary

**SOUTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
SOUTH BRUNSWICK, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2022**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mrs. Joyce Mehta, President	2022
Mr. Mike Mitchell, Vice President	2023
Mrs. Deepa Karthik	2024
Mr. Raja Krishna	2023
Mr. Ray Kuehner	2022
Mr. Barry Nathanson	2024
Dr. Smitha Raj	2023
Mrs. Lisa Rodgers	2024
Mr. Joseph Scaletti	2022

Other Officials

Mr. Scott Feder, Superintendent of Schools

Mr. David Pawlowski, Business Administrator/ Board Secretary

Dr. Jennifer K. Diszler, Assistant Superintendent for
Curriculum, Instruction and Administration

Mrs. Kimberly Maloy-White, Assistant Superintendent for
Human Resources

**BOARD OF EDUCATION
TOWNSHIP OF SOUTH BRUNSWICK, COUNTY OF MIDDLESEX**

**CONSULTANTS AND ADVISORS
JUNE 30, 2022**

ARCHITECT

Parette Somjen Architects, LLC
439 US Highway 46, Ste 4
Rockaway, NJ 07866

AUDIT FIRM

Suplee, Clooney & Company
308 East Broad Street
Westfield, NJ 07090

ATTORNEYS

Porzio, Bromberg & Newman, P.C.
100 Southgate Parkway
Morristown, NJ 07960

Comegno Law Group, P.C.
521 Pleasant Valley Road
Moorestown, NJ 08057

FINANCIAL ADVISORS

PFM Asset Management, LLC
Princeton, NJ 08540

Phoenix Advisors, LLC
4 West Park Street
Bordentown, NJ 08505

BOND COUNSEL

McManimon & Scotland & Baumann
75 Livingston Ave.
Roseland, NJ 07068

**BOARD OF EDUCATION
TOWNSHIP OF SOUTH BRUNSWICK, COUNTY OF MIDDLESEX
OFFICIAL DEPOSITORIES**

Bank of America
24 Summerfield Blvd.
Dayton, NJ 08810

Brunswick Bank and Trust
527 Ridge Road
Monmouth Junction, NJ 08852

NJ ARM
PFM Asset Management LLC
821 Alexander Road, Suite 110
Princeton, NJ 08540

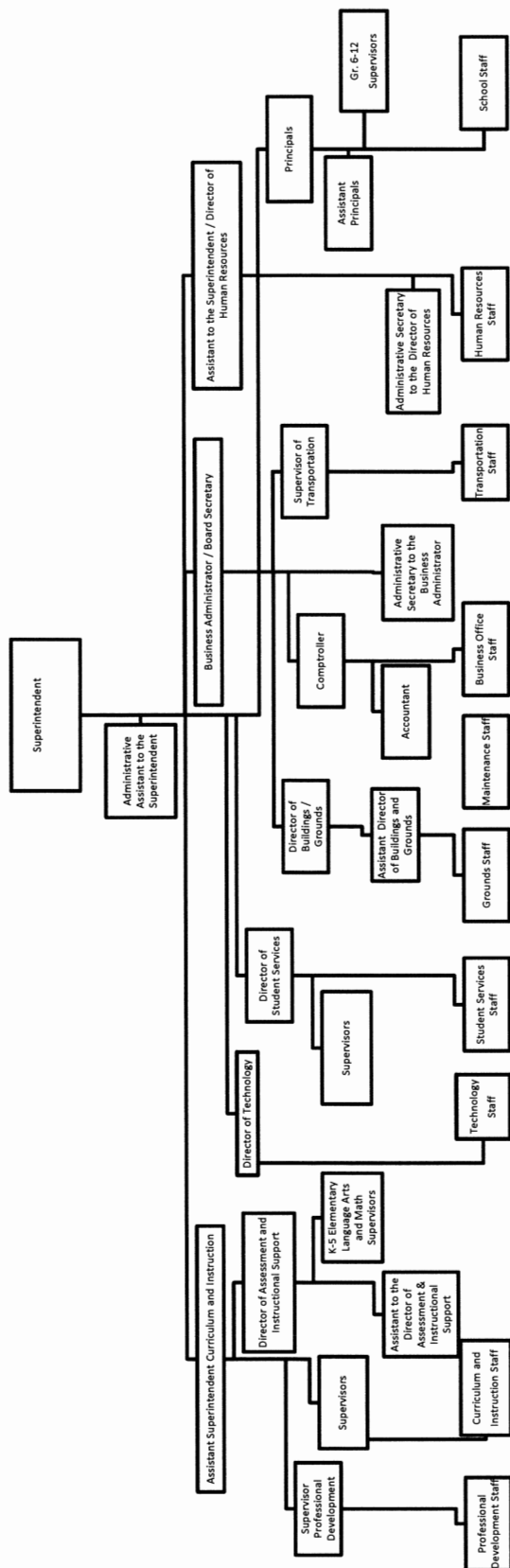
NJ Cash Management Fund
Department of Treasury
Division of Investment
50 West State Street, 9th Floor
Trenton, NJ 08608

PNC Bank
359 Georges Road
Dayton, NJ 08810

TD Bank North
1 Royal Road, Suite 1
Flemington, NJ 08822

Wells Fargo Bank
3510 Route 27
Kendall Park, NJ 08831

South Brunswick Board of Education
2021-2022 Organizational Chart



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FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Township of South Brunswick School District
County of Middlesex
Monmouth Junction, New Jersey 08852

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 Township of South Brunswick School District, in the County of Middlesex, State of New Jersey (the "District") as of and for the year ended June 30, 2022, 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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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.

SUPLEE, CLOONEY & COMPANY

Emphasis of Matte

As discussed in Note 1 to the basic financial statements, for the year ended June 30, 2022, the District adopted Governmental Accounting Standards Board Statement No. 87, Leases. 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.
- 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.

SUPLEE, CLOONEY & COMPANY

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.

SUPLEE, CLOONEY & COMPANY

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 31, 2023 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 31, 2023

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REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

**TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
MONMOUTH JUNCTION, NEW JERSEY**

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

The Management's Discussion and Analysis of the Township of South Brunswick School District (the "District") offers readers of the District's financial statements a narrative overview of the financial activities for the fiscal year ended June 30, 2022. The intent of this discussion is to look at the District's financial performance as a whole; therefore, readers should also review the transmittal letter at the front of this report, along with the District's financial statements and notes to the financial statements to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information (RSI) specified in the Governmental Accounting Standards Board's (GASB) Statement Number 34, Basic Financial Statements and Management's Discussion and Analysis of State and Local Governments. Certain comparative information between the current fiscal year and the prior fiscal year is required to be presented in the MD&A. In fiscal year 2022 the District implemented GASB Statement No. 87-Leases.

Financial Highlights

In the District-wide Financial Statements:

- Net position of Governmental Activities increased \$6,190,426.
- Net position of the Business-type Activities increased by \$2,029,064.

In the Major Fund Financial Statements:

- Governmental fund expenditures exceeded revenues by \$3,445,922.
- Among governmental funds, the General Fund's fund balance decreased by \$3,834,619.

**TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
MONMOUTH JUNCTION, NEW JERSEY**

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

Overview of the Financial Statements

This Annual Comprehensive Financial Report ("ACFR") consists of three parts: Management's Discussion and Analysis (this section), The Basic Financial Statements, and Required Supplementary Information. The Basic Financial Statements include two kinds of statements that present different views of the District, District-wide Financial Statements and Fund Financial Statements.

- District-wide Financial Statements provide both short-term and long-term information about the District's overall financial status.
- Major Fund Financial Statements report the District's operations in more detail than the District-wide statements on individual parts of the District, the Governmental Funds, and Proprietary Funds.
- Governmental Funds Statements tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- Proprietary Funds Statements offer short and long-term financial information about the activities the District operates like a business, which include the Children's Community Enrichment, Summer Institute and Food Services programs.

The notes to financial statements are also included, which are an integral part of the financial statements. The information in the notes provides detailed data on the District's financial operations.

Required supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year.

**TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
MONMOUTH JUNCTION, NEW JERSEY**

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

District-wide Financial Statements

The District-wide Financial Statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or disbursed.

The District-wide Financial Statements report the District's net position and how it has changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position is an indicator of whether its financial position has improved or diminished. The causes of this change may be a result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the District-wide Financial Statements, the District's activities are divided into two categories, governmental and business-type activities.

- Governmental activities - All of the District's programs and services are reported here including, but not limited to regular and special education instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. Property taxes and state formula aid finance most of these activities.
- Business-type activities - These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The District charges fees to help it cover the costs of certain services it provided. The children's enrichment, summer institute and food service accounts are reported as business activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on major funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (i.e., long-term debt) or to show that it is properly using certain restricted revenues (i.e., entitlement grants).

**TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
MONMOUTH JUNCTION, NEW JERSEY**

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

Fund Financial Statements (Continued)

The District maintains two financial funds:

- **Governmental Funds:** The District's activities reported in governmental funds 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 that 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 District's general government operations and the basic services it provides. Governmental fund information helps you 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 government-wide Statement of Net Position and Statement of Activities) and governmental funds statements is reconciled in the financial statements.
- **Proprietary Funds:** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide financial statements. The District's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flow.

**TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
MONMOUTH JUNCTION, NEW JERSEY**

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

Financial Analysis of the District as a Whole

Table 1 below reflects the District's net position as a whole for the Fiscal years 2022 and 2021.

TABLE 1
NET POSITION

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total District</u>	
	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2021</u>
Assets						
Current & Other Assets	\$38,025,761	\$38,089,620	\$4,657,484	\$2,803,656	\$42,683,245	\$40,893,276
Capital Assets	144,635,031	148,047,795	816,094	794,363	145,451,125	148,842,158
Total Assets	<u>182,660,792</u>	<u>186,137,415</u>	<u>5,473,578</u>	<u>3,598,019</u>	<u>188,134,370</u>	<u>189,735,434</u>
Deferred Outflow of Resources						
Related to pensions	5,390,740	6,789,290			5,390,740	6,789,290
Total Deferred Outflows	<u>5,390,740</u>	<u>6,789,290</u>	<u>-</u>	<u>-</u>	<u>5,390,740</u>	<u>6,789,290</u>
Liabilities						
Other Liabilities	12,394,245	9,194,734	1,020,824	1,156,753	13,415,069	10,351,487
Long-Term Liabilities	81,185,713	96,306,704	-	17,576	81,185,713	96,324,280
Total Liabilities	<u>93,579,958</u>	<u>105,501,438</u>	<u>1,020,824</u>	<u>1,174,329</u>	<u>94,600,782</u>	<u>106,675,767</u>
Deferred Inflow of Resources						
Gain on Refunding of Long-Term Debt	1,431,763	1,712,912			1,431,763	1,712,912
Related to pensions	19,696,734	18,559,704			19,696,734	18,559,704
Total Deferred Inflows	<u>21,128,497</u>	<u>20,272,616</u>	<u>-</u>	<u>-</u>	<u>21,128,497</u>	<u>20,272,616</u>
Net Position						
Net investment in capital assets	92,846,397	89,838,804	816,094	794,363	93,662,491	90,633,167
Restricted	16,223,759	22,890,980			16,223,759	22,890,980
Unrestricted (Deficit)	(35,727,079)	(45,577,133)	3,636,660	1,629,327	(32,090,419)	(43,947,806)
Total Net Position	<u>\$73,343,077</u>	<u>\$67,152,651</u>	<u>\$4,452,754</u>	<u>\$2,423,690</u>	<u>\$77,795,831</u>	<u>69,576,341</u>

The net position of governmental activities was \$73,343,077 while business-type activities made up \$4,452,754. The District's combined net position was \$77,795,831 on June 30, 2022. The District's investment in capital assets is shown net of any related debt used to acquire those assets.

**TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
MONMOUTH JUNCTION, NEW JERSEY**

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

Table 2 shows changes in net position for Fiscal Years 2022 and 2021.

TABLE 2
CHANGES IN NET POSITION

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total District</u>	
	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2021</u>
REVENUES						
Program Revenues:						
Charges for Services			\$1,221,804	\$595,076	\$1,221,804	\$595,076
Operating Grants & Contributions	\$49,429,156	\$61,889,036	5,359,891	1,839,574	54,789,047	63,728,610
General Revenues:						-
Property Taxes	122,992,421	120,705,337			122,992,421	120,705,337
Grants & Entitlements	13,909,826	14,299,562			13,909,826	14,299,562
Other	1,238,084	859,439	81	6,479	1,238,165	865,918
Total Revenue	187,569,487	197,753,374	6,581,776	2,441,129	194,151,263	200,194,503
EXPENSES						
Instruction	106,911,231	114,345,411			106,911,231	114,345,411
Pupils and Instructional Staff	26,516,880	26,826,859			26,516,880	26,826,859
General & School Administration,						-
Central Services & Technology	14,801,627	15,446,587			14,801,627	15,446,587
Maintenance	18,235,203	15,639,685			18,235,203	15,639,685
Transportation	12,682,492	11,452,376			12,682,492	11,452,376
Interest on Long-Term Debt	979,138	1,220,479			979,138	1,220,479
Other	173,432	171,219			173,432	171,219
Charter School	839,697	770,131			839,697	770,131
Business Type			4,552,712	2,513,044	4,552,712	2,513,044
Total Expense	181,139,700	185,872,747	4,552,712	2,513,044	185,692,412	188,385,791
Disposal of Capital Assets (Net)	(239,361)	(140,608)	-		(239,361)	(140,608)
Change in Net Position	6,190,426	11,740,019	2,029,064	(71,915)	8,219,490	11,668,104
Net Position - July 1,	67,152,651	55,412,632	2,423,690	2,495,605	69,576,341	57,908,237
Net Position - June 30,	\$73,343,077	\$67,152,651	\$4,452,754	\$2,423,690	\$77,795,831	\$69,576,341

**TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
MONMOUTH JUNCTION, NEW JERSEY**

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

The Statement of Activities shows the cost of programs and the charges for services and grants offsetting those programs. Governmental activities experienced a decrease in both revenues and expenses mainly due to the fluctuation of TPAF and PERS pension and other post retirement benefit calculations. The Business-type Activities saw increases in both revenues and expenses as the food service programs operated for the entire school year and the District received federal and state meal subsidy reimbursements.

Sources of Revenue for Fiscal Year 2022

In the District-wide Financial Statements, the District's total revenue for the 2021-2022 school year was \$194,151,263 as reflected in Table 3 below. Property taxes accounted for 63.35 percent of the total revenue with the other 36.65 percent consisting of federal & state aid, charges for service, operating grants & contributions, and miscellaneous sources. Table 3 below summarizes these revenues for Fiscal Years 2022 and 2021.

**TABLE 3
DISTRICT-WIDE REVENUES**

	<u>FY 2022</u>		<u>FY 2021</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property Taxes	\$122,992,421	63.35%	\$120,705,337	60.29%
Federal & State Grants not Restricted	13,909,826	7.16%	14,299,562	7.14%
Miscellaneous Income	1,238,165	0.64%	865,918	0.43%
Charges for Services	1,221,804	0.63%	595,076	0.30%
Operating Grants & Contributions	54,789,047	28.22%	63,728,610	31.83%
	<u>\$194,151,263</u>	<u>100.00%</u>	<u>\$200,194,503</u>	<u>100.00%</u>

**TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
MONMOUTH JUNCTION, NEW JERSEY**

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

Expenses for the Fiscal Year 2022

The total expenditures for the 2021-2022 fiscal year for all programs and services were \$185,931,773. Table 4 below summarizes these program costs.

**TABLE 4
DISTRICT-WIDE EXPENSES**

	<u>FY 2022</u>		<u>FY 2021</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$106,911,231.00	57.50%	\$114,345,411.00	60.65%
Pupils and Instructional Staff	26,516,880.00	14.26%	26,826,859.00	14.23%
General & School Administration, Central Services & Technology	14,801,627.00	7.96%	15,446,587.00	8.19%
Maintenance	18,235,203.00	9.81%	15,639,685.00	8.30%
Transportation	12,682,492.00	6.82%	11,452,376.00	6.07%
Interest on Long-Term Debt	979,138.00	0.53%	1,220,479.00	0.65%
Other	412,793.00	0.22%	311,827.00	0.17%
Charter School	839,697.00	0.45%	770,131.00	0.41%
Business Type	4,552,712.00	2.45%	2,513,044.00	1.33%
	<u>\$185,931,773.00</u>	<u>100.00%</u>	<u>\$188,526,399.00</u>	<u>100.00%</u>

The District's expenses are predominantly related to instructing, providing services and transporting students, grades kindergarten through twelve, which accounts for approximately 78 percent of the total District costs. Administrative and business expenses account for the costs of the Office of the Superintendent of Schools, the Business Office, and the Principal's Offices in all six school buildings. Maintenance and Operations account for the costs of keeping the school buildings and grounds safe, clean and in good operating condition, and includes all the utility costs related to the school facilities. Other costs include interest on long-term debt, unallocated depreciation expense and the costs of the business-type activities of the proprietary funds. It is important to note that depreciation expense on capital assets is included in expenses for the year under the GASB entity-wide reporting model; expenses therefore include \$7,376,611 for depreciation. Also included in expenses is the disposal of capital assets (net) of \$239,361.

**TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
MONMOUTH JUNCTION, NEW JERSEY**

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

Financial Analysis of the District as a Whole

Table 1 below reflects the District's net position as a whole for the Fiscal years 2022 and 2021.

**TABLE 1
NET POSITION**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total District</u>	
	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2021</u>
Assets						
Current & Other Assets	\$38,025,761	\$38,089,620	\$4,657,484	\$2,803,656	\$42,683,245	\$40,893,276
Capital Assets	144,635,031	148,047,795	816,094	794,363	145,451,125	148,842,158
Total Assets	<u>182,660,792</u>	<u>186,137,415</u>	<u>5,473,578</u>	<u>3,598,019</u>	<u>188,134,370</u>	<u>189,735,434</u>
Deferred Outflow of Resources						
Related to pensions	5,390,740	6,789,290	-	-	5,390,740	6,789,290
Total Deferred Outflows	<u>5,390,740</u>	<u>6,789,290</u>	<u>-</u>	<u>-</u>	<u>5,390,740</u>	<u>6,789,290</u>
Liabilities						
Other Liabilities	12,394,245	9,194,734	1,020,824	1,156,753	13,415,069	10,351,487
Long-Term Liabilities	81,185,713	96,306,704	-	17,576	81,185,713	96,324,280
Total Liabilities	<u>93,579,958</u>	<u>105,501,438</u>	<u>1,020,824</u>	<u>1,174,329</u>	<u>94,600,782</u>	<u>106,675,767</u>
Deferred Inflow of Resources						
Gain on Refunding of Long-Term Debt	1,431,763	1,712,912	-	-	1,431,763	1,712,912
Related to pensions	19,696,734	18,559,704	-	-	19,696,734	18,559,704
Total Deferred Inflows	<u>21,128,497</u>	<u>20,272,616</u>	<u>-</u>	<u>-</u>	<u>21,128,497</u>	<u>20,272,616</u>
Net Position						
Net investment in capital assets	92,846,397	89,838,804	816,094	794,363	93,662,491	90,633,167
Restricted	16,223,759	22,890,980	-	-	16,223,759	22,890,980
Unrestricted (Deficit)	(35,727,079)	(45,577,133)	3,636,660	1,629,327	(32,090,419)	(43,947,806)
Total Net Position	<u>\$73,343,077</u>	<u>\$67,152,651</u>	<u>\$4,452,754</u>	<u>\$2,423,690</u>	<u>\$77,795,831</u>	<u>69,576,341</u>

The net position of governmental activities was \$73,343,077 while business-type activities made up \$4,452,754. The District's combined net position was \$77,795,831 on June 30, 2022. The District's investment in capital assets is shown net of any related debt used to acquire those assets.

**TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
MONMOUTH JUNCTION, NEW JERSEY**

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

Table 2 shows changes in net position for Fiscal Years 2022 and 2021.

**TABLE 2
CHANGES IN NET POSITION**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total District</u>	
	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2021</u>
REVENUES						
Program Revenues:						
Charges for Services			\$1,221,804	\$595,076	\$1,221,804	\$595,076
Operating Grants & Contributions	\$49,429,156	\$61,889,036	5,359,891	1,839,574	54,789,047	63,728,610
General Revenues:						
Property Taxes	122,992,421	120,705,337			122,992,421	120,705,337
Grants & Entitlements	13,909,826	14,299,562			13,909,826	14,299,562
Other	1,238,084	859,439	81	6,479	1,238,165	865,918
Total Revenue	187,569,487	197,753,374	6,581,776	2,441,129	194,151,263	200,194,503
EXPENSES						
Instruction	106,911,231	114,345,411			106,911,231	114,345,411
Pupils and Instructional Staff	26,516,880	26,826,859			26,516,880	26,826,859
General & School Administration,						
Central Services & Technology	14,801,627	15,446,587			14,801,627	15,446,587
Maintenance	18,235,203	15,639,685			18,235,203	15,639,685
Transportation	12,682,492	11,452,376			12,682,492	11,452,376
Interest on Long-Term Debt	979,138	1,220,479			979,138	1,220,479
Other	173,432	171,219			173,432	171,219
Charter School	839,697	770,131			839,697	770,131
Business Type			4,552,712	2,513,044	4,552,712	2,513,044
Total Expense	181,139,700	185,872,747	4,552,712	2,513,044	185,692,412	188,385,791
Disposal of Capital Assests (Net)	(239,361)	(140,608)	-		(239,361)	(140,608)
Change in Net Position	6,190,426	11,740,019	2,029,064	(71,915)	8,219,490	11,668,104
Net Position - July 1,	67,152,651	55,412,632	2,423,690	2,495,605	69,576,341	57,908,237
Net Position - June 30,	\$73,343,077	\$67,152,651	\$4,452,754	\$2,423,690	\$77,795,831	\$69,576,341

**TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
MONMOUTH JUNCTION, NEW JERSEY**

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

The Statement of Activities shows the cost of programs and the charges for services and grants offsetting those programs. Governmental activities experienced a decrease in both revenues and expenses mainly due to the fluctuation of TPAF and PERS pension and other post retirement benefit calculations. The Business-type Activities saw increases in both revenues and expenses as the food service programs operated for the entire school year and the District received federal and state meal subsidy reimbursements.

Sources of Revenue for Fiscal Year 2022

In the District-wide Financial Statements, the District's total revenue for the 2021-2022 school year was \$194,151,263 as reflected in Table 3 below. Property taxes accounted for 63.35 percent of the total revenue with the other 36.65 percent consisting of federal & state aid, charges for service, operating grants & contributions, and miscellaneous sources. Table 3 below summarizes these revenues for Fiscal Years 2022 and 2021.

**TABLE 3
DISTRICT-WIDE REVENUES**

	<u>FY 2022</u>		<u>FY 2021</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property Taxes	\$122,992,421	63.35%	\$120,705,337	60.29%
Federal & State Grants not Restricted	13,909,826	7.16%	14,299,562	7.14%
Miscellaneous Income	1,238,165	0.64%	865,918	0.43%
Charges for Services	1,221,804	0.63%	595,076	0.30%
Operating Grants & Contributions	<u>54,789,047</u>	<u>28.22%</u>	<u>63,728,610</u>	<u>31.83%</u>
	<u>\$194,151,263</u>	<u>100.00%</u>	<u>\$200,194,503</u>	<u>100.00%</u>

**TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
MONMOUTH JUNCTION, NEW JERSEY**

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

Expenses for the Fiscal Year 2022

The total expenditures for the 2021-2022 fiscal year for all programs and services were \$185,931,773. Table 4 below summarizes these program costs.

TABLE 4
DISTRICT-WIDE EXPENSES

	<u>FY 2022</u>		<u>FY 2021</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$106,911,231.00	57.50%	\$114,345,411.00	60.65%
Pupils and Instructional Staff	26,516,880.00	14.26%	26,826,859.00	14.23%
General & School Administration, Central Services & Technology	14,801,627.00	7.96%	15,446,587.00	8.19%
Maintenance	18,235,203.00	9.81%	15,639,685.00	8.30%
Transportation	12,682,492.00	6.82%	11,452,376.00	6.07%
Interest on Long-Term Debt	979,138.00	0.53%	1,220,479.00	0.65%
Other	412,793.00	0.22%	311,827.00	0.17%
Charter School	839,697.00	0.45%	770,131.00	0.41%
Business Type	4,552,712.00	2.45%	2,513,044.00	1.33%
	<u>\$185,931,773.00</u>	<u>100.00%</u>	<u>\$188,526,399.00</u>	<u>100.00%</u>

The District's expenses are predominantly related to instructing, providing services and transporting students, grades kindergarten through twelve, which accounts for approximately 78 percent of the total District costs. Administrative and business expenses account for the costs of the Office of the Superintendent of Schools, the Business Office, and the Principal's Offices in all six school buildings. Maintenance and Operations account for the costs of keeping the school buildings and grounds safe, clean and in good operating condition, and includes all the utility costs related to the school facilities. Other costs include interest on long-term debt, unallocated depreciation expense and the costs of the business-type activities of the proprietary funds. It is important to note that depreciation expense on capital assets is included in expenses for the year under the GASB entity-wide reporting model; expenses therefore include \$7,376,611 for depreciation. Also included in expenses is the disposal of capital assets (net) of \$239,361.

**TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
MONMOUTH JUNCTION, NEW JERSEY**

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

Governmental and Business-Type Activities

Table 5 presents the net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs) of District activities. The net cost shows the financial burden placed on the District's taxpayers and the state by each of these functions.

TABLE 5
NET COST OF SERVICE

	Total Cost of Services <u>FY 2022</u>	Total Cost of Services <u>FY 2021</u>	Net Cost of Services <u>FY 2022</u>	Net Cost of Services <u>FY 2021</u>
Instruction	\$106,911,231.00	\$114,345,411.00	\$73,661,706.00	\$70,766,131.00
Pupils and Instructional Staff	26,516,880.00	26,826,859.00	17,086,674.00	16,035,273.00
General & School Administration,		-		
Central Services & Technology	14,801,627.00	15,446,587.00	12,421,616.00	11,326,882.00
Maintenance	18,235,203.00	15,639,685.00	18,235,203.00	15,639,685.00
Transportation	12,682,492.00	11,452,376.00	9,469,845.00	9,246,941.00
Interest on Long-Term Debt	979,138.00	1,220,479.00	(177,629.00)	27,449.00
Other	412,793.00	311,827.00	173,432.00	171,219.00
Charter School	839,697.00	770,131.00	839,697.00	770,131.00
Business Type	<u>4,552,712.00</u>	<u>2,513,044.00</u>	<u>(2,028,983.00)</u>	<u>78,394.00</u>
	<u>\$185,931,773.00</u>	<u>\$188,526,399.00</u>	<u>\$129,681,561.00</u>	<u>\$124,062,105.00</u>

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey Statutes and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting.

Over the course of the year, revisions were made by the District to the annual operating budget. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over expenditures in specific line item accounts. In addition, the following revision is noteworthy:

- Budget amendments totaling \$10,103,026 were made during the year, representing an additional appropriation of fund balance of \$1,352,118, Maintenance Reserve withdrawals of \$5,926,083 and Capital Reserve withdrawals of \$2,824,825.
- 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.

**TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
MONMOUTH JUNCTION, NEW JERSEY**

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

Capital Assets

During the fiscal year 2021-2022 the District's capital acquisitions decreased \$3,391,033, the difference between depreciation expense, asset acquisition and disposals. Table 6 reflects the comparative balances of capital assets net of depreciation. The detail of the changes in capital assets is reflected in Note 3 to the financial statements.

TABLE 6
CAPITAL ASSETS (NET OF DEPRECIATION) AT JUNE 30,

	<u>FY 2022</u>	<u>FY 2021</u>
Land	\$8,929,136.00	\$8,929,136.00
Construction in Progress	1,538,828.00	55,350.00
Site Improvements	2,682,060.00	3,014,760.00
Building Improvements	126,032,212.00	131,606,979.00
Machinery Equipment	<u>6,268,889.00</u>	<u>5,235,933.00</u>
	<u>\$145,451,125.00</u>	<u>\$148,842,158.00</u>

Debt Administration

At June 30, 2022, the District had \$81,185,713 of outstanding long-term debt, consisting of bonds payable, compensated absences, installment purchase contracts and net pension liability. The District will continue to pay down its debt, as the obligations are due. Table 7 reflects the comparison of outstanding debt for the past two fiscal years. More information of the District's long-term debt is presented in Note 4 to the financial statements.

TABLE 7
LONG-TERM DEBT AT JUNE 30,

	<u>FY 2022</u>	<u>FY 2021</u>
Bonds Payable	\$47,215,000.00	\$54,335,000.00
Installment Purchase Contracts	3,141,871.00	2,161,079.00
Compensated Absences	2,769,911.00	2,779,825.00
Net Pension Liability	<u>28,058,931.00</u>	<u>37,030,800.00</u>
	<u>\$81,185,713.00</u>	<u>\$96,306,704.00</u>

**TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
MONMOUTH JUNCTION, NEW JERSEY**

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

Contacting the School District's Financial Management Office

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. Questions regarding this report or if additional information is needed, kindly contact Mr. David Pawlowski, Business Administrator at the South Brunswick Township Board of Education, PO Box 181, Monmouth Junction, NJ 08852.

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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, 2022.

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.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$24,197,328.00	\$4,130,632.00	\$28,327,960.00
Cash on hand with fiscal agent	674,316.00		674,316.00
Receivables, net	4,417,425.00	413,792.00	4,831,217.00
Prepaid expenses		12,474.00	12,474.00
Inventory		100,586.00	100,586.00
Interfund receivable	55,759.00		55,759.00
Restricted assets:			
Restricted cash and cash equivalents	8,680,933.00		8,680,933.00
Capital assets:			
Land and construction in progress	10,467,964.00		10,467,964.00
Other capital assets, net of depreciation	134,167,067.00	816,094.00	134,983,161.00
Total Assets	182,660,792.00	5,473,578.00	188,134,370.00
DEFERRED OUTFLOW OF RESOURCES:			
Pension Related	5,390,740.00		5,390,740.00
Total Deferred Outflow of Resources	5,390,740.00		5,390,740.00
LIABILITIES:			
Accounts payable	5,198,678.00	303,152.00	5,501,830.00
Interfund payables		55,759.00	55,759.00
Payable to state government	79,807.00		79,807.00
Unearned revenue	225,503.00	661,913.00	887,416.00
Payroll deductions & withholdings payable	20,226.00		20,226.00
Other	80,896.00		80,896.00
Accrued liability for insurance claims	5,976,435.00		5,976,435.00
Accrued liability to pay Workers			
Compensation Claims	80,856.00		80,856.00
Accrued interest on bonds	731,844.00		731,844.00
Noncurrent liabilities:			
Due within one year:			
Bonds and installment purchase contracts payable	7,995,484.00		7,995,484.00
Due beyond one year:			
Compensated absences payable	2,769,911.00		2,769,911.00
Bonds and installment purchase contracts payable	42,361,387.00		42,361,387.00
Net Pension Liability	28,058,931.00		28,058,931.00
Total liabilities	93,579,958.00	1,020,824.00	94,600,782.00
DEFERRED INFLOW OF RESOURCES:			
Pension Related	19,696,734.00		19,696,734.00
Gain on Refunding of Long-Term Debt	1,431,763.00		1,431,763.00
Total Deferred Inflow of Resources	21,128,497.00		21,128,497.00
NET POSITION:			
Net investment in capital assets	92,846,397.00	816,094.00	93,662,491.00
Restricted for:			
Capital projects fund	4,100,926.00		4,100,926.00
Debt service fund (deficit)	(688,337.00)		(688,337.00)
Other purposes	12,811,170.00		12,811,170.00
Unrestricted (deficit)	(35,727,079.00)	3,636,660.00	(32,090,419.00)
Total net position	\$73,343,077.00	\$4,452,754.00	\$77,795,831.00

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Indirect Expense Allocation	Programs Revenues		Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 42,831,657.00	\$ 34,983,583.00	\$	\$ 18,988,769.00	\$	\$	\$ (58,826,471.00)
Special	14,594,635.00	7,318,212.00		12,596,031.00	(9,316,816.00)		(9,316,816.00)
Other Instruction	4,194,157.00	2,988,987.00		1,664,725.00	(5,518,419.00)		(5,518,419.00)
Support services:							
Tuition	4,003,268.00			2,398,449.00	(1,604,819.00)		(1,604,819.00)
Student and instruction related services	14,528,436.00	7,985,176.00		7,031,757.00	(15,481,855.00)		(15,481,855.00)
General administrative services	1,115,240.00	293,785.00		115,472.00	(1,293,553.00)		(1,293,553.00)
School administrative services	6,602,694.00	3,024,324.00		1,930,953.00	(7,696,065.00)		(7,696,065.00)
Central services	1,684,787.00	403,298.00		263,020.00	(1,825,065.00)		(1,825,065.00)
Administration information technology	1,587,028.00	90,471.00		70,566.00	(1,606,933.00)		(1,606,933.00)
Plant operations and maintenance	16,527,157.00	1,708,046.00			(18,235,203.00)		(18,235,203.00)
Pupil transportation	10,555,470.00	2,127,022.00		3,212,647.00	(9,469,845.00)		(9,469,845.00)
Allocated benefits	1,798,573.00	(1,798,573.00)					
Unallocated benefits	51,987,761.00	(51,987,761.00)					
Charter Schools	839,697.00				(839,697.00)		(839,697.00)
Interest on Long-Term Debt	979,138.00			1,156,767.00	177,629.00		177,629.00
Unallocated depreciation	7,310,002.00	(7,136,570.00)			(173,432.00)		(173,432.00)
Total governmental activities	181,139,700.00			49,429,156.00	(131,710,544.00)		(131,710,544.00)
Business-type activities							
Food Service	4,089,397.00		452,964.00	5,359,891.00		1,723,458.00	1,723,458.00
Summer Institute	249,455.00		429,965.00			180,510.00	180,510.00
Children's Community Enrichment	213,860.00		338,875.00			125,015.00	125,015.00
Total business-type activities	4,552,712.00		1,221,804.00	5,359,891.00		2,028,983.00	2,028,983.00
Total primary government	\$ 185,692,412.00		\$ 1,221,804.00	\$ 54,789,047.00	\$ (131,710,544.00)	\$ 2,028,983.00	\$ (129,681,561.00)
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 116,772,421.00	\$	\$ 116,772,421.00
Taxes levied for debt service					6,220,000.00		6,220,000.00
Federal and state aid not restricted					13,909,826.00		13,909,826.00
Miscellaneous income					1,238,084.00	81.00	1,238,165.00
Disposal of capital asset (net)					(239,361.00)		(239,361.00)
Total general revenues and special items					137,900,970.00	81.00	137,901,051.00
Change in net position					6,190,426.00	2,029,064.00	8,219,490.00
Net Position - beginning					67,152,651.00	2,423,690.00	69,576,341.00
Net Position ending					\$ 73,343,077.00	\$ 4,452,754.00	\$ 77,795,831.00

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

MAJOR FUND FINANCIAL STATEMENTS
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The individual fund financial statements and schedules present more detailed information for the individual fund in a format that segregates information by the fund type.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:				
Cash and cash equivalents	\$ 22,894,086.00	\$ 135,742.00	\$ 2,099,856.00	\$ 25,129,684.00
Cash, Capital Reserve	2,874,106.00			2,874,106.00
Cash, Maintenance Reserve	4,174,471.00			4,174,471.00
Cash, Emergency Reserve	700,000.00			700,000.00
Cash on hand with Fiscal Agents	674,316.00			674,316.00
Intergovernmental accounts receivable:				
Federal	3,976.00	1,415,900.00		1,419,876.00
State	2,686,226.00	3,031.00		2,689,257.00
Other	295,437.00	12,855.00		308,292.00
Interfunds receivable	55,762.00			55,762.00
Total assets	\$ 34,358,380.00	\$ 1,567,528.00	\$ 2,099,856.00	\$ 38,025,764.00
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 854,364.00	\$ 835,641.00	\$ 829,529.00	\$ 2,519,534.00
Interfund payables		3.00		3.00
Payable to state government		79,807.00		79,807.00
Unearned revenue	1,126.00	224,377.00		225,503.00
Payroll deductions & withholdings payable	20,226.00			20,226.00
Other	80,896.00			80,896.00
Accrued liability for insurance claims	5,976,435.00			5,976,435.00
Accrued liability to pay Workers Compensation Claims	80,856.00			80,856.00
Total liabilities	7,013,903.00	1,139,828.00	829,529.00	8,983,260.00
Fund balances:				
Restricted for:				
Excess surplus	2,464,231.00			2,464,231.00
Excess surplus - designated for subsequent years expenditures	1,671,015.00			1,671,015.00
Maintenance reserve account	3,991,971.00			3,991,971.00
Capital reserve account	2,874,106.00			2,874,106.00
Emergency reserve account	700,000.00			700,000.00
Unemployment	524,273.00			524,273.00
Student Activities		391,452.00		391,452.00
Scholarships		36,248.00		36,248.00
Capital Projects- Debt service			43,507.00	43,507.00
Committed to:				
Encumbrances			1,226,820.00	1,226,820.00
Designated for subsequent years expenditures	3,027,759.00			3,027,759.00
Assigned to:				
FFCRA/SEMI Designated for subsequent years expenditures	4,221.00			4,221.00
Encumbrances	6,776,712.00			6,776,712.00
Unassigned	5,310,189.00			5,310,189.00
Total fund balances	27,344,477.00	427,700.00	1,270,327.00	29,042,504.00
Total liabilities and fund balances	\$ 34,358,380.00	\$ 1,567,528.00	\$ 2,099,856.00	\$ 38,025,764.00

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

Total Fund Balances (Brought Forward)		\$29,042,504.00
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	\$277,475,087.00	
Accumulated Depreciation	<u>(132,840,056.00)</u>	144,635,031.00
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.		
Compensated Absences	(2,769,911.00)	
Bonds Payable	(47,215,000.00)	
Installment Purchase Contracts (Net of Unexpended Proceeds)	(3,141,871.00)	
Net Pension Liability	<u>(28,058,931.00)</u>	(81,185,713.00)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.		
Pensions:		
Deferred Outflows		
Pension related		5,390,740.00
Deferred Inflows:		
Pension related	(19,696,734.00)	
Gain on Refunding Bonds	<u>(1,431,763.00)</u>	(21,128,497.00)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accounts Payable - Pension Related	(2,679,144.00)	
Accrued Interest Payable	<u>(731,844.00)</u>	(3,410,988.00)
Net Position of Governmental Activities		<u>\$73,343,077.00</u>

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$116,772,421.00			\$6,220,000.00	\$122,992,421.00
Tuition	259,670.00				259,670.00
Transportation	76,783.00				76,783.00
Interest on capital reserve	455.00				455.00
Other restricted miscellaneous revenues	140,717.00				140,717.00
Miscellaneous	760,082.00	\$557,332.00	\$377.00		1,317,791.00
Total revenues - local sources	118,010,128.00	557,332.00	377.00	6,220,000.00	124,787,837.00
State sources	58,834,964.00	390,220.00		1,156,767.00	60,381,951.00
Federal sources	20,198.00	4,125,791.00			4,145,989.00
Total revenues	176,865,290.00	5,073,343.00	377.00	7,376,767.00	189,315,777.00
EXPENDITURES:					
Current expense:					
Regular instruction	42,831,657.00				42,831,657.00
Special instruction	11,719,253.00	2,875,382.00			14,594,635.00
Other Instruction	4,194,157.00				4,194,157.00
Support services:					
Tuition	4,003,268.00				4,003,268.00
Student and instruction related services	12,357,608.00	2,170,828.00			14,528,436.00
General administrative services	1,115,240.00				1,115,240.00
School administrative services	6,602,694.00				6,602,694.00
Central services	1,684,787.00				1,684,787.00
Administration information technology	1,587,028.00				1,587,028.00
Plant operations and maintenance	17,427,157.00				17,427,157.00
Pupil transportation	11,312,919.00				11,312,919.00
Allocated benefits	1,798,573.00				1,798,573.00
Unallocated benefits	60,274,948.00				60,274,948.00
Charter Schools	839,697.00				839,697.00
Debt Service:					
Principal				6,220,000.00	6,220,000.00
Interest				1,239,700.00	1,239,700.00
Capital outlay	2,412,389.00		1,832,655.00		4,245,044.00
Total expenditures	180,161,375.00	5,046,210.00	1,832,655.00	7,459,700.00	194,499,940.00
Excess (deficiency) of revenues over (under) expenditures	(3,296,085.00)	27,133.00	(1,832,278.00)	(82,933.00)	(5,184,163.00)
Other financing sources (uses):					
Transfers in/(out)	(2,276,775.00)		2,193,842.00	82,933.00	
Assets acquired under installment purchase contracts (non-budgeted)	1,738,241.00				1,738,241.00
Total other financing sources (uses)	(538,534.00)		2,193,842.00	82,933.00	1,738,241.00
Net change in fund balances	(3,834,619.00)	27,133.00	361,564.00		(3,445,922.00)
Fund Balances, July 1, 2021	31,179,096.00	400,567.00	908,763.00		32,488,426.00
Fund Balances, June 30, 2022	\$27,344,477.00	\$427,700.00	\$1,270,327.00	\$-0-	\$29,042,504.00

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

TOWNSHIP OF SOUTH BRUNSWICK 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, 2022

Total net change in fund balances - governmental funds (from B-2)	(\$3,445,922.00)
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period

Depreciation expense		(7,310,002.00)
Capital outlays	\$4,245,044.00	
Assets not capitalized	<u>(108,445.00)</u>	
		4,136,599.00

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net positions and is not reported in the statement of activities.

Payment of bonds payable		7,120,000.00
Payment of installment purchase contracts payable		757,449.00

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 positions.

Proceeds of long-term debt		
Installment purchase contract proceeds		(1,738,241.00)
Deferred amortization on issuance of refunding bonds		281,149.00

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.

87,858.00

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.

District pension contributions	2,773,839.00	
Add: Pension benefit	<u>3,757,144.00</u>	
		6,530,983.00

In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net positions will differ from the change in fund balance by the cost of the position removed (-).

(239,361.00)

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 (+).

Increase in Compensated Absences		<u>9,914.00</u>
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Change in net positions of governmental activities		<u><u>\$6,190,426.00</u></u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

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OTHER FUNDS

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			
	CHILDRENS' COMMUNITY ENRICHMENT FUND	SUMMER INSTITUTE	FOOD SERVICE FUND	TOTAL
ASSETS:				
Current assets:				
Cash and cash equivalents	\$927,707.00	\$1,333,505.00	\$1,869,420.00	\$4,130,632.00
Accounts receivable - other	660.00		1,063.00	1,723.00
Intergovernmental receivables:				
State			7,606.00	7,606.00
Federal			404,463.00	404,463.00
Inventories			100,586.00	100,586.00
Prepaid expenses		12,474.00		12,474.00
Total current assets	928,367.00	1,345,979.00	2,383,138.00	4,657,484.00
Noncurrent assets:				
Furniture, machinery and equipment	265,095.00	4,200.00	2,363,795.00	2,633,090.00
Less accumulated depreciation	(258,998.00)	(2,800.00)	(1,555,198.00)	(1,816,996.00)
Total noncurrent assets	6,097.00	1,400.00	808,597.00	816,094.00
Total assets	934,464.00	1,347,379.00	3,191,735.00	5,473,578.00
LIABILITIES:				
Current liabilities:				
Accounts payable		1,259.00	301,893.00	303,152.00
Interfund payable	55,759.00			55,759.00
Unearned revenue	100,235.00	480,670.00	81,008.00	661,913.00
Total current liabilities	155,994.00	481,929.00	382,901.00	1,020,824.00
Total liabilities	155,994.00	481,929.00	382,901.00	1,020,824.00
NET POSITION:				
Net investment in capital assets	6,097.00	1,400.00	808,597.00	816,094.00
Unrestricted	772,373.00	864,050.00	2,000,237.00	3,636,660.00
Total net position	\$778,470.00	\$865,450.00	\$2,808,834.00	\$4,452,754.00

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			
	CHILDRENS' COMMUNITY ENRICHMENT FUND	SUMMER INSTITUTE	FOOD SERVICE FUND	TOTAL
OPERATING REVENUES:				
Charges for services:				
Daily sales - Non-Reimbursable Programs			\$427,310.00	\$427,310.00
Miscellaneous			25,654.00	25,654.00
Program fees	\$338,875.00	\$429,965.00		768,840.00
Total operating revenues	338,875.00	429,965.00	452,964.00	1,221,804.00
OPERATING EXPENSES:				
Salaries	150,488.00	228,045.00	\$1,181,316.00	1,559,849.00
Employee Benefits	47,907.00		393,869.00	441,776.00
Other Purchase Service (Administrative Expenses)	14,286.00	11,950.00	303,084.00	329,320.00
General Supplies	500.00	8,860.00	235,336.00	244,696.00
Depreciation	679.00	600.00	65,330.00	66,609.00
Cost of sales - reimbursable programs			1,756,670.00	1,756,670.00
Cost of sales - non-reimbursable programs			153,792.00	153,792.00
Total operating expenses	213,860.00	249,455.00	4,089,397.00	4,552,712.00
Operating income (loss)	125,015.00	180,510.00	(3,636,433.00)	(3,330,908.00)
NONOPERATING REVENUES (EXPENSES):				
State Sources:				
State School Lunch Program			94,730.00	94,730.00
Federal Sources:				
National School Lunch Program			4,026,792.00	4,026,792.00
National School Breakfast Program			768,666.00	768,666.00
National School Snack Program			44,461.00	44,461.00
P-EBT Administrative Cost			3,135.00	3,135.00
National food distribution commodities			422,107.00	422,107.00
Interest on Investments	78.00		3.00	81.00
Total nonoperating revenues	78.00		5,359,894.00	5,359,972.00
Change in net position	125,093.00	180,510.00	1,723,461.00	2,029,064.00
Total net position - beginning of the year	653,377.00	684,940.00	1,085,373.00	2,423,690.00
Total net position - end of the year	\$778,470.00	\$865,450.00	\$2,808,834.00	\$4,452,754.00

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			
	CHILDRENS' COMMUNITY ENRICHMENT FUND	SUMMER INSTITUTE	FOOD SERVICE FUND	TOTAL
Cash flows from operating activities:				
Receipts from customers (net of refunds)	\$304,991.00	\$482,770.00	\$401,057.00	\$1,188,818.00
Payments to employees	(150,488.00)	(228,045.00)	(1,181,316.00)	(1,559,849.00)
Payments to employee benefits	(65,483.00)		(393,869.00)	(459,352.00)
Payments to suppliers	(14,786.00)	(32,218.00)	(1,975,709.00)	(2,022,713.00)
Net cash provided by (used for) operating activities	74,234.00	222,507.00	(3,149,837.00)	(2,853,096.00)
Cash flows from noncapital financing activities:				
State Sources			100,561.00	100,561.00
Federal Sources			4,711,633.00	4,711,633.00
Interfund Activity	(193,573.00)			(193,573.00)
Net cash provided by noncapital financing activities:	(193,573.00)		4,812,194.00	4,618,621.00
Cash flows from capital and related financing activities:				
Purchases of capital assets			(88,340.00)	(88,340.00)
Net cash provided by (used for) capital and related financing activities			(88,340.00)	(88,340.00)
Cash flows from investing activities:				
Interest	78.00		3.00	81.00
Net cash provided by (used for) investing activities	78.00		3.00	81.00
Net increase (decrease) in cash and cash equivalents	(119,261.00)	222,507.00	1,574,020.00	1,677,266.00
Cash and cash equivalents, July 1, 2021	1,046,968.00	1,110,998.00	295,400.00	2,453,366.00
Cash and cash equivalents, June 30, 2022	\$927,707.00	\$1,333,505.00	\$1,869,420.00	\$4,130,632.00
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$125,015.00	\$180,510.00	(\$3,636,433.00)	(\$3,330,908.00)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	679.00	600.00	65,330.00	66,609.00
Federal commodities			422,107.00	422,107.00
Change in assets and liabilities:				
(Increase)decrease in accounts receivable - other	(1.00)		5,172.00	5,171.00
(Increase) decrease in inventories			(44,527.00)	(44,527.00)
(Increase) decrease in prepaid expenses		(11,617.00)		(11,617.00)
Increase (decrease) in accounts payable		209.00	112,174.00	112,383.00
Increase (decrease) in unearned revenue	(33,883.00)	52,805.00	(73,660.00)	(54,738.00)
Increase (decrease) in compensated absences	(17,576.00)			(17,576.00)
	(50,781.00)	41,997.00	486,596.00	477,812.00
Net cash provided by (used for) operating activities	\$74,234.00	\$222,507.00	(\$3,149,837.00)	(\$2,853,096.00)

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

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of South Brunswick School District (the "District") have been prepared in conformity with U.S. Generally Accepted Accounting Principles (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 Board's accounting policies are described below.

Reporting Entity

The Township of South Brunswick 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 consists of nine elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

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 that 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 units, 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.

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, intermediate schools and a high school. 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.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange 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 activity 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.

Fund Financial Statements: 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, proprietary, and fiduciary. 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.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

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

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. 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 fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution; in certain instances, approval by the County Superintendent of Schools may be required.

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

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

Debt Service Fund - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund

Enterprise Fund - The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations, Summer Institute and the Childrens' Community Enrichment programs. 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.

Basis of Accounting – Measurement Focus

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

Districtwide and Proprietary Fund Financial Statements: The Districtwide 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 of expenses versus expenditures. Ad Val Orem (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 general 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 of general long-term debt and acquisitions under installment purchase contracts are reported as other financing sources.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

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. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the School Board election to the date of the November general election thereby eliminating the vote on the annual base budget unless required by the mandated State budget CAP. 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 during the year ended June 30, 2022 totaled \$10,103,026, representing an additional appropriation of fund balance of \$1,352,118, withdrawals from the Maintenance Reserve of \$5,926,083 and withdrawals from the Capital Reserve of \$2,824,825.

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 deferred State Aid payments for budgetary purposes only 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.

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

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as 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 deferred revenues at fiscal year end.

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

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 period, other than those recorded in the enterprise fund, are recorded as an expenditure in the year of purchase.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

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>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after four years of service.

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated on the probability the employee will, in the future meet required conditions to receive a cash payment at termination. Salary-related payments for the employer's share of social security and medicare taxes are included.

In the district-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year. Compensated absences are a reconciling item between the fund level and district-wide presentations

Fund Balance and Net Position

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.

Unassigned net position represents the remains of the District's equity in the cumulative earnings of the proprietary fund.

Unearned Revenue

Unearned revenue in the special revenue and capital projects 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.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Net Position

GASB 63 provides guidance for reporting net position in the statement of financial position and related disclosures. 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.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Restrictions

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, Unemployment Compensation, Student Activities 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. The District reports amounts Designated for Subsequent Year's Expenditures as Committed Fund Balance.

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 as Assigned Fund Balance.

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.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues – Exchange and Nonexchange Transactions

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

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

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.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the 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 GAAP requires management to make assumptions that affect the amounts reported as revenue and expenditures/expenses during the reporting period. These estimates may differ from actual results.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

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 reflect 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 related to pensions.

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. The District has two items that qualify in this category, deferred amounts related to refunding debt and deferred amounts related to pension.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Lease receivables are measured at the present value of the lease payments expected to be received during the lease term. The District may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized in a systematic and rational manner over the lease term.

Lease liabilities represent obligations to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Payments for short-term leases with a term of 12 months or less are expensed as incurred and these leases are not included as lease liabilities or right-to-use assets on the statements of net position.

Right to Use Assets

Right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized in a systematic and rational manner over the life of the related lease.

Recently Adopted Accounting Pronouncements

Beginning with the year ended June 30, 2022, the District has implemented GASB Statement 87, *Leases*. GASB Statement 87 establishes criteria for accounting and financial reporting for leases. It creates a single model for lease accounting and requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. A Lessee is required to recognize a lease liability and an intangible right to use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The District considers petty cash, change funds, cash in banks, deposits in the New Jersey Asset and Rebate Management Program 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. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000. 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.

The Township of South Brunswick School District had the following cash and cash equivalents at June 30, 2022.

<u>Fund Type</u>	<u>Bank Balance</u>	<u>N.J. Asset and Rebate Management</u>	<u>Reconciling Items</u>		<u>Reconciled Balance</u>
			<u>Additions</u>	<u>Deletions</u>	
Governmental	\$26,329,226	\$9,345,104	\$5,491	\$2,801,560	\$32,878,261
Proprietary	<u>\$4,130,632</u>	<u></u>	<u></u>	<u></u>	<u>\$4,130,632</u>
	<u>\$30,459,858</u>	<u>\$9,345,104</u>	<u>\$5,491</u>	<u>\$2,801,560</u>	<u>\$37,008,893</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, 2022, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank \$250,000 was covered by Federal Depository Insurance and \$30,209,858 was covered by NJ GUDPA. The New Jersey Asset and Rebate Management Program (NJARM) is an investment pool and is not insured by either FDIC or GUDPA.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

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

Investments

The purchase of investments by the Board is 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;
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. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 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:20-37. 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. § 270a-7 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:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

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

Investments (Continued)

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - 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. 17:19-41); and;
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2022, the District has \$9,345,104 on deposit with the New Jersey Asset and Rebate Management Program. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1, and existing investment practices of the Investment Council of the 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.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 3: CHANGE IN CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 8,929,136	\$	\$	\$ 8,929,136
Construction in Progress	<u>55,350</u>	<u>1,513,828</u>	<u>30,350</u>	<u>1,538,828</u>
Total Capital assets not being depreciated	<u>8,984,486</u>	<u>1,513,828</u>	<u>30,350</u>	<u>10,467,964</u>
Site Improvements	7,405,251			7,405,251
Building and Building Improvements	240,063,826	349,177		240,413,003
Machinery and Equipment	<u>17,563,677</u>	<u>2,276,886</u>	<u>651,694</u>	<u>19,188,869</u>
Totals as historical cost	<u>265,032,754</u>	<u>2,626,063</u>	<u>651,694</u>	<u>267,007,123</u>
Total Gross assets (Memo only)	<u>\$ 274,017,240</u>	<u>\$ 4,139,891</u>	<u>\$ 682,044</u>	<u>\$ 277,475,087</u>
Less: Accumulated Depreciation for:				
Site Improvements	\$ (4,390,491)	\$ (332,700)	\$	\$ (4,723,191)
Building and Building Improvements	(108,456,847)	(5,923,944)		(114,380,791)
Machinery and Equipment	<u>(13,122,107)</u>	<u>(1,053,358)</u>	<u>(439,391)</u>	<u>(13,736,074)</u>
Total depreciation	<u>(125,969,445)</u>	<u>(7,310,002)</u>	<u>(439,391)</u>	<u>(132,840,056)</u>
Total Capital assets being depreciated net of accumulated depreciation	<u>139,063,309</u>	<u>(4,683,939)</u>	<u>212,303</u>	<u>134,167,067</u>
Governmental activities capital assets, net	<u>\$ 148,047,795</u>	<u>\$ (3,170,111)</u>	<u>\$ 242,653</u>	<u>\$ 144,635,031</u>
Business-type activities:				
Equipment	\$ 2,544,750	\$ 88,340	\$	\$ 2,633,090
Less: Accumulated Depreciation	<u>(1,750,387)</u>	<u>(66,609)</u>		<u>(1,816,996)</u>
Proprietary fund capital assets, net	<u>\$ 794,363</u>	<u>\$ 21,731</u>	<u>\$</u>	<u>\$ 816,094</u>

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 3: CHANGE IN CAPITAL ASSETS (CONTINUED)

Depreciation Expense was charged to governmental expenses as follows:

Instruction:		
Regular	\$	3,551,265
Special		492,701
Other		249,056
Support Services:		
General Administrative Services		110,879
School Administrative Services		29,458
Pupil Transportation		532,839
Plant Operations & Maintenance		2,170,372
Unallocated		<u>173,432</u>
	\$	<u><u>7,310,002</u></u>

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

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 changes in liabilities that effect other long-term obligations for the year ended June 30, 2022:

	Bonds Payable	Installment Purchase Contracts Payable	Net Pension Liability	Compensated Absences Payable	Total
Balance June 30, 2021	\$ 54,335,000	\$ 2,161,079	\$ 37,030,800	\$ 2,779,825	\$ 96,306,704
Additions		1,738,241			1,738,241
	54,335,000	3,899,320	37,030,800	2,779,825	98,044,945
Deletions	7,120,000	757,449	8,971,869	9,914	16,859,232
Balance June 30, 2022	\$ <u>47,215,000</u>	\$ <u>3,141,871</u>	\$ <u>28,058,931</u>	\$ <u>2,769,911</u>	\$ <u>81,185,713</u>
Amounts due within one year	\$ <u>7,240,000</u>	\$ <u>755,484</u>	\$ <u></u>	\$ <u></u>	\$ <u>7,995,484</u>

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Bonds Payable

The annual requirements to amortize all debt outstanding as of June 30, 2022, with interest payments on issued debt, are as follows:

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 7,240,000	\$ 1,852,125	\$ 9,092,125
2024	7,060,000	1,547,450	8,607,450
2025	7,180,000	1,244,750	8,424,750
2026	2,465,000	1,033,250	3,498,250
2027	2,595,000	912,700	3,507,700
2028	2,715,000	788,425	3,503,425
2029	2,835,000	662,100	3,497,100
2030	1,255,000	573,175	1,828,175
2031	1,350,000	521,075	1,871,075
2032	1,450,000	465,075	1,915,075
2033	1,555,000	406,788	1,961,788
2034	1,660,000	345,850	2,005,850
2035	1,775,000	278,700	2,053,700
2036	1,895,000	205,300	2,100,300
2037	2,025,000	126,900	2,151,900
2038	2,160,000	43,200	2,203,200
	<u>\$ 47,215,000</u>	<u>\$ 11,006,863</u>	<u>\$ 58,221,863</u>

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

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, 2022</u>	<u>Bonds Authorized But Not Issued</u>
\$29,525,000 in School Bonds (2012 Series) dated March 7, 2012, due in remaining annual installments ranging between \$2,585,000 and \$2,625,000 beginning June 30, 2023 and ending June 30, 2025 with interest from 2.00% to 4.00%	\$7,825,000	-0-
\$36,330,000 in Refunding Bonds (2014 Series) dated February 12 2014, due in remaining annual installments ranging between \$1,245,000 and \$1,675,000 beginning August 1, 2023 and ending August 1, 2028 with interest from 3.00% to 5.00%	10,895,000	-0-
\$10,785,000 in School Energy Savings Bonds dated December 15, 2016, due in remaining annual installments ranging between \$280,000 and \$800,000 beginning August 1, 2023 and ending August 1, 2037 with interest from 3.00% to 5.00%	8,325,000	-0-
\$15,180,000 in School Energy Savings Bonds dated May 3, 2017, due in remaining annual installments ranging between \$360,000 and \$1,360,000 beginning August 1, 2023 and ending August 1, 2037 with interest from 3.00% to 4.00%	6,650,000	-0-
\$15,775,000 in Refunding School Bonds dated May 3, 2017, due in remaining annual installments ranging between \$100,000 and \$2,275,000 beginning August 1, 2017 and ending August 1, 2024 with interest from 2.00% to 4.00%	13,520,000	-0-
	<u>\$47,215,000</u>	<u>-0-</u>

Bonds Authorized But Not Issued

At June 30, 2022, the District had no bonds or notes authorized but not issued.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Refunding School Bonds

The District's outstanding Bonds Payable include Refunding Bonds. As a result of these refundings, the Statement of Net Assets reflect Deferred Inflows for Gains on Refunding Bonds. Under the escrow agreements, the escrows are irrevocably pledged to the payment of principal and interest on the refunded bonds. As a result, the refunded obligations are considered to be defeased and the liability for those bonds have been removed from the financial statements.

The balance of the Deferred Inflows resulting from the Bond Refunding as well as the FY2022 activity is reflected below.

Deferred Inflow - Gain on Refunding of Long Term Debt

	Balance June 30, <u>2021</u>	<u>Reductions</u>	Balance June 30, <u>2022</u>
2014 Refunding	\$1,216,988	\$156,192	\$1,060,796
2017 Refunding	<u>\$495,924</u>	<u>\$124,957</u>	<u>\$370,967</u>
	<u><u>\$1,712,912</u></u>	<u><u>\$281,149</u></u>	<u><u>\$1,431,763</u></u>

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Installment Purchase Contracts Payable

The District has entered into various installment purchase contracts for school buses and textbooks. Future annual debt service payments on installment purchases as of June 30, 2022 including interest of \$131,738 are as follows:

Fiscal Year					
<u>June 30,</u>		<u>Principal</u>		<u>Interest</u>	<u>Total</u>
2023	\$	755,483	\$	48,707	\$ 804,190
2024		645,231		35,758	680,989
2025		793,840		24,588	818,428
2026		378,890		12,353	391,242
2027		184,959		6,355	191,314
2028		383,469		3,978	387,447
		<u>3,141,871</u>		<u>131,738</u>	<u>3,273,609</u>
	\$		\$		

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 5: PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund 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 both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, N.J., 08625.

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 to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

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.

Pension Plan Design Changes

Effective June 28, 2011, P.L. 2011, c. 78, 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.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 5: PENSION PLANS (CONTINUED)

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.

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

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.

<u>Three-Year Trend Information for PERS</u>			
<u>Year</u> <u>June 30,</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2022	\$2,773,838	100.00%	\$2,773,838
2021	\$2,484,143	100.00%	\$2,484,143
2020	\$2,333,072	100.00%	\$2,333,072

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>			
<u>Year</u> <u>June 30,</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2022	\$23,183,735	100.00%	\$23,183,735
2021	\$15,827,664	100.00%	\$15,827,664
2020	\$11,900,832	100.00%	\$11,900,832

Also, in accordance with N.J.S.A. 18A:66-66 during the years ended June 30, 2022, 2021 and 2020, the State of New Jersey reimbursed the District \$4,810,451, \$4,585,412 and \$4,533,496 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

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

Public Employees Retirement System (PERS)

At June 30, 2022, the District reported a liability of \$28,058,931 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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, 2021, the District's proportion was 0.2368542029 percent, which was an increase of 0.0097742639 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension benefit of \$3,757,144 in the district-wide financial statements. This pension benefit was based on the pension plans June 30, 2021 measurement date.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$442,525	\$200,869
Changes of assumptions		\$9,989,161
Net difference between projected and actual earnings on pension plan investments	\$146,131	\$7,391,460
Changes in proportion and differences between District contributions and proportionate share of contributions	\$2,122,940	\$2,115,244
District contributions subsequent to the measurement date	<u>\$2,679,144</u>	<u> </u>
	<u><u>\$5,390,740</u></u>	<u><u>\$19,696,734</u></u>

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

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

Public Employees Retirement System (PERS) (Continued)

The \$2,679,144 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e., for the school year ending June 30, 2022, the plan measurement date is June 30, 2021) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

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

Year Ended <u>June 30</u>	<u>Amount</u>
2022	(\$6,619,147)
2023	(4,725,615)
2024	(3,221,574)
2025	(2,421,283)
2026	<u>2,481</u>
	<u><u>(\$16,985,138)</u></u>

Actuarial Assumptions

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00%-6.00%
	Based on Years of Service
Thereafter	3.00%-7.00%
	Based on Years of Service
Investment Rate of Return	7.00%

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

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-2020.

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of 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 asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Long-Term Rate of Return (Continued)

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate Assets	3.00%	9.15%
Real Estate	8.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

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

Public Employees Retirement System (PERS) (Continued)

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, 2021, 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:

	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$38,210,574	\$28,058,931	\$19,443,823

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 by visiting <http://www.state.nj.us/treasury/pensions>.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

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, 2022 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$261,764,585</u>
	<u><u>\$261,764,585</u></u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 which was rolled forward to June 30, 2021. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2021, the proportion of the TPAF net pension liability associated with the District was .5444899798% which was an increase of .0019111263 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized on-behalf pension expense and revenue of \$6,159,436 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, 2021 measurement date.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55%-4.45%
	Based on Years of Service
Thereafter	2.75%-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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

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)

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 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%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate Assets	3.00%	9.15%
Real Estate	8.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be 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.

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 by visiting <http://www.state.nj.us/treasury/pensions>.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

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

Plan Description and Benefits Provided

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.

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	213,901
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	150,427
Inactive Plan Members or Beneficiaries	
Not Yet Receiving Benefits	- 0 -
Total Plan Members	<u>364,328</u>

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

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, 2021 was as follows:

Total OPEB Liability:	
District's Proportionate Share	\$-0-
State's Proportionate Share associated with the District	<u>333,159,155</u>
	<u><u>\$333,159,155</u></u>

The total Non-Employer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021.

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

For the year ended June 30, 2022, the District recognized on-behalf post-employment expense and revenue of \$21,105,736 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2021 measurement date.

At June 30, 2021, the District's proportion was .5551944621 percent, which was an increase of .0104278617 from its proportion measured as of June 30, 2020.

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.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

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

	<u>June 30, 2021</u>		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Inflation – 2.5%			
Salary Increases			
Through 2026	1.55-4.45%*	2.00-6.00%*	3.25-15.25%*
Thereafter	2.75-5.65%*	3.00-7.00%*	Not Applicable

*- 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.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015— June 30, 2018, July 1, 2014 — June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS and PFRS, respectively.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

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

Actuarial Assumptions and Other Input (Continued)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2021 and June 30, 2020 was 2.16% and 2.21% respectively. 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.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

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

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, 2020 to June 30, 2021.

Balance at 6/30/20		\$369,406,028
Changes for the year:		
Service cost	\$17,429,947	
Interest	8,642,499	
Changes of Benefit Terms	(354,607)	
Differences between expected and actual experience	(55,706,476)	
Changes in assumptions or other inputs	328,687	
Membership Contributions	220,946	
Benefit payments - Net	(6,807,869)	
Net changes		<u>(36,246,873)</u>
Balance at 6/30/21		<u><u>\$333,159,155</u></u>

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, 2021, 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, 2021		
	<u>1.00%</u> <u>Decrease (1.16%)</u>	<u>At Discount</u> <u>Rate (2.16%)</u>	<u>1.00%</u> <u>Increase (3.16%)</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$399,072,367	\$333,159,155	\$281,256,457

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

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 Healthcare Trends

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2021, 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:

	<u>June 30, 2021</u>		
	<u>1.00%</u> <u>Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rate</u>	<u>1.00%</u> <u>Increase</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$269,693,418	\$333,159,155	\$418,388,949

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

At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's Non-Employer OPEB Liability associated with the District 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	\$ 50,222,263	\$ 99,986,986
Changes of assumptions	56,516,225	35,744,873
Changes in proportion	<u>13,690,617</u>	<u> </u>
	<u>\$ 120,429,105</u>	<u>\$ 135,731,859</u>

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

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)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total Non-Employer OPEB Liability associated with the District will be recognized in OPEB expense as follows:

Measurement Period Ended <u>June 30,</u>	<u>Amount</u>
2022	(\$3,825,958)
2023	(\$3,825,958)
2024	(\$3,825,958)
2025	(\$3,825,958)
2026	(\$1,928,848)
Total Thereafter	<u>\$1,929,924</u>
	<u><u>(\$15,302,754)</u></u>

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/financial-reports.shtml>.

NOTE 8: LITIGATION

The District's counsel advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the School District, and which might materially affect the District's financial position.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 9: 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 2021-2022 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. 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 10: 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 commercial coverage in any of the past three years. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The table on the following page is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal</u> <u>Year</u>	<u>Interest</u> <u>Earnings</u>	<u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2021-22	\$ 37	\$ 140,682	\$	\$ 524,273
2020-21	42	189,954		383,554
2019-20	1,127	132,873	164,165	193,558

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 10: RISK MANAGEMENT (CONTINUED)

Workers' Compensation Insurance - The District is currently commercially insured for workers' compensation insurance. The prior self-insurance coverage is in runoff and is managed by New Jersey Schools Insurance Group. The financial statements reflect the current expenses of the program as well as an accrued liability for future claims against the current fiscal year. At June 30, 2022, the amount was \$80,856.

Health Benefits - The District provides health benefits to employees through an administrative services agreement with Horizon Blue Cross Blue Shield of New Jersey ("Horizon"). As of January 1, 2021 the District changed providers and contracted with Aetna. At June 30, 2022, Horizon was still processing run-off claims for the District. The incurred but not reported liability ("IBNR") actuarially computed by was \$5,976,435 at June 30, 2022. It was also noted that the entire IBNR is adjusted for changes in estimate at year end and such changes are reflected in the district's budget and the entire liability is treated as a liability for budgetary purposes.

NOTE 11: COMPENSATED ABSENCES

District employees earn sick leave per the terms of the various labor agreements negotiated by the Board. Unused sick leave may be carried forward without limitation and upon retirement from the District those employees who have completed 15 years of service in the District, will receive payment for accumulated unused sick leave at rates and percentages in accordance with the various agreements.

Twelve month District employees are entitled to accumulate vacation time, the carryover of which is unlimited for non-unit employees and limited for members of the administrative unit, and will be paid upon separation from service at the District.

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net assets. As of June 30, 2022, a liability existed for compensated absences for governmental fund-types in the district- wide Statement of Net Position of \$2,769,911.

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

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 12: FUND BALANCE APPROPRIATED

General Fund – The table below reflects the District's Fund Balance at June 30, 2022 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 for:			
Excess surplus:			
Designated for subsequent			
years expenditures	\$ 1,671,015	\$	\$ 1,671,015
Current year	2,464,231		2,464,231
Maintenance reserve	3,991,971		3,991,971
Capital reserve	2,874,106		2,874,106
Emergency reserve	700,000		700,000
Unemployment	524,273		524,273
Committed to:			
Designated for subsequent			
years expenditures	3,027,759		3,027,759
Assigned to:			
Encumbrances	6,776,712		6,776,712
FFCRA/SEMI Designated for			
subsequent years expenditures	4,221		4,221
Unassigned	<u>7,348,208</u>	<u>(2,038,019)</u>	<u>5,310,189</u>
	\$ <u>29,382,496</u>	\$ <u>(2,038,019)</u>	\$ <u>27,344,477</u>

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

The Restricted Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget.

General Fund Expenditures	
Fiscal Year Ended June 30, 2022	\$180,161,375
Add:	
Transfer from Capital Reserve to Capital Projects Fund	2,824,825
Less:	
Assets acquired under Installment Purchase Contracts	1,738,241
On-behalf TPAF Pension and Social Security Reimbursement	<u>33,821,913</u>
Adjusted General Fund Expenditures	\$147,426,046
Excess Surplus Percentage	<u>4.00%</u>
4% of Adjusted 2021-22 General Fund Expenditures	\$5,897,042
Add: Allowable Adjustments	<u>1,451,166</u>
Maximum Unreserved/Undesignated Fund Balance	\$7,348,208
Actual Unreserved/Undesignated Fund Balance	<u>9,812,439</u>
Excess Surplus	<u>\$2,464,231</u>

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
General Fund	\$ 55,762	\$
Special Revenue Fund		3
Proprietary Fund		55,759
	<u>\$ 55,762</u>	<u>\$ 55,762</u>

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

NOTE 15: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of South Brunswick Board of Education 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.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 15: CAPITAL RESERVE ACCOUNT (CONTINUED)

Capital Reserve Account

Beginning balance, July 1, 2021	\$5,698,477
Increased by:	
Interest earned	454
	<u>\$5,698,931</u>
Withdrawals:	
Budgeted	2,824,825
	<u>2,824,825</u>
Ending balance, June 30, 2022	<u><u>\$2,874,106</u></u>

NOTE 16: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the District for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with EFCFA (N.J.S.A. 18A:7G-9). The passage of S1701 also impacts deposits into maintenance reserve. EFCFA requires that upon the district completion of school facilities project, the district must submit a plan for the maintenance of that facility. The activity of the maintenance reserve for the July 1, 2021 to June 30, 2022 year is as follows:

Beginning balance, July 1, 2021	\$9,918,054
Increased by:	
Board Resolution	410,268
	<u>\$10,328,322</u>
Withdrawals:	
Budgeted	6,336,351
	<u>6,336,351</u>
Ending balance, June 30, 2022	<u><u>\$3,991,971</u></u>

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 17: EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the Township of South Brunswick Board of Education for the accumulation of funds for use as emergency expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve is used to accumulate funds in accordance with *N.J.S.A. 18A:7F-41c(1)* to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both.

The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent.

During the Fiscal Year ended June 30, 2022 the District has the following activity in the Emergency Reserve Account:

Emergency Reserve Account

Beginning balance, July 1, 2021 and
June 30, 2022

\$700,000

NOTE 18: DEFERRED COMPENSATION

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. Since the Board does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2022.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2022

NOTE 19: INVENTORY

Inventory in the Food Service Fund at June 30, 2022 consisted of the following:

Food and Supplies	<u>\$100,586</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act amendments 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.

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.

NOTE 21: SUBSEQUENT EVENTS

The District has evaluated material subsequent events occurring after the financial statement date through January 31, 2023 which is the date the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Revenues from local sources:					
Local tax levy	\$ 116,772,421.00	\$	\$ 116,772,421.00	\$ 116,772,421.00	\$ (190,612.00)
Tuition from individuals	235,000.00		235,000.00	44,388.00	215,282.00
Tuition from LEAs within state				215,282.00	76,783.00
Transportation fees from other LEAs				76,783.00	73,455.00
Rents and Royalties				73,455.00	19,868.00
Unrestricted miscellaneous revenues	655,000.00		655,000.00	674,868.00	(8,241.00)
Advertising fees - school buses	20,000.00		20,000.00	11,759.00	455.00
Interest earned on capital reserve funds				455.00	140,717.00
Other restricted miscellaneous revenues				140,717.00	327,707.00
Subtotal- Revenues from Local Sources	117,682,421.00		117,682,421.00	118,010,128.00	
Revenues from state sources:					
Categorical Transportation aid	2,155,118.00		2,155,118.00	2,155,118.00	
Extraordinary aid	1,000,000.00		1,000,000.00	2,398,449.00	1,398,449.00
Categorical special education aid	5,479,892.00		5,479,892.00	5,479,892.00	
Equalization aid	13,670,526.00		13,670,526.00	13,670,526.00	
Categorical security aid	183,321.00		183,321.00	183,321.00	
Other state aids	1,000,000.00		1,000,000.00	1,052,717.00	52,717.00
Reimbursed TPAF social security contributions (non-budgeted)				4,810,451.00	4,810,451.00
On-Behalf TPAF - Non-contributory Insurance (non-budgeted)				327,090.00	327,090.00
On-Behalf TPAF - Long-Term Disability (non-budgeted)				7,558.00	7,558.00
On-Behalf TPAF post retirement medical (non-budgeted)				5,493,079.00	5,493,079.00
On-behalf TPAF pension contributions (non-budgeted)				23,183,735.00	23,183,735.00
Total - state sources	22,488,857.00	1,000,000.00	23,488,857.00	58,761,936.00	35,273,079.00
Revenues from federal sources:					
Medicaid Reimbursement	79,683.00		79,683.00	20,198.00	(59,485.00)
SUBTOTAL - Revenues from federal sources	79,683.00		79,683.00	20,198.00	(59,485.00)
Total Operating Budget	140,250,961.00	1,000,000.00	141,250,961.00	176,792,262.00	35,541,301.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2022

EXPENDITURES:	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
CURRENT EXPENSE:					
Regular programs - instruction:					
Salaries of teachers:					
Kindergarten	1,845,671.00	276,071.00	2,121,742.00	2,099,654.00	22,088.00
Grades 1-5	13,948,923.00	(753,835.00)	13,195,088.00	13,075,427.00	119,661.00
Grades 6-8	10,903,203.00	(126,743.00)	10,776,460.00	10,757,028.00	19,432.00
Grades 9-12	14,588,151.00	(213,643.00)	14,374,508.00	14,346,540.00	27,968.00
Regular programs - Undistributed Instruction:					
Other Salaries for Instruction	150,150.00	(149,900.00)	250.00		250.00
Purchased Professional Educational Services	22,870.00	1,900.00	24,770.00	19,031.00	5,739.00
Purchased Technical Services	377,000.00	691,860.00	1,068,860.00	1,064,834.00	4,026.00
Other Purchased Services (400-500 series)	668,560.00	(135,800.00)	532,760.00	493,836.00	38,924.00
General Supplies	1,082,211.00	(168,019.00)	914,192.00	745,853.00	168,339.00
Textbooks	222,400.00	7,519.00	229,919.00	227,504.00	2,415.00
Other Objects	10,000.00	(6,500.00)	3,500.00	1,950.00	1,550.00
Total Regular Programs	43,819,139.00	(577,090.00)	43,242,049.00	42,831,657.00	410,392.00
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	1,095,500.00	(171,233.00)	924,267.00	924,266.00	1.00
Other Salaries for Instruction	481,980.00	22,023.00	504,003.00	497,470.00	6,533.00
Purchased Technical Services	24,000.00	12,150.00	36,150.00	35,185.00	965.00
General Supplies	4,000.00	(2,725.00)	1,275.00	1,275.00	
Total Learning and/or Language Disabilities	1,605,480.00	(139,785.00)	1,465,695.00	1,458,196.00	7,499.00
Multiple Disabilities:					
Salaries of Teachers	511,992.00	85,117.00	597,109.00	597,109.00	
Other Salaries for Instruction	358,230.00	47,773.00	406,003.00	404,829.00	1,174.00
Purchased Technical Services	10,000.00	11,400.00	21,400.00	20,163.00	1,237.00
Total Multiple Disabilities	880,222.00	144,290.00	1,024,512.00	1,022,101.00	2,411.00
Resource Room/ Resource Center:					
Salaries of Teachers	5,660,880.00	214,835.00	5,875,715.00	5,875,256.00	459.00
Other Salaries for Instruction	618,240.00	(207,631.00)	410,609.00	410,566.00	43.00
Purchased Technical Services	91,000.00	47,450.00	138,450.00	138,095.00	355.00
General Supplies	29,000.00	(3,458.00)	25,542.00	24,600.00	942.00
Total Resource Room/ Resource Center	6,399,120.00	51,196.00	6,450,316.00	6,448,517.00	1,799.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Autism:					
Salaries of Teachers	745,640.00	111,381.00	857,021.00	856,949.00	72.00
Other Salaries for Instruction	974,830.00	(37,245.00)	937,585.00	933,871.00	3,714.00
Purchased Technical Services	24,500.00	10,890.00	35,390.00	35,058.00	332.00
General Supplies	24,000.00	(11,417.00)	12,583.00	10,004.00	2,579.00
Total Autism	1,768,970.00	73,609.00	1,842,579.00	1,835,882.00	6,697.00
Preschool Disabilities - Part Time:					
Salaries of Teachers	93,870.00	(2,070.00)	91,800.00	91,800.00	309.00
Purchased Technical Services	2,000.00	(450.00)	1,550.00	1,241.00	1.00
General Supplies	1,750.00	1,707.00	3,457.00	3,456.00	
Total Preschool Disabilities - Part Time	97,620.00	(813.00)	96,807.00	96,497.00	310.00
Preschool Disabilities - Full Time:					
Salaries of Teachers	462,900.00	56,568.00	519,468.00	519,108.00	360.00
Other Salaries for Instruction	289,340.00	(72,416.00)	216,924.00	216,650.00	274.00
Purchased Technical Services	12,000.00	(200.00)	11,800.00	11,681.00	119.00
Total Preschool Disabilities - Full Time	764,240.00	(16,048.00)	748,192.00	747,439.00	753.00
Home Instruction:					
Salaries of Teachers	45,000.00	20,150.00	65,150.00	65,089.00	61.00
Other Salaries for Instruction	8,000.00	(7,400.00)	600.00	238.00	362.00
Purchased Professional- Educational Services	80,000.00	(22,100.00)	57,900.00	45,294.00	12,606.00
Total Home Instruction	133,000.00	(9,350.00)	123,650.00	110,621.00	13,029.00
Total Special Education - Instruction	11,648,652.00	103,099.00	11,751,751.00	11,719,253.00	32,498.00
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	2,429,830.00	(71,280.00)	2,358,550.00	2,354,798.00	3,752.00
Purchased Technical Services	13,000.00	(4,500.00)	8,500.00	8,407.00	93.00
General Supplies	3,000.00		3,000.00	634.00	2,366.00
Total Basic Skills/Remedial - Instruction	2,445,830.00	(75,780.00)	2,370,050.00	2,363,839.00	6,211.00
Bilingual education - Instruction:					
Salaries of Teachers	596,760.00	7,810.00	604,570.00	597,000.00	7,570.00
Other Salaries for Instruction		25,000.00	25,000.00	24,862.00	138.00
Purchased Technical Services	2,000.00	4,350.00	6,350.00	5,992.00	358.00
General Supplies	1,000.00		1,000.00		1,000.00
Total Bilingual Education - Instruction	599,760.00	37,160.00	636,920.00	627,854.00	9,066.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
School Sponsored Co/Extra Curricular Activities - Instruction:					
Salaries	118,100.00	55,740.00	173,840.00	100,664.00	73,176.00
Purchased Services (300-500 series)	37,540.00	(23,120.00)	14,420.00	13,551.00	869.00
Supplies and Materials	55,220.00	(36,295.00)	18,925.00	12,321.00	6,604.00
Other Objects	12,280.00	(8,700.00)	3,580.00	3,549.00	31.00
Total School Sponsored Co/Extra Curricular Activities - Instruction	223,140.00	(12,375.00)	210,765.00	130,085.00	80,680.00
School Sponsored Athletics - Instruction:					
Salaries	675,000.00	109,410.00	784,410.00	784,233.00	177.00
Purchased Services (300-500 series)	86,720.00	(1,268.00)	85,452.00	82,272.00	3,180.00
Supplies and Materials	173,451.00	(39,920.00)	133,531.00	128,196.00	5,335.00
Other Objects	7,930.00	700.00	8,630.00	8,600.00	30.00
Transfers to Cover Deficit (Custodial Funds)	85,380.00	(15,860.00)	69,520.00	69,078.00	442.00
Total School Sponsored Athletics - Instruction	1,028,481.00	53,062.00	1,081,543.00	1,072,379.00	9,164.00
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the State - Regular	52,000.00	93,246.00	145,246.00	65,366.00	79,880.00
Tuition to other LEAs within the State - Special	165,000.00	(165,000.00)			
Tuition to CSSD & Regular Day Schools	1,075,000.00	288,482.00	1,363,482.00	1,247,614.00	115,868.00
Tuition to Private Schools for the Disabled W/ State	3,100,000.00	(614,695.00)	2,485,305.00	2,460,002.00	25,303.00
Tuition - State Facilities	124,886.00	(14,760.00)	110,126.00	101,816.00	8,310.00
Tuition - Other	123,093.00	5,377.00	128,470.00	128,470.00	
Total Undistributed Expenditures - Instruction	4,639,979.00	(407,350.00)	4,232,629.00	4,003,268.00	229,361.00
Undistributed Expenditures - Attendance & Social Work:					
Salaries	60,580.00	(60,006.00)	574.00	300.00	274.00
Total Undistributed Expenditures - Attendance & Social Work	60,580.00	(60,006.00)	574.00	300.00	274.00
Undistributed Expenditures - Health Services:					
Salaries	1,047,650.00	(6,719.00)	1,040,931.00	1,012,278.00	28,653.00
Purchased Professional and Technical Services	297,500.00	174,783.00	472,283.00	468,478.00	3,805.00
Other Purchased Services (400-500 series)	6,250.00	(6,250.00)			
Supplies and Materials	53,950.00	5,213.00	59,163.00	33,095.00	26,068.00
Total Undistributed Expenditures - Health Services	1,405,350.00	167,027.00	1,572,377.00	1,513,851.00	58,526.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend. - Speech, OT, PT & Related Services:					
Salaries	1,677,010.00	(40,869.00)	1,636,141.00	1,611,413.00	24,728.00
Purchased Professional - Educational Services	50,000.00	65,576.00	115,576.00	97,944.00	17,632.00
Supplies and materials	36,500.00	(5,031.00)	31,469.00	27,770.00	3,699.00
Total Undistributed Expend. - Speech, OT, PT & Related Services	1,763,510.00	19,676.00	1,783,186.00	1,737,127.00	46,059.00
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	2,264,290.00	140,000.00	2,404,290.00	2,396,533.00	7,757.00
Other Purchased Professional & Technical Services	42,300.00	(2,500.00)	39,800.00	35,377.00	4,423.00
Other Purchased Services (400-500 series)	63,850.00	(20,000.00)	43,850.00	41,394.00	2,456.00
Supplies and Materials	73,210.00	(1,613.00)	71,597.00	49,169.00	22,428.00
Total Undistributed Expenditures - Guidance	2,443,650.00	115,887.00	2,559,537.00	2,522,473.00	37,064.00
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	2,494,590.00	(66,200.00)	2,428,390.00	2,423,921.00	4,469.00
Salaries of Secretarial and Clerical Assistants	179,980.00	(5,000.00)	174,980.00	174,236.00	744.00
Other Purchased Professional & Technical Services	440,000.00	192,550.00	632,550.00	620,082.00	12,468.00
Other Purchased Services (400-500 series)	10,000.00	(10,000.00)			
Supplies and Materials	80,000.00	(17,268.00)	62,732.00	49,492.00	13,240.00
Total Undistributed Expenditures - Child Study Teams	3,204,570.00	94,082.00	3,298,652.00	3,267,731.00	30,921.00
Undistributed Expenditures - Improvement of Instr. Serv.					
Salaries of Supervisors of Instruction	1,005,550.00	71,993.00	1,077,543.00	1,077,499.00	44.00
Other Salaries	60,000.00		60,000.00	56,270.00	3,730.00
Purchased Professionals - Educational Services	15,000.00	(15,000.00)			
Other Purchased Services (400-500 series)	25,000.00	(6,750.00)	18,250.00	17,793.00	457.00
Supplies and Materials	11,500.00	3,400.00	14,900.00	14,868.00	32.00
Total Undistributed Expenditures - Improvement of Instr. Serv.	1,117,050.00	53,643.00	1,170,693.00	1,166,430.00	4,263.00
Undistributed Expend. - Educational Media Serv./School Library:					
Salaries	820,320.00	48,296.00	868,616.00	850,778.00	17,838.00
Purchased Professional and Technical Services	7,000.00	7,750.00	14,750.00	14,685.00	65.00
Supplies and Materials	279,350.00	(117,262.00)	162,088.00	127,078.00	35,010.00
Total Undistributed Expend. - Educational Media Serv./School Library	1,106,670.00	(61,216.00)	1,045,454.00	992,541.00	52,913.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend.- Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	885,810.00	(6,229.00)	879,581.00	879,579.00	2.00
Salaries of Other Professional Staff	140,000.00	(130,200.00)	9,800.00	9,800.00	
Salaries of Secretarial and Clerical Assistants	53,870.00	119,533.00	173,403.00	173,361.00	42.00
Other Salaries	30,680.00	(6,463.00)	24,217.00	13,960.00	10,257.00
Purchased Professional - Educational Services	53,700.00	(28,550.00)	25,150.00	18,114.00	7,036.00
Other Purchased Services (400-500 series)	150,000.00	(85,159.00)	64,841.00	50,013.00	14,828.00
Supplies and Materials	27,500.00	(7,150.00)	20,350.00	10,154.00	10,196.00
Other Objects	13,500.00	(9,500.00)	4,000.00	2,174.00	1,826.00
Total Undistributed Expend.- Instructional Staff Training Services	1,355,060.00	(153,718.00)	1,201,342.00	1,157,155.00	44,187.00
Undistributed Expend.-Support Services-General Administration:					
Salaries	332,640.00	(5,000.00)	327,640.00	326,690.00	950.00
Legal Services	114,950.00	80,000.00	194,950.00	166,112.00	28,838.00
Audit Fees	45,300.00	1,950.00	47,250.00	47,250.00	
Other Purchased Professional Services	50,450.00	(19,950.00)	30,500.00	21,245.00	9,255.00
Purchased Technical Services	85,200.00	43,200.00	128,400.00	125,075.00	3,325.00
Communications/Telephone	188,500.00	(72,000.00)	116,500.00	92,576.00	23,924.00
BOE Other Purch Serv	6,500.00		6,500.00	722.00	5,778.00
Misc. Purchased Services (400-500 series, O/T 530 & 585)	298,900.00	(6,000.00)	292,900.00	276,335.00	16,565.00
General Supplies	46,000.00	(16,200.00)	29,800.00	17,961.00	11,839.00
Miscellaneous Expenditures	16,000.00		16,000.00	10,487.00	5,513.00
BOE Membership Dues and Fees	37,000.00		37,000.00	30,787.00	6,213.00
Total Undistributed Expend.-Support Services-General Administration	1,221,440.00	6,000.00	1,227,440.00	1,115,240.00	112,200.00
Undistributed Expend.-Support Services- School Administration:					
Salaries of Principals/Assistant Principals	3,228,780.00	8,683.00	3,237,463.00	3,237,367.00	96.00
Salaries of Other Professional Staff	892,190.00	(35,918.00)	856,272.00	856,272.00	
Salaries of Secretarial and Clerical Assistants	2,449,650.00	(110,478.00)	2,339,172.00	2,334,953.00	4,219.00
Unused Vacation Payment to Terminated/Retired Staff	44,600.00	60,354.00	104,954.00	104,954.00	
Other Purchased Services (400-500 series)	122,940.00	(10,842.00)	112,098.00	44,100.00	67,998.00
Supplies and Materials	50,050.00	(36,899.00)	13,151.00	10,173.00	2,978.00
Other Objects	21,050.00	(4,208.00)	16,842.00	14,875.00	1,967.00
Total Undistributed Expend.-Support Services- School Administration	6,809,260.00	(129,308.00)	6,679,952.00	6,602,694.00	77,258.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend. - Central Services					
Salaries	1,342,590.00	65,886.00	1,408,476.00	1,402,806.00	5,670.00
Unused Vacation Payment to Terminated/Retired Staff		14,800.00	14,800.00	14,761.00	39.00
Purchased Professional Services	7,700.00	6,000.00	13,700.00	10,370.00	3,330.00
Purchased Technical Services	141,650.00	88,846.00	230,496.00	208,898.00	21,598.00
Miscellaneous Purchased Services (400-500 series, O/T 594)	33,700.00	18,000.00	51,700.00	36,248.00	15,452.00
Supplies and Materials	16,000.00	4,000.00	20,000.00	8,945.00	11,055.00
Miscellaneous Expenditures	3,400.00	1,600.00	5,000.00	2,759.00	2,241.00
Total Undistributed Expend. - Central Services	1,545,040.00	199,132.00	1,744,172.00	1,684,787.00	59,385.00
Undistributed Expend. - Admin. Info. Technology:					
Salaries	720,800.00	(92,000.00)	628,800.00	626,722.00	2,078.00
Purchased Technical Services	134,000.00	(128,300.00)	5,700.00	2,600.00	3,100.00
Other Purchased Services (400-500 series)	754,349.00	336,250.00	1,090,599.00	753,922.00	336,677.00
Supplies and Materials	223,465.00	(13,600.00)	209,865.00	203,784.00	6,081.00
Other Objects	2,200.00		2,200.00		2,200.00
Total Undistributed Expend. - Admin. Info. Technology	1,834,814.00	102,350.00	1,937,164.00	1,587,028.00	350,136.00
Undistributed Expend.-Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	3,243,410.00	6,194,458.00	9,437,868.00	3,357,504.00	6,080,364.00
General Supplies	332,978.00	121,030.00	454,008.00	353,972.00	100,036.00
Total Undistributed Expend.-Required Maintenance for School Facilities	3,576,388.00	6,315,488.00	9,891,876.00	3,711,476.00	6,180,400.00
Undistributed Expend.-Custodial Services:					
Salaries	6,216,790.00	(120,706.00)	6,096,084.00	6,061,762.00	34,322.00
Salaries of Non-Instructional Aides	873,120.00	55,001.00	928,121.00	926,167.00	1,954.00
Unused Vacation Payment to Terminated/Retired Staff	17,050.00	23,450.00	40,500.00	40,469.00	31.00
Purchased Professional and Technical Services	111,500.00	560,800.00	672,300.00	567,375.00	104,925.00
Cleaning, Repair and Maintenance Services	661,926.00	(84,000.00)	577,926.00	445,288.00	132,638.00
Rental of Land & Bldg. Other than Install Purch. Contracts	27,500.00	(15,000.00)	12,500.00	6,023.00	6,477.00
Other Purchased Property Services	145,000.00	(20,000.00)	125,000.00	122,266.00	2,734.00
Insurance	537,300.00	(5,834.00)	531,466.00	531,447.00	19.00
Miscellaneous Purchased Services	3,700.00	(3,700.00)			
General Supplies	459,828.00	(68,609.00)	391,219.00	357,109.00	34,110.00
Energy (Electricity)	976,200.00	254,994.00	1,231,194.00	993,451.00	237,743.00
Other Objects	11,250.00	16,525.00	27,775.00	26,842.00	933.00
Interest- Energy Savings Improv Prog Bonds	903,576.00		903,576.00	903,575.00	1.00
Principal- Energy Savings Improv Prog Bonds	900,000.00		900,000.00	900,000.00	
Total Undistributed Expend.-Custodial Services:	11,844,740.00	592,921.00	12,437,661.00	11,881,774.00	555,887.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Care and Upkeep of Grounds:					
Salaries	447,490.00	(74,748.00)	372,742.00	369,969.00	2,773.00
Cleaning, Repair and Maintenance Services	937,594.00	(44,663.00)	892,931.00	881,862.00	11,069.00
General Supplies	183,491.00	(95,467.00)	88,024.00	82,541.00	5,483.00
Total Care and Upkeep of Grounds	1,568,575.00	(214,878.00)	1,353,697.00	1,334,372.00	19,325.00
Security:					
Salaries	198,750.00	89,940.00	288,690.00	286,451.00	2,239.00
Purchased Professional and Technical Services	280,000.00	(35,000.00)	245,000.00	245,000.00	0.00
Cleaning, Repair and Maintenance Services	82,786.00	(38,000.00)	44,786.00	44,782.00	4.00
General Supplies	180,162.00	2,280.00	182,422.00	188,302.00	14,120.00
Total Security	741,698.00	19,200.00	760,898.00	499,535.00	261,363.00
Total Undistributed Expend.- Oper. & Maintenance of Plant Serv.	17,731,401.00	6,712,731.00	24,444,132.00	17,427,157.00	7,016,975.00
Undistributed Expend.-Student Transportation Services:					
Salaries of Non-Instructional Aides	337,110.00	45,684.00	382,794.00	381,390.00	1,404.00
Salaries for Pupil Transportation (bet. home & school)-Reg	1,211,720.00	408,360.00	1,620,080.00	1,612,318.00	7,762.00
Salaries for Pupil Transportation (bet. home & school)-Special Ed.	1,082,270.00	(160,063.00)	922,207.00	922,166.00	41.00
Salaries for Pupil Transportation (other than bet. home & school)	114,450.00	47,528.00	161,978.00	152,684.00	9,294.00
Other Purchased Professional and Technical Services	52,900.00	(5,650.00)	47,250.00	39,755.00	7,495.00
Cleaning, Repair and Maintenance Services	60,000.00	(20,000.00)	40,000.00	26,495.00	13,505.00
Installment Purchase Contract Payments - School Buses	530,000.00	183,000.00	713,000.00	712,979.00	21.00
Contracted Services - Aid in Lieu of Payments- Non-Public Schools	245,000.00		245,000.00	207,183.00	37,817.00
Contracted Services (between home and school) - Vendors	4,355,200.00	(1,060,300.00)	3,294,900.00	3,271,931.00	22,969.00
Contracted Services (other than between home and school) - Joint Agreements	277,000.00	(8,783.00)	268,217.00	239,017.00	29,200.00
Contracted Services (between home and school) - Joint Agreements	19,650.00		19,650.00	19,650.00	0.00
Contracted Services - Special Ed. Students- Vendors	2,412,200.00	600,000.00	3,012,200.00	3,001,577.00	10,623.00
Contracted Services - Special Ed. Students - Joint Agreements	163,150.00	42,000.00	205,150.00	189,152.00	15,998.00
Miscellaneous Purchased Services - Transportation	89,570.00	(3,200.00)	86,370.00	83,898.00	2,472.00
General Supplies	186,200.00	(31,200.00)	155,000.00	130,635.00	24,365.00
Transportation Supplies	227,500.00	115,000.00	342,500.00	334,922.00	7,578.00
Fuel Costs Funded by Advertising Revenue	11,000.00		11,000.00	5,880.00	5,120.00
Other Objects	2,900.00	(696.00)	2,204.00	937.00	1,267.00
Total Undistributed Expend.-Student Transportation Services	11,377,820.00	151,680.00	11,529,500.00	11,312,919.00	216,581.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Allocated Benefits:					
Student Transportation Services:					
Social Security Contributions	243,800.00		243,800.00	235,368.00	8,432.00
Health Benefits	2,063,700.00	(488,700.00)	1,575,000.00	1,563,205.00	11,795.00
Total Student Transportation Services	2,307,500.00	(488,700.00)	1,818,800.00	1,798,573.00	20,227.00
Total Allocated Benefits	2,307,500.00	(488,700.00)	1,818,800.00	1,798,573.00	20,227.00
Unallocated Benefits:					
Group Insurance		293.00	293.00	293.00	
Social Security Contributions - Other	1,822,171.00		1,822,171.00	1,407,336.00	414,835.00
Other Retirement Contributions - PERS	2,510,730.00	296,079.00	2,806,809.00	2,794,214.00	12,595.00
Unemployment Compensation	85,000.00		85,000.00		85,000.00
Workmen's Compensation	520,000.00	208,000.00	728,000.00	535,347.00	192,653.00
Health Benefits	22,216,055.00	1,371,375.00	23,587,430.00	21,528,151.00	2,059,279.00
Tuition Reimbursement	75,000.00		75,000.00	18,621.00	56,379.00
Other Employee Benefits	215,454.00	(107,075.00)	108,379.00		108,379.00
Unused Sick Payment to Terminated/Retired Staff	46,212.00	122,882.00	169,094.00	169,073.00	21.00
Total Unallocated Benefits	27,490,622.00	1,891,554.00	29,382,176.00	26,453,035.00	2,929,141.00
Total Personal Services - Employee	29,798,122.00	1,402,854.00	31,200,976.00	28,251,608.00	2,949,368.00
Reimbursed TPAF social security contributions (non-budgeted)				4,810,451.00	(4,810,451.00)
On-Behalf TPAF - Non-contributory Insurance (non-budgeted)				327,090.00	(327,090.00)
On-Behalf TPAF - Long-Term Disability (non-budgeted)				7,558.00	(7,558.00)
On-behalf TPAF post retirement medical (non-budgeted)				5,493,079.00	(5,493,079.00)
On-behalf TPAF pension contributions (non-budgeted)				23,183,735.00	(23,183,735.00)
TOTAL UNDISTRIBUTED EXPENDITURES	87,414,316.00	8,213,464.00	95,627,780.00	118,164,222.00	(22,536,442.00)
TOTAL GENERAL CURRENT EXPENSE	147,179,318.00	7,741,540.00	154,920,858.00	176,909,289.00	(21,988,431.00)

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
CAPITAL OUTLAY:					
EQUIPMENT:					
Grades 1-5		85,180.00	85,180.00	84,620.00	560.00
Grades 6-8	4,050.00	4,560.00	8,610.00	6,350.00	2,260.00
Grades 9-12	4,747.00	8,118.00	12,865.00	11,204.00	1,661.00
School - Sponsored and Other Instructional Programs		42,130.00	42,130.00	27,607.00	14,523.00
Undistributed:					
Undistributed Expenditures - Gen. Admin.		6,600.00	6,600.00	5,519.00	1,081.00
Undistributed Expenditures - School Admin.		10,800.00	10,800.00	9,992.00	808.00
Undistributed Expenditures - Admin. Info. Tech.		3,600.00	3,600.00	2,964.00	636.00
Undist. Expend. - Required Maintenance for School Facilities	20,969.00	109,887.00	130,856.00	77,904.00	52,952.00
Undist. Expend. - Custodial Services	81,161.00	19,550.00	100,711.00	100,709.00	2.00
Undist. Expend. - Care & Upkeep of Grounds	273,708.00	104,614.00	378,322.00	238,834.00	139,488.00
TOTAL EQUIPMENT	384,635.00	395,039.00	779,674.00	565,703.00	213,971.00
Facilities Acquisition and Construction Services:					
Construction Services	3,000.00		3,000.00		3,000.00
Supplies and Materials	2,000.00		2,000.00		2,000.00
Assessment for debt Service on SDA funding	108,445.00		108,445.00	108,445.00	
Total Facilities Acquisition and Construction Services	113,445.00		113,445.00	108,445.00	5,000.00
Assets acquired under installment purchase contracts (non-budgeted)					
				1,738,241.00	(1,738,241.00)
TOTAL CAPITAL OUTLAY	498,080.00	395,039.00	893,119.00	2,412,389.00	(1,519,270.00)
Transfer of Funds to Charter Schools	700,000.00	141,622.00	841,622.00	839,697.00	1,925.00
TOTAL EXPENDITURES	148,377,398.00	8,278,201.00	156,655,599.00	180,161,375.00	(23,505,776.00)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,126,437.00)	(7,278,201.00)	(15,404,638.00)	(3,369,113.00)	12,035,525.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Other financing sources (use)					
Assets acquired under installment purchase contracts (non-budgeted)				1,738,241.00	1,738,241.00
Capital Reserve - transfer to capital projects fund		(2,824,825.00)	(2,824,825.00)	(2,824,825.00)	
Transfer from Capital Projects Fund				548,050.00	548,050.00
Total other financing sources		(2,824,825.00)	(2,824,825.00)	(538,534.00)	2,286,291.00
Excess/Deficit of Revenues and other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources	(8,126,437.00)	(10,103,026.00)	(18,229,463.00)	(3,907,647.00)	14,321,816.00
Fund Balances, July 1, 2021	33,290,143.00		33,290,143.00	33,290,143.00	
Fund Balances, June 30, 2022	<u>\$ 25,163,706.00</u>	<u>\$ (10,103,026.00)</u>	<u>\$ 15,060,680.00</u>	<u>\$ 29,382,496.00</u>	<u>\$ 14,321,816.00</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				2,874,106.00	
Maintenance Reserve				3,991,971.00	
Emergency Reserve				700,000.00	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,671,015.00	
Excess Surplus - Current Year				2,464,231.00	
Reserve for Unemployment Fund				524,273.00	
Committed Fund Balance:					
Designated for Subsequent Year's Expenditures				3,027,759.00	
Assigned Fund Balance:					
Year-end Encumbrances				6,776,712.00	
FFCRA/SEMI Designated for Subsequent Year's Expenditures				4,221.00	
Unassigned Fund Balance				<u>7,348,208.00</u>	
				<u>29,382,496.00</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(2,038,019.00)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 27,344,477.00</u>	

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
State Aid	\$ 377,639.00	\$ 322,051.00	\$ 699,690.00	\$ 598,129.00	\$ (101,561.00)
Federal Aid	2,582,231.00	6,639,084.00	9,221,315.00	5,536,156.00	(3,685,159.00)
Local Sources	34,606.00	571,784.00	606,390.00	557,332.00	(49,058.00)
Total Revenues	2,994,476.00	7,532,919.00	10,527,395.00	6,691,617.00	(3,835,778.00)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	686,144.00	1,722,038.00	2,408,182.00	954,993.00	1,453,189.00
Purchased Professional and Technical Services	199,718.00	34,545.00	234,263.00	190,937.00	43,326.00
Tuition	1,896,087.00	(294,399.00)	1,601,688.00	1,397,698.00	203,990.00
General Supplies	74,901.00	428,551.00	503,452.00	289,659.00	213,793.00
Textbooks		43,634.00	43,634.00	41,898.00	1,736.00
Total Instruction	2,856,850.00	1,934,369.00	4,791,219.00	2,875,185.00	1,916,034.00
Support Services:					
Salary of Other Professional Staff					
Salaries		783,966.00	783,966.00	504,395.00	279,571.00
Personal Services - Employee Benefits		1,083,517.00	1,083,517.00	637,818.00	445,699.00
Purchased Professional and Technical Services	77,385.00	696,449.00	773,834.00	255,009.00	518,825.00
Purchased Professional - Educational Services	18,327.00	187,266.00	205,593.00	30,421.00	175,172.00
Other Purchased Services (400-500 Series)		2,058,676.00	2,058,676.00	1,720,918.00	337,758.00
Supplies and Materials	41,914.00	231,344.00	273,258.00	110,539.00	162,719.00
Student Activity Fund		552,327.00	552,327.00	530,199.00	22,128.00
Scholarship Fund		5,005.00	5,005.00		5,005.00
Total Support Services	137,626.00	5,598,550.00	5,736,176.00	3,789,299.00	1,946,877.00
Total Expenditures	2,994,476.00	7,532,919.00	10,527,395.00	6,664,484.00	3,862,911.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$ 27,133.00	\$ 27,133.00
Fund Balance, July 1				400,567.00	
Fund Balance, June 30				\$ 427,700.00	

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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	\$176,792,262.00	\$6,691,617.00
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	N/A	(1,618,274.00)
The last State aid payment of the current year is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(2,038,019.00)	
The last State aid payment of the prior year is recognized as revenue under GAAP when the State recognizes the related expense (GASB 33). (This revenue was recognized during the previous fiscal year for budgetary purposes.)	2,111,047.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$176,865,290.00</u>	<u>\$5,073,343.00</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$180,161,375.00	\$6,664,484.00
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.	N/A	(1,618,274.00)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$180,161,375.00</u>	<u>\$5,046,210.00</u>

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REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

TOWNSHIP OF SOUTH BRUNSWICK 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, 2021	Measurement Date Ending June 30, 2020	Measurement Date Ending June 30, 2019	Measurement Date Ending June 30, 2018	Measurement Date Ending June 30, 2017	Measurement Date Ending June 30, 2016	Measurement Date Ending June 30, 2015	Measurement Date Ending June 30, 2014	Measurement Date Ending June 30, 2013
District's proportion of the net pension liability (asset)	0.2368542029%	0.2270799390%	0.2390281697%	0.2359513900%	0.2431162057%	0.2372977142%	0.2322735987%	0.2242481008%	0.2136976308%
District's proportionate share of the net pension liability (asset)	\$28,058,931	\$37,030,800	\$43,069,250	\$46,457,653	\$56,593,567	\$70,280,777	\$52,140,768	\$41,985,378	\$40,841,862
District's covered-employee payroll	15,333,189	16,840,355	16,235,717	16,555,739	16,175,051	16,648,652	15,742,238	15,466,762	14,738,222
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	182.99%	219.89%	265.27%	280.61%	349.88%	422.14%	331.22%	271.46%	277.12%
Plan fiduciary net position as a percentage of the total pension liability	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.92%	52.08%	48.72%

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST TEN YEARS

	Fiscal Year Ending June 30, 2022	Fiscal Year Ending June 30, 2021	Fiscal Year Ending June 30, 2020	Fiscal Year Ending June 30, 2019	Fiscal Year Ending June 30, 2018	Fiscal Year Ending June 30, 2017	Fiscal Year Ending June 30, 2016	Fiscal Year Ending June 30, 2015	Fiscal Year Ending June 30, 2014
Contractually required contribution	\$ 2,679,144 \$	2,773,838 \$	2,484,143 \$	2,325,040 \$	2,346,954 \$	2,252,212 \$	2,108,119	1,996,930 \$	1,848,669
Contributions in relation to the contractually required contribution	2,679,144	2,773,838	2,484,143	2,325,040	2,346,954	2,252,212	344,043	516,756	316,292
Contribution deficiency (excess)	\$ - \$	- \$	- \$	- \$	- \$	-	1,764,076.00	1,480,174.00	1,532,377.00
District's covered-employee payroll	16,083,561	15,333,189	16,840,355	16,235,717	16,555,739	16,175,051	16,648,652	15,742,238	15,466,762
Contributions as a percentage of covered-employee payroll	16.66%	18.09%	14.75%	14.32%	14.18%	13.92%	12.66%	12.69%	11.95%

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

TOWNSHIP OF SOUTH BRUNSWICK 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, 2021	Measurement Date Ending June 30, 2020	Measurement Date Ending June 30, 2019	Measurement Date Ending June 30, 2018	Measurement Date Ending June 30, 2017	Measurement Date Ending June 30, 2016	Measurement Date Ending June 30, 2015	Measurement Date Ending June 30, 2014	Measurement Date Ending June 30, 2013
District's proportion of the net pension liability (asset)	0.5444899798%	0.5425788535%	0.5444025882%	0.5449511869%	0.5289959857%	0.5290628248%	0.5208456900%	0.5279813744%	0.5342723927%
State's proportionate share of the net pension liability (asset) associated with the District	\$261,764,385	\$357,281,646	\$334,105,007	\$346,686,240	\$356,668,168	\$416,194,504	\$331,243,828	\$282,188,861	\$270,017,065
District's covered-employee payroll	63,026,007	61,498,418	60,118,137	58,256,178	56,248,078	55,361,507	54,128,732	52,775,899	51,243,830
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%
State's Proportionate Share of the Total Net Pension Liability associated with the District as a percentage of the District's Covered-Employee Payroll	415.33%	580.96%	555.75%	595.11%	634.10%	751.78%	611.96%	534.69%	525.92%
Plan fiduciary net position as a percentage of the total pension liability	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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>
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>
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

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSION (GASB 75)**

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN YEARS

	Measurement Date Ended June 30,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of Total OPEB Liability Associated with the School District					
Balance at 6/30	\$369,406,028	\$224,626,976	\$245,487,534	\$282,397,683	\$303,831,804
Changes for the year:					
Service cost	17,429,947	9,974,079	9,764,381	11,047,185	13,327,133
Interest	8,642,499	8,102,843	9,750,008	10,392,885	8,949,884
Changes of benefit terms	(354,607)				
Differences between expected and actual experience	(55,706,476)	65,460,473	(37,033,174)	(23,841,918)	
Changes in assumptions or other inputs	328,687	67,477,787	3,349,207	(28,170,923)	(37,411,061)
Membership Contributions	220,946	194,925	204,398	226,871	240,853
Benefit payments - Net	(6,807,869)	(6,431,055)	(6,895,378)	(6,564,249)	(6,540,930)
Net changes	(36,246,873)	144,779,052	(20,860,558)	(36,910,149)	(21,434,121)
Balance at 6/30	\$333,159,155	\$369,406,028	\$224,626,976	\$245,487,534	\$282,397,683
Covered Employee Payroll	78,359,196	78,338,773	76,353,854	74,811,917	72,423,129
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-
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	425.17%	471.55%	294.19%	328.14%	389.93%

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART IV
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Change in benefit terms:

The implementation of Chapter 44 Plan and contribution strategy affecting pre-Medicare future and current retirees and dependents who enroll in the New Jersey Educator Health Plan option upon retirement and were not grandfathered under Chapter 78 (fewer than 20 years of service as of July 1, 2011) is reflected for the Fiscal Year Ending June 30, 2022 as a Plan change.

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>
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.87%

OTHER SUPPLEMENTARY INFORMATION
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SPECIAL REVENUE FUND DETAIL STATEMENTS

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FISCAL YEAR ENDED JUNE 30, 2022

N.J. NONPUBLIC HANDICAPPED SERVICES CHAPTER 193, L. 1977		N.J. NONPUBLIC AUXILIARY SERVICES CHAPTER 192, L. 1977					
	EXAMINATION AND CLASSIFICATION	CORRECTIVE SPEECH	SUPPLEMENTAL INSTRUCTION	HOME INSTRUCTION	COMPENSATORY EDUCATION	TRANSPORTATION	ENGLISH AS A SECOND LANGUAGE
Revenues:							
State Aid	\$31,650.00	\$20,460.00	\$16,520.00	\$3,031.00	\$25,124.00	\$8,997.00	\$3,654.00
Federal Aid							
Local Sources							
Total Revenues	31,650.00	20,460.00	16,520.00	3,031.00	25,124.00	8,997.00	3,654.00
Expenditures:							
Instruction:							
Salaries Of Teachers							
Purchased Professional and Technical Services	31,650.00	20,460.00	16,520.00	3,031.00	25,124.00	8,997.00	3,654.00
Tuition							
General Supplies							
Textbooks							
Total Instruction	31,650.00	20,460.00	16,520.00	3,031.00	25,124.00	8,997.00	3,654.00
Support Services:							
Salaries of Principals/Assistant Principals/Program Directors							
Salaries of Other Professional Staff							
Other Salaries							
Personal Services - Employee Benefits							
Purchased Professional and Technical Services							
Purchased Professional - Educational Services							
Other Purchased Services (400-500 Series)							
Supplies and Materials							
Student Activity Fund							
Total Support Services							
Total Expenditures	\$31,650.00	\$20,460.00	\$16,520.00	\$3,031.00	\$25,124.00	\$8,997.00	\$3,654.00
Excess (Deficiency) of Revenues Over (Under) Expenditures							
Fund Balance, July 1	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Fund Balance, June 30	-0-	-0-	-0-	-0-	-0-	-0-	-0-

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FISCAL YEAR ENDED JUNE 30, 2022

	N.J. NONPUBLIC TEXTBOOK AID N.J. NONPUBLIC CHAPTER 194 L 1979	N.J. NONPUBLIC NURSING SERVICES AID CHAPTER 226 L 1991	N.J. NONPUBLIC TECHNOLOGY INITIATIVE AID	N.J. SECURITY AID	SDA EMERGENT NEEDS	NCLB: TITLE I, PART A 2021-22
Revenues:						
State Aid	\$41,898.00	\$84,413.00	\$30,421.00	\$122,642.00	\$209,319.00	\$380,579.00
Federal Aid						
Local Sources						
Total Revenues	41,898.00	84,413.00	30,421.00	122,642.00	209,319.00	380,579.00
Expenditures:						
Instruction:						
Salaries Of Teachers		81,501.00				252,697.00
Purchased Professional and Technical Services						
Tuition		2,912.00				1,946.00
General Supplies						
Textbooks	41,898.00					
Total Instruction	41,898.00	84,413.00				254,643.00
Support Services:						
Salaries of Principals/Assistant Principals/Program Directors						
Salaries of Other Professional Staff						
Other Salaries						124,947.00
Personal Services - Employee Benefits				75,856.00		
Purchased Professional and Technical Services			30,421.00		209,319.00	
Purchased Professional - Educational Services						
Other Purchased Services (400-500 Series)				46,786.00		989.00
Supplies and Materials						
Student Activity Fund						
Total Support Services						
Total Expenditures	\$41,898.00	\$84,413.00	\$30,421.00	\$122,642.00	\$209,319.00	\$380,579.00
Excess (Deficiency) of Revenues Over (Under) Expenditures						
Fund Balance, July 1	-0-	-0-	-0-	-0-	-0-	-0-
Fund Balance, June 30	-0-	-0-	-0-	-0-	-0-	-0-

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FISCAL YEAR ENDED JUNE 30, 2022

	NCLB: TITLE I, PART A 2020-21	NCLB: TITLE II, PART A 2021-22	NCLB: TITLE II, PART A 2020-21	NCLB: TITLE III, PART A 2021-22	NCLB: TITLE III, PART A 2020-21	NCLB: TITLE III, IMMIGRANT 2020-21
Revenues:						
State Aid	\$3,134.00	\$62,013.00	\$24,210.00	\$96,840.00	\$1,546.00	\$20,917.00
Federal Aid						
Local Sources	3,134.00	62,013.00	24,210.00	96,840.00	1,546.00	20,917.00
Total Revenues						
Expenditures:						
Instruction:						
Salaries Of Teachers	2,911.00			60,000.00		14,000.00
Purchased Professional and Technical Services						
Tuition				5,049.00	717.00	
General Supplies						
Textbooks						
Total Instruction	2,911.00			65,049.00	717.00	14,000.00
Support Services:						
Salaries of Principals/Assistant Principals/Program Directors						
Salaries of Other Professional Staff						
Other Salaries	223.00	10,392.00	22,490.00	1,870.00		6,917.00
Personal Services - Employee Benefits		795.00	1,720.00	29,921.00		
Purchased Professional and Technical Services		38,634.00				
Purchased Professional - Educational Services						
Other Purchased Services (400-500 Series)		10,502.00			829.00	
Supplies and Materials		1,690.00				
Student Activity Fund						
Total Support Services	223.00	62,013.00	24,210.00	31,791.00	829.00	6,917.00
Total Expenditures	\$3,134.00	\$62,013.00	\$24,210.00	\$96,840.00	\$1,546.00	\$20,917.00
Excess (Deficiency) of Revenues Over (Under) Expenditures						
Fund Balance, July 1	-0-	-0-	-0-	-0-	-0-	-0-
Fund Balance, June 30	-0-	-0-	-0-	-0-	-0-	-0-

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FISCAL YEAR ENDED JUNE 30, 2022

	I.D.E.I.A. PART B, BASIC 2021-22	I.D.E.I.A. PART B, PRESCHOOL 2021-22	ARP I.D.E.I.A. BASIC 2021-22	ARP I.D.E.I.A. PRESCHOOL 2021-22	STUDENT ACTIVITIES	SCHOLARSHIP
Revenues:						
State Aid	\$1,804,440.00	\$64,671.00	\$301,326.00	\$34,365.00	\$552,327.00	\$5,005.00
Federal Aid						
Local Sources	1,804,440.00	64,671.00	301,326.00	34,365.00	552,327.00	5,005.00
Total Revenues						
Expenditures:						
Instruction:						
Salaries Of Teachers						
Purchased Professional and Technical Services						
Tuition	1,001,375.00	64,671.00	297,287.00	34,365.00		
General Supplies	24,998.00					
Textbooks						
Total Instruction	1,026,373.00	64,671.00	297,287.00	34,365.00		
Support Services:						
Salaries of Principals/Assistant Principals/Program Directors						
Salaries of Other Professional Staff	447,316.00					
Other Salaries						
Personal Services - Employee Benefits	207,909.00		4,039.00			
Purchased Professional and Technical Services	122,842.00					
Purchased Professional - Educational Services						
Other Purchased Services (400-500 Series)						
Supplies and Materials						
Student Activity Fund						
Total Support Services	778,067.00		4,039.00		530,199.00	
Total Expenditures	\$1,804,440.00	\$64,671.00	\$301,326.00	\$34,365.00	\$530,199.00	
Excess (Deficiency) of Revenues Over (Under) Expenditures					22,128.00	5,005.00
Fund Balance, July 1	-0-	-0-	-0-	-0-	369,324.00	31,243.00
Fund Balance, June 30	-0-	-0-	-0-	-0-	391,452.00	36,248.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FISCAL YEAR ENDED JUNE 30, 2022

	CORONAVIRUS AID RELIEF AND ECONOMIC SECURITY AID				
	ARP ESSER 2021-22	CRSSA ESSER II 2021-22	LEARNING ACCELERATION 2021-22	MENTAL HEALTH 2021-22	TOTAL
Revenues:					
State Aid	\$1,605,175.00	\$1,087,321.00	\$34,489.00	\$15,130.00	\$598,129.00
Federal Aid					5,536,156.00
Local Sources					557,332.00
Total Revenues	1,605,175.00	1,087,321.00	34,489.00	15,130.00	6,691,617.00
Expenditures:					
Instruction:					
Salaries of Teachers		601,468.00	23,917.00		954,993.00
Purchased Professional and Technical Services					190,937.00
Tuition					1,397,698.00
General Supplies	54,972.00	199,065.00			289,659.00
Textbooks					41,898.00
Total Instruction	54,972.00	800,533.00	23,917.00		2,875,185.00
Support Services:					
Salaries of Principals/Assistant Principals/Program Directors					447,316.00
Salaries of Other Professional Staff					57,079.00
Other Salaries	3,191.00	10,250.00	8,121.00	765.00	637,818.00
Personal Services - Employee Benefits	244.00	262,632.00	2,451.00	59.00	255,009.00
Purchased Professional and Technical Services		13,638.00			30,421.00
Purchased Professional - Educational Services					1,720,918.00
Other Purchased Services (400-500 Series)	1,500,000.00	288.00		14,306.00	110,539.00
Supplies and Materials	46,768.00				530,199.00
Student Activity Fund					3,789,299.00
Total Support Services	1,550,203.00	286,788.00	10,572.00	15,130.00	\$6,664,484.00
Total Expenditures	\$1,605,175.00	\$1,087,321.00	\$34,489.00	\$15,130.00	
Excess (Deficiency) of Revenues Over (Under) Expenditures					27,133.00
Fund Balance, July 1	-0-	-0-	-0-	-0-	400,567.00
Fund Balance, June 30	-0-	-0-	-0-	-0-	427,700.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

	BALANCE JUNE 30, 2021	CASH RECEIPTS	CASH DISBURSE- MENTS	BALANCE JUNE 30, 2022
PROGRAMS:				
Brooks Crossing	\$15,691.00	\$20,054.00	\$19,470.00	\$16,275.00
Brunswick Acres	3,128.00	6,471.00	7,468.00	2,131.00
Cambridge	9,356.00	26,772.00	21,347.00	14,781.00
Constable	2,328.00	6,780.00	7,690.00	1,418.00
Greenbrook	2,438.00	1,756.00	2,145.00	2,049.00
Indian Fields	4,676.00	2,624.00	2,907.00	4,393.00
Monmouth Junction	1,948.00	2,652.00	3,311.00	1,289.00
	<u>39,565.00</u>	<u>67,109.00</u>	<u>64,338.00</u>	<u>42,336.00</u>
MIDDLE SCHOOLS:				
Crossroads North	30,172.00	17,290.00	20,872.00	26,590.00
Crossroads South	44,887.00	39,758.00	41,271.00	43,374.00
	<u>75,059.00</u>	<u>57,048.00</u>	<u>62,143.00</u>	<u>69,964.00</u>
HIGH SCHOOL:				
High School	<u>254,700.00</u>	<u>428,170.00</u>	<u>403,718.00</u>	<u>279,152.00</u>
Total all schools	<u><u>\$369,324.00</u></u>	<u><u>\$552,327.00</u></u>	<u><u>\$530,199.00</u></u>	<u><u>\$391,452.00</u></u>

CAPITAL PROJECTS FUND DETAIL STATEMENTS
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TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
AS OF JUNE 30, 2022

ISSUE/PROJECT TITLE	ORIGINAL DATE	APPROPRIATIONS		EXPENDITURES TO DATE		(MEMO ONLY) UNEXPENDED PROJECT BALANCE
		AUTHORIZED	RECOGNIZED	PRIOR YEAR	CURRENT YEAR	
Local Projects: Retrofit for Health Center Purchase of Land Crossroads North Emergency Generator Project	FY 2022	\$2,500,000.00	\$2,500,000.00		\$1,276,010.00	\$1,223,990.00
	FY 2021	265,648.00	265,648.00	\$25,000.00	237,818.00	2,830.00
	FY 2021	349,177.00	349,177.00	30,350.00	318,827.00	
	Totals		<u>\$3,114,825.00</u>	<u>\$55,350.00</u>	<u>\$1,832,655.00</u>	<u>\$1,226,820.00</u>
<u>Reconciliation to GAAP:</u>						
Unexpended project balance						\$1,226,820.00
Reserve to pay debt						43,507.00
Unreserved capital fund balance - GAAP						<u>\$1,270,327.00</u>

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022

Revenues and Other Financing Sources:	
Transfer from Capital Reserve	\$2,824,825.00
Interest on investments	377.00
	<hr/>
Total revenues	2,825,202.00
	<hr/>
Expenditures and Other Financing Uses:	
Purchased professional and technical services	7,670.00
Construction services	1,594,837.00
Land and Improvements	230,148.00
	<hr/>
Total expenditures	1,832,655.00
	<hr/>
Excess (deficiency) of revenues over (under) expenditures	992,547.00
Other financing sources (uses):	
Transfers in/(out) - Fund 10	(548,050.00)
Transfers in/(out) - Fund 40	(82,933.00)
	<hr/>
Total other financing sources (uses)	(630,983.00)
	<hr/>
Net change in fund balances	361,564.00
Fund balance - beginning	908,763.00
	<hr/>
Fund balance - ending	\$1,270,327.00
	<hr/>

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
RETROFIT FOR HEALTH CENTER
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ _____	\$ 2,500,000.00	\$ 2,500,000.00	\$ 2,500,000.00
Total revenues	_____	2,500,000.00	2,500,000.00	2,500,000.00
Expenditures and Other Financing Uses:				
Construction services	_____	1,276,010.00	1,276,010.00	2,500,000.00
Total expenditures	_____	1,276,010.00	1,276,010.00	2,500,000.00
Excess (deficiency) of revenues over (under) expenditures	\$ _____	\$ 1,223,990.00	\$ 1,223,990.00	\$ _____
Additional project information:				
Project Number				
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost		2,500,000.00		
Additional Authorized Cost				
Revised Authorized Cost		2,500,000.00		
Percentage Increase over Original Authorized Cost				
Percentage completion		51.04%		
Original target completion date		FY2022		
Revised target completion date		FY2023		

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
PURCHASE OF LAND
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 250,000.00	\$ 15,648.00	\$ 265,648.00	\$ 265,648.00
Total revenues	<u>250,000.00</u>	<u>15,648.00</u>	<u>265,648.00</u>	<u>265,648.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services		7,670.00	7,670.00	10,500.00
Land and Improvements	<u>25,000.00</u>	<u>230,148.00</u>	<u>255,148.00</u>	<u>255,148.00</u>
Total expenditures	<u>25,000.00</u>	<u>237,818.00</u>	<u>262,818.00</u>	<u>265,648.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>225,000.00</u>	\$ <u>(222,170.00)</u>	\$ <u>2,830.00</u>	\$ <u> </u>
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	250,000.00			
Additional Authorized Cost	15,648.00			
Revised Authorized Cost	265,648.00			
Percentage Increase over Original Authorized Cost	6.26%			
Percentage completion	98.93%			
Original target completion date	FY2021			
Revised target completion date	FY2022			

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 CROSSROADS NORTH EMERGENCY GENERATOR PROJECT
 FOR THE YEAR ENDED JUNE 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ <u>40,000.00</u>	\$ <u>309,177.00</u>	\$ <u>349,177.00</u>	\$ <u>349,177.00</u>
Total revenues	<u>40,000.00</u>	<u>309,177.00</u>	<u>349,177.00</u>	<u>349,177.00</u>
Expenditures and Other Financing Uses:				
Construction services	<u>30,350.00</u>	<u>318,827.00</u>	<u>349,177.00</u>	<u>349,177.00</u>
Total expenditures	<u>30,350.00</u>	<u>318,827.00</u>	<u>349,177.00</u>	<u>349,177.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>9,650.00</u>	\$ <u>(9,650.00)</u>	\$ <u> </u>	\$ <u> </u>
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	40,000.00			
Additional Authorized Cost	309,177.00			
Revised Authorized Cost	349,177.00			
Percentage Increase over Original Authorized Cost	772.94%			
Percentage completion	100.00%			
Original target completion date	FY2021			
Revised target completion date	FY2022			

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 District.

**Children's Community
Enrichment Fund:** This fund provides for the operation of the Children's Community Enrichment Program provided by the District.

**Summer
Institute Fund:** This fund provides for the operation of the Summer Institute Program provided by the District.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 ENTERPRISE FUND
 JUNE 30, 2022

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			
	CHILDRENS' COMMUNITY ENRICHMENT FUND	SUMMER INSTITUTE	FOOD SERVICE FUND	TOTAL
ASSETS:				
Current assets:				
Cash and cash equivalents	\$927,707.00	\$1,333,505.00	\$1,869,420.00	\$4,130,632.00
Accounts receivable - other	660.00		1,063.00	1,723.00
Intergovernmental receivables:				
State			7,606.00	7,606.00
Federal			404,463.00	404,463.00
Inventories			100,586.00	100,586.00
Prepaid expenses		12,474.00		12,474.00
Total current assets	928,367.00	1,345,979.00	2,383,138.00	4,657,484.00
Noncurrent assets:				
Furniture, machinery and equipment	265,095.00	4,200.00	2,363,795.00	2,633,090.00
Less accumulated depreciation	(258,998.00)	(2,800.00)	(1,555,198.00)	(1,816,996.00)
Total noncurrent assets	6,097.00	1,400.00	808,597.00	816,094.00
Total assets	934,464.00	1,347,379.00	3,191,735.00	5,473,578.00
LIABILITIES:				
Current liabilities:				
Accounts payable		1,259.00	301,893.00	303,152.00
Interfund payable	55,759.00			55,759.00
Unearned revenue	100,235.00	480,670.00	81,008.00	661,913.00
Total current liabilities	155,994.00	481,929.00	382,901.00	1,020,824.00
Total liabilities	155,994.00	481,929.00	382,901.00	1,020,824.00
NET POSITION:				
Net investment in capital assets	6,097.00	1,400.00	808,597.00	816,094.00
Unrestricted	772,373.00	864,050.00	2,000,237.00	3,636,660.00
Total net position	\$778,470.00	\$865,450.00	\$2,808,834.00	\$4,452,754.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			
	CHILDRENS' COMMUNITY ENRICHMENT FUND	SUMMER INSTITUTE	FOOD SERVICE FUND	TOTAL
OPERATING REVENUES:				
Charges for services:				
Daily sales - Non-Reimbursable Programs			\$427,310.00	\$427,310.00
Miscellaneous			25,654.00	25,654.00
Program fees	\$338,875.00	\$429,965.00		768,840.00
Total operating revenues	338,875.00	429,965.00	452,964.00	1,221,804.00
OPERATING EXPENSES:				
Salaries	150,488.00	228,045.00	1,181,316.00	1,559,849.00
Employee Benefits	47,907.00		393,869.00	441,776.00
Other Purchase Service (Administrative Expenses)	14,286.00	11,950.00	303,084.00	329,320.00
General Supplies	500.00	8,860.00	235,336.00	244,696.00
Depreciation	679.00	600.00	65,330.00	66,609.00
Cost of sales - reimbursable programs			1,756,670.00	1,756,670.00
Cost of sales - non-reimbursable programs			153,792.00	153,792.00
Total operating expenses	213,860.00	249,455.00	4,089,397.00	4,552,712.00
Operating income (loss)	125,015.00	180,510.00	(3,636,433.00)	(3,330,908.00)
NONOPERATING REVENUES (EXPENSES):				
State Sources:				
State School Lunch Program			94,730.00	94,730.00
Federal Sources:				
National School Lunch Program			4,026,792.00	4,026,792.00
National School Breakfast Program			768,666.00	768,666.00
National School Snack Program			44,461.00	44,461.00
P-EBT Administrative Cost			3,135.00	3,135.00
National food distribution commodities			422,107.00	422,107.00
Interest on Investments	78.00		3.00	81.00
Total nonoperating revenues	78.00		5,359,894.00	5,359,972.00
Change in net position	125,093.00	180,510.00	1,723,461.00	2,029,064.00
Total net position - beginning of the year	653,377.00	684,940.00	1,085,373.00	2,423,690.00
Total net position - end of the year	\$778,470.00	\$865,450.00	\$2,808,834.00	\$4,452,754.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			
	CHILDRENS' COMMUNITY ENRICHMENT FUND	SUMMER INSTITUTE	FOOD SERVICE FUND	TOTAL
Cash flows from operating activities:				
Receipts from customers (net of refunds)	\$304,991.00	\$482,770.00	\$401,057.00	\$1,188,818.00
Payments to employees	(150,488.00)	(228,045.00)	(1,181,316.00)	(1,559,849.00)
Payments to employee benefits	(65,483.00)		(393,869.00)	(459,352.00)
Payments to suppliers	(14,786.00)	(32,218.00)	(1,975,709.00)	(2,022,713.00)
Net cash provided by (used for) operating activities	74,234.00	222,507.00	(3,149,837.00)	(2,853,096.00)
Cash flows from noncapital financing activities:				
State Sources			100,561.00	100,561.00
Federal Sources			4,711,633.00	4,711,633.00
Interfund Activity	(193,573.00)			(193,573.00)
Net cash provided by noncapital financing activities:	(193,573.00)		4,812,194.00	4,618,621.00
Cash flows from capital and related financing activities:				
Purchases of capital assets			(88,340.00)	(88,340.00)
Net cash provided by (used for) capital and related financing activities			(88,340.00)	(88,340.00)
Cash flows from investing activities:				
Interest	78.00		3.00	81.00
Net cash provided by (used for) investing activities	78.00		3.00	81.00
Net increase (decrease) in cash and cash equivalents	(119,261.00)	222,507.00	1,574,020.00	1,677,266.00
Cash and cash equivalents, July 1, 2021	1,046,968.00	1,110,998.00	295,400.00	2,453,366.00
Cash and cash equivalents, June 30, 2022	<u>\$927,707.00</u>	<u>\$1,333,505.00</u>	<u>\$1,869,420.00</u>	<u>\$4,130,632.00</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$125,015.00	\$180,510.00	(\$3,636,433.00)	(\$3,330,908.00)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	679.00	600.00	65,330.00	66,609.00
Federal commodities			422,107.00	422,107.00
Change in assets and liabilities:				
(Increase)decrease in accounts receivable - other	(1.00)		5,172.00	5,171.00
(Increase) decrease in inventories			(44,527.00)	(44,527.00)
(Increase) decrease in prepaid expenses		(11,617.00)		(11,617.00)
Increase (decrease) in accounts payable		209.00	112,174.00	112,383.00
Increase (decrease) in unearned revenue	(33,883.00)	52,805.00	(73,660.00)	(54,738.00)
Increase (decrease) in compensated absences	(17,576.00)			(17,576.00)
	<u>(50,781.00)</u>	<u>41,997.00</u>	<u>486,596.00</u>	<u>477,812.00</u>
Net cash provided by (used for) operating activities	<u>\$74,234.00</u>	<u>\$222,507.00</u>	<u>(\$3,149,837.00)</u>	<u>(\$2,853,096.00)</u>

FIDUCIARY FUND DETAIL STATEMENTS – N/A

LONG-TERM LIABILITY SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under serial bonds and installment purchase contract.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2022

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES		RATE OF INTEREST	BALANCE JUNE 30, 2021	RETIRED	BALANCE JUNE 30, 2022
			DATE	AMOUNT				
Refunding School Bonds, Series March, 2012	3/7/2012	\$29,525,000.00	12/01/2022	\$2,590,000.00	4.000%			
			12/01/2023	2,610,000.00	4.000%			
			12/01/2024	2,625,000.00	4.000%	\$10,410,000.00	\$2,585,000.00	\$7,825,000.00
Refunding School Bonds, Series March, 2014	02/12/2014	19,890,000.00	08/01/2022	1,435,000.00	5.000%			
			08/01/2023	1,475,000.00	5.000%			
			08/01/2024	1,515,000.00	5.000%			
			08/01/2025	1,555,000.00	5.000%			
			08/01/2026	1,600,000.00	5.000%			
			08/01/2027	1,640,000.00	5.000%			
			08/01/2028	1,675,000.00	Variable	12,290,000.00	1,395,000.00	10,895,000.00
School Energy Savings Obligation Refunding Bonds Series 1	12/15/2016	10,785,000.00	08/01/2022	545,000.00	5.000%			
			08/01/2023	280,000.00	5.000%			
			08/01/2024	310,000.00	5.000%			
			08/01/2025	340,000.00	5.000%			
			08/01/2026	375,000.00	5.000%			
			08/01/2027	405,000.00	4.000%			
			08/01/2028	435,000.00	4.000%			
			08/01/2029	470,000.00	4.000%			
			08/01/2030	505,000.00	4.000%			
			08/01/2031	545,000.00	4.000%			
			08/01/2032	580,000.00	3.375%			
			08/01/2033	620,000.00	3.500%			
			08/01/2034	660,000.00	4.000%			
			08/01/2035	705,000.00	4.000%			
			08/01/2036	750,000.00	4.000%			
			08/01/2037	800,000.00	4.000%	8,825,000.00	500,000.00	8,325,000.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2022

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2021	RETIRED	BALANCE JUNE 30, 2022
			DATE	AMOUNT				
School Energy Savings Obligation Refunding Bonds Series 2	05/03/2017	\$15,180,000.00	08/01/2022	\$440,000.00	4.000%			
			08/01/2023	480,000.00	4.000%			
			08/01/2024	525,000.00	4.000%			
			08/01/2025	570,000.00	4.000%			
			08/01/2026	620,000.00	4.000%			
			08/01/2027	670,000.00	4.000%			
			08/01/2028	725,000.00	4.000%			
			08/01/2029	785,000.00	4.000%			
			08/01/2030	845,000.00	4.000%			
			08/01/2031	905,000.00	4.000%			
			08/01/2032	975,000.00	4.000%			
			08/01/2033	1,040,000.00	4.000%			
			08/01/2034	1,115,000.00	4.000%			
			08/01/2035	1,190,000.00	4.000%			
			08/01/2036	1,275,000.00	4.000%			
			08/01/2037	1,360,000.00	4.000%	\$13,920,000.00	\$400,000.00	\$13,520,000.00
Refunding School Bonds, Series April, 2017	05/03/2017	15,775,000.00	08/01/2022	2,230,000.00	4.000%			
			08/01/2023	2,215,000.00	4.000%			
			08/01/2024	2,205,000.00	4.000%	8,890,000.00	2,240,000.00	6,650,000.00
						\$54,335,000.00	\$7,120,000.00	\$47,215,000.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER INSTALLMENT PURCHASE CONTRACTS
YEAR ENDED JUNE 30, 2022

SERIES	DATE OF CONTRACT	TERM OF CONTRACT	AMOUNT OF ORIGINAL CONTRACT		INTEREST RATE PAYABLE	BALANCE JUNE 30, 2021	INCREASE	DECREASE	BALANCE JUNE 30, 2022
			PRINCIPAL	INTEREST					
Buses	6/16/2017	5 Years	\$ 531,915.00	\$ 32,353.00	1.943%	\$ 232,940.00	\$	232,940.00	\$
Buses	9/11/2017	5 Years	106,383.00	13,723.00	4.271%	44,592.00		44,592.00	
Buses	5/16/2018	5 Years	635,135.00	58,277.00	3.174%	275,699.00		91,822.00	183,877.00
Buses	8/29/2018	5 Years	475,839.00	43,973.00	3.240%	273,527.00		66,549.00	206,978.00
Buses	5/30/2019	5 Years	644,791.00	53,598.00	2.667%	461,923.00		88,671.00	373,252.00
Buses and Textbooks	7/15/2020	5 Years	1,046,401.00	41,493.00	1.382%	872,398.00		167,909.00	704,489.00
Buses	5/18/2021	5 Years	446,752.00	16,788.00	1.238%		446,752.00	64,966.00	381,786.00
Buses	11/1/2021	5 Years	1,291,489.00	52,527.00	1.118%		1,291,489.00		1,291,489.00
						\$ 2,161,079.00	1,738,241.00	757,449.00	3,141,871.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFER</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
Local sources:					
Local tax levy	\$6,220,000.00		\$6,220,000.00	\$6,220,000.00	
State sources:					
Debt service aid type II	1,156,767.00		1,156,767.00	1,156,767.00	
Total revenues	7,376,767.00		7,376,767.00	7,376,767.00	
EXPENDITURES:					
Regular debt service:					
Interest	1,156,767.00	\$82,933.00	1,239,700.00	1,239,700.00	
Redemption of principal	6,220,000.00		6,220,000.00	6,220,000.00	
Total regular debt service-expenditures	7,376,767.00	82,933.00	7,459,700.00	7,459,700.00	
Excess (deficiency) of revenues over (under) expenditures		(82,933.00)	(82,933.00)	(82,933.00)	
Other financing sources:					
Transfers in/(out)		82,933.00	82,933.00	82,933.00	
Fund balance, July 1					
Fund balance, June 30					

STATISTICAL SECTION (UNAUDITED)

TOWNSHIP OF SOUTH BRUNSWICK 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.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
NET POSITION BY COMPONENT
UNAUDITED

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities										
Net investment in capital assets	\$92,846,397	\$89,838,804	\$88,054,045	\$81,492,616	\$65,602,552	\$55,997,749	\$74,053,037	\$72,559,828	\$63,335,360	\$61,939,623
Restricted	16,223,759	22,890,980	20,620,452	17,741,789	31,610,121	11,021,293	11,850,660	9,679,852	18,028,320	18,114,140
Unrestricted (deficit)	(35,727,079)	(45,577,133)	(53,934,721)	(52,080,417)	(52,114,742)	(26,322,590)	(44,717,639)	(41,238,967)	(704,915)	(435,232)
Total governmental activities net position	\$73,343,077	\$67,152,651	\$54,739,776	\$47,153,988	\$45,097,931	\$40,696,452	\$41,186,058	\$41,000,713	\$80,658,765	\$79,618,531
Business-type activities										
Net investment in capital assets	\$816,094	\$794,363	\$812,450	\$842,759	\$113,156	\$107,649	\$137,951	\$122,790	\$166,939	\$162,138
Unrestricted	\$3,636,660	\$1,629,327	\$1,683,155	\$2,091,251	\$2,485,402	\$2,583,363	\$2,425,969	\$2,034,584	\$1,708,336	\$1,568,011
Total business-type activities net position	\$4,452,754	\$2,423,690	\$2,495,605	\$2,934,010	\$2,598,558	\$2,691,012	\$2,563,920	\$2,157,374	\$1,875,275	\$1,720,149
District-wide										
Net investment in capital assets	\$93,662,491	\$90,633,167	\$88,866,495	\$82,335,375	\$65,715,708	\$56,105,398	\$74,190,988	\$72,682,618	\$63,502,299	\$62,101,761
Restricted	16,223,759	22,890,980	20,620,452	17,741,789	31,610,121	11,021,293	11,850,660	9,679,852	18,028,320	18,114,140
Unrestricted (deficit)	(32,090,419)	(43,947,806)	(52,251,566)	(49,989,166)	(49,629,340)	(23,739,227)	(42,291,670)	(39,204,383)	1,003,421	1,122,779
Total district net position	\$77,795,831	\$69,576,341	\$57,235,381	\$50,087,998	\$47,696,489	\$43,387,464	\$43,749,978	\$43,158,087	\$82,534,040	\$81,338,680

Source: ACFR Schedule A-1

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
EXPENSES										
Governmental activities										
Instruction										
Regular	\$77,815,240	\$83,243,385	\$74,126,547	\$79,206,425	\$81,502,175	\$77,106,795	\$70,009,925	\$65,349,533	\$57,089,429	\$56,388,709
Special education	21,912,847	23,356,495	20,696,831	21,616,154	22,690,148	21,987,609	19,939,165	18,337,767	16,173,614	16,736,400
Other instruction	7,183,144	7,745,532	7,003,487	7,149,223	7,035,551	6,758,565	6,085,671	5,120,602	4,780,803	5,031,662
Support Services:										
Tuition	4,003,268	3,998,383	4,926,953	5,136,463	4,972,518	4,856,485	4,379,014	4,596,453	4,043,405	4,032,629
Student & instruction related services	22,513,612	22,828,476	19,100,698	20,105,555	19,865,146	19,814,536	17,662,613	15,784,936	13,666,162	13,637,027
General administrative services	1,409,025	1,205,452	1,477,836	1,553,715	2,138,816	1,993,856	2,034,737	2,100,853	2,032,432	2,476,323
School administrative services	9,627,018	12,044,297	10,926,843	11,812,220	12,425,580	12,129,984	11,024,492	9,520,212	7,868,748	7,571,650
Central services/Admin. Info. Technology	3,765,584	2,196,838	4,059,058	4,100,360	5,060,317	6,877,273	4,918,855	3,839,734	3,484,647	3,217,634
Plant operations and maintenance	18,235,203	15,639,685	16,649,214	16,903,046	16,149,013	15,834,096	15,864,246	17,627,912	17,886,955	15,772,832
Student transportation services	12,682,492	11,452,376	11,435,632	11,458,018	12,097,902	11,523,942	10,370,724	10,052,915	9,458,443	9,392,979
Charter School	839,697	770,131	647,021	505,563	263,708	251,948	185,023	152,945	45,484	
Interest on long-term debt	979,138	1,220,479	1,087,664	1,668,380	2,055,141	786,086	2,544,801	2,786,792	3,705,394	3,329,820
Unallocated depreciation	173,432	171,219	171,776	172,555	175,549	187,843				156,667
Total governmental activities expenses	\$181,139,700	\$183,672,747	\$172,309,560	\$181,387,677	\$186,431,564	\$180,108,918	\$164,919,266	\$155,270,656	\$140,235,516	\$137,758,048
Business-type activities:										
Food Service	\$4,089,397	\$1,614,329	\$2,637,265	\$3,345,188	\$3,367,950	\$3,294,927	\$3,375,527	\$2,892,570	\$3,076,896	\$3,029,707
Summer Institute	249,455	193,139	149,057	316,397	184,152					
Community School	213,960	705,576	2,892,327	2,994,579	3,177,190	3,502,650	3,572,359	3,176,960	3,005,176	3,156,861
Total business-type activities expense	\$4,552,712	\$2,513,044	\$5,678,649	\$6,636,164	\$6,729,292	\$6,797,577	\$6,947,886	\$6,069,530	\$6,082,072	\$6,186,568
Total district expenses	\$185,692,412	\$186,385,791	\$177,988,209	\$188,043,841	\$193,160,856	\$186,906,495	\$171,867,152	\$161,340,186	\$146,317,588	\$143,944,616
PROGRAM REVENUES										
Governmental activities:										
Operating grants and contributions	\$49,429,156	\$61,889,036	\$44,615,032	\$49,938,727	\$58,873,967	\$51,370,246	\$40,451,427	\$27,457,672	\$13,215,645	\$15,647,550
Total governmental activities program revenues	\$49,429,156	\$61,889,036	\$44,615,032	\$49,938,727	\$58,873,967	\$51,370,246	\$40,451,427	\$27,457,672	\$13,215,645	\$15,647,550
Business-type activities:										
Charges for services:										
Food Service	\$452,964	\$9,429	\$1,564,965	\$2,337,990	\$2,394,489	\$2,410,790	\$2,456,620	\$2,289,107	\$2,348,256	\$2,354,301
Summer Institute	429,965	390,153	343,115	321,833	270					
Community School	338,875	195,494	2,421,900	3,295,242	3,185,115	3,481,195	3,893,325	3,229,617	3,108,230	3,057,546
Operating grants and contributions	5,359,891	1,839,574	908,568	1,035,195	1,056,757	1,031,363	1,003,276	832,294	779,774	782,788
Total business-type activities program revenues	\$6,581,695	\$2,434,650	\$5,238,548	\$6,990,260	\$6,636,631	\$6,923,348	\$7,353,221	\$6,351,018	\$6,236,260	\$6,194,635
Total district program revenues	\$56,010,851	\$64,323,686	\$49,853,580	\$56,928,987	\$65,510,598	\$58,293,594	\$47,804,648	\$33,808,690	\$19,451,905	\$21,842,185
NET (EXPENSE)/REVENUE										
Governmental activities	(\$131,710,544)	(\$123,983,711)	(\$127,694,528)	(\$131,448,950)	(\$127,557,597)	(\$128,738,672)	(\$124,467,839)	(\$127,812,984)	(\$127,019,871)	(\$122,110,498)
Business-type activities	\$2,028,983	(\$78,394)	(\$440,101)	\$334,096	(\$92,661)	\$125,771	\$405,335	\$281,488	\$154,188	\$8,067
Total district-wide net expense	(\$129,681,561)	(\$124,062,105)	(\$128,134,629)	(\$131,114,854)	(\$127,650,258)	(\$128,612,901)	(\$124,062,504)	(\$127,531,496)	(\$126,865,683)	(\$122,102,431)

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Property taxes levied for general purposes, net	\$116,772,421	\$114,482,766	\$111,577,953	\$108,405,418	\$105,761,383	\$103,055,614	\$101,034,916	\$98,149,466	\$96,224,967	\$96,244,567
Taxes levied for debt service	6,220,000	6,222,571	6,634,864	6,571,845	6,919,848	6,915,343	5,877,540	6,065,300	7,227,248	6,411,373
Unrestricted grants and contributions	13,909,826	14,299,562	16,191,818	17,191,126	17,465,314	17,448,163	17,340,327	24,088,658	24,082,291	23,666,809
Disposal of capital assets	(239,361)	(140,608)	(6,518)	(6,955)	(18,495)	(79,167)	(58,866)			
Miscellaneous income	1,238,084	859,439	882,199	1,343,573	1,831,026	909,112	459,267	693,371	525,599	571,719
Total governmental activities	\$137,900,970	\$135,723,730	\$135,280,316	\$133,505,007	\$131,959,076	\$128,249,065	\$124,653,184	\$128,996,795	\$128,060,105	\$126,894,468
Business-type activities:										
Miscellaneous income	\$81	\$6,479	\$1,696	\$1,356	\$207	\$1,321	\$1,211	\$611	\$938	\$1,749
Total business-type activities	81	6,479	1,696	1,356	207	1,321	1,211	611	938	1,749
Total district-wide	\$137,901,051	\$135,730,209	\$135,282,012	\$133,506,363	\$131,959,283	\$128,250,386	\$124,654,395	\$128,997,406	\$128,061,043	\$126,896,217
CHANGE IN NET POSITION										
Governmental activities	\$6,190,426	\$11,740,019	\$7,585,788	\$2,056,057	\$4,401,479	(\$489,607)	\$185,345	\$1,183,811	\$1,040,234	\$4,783,970
Business-type activities	2,029,064	(71,915)	(438,405)	335,452	(92,454)	127,092	406,546	282,099	155,126	9,816
Total district	\$8,219,490	\$11,668,104	\$7,147,383	\$2,391,509	\$4,309,025	(\$362,515)	\$591,891	\$1,465,910	\$1,195,360	\$4,793,786

Source: ACFR Schedule A-2

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
UNAUDITED

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Restricted	\$12,225,596	\$22,397,131	\$19,557,709	\$14,195,654	\$16,247,277	\$11,691,754	\$12,687,485	\$10,504,920	\$18,111,529	\$18,740,711
Committed	3,027,759		971,537	364,046			200,000	750,000	740,107	
Assigned	6,780,933	4,104,627	652,987	1,732,874	1,122,012	267,294	173,004	434,976	388,470	1,924,628
Unassigned	5,310,189	4,677,338	1,242,080	1,353,229	858,057	643,194	628,552	660,428	466,091	157,028
Total general fund	<u>\$27,344,477</u>	<u>\$31,179,096</u>	<u>\$22,424,313</u>	<u>\$17,645,803</u>	<u>\$18,227,346</u>	<u>\$12,602,242</u>	<u>\$13,689,041</u>	<u>\$12,350,324</u>	<u>\$19,706,197</u>	<u>\$20,822,367</u>
All Other Governmental Funds										
Restricted	\$471,207	\$1,074,680	\$935,813	\$680,517	\$548,204	\$5,238,783	\$31	\$338,796	\$1,008,847	\$1,842,988
Committed	1,226,820	234,650	61,453	3,494,174	15,877,767	24,187,541	338,796	747,130	850,000	
Total all other governmental funds	<u>\$1,698,027</u>	<u>\$1,309,330</u>	<u>\$997,266</u>	<u>\$4,174,691</u>	<u>\$16,425,971</u>	<u>\$29,426,324</u>	<u>\$338,827</u>	<u>\$1,085,926</u>	<u>\$1,858,847</u>	<u>\$1,842,988</u>

Source: ACFR Schedule B-1

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
UNAUDITED

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Tax levy	122,992,421	120,705,337	118,212,817	114,977,263	112,681,231	109,970,957	106,912,456	104,214,766	103,452,215	102,655,940
Tuition charges	259,670	283,737	142,720	331,880	173,128	289,960	271,238	269,532	255,677	182,930
Transportation fees from other LEA's	76,783	29,000		28,000		20,956		2,779	884	16,796
Interest on capital reserve	455	1,588	42,076	24,723	2,667	1,428	1,519	3,947	3,483	2,775
Miscellaneous	1,458,508	726,423	703,834	971,822	415,192	610,334	237,534	445,270	282,151	415,916
Slate sources	60,381,951	51,771,510	48,005,459	47,994,053	44,090,947	41,048,268	38,928,959	36,855,164	34,858,844	36,758,370
Federal sources	4,145,989	3,566,762	2,990,174	2,560,677	2,607,085	2,446,818	2,822,235	2,311,992	2,422,496	2,519,297
Total revenue	189,315,777	177,084,357	170,097,080	166,888,418	159,970,250	154,388,721	149,173,941	144,103,450	141,275,750	142,552,024
Expenditures										
Instruction										
Regular instruction	42,831,657	42,071,888	42,071,246	41,069,109	39,783,380	39,588,706	38,763,627	38,289,755	37,799,391	36,657,469
Special education instruction	14,594,635	12,961,381	12,740,837	12,177,699	12,262,954	12,393,538	12,536,596	12,089,012	11,985,425	11,990,075
Other instruction	4,194,157	3,949,637	4,061,503	3,884,909	3,594,193	3,569,342	3,664,192	3,304,865	3,469,093	3,681,066
Support Services:										
Tuition	4,003,268	3,998,383	4,926,953	5,136,463	4,972,518	4,856,485	4,379,014	4,596,453	4,043,405	4,032,829
Student & instruction related services	14,528,436	13,063,852	12,145,772	12,041,730	11,079,613	11,514,479	10,971,833	10,231,447	9,897,463	9,684,711
General administrative services	1,115,240	979,396	1,161,158	1,231,097	1,882,608	1,652,811	1,794,079	1,776,422	1,771,556	1,736,341
School administrative services	6,602,694	6,262,351	6,356,157	6,298,555	6,077,433	6,041,216	6,128,984	5,812,975	5,468,890	5,043,308
Central services/Administration Information Technology	3,271,815	2,681,298	3,036,347	2,715,563	2,814,458	2,800,804	2,566,720	2,426,991	2,517,907	2,389,952
Plant operations and maintenance	17,427,157	13,482,543	14,978,293	15,063,164	12,891,262	12,129,338	13,425,453	13,108,562	14,659,792	12,809,395
Student transportation services	11,312,919	9,034,453	9,498,431	9,179,230	9,273,721	8,820,637	8,488,606	8,261,749	7,961,425	7,849,043
Allocated employee benefits	1,798,573	1,749,240	1,179,745	1,096,322	1,994,381	1,816,593	1,750,920	1,677,965	1,497,018	1,405,811
Unallocated employee benefits	60,274,948	49,588,460	43,864,523	47,604,323	40,005,692	37,499,146	33,927,315	32,239,143	30,384,806	31,386,217
Capital outlay	4,245,044	1,472,854	4,608,300	14,768,363	13,602,626	3,575,405	2,259,436	10,282,325	2,967,282	3,465,804
Charter School	839,697	770,131	647,021	505,563	263,708	251,948	185,023	152,945	45,484	
Debt service:										
Principal	6,220,000	6,195,000	6,165,000	6,160,000	6,290,000	6,125,000	5,030,000	5,095,000	4,765,000	4,515,000
Interest and other charges	1,239,700	1,475,900	1,697,500	1,900,125	1,954,270	2,484,475	2,710,525	2,886,635	3,170,270	3,361,420
Total expenditures	194,499,940	169,736,767	169,140,786	180,832,215	168,742,817	155,119,923	148,582,323	152,232,244	142,394,207	140,008,241
Excess (Deficiency) of revenues over (under) expenditures	(5,184,163)	7,347,590	956,294	(13,943,797)	(8,772,567)	(731,202)	591,618	(8,128,794)	(1,118,457)	2,543,783
Other Financing sources (uses)										
Installment purchase contracts (non-budgeted)	1,738,241	1,046,401	644,791	1,110,974	106,363	1,081,564			19,890,000	
Bond proceeds						41,740,000			2,907,383	
Premium on sale of bonds						3,198,603			(183,751)	
Cost of issuance						(289,468)			(22,595,486)	
Payment to refunded bonds escrow agent						(16,998,798)				
Prior year cancellations					1,290,935					(10,006)
Slate aid receivable canceled										(10,006)
Total other financing sources (uses)	1,738,241	1,046,401	644,791	1,110,974	1,397,298	28,731,901	591,618		18,146	
Net change in fund balances	(3,445,922)	8,393,991	1,601,085	(12,832,823)	(7,375,269)	28,000,699		(8,128,794)	(1,100,311)	2,533,777
Debt service as a percentage of noncapital expenditures	3.92%	4.56%	4.78%	4.85%	5.31%	5.68%	5.29%	5.62%	5.69%	5.77%

Source: ACFR Schedule B-2

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
UNAUDITED

Fiscal Year Ended June 30,	Tuition	Interest On Investments	Rental Income	Transportation Fees	School Bus Advertising	Unemployment Fund - Restricted	Miscellaneous	Total
2022	\$259,670	\$18,317	\$73,455	\$76,783	\$11,759	\$140,717	\$657,006	\$1,237,707
2021	283,737	12,186	1,650	29,000	11,759	159,557	361,213	859,102
2020	142,720	289,183	55,844		12,227		133,668	633,642
2019	331,880	473,547	89,960	28,000			155,898	1,079,285
2018	173,128	119,561	77,310				109,978	479,977
2017	289,960	43,770	76,603	20,956			216,809	648,098
2016	271,238	18,997	78,050				90,951	459,236
2015	269,532	3,947	90,070	2,779			327,024	693,352
2014	255,677	13,088	87,220	884			168,730	525,599
2013	182,930	16,373	92,176	16,796			263,444	571,719

Source: District Records

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
UNAUDITED

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
2022	\$ 63,642,300	\$ 2,570,574,100	\$ 12,343,100	\$ 1,516,700	\$ 372,768,100	\$ 1,056,188,200	\$ 88,993,700	\$ 4,166,026,200	\$ 6,926,446	\$ 4,172,952,646	\$ 2.974	\$ 11,038,755,167
2021	62,852,400	2,554,551,500	12,968,800	1,526,000	369,537,700	993,643,600	88,993,700	4,084,073,700	7,325,148	4,091,398,848	2.979	10,005,080,108
2020	66,996,000	2,530,375,600	15,140,400	1,598,800	361,390,100	922,014,300	88,993,700	3,986,508,900	6,517,147	3,993,026,047	3.015	9,228,008,397
2019	76,097,400	2,503,223,100	13,135,200	1,663,800	354,358,800	791,894,200	88,993,700	3,829,366,200	6,085,307	3,835,451,507	3.040	9,704,425,241
2018	80,825,100	2,475,693,900	14,175,100	1,811,800	284,554,900	810,800,800	88,993,700	3,756,855,300	6,783,915	3,763,639,215	3.025	9,975,717,738
2017	94,053,400	2,420,513,000	15,098,700	1,822,900	285,216,100	776,204,600	88,984,200	3,681,892,900	6,662,532	3,688,555,432	3.019	8,630,785,045
2016	95,056,600	2,377,216,400	14,981,700	1,969,600	272,150,800	784,435,300	88,984,200	3,634,794,600	6,523,012	3,641,317,612	2.979	8,530,379,254
2015	91,042,100	2,367,054,100	15,101,900	2,090,700	283,762,500	768,957,900	88,730,000	3,616,739,200	7,125,716	3,623,864,916	2.914	8,673,235,492
2014	80,498,700	2,342,837,800	15,232,300	2,222,600	283,769,300	780,846,100	88,730,000	3,594,136,800	7,119,252	3,601,256,052	2.884	7,893,996,925
2013	88,869,200	2,332,156,400	14,747,300	4,449,100	288,138,600	786,931,400	88,730,000	3,604,022,000	8,109,311	3,612,131,311	2.853	7,838,238,365

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES

UNAUDITED

Calendar Year Ended June 30.	South Brunswick Township Board of Education			Overlapping Rates					Total Direct and Overlapping Tax Rate w/o Fire District
	Basic Rate ^a	General Obligation		South Brunswick Township	Middlesex County	Fire District			
		Debt Service ^b	Total Direct			1	2	3	
2022	2.824	0.150	2.974	1.091	0.946	0.085	0.042	0.102	5.011
2021	2.825	0.154	2.979	1.067	0.944	0.084	0.043	0.101	4.990
2020	2.846	0.169	3.015	1.034	0.991	0.084	0.044	0.099	5.040
2019	2.866	0.174	3.040	1.014	1.031	0.084	0.045	0.099	5.085
2018	2.839	0.186	3.025	0.962	0.930	0.083	0.045	0.091	4.917
2017	2.829	0.190	3.019	0.953	0.938	0.082	0.045	0.090	4.910
2016	2.815	0.164	2.979	0.937	0.941	0.082	0.046	0.081	4.857
2015	2.744	0.170	2.914	0.921	0.874	0.080	0.044	0.059	4.709
2014	2.683	0.201	2.884	0.884	0.866	0.078	0.042	0.058	4.634
2013	2.675	0.178	2.853	0.862	0.813	0.076	0.041	0.051	4.528

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

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

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.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAX PAYERS,
 CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2021				2013			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	
Forsgate Industrial Complex	\$ 135,998,800	1	3.324%	Forsgate Industrial Complex	\$ 108,973,000	1	3.017%	
Heller SBIP, LLC.	48,777,300	2	1.192%	Dow Jones & Company, Inc.	59,025,000	2	1.634%	
Dow Jones & Company, Inc.	47,500,000	3	1.161%	Heller SBIP, LLC.	45,321,400	3	1.255%	
CNJ Company IV, LLC	30,707,100	4	0.751%	AMB Property Corporation	32,772,900	4	0.907%	
Royal Oaks Apartments, LLC	29,460,200	5	0.720%	Royal Oaks Apartments, LLC	29,450,700	5	0.815%	
Middlesex Industrial Developers	28,661,200	6	0.701%	Windsor South Ridge LLC	28,392,000	6	0.786%	
KTR NJ I, LLC	28,524,700	7	0.697%	Ridge Road Properties LLC	25,291,000	7	0.700%	
Windsor South Ridge LLC	28,392,000	8	0.694%	CNJ Company IV LLC	23,207,900	8	0.642%	
LIT/Greek Rt 130, LLC	25,401,300	9	0.621%	KTR NJ I, LLC	22,291,100	9	0.617%	
AMB Property Corp	21,726,700	10	0.531%	Bloomberg Ridge Road LLC	20,248,200	10	0.561%	
Total	\$ 425,149,300		10.391%		\$ 394,973,200		10.936%	

Source: Municipal Tax Assessor

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS.
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2022	\$ 122,992,421	\$ 122,992,421	100.00%	
2021	120,705,337	120,705,337	100.00%	
2020	118,212,817	118,212,817	100.00%	
2019	114,977,263	114,977,263	100.00%	
2018	112,681,231	112,681,231	100.00%	
2017	109,970,957	109,970,957	100.00%	
2016	106,912,456	106,912,456	100.00%	
2015	104,214,766	104,214,766	100.00%	
2014	103,452,215	103,452,215	100.00%	
2013	102,655,940	102,655,940	100.00%	

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.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>		<u>Total District</u>	<u>Percentage of Personal Income (a)</u>	<u>Per Capita (a)</u>
	<u>General Obligation Bonds</u>	<u>Installment Purchase Contracts</u>			
2022	\$ 47,215,000	\$ 3,141,871	\$ 50,356,871	*	*
2021	54,335,000	2,161,079	56,496,079	*	1,211
2020	61,375,000	1,718,335	63,093,335	0.11%	1,391
2019	68,770,000	1,573,989	70,343,989	0.09%	1,540
2018	76,075,000	1,437,871	77,512,871	0.08%	1,695
2017	82,365,000	985,443	83,350,443	0.07%	1,825
2016	63,405,000	-	63,405,000	0.09%	1,407
2015	68,435,000	-	68,435,000	0.08%	1,527
2014	73,530,000	-	73,530,000	0.07%	1,646
2013	80,522,000	-	80,522,000	0.06%	1,814

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

* - Not available at time of audit

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	<u>General Bonded Debt Outstanding</u>			Percentage of Actual Taxable Value (a) of <u>Property</u>	<u>Per Capita (b)</u>
	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>		
2022	\$ 47,215,000	-0-	\$ 47,215,000	1.133%	*
2021	54,335,000	-0-	54,335,000	1.330%	1,165
2020	61,375,000	-0-	61,375,000	1.540%	1,353
2019	68,770,000	-0-	68,770,000	1.796%	1,506
2018	76,075,000	-0-	76,075,000	2.025%	1,664
2017	82,365,000	-0-	82,365,000	2.237%	1,803
2016	63,405,000	-0-	63,405,000	1.744%	1,407
2015	68,435,000	-0-	68,435,000	1.892%	1,527
2014	73,530,000	-0-	73,530,000	2.046%	1,646
2013	80,522,000	-0-	80,522,000	2.234%	1,814

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

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

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

* - Not available at time of audit

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2021
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes South Brunswick Township	\$45,596,699	100.00%	\$45,596,699
Other debt			
Middlesex County	640,138,221	8.0200%	51,327,571
Stony Brook Regional Sewerage Authority (2019)	18,793,411	40.4500%	7,601,935
Middlesex County Utilities Authority	284,519,275	8.5200%	24,241,042
Subtotal, overlapping debt			\$128,767,247
South Brunswick School District Direct Debt			47,215,000
Total direct and overlapping debt			\$175,982,247

Source: Township of South Brunswick Chief Financial Officer, Middlesex County Treasurer's Office and Middlesex County Utilities Authority.

(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.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
UNAUDITED

Legal Debt Margin Calculation for Calendar Year 2021

Equalized Valuation Basis

Calendar Year	
2021	\$ 10,005,080,108
2020	9,228,008,397
2019	9,704,425,241
	<u>\$ 28,937,513,746</u>
Average Equalized Valuation of Taxable Property	\$ 9,645,837,915
Debt Limit (4% (a) of average equalization value)	385,833,517
Total Net Debt Applicable to Limit	<u>47,215,000</u>
Legal Debt Margin	<u>\$ 338,618,517</u>

	Fiscal Year Ending June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$385,833,517	\$385,422,018	\$377,479,040	\$361,825,094	\$344,458,664	\$334,634,822	\$325,406,277	\$312,082,956	\$317,811,649	\$327,222,546
Total Net Debt Applicable To Limit	47,215,000	54,335,000	61,375,000	68,770,000	76,075,000	82,365,000	63,405,000	68,435,000	73,530,000	80,522,000
Legal Debt Margin	<u>\$338,618,517</u>	<u>\$331,087,018</u>	<u>\$316,104,040</u>	<u>\$293,055,094</u>	<u>\$268,383,664</u>	<u>\$252,269,822</u>	<u>\$262,001,277</u>	<u>\$243,647,956</u>	<u>\$244,281,649</u>	<u>\$246,700,546</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	12.24%	14.10%	16.26%	19.01%	22.09%	24.61%	19.48%	21.93%	23.14%	24.61%

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.

Source: <http://www.state.nj.us/treasury/taxation/lpt/lptvalue.shtml>

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2021	46,649	*	*	4.40%
2020	45,370	3,023,456,800	66,640	6.70%
2019	45,664	2,861,534,560	62,665	2.60%
2018	45,729	2,768,753,763	60,547	3.00%
2017	45,674	2,644,022,186	57,889	3.40%
2016	45,059	2,532,631,213	56,207	3.80%
2015	44,824	2,444,790,608	54,542	4.00%
2014	44,671	2,389,943,171	53,501	5.00%
2013	44,384	2,313,072,160	52,115	6.10%
2012	44,207	2,345,579,213	53,059	6.80%

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 2000 Census published by the US Bureau of Economic Analysis.

(d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

* - Not available at time of audit.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
UNAUDITED

Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Instruction:										
Regular	516	553								
Special education	127	237	617	581	579	584	639	637	627	613
			111	165	158	138	215	206	204	201
Support Services:										
Student & instruction related services	168	105	148	120	108	119	74	69	70	68
General administrative services	54	9	5	82	83	84	30	32	31	31
School administrative services	91	109	84	90	92	61	97	96	96	98
Central services	53	20	23	14	15	9	7	6	6	6
Plant operations and maintenance	100	95	97	115	104	112	113	110	114	114
Pupil transportation	73	74	68	55	67	60	75	75	74	71
Total	1,182	1,202	1,153	1,222	1,206	1,167	1,249	1,231	1,222	1,202

Source: District Personnel Records

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
OPERATING STATISTICS
 UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Pupil/Teacher Ratio			Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2022	8,112	\$ 182,795,196	22,534	15.24%	721	1:14	1:12	1:14	8,061	7,647	-2.29%	94.86%
2021	8,217	160,673,010	19,554	12.29%	790	1:14	1:14	1:14	8,250	8,073	-2.27%	97.85%
2020	8,997	156,669,986	17,414	-5.81%	728	1:12	1:11	1:12	8,442	8,200	-1.56%	97.13%
2019	8,546	158,003,727	18,489	10.99%	705	1:12	1:11	1:12	8,576	8,224	-1.93%	95.90%
2018	8,818	146,895,921	16,659	0.88%	737	1:12	1:11	1:13	8,745	8,400	0.01%	96.05%
2017	8,656	142,935,043	16,513	5.51%	722	1:12	1:11	1:13	8,744	8,382	0.51%	95.86%
2016	8,855	138,582,362	15,650	1.67%	733	1:12	1:11	1:13	8,700	8,380	0.52%	96.32%
2015	8,703	133,968,284	15,393	1.06%	729	1:12	1:12	1:12	8,655	8,345	-1.54%	96.42%
2014	8,633	131,491,655	15,231	5.00%	710	1:12	1:11	1:13	8,790	8,475	-1.04%	96.42%
2013	8,870	128,666,017	14,506	5.39%	709	1:13	1:12	1:13	8,882	8,529	-1.61%	96.03%

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).

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION - LAST TEN FISCAL YEARS
UNAUDITED

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>District Building</u>										
<u>Elementary</u>										
Brooks Crossing (2002)										
Square Feet	82,104	82,104	82,104	82,104	82,104	82,104	82,104	82,104	82,104	82,104
Capacity (students)	853	853	853	853	853	853	853	853	853	853
Enrollment	791	759	725	725	651	600	589	576	583	564
Brooks Crossing at Deans(1929)										
Square Feet	28,110	28,110	28,110	28,110	28,110	28,110	28,110	28,110	28,110	28,110
Capacity (students)	*	*	*	*	*	*	*	*	*	*
Enrollment										
Brunswick Acres (1975)										
Square Feet	63,258	63,258	63,258	63,258	63,258	63,258	63,258	63,258	63,258	63,258
Capacity (students)	641	641	641	641	641	641	641	641	641	641
Enrollment *	556	530	518	518	524	539	534	500	478	449
Cambridge										
Square Feet	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500
Capacity (students)	637	637	637	637	637	637	637	637	637	637
Enrollment	530	591	548	548	517	530	461	518	487	458
Constable										
Square Feet	70,973	70,973	70,973	70,973	70,973	70,973	70,973	70,973	70,973	70,973
Capacity (students)	681	681	681	681	681	681	681	681	681	681
Enrollment	525	507	462	462	468	472	464	460	470	498
Greenbrook										
Square Feet	64,312	64,312	64,312	64,312	64,312	64,312	64,312	64,312	64,312	64,312
Capacity (students)	667	667	667	667	667	667	667	667	667	667
Enrollment	456	444	424	424	424	408	392	390	383	389
Indian Fields(1992)										
Square Feet	82,450	82,450	82,450	82,450	82,450	82,450	82,450	82,450	82,450	82,450
Capacity (students)	824	824	824	824	824	824	824	824	824	824
Enrollment	609	588	596	596	661	698	651	627	597	560
Indian Fields at Dayton(1928)										
Square Feet	23,350	23,350	23,350	23,350	23,350	23,350	23,350	23,350	23,350	23,350
Capacity (students)	*	*	*	*	*	*	*	*	*	*
Enrollment										
Monmouth Junction										
Square Feet	48,625	48,625	48,625	48,625	48,625	48,625	48,625	48,625	48,625	48,625
Capacity (students)	506	506	506	506	506	506	506	506	506	506
Enrollment	375	369	355	355	343	334	322	346	326	322

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION - LAST TEN FISCAL YEARS
UNAUDITED

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Middle School										
Crossroads North(1967)										
Square Feet	142,849	142,849	142,849	142,849	142,849	142,849	142,849	142,849	142,849	142,849
Capacity (students)	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150
Enrollment	1,049	1,059	1,017	1,017	1,004	1,046	990	943	843	894
Crossroads South(1959)										
Square Feet	197,710	197,710	197,710	197,710	197,710	197,710	197,710	197,710	197,710	197,710
Capacity (students)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	1,086	1,054	1,139	1,139	1,143	1,145	1,105	1,096	1,072	1,019
High School										
South Brunswick High School(1997)										
Square Feet	472,000	472,000	472,000	472,000	472,000	472,000	472,000	472,000	472,000	472,000
Capacity (students)	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Enrollment	2,857	2,895	2,919	2,919	2,921	2,965	2,945	2,964	2,977	2,869
Other										
Maintenance Annex										
Square Feet	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Board of Education Administration Building										
Square Feet	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
* - Enrollments are included in the Administrative Base School										
Number of Schools at June 30, 2022	7,748	7,742	7,564	7,564	7,513	8,737	8,453	8,420	8,216	8,022
Elementary = 9										
Middle School = 2										
High School = 1										
Other = 2										

Source: District records, ASSA
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.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

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

School Facilities	Project # (s)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Brooks Crossing Elementary	N/A	1,280,423	80,098	63,281	63,432	103,653	103,037	104,555	136,566	198,732	149,878
Brunswick Acres Elementary	N/A	135,185	64,052	79,891	58,042	81,889	78,634	97,429	104,223	113,388	110,643
Cambridge Elementary	N/A	91,106	23,698	41,799	50,261	113,445	86,109	188,101	128,100	189,322	136,507
Constable Elementary	N/A	74,240	98,583	95,922	98,899	91,987	92,457	119,040	128,623	195,984	132,182
Indian Fields @ Dayton Elementary	N/A	10,214	9,818	37,358	13,374	9,550	10,252	1,877	12,296	74,550	43,429
Brooks Crossing @ Deans Elementary	N/A	437,106	21,920	14,157	25,711	10,912	9,530	25,487	24,818	48,650	40,230
Greenbrook Elementary	N/A	35,133	61,636	96,851	47,119	110,377	112,734	111,189	104,236	132,837	147,715
Indian Fields Elementary	N/A	48,494	102,545	165,945	57,730	99,467	97,110	135,305	129,504	230,987	118,511
Monmouth Junction Elementary	N/A	94,609	107,917	56,761	65,207	90,289	91,596	85,342	91,616	110,157	128,200
Crossroads North Middle	N/A	545,197	136,697	239,850	130,287	183,522	225,247	308,886	323,491	488,719	320,861
Crossroads South Middle	N/A	197,886	180,974	256,660	150,161	207,660	222,788	207,154	248,183	1,272,008	445,568
High School	N/A	490,893	188,923	610,734	424,957	445,532	527,435	366,184	486,537	905,731	859,802
Total School Facilities		3,440,486	1,076,861	1,759,209	1,185,180	1,548,263	1,636,930	1,748,550	1,918,193	3,961,064	2,633,526
Other Facilities		270,990	373,935	115,656	49,232	346,018	575,050	736,127	701,071	73,553	74,327
Grand Total		3,711,476	1,450,796	1,874,865	1,234,412	1,894,281	2,211,980	2,484,677	2,619,264	4,034,616	2,707,853

Source District Records

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

<u>Type</u>	<u>Coverage</u>	<u>Deductible</u>	<u>Carrier</u>	<u>Policy #</u>
<u>Property</u>				
Blanket, building and contents	\$437,122,986		National Union Fire	GPNU-EP-0017570-01/000
Extra expense per occurrence	\$2,000,000		Glatfleter Public Practice	
EDP	\$500,000			
Demolition/Increased cost of construction per occurrence	\$1,000,000			
Deductible		\$5,000		
Flood per occurrence	\$5,000,000			
<u>School Board Legal</u>				
Coverage A - Limit of liability	\$1,000,000	\$15,000	National Union Fire	GPNU-EP-0017570-01/000
Coverage B - Limit of liability	\$100,000		Glatfleter Public Practice	
<u>NJ Unshared Excess Program</u>		Admin: Balken Risk Mgmt		
Limit of liability	\$30,000,000	N/A	Hudson Allied Evanston	EPGA 000073-01 0312-3968 MKLV3EUE100833
<u>Environmental Impairment Liability</u>				
Limit of liability - Each Loss	\$1,000,000	\$25,000	Chubb	PPLG71151566004
Aggregate	\$1,000,000			
<u>Commercial Liability</u>				
Bodily Injury & Property Damage	\$1,000,000/\$3,000,000		National Union Fire	GPNU-EP-0017570-01/000
Premises Medical Payments	\$10,000		Glatfleter Public Practice	
Fire Legal Liability	\$1,000,000			
Employee Benefit Cov	\$1,000,000/\$2,000,000			
<u>Crime</u>				
Money & Securities-inside	\$250,000		National Union Fire	GPNU-EP-0017570-01/000
Money & Securities-outside	\$250,000		Glatfleter Public Practice	
Faithful Performance	\$250,000			
Depositors Forgery	\$250,000			
Deductible		\$1,000		
<u>Excess Liability</u>				
Each Occurrence	\$10,000,000		National Union Fire	GPNU-EP-0017570-01/000
Aggregate	\$10,000,000		Glatfleter Public Practice	
<u>Cyber Liability</u>				
Each Event	\$1,000,000		National Union Fire	GPNU-EP-0017570-01/000
			Glatfleter Public Practice	

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
INSURANCE SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

<u>Type</u>	<u>Coverage</u>	<u>Deductible</u>	<u>Carrier</u>	<u>Policy #</u>
<u>Business Auto</u>				
Bodily Injury & Property Damage	\$1,000,000		National Union Fire	GPNU-EP-0017570-01/000
Personal Injury Protection	\$250,000			
Medical Payments (PIP)	\$5,000			
Uninsured/Underinsured	\$1,000,000			
Comprehensive Deductible		\$1,000		
Collision Deductible		\$1,000		
<u>Compulsory Student Accident</u>				
Limit of Liability	\$500,000	\$25,000	Philadelphia	PHPC003923
<u>Bonds</u>				
Board Secretary/Business Administrator	\$525,000		RLI	LSM1144814
<u>Workers' Compensation</u>				
Section II	\$1,000,000		Safety National/PIP	SP4065113
<u>Underground Storage Tanks</u>				
Limit of Liability Per Tank/Aggregate	\$2,000,000/\$4,000,000	\$5,000	Chubb	G71183105004

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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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
Township of South Brunswick School District
County of Middlesex
Monmouth Junction, New Jersey 08852

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 Township of South Brunswick School District, in the County of Middlesex, State of New Jersey (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 31, 2023.

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 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. 962

January 31, 2023



SUPLEE, CLOONEY & COMPANY

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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
Township of South Brunswick School District
County of Middlesex
Monmouth Junction, New Jersey 08852

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Township of South Brunswick School District, County of Middlesex, State of New Jersey (the "District") compliance with the types of compliance requirements identified as subject to audit 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 District's major federal and state programs for the year ended June 30, 2022. 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, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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.

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.

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


REGISTERED MUNICIPAL ACCOUNTANT NO. 962

January 31, 2023

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2021	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjust- ments	Repayment of Prior Years' Balances	Balance at June 30, 2022	
					From	To							(Accounts Receivable)	Due to Grantor
General Fund:														
U.S. Department of Health and Human Services: Passed-through State Department of Education: Medicaid Assistance Program (SEM)	93.778	2005NJSAP	N/A	20,198	07/01/2021	06/30/2022			16,222	(20,198)			(3,976)	
Total U.S. Department of Health and Human Services									16,222	(20,198)			(3,976)	
Special Revenue Fund:														
U.S. Department of Education: Passed-through State Department of Education: N.C.L.B.:														
Title I, Part A Grants to Local Education Agencies	84.010A	S010A200030	NCLB-4860-21	316,851	07/01/2020	09/30/2021	(101,645)		104,779	(3,134)			(94,060)	
Title II, Part A Grants to Local Education Agencies	84.010A	S010A200030	NCLB-4860-21	569,074	07/01/2021	09/30/2022			286,519	(380,579)				
Title II, Part A, Supporting Effective Instruction	84.367A	S367A200029	NCLB-4860-21	129,009	07/01/2020	09/30/2021	(11,846)		36,056	(24,210)				
Title II, Part A, Supporting Effective Instruction	84.367A	S367A200029	NCLB-4860-21	183,417	07/01/2021	09/30/2022			62,619	(62,013)				606
Title III English Language Acquisition	84.365A	S365A200030	NCLB-4860-21	84,305	07/01/2020	09/30/2021	(27,255)		28,801	(1,546)			(40,327)	
Title III English Language Acquisition	84.365A	S365A200030	NCLB-4860-21	102,790	07/01/2021	09/30/2022			56,513	(96,840)				
Title III Immigrant	84.365A	S365A200030	NCLB-4860-21	19,508	07/01/2020	09/30/2021	(6,441)		6,441				(6,317)	
Title III Immigrant	84.365A	S365A200030	NCLB-4860-21	24,154	07/01/2021	09/30/2022			12,600	(20,917)			(142,704)	606
Total N.C.L.B.							(147,187)		584,328	(589,239)				
I.D.E.A Part B Special Education Cluster:														
Individuals with Disabilities - State Grant	84.027A	H027A200100	IDEA-4860-21	2,012,196	07/01/2020	09/30/2021	(556,491)		556,491				(549,985)	
Individuals with Disabilities - State Grant	84.027A	H027A200100	IDEA-4860-22	1,993,030	07/01/2021	09/30/2022			1,254,455	(1,804,440)			(301,326)	
ARP - Individuals with Disabilities - State Grant	84.027X	H027X210100	IDEA-4860-22	402,920	07/01/2021	09/30/2022			34,365	(34,365)				
Preschool Grants for Children with Disabilities	84.173X	H173X210114	IDEA-4860-21	34,365	07/01/2021	09/30/2022	(26,186)		26,186				(10,634)	
Preschool Grants for Children with Disabilities	84.173A	H173A200114	IDEA-4860-21	67,342	07/01/2020	09/30/2021			54,037	(64,671)			(861,945)	
Preschool Grants for Children with Disabilities	84.173A	H173A210114	IDEA-4860-22	67,638	07/01/2021	09/30/2022	(582,677)		1,925,534	(2,204,802)				
Total I.D.E.A Part B Special Education Cluster														
Education Stabilization Fund:														
CARES - ESSERF	84.425D	S425D200027	N/A	416,934	03/13/2020	09/30/2022	(216)		218				(323,494)	
CRSA - ESSER II	84.425D	S425D210027	21-5120-518	1,488,300	03/13/2020	09/30/2023	(15,882)		777,857	(1,087,321)	1,852		(5,118)	
CRSA - ESSER II, Learning Acceleration	84.425D	S425D210027	21-5120-518	95,511	03/13/2020	09/30/2023	(7,183)		36,554	(34,489)			(59)	
CRSA - ESSER II, Mental Health	84.425D	S425D210027	21-5120-518	45,000	03/13/2020	09/30/2023			15,071	(15,130)			(1,502,616)	
ARP - ESSER	84.425U	S425U210027	N/A	3,344,857	03/13/2020	09/30/2024			102,559					
ARP - Emergency Relief Fund - Homeless Children and Youth	84.425W	S425W210031	N/A	26,716	04/23/2021	09/30/2022	(23,283)		932,299	(2,742,115)	1,852		(1,851,287)	
Total Education Stabilization Fund:							(753,147)		3,452,121	(5,536,156)	1,852		(2,835,936)	606
Total U.S. Department of Education:														
U.S. Department of Treasury														
Passed-through State Department of Education: Coronavirus Relief Fund: Bridging the Digital Divide	21.019	S425D200027	21-5120-516	495,969.00	07/16/2020	10/31/2020	3,162				(1)	(3,161)		
Total U.S. Department of Treasury							3,162				(1)	(3,161)		
Total Special Revenue Fund							(749,985)		3,452,121	(5,536,156)	1,851	(3,161)	(2,835,936)	606
Enterprise Fund:														
U.S. Department of Agriculture														
Passed-through State Department of Education: Child Nutrition Cluster:														
Non-Cash Assistance (Commodities): National School Lunch Program	10.555	221NJ304N1099	N/A	405,526	07/01/2021	06/30/2022			405,526	(395,059)			10,467	
Cash Assistance: National School Lunch Program	10.555	21NJ304N1099	N/A	365,426	07/01/2020	06/30/2021	27,048			(27,048)				
School Breakfast Program	10.553	221NJ304N1099	N/A	768,666	07/01/2021	06/30/2022			698,828	(768,666)			(68,838)	
School Breakfast Program	10.553	21NJ304N1099	N/A	435,200	07/01/2020	06/30/2021	(67,955)		67,955					
National School Lunch Program	10.555	21NJ304N1099	N/A	805,528	07/01/2020	06/30/2021	(132,958)		132,958				(330,480)	
National School Lunch Program	10.555	221NJ304N1099	N/A	4,026,792	07/01/2021	06/30/2022			3,696,312	(4,026,792)				
Snacks	10.555	21NJ304N1099	N/A	113,804	07/01/2020	06/30/2021	(21,382)		21,382				(4,145)	
Snacks	10.555	221NJ304N1099	N/A	44,461	07/01/2020	06/30/2021	(47,684)		47,684					
Emergency Operational Cost Programs - School	10.649	20221H170341	N/A	3,135	07/01/2021	06/30/2022	(3,063)		3,135	(3,135)				
P-EBT Administrative Costs	10.649	20222S900941	N/A	3,063	07/01/2021	06/30/2022	(245,994)		5,117,159	(5,365,161)			(404,463)	10,467
Total U.S. Department of Agriculture							(995,979)		8,585,502	(10,821,515)	1,851	(3,161)	(3,244,375)	11,073
Total Federal Financial Assistance														

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Balance at June 30, 2021			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2022			MEMO	
			(Accounts Receivable)	Unearned Revenue/	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
			From	To										
State Department of Education														
General Fund:														
State Aid Cluster:														
Special Education Aid	22-495-034-5120-089	\$5,479,892	07/01/2021	06/30/2022	\$	\$	\$ 4,960,175	\$ (5,479,892)	\$	\$	\$	\$ (519,717)	\$ (5,479,892)	
Security Aid	22-495-034-5120-084	183,321	07/01/2021	06/30/2022			165,935	(183,321)				(17,386)	(183,321)	
Equalization Aid	22-495-034-5120-078	13,670,526	07/01/2021	06/30/2022			12,374,003	(13,670,526)				(1,296,523)	(13,670,526)	
Total State Aid Cluster							17,500,113	(19,333,739)				(1,833,626)	(19,333,739)	
Transportation Aid	22-495-034-5120-014	2,155,118	07/01/2021	06/30/2022			1,950,725	(2,155,118)				(204,393)	(2,155,118)	
Nonpublic Transportation Aid	21-495-034-5120-014	50,353	07/01/2020	06/30/2021		(50,353)	50,353							
Nonpublic Transportation Aid	22-495-034-5120-014	52,717	07/01/2021	06/30/2022		(2,352,118)	2,352,118	(62,717)				(62,717)	(62,717)	
Extraordinary Aid	21-495-034-5120-044	2,352,118	07/01/2020	06/30/2021				(2,398,449)				(2,398,449)	(2,398,449)	
Extraordinary Aid	22-495-034-5120-044	2,398,449	07/01/2021	06/30/2022			1,000,000	(1,000,000)					(1,000,000)	
Building Upgrades	N/A	1,000,000	07/01/2021	06/30/2022			23,183,735	(23,183,735)					(23,183,735)	
On-Behalf TPAF Pension Contribution	22-495-034-5094-002	23,183,735	07/01/2021	06/30/2022			7,558	(7,558)					(7,558)	
On-Behalf TPAF Long Term Disability Insurance	22-495-034-5094-004	7,558	07/01/2021	06/30/2022			327,090	(327,090)					(327,090)	
On-Behalf TPAF Non-contributory Insurance	22-495-034-5094-004	327,090	07/01/2021	06/30/2022			5,493,079	(5,493,079)					(5,493,079)	
On-Behalf TPAF Post-Retirement Medical	22-495-034-5094-001	5,493,079	07/01/2021	06/30/2022			4,575,391	(4,810,451)				(235,060)	(4,810,451)	
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	4,810,451	07/01/2021	06/30/2022										
Total General Fund						(2,402,471)	56,440,162	(58,761,936)				(4,724,245)	(58,761,936)	
Passed Through State Department of Education:														
Special Revenue Fund:														
N.J. Nonpublic Aid:														
Handicapped Services:														
Corrective Speech	21-100-034-5120-066	26,431	07/01/2020	06/30/2021		9,114			(9,114)					
Corrective Speech	22-100-034-5120-066	26,040	07/01/2021	06/30/2022			26,040	(20,460)				5,580	(20,460)	
Examination & Classification	21-100-034-5120-066	29,351	07/01/2020	06/30/2021		5,197			(5,197)					
Examination & Classification	22-100-034-5120-066	34,496	07/01/2021	06/30/2022			34,496	(31,650)				2,846	(31,650)	
Supplementary Instruction	21-100-034-5120-066	19,428	07/01/2020	06/30/2021		1,619			(1,619)					
Supplementary Instruction	22-100-034-5120-066	19,824	07/01/2021	06/30/2022			19,824	(16,520)				3,304	(16,520)	
Auxiliary Services:														
Compensatory Education	21-100-034-5120-067	59,222	07/01/2020	06/30/2021		29,611			(29,611)					
Compensatory Education	22-100-034-5120-067	46,582	07/01/2021	06/30/2022			46,582	(25,124)				21,458	(25,124)	
English as a Second Language	21-100-034-5120-067	13,322	07/01/2020	06/30/2021		13,322			(13,322)					
English as a Second Language	22-100-034-5120-067	12,789	07/01/2021	06/30/2022			12,789	(3,654)				9,135	(3,654)	
Transportation	22-100-034-5120-068	8,997	07/01/2021	06/30/2022			8,997	(8,997)					(8,997)	
Home Instruction	22-100-034-5120-067	3,031	07/01/2021	06/30/2022				(3,031)					(3,031)	
Nonpublic Technology Initiative Aid	22-100-034-5120-373	30,534	07/01/2021	06/30/2022			30,534	(30,421)				113	(30,421)	
Nonpublic Textbook Aid	21-100-034-5120-064	47,406	07/01/2020	06/30/2021		68			(68)					
Nonpublic Textbook Aid	22-100-034-5120-064	43,634	07/01/2021	06/30/2022			43,634	(41,898)				1,736	(41,898)	
Nonpublic Security Aid	21-100-034-5120-509	140,350	07/01/2020	06/30/2021		19,396			(19,396)					
Nonpublic Security Aid	22-100-034-5120-509	133,525	07/01/2021	06/30/2022			133,525	(122,642)				10,883	(122,642)	
Nonpublic Nursing Services Aid	21-100-034-5120-070	81,804	07/01/2020	06/30/2021		17,711			(17,711)					
Nonpublic Nursing Services Aid	22-100-034-5120-070	85,456	07/01/2021	06/30/2022			85,456	(84,413)				1,043	(84,413)	
Passed Through New Jersey Schools Development Authority:														
SDA Emergent Needs and Capital Maintenance	22-10-034-5120-519	209,319	01/02/2019	12/31/2020			209,319	(209,319)					(209,319)	
Passed-through Department of Children and Families, Division of Prevention and Community Partnerships:														
Family Friendly Centers Initiative	19-100-016-1630-024	45,463	07/01/2018	06/30/2019		9,557			(1,977)			7,580		
Family Friendly Centers Initiative	20-100-016-1630-024	45,463	07/01/2019	06/30/2020		12,339						12,339		
Family Friendly Centers Initiative	21-100-016-1630-024	45,463	07/01/2020	06/30/2021		3,790						3,790		
Family Friendly Centers Initiative	22-100-016-1630-024	45,463	07/01/2021	06/30/2022			22,734		(22,734)					
Total Special Revenue Fund						121,724	673,930	(598,129)			(3,031)	79,807	(598,129)	

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2020			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2021			Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
			From	To	(Accounts Receivable)	Unearned Revenue/	(Accounts Receivable)					Unearned Revenue	Due to Grantor				
Debt Service Fund:																	
Diet Service Aid - Type II	22-485-034-5120-075	1,156,767	07/01/2021	06/30/2022					1,156,767	(1,156,767)							(1,156,767)
									1,156,767	(1,156,767)							(1,156,767)
State Department of Agriculture:																	
Enterprise Fund:																	
National School Lunch Program (State Share)	21-100-010-3350-023	94,043	07/1/2020	06/30/2021	(13,436)			13,436		(94,730)		(7,606)			(7,606)	(94,730)	
National School Lunch Program (State Share)	22-100-010-3350-023	94,730	07/01/2021	06/30/2022	(13,436)				100,560	(94,730)		(7,606)				(94,730)	
					(2,415,907)		121,724		58,371,419	(60,611,562)	(120,749)	(2,696,863)		79,807	(4,724,245)	(60,611,562)	
Total State Financial Assistance																	
Less: On-Behalf amounts not utilized for determination of Major Programs:																	
On-Behalf TPAF Pension Contribution	22-485-034-5094-002	23,183,735	07/01/2021	06/30/2022					23,183,735	(23,183,735)							(23,183,735)
On-Behalf TPAF Long Term Disability Insurance	22-485-034-5094-004	327,080	07/01/2021	06/30/2022					327,080	(327,080)							(327,080)
On-Behalf TPAF Post-Retirement Medical	22-485-034-5094-001	5,483,079	07/01/2021	06/30/2022					5,483,079	(5,483,079)							(5,483,079)
Total State Financial Assistance Subject to Single Audit					(2,415,907)		121,724	\$ 29,359,957	\$ (31,600,100)	\$ (120,749)	\$ (2,696,863)	\$ 79,807	\$ (4,724,245)	\$ (31,600,100)			

See accompanying notes to schedules of financial assistance.

Township of South Brunswick School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2022

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Board of Education, Township of South Brunswick School District. The Board of Education is defined in Note 1 to the Board's 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 OMB 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 last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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.

Township of South Brunswick School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2022

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$73,028 for the general fund and (\$1,618,274) 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	\$20,198.00	\$58,834,964.00	\$58,855,162.00
Special Revenue Fund	4,125,791.00	390,220.00	4,516,011.00
Debt Service Fund		1,156,767.00	1,156,767.00
Food Service Fund	5,265,161.00	94,730.00	5,359,891.00
Total Awards & Financial Assistance	<u>\$9,411,150.00</u>	<u>\$60,476,681.00</u>	<u>\$69,887,831.00</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, 2022. 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, 2022.

Township of South Brunswick School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

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 identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (3) | Noncompliance material to basic financial statements noted? | No |

Federal Program(s)

- | (1) | Internal Control Over Major Federal Programs: | | | | | | | | | | | | | |
|--|---|----------------|---------------------|---|---------|--|---------|---|---------|--|---------|---------------------------------|---------|--|
| | (a) Material weakness 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 section .510(a) of Circular Uniform Guidance? | No | | | | | | | | | | | | |
| (4) | Identification of Major Federal Program(s): | | | | | | | | | | | | | |
| | <table border="0" style="width: 100%;"> <tr> <th style="text-align: left;"><u>Program</u></th> <th style="text-align: left;"><u>Grant Number</u></th> </tr> <tr> <td>Individuals with Disabilities - State Grant</td> <td>84.027A</td> </tr> <tr> <td>Individuals with Disabilities Education Act/(ARP IDEA Basic)</td> <td>84.027X</td> </tr> <tr> <td>Preschool Grants for Children with Disabilities</td> <td>84.173A</td> </tr> <tr> <td>Individuals with Disabilities Education Act/(ARP IDEA Preschool)</td> <td>84.173X</td> </tr> <tr> <td>CARES - ESSER I/CRRSA -ESSER II</td> <td>84.425D</td> </tr> </table> | <u>Program</u> | <u>Grant Number</u> | Individuals with Disabilities - State Grant | 84.027A | Individuals with Disabilities Education Act/(ARP IDEA Basic) | 84.027X | Preschool Grants for Children with Disabilities | 84.173A | Individuals with Disabilities Education Act/(ARP IDEA Preschool) | 84.173X | CARES - ESSER I/CRRSA -ESSER II | 84.425D | |
| <u>Program</u> | <u>Grant Number</u> | | | | | | | | | | | | | |
| Individuals with Disabilities - State Grant | 84.027A | | | | | | | | | | | | | |
| Individuals with Disabilities Education Act/(ARP IDEA Basic) | 84.027X | | | | | | | | | | | | | |
| Preschool Grants for Children with Disabilities | 84.173A | | | | | | | | | | | | | |
| Individuals with Disabilities Education Act/(ARP IDEA Preschool) | 84.173X | | | | | | | | | | | | | |
| CARES - ESSER I/CRRSA -ESSER II | 84.425D | | | | | | | | | | | | | |
| (5) | Program Threshold Determination: | | | | | | | | | | | | | |
| | Type A Federal Program Threshold > \$750,000.00 | | | | | | | | | | | | | |
| | Type B Federal Program Threshold <= \$750,000.00 | | | | | | | | | | | | | |
| (6) | Auditee qualified as a low-risk auditee under OMB Uniform Guidance? | Yes | | | | | | | | | | | | |

Township of South Brunswick School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

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

State Program(s)

- (1) Internal Control Over Major State Programs:
- (a) Material weakness identified? No
- (a) 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</u> | <u>Grant Number</u> |
|-----------------------|---------------------|
| Special Education Aid | 495-034-5120-089 |
| Equalization Aid | 495-034-5120-078 |
| Security Aid | 495-034-5120-084 |
| Transportation Aid | 495-034-5120-014 |
- (5) Program Threshold Determination:
Type A State Program Threshold > \$948,003
Type B State Program Threshold <= \$948,003
- (6) Auditee qualified as a low-risk auditee under OMB Circular 15-08? Yes

Township of South Brunswick School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

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

Township of South Brunswick School District

Schedule of Prior Year Audit Findings

Not Applicable

