

Annual Comprehensive Financial Report

of the

Sayreville Borough School District

County of Middlesex

Sayreville, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

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

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INTRODUCTORY SECTION



Sayreville Public Schools
Vision 2030

P.O. Box 997
Sayreville, New Jersey 08871
Phone: 732-525-5200
Fax: 732-727-5769



Dr. Richard R. Labbe, Superintendent of Schools
Dr. Marilyn J. Shediack, Assistant Superintendent

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

January 29, 2022

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

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Sayreville Borough School District for the fiscal year ended June 30, 2021 is hereby submitted. This ACFR includes the District's Basic Financial Statements prepared in accordance with U.S. generally accepted accounting principles for governmental entities as established by the Governmental Accounting Standards Board. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Sayreville Borough School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

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

The District provides a full range of educational services appropriate to grade levels PRE-K through 12. These include regular as well as special education for handicapped youngsters. Those students who have a desire for vocational training attend the Middlesex County Vocational School. The District enrollment for the 2020-21 fiscal year as reported on the ASSA report in October 2020 was 5,925 students, which is 193 students less than the previous year's enrollment. The following chart details the changes in the student enrollment of the District since the 2011 - 2012 school year. Not included in this chart is the additional preschool enrollment that is not used to calculate School Aid. In October 2020 there were 420 students enrolled in the preschool program compared to 195 enrolled in October 2019.

<u>Enrollment Comparison as of October 2020</u>		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011/12	6,074	1.34%
2012/13	6,054	(0.33%)
2013/14	6,104	0.83%
2014/15	6,120	0.26%
2015/16	6,157	0.60%
2016/17	6,169	0.19%
2017/18	6,284	1.86%
2018/19	6,284	0.00%
2019/20	6,118	(2.64%)
2020/21	5,925	(3.15%)

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

3. MAJOR INITIATIVES: Technology devices have been an important District initiative, especially in response to the pandemic. The District was already working toward a 1:1 student to device ratio but with new grant funding we were able to accomplish that goal. As a result, the District was able to provide remote learning opportunities when it wasn't possible for students to be in the classroom. Transportation has created another challenge that resulted in the District becoming more self-sufficient by purchasing more buses and using fewer contractors. The additional buses have created another challenge as our existing bus parking and bus garage are not sufficient to house our added equipment. As such, the District is in the process of finding a location to build a new transportation complex that will accommodate a fleet large enough to handle all in district routes internally as well as our transportation office and additional space needed to maintain such a fleet. The District is addressing facility needs district wide through an ESIP, which will allow the district to make much needed upgrades without taxpayer impact. Through the use of grant funds, the district was able to begin plans for adding and upgrading HVAC throughout the district in all large spaces. Finally, the District will be moving forward with seeking taxpayer approval for a Referendum that would renovate Selover School, add and upgrade HVAC throughout the entire district and finish any remaining window and roof replacements.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The

concept of reasonable assurance recognizes that: (1) there are limited resources and that the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2021.

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

7. DEBT ADMINISTRATION: Series 2005 bonds were refunded to the series 2013 bonds in the amount of \$28,725,000.00. The remaining principal balance of the 2013 bonds at June 30, 2021 was \$22,890,000.00. Series 2006 bonds were refunded to the series 2016 bonds in the amount of \$6,640,000.00. The remaining principal balance of the 2016 bonds at June 30, 2021 was \$3,935,000.00. Series 2007 bonds were refunded to the series 2017 bonds in the amount of \$8,495,000.00. The remaining principal balance of the 2017 bonds at June 30, 2021 was \$4,880,000.00. Series 2020 School Energy Savings Obligation Refunding Bonds were issued in the amount of \$8,140,000.00. The remaining principal balance of the 2020 bonds at June 30, 2021 was \$8,140,000.00.

8. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District's cash management plan allows it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 and updated in 2009 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

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

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

section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Respectfully submitted,



Dr. Richard R. Labbe
Superintendent of Schools



Erin Hill
School Business Administrator/Board Secretary

SAYREVILLE BOROUGH SCHOOL DISTRICT

SAYREVILLE, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2021

Members of the Board of Education

Term Expires

Anthony Esposito, President

2021

John Walsh, Vice President

2022

Daniel Balka

2022

Lucille Bloom

2022

Eloy Fernandez

2023

Carrie Kenny

2021

Alison Napolitano

2023

Eileen Pabon

2023

Patrick Walsh

2021

Other Officials

Dr. Richard Labbe, Superintendent of Schools

Dr. Marilyn Shediack, Assistant Superintendent of Schools

Mr. Eric Glock-Molloy, Assistant Superintendent of Schools

Erin Hill, School Business Administrator/Board Secretary

Amnah Abuawad, Comptroller/Assistant to the Business Administrator

Diana Ruiz, Payroll & Benefits Coordinator

Nicole Petrone, Treasurer of School Monies

SAYREVILLE BOROUGH SCHOOL DISTRICT

SAYREVILLE, NEW JERSEY

CONSULTANTS AND ADVISORS

JUNE 30, 2021

Auditor/Audit Firm

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

Attorney

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

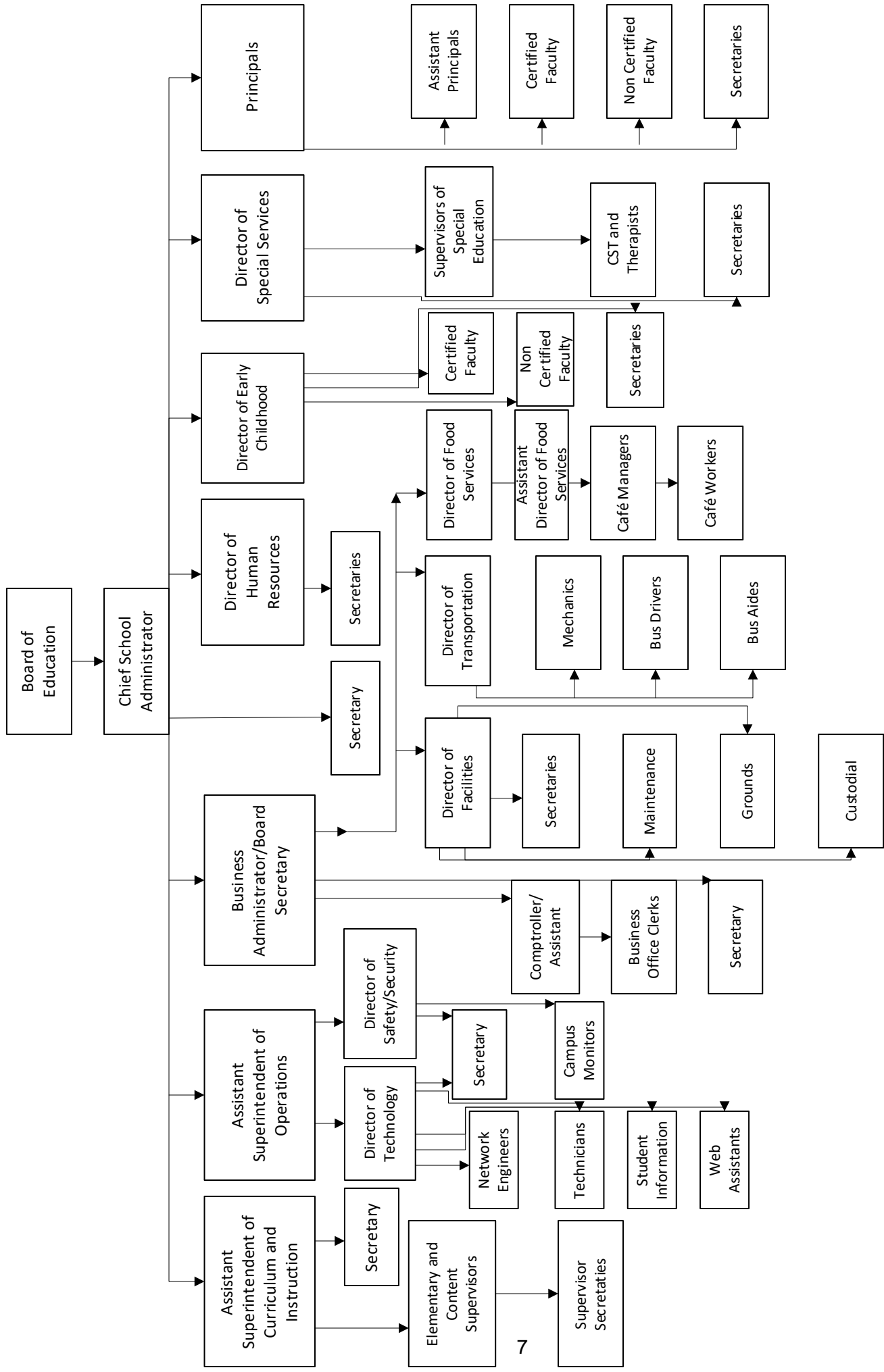
Official Depository

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

Official Newspapers

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

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



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
Sayreville Borough School District
County of Middlesex
Sayreville, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Sayreville Borough School District, County of Middlesex, New Jersey as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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, 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 (Uniform Guidance) and State of New Jersey *OMB Circular 15-08* "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

SUPLEE, CLOONEY & COMPANY

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

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 Sayreville Borough School District, County of Middlesex, New Jersey as of June 30, 2021, 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the basic financial statements, in 2021, the District adopted Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities (an Amendment of GASB Statement No. 34). Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

SUPLEE, CLOONEY & COMPANY

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sayreville Borough School District's basic financial statements. The accompanying supplementary information schedules such as the combining 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.

The accompanying supplementary information, data and schedules such as the combining 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 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, data and schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 29, 2022 on our consideration of the Sayreville Borough School 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 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 Sayreville Borough School District's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

January 29, 2022

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

**SAYREVILLE BOROUGH SCHOOL DISTRICT
SAYREVILLE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED**

The discussion and analysis of Sayreville Borough School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2020-2021) and the prior year (2019-2020) is required to be presented in the MD&A. In fiscal year 2021 the District implemented GASB Statement No. 84- Fiduciary Activities. Prior fiscal year 2020 information was restated where information was available.

Financial Highlights

Key financial highlights for 2021 are as follows:

In the District Wide Statements:

- ◆ In total, net position increased \$7,462,020 which represents a 32 percent increase from 2020.
- ◆ General revenues accounted for \$95,494,380 in revenue or 66 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$48,389,018 or 34 percent of total revenues of \$143,883,398.
- ◆ The School District had \$136,421,378 in expenses; \$48,389,018 of these expenses were offset by program specific charges for services, grants or contributions; \$95,494,380 of these expenses were offset by General revenues.

In the Fund Financial Statements:

- ◆ The General Fund had \$113,520,720 in revenues and \$112,580,417 in expenditures.
- ◆ Overall, the General Fund's fund balance increased \$3,308,551 from 2020.

Using this Annual Comprehensive Financial Report (ACFR)

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

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Sayreville Borough School District, the General Fund is by far the most significant fund.

**SAYREVILLE BOROUGH SCHOOL DISTRICT
SAYREVILLE, NEW JERSEY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED (Continued)**

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains most of the funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, “How did we do financially during 2021?” The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

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

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

- ◆ Governmental activities – All of the School District’s programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ◆ Business-Type Activity – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and Community School enterprise funds are reported as business activities.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

**SAYREVILLE BOROUGH SCHOOL DISTRICT
SAYREVILLE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED (Continued)**

Notes to the Financial Statements

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

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a government's financial position. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net position for 2021. In accordance with GASB Statement 34, net position comparisons to fiscal year 2020 are presented.

**TABLE 1
NET POSITION**

	FY 2021			FY 2020 (as restated)		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
ASSETS						
Current & Other Assets	\$27,726,090	\$843,764	\$28,569,854	\$15,710,929	\$1,697,401	\$17,408,330
Capital Assets	81,509,585	10,049	81,519,634	78,123,089	6,069	78,129,158
TOTAL ASSETS	109,235,674	853,813	110,089,487	93,834,018	1,703,470	95,537,489
DEFERRED OUTFLOWS OF RESOURCES:						
Pension Related	2,972,577		2,972,577	3,644,813		3,644,813
TOTAL DEFERRED OUTFLOWS	2,972,577		2,972,577	3,644,813		3,644,813
LIABILITIES						
Long-Term Liabilities	60,906,695	46,933	60,953,628	56,222,981	30,692	56,253,673
Other Liabilities	11,852,268	532,583	12,384,851	9,746,963	311,162	10,058,124
TOTAL LIABILITIES	72,758,963	579,516	73,338,479	65,969,944	341,854	66,311,798
DEFERRED INFLOWS OF RESOURCES:						
Pension Related	8,608,301		8,608,301	8,740,886		8,740,886
NET POSITION						
Net investment in capital assets	40,006,518	10,049	40,016,567	41,892,078	6,069	41,898,147
Restricted (as restated)	16,336,227		16,336,227	9,108,354		9,108,354
Unrestricted:						
Pension related (deficit)	(24,700,602)		(24,700,602)	(25,827,467)		(25,827,467)
Other (deficit)	(801,156)	264,248	(536,908)	(2,404,963)	1,355,548	(1,049,416)
TOTAL NET POSITION (as restated)	\$30,840,988	\$274,297	\$31,115,284	\$22,768,001	\$1,361,617	\$24,129,618

The District's combined net position were \$31,115,284 on June 30, 2021.

**SAYREVILLE BOROUGH SCHOOL DISTRICT
SAYREVILLE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
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UNAUDITED (Continued)**

Table 2 shows changes in net assets for fiscal year 2021. In accordance with GASB Statement 34, revenue and expense comparisons to fiscal year 2020 is presented to comparatively analyze district-wide data.

**TABLE 2
CHANGES IN NET POSITION**

	FY 2021			FY 2020		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
Revenues:						
Program Revenues:						
Operating Grants & Contributions	\$46,878,425	\$1,358,214	\$48,236,639	\$28,897,236	\$1,114,301	\$30,011,538
Charges for Services	128,568	23,811	152,379		863,658	863,658
General Revenues:						
Property Taxes	67,957,093		67,957,093	66,687,576		66,687,576
Grants (includes State Aid) and Entitlements	27,167,947		27,167,947	26,258,480		26,258,480
Other Revenues	379,105		379,105	475,508		475,508
Canceled Receivables		(9,766)	(9,766)			
Transfers	300,000	(300,000)		659,631	(295,000)	
Total Revenues	142,811,139	1,072,259	143,883,398	122,978,431	1,682,959	124,296,759
Expenses:						
Instruction	89,112,948		89,112,948	81,365,348		81,365,348
Pupils and Instructional Staff	19,709,557		19,709,557	16,118,682		16,118,682
General & School Adm, Central Serv & Adm Technology	10,057,383		10,057,383	9,427,755		9,427,755
Maintenance	8,777,672		8,777,672	6,816,636		6,816,636
Transportation	4,859,175		4,859,175	5,935,678		5,935,678
Interest on Long-Term Debt	1,567,514		1,567,514	2,443,022		2,443,022
Other	653,903		653,903	529,565		529,565
Business-Type		1,683,225	1,683,225		2,159,312	2,159,312
Total Expenses	134,738,153	1,683,225	136,421,378	122,636,688	2,159,312	124,796,000
Change in Net Position	8,072,986	(610,966)	7,462,020	\$341,743.05	(\$476,353.72)	(499,241)
Net Position July 1 (as restated),	22,768,001	885,263	23,653,264	22,426,258	1,361,617	23,787,875
Net Position June 30,	\$30,840,988	\$274,297	\$31,115,284	\$22,768,001	\$885,263	\$23,288,634

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

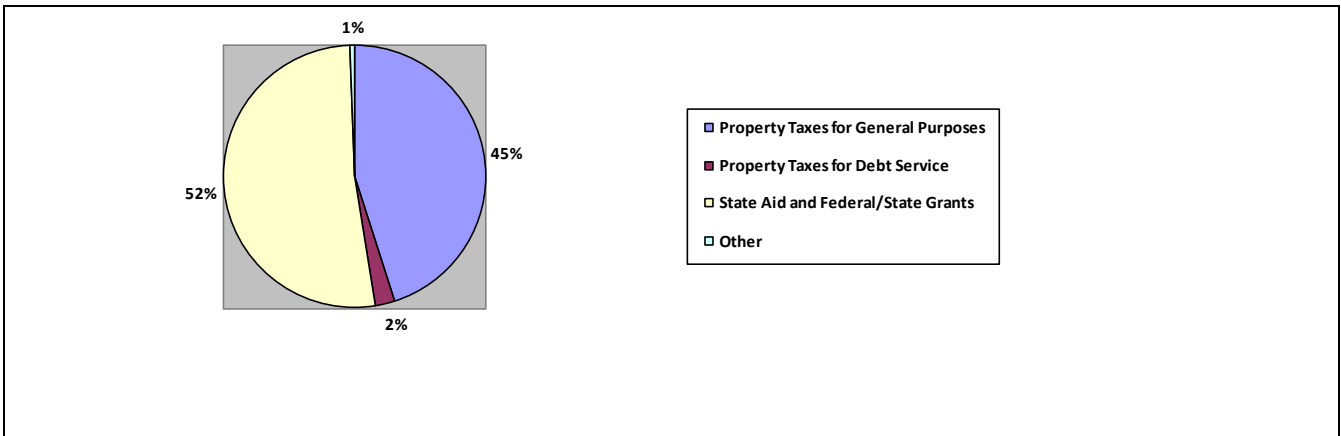
Both revenues and expenses increased mainly as a result of the district recognizing a larger on-behalf postretirement contributions as a both revenue and as an expense based upon the State's Actuarial report.

**SAYREVILLE BOROUGH SCHOOL DISTRICT
 SAYREVILLE, NEW JERSEY
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021
 UNAUDITED (Continued)**

Governmental Activities

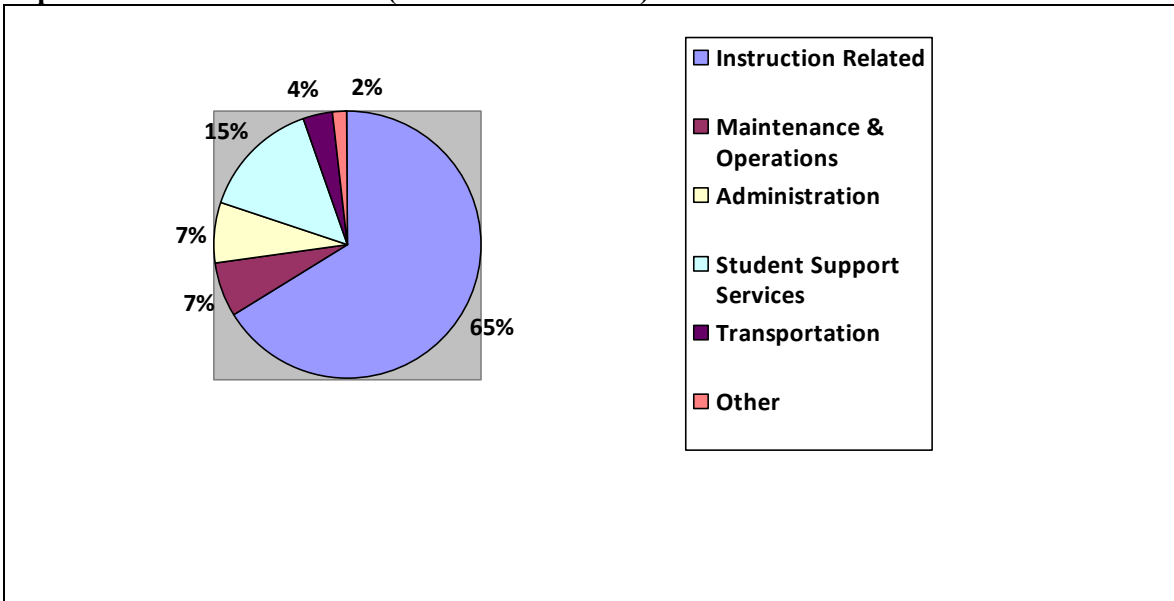
As shown in Table 2 the District's total revenue from Governmental Activities was \$142,811,139. Property taxes made up 48 percent of these revenues. Federal, state, and local grants and state aid accounted for 52 percent of revenue.

Sources of Revenue for Fiscal Year 2021 (District-Wide Basis)



Also on Table 2, the total cost of Governmental programs and services was \$134,738,153. Direct instruction comprises 66 percent of District expenses.

Expenses for Fiscal Year 2021 (District-Wide Basis)



**SAYREVILLE BOROUGH SCHOOL DISTRICT
SAYREVILLE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED (Continued)**

Business-Type Activities

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

- ◆ Business Type expenses exceeded revenues by \$301,200.
- ◆ Charges for services represent \$23,811 of revenue. This represents amounts paid by patrons for the various program services.
- ◆ Federal and state reimbursement for meals, including payments for free and reduced lunches, and donated commodities was \$1,358,214.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The total costs include compensating absences, unallocated benefits, and depreciation and is reduced by grants and specific state aid. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. In accordance with GASB Statement 34, a comparison to fiscal year 2020 is presented.

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

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

**TABLE 3
NET COST OF SERVICES**

	Total Cost of Services <u>FY 2021</u>	Total Cost of Services <u>FY 2020</u>	Net Cost of Services <u>FY 2021</u>	Net Cost of Services <u>FY 2020</u>
Instruction	\$89,112,948	\$81,365,348	\$55,495,660	\$60,028,315
Pupils and Instructional Staff	19,709,557	16,118,682	12,339,582	13,563,231
Gen. & School Adm, Central Serv & Adm Technology	10,057,383	9,427,755	6,842,338	6,836,926
Maintenance	8,777,672	6,816,636	8,645,317	6,791,702
Transportation	4,859,175	5,935,678	2,210,618	3,572,110
Interest on Long-Term Debt	1,567,514	2,443,022	1,543,741	2,417,603
Business-Type	1,683,225	2,159,312	301,200	181,354
Other	653,903	529,565	653,903	529,565
Total Expenses	<u><u>\$136,421,378</u></u>	<u><u>\$124,796,000</u></u>	<u><u>\$88,032,360</u></u>	<u><u>\$93,920,805</u></u>

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

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

**SAYREVILLE BOROUGH SCHOOL DISTRICT
SAYREVILLE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED (Continued)**

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

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

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

Other includes charter school contributions and unallocated depreciation.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues and other financing sources amounted to \$139,406,179 and expenditures were \$129,632,360. The net change in fund balance for the year was \$9,773,819.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the general fund, special revenue fund and debt service fund for the fiscal year ended June 30, 2021, and the amount and percentage of increases and decreases in relation to prior year revenues.

REVENUES (FUND-BASED FINANCIAL STATEMENTS):

	<u>Amount</u>	<u>Percentage</u>	<u>Increase/Decrease from FY 2020</u>	<u>Percentage Change</u>
Local Sources	\$68,464,766	53.44%	\$1,300,451	1.94%
State Sources	54,913,367	42.86%	8,754,693	18.97%
Federal Sources	<u>4,740,938</u>	<u>3.70%</u>	<u>2,155,452</u>	<u>83.37%</u>
	<u>\$128,119,072</u>	<u>100.00%</u>	<u>\$12,210,597</u>	<u>10.53%</u>

The increase in State Sources is due largely to an increase in the States contribution for On-behalf pensions and post-retirement contributions, along with an increase in State Aid.

**SAYREVILLE BOROUGH SCHOOL DISTRICT
SAYREVILLE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED (Continued)**

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2021, and the percentage of increases and decreases in relation to prior year amounts.

EXPENDITURES (FUND BASED FINANCIAL STATEMENTS)

	<u>Amount</u>	<u>Percentage</u>	<u>Increase/(Decrease) from FY 2020</u>	<u>Percentage Change</u>
Current Expense:				
Instruction	\$47,922,947	37.47%	\$3,946,538	8.97%
Undistributed	70,678,478	55.27%	5,111,703	7.80%
Capital Outlay	5,665,079	4.43%	2,125,169	60.03%
Debt Service:				
Principal	2,535,000	1.98%	95,000	3.89%
Interest	<u>1,082,369</u>	<u>0.85%</u>	<u>(88,793)</u>	<u>(7.58%)</u>
Total	<u><u>\$127,883,873</u></u>	<u><u>100.00%</u></u>	<u><u>\$11,189,617</u></u>	<u><u>9.59%</u></u>

General Fund Budgeting Highlights

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

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

- ◆ The District received \$1,037,051 in extraordinary aid, which is state aid for special education students whose individual program cost exceeds program guidelines; this was \$387,051 more than anticipated. There was no guarantee from the Department of Education that these funds would be available.
- ◆ TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the District but is required to be reflected in the financial statements. This number is reflective of the amount of money the New Jersey Department of Education pays on-behalf of certified staff for pension and FICA purposes. Salaries of regular instruction continue to increase in proportion with negotiated contracts.
- ◆ The District's philosophy is to include special education students in regular academic classes whenever possible but with additional services. Students who may have been originally scheduled for Resource Room classes were scheduled for Inclusion classes. This necessitates the cost for additional instructional aides and teachers to accommodate resource students.

**SAYREVILLE BOROUGH SCHOOL DISTRICT
SAYREVILLE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED (Continued)**

Capital Assets

At the end of the fiscal year 2021, the School District had \$81,509,585 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2021 balances compared to 2020.

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

	<u>2021</u>	<u>2020</u>
Land	\$6,767,549	\$6,767,549
Construction in Progress	3,816,110	22,755
Site Improvements	821,142	925,939
Buildings	66,821,804	68,600,424
Equipment	3,282,980	1,806,422
	<u>\$81,509,585</u>	<u>\$78,123,089</u>

Overall capital assets increased \$3,386,496 from fiscal year 2020 to fiscal year 2021. The increase in capital assets is due primarily to the ongoing Energy Savings Improvement Program project in FY2021. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2021, the School District had \$64,727,712 of long-term liabilities. Of this amount, \$3,536,418 is for compensated absences; \$3,114,816 for various capital leases; \$39,845,000 of serial bonds, \$453,402 of unamortized bond premium and \$17,778,075 in net pension liability.

Table 5 illustrates the balances of the District's various bonds issues outstanding at June 30, 2021 and June 30, 2020.

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

	2021	2020
2012 Refunding Bonds	\$22,890,000	\$24,095,000
2016 Refunding Bonds	3,935,000	4,500,000
2017 Refunding Bonds	4,880,000	5,645,000
2021 ESIP Refunding Bonds	8,140,000	
Total	\$39,845,000	\$34,240,000

**SAYREVILLE BOROUGH SCHOOL DISTRICT
SAYREVILLE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED (Continued)**

For the Future

The Sayreville Borough School District is in good financial condition presently. The School District is proud of its community support of the public schools. The state has slightly increased state aid in each year since 2017-18 school year in an effort to fully fund the state aid formula. The School District anticipates being fully funded in the near future which could present a challenge in budget cycles moving forward due to the decline in enrollment over the last few years. The Board and Administration continue to find creative means to fill the gap between funding, and the cost to provide education to Sayreville's students. The School District has numerous facility needs that are being addressed through Reserve Funds and an ESIP. The School District is planning to seek taxpayer approval for a referendum that will address all remaining facility needs.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Erin Hill, Business Administrator/Board Secretary at Sayreville Borough Board of Education, 150 Lincoln Street, South Amboy, NJ 08879. Please visit our website at www.Sayrevillek12.net.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2021.

DISTRICT-WIDE FINANCIAL STATEMENTS

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

SAYREVILLE BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$12,206,757.15	\$423,001.15	\$12,629,758.30
Receivables, net	5,278,648.40	368,567.19	5,647,215.59
Inventory		52,195.46	52,195.46
Restricted assets:			
Restricted cash and cash equivalents	10,240,684.28		10,240,684.28
Capital assets:			
Land and Construction in progress	10,583,658.54		10,583,658.54
Other Capital Assets net of depreciation	70,925,926.00	10,049.00	70,935,975.00
Total Assets	<u>109,235,674.37</u>	<u>853,812.80</u>	<u>110,089,487.17</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Pension Related	<u>2,972,577.00</u>		<u>2,972,577.00</u>
LIABILITIES:			
Accounts payable	7,042,340.07	47,151.81	7,089,491.88
Interfunds payable		400,473.19	400,473.19
Payable to state government	28,035.43		28,035.43
Payroll deductions and withholdings payable	10,741.64		10,741.64
Unemployment compensation claims payable	96,269.16		96,269.16
Unearned revenue	315,613.81	84,958.30	400,572.11
Accrued Interest Payable	538,251.21		538,251.21
Noncurrent liabilities:			
Due within one year:			
Bonds and capital leases payable	3,821,016.18		3,821,016.18
Due beyond one year:			
Net Pension Liability	17,778,075.00		17,778,075.00
Compensated absences payable	3,536,418.13	46,932.90	3,583,351.03
Bonds and capital leases payable	<u>39,592,202.22</u>		<u>39,592,202.22</u>
Total liabilities	<u>72,758,962.85</u>	<u>579,516.20</u>	<u>73,338,479.05</u>
DEFERRED INFLOWS OF RESOURCES:			
Pension Related	<u>8,608,301.00</u>		<u>8,608,301.00</u>
NET POSITION:			
Net investment in capital assets	40,006,518.20	10,049.00	40,016,567.20
Restricted for:			
Special revenue fund	387,529.63		387,529.63
Capital projects fund	12,352,802.83		12,352,802.83
Other purposes	3,595,894.90		3,595,894.90
Unrestricted (deficit)	<u>(25,501,758.04)</u>	<u>264,247.60</u>	<u>(25,237,510.44)</u>
Total net position	<u>\$30,840,987.52</u>	<u>\$274,296.60</u>	<u>\$31,115,284.12</u>

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

SAYREVILLE BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Indirect Cost Allocation	Charges for Services	Programs Revenues		Net (Expense) Revenue and Changes in Net Position	
				Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental Activities:							
Instruction:							
Regular	\$ 28,027,684.51	\$ 25,858,076.22	\$	\$ 17,987,579.97	\$	\$ (35,898,180.76)	\$ (35,898,180.76)
Special	16,183,751.50	11,910,747.61		13,231,612.62		(14,862,886.49)	(14,862,886.49)
Other Instruction	3,661,254.16	3,359,902.77		2,385,000.26		(4,636,156.67)	(4,636,156.67)
Support services:							
Tuition	2,643,375.91	(2,643,375.91)					
Student and instruction related services	14,958,681.07	4,750,876.09	128,567.80	8,660,293.81		(10,920,695.55)	(10,920,695.55)
General administrative services	1,887,279.41	(320,803.24)		147,589.56		(1,418,886.61)	(1,418,886.61)
School administrative services	3,148,507.45	2,706,713.49		1,526,991.05		(4,328,229.89)	(4,328,229.89)
Central service/Admin information technology	2,442,391.77	193,294.14		121,577.83		(2,514,108.08)	(2,514,108.08)
Plant operations and maintenance	8,567,243.63	210,428.13		132,354.73		(8,645,317.03)	(8,645,317.03)
Pupil transportation	4,390,850.46	468,324.70		2,648,557.07		(2,210,618.09)	(2,210,618.09)
Unallocated benefits	46,744,734.54	(46,744,734.54)					
Special Schools	90,711.00	20,820.65		13,095.69		(98,435.96)	(98,435.96)
Transfer to Charter Schools	653,903.00					(653,903.00)	(653,903.00)
Interest on Long-Term Debt	1,567,514.07			23,772.60		(1,543,741.47)	(1,543,741.47)
Unallocated Compensated Absence	(333,447.89)	333,447.89					
Unallocated depreciation	103,718.00	(103,718.00)					
Total governmental activities	<u>134,738,152.59</u>		<u>128,567.80</u>	<u>46,878,425.19</u>		<u>(87,731,159.60)</u>	<u>(87,731,159.60)</u>
Business-type activities							
Food Service	1,683,225.07		23,811.08	1,358,213.68		(301,200.31)	(301,200.31)
Total business-type activities	<u>1,683,225.07</u>		<u>23,811.08</u>	<u>1,358,213.68</u>		<u>(301,200.31)</u>	<u>(301,200.31)</u>
Total primary government	\$ <u>136,421,377.66</u>	\$	\$ <u>152,378.88</u>	\$ <u>48,236,638.87</u>	\$	\$ <u>(87,731,159.60)</u>	\$ <u>(88,032,359.91)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net	\$ 64,418,966.00				\$	\$ 64,418,966.00	\$ 64,418,966.00
Taxes levied for debt service	3,538,127.00					3,538,127.00	3,538,127.00
Federal and state aid not restricted	27,167,947.49					27,167,947.49	27,167,947.49
Miscellaneous income	379,105.43				(9,766.00)	379,105.43	379,105.43
Canceled receivables					(300,000.00)		(9,766.00)
Transfers	300,000.00				(300,000.00)		
Total general revenues	<u>95,804,145.92</u>				<u>(309,766.00)</u>	<u>95,494,379.92</u>	<u>95,494,379.92</u>
Change in Net Position						(610,966.31)	7,462,020.01
Net Position - beginning (as restated)	22,768,001.20					885,262.91	23,653,264.11
Net Position ending	<u>30,840,987.52</u>					<u>274,296.60</u>	<u>31,115,284.12</u>

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

MAJOR FUND FINANCIAL STATEMENTS

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

SAYREVILLE BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>GENERAL</u> <u>FUND</u>	<u>SPECIAL</u> <u>REVENUE</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>FUND</u>	<u>DEBT</u> <u>SERVICE</u> <u>FUND</u>	<u>TOTAL</u> <u>GOVERNMENTAL</u> <u>FUNDS</u>
ASSETS:					
Cash and cash equivalents	\$ 15,192,108.80	\$ (476,802.57)	\$ 7,732,132.75	\$ 2.45	\$ 22,447,441.43
Accounts Receivable:					
Federal		1,468,810.41			1,468,810.41
State	1,291,590.37				1,291,590.37
Other	590,646.56	25,672.39			616,318.95
Due from other funds	<u>158,293.19</u>	<u>242,180.00</u>			<u>400,473.19</u>
 Total assets	 <u>\$ 17,232,638.92</u>	 <u>\$ 1,259,860.23</u>	 <u>\$ 7,732,132.75</u>	 <u>\$ 2.45</u>	 <u>\$ 26,224,634.35</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 3,702,109.86	\$ 1,177,835.38	\$ 875,591.83		\$ 5,755,537.07
Payroll deductions and withholdings payable	10,741.64				10,741.64
Unemployment compensation claims payable	96,269.16				96,269.16
Payable to state government		28,035.43			28,035.43
Unearned revenue	<u>2,119.17</u>	<u>313,494.64</u>			<u>315,613.81</u>
 Total liabilities	 <u>3,811,239.83</u>	 <u>1,519,365.45</u>	 <u>875,591.83</u>		 <u>6,206,197.11</u>
Fund balances:					
Restricted:					
Capital reserve	7,406,413.97				7,406,413.97
Maintenance reserve	1,536,690.72				1,536,690.72
Emergency reserve	300,000.00				300,000.00
Excess Surplus designated for subsequent years expenditures	1,561,190.00				1,561,190.00
Capital projects fund			1,910,152.06		1,910,152.06
Debt service fund				2.45	2.45
Unemployment compensation	198,014.18				198,014.18
Student Activities		333,262.75			333,262.75
Scholarships		54,266.88			54,266.88
Committed:					
Year-end encumbrances			4,946,388.86		4,946,388.86
Assigned:					
Encumbrances	1,186,116.21				1,186,116.21
Designated for subsequent years expenditures	108,195.00				108,195.00
FFCRA - SEMI	9,812.52				9,812.52
Unassigned:					
General fund	1,114,966.49				1,114,966.49
Special revenue fund (deficit)		<u>(647,034.85)</u>			<u>(647,034.85)</u>
 Total fund balances	 <u>13,421,399.09</u>	 <u>(259,505.22)</u>	 <u>6,856,540.92</u>	 <u>2.45</u>	 <u>20,018,437.24</u>
 Total liabilities and fund balances	 <u>\$ 17,232,638.92</u>	 <u>\$ 1,259,860.23</u>	 <u>\$ 7,732,132.75</u>	 <u>\$ 2.45</u>	 <u>\$ 26,224,634.35</u>

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

SAYREVILLE BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Total Fund Balances (Brought Forward) \$ 20,018,437.24

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	\$ 142,271,025.54	
Accumulated Depreciation	<u>(60,761,441.00)</u>	81,509,584.54

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

1,501,455.48

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

Net Pension Liability	(17,778,075.00)	
Compensated Absences	(3,536,418.13)	
Capital Leases Payable	(3,114,816.00)	
Serial Bonds Payable	(39,845,000.00)	
Premium on Refunding Debt, Net	<u>(453,402.40)</u>	
	<u>(40,298,402.40)</u>	(64,727,711.53)

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

Pensions:

Deferred Outflows		
Pension related		2,972,577.00

Deferred Inflows:

Pension related		(8,608,301.00)
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Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.

Accounts Payable - Pension Related	(1,286,803.00)	
Accrued Interest Payable	<u>(538,251.21)</u>	
		<u>(1,825,054.21)</u>

Net Position of Governmental Activities \$ 30,840,987.52

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

SAYREVILLE BOROUGH BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$ 64,418,966.00	\$	\$	\$ 3,538,127.00	\$ 67,957,093.00
Tuition from other LEAs within the State	76,807.55				76,807.55
Transportation fees from other LEAs	12,850.00				12,850.00
Rents and Royalties	13,692.44				13,692.44
Other restricted miscellaneous revenues	530.07				530.07
Miscellaneous	234,540.19	169,252.98			403,793.17
Total - local sources	64,757,386.25	169,252.98		3,538,127.00	68,464,766.23
State sources	48,549,114.54	6,285,010.94		79,242.00	54,913,367.48
Federal sources	214,219.45	4,526,718.75			4,740,938.20
Total revenues	113,520,720.24	10,980,982.67		3,617,369.00	128,119,071.91
EXPENDITURES:					
Current expense:					
Regular instruction	27,987,230.51				27,987,230.51
Special instruction	9,896,120.16	6,287,631.34			16,183,751.50
Other Instruction	3,661,254.16				3,661,254.16
Support services:					
Tuition	2,643,375.91				2,643,375.91
Student & instruction related services	9,348,572.92	5,364,016.15			14,712,589.07
General administrative services	1,886,757.41				1,886,757.41
School administrative services	3,136,826.45				3,136,826.45
Central service/Admin information technology	2,442,391.77				2,442,391.77
Plant operations and maintenance	6,654,983.10				6,654,983.10
Pupil transportation	4,370,657.06				4,370,657.06
Unallocated benefits	34,176,993.83				34,176,993.83
Transfer to Charter Schools	653,903.00				653,903.00
Special schools	90,711.00				90,711.00
Debt Service:					
Principal				2,535,000.00	2,535,000.00
Interest				1,082,368.78	1,082,368.78
Cost of issuance			32,945.37		32,945.37
Capital outlay	5,630,640.18	34,438.84	1,715,541.81		7,380,620.83
Total expenditures	112,580,417.46	11,686,086.33	1,748,487.18	3,617,368.78	129,632,359.75
Excess (deficiency) of revenues over (under) expenditures	940,302.78	(705,103.66)	(1,748,487.18)	0.22	(1,513,287.84)
Other financing sources (uses):					
Transfers In/out	(13,830.00)	313,830.00			300,000.00
Refunding bonds issued			8,140,000.00		8,140,000.00
Premium on refunding bonds, net			465,028.10		465,028.10
Capital leases (non-budgeted)	2,382,078.46				2,382,078.46
Total other financing sources	2,368,248.46	313,830.00	8,605,028.10		11,287,106.56
Net change in fund balances	3,308,551.24	(391,273.66)	6,856,540.92	0.22	9,773,818.72
Fund balances, July 1, 2020 (as restated)	10,112,847.85	131,768.44		2.23	10,244,618.52
Fund balances, June 30, 2021 (deficit)	\$ 13,421,399.09	\$ (259,505.22)	\$ 6,856,540.92	\$ 2.45	\$ 20,018,437.24

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

SAYREVILLE BOROUGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Total net change in fund balances - governmental funds (from B-2)		\$9,773,818.72
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation expense		(3,593,195.00)
Capital outlays	\$7,380,620.83	
Less: Capital Outlays not capitalized	<u>(400,930.67)</u>	6,979,690.16
<p>Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.</p>		
Capital lease proceeds - Current Year	(2,382,078.46)	
Issuance of refunding bonds	(8,140,000.00)	
Refunding bonds issuance premium	<u>(465,028.10)</u>	(10,987,106.56)
<p>The Internal Service Fund is used by management to charge the costs of providing dental and prescription insurance to district employees. This amount is the change in net position for the Internal Service Fund, exclusive of any gain/(loss) on disposal of Internal Service Fund capital assets.</p>		
		697,461.29
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
Payment of bond principal	2,535,000.00	
Payment of capital lease payable	1,258,274.07	
Amortization of premium on refunding bonds	<u>11,625.70</u>	3,804,899.77
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>		
		(62,894.95)
<p>District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>		
District pension contributions	\$1,192,608.00	
Less: Pension expense	<u>(65,743.00)</u>	1,126,865.00
<p>In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-). When the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		<u>333,447.89</u>
Change in net position of governmental activities (A-2)		<u><u>\$8,072,986.32</u></u>

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

OTHER FUNDS

SAYREVILLE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>			<u>GOVERNMENTAL</u>
	<u>FOOD</u> <u>SERVICE</u>	<u>COMMUNITY</u> <u>SCHOOL</u>	<u>TOTAL</u>	<u>ACTIVITIES -</u> <u>INTERNAL</u> <u>SERVICE FUND</u>
ASSETS:				
Current assets:				
Cash and cash equivalents	\$13,667.65	\$409,333.50	\$423,001.15	\$1,244,215.00
Accounts receivable:				
State	8,480.54		8,480.54	
Federal	342,039.76		342,039.76	
Other	18,046.89		18,046.89	535,241.71
Inventories	52,195.46		52,195.46	
Total current assets	<u>434,430.30</u>	<u>409,333.50</u>	<u>843,763.80</u>	<u>1,779,456.71</u>
Noncurrent assets:				
Furniture, machinery and equipment	530,328.00		530,328.00	
Less accumulated depreciation	<u>(520,279.00)</u>		<u>(520,279.00)</u>	
Total noncurrent assets	<u>10,049.00</u>		<u>10,049.00</u>	
Total assets	<u>444,479.30</u>	<u>409,333.50</u>	<u>853,812.80</u>	<u>1,779,456.71</u>
LIABILITIES:				
Current liabilities:				
Interfunds payable	100,473.19	300,000.00	400,473.19	
Unearned revenue	68,509.30	16,449.00	84,958.30	
Accounts payable	47,151.81		47,151.81	119,101.23
Accrued liabilities				158,900.00
Total current liabilities	<u>216,134.30</u>	<u>316,449.00</u>	<u>532,583.30</u>	<u>278,001.23</u>
Noncurrent liabilities:				
Compensated Absences	<u>46,932.90</u>		<u>46,932.90</u>	
Total noncurrent liabilities	<u>46,932.90</u>		<u>46,932.90</u>	
Total liabilities	<u>263,067.20</u>	<u>316,449.00</u>	<u>579,516.20</u>	<u>278,001.23</u>
NET POSITION:				
Net investment in capital assets	10,049.00		10,049.00	
Unrestricted	<u>171,363.10</u>	<u>92,884.50</u>	<u>264,247.60</u>	<u>1,501,455.48</u>
Total net position	<u>\$181,412.10</u>	<u>\$92,884.50</u>	<u>\$274,296.60</u>	<u>\$1,501,455.48</u>

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

SAYREVILLE BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>			<u>GOVERNMENTAL</u>
	<u>FOOD SERVICE</u> <u>SCHOOL NUTRITION</u>	<u>COMMUNITY</u> <u>SCHOOL</u>	<u>TOTAL</u>	<u>ACTIVITIES -</u> <u>INTERNAL</u> <u>SERVICE FUND</u>
OPERATING REVENUES:				
Charges for services:				
Daily sales - reimbursable programs	\$23,811.08		\$23,811.08	
Services provided to other funds				\$4,593,164.70
Total operating revenues	23,811.08		23,811.08	4,593,164.70
OPERATING EXPENSES:				
Cost of sales - reimbursable	589,252.43		589,252.43	
Cost of sales - non-reimbursable	6,189.06		6,189.06	
Salaries	845,880.21		845,880.21	
Employee benefits	180,592.45		180,592.45	3,895,703.41
Other purchase services	16,612.34		16,612.34	
Supplies and materials	34,864.16		34,864.16	
Depreciation	8,364.00		8,364.00	
Miscellaneous	1,470.42		1,470.42	
Total operating expenses	1,683,225.07		1,683,225.07	3,895,703.41
Operating income (loss)	(1,659,413.99)		(1,659,413.99)	697,461.29
NONOPERATING REVENUES (EXPENSES):				
State Sources				
State School Lunch Program	45,208.87		45,208.87	
Federal Sources:				
National School Lunch Program	676,960.12		676,960.12	
School Breakfast Program	352,731.02		352,731.02	
Emergency operational cost program - schools	173,876.16		173,876.16	
P-EBT administrative cost	3,063.00		3,063.00	
National food distribution commodities	106,374.51		106,374.51	
Total nonoperating revenues (expenses)	1,358,213.68		1,358,213.68	
Excess (deficiency) of revenues over (under) expenditures	(301,200.31)		(301,200.31)	697,461.29
Other financing sources/(uses):				
Cancelled accounts receivable		(9,766.00)	(9,766.00)	
Transfer of funds		(300,000.00)	(300,000.00)	
Total other financing (uses)		(309,766.00)	(309,766.00)	
Net change in fund balances	(301,200.31)	(309,766.00)	(610,966.31)	697,461.29
Total net position - beginning	482,612.41	402,650.50	885,262.91	803,994.19
Total net position - ending	\$181,412.10	\$92,884.50	\$274,296.60	\$1,501,455.48

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

SAYREVILLE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>			<u>GOVERNMENTAL</u>
	<u>FOOD</u> <u>SERVICE</u>	<u>COMMUNITY</u> <u>SCHOOL</u>	<u>TOTAL</u>	<u>ACTIVITIES -</u> <u>INTERNAL</u> <u>SERVICE FUND</u>
Cash flows from operating activities:				
Receipts from customers	\$21,157.84	\$16,449.00	\$37,606.84	\$4,528,577.53
Payments to employees	(845,392.19)		(845,392.19)	
Payments to employee benefits	(67,561.36)		(67,561.36)	(4,114,031.53)
Payments to suppliers	(467,241.62)		(467,241.62)	
Net cash provided by (used for) operating activities	<u>(1,359,037.33)</u>	<u>16,449.00</u>	<u>(1,342,588.33)</u>	<u>414,546.00</u>
Cash flows from noncapital financing activities:				
State sources	38,784.83		38,784.83	
Federal sources	1,001,189.22		1,001,189.22	
Operating subsidies and transfers to other funds	(116,446.13)		(116,446.13)	(3,668.89)
Net cash provided by noncapital financing activities	<u>923,527.92</u>		<u>923,527.92</u>	<u>(3,668.89)</u>
Cash flows from capital and related financing activities:				
Purchases of capital assets	(10,698.00)		(10,698.00)	
Net cash provided by (used for) capital and related financing activities	<u>(10,698.00)</u>		<u>(10,698.00)</u>	
Net increase (decrease) in cash and cash equivalents	(446,207.41)	16,449.00	(429,758.41)	410,877.11
Cash and cash equivalents, July 1, 2020	<u>459,875.06</u>	<u>392,884.50</u>	<u>852,759.56</u>	<u>833,337.89</u>
Cash and cash equivalents, June 30, 2021	<u>\$13,667.65</u>	<u>\$409,333.50</u>	<u>\$423,001.15</u>	<u>\$1,244,215.00</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	(\$1,659,413.99)		(\$1,659,413.99)	\$697,461.29
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	8,364.00		8,364.00	
Federal commodities	106,374.51		106,374.51	
Change in assets and liabilities:				
(Increase) decrease in other accounts receivable	9,968.69		9,968.69	(64,587.17)
Increase (decrease) in unearned revenue	(11,746.47)	16,449.00	4,702.53	
Increase (decrease) in accounts payable	158,088.45		158,088.45	(218,328.12)
(Increase) decrease in inventories	29,327.48		29,327.48	
	<u>300,376.66</u>	<u>16,449.00</u>	<u>316,825.66</u>	<u>(282,915.29)</u>
Net cash provided by (used for) operating activities	<u>(\$1,359,037.33)</u>	<u>\$16,449.00</u>	<u>(\$1,342,588.33)</u>	<u>\$414,546.00</u>

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

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

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

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

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

Basis of Presentation

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

District-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

Governmental Funds

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

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. U.S. Generally Accepted Accounting Principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to the current expense by Board resolution; in certain instances, approval by the County Superintendent of Schools may also be required.

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

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Proprietary Funds

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

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

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting-Measurement Focus

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

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

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

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the April school Board election to the date of the November general election thereby eliminating the vote on the annual base budget. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. Budget amendments totaling \$2,384,695.03 were approved by resolution during the year ended June 30, 2021.

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

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

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

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

Encumbrance Accounting

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

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

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

Interfunds

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

Inventories and Prepaid Expenses

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

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

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

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

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

Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. The District uses the "vesting method" for estimating its accrued sick and vacation leave liability. District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. The liability for vested compensated absences of the District is recorded in the government-wide financial statements and includes salary related payments.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

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

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

Fund Equity

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

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

Fund Balance Reserves

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

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

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

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

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

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Restrictions (Continued)

Unassigned - is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

Revenues Exchange and Non-exchange Transactions

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

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

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-exchange Transactions (Continued)

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

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.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the District, these revenues are sales in the Enterprise Funds. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses

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

Extraordinary and Special Items

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

Management Estimates

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

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting and Financial Reporting for Pensions

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts that are pension related.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts that are pension related.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncements

Beginning with the year ended June 30, 2021, the District has implemented GASB Statement 84, *Fiduciary Activities*. The objective of this new Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

As a result of the implementation of this Statement, the New Jersey Department of Education has made the following determinations as to the reporting of certain funds which, in prior years, have been reported as Fiduciary Activities:

<u>Activity</u>	Prior to implementation of <u>GASB 84</u>	After Implementation of <u>GASB 84</u>
Student Activity Funds	Fiduciary Fund	Special Revenue Fund
Scholarship Funds	Fiduciary Fund	Special Revenue Fund
Payroll Agency Funds	Fiduciary Fund	General Fund
State Unemployment Compensation Fund	Fiduciary Fund	General Fund

See Note 21 for information of the restatement of balance resulting in the implementation of this new standard.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Deposits

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

The Sayreville Borough School District had the following cash and cash equivalents at June 30, 2021:

<u>Fund Type</u>	<u>Amount</u>
Cash in Bank:	
Governmental Funds	\$ 23,324,094.57
Proprietary Funds	422,999.60
Internal Service Funds	<u>1,244,165.00</u>
Total Cash in Bank	\$ 24,991,259.17
Less: Reconciling Items	<u>(876,601.59)</u>
	<u>\$ 24,114,657.58</u>

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

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

Deposits

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, 2021, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$24,991,259.17, \$250,000.00 was covered by Federal Depository Insurance and \$24,741,259.17 was covered under the provisions of NJGUDPA.

Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a1 et seq., and operated in accordance with 17 C.F.R. § 270.2a7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

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

Investments (Continued)

4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 C. 17:1941); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2021, the District had no outstanding investments.

Based upon the limitation set forth by New Jersey Statutes 18A:20-37 and its existing investment practices, the District is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risks for its deposits and investments.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 3: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Beginning <u>Balance</u>	Additions	Deletions & <u>Transfers</u>	Ending <u>Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$6,767,549.00			\$6,767,549.00
Construction in Progress	22,755.38	\$3,793,354.16		3,816,109.54
Total Capital Assets not being depreciated	<u>6,790,304.38</u>	<u>3,793,354.16</u>	<u>0.00</u>	<u>10,583,658.54</u>
Leasehold improvements	521,800.00			521,800.00
Site improvements	3,799,998.00			3,799,998.00
Buildings & Building Improvements	112,494,706.00	\$1,038,737.00		113,533,443.00
Machinery & Equipment	11,960,346.00	2,147,599.00	(\$275,819.00)	13,832,126.00
Totals at historical cost	<u>128,776,850.00</u>	<u>3,186,336.00</u>	<u>(275,819.00)</u>	<u>131,687,367.00</u>
Gross Assets (Memo only)	<u>135,567,154.38</u>	<u>6,979,690.16</u>	<u>(275,819.00)</u>	<u>142,271,025.54</u>
Less: Accumulated Depreciation				
Leasehold improvements	(521,800.00)			(521,800.00)
Site improvements	(2,874,059.00)	(104,797.00)		(2,978,856.00)
Buildings & Building Improvements	(43,894,282.00)	(2,817,357.00)		(46,711,639.00)
Machinery & Equipment	(10,153,924.00)	(671,041.00)	(275,819.00)	(10,549,146.00)
Total Depreciation	<u>(57,444,065.00)</u>	<u>(3,593,195.00)</u>	<u>(275,819.00)</u>	<u>(60,761,441.00)</u>
Total capital assets being depreciated, net of depreciation	<u>71,332,785.00</u>	<u>(406,859.00)</u>	<u>0.00</u>	<u>70,925,926.00</u>
Total Governmental Activities, net	<u>\$78,123,089.38</u>	<u>\$3,386,495.16</u>	<u>\$0.00</u>	<u>\$81,509,584.54</u>

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 3: CAPITAL ASSETS (CONTINUED)

	Beginning <u>Balance</u>	<u>Additions</u>	Ending <u>Balance</u>
Proprietary Activities:			
Machinery & Equipment	<u>\$560,029.00</u>	<u>\$8,941.00</u>	<u>\$568,970.00</u>
Totals at historical cost	<u>560,029.00</u>	<u>8,941.00</u>	<u>568,970.00</u>
Less: Accumulated Depreciation			
Machinery & Equipment	<u>(553,960.00)</u>	<u>(7,295.00)</u>	<u>(561,255.00)</u>
Total Depreciation	<u>(553,960.00)</u>	<u>(7,295.00)</u>	<u>(561,255.00)</u>
Total Proprietary Fund Activities, net	<u><u>\$6,069.00</u></u>	<u><u>\$1,646.00</u></u>	<u><u>\$7,715.00</u></u>

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

Instruction	\$40,454.00
Support services:	
Student & Instruction Related Services	246,092.00
General Administration	522.00
School Administration	11,681.00
Plant Operations & Maintenance	2,871,793.00
Pupil Transportation	318,935.00
Direct Expense of Various Functions	<u>103,718.00</u>
	<u><u>\$3,593,195.00</u></u>

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 4: LONG-TERM LIABILITIES

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

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

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2021:

Governmental Activities:

	Balance June 30, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2021</u>	Amounts due Within <u>one year</u>
Bonds Payable	\$34,240,000.00	\$8,140,000.00	\$2,535,000.00	\$39,845,000.00	\$2,625,000.00
Unamortized Bond Premium		465,028.10	11,625.70	453,402.40	23,251.41
Compensated Absences	3,869,866.02		333,447.89	3,536,418.13	
Capital Leases Payable	1,991,011.61	2,382,078.46	1,258,274.07	3,114,816.00	1,172,764.77
Pension Liability	<u>19,538,784.00</u>		<u>1,760,709.00</u>	<u>17,778,075.00</u>	
Totals	<u>\$59,639,661.63</u>	<u>\$10,987,106.56</u>	<u>\$5,899,056.66</u>	<u>\$64,727,711.53</u>	<u>\$3,821,016.18</u>

Business-Type Activities:

	Balance June 30, <u>2020</u>	<u>Additions</u>	Balance June 30, <u>2021</u>	Amounts due Within <u>one year</u>
Compensated Absences	<u>\$34,375.00</u>	<u>\$12,557.90</u>	<u>\$46,932.90</u>	<u>-0-</u>
Totals	<u>\$34,375.00</u>	<u>\$12,557.90</u>	<u>\$46,932.90</u>	<u>-0-</u>

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Debt Service Requirements:

The annual requirements to amortize all debt outstanding as of June 30, 2021, including interest payments on issued debt, are as follows:

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30,</u> FY2022	\$2,625,000.00	\$1,212,666.89	\$3,837,666.89
FY2023	3,110,000.00	1,093,026.74	4,203,026.74
FY2024	3,235,000.00	981,712.20	4,216,712.20
FY2025	3,355,000.00	873,050.14	4,228,050.14
FY2026	3,455,000.00	780,751.82	4,235,751.82
FY2027	3,550,000.00	680,324.10	4,230,324.10
FY2028	3,870,000.00	533,042.00	4,403,042.00
FY2029	4,025,000.00	397,467.00	4,422,467.00
FY2030	4,170,000.00	274,542.00	4,444,542.00
FY2031	4,310,000.00	147,342.00	4,457,342.00
FY2032	530,000.00	76,730.00	606,730.00
FY2033	550,000.00	64,580.00	614,580.00
FY2034	575,000.00	53,505.00	628,505.00
FY2035	590,000.00	43,455.00	633,455.00
FY2036	610,000.00	32,802.00	642,802.00
FY2037	445,000.00	22,862.00	467,862.00
FY2038	195,000.00	16,462.00	211,462.00
FY2039	205,000.00	12,206.00	217,206.00
FY2040	215,000.00	7,481.00	222,481.00
FY2041	225,000.00	2,531.00	227,531.00
	<u>\$39,845,000.00</u>	<u>\$7,306,538.89</u>	<u>\$47,151,538.89</u>

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

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, 2021</u>
\$28,725,000.00 in Refunding School Bonds dated July 15, 2012, due in remaining annual installments ranging between \$1,145,000.00 and \$3,800,000.00 beginning July 15, 2020 and ending July 15, 2030 with interest from 3.00% to 5.00%	22,890,000.00
\$6,640,000.00 in Refunding School Bonds dated March 7, 2016, due in remaining annual installments ranging between \$540,000.00 and \$720,000.00 beginning March 1, 2021 and ending March 1, 2027 with interest from 2.00% to 5.00%	3,935,000.00
\$7,880,000.00 in Refunding School Bonds dated January 26, 2017, due in remaining annual installments ranging between \$745,000.00 and \$850,000.00 beginning March 1, 2021 and ending March 1, 2027 with interest at 1.863%	4,880,000.00
\$8,140,000.00 in ESIP Refunding School Bonds dated December 17, 2020, due in remaining annual installments ranging between \$195,000.00 and \$610,000.00 beginning August 1, 2022 and ending August 1, 2040 with interest from 1.700% to 3.000%	8,140,000.00
	<u>\$39,845,000.00</u>

Bonds Authorized But Not Issued

As of June 30, 2021, the District did not have any Bonds Authorized But Not Issued.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Capital Leases Payable

The District has entered into various capital leases for copier equipment, school buses, and technology upgrades. The following is a schedule of the future minimum lease payments under capital leases, and the present value of the net minimum lease payments at June 30, 2021:

Fiscal Year Ended	Governmental
<u>June 30,</u>	<u>Funds</u>
2022	\$1,205,724.33
2023	803,112.78
2024	445,421.38
2025-2026	<u>738,858.03</u>
Total Minimum Lease Payments	3,193,116.52
Less: Amount Representing Interest	<u>78,300.52</u>
 Present Value of Lease Payments	 <u><u>\$3,114,816.00</u></u>

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 5: PENSION PLANS

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

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

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

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

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 5: PENSION PLANS (CONTINUED)

Significant Legislation

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

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

Funding Changes

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

COLA Suspension

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

Vesting and Benefit Provisions

The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

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

Contribution Requirements

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

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements (Continued)

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (i.e., the State of New Jersey makes the employer contribution on behalf of public school districts).

Three Year Trend Information for PERS

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2021	\$1,192,608.00	100%	\$1,192,608.00
2020	1,054,783.00	100%	1,054,783.00
2019	1,125,661.00	100%	1,125,661.00

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

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2021	\$11,476,300.00	100%	-0-
2020	8,572,421.00	100%	-0-
2019	7,330,064.00	100%	-0-

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District for the years ended June 30, 2021, 2020 and 2019 \$3,377,788.10, \$3,208,008.99 and \$3,062,957.17, respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

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

Public Employees Retirement System (PERS)

At June 30, 2021, the District reported a liability of \$17,778,075.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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, 2020, the District's proportion was 0.1090185545 percent, which was an increase of 0.0005811015 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$65,744.00 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date.

At June 30, 2021, 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	\$323,710	\$62,871
Changes of assumptions	576,741	7,443,848
Net difference between projected and actual earnings on pension plan investments	607,669	
Changes in proportion and differences between District contributions and proportionate share of contributions	177,654	1,101,582
District contributions subsequent to the measurement date	<u>1,286,803</u>	
	<u>\$2,972,577</u>	<u>\$8,608,301</u>

The \$1,286,803.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e., for the school Year Ending June 30, 2021, the plan measurement date is June 30, 2020) will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

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

Public Employees Retirement System (PERS) (Continued)

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

Year Ended <u>June 30</u>	<u>Amount</u>
2021	(\$2,415,609)
2022	(2,218,619)
2023	(1,347,069)
2024	(654,794)
2025	<u>(286,436)</u>
	<u><u>(\$6,922,527)</u></u>

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. These actuarial valuations used the following assumptions:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Inflation rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2026	2.00%-6.00%	2.00%-6.00%
	Based on Years of Service	Based on Years of Service
Thereafter	3.00%-7.00%	3.00%-7.00%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the July 1, 2019 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 both June 30, 2020 and June 30, 2019) 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, 2020 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%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Estate Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.28% as of June 30, 2020 and June 30, 2019, respectively. 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 78% 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.

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, 2020, 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 net pension liability	\$22,555,611	\$17,778,075	\$13,982,623

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

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, 2021 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$252,825,906</u>
	<u><u>\$252,825,906</u></u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 which was rolled forward to June 30, 2020. 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, 2020, the proportion of the TPAF net pension liability associated with the District was .3839491667% which was an increase of .0188929522 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized on-behalf pension expense and revenue of \$15,721,791.00 in the government-wide financial statements for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2020 measurement date.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

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, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Inflation rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2026	1.55%-4.45%	1.55%-4.55%
	Based on Years of Service	Based on Years of Service
Thereafter	2.75%-5.65%	2.00%-5.65%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% and 7.00% at June 30, 2020 and June 30, 2019 respectively) 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, 2020 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%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Estate Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

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 5.40% and 5.60% as of June 30, 2020 and 2019, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30, 2020 and 2019, and a municipal bond rate of 2.21% and 3.50% as of June 30, 2020 and 2019, respectively, based on 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. 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 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date 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 <http://www.state.nj.us/treasury/pensions>.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

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

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

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	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members or Beneficiaries Not Yet Receiving Benefits	<u>- 0 -</u>
Total Plan Members	<u>366,108</u>

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

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>243,114,100</u>
	<u><u>\$243,114,100</u></u>

The total Non-Employer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

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

For the year ended June 30, 2021, the District recognized on-behalf post-employment expense and revenue of \$13,743,070.00 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2020 measurement date.

At June 30, 2020, the District's proportion was 0.3585226870 percent, which was an increase of .0049873843 from its proportion measured as of June 30, 2019.

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS, TPAF/ABP and PFRS participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Consequently, the District did not recognize any portion of the collective Non-Employer OPEB liability on the Statement of Net Position.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

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, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. 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>TPAF/ABP</u>	<u>June 30, 2020</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	1.55-4.45%*	3.00-7.00%*	Applied to All Future Years
	<u>TPAF/ABP</u>	<u>June 30, 2019</u> <u>PERS</u>	<u>PFRS</u>
CPI – 2.5%			
Salary Increases			
Through 2026	1.55-3.05%*	2.00-6.00%*	3.25-15.25%*
Thereafter	1.55-3.05%*	3.00-7.00%*	Applied to All Future Years

*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-2020. 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-2020. 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-2020.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

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

Actuarial Assumptions and Other Inputs (Continued)

The actuarial assumptions used in the June 30, 2019 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.

Health Care Trend Assumptions

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

Discount Rate

The discount rate for June 30, 2020 and June 30, 2019 was 2.21% and 3.50% 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.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

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, 2019 to June 30, 2020.

Balance at 6/30/19		\$147,527,033
Changes for the year:		
Service cost	\$7,030,002	
Interest	5,338,292	
Differences between expected and actual experience	42,914,313	
Changes in assumptions or other inputs	44,408,592	
Membership Contributions	128,284	
Benefit payments - Net	<u>(4,232,416)</u>	
Net changes		<u>95,587,067</u>
Balance at 6/30/20		<u>\$243,114,100</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, 2020, 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, 2020		
	<u>1.00%</u> <u>Decrease (1.21%)</u>	<u>At Discount</u> <u>Rate (2.21%)</u>	<u>1.00%</u> <u>Increase (3.21%)</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$293,086,596	\$243,114,100	\$204,040,421

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

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, 2020, calculated using the healthcare trend rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	1.00% <u>Decrease</u>	Healthcare Cost <u>Trend Rate</u>	1.00% <u>Increase</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$196,249,900	\$243,114,100	\$298,918,946

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

At June 30, 2020, 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:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 36,911,053	\$ 32,879,053
Changes of assumptions	41,352,908	27,740,696
Changes in proportion	8,527,876	
	\$ 86,791,837	\$ 60,619,749

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

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>Amount</u>
<u>June 30,</u>	
2021	\$1,861,319
2022	1,861,319
2023	1,861,319
2024	1,861,319
2025	1,861,319
Total Thereafter	<u>16,865,492</u>
	<u><u>\$26,172,088</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/gasb-notices-opeb.shtml>

NOTE 8: LITIGATION

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

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 9: RISK MANAGEMENT

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

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

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

<u>Year Ended June 30,</u>	<u>Employee Contributions</u>	<u>Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021	\$288,813.98	\$530.07	\$192,544.82	\$294,283.34
2020	199,190.38	532.62	128,215.77	197,484.11
2019	241,111.65	359.00	183,943.32	125,976.88

Self-Insurance The District is self-insured for prescription benefits and dental benefits, and has established an internal service fund to account for its self-insurance activities. The accrued liability for unpaid prescription and dental claims of \$146,200.00 and 12,700.00, respectively, has been recorded in the financial statements for Incurred But Not Reported Claims (IBNR) The IBNR liability for prescription benefits has been calculated by the District based on actual enrollment, the statute of limitations in reporting a claim, and actual claims reported. In addition, the District has unrestricted net position of \$1,172,007.75 and \$329,447.73, respectively, for future prescription and dental claims.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 10: CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2020-2021 fiscal year were subject to the Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$750,000.00 Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

NOTE 11: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net position. As of June 30, 2021, a liability existed for compensated absences for governmental fund-types and enterprise fund-types in the district- wide statement of net position of \$3,536,418.13 and \$46,932.90, respectively.

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

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 12: FUND BALANCE APPROPRIATED

General Fund The table below reflects the District's Fund Balance at June 30, 2021 on both a GAAP (Exhibit B-1) and Budgetary (Exhibit C-1) basis including the required adjustment related to the last state aid payment which under GAAP is not recognized:

	<u>Budgetary</u> <u>Basis</u>	<u>Adjustment</u>	<u>GAAP</u> <u>Basis</u>
Restricted:			
Excess Surplus:			
Designated for Subsequent			
Year's Expenditures	\$ 1,561,190.00	\$	\$ 1,561,190.00
Emergency Reserve	300,000.00		300,000.00
Maintenance Reserve	1,536,690.72		1,536,690.72
Capital Reserve	7,406,413.97		7,406,413.97
Unemployment Compensation	198,014.18		198,014.18
Assigned:			
Designated for Subsequent			
Year's Expenditures	108,195.00		108,195.00
FFCRA/SEMI - Designated for			
Subsequent Year's			
Expenditures	9,812.52		9,812.52
Encumbrances	1,186,116.21		1,186,116.21
Unassigned	<u>3,975,378.64</u>	<u>(2,860,412.15)</u>	<u>1,114,966.49</u>
	<u>\$ 16,281,811.24</u>	<u>\$ (2,860,412.15)</u>	<u>\$ 13,421,399.09</u>

NOTE 13: DEFICIT FUND BALANCES / NET POSITION

The District has a deficit fund balance of \$259,505.22 in the Special Revenue Fund as of June 30, 2021 as reported in the fund statements (modified accrual basis). N.J.S.A 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, in the current budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year.

For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditures, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 13: DEFICIT FUND BALANCES / NET POSITION (CONTINUED)

Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the fund balance deficits in the General and Special Revenue Funds do not alone indicate that the District is facing financial difficulties. Pursuant to P.L. 2003, c.97, any negative unreserved, undesignated general fund balance that is reported as a direct result from the delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action.

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2021:

<u>Fund</u>	<u>Interfund Balance</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$158,293.19	
Special Revenue Fund	242,180.00	
Enterprise Fund		\$400,473.19
	\$400,473.19	\$400,473.19

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

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 15: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

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

General Fund Expenditures:		
Fiscal Year Ended, June 30, 2021		\$112,580,417.46
Increased by:		
Transfer from General Fund to SRF for PreK		313,830.00
		\$112,894,247.46
Less:		
Reimb. TPAF Social Security Contributions	\$3,377,788.10	
Reimb. TPAF Pension Contributions	15,079,159.00	
Capital Leases	2,382,078.46	
		20,839,025.56
Adjusted General Fund Expenditures		\$92,055,221.90
Excess Surplus Percentage		4.00%
		\$3,682,208.88
Increased by:		
Extraordinary Aid (unbudgeted)	\$387,051.00	
Non-Public Transportation Aid (unbudgeted)	29,096.00	
		416,147.00
Maximum Unassigned General Fund Balance		\$4,098,355.88
Actual Unassigned General Fund Balance		3,975,378.64
Excess Surplus		-0-
Recapitulation of Excess Surplus, June 30, 2021:		
Restricted for Excess Surplus - Designated for Subsequent Year's Expenditure		\$1,561,190.00
Restricted for Excess Surplus		-0-
		\$1,561,190.00

Based on the preceding calculation, as of June 30, 2021, \$1,561,190.00 is reported as Restricted Fund Balance Excess Surplus Designated for Subsequent Year's Expenditure and is required to be appropriated for property tax relief in the 2021-22 budget.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 16: CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the June 30, 2021 fiscal year is as follows:

Balance, June 30, 2020 (Budgetary Basis)	\$	4,524,109.00
Interest Earnings		
Deposits:		
Board Resolution dated 06/15/21	\$	5,000,000.00
Unexpended Appropriations		53,450.00
		5,053,450.00
	\$	9,577,559.00
Withdrawals:		
Board Resolution dated 07/21/20		9,832.03
Board Resolution dated 08/25/20		10,230.00
Board Resolution dated 08/25/20		59,125.00
Board Resolution dated 10/13/20		1,163,000.00
Board Resolution dated 03/16/21		59,900.00
Board Resolution dated 03/16/21		122,500.00
Board Resolution dated 04/20/21		746,558.00
		2,171,145.03
Balance, June 30, 2021 (Budgetary Basis)	\$	7,406,413.97

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 17: MAINTENANCE RESERVE ACCOUNT

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

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

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

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

The activity of the maintenance reserve for the June 30, 2021 fiscal year is as follows:

Balance, June 30, 2020 (Budgetary Basis)	\$	980,690.72
Deposits:		
Board Resolution dated 06/15/21		1,000,000.00
	\$	<u>1,980,690.72</u>
Withdrawals:		
Budget	\$	177,000.00
Board Resolution dated 07/21/20		<u>267,000.00</u>
		<u>444,000.00</u>
Balance, June 30, 2021 (Budgetary Basis)	\$	<u><u>1,536,690.72</u></u>

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 18: EMERGENCY RESERVE ACCOUNT

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

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

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

The activity of the emergency reserve for the June 30, 2021 fiscal year is as follows:

Balance, June 30, 2020 (Budgetary Basis)	\$	259,443.00
Deposits:		
Board Resolution dated 06/15/21		250,000.00
	\$	<u>509,443.00</u>
Withdrawals:		
Budget		<u>209,443.00</u>
Balance, June 30, 2021 (Budgetary Basis)	\$	<u><u>300,000.00</u></u>

NOTE 19: INVENTORY

Inventory in the Food Service Fund at June 30, 2021 consisted of the following:

Food and Supplies	<u>\$52,195.46</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act Amendment of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 20: TAX ABATEMENTS

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

The District has identified several agreements that have been entered into by Sayreville Borough that require disclosure under this statement. The gross dollar amount, on an accrual basis, by which the District's property tax revenues were potentially reduced during the reporting period as a result of tax abatement agreements totaled \$3,260,964.72. It is important to note that the District Tax Levy is guaranteed to be paid in full by the municipalities and that the District collected its full tax levy for FY2021.

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

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 21: PRIOR PERIOD ADJUSTMENTS

As of July 1, 2020 the District implemented GASB Statement No. 84 Fiduciary Activities (GASB 84). Certain agency funds previously accounted for activities that are not considered fiduciary in nature and are now reported in the Governmental Funds. The District restated the net position and fund balance of the funds indicated below to appropriately reflect the June 30, 2020 balances as follows:

	<u>Governmental Activities</u>
Beginning Net Position 06/30/20	\$22,159,156.24
Adjustments:	
Unemployment Compensation	197,484.11
Student Activity Fund Balance	354,389.70
Scholarships Account	<u>56,971.15</u>
Beginning Net Position 06/30/20 (As restated)	<u><u>\$22,768,001.20</u></u>

	<u>Governmental Funds General Fund</u>	<u>Governmental Funds Special Revenue Fund</u>	<u>Fiduciary Fund</u>
Fund Balance 06/30/20	\$9,915,363.74	(\$279,592.41)	\$254,455.26
Adjustments:			
Unemployment Compensation Fund	197,484.11		(197,484.11)
Student Activity Fund Balance		354,389.70	
Scholarships Account		<u>56,971.15</u>	<u>(56,971.15)</u>
Fund Balance 06/30/20 (As restated)	<u><u>\$10,112,847.85</u></u>	<u><u>\$131,768.44</u></u>	<u><u>-0-</u></u>

	<u>Fiduciary Fund</u>
Liabilities Balance 06/30/20	\$360,932.07
Payroll deductions and withholdings	(6,542.37)
Due to student groups	<u>(354,389.70)</u>
Liabilities 06/30/20 (As restated)	<u><u>\$-0-</u></u>

Sayreville Borough School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2021

NOTE 22: SUBSEQUENT EVENTS

The Board of Education has evaluated subsequent events occurring after the financial statement date through January 29, 2022 which is the date the financial statements were available to be issued. Based upon this evaluation, the District has determined that no subsequent events needed to be disclosed.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES					
Local sources:					
Local tax levy	\$64,418,966.00		\$64,418,966.00	\$64,418,966.00	
Tuition from Individuals	50,000.00		50,000.00		(\$50,000.00)
Tuition from other LEAs within the State	150,000.00		150,000.00	76,807.55	(73,192.45)
Transportation fees from other LEAs	10,000.00		10,000.00	12,850.00	2,850.00
Rents and Royalties	75,000.00		75,000.00	13,692.44	(61,307.56)
Interest earned on Emergency Reserve	10.00		10.00		(10.00)
Interest earned on Maintenance Reserve	90.00		90.00		(90.00)
Interest earned on Capital Reserve	100.00		100.00		(100.00)
Other Restricted Miscellaneous Revenues				530.07	530.07
Unrestricted Miscellaneous Revenues	357,943.00		357,943.00	234,540.19	(123,402.81)
Total-local sources	65,062,109.00		65,062,109.00	64,757,386.25	(304,722.75)
State sources:					
Categorical Transpiration Aid	2,289,895.00		2,289,895.00	2,289,895.00	
Extraordinary Aid	650,000.00		650,000.00	1,037,051.00	387,051.00
Categorical Special Education Aid	5,243,822.00		5,243,822.00	5,243,822.00	
Equalization Aid	22,363,172.00	(\$2,321,048.00)	20,042,124.00	20,042,124.00	
Security Aid	1,481,817.00		1,481,817.00	1,481,817.00	
Other State Aid	35,000.00		35,000.00	64,096.00	29,096.00
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				214,275.00	214,275.00
On-behalf TPAF Pension (non-budgeted)				11,262,025.00	11,262,025.00
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				6,365.00	6,365.00
On-behalf TPAF Post Retirement Contributions (non-budgeted)				3,596,494.00	3,596,494.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,377,788.10	3,377,788.10
Total - state sources	32,063,706.00	(2,321,048.00)	29,742,658.00	48,615,752.10	18,873,094.10
Federal sources:					
Medicaid reimbursement	115,742.00		115,742.00	132,654.89	16,912.89
FFCRA/SEMI				9,812.52	9,812.52
JROTC program	115,742.00		115,742.00	71,752.04	(43,989.96)
				214,219.45	98,477.45
Total revenues	\$97,241,557.00	(\$2,321,048.00)	\$94,920,509.00	\$113,587,357.80	\$18,666,848.80

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
EXPENDITURES					
CURRENT EXPENSE:					
Regular programs - Instruction:					
Salaries of teachers:					
Kindergarten	\$1,562,738.00	(\$20,662.60)	\$1,542,075.40	\$1,479,499.10	\$62,576.30
Grades 1-5	9,825,623.00	(196,820.88)	9,628,802.12	9,365,945.79	262,856.33
Grades 6-8	6,433,998.00	(31,287.47)	6,402,710.53	6,276,710.30	126,000.23
Grades 9-12	8,564,169.00	(89,843.94)	8,474,325.06	8,302,066.16	172,258.90
Total Salaries of teachers:	26,386,528.00	(338,614.89)	26,047,913.11	25,424,221.35	623,691.76
Regular Programs - Home Instruction:					
Salaries of teachers	195,000.00		195,000.00	125,613.50	69,386.50
Purchased professional educational services	46,000.00	5,000.00	51,000.00	27,434.84	23,565.16
Total Regular Programs - Home Instruction:	241,000.00	5,000.00	246,000.00	153,048.34	92,951.66
Regular programs - undistributed instruction:					
Other Salaries for Instruction	17,790.00	(46.10)	17,743.90	13,622.08	4,121.82
Purchased Professional-Educational Services	652,600.00	37,953.01	690,553.01	633,648.08	56,904.93
Purchased Technical Services	33,475.00	(4,575.26)	28,899.74	24,230.78	4,668.96
Other Purchased Services(400-500 series)	710,337.00	(78,781.65)	631,555.35	631,555.35	
General supplies	1,402,060.57	(199,879.43)	1,202,181.14	936,267.18	265,913.96
Textbooks	228,800.00	(12,948.80)	215,851.20	170,239.35	45,611.85
Other Objects	900.00	1,073.00	1,973.00	398.00	1,575.00
Total Regular programs - undistributed instruction	3,045,962.57	(257,205.23)	2,788,757.34	2,409,960.82	378,796.52
Total Regular Programs - Instruction	\$29,673,490.57	(\$590,820.12)	\$29,082,670.45	\$27,987,230.51	\$1,095,439.94

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Special education:					
Behavioral Disabilities:					
Salaries of teachers	\$345,284.00	(\$51,792.56)	\$293,491.44	\$281,005.20	\$12,486.24
Other salaries for instruction	130,498.00	13,325.35	143,823.35	137,956.37	5,864.98
General Supplies	11,500.00	(1,100.00)	10,400.00	2,798.57	7,601.43
Total Behavioral Disabilities:	487,282.00	(39,567.21)	447,714.79	421,762.14	25,952.65
Multiple Disabilities:					
Salaries of teachers	961,827.00	15,414.08	977,241.08	939,225.10	38,015.98
Other salaries for instruction	278,114.00	(36,364.93)	241,749.07	166,461.70	75,287.37
Purchased professional educational services		4,125.00	4,125.00	4,125.00	
General supplies	24,000.00	(4,103.90)	19,896.10	11,532.58	8,363.52
Total Multiple Disabilities:	1,263,941.00	(20,929.75)	1,243,011.25	1,121,344.38	121,666.87
Resource room/resource center:					
Salaries of teachers	7,804,633.00	83,055.60	7,887,688.60	7,537,851.28	349,837.32
Other salaries for instruction	573,853.00	(55,824.39)	518,028.61	394,328.46	123,700.15
Purchased professional educational services		350.00	350.00	350.00	
General supplies	25,542.00	(350.00)	25,192.00	9,793.67	15,398.33
Total Resource room/resource center	8,404,028.00	27,231.21	8,431,259.21	7,942,323.41	488,935.80
Preschool disabilities-full -time:					
Salaries of teachers	299,769.00	33,317.77	333,086.77	238,355.53	94,731.24
Other salaries for instruction	294,379.00	4,154.40	298,533.40	166,217.66	132,315.74
General Supplies	15,000.00		15,000.00	6,117.04	8,882.96
Total Preschool disabilities-full -time	609,148.00	37,472.17	646,620.17	410,690.23	235,929.94
Total special education	\$10,764,399.00	\$4,206.42	\$10,768,605.42	\$9,896,120.16	\$872,485.26

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Basic skills/remedial:					
Salaries of teachers	\$2,027,763.00	\$89,127.53	\$2,116,890.53	\$2,021,288.03	\$95,602.50
Total basic skills/remedial	2,027,763.00	89,127.53	2,116,890.53	2,021,288.03	95,602.50
Bilingual education:					
Salaries of teachers	458,493.00	45,252.00	503,745.00	498,023.00	5,722.00
Total bilingual education	458,493.00	45,252.00	503,745.00	498,023.00	5,722.00
School sponsored cocurricular activities:					
Salaries	221,659.00		221,659.00	208,116.00	13,543.00
Purchased Services (300-500 Series)	2,000.00	5,700.00	7,700.00	5,700.00	2,000.00
Supplies And Materials	46,918.40	(25,443.70)	21,474.70	6,098.24	15,376.46
Other Objects	34,400.00	5,000.00	39,400.00	15,095.50	24,304.50
Total school sponsored cocurricular activities	304,977.40	(14,743.70)	290,233.70	235,009.74	55,223.96
School sponsored athletics:					
Salaries	759,798.00	(67,069.00)	692,729.00	659,162.00	33,567.00
Purchased Services (300-500 Series)	142,352.00	(5,672.00)	136,680.00	97,844.87	38,835.13
Supplies and Materials	131,600.00	(11,185.00)	120,415.00	118,802.89	1,612.11
Other Objects	15,420.00		15,420.00	8,916.13	6,503.87
Total school sponsored athletics	1,049,170.00	(83,926.00)	965,244.00	884,725.89	80,518.11
Purchased professional and technical services					
Total before/after school programs		22,207.50	22,207.50	22,207.50	
Total other instructional programs	1,354,147.40	(76,462.20)	1,277,685.20	1,141,943.13	135,742.07
Community Service Programs/Operations:					
Salaries	5,000.00		5,000.00		5,000.00
Total Community Service Programs/Operations	5,000.00		5,000.00		5,000.00
Total - instruction	44,283,292.97	(528,696.37)	43,754,596.60	41,544,604.83	2,209,991.77
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state-regular	182,070.00	(5,000.00)	177,070.00	156,798.77	20,271.23
Tuition to other LEA's within the state-special	286,991.00	(42,680.48)	244,310.52	114,404.24	129,906.28
Tuition to CSSD and regional day schools	817,906.00	(155,206.24)	662,699.76	309,755.89	352,943.87
Tuition to private schools for the handicapped with state	1,999,245.00	67,436.72	2,066,681.72	2,013,545.01	53,136.71
Tuition-State Facilities	48,872.00		48,872.00	48,872.00	
Total undistributed expenditures - instruction	\$3,335,084.00	(\$135,450.00)	\$3,199,634.00	\$2,643,375.91	\$556,258.09

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Health services:					
Salaries	729,532.00	(\$8,000.00)	721,532.00	677,207.58	44,324.42
Purchased professional and technical services	54,005.00	9,913.99	63,918.99	36,424.32	27,494.67
Supplies and materials	42,195.00	3,773.07	45,968.07	34,175.43	11,792.64
Total health services	825,732.00	5,687.06	831,419.06	747,807.33	83,611.73
Other support services - student related services:					
Salaries	1,727,032.00	34,482.59	1,761,514.59	1,714,419.84	47,094.75
Purchased Professional - Educational Services	857,765.00	(151,610.99)	706,154.01	610,771.18	95,382.83
Supplies and materials	8,000.00		8,000.00	7,193.85	806.15
Total other support services - students related services	2,592,797.00	(117,128.40)	2,475,668.60	2,332,384.87	143,283.73
Other support services- Students- Extra Services					
Salaries	939,152.00	(22,558.14)	916,593.86	887,865.42	28,728.44
Purchased Professional - Educational Services	555,000.00		555,000.00	165,519.84	389,480.16
Total other support services- Students- Extra Services	1,494,152.00	(22,558.14)	1,471,593.86	1,053,385.26	418,208.60
Other support services - students - regular:					
Salaries of other professional staff	1,367,926.00	14,394.40	1,382,320.40	1,309,281.28	73,039.12
Salaries of secretarial and clerical assistants	169,095.00	1,419.00	170,514.00	167,543.76	2,970.24
Other Salaries	74,100.00		74,100.00	73,800.00	300.00
Purchased Professional - Educational Services	45,000.00		45,000.00	38,102.00	6,898.00
Other Purchased Prof. and Tech. Services	106,500.00		106,500.00	94,013.48	12,486.52
Other Purchased Services (400-500 series)	2,496.00		2,496.00	2,496.00	
Supplies and Materials	14,900.00		14,900.00	5,575.62	9,324.38
Other objects	435.00		435.00	129.00	306.00
Total other support services - students - regular	\$1,780,452.00	\$15,813.40	\$1,796,265.40	\$1,690,941.14	\$105,324.26

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Other support services - students - child study teams:					
Salaries of other professional staff	\$1,423,551.00	\$35,912.65	\$1,459,463.65	\$1,396,769.39	\$62,694.26
Salaries of secretarial and clerical assistants	115,922.00	(1,132.00)	114,790.00	109,345.68	5,444.32
Other Purchased Prof. and Tech. Services	123,635.00	7,695.99	131,330.99	110,505.99	20,825.00
Other Purchased Services (400-500 Series)	49,900.00		49,900.00	40,013.30	9,886.70
Supplies and Materials	132,877.19	(98,076.72)	34,800.47	26,775.51	8,024.96
Other Objects	795.00	1,500.00	2,295.00	395.00	1,900.00
Total other support services - students - child study team	1,846,680.19	(54,100.08)	1,792,580.11	1,683,804.87	108,775.24
Improvement of instruction services:					
Salaries of Supervisors of Instruction	819,293.00	51,431.67	870,724.67	870,724.67	
Salaries of Other Professional Staff	42,500.00	(7,500.00)	35,000.00	25,285.00	9,715.00
Salaries of secretarial and clerical assistants	73,126.00	(1,135.00)	71,991.00	64,235.20	7,755.80
Purchased Prof- Educational Services	108,000.00		108,000.00	99,085.12	8,914.88
Total Improvement of instruction services:	1,042,919.00	42,796.67	1,085,715.67	1,059,329.99	26,385.68
Educational media services/school library:					
Salaries	613,517.00	1,433.00	614,950.00	583,679.00	31,271.00
Purchased Professional and Technical Services	31,949.00	10,407.86	42,356.86	39,241.77	3,115.09
Supplies and Materials	41,208.00	(8,154.17)	33,053.83	29,659.83	3,394.00
Other Objects	3,600.00	(2,253.69)	1,346.31		1,346.31
Total educational media services/school library	690,274.00	1,433.00	691,707.00	652,580.60	39,126.40
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	79,663.00	268.89	79,931.89	79,931.89	
Salaries of Other Professional Staff	50,999.00	(9,462.75)	41,536.25	41,297.06	239.19
Other Purchased Professional and Technical Services	6,000.00		6,000.00	2,253.40	3,746.60
Other Purchased Services (400-500)	50,000.00		50,000.00	894.59	49,105.41
Supplies and Materials	16,500.00		16,500.00	3,961.92	12,538.08
Total instructional staff training services:	\$203,162.00	(\$9,193.86)	\$193,968.14	\$128,338.86	\$65,629.28

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Support services general administration:					
Salaries	\$751,110.00	(\$3,647.47)	\$747,462.53	\$747,462.53	
Legal services	100,000.00	33,289.68	133,289.68	133,289.68	
Audit Fees	29,135.00	(35.00)	29,100.00	29,100.00	
Architectural/Engineering Services	48,351.68		48,351.68	39,011.45	9,340.23
Other purchased professional services	23,000.00	(1,163.58)	21,836.42	15,836.42	6,000.00
Purchased Technical Services	12,500.00	(746.95)	11,753.05	11,753.05	
Communications/telephone	363,100.00	(17,970.45)	345,129.55	345,129.55	
Other purchased services	441,424.00	84,617.86	526,041.86	526,041.86	
General supplies	2,000.00	312.67	2,312.67	2,312.67	
BOE in-house training/meeting supplies	3,500.00	(2,152.00)	1,348.00	1,348.00	
Miscellaneous expenditures	13,000.00	(5,772.00)	7,228.00	7,228.00	
BOE membership dues and fees	31,500.00	(573.31)	30,926.69	28,244.20	2,682.49
Total support services general administration	1,818,620.68	86,159.45	1,904,780.13	1,886,757.41	18,022.72
Support services school administration:					
Salaries of principals/asst. principals	2,180,946.00	726.83	2,181,672.83	2,168,570.00	13,102.83
Salaries of secretarial and clerical assistants	742,839.00	(2,023.00)	740,816.00	724,973.65	15,842.35
Purchased Professional and Technical Services	6,000.00	1,905.00	7,905.00	6,706.64	1,198.36
Other Purchased Services (400-500)	168,725.00	23,144.25	191,869.25	135,782.04	56,087.21
Supplies and Materials	76,331.32	(10,334.64)	65,996.68	54,325.76	11,670.92
Other objects	63,316.00	(5,997.41)	57,318.59	46,488.36	10,850.23
Total support services school administration	3,238,157.32	7,421.03	3,245,578.35	3,136,826.45	108,751.90
Central Services:					
Salaries	798,898.00	(28,442.97)	770,455.03	756,684.70	13,770.33
Unused Vacation Payment to Terminated/Retired Staff		5,710.83	5,710.83	5,710.83	
Purchased professional services	4,000.00	4,000.00	4,000.00	2,795.00	1,205.00
Purchased Technical Services	155,066.45	(31,723.40)	123,343.05	118,281.81	5,061.24
Misc. purchased services (400-500 series)	8,128.00	3,500.00	11,628.00	9,113.44	2,514.56
Supplies and materials	7,500.00		7,500.00	3,300.80	4,199.20
Interest on Lease Purchase Agreements	60,498.00	(8,976.18)	51,521.82	47,128.81	4,393.01
Miscellaneous expenditures	11,300.00	(750.00)	10,550.00	8,670.16	1,879.84
Total central services	\$1,045,390.45	(\$60,681.72)	\$984,708.73	\$951,685.55	\$33,023.18

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Administrative Information Technology:					
Salaries	\$597,970.00	\$12,051.03	\$610,021.03	\$610,016.13	\$4.90
Purchased professional services	288,693.91	(67,429.00)	221,264.91	110,351.79	110,913.12
Purchased Technical Services	856,933.75	(151,597.02)	705,336.73	555,374.68	149,962.05
Other Purchased Services (400- 500 series)	60,943.00	50.34	60,993.34	60,992.47	0.87
Supplies and Materials	144,804.69	20,107.06	164,911.75	153,971.15	10,940.60
Other Objects	2,475.00		2,475.00	2,475.00	-
Total Administrative Information Technology:	1,951,820.35	(186,817.59)	1,765,002.76	1,490,706.22	274,296.54
Required Maintenance for School Facilities:					
Salaries	710,762.00	(7,352.09)	703,409.91	615,389.47	88,020.44
Unused Vacation Payment to Terminated/Retired Staff		7,352.09	7,352.09	7,352.09	-
Cleaning, Repair and Maintenance Services	1,225,197.08	(263,920.00)	961,277.08	406,141.53	555,135.55
Lead Testing of Drinking Water	8,000.00	1,000.00	9,000.00	7,788.00	1,212.00
General supplies	165,775.02	60,443.86	226,218.88	191,676.03	34,542.85
Other objects	7,200.00	3,500.00	10,700.00	10,018.26	681.74
Total Required Maintenance for School Facilities	2,116,934.10	(198,976.14)	1,917,957.96	1,238,365.38	679,592.58
Other operation and maint. of plant :					
Salaries	2,416,559.00	(7,952.11)	2,408,606.89	2,289,958.69	118,648.20
Salaries of Non-Instructional Aides	282,872.00		282,872.00	77,915.08	204,956.92
Unused Vacation Payment to Terminated/Retired Staff		9,060.11	9,060.11	9,060.11	-
Purchased professional and technical services	31,600.00	13,000.00	44,600.00	41,060.27	3,539.73
Cleaning, repair and maint. services	5,000.00	6,000.00	11,000.00	1,000.00	10,000.00
Other purchased property services	37,446.00	17,700.00	55,146.00	48,401.36	6,744.64
Insurance	338,147.00	(244.00)	337,903.00	337,903.00	-
General supplies	147,365.40		147,365.40	146,092.14	1,273.26
Energy (Natural Gas)	290,335.00	53,836.60	344,171.60	311,008.95	33,162.65
Energy (Electricity)	625,107.00	36,804.38	661,911.38	554,786.65	107,124.73
Total other operation and maint. of plant	4,174,431.40	128,204.98	4,302,636.38	3,817,186.25	485,450.13
Care & Upkeep of Grounds					
Salaries	89,488.00		89,488.00	85,054.91	4,433.09
Cleaning, Repair and Maintenance Services	493,494.00	(22,000.00)	471,494.00	291,249.85	180,244.15
General supplies	25,000.00		25,000.00	22,415.38	2,584.62
Total Care and Upkeep of Grounds	\$607,982.00	(\$22,000.00)	\$585,982.00	\$398,714.44	\$187,267.56

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Security					
Salaries	\$938,522.00	(\$151,838.89)	\$786,683.11	\$653,894.04	\$132,789.07
Purchased Professional & Technical Services (300-500)	659,350.00	(100,150.00)	559,200.00	469,743.61	89,456.39
Cleaning, Repair and Maintenance Services	11,667.00	(11,667.00)			
General Supplies	216,882.75	(135,050.34)	81,832.41	49,991.72	31,840.69
Other Objects		150.00	150.00	150.00	
Total Security	1,826,421.75	(398,556.23)	1,427,865.52	1,173,779.37	254,086.15
Total operation and maintenance of plant services	8,725,769.25	(491,327.39)	8,234,441.86	6,628,045.44	1,606,396.42
Student transportation services:					
Salaries of Non-Instructional Aides	230,387.00	23,273.42	253,660.42	135,648.35	118,012.07
Salaries for pupil transportation (between home and school)-regular	923,862.00	373,355.56	1,297,217.56	1,015,161.62	282,055.94
Salaries for pupil transportation (between home and school)-Special Ed	605,036.00	(35,677.74)	569,358.26	437,211.96	132,146.30
Salaries for pupil transportation (other than between home & school)	115,000.00	(22,844.63)	92,155.37	39,446.75	52,708.62
Salaries for pupil transportation (between Management Fee- ESC & CTSA Transportation Program	55,000.00		55,000.00	29,224.38	25,775.62
Purchased professional and technical services	14,129.00	16,235.00	30,364.00	27,806.00	2,558.00
Cleaning, Repair and Maintenance Services	53,472.42		53,472.42	30,243.40	23,229.02
Rental Payments - School Buses	10,000.00		10,000.00		10,000.00
Lease Purchase Payments - School Buses	456,956.00	70,907.83	527,863.83	527,863.83	
Contract. Serv. - Aid in Lieu Pymts-NonPub Sch	200,000.00	(10,000.00)	190,000.00	74,903.59	115,096.41
Contract. Serv. - Aid in Lieu Pymts - Charter Sch	20,000.00	10,000.00	30,000.00	8,931.30	21,068.70
Contracted Services - between home and school vendor	1,784,826.00	(834,377.61)	950,448.39	941,611.84	8,836.55
Contracted services (other than btw home & school)-vendors	77,000.00	(22,570.00)	54,430.00	9,975.00	44,455.00
Contract. Serv. (Sp Ed Stds) - Vendors	662,068.00	(12,277.70)	649,790.30	431,077.36	218,712.94
Contract. Serv. (Spl. Ed. Students)- Joint Agreements		17,390.70	17,390.70	2,415.41	14,975.29
Contracted services (regular students) - ESCs & CTSA				48,780.00	2,371.00
Contract. Serv. (Spl. Ed. Students)- ESCs & CTSA	51,151.00		51,151.00	474,937.41	177,092.59
Miscellaneous purchased services - Transportation(580-590)	652,030.00	(2,261.00)	649,769.00	32,298.00	
General Supplies	1,700.00		1,700.00	1,349.34	350.66
Transportation Supplies	240,048.43	(17,092.64)	222,955.79	96,590.24	126,365.55
Other Objects	5,050.00		5,050.00	3,922.75	1,127.25
Total student transportation services	\$6,192,274.85	(445,938.81)	5,746,336.04	4,369,398.53	1,376,937.51
Allocated Benefits:					
Other employee benefits - Maint./Stockroom Uniforms	\$7,480.00		7,480.00	3,283.81	4,196.19
Other employee benefits - Custodial Uniforms	25,250.00		25,250.00	14,947.80	10,302.20
Other employee benefits - Grounds Uniforms	1,620.00		1,620.00	752.59	867.41
Other employee benefits - Security Uniforms	10,000.00		10,000.00	7,953.46	2,046.54
Other employee benefits - Transportation Uniforms	7,070.00		7,070.00	1,258.53	5,811.47
Total Allocated Benefits - Other Employee Benefits:	51,420.00		\$51,420.00	\$28,196.19	\$23,223.81

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	\$1,066,850.00	\$19,912.71	\$1,086,762.71	\$1,065,851.49	\$20,911.22
Other retirement contributions - regular	1,222,438.00	(29,827.00)	1,192,611.00	1,157,074.60	\$35,536.40
Other Reimbursement Contributions - Regular	126,888.00	(1,114.25)	125,773.75	85,705.27	40,068.48
Workers Compensation	626,814.00	(83,400.00)	543,414.00	543,414.00	
Health Benefits	13,587,846.00	(283,692.00)	13,304,154.00	12,348,536.67	955,617.33
Tuition Reimbursements	145,000.00		145,000.00	125,779.00	19,221.00
Other Employee Benefits	262,500.00	8,958.42	271,458.42	256,458.41	15,000.01
Unused Sick Payment to Terminated/Retired Staff	275,000.00	(27,756.88)	247,243.12	137,227.29	110,015.83
Total Unallocated Benefits - Employee Benefits:	17,313,336.00	(396,919.00)	16,916,417.00	15,720,046.73	1,196,370.27
Total personal services	17,313,336.00	(396,919.00)	16,916,417.00	15,720,046.73	1,196,370.27
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				214,275.00	(214,275.00)
On-behalf TPAF Pension (non-budgeted)				11,262,025.00	(11,262,025.00)
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				6,365.00	(6,365.00)
On-behalf TPAF Post Retirement Contributions (non-budgeted)				3,596,494.00	(3,596,494.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,377,788.10	(3,377,788.10)
Total Undistributed Expenditures	54,148,041.09	(1,760,804.38)	52,387,236.71	64,660,558.45	(12,273,321.74)
Interest Earned on Maintenance Reserve	90.00		90.00		90.00
Interest Earned on Current Expense Emergency Reserve	10.00		10.00		10.00
TOTAL EXPENDITURES - CURRENT EXPENSE FUND 11	98,431,434.06	(2,289,500.75)	96,141,933.31	106,205,163.28	(10,063,229.97)
CAPITAL OUTLAY:					
Equipment:					
Undistributed Expenditures - Administrative Info Tech.		33,120.96	33,120.96	23,264.58	9,856.38
Undist. Expend. - Required Maintenance for School Facilities	10,000.00	35,552.86	45,552.86	45,552.86	
Undist. Expend. - Custodial	7,500.00		7,500.00		7,500.00
Undist. Expend. - Grounds	8,500.00	(8,500.00)			
Undist. Expend. - Security		35,488.00	35,488.00	35,488.00	
Undist. Expend. - Student Transportation - Non Inst. Equipment		12,644.04	12,644.04	8,944.04	3,700.00
Reg Programs-Grades 1-5		19,986.60	19,986.60	19,986.60	
Reg Programs-Grades 6-8		9,993.30	9,993.30	9,993.30	
Reg Programs-Grades 9-12		22,137.64	22,137.64	22,137.64	
Resource Room / Resource Center		2,493.35	2,493.35	2,301.84	191.51
School-Sponsored and Other Instructional Programs	6,500.00	11,185.00	17,685.00	16,680.00	1,005.00
Total Equipment	\$32,500.00	\$174,101.75	\$206,601.75	\$184,348.86	\$22,252.89

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Facilities acquisition and construction services:					
Architectural/Engineering Services	\$51,085.22	\$292,280.00	\$343,365.22	\$212,034.64	\$131,330.58
Construction services	1,315,582.44	1,825,415.03	3,140,997.47	2,553,645.22	587,352.25
Assessment for Debt Service on SDA Funding	298,533.00		298,533.00	298,533.00	
Total facilities acquis. and const. services	1,665,200.66	2,117,695.03	3,782,895.69	3,064,212.86	718,682.83
Interest Deposit to Capital Reserve	100.00		100.00		100.00
Assets acquired under capital leases (non-budgeted)					
Undistributed expenditures:					
Administrative Info Technology				393,367.49	(393,367.49)
Transportation				1,988,710.97	(1,988,710.97)
Total assets acquired under capital leases (non-budgeted)				2,382,078.46	(2,382,078.46)
TOTAL CAPITAL OUTLAY	1,697,800.66	2,291,796.78	3,989,597.44	5,630,640.18	(1,641,042.74)
SPECIAL SCHOOLS					
Summer School - Instruction	30,000.00		30,000.00	24,388.00	5,612.00
Salaries of Teachers	30,000.00		30,000.00	24,388.00	5,612.00
Total summer school - instruction	30,000.00		30,000.00	24,388.00	5,612.00
TOTAL SUMMER SCHOOL					
Other Special Schools - Instruction					
Salaries of Teachers	120,000.00		120,000.00	66,323.00	53,677.00
Total Other Schools Instruction	120,000.00		120,000.00	66,323.00	53,677.00
TOTAL OTHER SPECIAL SCHOOLS	120,000.00		120,000.00	66,323.00	53,677.00
TOTAL SPECIAL SCHOOLS	150,000.00		150,000.00	90,711.00	59,289.00
Transfer of Funds to Charter Schools	61,351.00		680,970.00	653,903.00	27,067.00
TOTAL EXPENDITURES	100,898,853.72	63,647.03	100,962,500.75	112,580,417.46	(11,617,916.71)
Excess (deficiency) of revenues over (under) expenditures	(\$3,657,296.72)	(\$2,384,695.03)	(\$6,041,991.75)	\$1,006,940.34	\$7,048,932.09

SAYREVILLE BOROUGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE/ FAVORABLE/ (UNFAVORABLE)
Other financing sources (uses):					
Transfer from other funds	\$300,000.00		\$300,000.00	\$300,000.00	
Transfer to grants and entitlements- Local Contribution	(313,830.00)		(313,830.00)	(313,830.00)	
Capital leases (non-budgeted)				2,382,078.46	\$2,382,078.46
Total other financing sources (uses)	<u>(13,830.00)</u>		<u>(13,830.00)</u>	<u>2,368,248.46</u>	<u>2,382,078.46</u>
Excess (deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Sources (Uses)	<u>(3,671,126.72)</u>	<u>(\$2,384,695.03)</u>	<u>(6,055,821.75)</u>	<u>3,375,188.80</u>	<u>9,431,010.55</u>
Fund balances, July 1 (as restated)	<u>12,906,622.44</u>		<u>12,906,622.44</u>	<u>12,906,622.44</u>	
Fund balances, June 30	<u>\$9,235,495.72</u>	<u>(\$2,384,695.03)</u>	<u>\$6,850,800.69</u>	<u>\$16,281,811.24</u>	<u>\$9,431,010.55</u>
Recapitulation:					
Restricted:					
Excess Surplus -Designated for Subsequent Year's Expenditures				\$1,561,190.00	
Unemployment Compensation				198,014.18	
Maintenance Reserve				1,536,690.72	
Capital Reserve				7,406,413.97	
Emergency Reserve				300,000.00	
Assigned:					
Designated for Subsequent Year's Expenditures				108,195.00	
Encumbrances				1,186,116.21	
FFCRA/SEMI Designated for Subsequent Year's Expenditures				9,812.52	
Unassigned				3,975,378.64	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				<u>(2,860,412.15)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$13,421,399.09</u>	

SAYREVILLE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
State sources	\$ 6,724,215.00	\$ 247,830.34	\$ 6,972,045.34	\$ 6,652,453.38	\$ (319,591.96)
Federal sources	2,203,883.00	2,963,793.02	5,167,676.02	4,526,718.75	(640,957.27)
Other sources	<u> </u>	<u>612,395.03</u>	<u>612,395.03</u>	<u>169,252.98</u>	<u>(443,142.05)</u>
Total revenues	<u>8,928,098.00</u>	<u>3,824,018.39</u>	<u>12,752,116.39</u>	<u>11,348,425.11</u>	<u>(1,403,691.28)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	1,853,770.00	426,496.15	2,280,266.15	2,244,872.86	35,393.29
Other salaries	429,943.00	372,106.71	802,049.71	568,549.28	233,500.43
Purchased professional services	30,784.00	74,449.00	105,233.00	84,702.95	20,530.05
Other purchased services	77,083.00	39,645.00	116,728.00	92,165.15	24,562.85
Tuition	1,200,000.00	54,300.00	1,254,300.00	1,230,015.00	24,285.00
Supplies and materials	104,000.00	2,081,576.51	2,185,576.51	2,053,408.10	132,168.41
Textbooks	<u>11,648.00</u>	<u>2,830.00</u>	<u>14,478.00</u>	<u>13,918.00</u>	<u>560.00</u>
Total instruction	<u>3,707,228.00</u>	<u>3,051,403.37</u>	<u>6,758,631.37</u>	<u>6,287,631.34</u>	<u>471,000.03</u>
Support services:					
Salaries	105,699.00	(61,225.00)	44,474.00	43,681.36	792.64
Salaries of Program Directors	129,142.00	(416.00)	128,726.00	128,726.00	
Salaries of Other Professional Staff	168,433.00	189,271.02	357,704.02	192,063.07	165,640.95
Salaries of Secretarial and Clerical Assistants	133,852.00	(23,660.00)	110,192.00	94,529.29	15,662.71
Other Salaries	190,973.00	14,186.00	205,159.00	203,352.26	1,806.74
Salaries of Community Parent Inv. Specialists	5,000.00		5,000.00	5,000.00	
Salaries of Master Teachers	189,991.00	(3,725.00)	186,266.00	186,266.00	
Personal services - employee benefits	834,149.00	69,352.14	903,501.14	893,698.77	9,802.37
Purchased professional - technical services	227,702.00	210,465.59	438,167.59	294,162.00	144,005.59
Purchased educational services - Pre-K	1,980,000.00	(606,513.00)	1,373,487.00	1,323,296.64	50,190.36
Purchased educational services - Head Start	525,000.00		525,000.00	525,000.00	
Contracted services - Transp. (Bet. Home & School)	360,000.00	123,831.00	483,831.00	434,149.54	49,681.46
Other purchased services	304,568.00	235,265.61	539,833.61	520,532.61	19,301.00
Supplies and materials	380,191.00	50,191.30	430,382.30	360,482.52	69,899.78
Scholarships awarded		58,195.02	58,195.02	3,928.14	54,266.88
Student activities	<u> </u>	<u>482,957.50</u>	<u>482,957.50</u>	<u>149,694.75</u>	<u>333,262.75</u>
Total support services	<u>5,534,700.00</u>	<u>738,176.18</u>	<u>6,272,876.18</u>	<u>5,364,016.15</u>	<u>908,860.03</u>
Facilities acquisition and construction services:					
Non-Instructional equipment	<u> </u>	<u>34,438.84</u>	<u>34,438.84</u>	<u>34,438.84</u>	<u> </u>
Total facilities acquisition and construction serv.	<u> </u>	<u>34,438.84</u>	<u>34,438.84</u>	<u>34,438.84</u>	<u> </u>
Total expenditures	<u>9,241,928.00</u>	<u>3,824,018.39</u>	<u>13,065,946.39</u>	<u>11,686,086.33</u>	<u>1,379,860.06</u>
Other financing sources (uses):					
Transfer from general fund	<u>313,830.00</u>	<u> </u>	<u>313,830.00</u>	<u>313,830.00</u>	<u> </u>
Total expenditures and other financing sources (uses)	<u>8,928,098.00</u>	<u>3,824,018.39</u>	<u>12,752,116.39</u>	<u>11,372,256.33</u>	<u>1,379,860.06</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ (23,831.22)	\$ <u>(23,831.22)</u>
Fund Balance, July 1 (as restated)	<u> </u>	<u> </u>	<u> </u>	<u>411,360.85</u>	<u> </u>
Fund Balance, June 30	<u> </u>	<u> </u>	<u> </u>	\$ <u>387,529.63</u>	<u> </u>
Recapitulation of Balance:					
Restricted:					
Scholarships	<u> </u>	<u> </u>	<u> </u>	\$ 54,266.88	<u> </u>
Student Activities	<u> </u>	<u> </u>	<u> </u>	<u>333,262.75</u>	<u> </u>
Total Fund Balance	<u> </u>	<u> </u>	<u> </u>	\$ <u>387,529.63</u>	<u> </u>

SAYREVILLE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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	\$113,587,357.80	\$11,348,425.11
Difference - budget to GAAP:		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(2,860,412.15)	(647,034.85)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	2,793,774.59	279,592.41
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$113,520,720.24</u>	<u>\$10,980,982.67</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$112,580,417.46	\$11,686,086.33
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$112,580,417.46</u>	<u>\$11,686,086.33</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

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

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

* Data was not provided by School District.

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

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

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

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

Measurement Date Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability associated with the District	District's Covered-Employee Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll	State's Proportionate Share of the Total Net Pension Liability associated with the District as a percentage of the District's Covered-Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2020	0.3839491667%	\$ -0-	\$ 252,825,906	\$ 43,461,219	-0-	581.73%	24.60%
2019	0.3650562145%	-0-	224,038,444	42,637,977	-0-	525.44%	26.95%
2018	0.3684645779%	-0-	234,409,250	40,060,558	-0-	585.14%	26.49%
2017	0.3622764728%	-0-	244,259,861	38,455,992	-0-	635.17%	25.41%
2016	0.3387972733%	-0-	266,519,507	37,395,419	-0-	712.71%	22.33%
2015	0.3445131159%	-0-	217,747,001	36,572,793	-0-	595.38%	28.71%
2014	0.3626118465%	-0-	193,804,230	33,967,435	-0-	570.56%	33.64%
2013	0.3472433264%	-0-	175,494,046	*	-0-	-0-	33.76%

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

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

* Data was not provided by School District.

SAYREVILLE BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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>
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>
2020	5.40%	7.00%	07/01/15-06/30/18
2019	5.60%	7.00%	07/01/15-06/30/18
2018	4.86%	7.00%	07/01/12-06/30/15
2017	4.25%	7.00%	07/01/12-06/30/15
2016	3.22%	7.65%	07/01/12-06/30/15
2015	4.13%	7.90%	07/01/09-06/30/12
2014	4.68%	7.90%	07/01/09-06/30/12
2013	4.95%	7.90%	07/01/09-06/30/12

REQUIRED SUPPLEMENTARY INFORMATION - PART IV

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

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

	Measurement Date Ended June 30,			
	<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	\$147,527,033	\$159,743,603	\$182,768,181	\$196,875,089
Changes for the year:				
Service cost	7,030,002	6,647,913	7,482,195	9,046,240
Interest	5,338,292	6,355,127	6,737,795	5,811,063
Changes of benefit terms				
Differences between expected and actual experience	42,914,313	(23,024,851)	(14,789,332)	
Changes in assumptions or other inputs	44,408,592	2,199,640	(18,331,378)	(24,886,793)
Membership Contributions	128,284	134,241	147,629	155,881
Benefit payments - Net	(4,232,416)	(4,528,640)	(4,271,487)	(4,233,299)
Net changes	<u>95,587,067</u>	<u>(12,216,570)</u>	<u>(23,024,578)</u>	<u>(14,106,908)</u>
Balance at 6/30	<u>\$243,114,100</u>	<u>\$147,527,033</u>	<u>\$159,743,603</u>	<u>\$182,768,181</u>
Covered Employee Payroll	51,370,473	50,259,578	47,821,112	46,346,926
District's Proportionate Share of the Total Non-Employer OPEB Liability as a percentage of the District's Covered Employee Payroll	-0-	-0-	-0-	-0-
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	473.26%	293.53%	334.04%	394.35%

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

SAYREVILLE BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART IV
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Change in benefit terms: None

Change in assumptions:

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

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

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

SAYREVILLE BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	TITLE I	TITLE IIA	TITLE III	TITLE IV	IDEA PART B BASIC	IDEA PRESCHOOL
REVENUES:						
State sources	\$ 770,929.30	\$ 115,149.93	\$ 32,606.45	\$ 30,034.00	\$ 1,519,504.83	\$ 62,017.00
Federal sources						
Other sources						
Total revenues	\$ 770,929.30	\$ 115,149.93	\$ 32,606.45	\$ 30,034.00	\$ 1,519,504.83	\$ 62,017.00
EXPENDITURES:						
Instruction:						
Salaries of teachers	\$ 389,512.80	\$	\$	\$	\$	\$ 46,583.00
Other salaries	39,565.00		4,872.00		66,502.00	
Purchased services - instruction			13,659.45		15,385.10	
Other purchased services					1,230,015.00	
Tuition	40,794.36				13,202.73	
Supplies and materials						
Textbooks						
Total instruction	469,872.16		18,431.45		1,325,104.83	46,583.00
Support services:						
Salaries						
Salaries of Program Directors						
Salaries of Other Professional Staff	93,775.00	39,618.02	14,175.00	825.00		
Salaries of Secretarial and Clerical Assistants						
Other Salaries						
Salaries of Community Parent Inv. Specialists						
Salaries of Master Teachers						
Personal services - employee benefits	207,282.14	38,530.00		28,380.00	194,400.00	15,434.00
Purchased professional - technical services						
Purchased professional - educational services						
Purchased educational services - Pre-K						
Purchased educational services - Head Start						
Contracted services - Transp. (Bet. Home & School)				829.00		
Other purchased services		16,536.93				
Supplies and materials		20,464.98				
Scholarships awarded						
Student activities						
Total support services	301,057.14	115,149.93	14,175.00	30,034.00	194,400.00	15,434.00
Facilities acquisition and construction serv.						
Non - instructional equipment						
Total facilities acquisition and construction serv.						
Total expenditures	\$ 770,929.30	\$ 115,149.93	\$ 32,606.45	\$ 30,034.00	\$ 1,519,504.83	\$ 62,017.00
Other financing sources (uses):						
Transfer from general fund						
Total other financing sources (uses)						
Excess (deficiency) of revenues						
Over (under) expenditures						
Fund Balance, July 1 (as restated)	\$	\$	\$	\$	\$	\$
Fund Balance, June 30	\$	\$	\$	\$	\$	\$

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SAYREVILLE BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	CRF - LEA REOPEN	CRF - DIGITAL DIVIDE	CARES- ESSERE	NON-PUBLIC TECHNOLOGY	CARL PERKINS SECONDARY	PRESCHOOL EDUCATION AID
REVENUES:						
State sources	\$ 435,312.00	\$ 912,476.00	\$ 634,354.92	\$ 10,025.32	\$ 4,309.00	\$ 6,483,633.81
Federal sources						
Other sources						
Total revenues	\$ 435,312.00	\$ 912,476.00	\$ 634,354.92	\$ 10,025.32	\$ 4,309.00	\$ 6,483,633.81
EXPENDITURES:						
Instruction:						
Salaries of teachers	\$	\$	\$	\$	\$	\$ 1,784,777.06
Other salaries						457,610.28
Purchased services - instruction			54,458.40		1,300.00	
Other purchased services						
Tuition	425,562.00	912,476.00	454,707.82	10,025.32	1,894.00	187,056.71
Supplies and materials						
Textbooks						
Total instruction	425,562.00	912,476.00	509,166.22	10,025.32	3,194.00	2,429,444.05
Support services:						
Salaries						36,981.36
Salaries of Program Directors						128,726.00
Salaries of Other Professional Staff					1,115.00	42,555.05
Salaries of Secretarial and Clerical Assistants						94,529.29
Other Salaries						203,352.26
Salaries of Community Parent Inv. Specialists						5,000.00
Salaries of Master Teachers						186,266.00
Personal services - employee benefits						670,982.63
Purchased professional - technical services	9,750.00					5,453.20
Purchased educational services - Pre-K						1,323,286.64
Purchased educational services - Head Start						525,000.00
Contracted services - Transp. (Bet. Home & School)						434,149.54
Other purchased services			125,188.70			503,166.68
Supplies and materials						174,122.27
Scholarships awarded						
Student activities						
Total support services	9,750.00		125,188.70		1,115.00	4,333,580.92
Facilities acquisition and construction serv.						
Non - instructional equipment						34,438.84
Total facilities acquisition and construction serv.						34,438.84
Total expenditures	\$ 435,312.00	\$ 912,476.00	\$ 634,354.92	\$ 10,025.32	\$ 4,309.00	\$ 6,797,463.81
Other financing sources (uses):						
Transfer from general fund	\$	\$	\$	\$	\$	\$ 313,830.00
Total other financing sources (uses)						313,830.00
Excess (deficiency) of revenues Over (under) expenditures	\$	\$	\$	\$	\$	\$
Fund Balance, July 1 (as restated)	\$	\$	\$	\$	\$	\$
Fund Balance, June 30	\$	\$	\$	\$	\$	\$

(Continued on next page)

SAYREVILLE BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	NON-PUBLIC TEXTBOOKS	NON-PUBLIC COMP. EDUCATION	NON - PUBLIC TRANSPORTATION	EXAMINATION & CLASSIFICATION	NON-PUBLIC SPEECH	NON-PUBLIC HOME SUPPLEMENTAL
REVENUES:						
State sources	\$ 13,918.00	\$ 34,836.00	\$ 5,432.00	\$ 27,118.00	\$ 10,755.00	\$ 12,952.00
Federal sources						
Other sources						
Total revenues	\$ 13,918.00	\$ 34,836.00	\$ 5,432.00	\$ 27,118.00	\$ 10,755.00	\$ 12,952.00
EXPENDITURES:						
Instruction:						
Salaries of teachers	\$	\$	\$	\$	\$	\$
Other salaries						
Purchased services - Instruction						
Other purchased services		34,836.00	5,432.00	27,118.00	10,755.00	12,952.00
Tuition						
Supplies and materials						
Textbooks	13,918.00					
Total instruction	13,918.00	34,836.00	5,432.00	27,118.00	10,755.00	12,952.00
Support services:						
Salaries						
Salaries of Program Directors						
Salaries of Other Professional Staff						
Salaries of Secretarial and Clerical Assistants						
Other Salaries						
Salaries of Community Parent Inv. Specialists						
Salaries of Master Teachers						
Personal services - employee benefits						
Purchased professional - technical services						
Purchased professional - educational services						
Purchased educational services - Pre-K						
Purchased educational services - Head Start						
Contracted services - Transp. (Bet. Home & School)						
Other purchased services						
Supplies and materials						
Scholarships awarded						
Student activities						
Total support services						
Facilities acquisition and construction serv.						
Non - instructional equipment						
Total facilities acquisition and construction serv.						
Total expenditures	\$ 13,918.00	\$ 34,836.00	\$ 5,432.00	\$ 27,118.00	\$ 10,755.00	\$ 12,952.00
Other financing sources (uses):						
Transfer from general fund	\$	\$	\$	\$	\$	\$
Total other financing sources (uses)						
Excess (deficiency) of revenues Over (under) expenditures	\$	\$	\$	\$	\$	\$
Fund Balance, July 1 (as restated)	\$	\$	\$	\$	\$	\$
Fund Balance, June 30	\$	\$	\$	\$	\$	\$

(Continued on next page)

SAYREVILLE BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	NON-PUBLIC NURSING	NON-PUBLIC SECURITY	STUDENT ACTIVITY FUNDS	SCHOLARSHIP FUNDS	LOCAL GRANTS	TOTAL
REVENUES:						
State sources	\$ 23,102.00	\$ 40,706.57	\$	\$	\$	\$ 6,652,453.38
Federal sources			128,567.80	1,223.87	39,461.31	4,526,718.75
Other sources						169,252.98
Total revenues	\$ 23,102.00	\$ 40,706.57	\$ 128,567.80	\$ 1,223.87	\$ 39,461.31	\$ 11,348,425.11
EXPENDITURES:						
Instruction:						
Salaries of teachers						2,244,872.86
Other salaries					24,000.00	568,549.28
Purchased services - instruction						84,702.95
Other purchased services					1,072.15	92,165.15
Tuition						1,230,015.00
Supplies and materials					7,689.16	2,053,408.10
Textbooks						13,918.00
Total instruction					32,761.31	6,287,631.34
Support services:						
Salaries						43,681.36
Salaries of Program Directors					6,700.00	128,726.00
Salaries of Other Professional Staff						192,063.07
Salaries of Secretarial and Clerical Assistants						94,529.29
Other Salaries						203,352.26
Salaries of Community Parent Inv. Specialists						5,000.00
Salaries of Master Teachers						186,266.00
Personal services - employee benefits						893,698.77
Purchased professional - technical services						294,162.00
Purchased educational services - Pre-K	23,102.00					5,453.20
Purchased educational services - Head Start						1,323,296.64
Contracted services - Transp. (Bet. Home & School)						525,000.00
Other purchased services						434,149.54
Supplies and materials		40,706.57				520,532.61
Scholarships awarded				3,928.14		360,482.52
Student activities						3,928.14
Total support services	23,102.00	40,706.57	149,694.75	3,928.14	6,700.00	149,694.75
Facilities acquisition and construction serv.						
Non - instructional equipment						34,436.84
Total facilities acquisition and construction serv.						34,436.84
Total expenditures	\$ 23,102.00	\$ 40,706.57	\$ 149,694.75	\$ 3,928.14	\$ 39,461.31	\$ 11,686,086.33
Other financing sources (uses):						
Transfer from general fund						\$ 313,830.00
Total other financing sources (uses)						313,830.00
Excess (deficiency) of revenues Over (under) expenditures			(21,126.95)	(2,704.27)		(23,831.22)
Fund Balance, July 1 (as restated)			\$ 354,389.70	\$ 56,971.15		\$ 411,360.85
Fund Balance, June 30			\$ 333,262.75	\$ 54,266.88		\$ 387,529.63

SAYREVILLE BOROUGH SCHOOL DISTRICT
STUDENT ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>BALANCE</u> <u>JUNE 30, 2020</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE</u> <u>JUNE 30, 2021</u>
Elementary Schools				
Dwight D. Eisenhower	\$ 2,954.20	\$	\$	\$ 2,954.20
Harry S. Truman	6,432.86		3,594.00	2,838.86
Samsel Upper	8,455.88	1,340.00	2,628.40	7,167.48
Woodrow Wilson	845.20		20.00	825.20
	<u>18,688.14</u>	<u>1,340.00</u>	<u>6,242.40</u>	<u>13,785.74</u>
Middle Schools				
Sayreville Middle School	27,244.05	6,183.60	5,406.94	28,020.71
	<u>27,244.05</u>	<u>6,183.60</u>	<u>5,406.94</u>	<u>28,020.71</u>
High Schools:				
Sayreville High School	288,637.99	80,752.20	100,472.41	268,917.78
Athletic Fund	19,819.52	40,292.00	37,573.00	22,538.52
	<u>308,457.51</u>	<u>121,044.20</u>	<u>138,045.41</u>	<u>291,456.30</u>
Grand Total	<u>\$ 354,389.70</u>	<u>\$ 128,567.80</u>	<u>\$ 149,694.75</u>	<u>\$ 333,262.75</u>

SAYREVILLE BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$1,813,101.00	\$1,784,777.06	\$28,323.94
Other Salaries for Instruction	493,874.00	457,610.28	36,263.72
General supplies	190,000.00	187,056.71	2,943.29
Total instruction	2,496,975.00	2,429,444.05	67,530.95
Support Services:			
Salaries of Supervisors of Instruction	37,774.00	36,981.36	792.64
Salaries of Program Directors	128,726.00	128,726.00	
Salaries of Other Professional Staff	50,361.00	42,555.05	7,805.95
Salaries of Secretarial and Clerical Assistants	110,192.00	94,529.29	15,662.71
Other Salaries	205,159.00	203,352.26	1,806.74
Salaries of Community Parent Involvement Specialists	5,000.00	5,000.00	
Salaries of Master Teachers	186,266.00	186,266.00	
Personal Services - Employee Benefits	680,700.00	670,982.63	9,717.37
Purchased Educational Services - Contracted Pre-K	1,373,487.00	1,323,296.64	50,190.36
Purchased Educational Services - Head Start	525,000.00	525,000.00	
Other Purchased Professional Services	35,386.52	5,453.20	29,933.32
Cleaning, Repair & Maintenance Services	4,568.00		4,568.00
Rentals	503,166.68	503,166.68	
Contr Services - Transportation (Bet. Home & School)	483,831.00	434,149.54	49,681.46
Supplies and Materials	217,775.30	174,122.27	43,653.03
Total support services	4,547,392.50	4,333,580.92	213,811.58
Facilities acquisition and const. serv.:			
Noninstructional Equipment	34,438.84	34,438.84	
Total facilities acquisition and const. serv.	34,438.84	34,438.84	
Total expenditures	\$7,078,806.34	\$6,797,463.81	\$281,342.53

CALCULATION OF BUDGET AND CARRYOVER

Total 2020-21 Preschool Education Aid Allocation	\$6,572,940.00
Add: Actual PreK Carryover (June 30, 2020)	192,036.34
Add: Budgeted Transfer From General Fund	313,830.00
Total Preschool Education Funds Available for 2020-21 Budget	7,078,806.34
Less: 2020-21 Budgeted Prek (Including prior year budgeted carryover)	7,078,806.34
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2021	
Add: June 30, 2021 Unexpended Preschool Education Aid	281,342.53
	\$281,342.53
2020-21 Preschool Education Aid Carryover Budgeted for Preschool Programs 2021-22	-0-

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

SAYREVILLE BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ENERGY SAVINGS IMPROVEMENT PROGRAM
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant		\$8,572,082.73	8,572,082.73	8,572,082.73
Bond proceeds and transfers				
Total revenues		8,572,082.73	8,572,082.73	8,572,082.73
Expenditures and Other Financing Uses:				
Architectural Services		1,093,545.00	1,093,545.00	1,105,107.27
Legal		30,633.10	30,633.10	32,633.10
Construction services		5,537,752.57	5,537,752.57	7,434,342.36
Total expenditures		6,661,930.67	6,661,930.67	8,572,082.73
Excess (deficiency) of revenues over (under) expenditures		\$1,910,152.06	\$1,910,152.06	

Additional project information:

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

Percentage Increase over Original Authorized Cost	
Percentage completion	100.00%
Original target completion date	12/31/2022
Revised target completion date	

SAYREVILLE BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
AS OF JUNE 30, 2021

<u>ISSUE/PROJECT TITLE</u>	<u>APPROPRIATIONS</u>	<u>PRIOR YEAR</u>	<u>EXPENDITURES TO DATE</u> <u>CURRENT YEAR</u>	<u>(MEMO ONLY)</u> <u>UNEXPENDED</u> <u>PROJECT</u> <u>BALANCE</u>
Energy Savings Improvement Program	\$8,572,082.73	_____	\$6,661,930.67	\$1,910,152.06
Totals	\$8,572,082.73	_____	\$6,661,930.67	\$1,910,152.06

PROPRIETARY FUND DETAIL STATEMENTS

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

FOOD SERVICES FUND: This fund provides for the operation of Food services within the school district.

COMMUNITY SCHOOL: This fund provides for the operation of a community school program.

INTERNAL SERVICE FUND: This fund provides for the self-insurance of the prescription plan.

SAYREVILLE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		<u>TOTAL</u>
	<u>FOOD SERVICE</u>	<u>COMMUNITY SCHOOL</u>	
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 13,667.65	\$ 409,333.50	\$ 423,001.15
Accounts receivable:			
State	8,480.54		8,480.54
Federal	342,039.76		342,039.76
Other	18,046.89		18,046.89
Inventories	52,195.46		52,195.46
	<hr/>	<hr/>	<hr/>
Total current assets	434,430.30	409,333.50	843,763.80
Noncurrent assets:			
Furniture, machinery & equipment	530,328.00		530,328.00
Less accumulated depreciation	(520,279.00)		(520,279.00)
	<hr/>	<hr/>	<hr/>
Total noncurrent assets	10,049.00		10,049.00
	<hr/>	<hr/>	<hr/>
Total assets	\$ 444,479.30	\$ 409,333.50	\$ 853,812.80
LIABILITIES:			
Current liabilities:			
Interfund payable	\$ 100,473.19	\$ 300,000.00	\$ 400,473.19
Unearned revenue	68,509.30	16,449.00	84,958.30
Accounts payable	47,151.81		47,151.81
	<hr/>	<hr/>	<hr/>
Total current liabilities	216,134.30	316,449.00	532,583.30
Noncurrent liabilities:			
Compensated Absences	46,932.90		46,932.90
	<hr/>	<hr/>	<hr/>
Total noncurrent liabilities	46,932.90		46,932.90
	<hr/>	<hr/>	<hr/>
Total liabilities	263,067.20	316,449.00	579,516.20
NET POSITION:			
Net investment in capital assets	10,049.00		10,049.00
Unrestricted	171,363.10	92,884.50	264,247.60
	<hr/>	<hr/>	<hr/>
Total net position	\$ 181,412.10	\$ 92,884.50	\$ 274,296.60

SAYREVILLE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		<u>TOTAL</u>
	<u>FOOD SERVICE</u> <u>SCHOOL NUTRITION</u>	<u>COMMUNITY SCHOOL</u>	
OPERATING REVENUES:			
Charges for services:			
Daily sales - reimbursable programs	\$ 23,811.08	\$	\$ 23,811.08
Total operating revenues	<u>23,811.08</u>	<u></u>	<u>23,811.08</u>
OPERATING EXPENSES:			
Cost of sales - reimbursable	589,252.43		589,252.43
Cost of sales - non-reimbursable	6,189.06		6,189.06
Salaries	845,880.21		845,880.21
Employee benefits	180,592.45		180,592.45
Other purchase services	16,612.34		16,612.34
Supplies and materials	34,864.16		34,864.16
Miscellaneous	1,470.42		1,470.42
Depreciation	8,364.00		8,364.00
Total operating expenses	<u>1,683,225.07</u>	<u></u>	<u>1,683,225.07</u>
Operating income (loss)	\$ <u>(1,659,413.99)</u>	\$ <u></u>	\$ <u>(1,659,413.99)</u>
NONOPERATING REVENUES (EXPENSES):			
State sources			
State school lunch program	\$ 45,208.87	\$	\$ 45,208.87
Federal sources:			
National school lunch program	676,960.12		676,960.12
School breakfast program	352,731.02		352,731.02
Emergency operational cost program - schools	173,876.16		173,876.16
P-EBT administrative cost	3,063.00		3,063.00
National food distribution commodities	106,374.51		106,374.51
Total nonoperating revenues	<u>1,358,213.68</u>	<u></u>	<u>1,358,213.68</u>
Income before contributions & transfers	<u>(301,200.31)</u>	<u></u>	<u>(301,200.31)</u>
Other financing sources/(uses):			
Canceled receivables		(9,766.00)	(9,766.00)
Transfer of funds		(300,000.00)	(300,000.00)
Total other financing sources/(uses)		<u>(309,766.00)</u>	<u>(309,766.00)</u>
Change in net position	(301,200.31)	(309,766.00)	(610,966.31)
Total net position - beginning	<u>482,612.41</u>	<u>402,650.50</u>	<u>885,262.91</u>
Total net position - ending	<u>\$ 181,412.10</u>	<u>\$ 92,884.50</u>	<u>\$ 274,296.60</u>

SAYREVILLE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		<u>TOTAL</u>
	<u>FOOD SERVICE</u>	<u>COMMUNITY SCHOOL</u>	
Cash flows from operating activities:			
Receipts from customers and other funds	\$ 21,157.84	\$ 16,449.00	\$ 37,606.84
Payments to employees	(845,392.19)		(845,392.19)
Payments to employee benefits	(67,561.36)		(67,561.36)
Payments to suppliers	(467,241.62)		(467,241.62)
	<u>(1,359,037.33)</u>	<u>16,449.00</u>	<u>(1,342,588.33)</u>
Net cash provided by (used for) operating activities			
Cash flows from noncapital financing activities:			
State sources	38,784.83		38,784.83
Federal sources	1,001,189.22		1,001,189.22
Operating subsidies and transfers to other funds	(116,446.13)		(116,446.13)
	<u>923,527.92</u>		<u>923,527.92</u>
Net cash provided by (used for) noncapital financing activities			
Cash flows from capital and related financing activities:			
Purchases of capital assets	(10,698.00)		(10,698.00)
	<u>(10,698.00)</u>		<u>(10,698.00)</u>
Net cash provided by (used for) capital and related financing activities			
Net increase (decrease) in cash and cash equivalents	<u>(446,207.41)</u>	<u>16,449.00</u>	<u>(429,758.41)</u>
Cash and cash equivalents, July 1, 2020	<u>459,875.06</u>	<u>392,884.50</u>	<u>852,759.56</u>
Cash and cash equivalents, June 30, 2021	<u>\$ 13,667.65</u>	<u>\$ 409,333.50</u>	<u>\$ 423,001.15</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (1,659,413.99)	\$	\$ (1,659,413.99)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	8,364.00		8,364.00
Federal commodities	106,374.51		106,374.51
Change in assets and liabilities:			
(Increase) decrease in other accounts receivable	9,968.69		9,968.69
Increase (decrease) in unearned revenue	(11,746.47)	16,449.00	4,702.53
Increase (decrease) in accounts payable	158,088.45		158,088.45
(Increase) decrease in inventories	29,327.48		29,327.48
	<u>300,376.66</u>	<u>16,449.00</u>	<u>316,825.66</u>
Net cash provided by (used for) operating activities	<u>\$ (1,359,037.33)</u>	<u>\$ 16,449.00</u>	<u>\$ (1,342,588.33)</u>

LONG-TERM LIABILITIES SCHEDULES

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

SAYREVILLE BOROUGH SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	DATE	MATURITIES	AMOUNT	RATE OF INTEREST	BALANCE JULY 1, 2020	ISSUED	RETIRED	BALANCE JUNE 30, 2021		
Refunding School Bonds	7/15/2012	\$ 28,725,000.00		07/15/21	\$ 1,260,000.00	4.00%						
				07/15/22	1,320,000.00	4.00%						
				07/15/23	1,380,000.00	4.00%						
				07/15/24	1,435,000.00	3.00%						
				07/15/25	1,480,000.00	3.00%						
				07/15/26	1,535,000.00	4.00%						
				07/15/27	3,430,000.00	4.00%						
				07/15/28	3,565,000.00	3.00%						
				07/15/29	3,685,000.00	3.00%						
				07/15/30	3,800,000.00	3.00%				24,095,000.00	1,205,000.00	22,890,000.00
Refunding School Bonds	3/7/2016	6,640,000.00		03/01/22	590,000.00	4.00%						
				03/01/23	615,000.00	5.00%						
				03/01/24	640,000.00	5.00%						
				03/01/25	675,000.00	3.00%						
				03/01/26	695,000.00	3.00%						
				03/01/27	720,000.00	2.93%				4,500,000.00	565,000.00	3,935,000.00
				03/01/22	775,000.00	2.00%						
Refunding School Bonds	1/26/2017	7,880,000.00		03/01/23	790,000.00	2.00%						
				03/01/24	810,000.00	2.00%						
				03/01/25	820,000.00	2.00%						
				03/01/26	835,000.00	2.00%						
				03/01/27	850,000.00	3.00%				5,645,000.00	765,000.00	4,880,000.00
				08/01/22	385,000.00	3.00%						
				08/01/23	405,000.00	3.00%						
School Energy Savings Obligation Refunding Bonds	12/17/2020	8,140,000.00		08/01/24	425,000.00	3.00%						
				08/01/25	445,000.00	3.00%						
				08/01/26	445,000.00	2.00%						
				08/01/27	440,000.00	3.00%						
				08/01/28	460,000.00	3.00%						
				08/01/29	485,000.00	3.00%						
				08/01/30	510,000.00	3.00%						
				08/01/31	530,000.00	2.25%						
				08/01/32	550,000.00	2.25%						
				08/01/33	575,000.00	1.70%						
				08/01/34	590,000.00	1.75%						
				08/01/35	610,000.00	1.80%						
				08/01/36	445,000.00	2.00%						
				08/01/37	195,000.00	2.00%						
				08/01/38	205,000.00	2.25%						
				08/01/39	215,000.00	2.25%						
				08/01/40	225,000.00	2.25%				8,140,000.00	2,535,000.00	8,140,000.00
							\$ 34,240,000.00	\$ 8,140,000.00	\$ 2,535,000.00	\$ 39,845,000.00		

SAYREVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SERIES	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL LEASE	AMOUNT OUTSTANDING JUNE 30, 2020	INCREASE	DECREASE	AMOUNT OUTSTANDING JUNE 30, 2021
Governmental Funds						
Digital Copiers	N/A	\$ 24,361.39	\$ 467.86	\$	\$ 467.86	\$
Technology and Equipment	0.000%	1,788,457.00	1,073,074.20		357,691.40	715,382.80
School Buses / Technology and Equipment	3.105%	403,826.75	138,048.85		138,048.85	
Technology and Equipment	2.199%	1,163,903.01	779,420.70		385,472.09	393,948.61
School Buses and Technology	1.279%	733,158.18		733,158.18	144,170.87	588,987.31
School Buses	1.183%	1,648,920.28		1,648,920.28	232,423.00	1,416,497.28
Grand Total		\$ 1,991,011.61	\$ 1,991,011.61	\$ 2,382,078.46	\$ 1,258,274.07	\$ 3,114,816.00

SAYREVILLE BOROUGH SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:				
Local sources:				
Local tax levy	\$ 3,538,127.00	\$ 3,538,127.00	\$ 3,538,127.00	\$
State sources:				
Debt service aid type II	<u>79,242.00</u>	<u>79,242.00</u>	<u>79,242.00</u>	
Total revenues	<u>3,617,369.00</u>	<u>3,617,369.00</u>	<u>3,617,369.00</u>	
EXPENDITURES:				
Regular debt service:				
Interest	1,082,369.00	1,082,369.00	1,082,368.78	0.22
Redemption of principal	<u>2,535,000.00</u>	<u>2,535,000.00</u>	<u>2,535,000.00</u>	
Total regular debt service-expenditures	<u>3,617,369.00</u>	<u>3,617,369.00</u>	<u>3,617,368.78</u>	<u>0.22</u>
Excess (deficiency) of revenues over (under) expenditures			0.22	0.22
Fund balance, July 1	<u>2.23</u>	<u>2.23</u>	<u>2.23</u>	
Fund balance, June 30	<u>\$ 2.23</u>	<u>\$ 2.23</u>	<u>\$ 2.45</u>	<u>\$ 0.22</u>

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STATISTICAL SECTION - UNAUDITED

SAYREVILLE BOROUGH SCHOOL DISTRICT
STATISTICAL SECTION

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

Sources

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

SAYREVILLE BOROUGH SCHOOL DISTRICT
NET POSITION BY COMPONENT
UNAUDITED

	2021	2020	2019	2018	2017	2015(a)	2014	2013	2012
Governmental activities									
Net investment in capital assets	\$40,006,518.20	\$41,892,077.77	\$40,485,241.86	\$38,905,898.58	\$39,012,616.00	\$37,233,881.00	\$34,845,118.00	\$34,579,051.00	\$35,071,864.00
Restricted	16,336,227.36	8,499,508.80	7,627,357.20	5,755,040.74	5,608,094.00	4,696,222.00	6,392,450.00	5,119,480.00	7,386,269.00
Unrestricted (deficit)	(25,501,758.04)	(28,232,430.33)	(26,295,118.49)	(25,871,948.41)	(26,172,215.00)	(23,371,315.00)	(1,197,431.00)	(2,249,548.00)	(2,892,706.00)
Total governmental activities net position	\$30,840,987.52	\$22,159,156.24	\$21,817,480.57	\$18,788,990.91	\$18,448,495.00	\$18,558,788.00	\$40,040,137.00	\$37,448,983.00	\$39,565,427.00
Business-type activities									
Invested in capital assets		\$7,715.00	\$6,069.00	\$3,105.00					\$2,189.00
Net of related debt	\$10,049.00	877,547.91	1,355,547.63	925,151.04	599,313.00	274,998.00	294,736.00	241,498.00	317,012.00
Unrestricted	264,247.60	\$885,262.91	\$1,361,616.63	\$928,256.04	\$599,313.00	\$274,998.00	\$294,736.00	\$241,498.00	\$319,201.00
Total business-type activities net position	\$274,296.60	\$885,262.91	\$1,361,616.63	\$928,256.04	\$599,313.00	\$274,998.00	\$294,736.00	\$241,498.00	\$319,201.00
District-wide									
Net investment in capital assets	\$40,016,567.20	\$41,899,792.77	\$40,491,310.86	\$38,909,003.58	\$39,012,616.00	\$37,233,881.00	\$34,845,118.00	\$34,579,051.00	\$35,074,053.00
Restricted	16,336,227.36	8,499,508.80	7,627,357.20	5,755,040.74	5,608,094.00	4,696,222.00	6,392,450.00	5,119,480.00	7,386,269.00
Unrestricted (deficit)	(25,237,510.44)	(27,354,882.42)	(24,939,570.86)	(24,946,797.37)	(25,572,902.00)	(23,096,317.00)	(902,695.00)	(2,008,050.00)	(2,575,694.00)
Total district net position	\$31,115,284.12	\$23,044,419.15	\$23,179,097.20	\$19,717,246.95	\$19,047,808.00	\$18,833,786.00	\$40,334,873.00	\$37,690,481.00	\$39,884,628.00

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

SAYREVILLE BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
EXPENSES										
Governmental activities										
Instruction:										
Regular	53,885,760.73	50,726,670.48	50,029,707.51	51,593,055.17	39,395,467.00	36,006,586.00	48,728,322.00	36,632,902.00	34,017,114.00	31,342,632.00
Special Education	28,094,499.11	24,578,085.39	24,265,385.20	22,930,026.71	12,808,935.00	11,780,097.00	15,904,719.00	10,683,219.00	10,531,590.00	8,934,224.00
Other Special Instruction	7,132,688.58	6,060,592.60	5,687,545.49	5,951,363.20	2,583,126.00	2,341,497.00	3,569,102.00	2,208,174.00	2,195,099.00	2,359,052.00
School Sponsored Activities and Athletics					1,587,123.00	1,497,762.00	1,768,659.00	1,373,451.00	1,360,331.00	1,360,329.00
Support services:										
Student and instruction related services	19,709,557.16	16,118,682.28	14,489,561.27	15,812,138.99	17,680,147.00	16,899,922.00	18,920,488.00	15,250,423.00	14,699,576.00	14,692,629.00
General administrative services	1,566,476.17	1,542,129.38	1,725,692.47	1,664,706.17	2,185,208.00	2,493,123.00	2,831,933.00	2,168,189.00	2,038,814.00	2,081,686.00
School administrative services	5,855,220.94	5,462,005.15	5,303,591.26	5,497,477.70	3,566,225.00	3,746,368.00	5,049,623.00	3,547,891.00	3,572,941.00	3,291,708.00
Central Services/Business Services	2,635,685.91	2,423,620.77	2,168,133.39	2,555,859.98	786,684.00	854,507.00	811,675.00	820,257.00	812,586.00	770,916.00
Administrative Information Technology					1,367,906.00	930,404.00	1,134,214.00	873,317.00	735,470.00	614,717.00
Plant operations and maintenance	8,777,671.76	6,816,636.06	5,960,438.38	6,317,583.26	7,398,339.00	7,082,143.00	7,055,419.00	6,622,968.00	7,334,708.00	6,169,109.00
Pupil transportation	4,859,175.16	5,935,677.98	6,180,005.31	6,091,667.91	7,771,959.00	7,363,654.00	7,106,528.00	6,571,629.00	6,618,660.00	6,369,004.00
Special Schools					174,967.00	134,776.00		27,109.00		
Charter schools	653,903.00	529,565.00	369,009.00	186,129.00	255,597.00	116,240.00	67,219.00	106,976.00		
Interest on Long-Term Debt	1,567,514.07	2,443,022.46	1,514,422.20	1,640,709.20	1,231,423.00	2,323,332.00	2,414,075.00	1,060,474.00	1,697,213.00	2,143,514.00
Total governmental activities expenses	134,738,152.59	122,636,687.55	117,693,461.48	120,240,717.29	98,803,106.00	93,570,411.00	115,361,976.00	87,946,979.00	85,614,102.00	80,129,520.00
Business-type activities:										
Food Service	1,683,225.07	2,103,052.68	2,464,032.63	2,368,852.11	2,419,989.00	2,383,621.00	2,281,939.00	2,182,427.00	2,239,837.00	2,142,530.00
Adult School		56,259.81	168,528.21	172,009.87	165,152.00	188,433.00	143,436.00	145,343.00	145,341.00	136,951.00
Total business-type activities expense	1,683,225.07	2,159,312.49	2,632,560.84	2,540,861.98	2,585,141.00	2,572,054.00	2,425,375.00	2,327,770.00	2,385,178.00	2,279,481.00
Total district expenses	\$136,421,377.66	\$124,796,000.04	\$120,326,042.32	\$122,781,579.27	\$101,388,247.00	\$96,142,465.00	\$117,787,351.00	\$90,274,749.00	\$87,999,280.00	\$82,409,001.00
PROGRAM REVENUES										
Governmental activities:										
Charges for Services:										
Instruction (tuition)	128,567.80									
Operating grants and contributions	\$46,878,425.19	\$28,897,236.43	\$35,336,490.91	\$10,234,298.00	\$8,665,687.00	\$30,600,615.00	\$6,677,161.00	\$7,466,926.00	\$6,078,493.00	\$4,862,661.00
Total governmental activities program revenues	47,006,992.99	28,897,236.43	35,336,490.91	10,234,298.00	8,665,687.00	30,600,615.00	6,677,161.00	7,466,926.00	6,078,493.00	4,862,661.00

SAYREVILLE BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
PROGRAM REVENUES										
Business-type activities:										
Charges for services										
Food Service	23,811.08	793,741.66	1,110,902.29	1,118,723.00	1,081,226.00	\$1,048,457.00	\$987,209.00	\$985,956.00	\$1,082,740.00	\$1,127,119.00
Adult School		69,916.00	462,320.90	432,061.00	296,921.00	\$104,727.00	\$213,685.00	\$157,568.00	\$179,598.00	\$1,417,466.00
Operating grants and contributions	1,358,213.68	1,114,301.11	1,406,581.45	1,408,673.00	1,326,773.00	1,269,588.00	1,180,115.00	1,163,950.00	1,132,992.00	965,646.00
Total business-type activities program revenues	1,382,024.76	1,977,958.77	2,979,804.64	2,959,457.00	2,704,920.00	2,422,772.00	2,381,009.00	2,307,474.00	2,395,330.00	3,510,231.00
Total district program revenues	\$48,389,017.75	\$30,875,195.20	\$38,316,295.55	\$31,146,340.52	\$12,939,218.00	\$11,088,459.00	\$32,981,624.00	\$3,984,635.00	\$9,862,256.00	\$9,588,724.00
NET EXPENSE/REVENUE										
Governmental activities	(\$67,731,159.60)	(\$93,739,451.12)	(\$84,904,226.39)	(\$88,227,690.57)	(\$88,568,808.00)	(\$84,904,724.00)	(\$84,761,361.00)	(\$81,269,818.00)	(\$78,147,176.00)	(\$74,051,027.00)
Business-type activities	(301,200.31)	(181,353.72)	438,942.66	418,595.02	119,779.00	(149,282.00)	(44,366.00)	(20,296.00)	10,152.00	1,230,750.00
Total district-wide net expense	(\$68,032,359.91)	(\$93,920,804.84)	(\$84,465,283.73)	(\$87,809,095.55)	(\$88,449,029.00)	(\$85,054,006.00)	(\$84,805,727.00)	(\$81,290,114.00)	(\$78,137,024.00)	(\$72,820,277.00)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Property taxes levied for general purposes, net	\$64,418,966.00	\$63,155,849.00	\$60,289,602.00	\$58,677,741.00	\$56,876,379.00	\$55,338,023.00	\$54,252,964.00	\$53,189,180.00	\$52,146,255.00	\$51,417,909.00
Taxes levied for debt service	3,538,127.00	3,531,727.00	3,445,666.00	3,577,205.00	3,648,826.00	3,622,396.00	3,627,168.00	3,734,882.00	3,779,763.00	3,666,637.00
Federal and state aid not restricted	27,167,947.49	26,204,463.06	22,554,984.79	25,072,087.00	24,566,473.00	24,590,124.00	24,629,625.00	23,444,950.00	24,232,606.00	22,412,894.00
Federal and state aid restricted		54,016.48	46,257.92	89,600.00	89,967.00	96,985.00	93,510.00	94,832.00		
Tuition				306,729.00	265,697.00					
Private Sources				368,245.00	16,680.00					
Miscellaneous income	379,105.43	475,508.12	554,687.09	316,909.00	326,339.00	764,340.00	1,257,706.00	651,395.00	689,400.00	681,674.00
Transfers	300,000.00	659,630.52	110,000.00	50,000.00	150,000.00					
Total governmental activities	95,804,145.92	94,081,194.18	87,001,197.80	88,458,516.00	85,940,361.00	84,411,868.00	83,860,973.00	81,115,239.00	80,848,024.00	78,179,114.00
Business-type activities:										
Miscellaneous income	(9,766.00)	(295,000.00)	(110,000.00)	50,000.00	150,000.00					
Transfers	(309,766.00)	(295,000.00)	(110,000.00)	50,000.00	150,000.00					
Total business-type activities	(\$409,532.00)	(\$590,000.00)	(\$220,000.00)	(\$2,000.00)	(\$2,000.00)					
Total district-wide	\$95,494,379.92	\$93,786,194.18	\$86,881,197.80	\$88,508,516.00	\$86,090,361.00	\$84,411,868.00	\$83,860,973.00	\$81,115,239.00	\$80,848,024.00	\$78,179,114.00
CHANGE IN NET POSITION										
Governmental activities	\$8,072,986.32	\$341,743.06	\$2,096,971.41	\$230,825.43	(\$2,628,447.00)	(\$492,856.00)	(\$900,388.00)	(\$154,579.00)	\$2,700,848.00	\$4,128,087.00
Business-type activities	(610,966.31)	(476,353.72)	328,942.66	488,595.02	269,779.00	(149,282.00)	(44,366.00)	(20,296.00)	10,152.00	1,230,750.00
Total district	\$7,462,020.01	(\$134,610.66)	\$2,425,914.07	\$699,420.45	(\$3,358,668.00)	(\$642,138.00)	(\$944,754.00)	(\$174,875.00)	\$2,711,000.00	\$5,358,837.00

Source: ACFR Schedule A-2

SAYREVILLE BOROUGH SCHOOL DISTRICT
 FUND BALANCES - GOVERNMENTAL FUNDS
 UNAUDITED

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Restricted	\$11,002,308.87	\$8,499,508.80	\$7,627,357.20	\$6,217,928.21	\$5,457,828.00	\$4,554,424.00	\$3,875,984.00	\$4,940,320.00	\$5,109,150.00	\$6,668,981.00
Assigned	1,304,123.73	1,415,854.94	970,662.16	1,107,384.49	(170,904.00)	(49,323.00)	(717,352.00)	(481,643.00)	(682,263.00)	(1,217,686.00)
Reserved	1,114,966.49				\$5,286,924.00	\$4,505,101.00	\$3,158,632.00	\$4,458,677.00	\$4,426,887.00	\$5,451,295.00
Total general fund	\$13,421,399.09	\$9,915,363.74	\$8,598,019.36	\$7,325,312.70	\$5,286,924.00	\$4,505,101.00	\$3,158,632.00	\$4,458,677.00	\$4,426,887.00	\$5,451,295.00
All Other Governmental Funds										
Restricted	\$2,297,684.14	\$2.23	\$1.43	\$1.08						
Assigned				74,933.00						
Reserved					\$150,266.00	\$131,792.00	\$1,124,932.00	\$1,451,800.00	\$5,109,150.00	\$6,678,981.00
Committed	4,946,388.86	(279,592.41)								
Unassigned	(647,034.85)									
Unreserved, reported in:										
Capital projects fund						10,006.00	331.00	330.00	(671,934.00)	(510,398.00)
Total all other governmental funds	\$6,597,038.15	(\$279,590.18)	\$1.43	\$74,934.08	\$150,266.00	\$141,798.00	\$1,125,263.00	\$1,452,130.00	\$4,437,216.00	\$6,168,583.00

Source: ACFR Schedule B-1

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Tax levy	67,957,083.00	66,887,576.00	65,357,364.00	63,735,268.00	62,254,946.00	60,525,205.00	58,960,419.00	57,880,132.00	56,924,062.00	55,926,018.00
Interest on emergency reserve	-	3,243.93	3,716.65	5,07						
Interest on maintenance reserve	-	12,377.08	14,155.62	5,510.33						
Interest on capital reserve	-	18,602.51	19,562.84	197,402.81	306,729.00	285,697.00				
Tuition/Program Fees	76,807.55	-	71,299.32	197,402.81	306,729.00	285,697.00				
Transportation Fees	12,850.00	5,640.00	2,520.00							
Investment and Interest Earnings					1,628.00					
Miscellaneous	418,015.68	436,675.40	1,010,759.53	360,168.88	315,280.00	326,339.00	764,340.00	1,257,706.00	651,395.00	689,400.00
Private Source					388,245.00	16,690.00				
State sources	54,913,367.48	46,158,674.09	39,989,333.00	35,342,538.60	32,830,169.00	30,968,223.00	29,772,717.00	28,966,299.00	28,611,277.00	26,900,163.00
Federal sources	4,740,938.20	2,585,486.08	2,672,444.19	2,490,000.92	2,565,816.00	2,353,903.00	2,437,704.00	2,433,997.00	2,395,431.00	3,410,936.00
Total revenue	128,119,071.91	115,908,475.09	109,141,155.15	102,130,894.51	99,642,813.00	94,456,047.00	91,935,180.00	90,538,134.00	88,592,165.00	86,926,517.00
Expenditures										
Instruction:										
Regular Instruction	27,987,230.51	27,479,930.26	27,040,925.29	26,015,259.15	27,035,807.00	26,054,582.00	26,576,290.00	27,557,916.00	25,349,040.00	25,107,154.00
Special Education Instruction	16,183,751.50	13,145,308.31	12,530,900.04	11,723,175.30	8,790,349.00	8,524,061.00	8,671,422.00	8,036,689.00	7,847,982.00	7,451,432.00
Other Special Instruction	3,661,254.16	3,264,752.46	3,065,533.81	2,930,877.42	1,779,576.00	1,699,453.00	1,784,346.00	1,661,148.00	1,635,795.00	1,812,015.00
Other Instruction					1,086,144.00	1,080,515.00	1,067,602.00	1,033,209.00	1,013,698.00	997,748.00
Community Service Services					3,046.00					
Support Services:										
Tuition	2,643,375.91	3,037,173.33	2,584,415.67	2,524,806.52						
Student and instruction related services	14,712,589.07	11,640,390.84	9,761,496.93	9,425,164.74	12,133,301.00	12,184,849.00	11,614,381.00	11,472,470.00	10,781,620.00	11,331,450.00
General administrative services	1,866,757.41	1,706,739.07	1,714,157.60	1,494,965.42	1,499,636.00	1,797,537.00	1,743,511.00	1,631,068.00	1,519,293.00	1,587,884.00
School administrative services	3,136,826.45	3,106,778.03	2,958,823.46	2,944,611.37	2,669,464.00	2,711,344.00	2,769,391.00	2,668,980.00	2,662,501.00	2,703,455.00
Central Services/Business Services	2,442,391.77	2,227,616.08	1,928,645.70	1,874,547.49	539,875.00	613,628.00	595,918.00	617,057.00	605,527.00	576,318.00
Administrative Information Technology					938,749.00	670,912.00	703,109.00	696,972.00	546,061.00	475,748.00
Plant operations and maintenance	6,654,983.10	7,548,753.95	6,307,352.49	5,142,107.86	5,077,235.00	5,085,739.00	5,174,748.00	4,982,275.00	5,465,714.00	4,773,358.00
Pupil transportation	4,370,657.06	5,516,767.89	5,406,802.55	5,019,919.01	5,333,638.00	5,287,894.00	5,212,233.00	4,943,654.00	4,932,125.00	4,785,008.00
Employee benefits	34,176,983.83	30,251,000.13	28,720,323.05	26,178,261.08	25,760,760.00	23,136,949.00	20,694,121.00	18,669,538.00	19,883,882.00	18,509,031.00
Special School	90,711.00	86,418.20	101,513.40	87,219.20	120,074.00	96,764.00	20,393.00	20,393.00	26,474.00	19,806.00
Charter School					175,408.00	83,473.00	49,301.00	80,475.00	78,760.00	21,356.00
Debt service:										
Principal	2,535,000.00	2,440,000.00	2,350,000.00	2,290,000.00	2,135,000.00	2,070,000.00	1,985,000.00	2,005,000.00	1,740,000.00	1,655,000.00
Interest and other charges	1,082,368.78	1,171,182.20	1,245,439.85	1,303,276.00	1,392,172.00	1,688,793.00	1,744,380.00	1,715,677.00	2,099,714.00	2,181,735.00
Cost of issuance		32,945.37								
Capital Outlay	7,380,620.83	3,539,910.10	4,080,860.00	1,891,936.55	1,432,287.00	1,476,630.00	3,216,940.00	1,312,021.00	3,855,947.00	2,175,088.00
Transfer to Charter Schools	653,903.00	529,585.00	369,009.00	186,129.00						
Total expenditures	129,632,359.75	116,894,255.85	110,166,198.64	101,032,256.11	97,902,521.00	94,243,043.00	93,562,093.00	89,064,542.00	90,046,083.00	86,163,586.00
Excess (Deficiency) of revenues over (under) expenditures	(1,513,287.84)	(785,780.76)	(1,025,043.49)	1,098,638.40	740,292.00	213,004.00	(1,626,913.00)	1,473,592.00	(1,463,928.00)	762,931.00
Other Financing sources (uses)										
Lease Proceeds (Non-Budgeted)	2,382,078.46	1,163,903.01	2,012,817.50	754,418.89						
Proceeds from Refunding Bonds	8,140,000.00									
Cancellation of Local Share					156,094.00	194,800.00	2,260,026.00	1,432,920.00	(267,440.00)	
Premium on Refunding Bonds		659,630.52	210,000.00	110,000.00	(106,094.00)	(34,800.00)	(2,260,026.00)	(1,432,920.00)	433,886.00	
Transfers In		1,523,533.53	2,222,817.50	864,418.89	50,000.00	150,000.00	-	-	(267,440.00)	
Transfers Out	300,000.00									
Total other financing sources (uses)	11,287,106.56	1,523,533.53	2,222,817.50	864,418.89	50,000.00	150,000.00	-	-	(267,440.00)	
Net change in fund balances	9,773,818.72	1,037,752.77	1,197,774.01	1,963,057.29	790,292.00	363,004.00	(1,626,913.00)	1,473,592.00	(1,731,368.00)	762,931.00
Debt service as a percentage of noncapital expenditures	2.96%	3.19%	3.39%	3.62%	3.66%	4.03%	4.13%	4.24%	4.45%	4.57%

Source: ACFR Schedule B-2

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

Fiscal Year Ended June 30,	INTEREST ON INVESTMENTS	TUITION	E-RATE REIMBURSEMENT	PRIOR YEAR REFUNDS	TUITION REFUND	RENTALS	MISCELLANEOUS	TOTAL
2021	\$ 31,466.61	46,896.00	\$ 135,506.14	9,328.05	\$	\$	11,343.39	234,540.19
2020	111,265.65	74,105.75	112,921.79				3,507.99	301,801.18
2019	185,454.95	25,646.75	179,854.06	23,378.60		164,981.93	250,733.42	830,049.71
2018	60,529.12		98,301.56	27,686.90			6,294.03	192,811.61
2017	15,322.56		114,942.78	25,821.14			158,566.29	314,652.77
2016	13,499.63		205,316.98				97,848.87	316,665.48
2015	16,397.75	176,087.35	18,816.28	11,644.41			227,494.83	450,440.62
2014	37,120.21	138,646.02	119,808.07	50,476.66	4,501.00		98,731.80	449,283.76
2013	15,577.84	238,409.52	202,358.22				107,964.91	564,310.49
2012	41,917.83	389,380.36	189,698.65				54,041.37	675,038.21

Source: District Records

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

Calendar Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (a)	Net Valuation Taxable	Est. Actual (County Equalized Value)	Total Direct School Tax Rate (b)
2020	\$53,836,100.00	\$1,738,245,300.00	\$143,900.00	\$12,000.00	\$171,597,700.00	\$159,824,300.00	\$179,416,500.00	\$2,303,075,800.00	\$46.00	\$2,303,075,846.00	\$5,058,686,037.00	2.992
2019	39,905,500.00	1,729,676,500.00	143,900.00	12,000.00	170,666,600.00	176,334,600.00	179,416,500.00	2,296,155,600.00	48.00	2,296,155,648.00	4,835,821,184.00	2.952
2018	37,610,500.00	1,728,561,800.00	143,900.00	12,000.00	172,760,400.00	183,096,600.00	172,049,200.00	2,292,234,400.00	49.00	2,292,234,449.00	4,770,519,092.00	2.905
2017	38,679,300.00	1,723,535,800.00	143,900.00	12,000.00	168,918,300.00	180,998,900.00	175,178,500.00	2,287,466,700.00	50.00	2,287,466,750.00	4,635,190,931.00	2.851
2016	40,247,400.00	1,722,569,200.00	143,900.00	9,400.00	167,208,600.00	182,670,600.00	173,159,100.00	2,286,008,200.00	51.00	2,286,008,251.00	4,569,924,865.00	2.724
2015	38,133,300.00	1,718,999,000.00	143,900.00	9,400.00	171,816,000.00	178,427,000.00	170,141,000.00	2,277,669,600.00	52.00	2,277,669,652.00	4,495,104,796.00	2.657
2014	40,360,200.00	1,721,223,500.00	143,900.00	9,400.00	171,610,900.00	178,677,000.00	165,660,200.00	2,277,685,100.00	2,765,018.00	2,280,450,118.00	4,479,649,835.00	2.586
2013	40,576,200.00	1,720,761,400.00	143,900.00	9,400.00	172,343,800.00	177,851,700.00	161,950,800.00	2,273,637,200.00	3,026,874.00	2,276,664,074.00	4,361,475,542.00	2.543
2012	42,652,100.00	1,727,389,100.00	143,900.00	9,400.00	176,464,300.00	173,111,700.00	158,425,000.00	2,278,195,500.00	3,516,112.00	2,281,711,612.00	5,074,295,921.00	2.495
2011	44,744,400.00	1,724,175,300.00	143,900.00	9,400.00	177,245,200.00	171,198,700.00	157,551,800.00	2,275,068,700.00	3,135,948.00	2,278,204,648.00	5,250,732,026.00	2.455

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

SAYREVILLE BOROUGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
UNAUDITED

Fiscal Year Ended June 30.	Sayreville School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	Obligation Debt Service (b)	Total Direct School Tax Rate	Municipality of Sayreville	Library	County of Middlesex	
2021	\$2.836	\$0.156	\$2.992	\$1.504	\$0.075	\$0.913	\$5.484
2020	2.796	0.156	2.952	1.469	0.072	0.852	5.345
2019	2.755	0.150	2.905	1.443	0.069	0.816	5.233
2018	2.701	0.150	2.851	1.586	0.067	0.815	5.319
2017	2.564	0.160	2.724	1.350	0.067	0.816	4.957
2016	2.497	0.160	2.657	1.314	0.065	0.783	4.819
2015	2.426	0.160	2.586	1.277	0.064	0.777	4.704
2014	2.383	0.160	2.543	1.228	0.063	0.770	4.604
2013	*	*	2.495	1.179	0.068	0.801	4.543
2012	*	*	2.455	1.136	0.072	0.793	4.456

* - Not Available

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

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

(a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable

(b) Rates for debt service are based on each year's requirements.

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

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Hillside Estates, Inc.	\$71,130,500	1	3.073%	\$71,130,500.00	1	3.121%
Kaplan (and Related Ownerships)	\$45,624,400	2	1.971%	\$32,885,900.00	2	1.721%
Dupont Specialty Products USA, LLC	\$30,794,100	3	1.331%	\$39,218,200.00	3	1.443%
Skytop Gardens, Inc.	\$30,424,300	4	1.315%	\$30,424,300.00	4	1.335%
Hercules, Inc.	\$21,873,500	5	0.945%	\$22,127,800.00	5	0.971%
(NL Redevelopment) SERA	\$17,791,000	6	0.769%	\$16,600,000.00	7	0.750%
Brooklawn Gardens, Inc.	\$14,384,100	7	0.621%	\$17,086,600.00	8	0.700%
CMC Steel US, LLC	\$14,271,500	8	0.617%	\$15,814,100.00	9	0.694%
ProLogis (Related Ownerships)	\$13,183,900	9	0.570%	\$12,000,000.00	10	0.527%
Gen III Holdings, Inc.	\$12,000,000	10	0.518%	\$15,950,000.00	6	0.728%
Total	\$271,477,300.00		11.730%	\$273,237,400.00		11.990%

Source: Municipal Tax Assessor

SAYREVILLE BOROUGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (a)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2021	\$67,957,093.00	\$67,957,093.00	100.00%	
2020	66,687,576.00	66,687,576.00	100.00%	
2019	65,357,364.00	65,357,364.00	100.00%	
2018	65,363,165.00	65,363,165.00	100.00%	
2017	62,254,946.00	62,254,946.00	100.00%	
2016	60,525,205.00	60,525,205.00	100.00%	
2015	58,960,419.00	58,960,419.00	100.00%	
2014	57,880,132.00	57,880,132.00	100.00%	
2013	56,924,062.00	56,924,062.00	100.00%	
2012	55,926,018.00	55,926,018.00	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.

SAYREVILLE SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities				Total District	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Capital Leases	Purchase Agreements	Lease Agreements			
2021	\$39,845,000.00	\$3,114,816.00			\$42,959,816.00	N/A	N/A
2020	34,240,000.00	1,991,011.61			36,231,011.61	1.345%	\$826.15
2019	36,680,000.00	2,050,209.52			38,730,209.52	1.509%	877.02
2018	39,030,000.00	2,481,296.80			41,511,296.80	1.636%	935.74
2017	41,320,000.00		471,938.00		41,791,938.00	1.714%	938.79
2016	43,855,000.00		795,546.00		44,650,546.00	1.915%	1,007.46
2015	45,925,000.00	5,441.00	1,352,753.00		47,283,194.00	2.092%	1,071.14
2014	47,910,000.00	15,779.00	986,200.00		48,911,979.00	2.099%	1,112.67
2013	49,915,000.00	27,078.00	1,314,715.00		51,256,793.00	2.329%	1,175.37
2012	50,307,000.00	155,085.00	1,786,784.00		52,248,869.00	2.563%	1,206.81

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

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

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

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

N/A - Not available

SAYREVILLE BOROUGH SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	<u>Deductions</u>			
2021	\$39,845,000.00		\$39,845,000.00	N/A	N/A
2020	34,240,000.00		34,240,000.00	1.49%	780.75
2019	36,680,000.00		36,680,000.00	1.60%	830.60
2018	39,030,000.00		39,030,000.00	1.70%	879.81
2017	41,320,000.00		41,320,000.00	1.81%	928.18
2016	43,855,000.00		43,855,000.00	1.92%	989.51
2015	45,925,000.00		45,925,000.00	2.02%	1,040.37
2014	47,910,000.00		47,910,000.00	2.10%	1,089.88
2013	49,915,000.00		49,915,000.00	2.19%	1,144.60
2012	50,307,000.00		50,307,000.00	2.20%	1,161.96

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

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

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

N/A - Not Applicable

SAYREVILLE BOROUGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2020
UNAUDITED

<u>Governmental Unit</u>	<u>Gross Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Sayreville Borough	\$49,364,549.00	100.00%	\$49,364,549.00
Other debt			
Middlesex County	615,856,124.00	4.50%	<u>27,743,958.46</u>
Subtotal, overlapping debt			77,108,507.46
Sayreville Borough School District Direct Debt			<u>39,845,000.00</u>
Total direct and overlapping debt			<u>\$116,953,507.46</u>

Source: Annual Debt Statements

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

SAYREVILLE BOROUGH SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
 SAYREVILLE BOROUGH
 UNAUDITED

Legal Debt Margin Calculation 2020

Equalized Valuation Basis

Calendar Year	2020	2019	2018	2017	2016	2015	2014	2013	2012
Average Equalized Valuation of Taxable Property	\$5,004,060,734.00								
Debt Limit (4% of average equalization value)	200,162,429.36								
Total Net Debt Applicable to Limit	39,845,000.00								
Legal Debt Margin	\$160,317,429.36								

	Fiscal Year Ending June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$200,162,429.36	\$191,921,323.13	\$186,898,489.93	\$183,226,299.97	\$179,825,937.00	\$176,489,920.00	\$179,185,993.00	\$187,291,703.00	\$198,307,407.00	\$206,259,381.00
Total Net Debt Applicable To Limit	39,845,000.00	34,240,000.00	36,680,000.00	39,030,000.00	41,320,000.00	43,855,000.00	45,925,000.00	47,910,000.00	49,915,000.00	50,370,000.00
Legal Debt Margin	\$160,317,429.36	\$157,681,323.13	\$150,218,489.93	\$144,196,299.97	\$138,505,937.00	\$132,634,920.00	\$133,260,993.00	\$139,381,703.00	\$148,392,407.00	\$155,889,381.00

Total Net Debt Applicable to the Limit as a % of Debt Limit	19.91%	17.84%	19.63%	21.30%	22.98%	24.85%	25.63%	25.58%	25.17%	24.42%
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Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation (a) Limit set by N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

SAYREVILLE SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

SAYREVILLE BOROUGH

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	Middlesex County Per Capita <u>Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2020	43,855	2,782,906,735.00	63,457.00	9.00%
2019	44,161	2,694,350,932.00	61,012.00	3.10%
2018	44,362	2,566,336,488.00	58,289.00	3.70%
2017	44,517	2,537,293,500.00	56,656.00	4.30%
2016	44,320	2,438,205,887.00	55,027.00	4.60%
2015	44,143	2,332,208,019.00	53,964.00	5.00%
2014	43,959	2,260,338,155.00	52,475.00	6.10%
2013	43,609	2,329,861,898.00	53,435.00	7.70%
2012	43,295	2,200,673,196.00	50,962.00	8.90%
2011	43,075	2,038,837,500.00	47,343.00	8.80%

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

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

	2021		2012		Estimated Number of Employees
	<u>Employer</u>	<u>Business</u>	<u>Employer</u>	<u>Business</u>	
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*

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

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

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction:										
Regular	377	344	339	333	487	479	544	475	539	510
Special education	123	135	129	127						
Other Instruction	37	33	29	30						
Support Services:										
Student and instruction related services	166	166	165	162	150	140	59	65	63	67
General administrative services	7	7	9	9	8	10	10	10	10	10
School administrative services	35	32	32	37	34	39	46	28	28	28
Central services	11	11	9	9	8	8	8	7	7	7
Administrative Information Technology	10	9	8	8	7	7	6	6	6	6
Plant operations and maintenance	111	105	84	64	64	64	68	83	61	64
Pupil transportation	65	45	37	36	34	36	37	5	5	5
Food Service	47	45	45	44	45	44	44	47	47	49
Total	989	932	886	859	837	827	822	726	766	746

Source: District Personnel Records

SAYREVILLE BOROUGH SCHOOL DISTRICT
OPERATING STATISTICS
SAYREVILLE BOROUGH
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Teacher/Pupil Ratio			Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2021	6,267	\$106,949,777.28	\$17,066	2.54%	537	1:11	1:11	1:12	6,089.53	5,792	(1.50%)	95.11%
2020	6,271	104,364,731.63	16,642	0.39%	512	1:11	1:11	1:12	6,182.09	5,838	0.10%	94.43%
2019	6,165	99,780,233.14	16,185	0.39%	497	1:13	1:12	1:13	6,175.85	5,873	0.07%	95.10%
2018	6,189	93,078,469.28	16,122	5.60%	490	1:12	1:13	1:14	6,171.51	5,857	1.66%	94.90%
2017	6,088	92,943,064.00	15,267	6.88%	487	1:13	1:12	1:13	6,070.60	5,767	0.09%	95.00%
2016	6,069	86,687,434.00	14,284	1.94%	479	1:12	1:13	1:13	6,064.90	5,719	0.90%	94.30%
2015	6,009	84,196,822.00	14,012	0.86%	471	1:11	1:11	1:13	6,010.70	5,686	(0.42%)	94.60%
2014	6,049	84,031,844.00	13,892	(1.41%)	44	1:13	1:11	1:13	6,035.90	5,744	1.56%	95.16%
2013	5,944	83,750,232.00	14,090	5.28%	467	1:13	1:11	1:13	5,943.00	5,625	(0.65%)	94.65%
2012	5,989	80,151,761.00	13,383	2.97%	489	1:12	1:11	1:13	5,981.70	5,649	1.21%	94.44%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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

SAYREVILLE BOROUGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District Buildings										
Elementary School(s):										
Selover:	36,153	36,153	36,153	36,153	36,153	36,153	36,153	36,153	36,153	36,153
Square Feet	65	65	65	65	65	65	65	65	65	65
Capacity (students)										
Enrollment										
Arieth:										
Square Feet	73,426	73,426	73,426	73,426	73,426	73,426	73,426	73,426	73,426	73,426
Capacity (students)	593	593	593	593	593	593	593	593	593	593
Enrollment	487	490	510	507	507	469	469	469	469	468
Eisenhower:										
Square Feet	59,738	59,738	59,738	59,738	59,738	59,738	59,738	59,738	59,738	59,738
Capacity (students)	481	481	481	481	481	481	481	481	481	481
Enrollment	489	488	504	514	535	551	551	551	551	530
Truman:										
Square Feet	53,275	53,275	53,275	53,275	53,275	53,275	53,275	53,275	53,275	53,275
Capacity (students)	474	474	474	474	474	474	474	474	474	474
Enrollment	470	465	475	496	524	508	508	508	508	547
Wilson										
Square Feet	54,150	54,150	54,150	54,150	54,150	54,150	54,150	54,150	54,150	54,150
Capacity (students)	373	373	373	373	373	373	373	373	373	373
Enrollment	327	337	356	381	403	368	368	368	368	361
Upper Elementary School										
Square Feet	174,800	174,800	174,800	174,800	174,800	174,800	174,800	174,800	174,800	174,800
Capacity (students)	1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095
Enrollment	1,261	1,283	1,120	1,152	1,067	1,004	1,004	1,004	1,004	1,003
Middle School(s)										
Sayreville Middle School										
Square Feet	170,847	170,847	170,847	170,847	170,847	170,847	170,847	170,847	170,847	170,847
Capacity (students)	1,608	1,608	1,608	1,608	1,608	1,608	1,608	1,608	1,608	1,608
Enrollment	1,442	1,437	1,406	1,410	1,392	1,330	1,330	1,330	1,330	1,333
High School(s)										
War Memorial High School										
Square Feet	292,289	292,289	292,289	292,289	292,289	292,289	292,289	292,289	292,289	292,289
Capacity (students)	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Enrollment	1,791	1,771	1,794	1,729	1,665	1,714	1,714	1,714	1,714	1,707

Number of Schools at June 30, 2021

Elementary = 6

Middle School = 1

High School = 1

Source: District records

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

SAYREVILLE SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
UNAUDITED

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

<u>School Facilities *</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Selover	48,915.00	58,205.00	43,661.00	38,077.00	37,978.00	46,126.00	42,339.00	37,430.00	61,983.00	40,526.00
Arleth	99,441.00	118,326.00	88,760.00	77,406.00	78,281.00	94,044.00	103,512.00	79,164.00	141,319.00	82,386.00
Eisenhower	80,865.00	96,223.00	72,179.00	62,947.00	63,728.00	76,742.00	79,886.00	62,666.00	110,312.00	66,997.00
Truman	72,073.00	85,760.91	64,331.00	56,103.00	55,996.00	68,002.00	74,079.00	55,794.00	88,535.00	59,815.00
Wilson	73,311.00	85,035.00	65,437.00	57,067.00	57,441.00	69,169.00	86,541.00	56,339.00	109,118.00	60,738.00
Upper Elementary Schc	236,652.00	281,596.00	211,233.00	184,213.00	184,835.00	225,122.00	215,060.00	186,702.00	322,001.00	196,066.00
Middle School	231,327.00	275,260.00	206,479.00	180,068.00	181,951.00	221,047.00	257,550.00	204,768.00	327,544.00	191,654.00
Highschool	395,781.00	470,948.00	353,270.00	308,082.00	321,055.00	400,584.00	430,379.00	335,021.00	512,677.00	327,805.00
Total School Facilities	\$1,238,365.00	\$1,105,350.00	\$963,963.00	\$981,265.00	\$1,200,836.00	\$1,289,346.00	\$1,017,884.00	\$1,673,489.00	\$1,025,987.00	\$1,081,906.00

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

Source: District records

SAYREVILLE BOROUGH SCHOOL DISTRICT
INSURANCE SCHEDULE
UNAUDITED

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

Source: District Records

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SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the Sayreville Borough School District (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated January 29, 2022.

Internal Control Over Financial Reporting

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

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

SUPLEE, CLOONEY & COMPANY

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to the Board of Education of the Borough of Sayreville School District in a separate Auditor's Management Report on Administrative Findings – Financial and Compliance dated January 29, 2022.

Purpose of This Report

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



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

January 29, 2022



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 ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

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

Report on Compliance for Each Major Federal and State Program

We have audited the Sayreville Borough School District's compliance with the types of compliance requirements described in the federal *OMB Compliance Supplement* and the New Jersey *OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Sayreville Borough School District's major state programs for the year ended June 30, 2021. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Sayreville Borough School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Sayreville Borough School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

SUPLEE, CLOONEY & COMPANY

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Sayreville Borough School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Sayreville Borough School 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, 2021.


Report on Internal Control Over Compliance

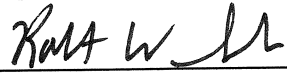
Management of the Sayreville Borough School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Sayreville Borough School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Sayreville Borough School District's 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 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 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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 State of New Jersey OMB 15-08. Accordingly, this report is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

January 29, 2022

SAYREVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEARS ENDED JUNE 30, 2021

FEDERAL CHDA NUMBER	FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD FROM TO	AWARD AMOUNT	BALANCE AT JUNE 30, 2020	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PHYS BALANCE	(ACCOUNTS RECEIVABLE)	BALANCE, JUNE 30, 2021 UNEARNED REVENUE	DUE GRANTOR
	General Fund:											
	U.S. Department of Education											
	Passed-through State Department of Education:											
93.778	Medical Assistance Program (SEMI-FFCRA)	2005NJ5MAP	N/A	6/30/21	\$ 9,812.52	\$ -	\$ 9,812.52	\$ (9,812.52)	\$ -	\$ -	\$ -	\$ -
93.778	Medical Assistance Program (SEMI-FFCRA)	2005NJ5MAP	N/A	7/1/20	132,654.89	-	132,654.89	(132,654.89)	-	-	-	-
	U.S. Department of Defense											
	Air Force JROTC Program	NJ02T173	N/A	6/30/21	71,752.04	(1,117.00)	68,071.75	(71,752.04)	-	(3,680.29)	-	-
	Air Force JROTC Program	NJ02T173	N/A	7/1/19	64,115.46	(1,117.00)	1,117.00	(214,219.45)	-	(3,680.29)	-	-
	Total General Fund											
	U.S. Department of Education											
	Passed-through State Department of Education:											
84.010	Title I	S010A200030	ESEA466021	7/1/20	857,556.00	(207,482.86)	277,335.00	(722,090.30)	-	(444,755.30)	-	-
84.010	Title I - Reallocated	S010A190030	ESEA466020	7/1/19	778,824.00	(207,482.86)	207,432.66	-	-	-	-	-
84.01A	Title I - Reallocated	S010A200030	ESEA466021	7/1/20	67,947.00	(25,171.00)	-	(5,972.00)	-	(5,972.00)	-	-
84.01A	Title I - Reallocated	S010A190030	ESEA466020	7/1/19	28,245.00	(45,500.00)	25,171.00	(42,867.00)	-	(24,867.00)	-	-
84.010	Title I - SIA	S010A200030	ESEA466021	7/1/20	53,881.00	(8,891.29)	18,000.00	(45,500.00)	-	-	-	-
84.010	Title I - SIA	S010A190030	ESEA466020	7/1/19	98,281.00	(174.23)	45,000.00	(93,071.91)	-	(43,707.91)	-	-
84.367A	Title II Part A	S367A200029	ESEA466021	7/1/20	321,100.00	-	49,364.00	(22,078.02)	-	-	-	-
84.367A	Title II Part A	S367A190029	ESEA466020	7/1/19	277,294.00	-	30,969.31	(28,430.45)	-	-	-	-
84.365	Title III	S365A200030	ESEA466021	7/1/20	65,526.00	(174.23)	4,350.23	(4,176.00)	-	-	-	-
84.365	Title III	S365A190030	ESEA466020	7/1/19	48,286.00	(174.23)	4,350.23	-	-	-	-	-
84.365	Title III - Immigrant	S365A190030	ESEA466020	7/1/19	22,296.00	4,737.79	4,737.79	-	-	-	-	-
84.424	Title IV	S424A200031	ESEA466021	7/1/20	87,026.00	-	29,055.00	(30,034.00)	-	(979.00)	-	-
	I.D.E.A. Part B Special Education Cluster:											
84.027	I.D.E.A. Part B	S027A201100	IDEA466021	7/1/20	1,612,659.00	-	809,075.00	(1,519,504.83)	-	(710,429.83)	-	-
84.027	I.D.E.A. Part B	S027A191100	IDEA466020	7/1/19	1,594,095.00	(158,942.84)	158,942.84	-	-	-	-	-
84.173	I.D.E.A. Preschool	S173A200114	IDEA466021	7/1/20	62,017.00	(18,000.00)	23,150.00	(62,017.00)	-	(38,867.00)	-	-
84.173	I.D.E.A. Preschool	S173A190114	IDEA466020	7/1/19	61,996.00	(176,942.84)	18,000.00	(4,309.00)	-	(749,286.83)	-	-
84.048A	Total I.D.E.A. Part B Special Education Cluster	V048A200030	N/A	7/1/20	4,706.00	-	1,009,167.84	(1,581,521.83)	-	-	105.00	-
	Education Stabilization Fund:											
84.425D	CARES - ESSERF	S425D200027	N/A	3/13/20	636,361.00	-	463,553.00	(634,354.92)	-	(170,801.92)	-	-
84.425D	CARES - ESSERF II	S425D210027	N/A	3/13/20	2,581,782.00	-	912,476.00	(912,476.00)	-	-	-	-
84.425D	CARES - Digital Divide	S425D210027	N/A	9/1/19	912,476.00	-	1,376,029.00	(1,546,830.92)	-	(170,801.92)	-	-
	Total Education Stabilization Fund											
	Total U.S. Department of Education											
	U.S. Department of Treasury											
21.019	Coronavirus Relief Fund:	S377A130031	N/A	7/16/20	10,310.00	(459,374.23)	10,214.00	(10,025.32)	-	-	188.68	-
21.019	CRF - Nonpublic Technology	21-5120-517	N/A	8/1/20	435,312.00	-	435,312.00	(435,312.00)	-	-	-	-
	CRF - LEA Respon											
	Total U.S. Department of Treasury											
	Total Special Revenue Fund											
	Enterprise Fund:											
	U.S. Department of Agriculture											
	Passed-through State Department of Education:											
	Child Nutrition Cluster:											
10.555	National School Lunch Program	211NJ304N1099	N/A	7/1/20	676,960.12	-	557,900.06	(676,960.12)	-	(119,060.06)	-	-
10.555	National School Lunch Program - COVID 19	201NJ304N1099	N/A	3/15/20	54,535.08	(33,501.96)	33,501.96	-	-	-	-	-
10.555	National School Lunch Program	201NJ304N1099	N/A	7/1/19	702,829.43	(62,663.82)	62,663.82	-	-	-	-	-
10.555	U.S.D.A. Commodities Program	211NJ304N1099	N/A	7/1/20	106,374.51	-	107,249.97	(87,657.74)	-	-	19,592.23	-
10.555	U.S.D.A. Commodities Program	201NJ304N1099	N/A	7/1/19	159,096.14	18,716.77	18,716.77	-	-	-	-	-
10.553	School Breakfast Program	211NJ304N1099	N/A	7/1/20	352,731.02	-	306,690.48	(352,731.02)	-	(46,040.54)	-	-
10.553	School Breakfast Program - COVID 19	201NJ304N1099	N/A	3/15/20	34,518.00	(19,224.90)	19,224.90	-	-	-	-	-
10.553	School Breakfast Program	201NJ304N1099	N/A	7/1/19	159,474.11	(21,208.00)	21,208.00	-	-	-	-	-
10.555	Emergency Operational Cost Program- Schools	202121HT0341	N/A	7/1/20	173,876.16	(117,881.91)	1,108,438.19	(173,876.16)	-	(338,976.76)	19,592.23	-
	Total Child Nutrition Cluster											
	P-EBT Administrative Cost	202121S00841	N/A	7/1/20	3,063.00	(117,881.91)	1,108,438.19	(3,063.00)	-	(342,039.76)	19,592.23	-
	Total Enterprise Fund											
	Total Federal Financial Assistance											
					\$ (578,373.14)	\$ 4,842,409.39	\$ 4,842,409.39	\$ (6,055,943.01)	\$ 4,737.79	\$ (1,814,530.46)	\$ 19,885.91	\$ -

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

SAVREVILLE BOROUGH SCHOOL DISTRICT
FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 2021
SCHEDULE "B" - FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE, JUNE 30, 2020		CARRY OVER	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS BALANCES	BALANCE, JUNE 30, 2021		BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES
				UNEARNEED (ACCTS REC)	DUE TO GRANTOR					(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE		
State Department of Education													
General Funds:													
Equalization Aid	21-485-034-5120-078	7/1/20	20,042,124.00	\$ -	\$ -	\$ -	\$ 18,989,193.67	\$ (20,042,124.00)	\$ 1,972,930.33	\$ -	\$ -	\$ 1,972,930.33	\$ 20,042,124.00
Categorical Special Education Aid	21-485-034-5120-089	7/1/20	5,243,822.00				4,727,624.44	(5,243,822.00)	516,197.56			516,197.56	5,243,822.00
Categorical Special Education Aid	21-485-034-5120-084	7/1/20	1,481,817.00				1,355,948.14	(1,481,817.00)	146,868.86			146,868.86	1,481,817.00
Equalization Aid	20-485-034-5120-078	7/1/19	18,960,941.00				1,893,489.25	(1,893,489.25)	(1,893,489.25)			-	18,960,941.00
Categorical Special Education Aid	20-485-034-5120-089	6/30/20	5,243,822.00				523,656.27	(523,656.27)	(523,656.27)			-	5,243,822.00
Categorical Special Education Aid	20-485-034-5120-084	7/1/19	1,481,817.00				147,976.57	(147,976.57)	(147,976.57)			-	1,481,817.00
State Aid Public Cluster							26,697,868.34	(26,767,763.00)	69,894.66			2,694,996.75	52,454,343.00
Extraordinary Aid	21-485-034-5120-044	7/1/20	1,037,051.00					(1,037,051.00)				1,037,051.00	1,037,051.00
Extraordinary Aid	20-485-034-5120-044	7/1/19	913,562.00				913,562.00						913,562.00
Categorical Transportation Aid	21-485-034-5120-014	7/1/20	2,289,895.00				2,064,479.60	(2,289,895.00)	2,254,415.40			2,254,415.40	2,289,895.00
Categorical Transportation Aid	20-485-034-5120-014	6/30/20	2,289,895.00				228,672.50	(228,672.50)	(228,672.50)			-	2,289,895.00
Non-Public Transportation Aid	Not Available	7/1/20	64,096.00					(64,096.00)				64,096.00	64,096.00
Non-Public Transportation Aid	Not Available	7/1/20	25,397.00				25,397.00					-	25,397.00
Reimbursed TPAF Social Security Contributions	21-485-034-5094-003	7/1/20	3,377,788.10				3,212,490.73	(3,377,788.10)				165,297.37	3,377,788.10
Reimbursed TPAF Social Security Contributions	20-485-034-5094-003	6/30/21	3,208,098.99				158,606.38					-	3,208,098.99
On-behalf TPAF non-contributory insurance	21-485-034-5094-004	7/1/20	214,275.00				214,275.00	(214,275.00)				-	214,275.00
On-behalf TPAF Pension	21-485-034-5094-002	7/1/20	11,262,025.00				11,262,025.00	(11,262,025.00)				-	11,262,025.00
On-behalf TPAF Long-Term Disability Insurance (non-bud.)	21-485-034-5094-004	7/1/20	6,365.00				6,365.00	(6,365.00)				-	6,365.00
On-behalf TPAF post retirement medical	21-485-034-5094-001	7/1/20	3,596,494.00				3,596,494.00	(3,596,494.00)				-	3,596,494.00
Total General Funds				(1,097,985.38)			48,380,235.55	(46,615,752.10)	66,637.56			4,126,656.52	80,739,195.09
Special Revenue Fund:													
Preschool Education Aid	21-485-034-5120-086	7/1/20	6,572,940.00			192,036.34	5,925,905.15	(6,483,633.81)	647,034.85		281,342.53	647,034.85	6,483,633.81
Preschool Education Aid	20-485-034-5120-086	7/1/19	2,799,600.00			(192,036.34)						-	2,799,600.00
Non-Public Textbooks	21-100-034-5120-064	7/1/20	14,478.00				14,478.00	(13,918.00)			560.00	13,918.00	13,918.00
Non-Public Textbooks	20-100-034-5120-064	6/30/20	13,704.00			157.43	55,738.00	(54,636.00)	(157.43)			55,738.00	13,704.00
Non-Public Comp Ed	21-100-034-5120-067	7/1/20	47,860.00				4,786.00	(4,786.00)			20,902.00	46,237.83	46,237.83
Non-Public English as a Second Language	21-100-034-5120-067	7/1/20	3,553.00				3,553.00				3,553.00	3,553.00	3,553.00
Non-Public English as a Second Language	20-100-034-5120-067	6/30/21	3,309.00			0.08	27,489.00	(27,118.00)	(0.08)		371.00	27,118.00	27,118.00
Non-Public Examination & Classification	21-100-034-5120-066	7/1/20	14,676.00				1,464.00	(1,464.00)				-	14,676.00
Non-Public Examination & Classification	20-100-034-5120-066	7/1/20	10,755.00				10,755.00	(10,755.00)				-	10,755.00
Non-Public Corrective Speech	21-100-034-5120-066	7/1/20	12,760.00				12,760.00	(12,760.00)			809.00	12,760.00	12,760.00
Non-Public Corrective Speech	20-100-034-5120-066	7/1/20	13,761.00				13,761.00	(13,761.00)				-	13,761.00
Non-Public Supplemental Instruction	21-100-034-5120-066	7/1/20	12,790.00				14,310.00	(12,790.00)			1,072.00	12,790.00	12,790.00
Non-Public Supplemental Instruction	20-100-034-5120-066	7/1/20	12,790.00				24,174.00	(23,102.00)				-	24,174.00
Non-Public Nursing	21-100-034-5120-070	7/1/20	25,220.00				5,432.00	(5,432.00)				-	25,220.00
Non-Public Nursing	20-100-034-5120-070	6/30/21	25,220.00				5,432.00	(5,432.00)				-	25,220.00
Non-Public Transportation	21-100-034-5120-068	7/1/20	5,623.00				5,623.00					-	5,623.00
Non-Public Transportation	20-100-034-5120-068	6/30/20	9,360.00				9,360.00					-	9,360.00
Non-Public Technology Initiative	21-100-034-5120-373	7/1/20	41,475.00				41,475.00	(40,706.57)			768.43	40,706.57	40,706.57
Non-Public Security	21-100-034-5120-084	7/1/20	39,000.00				6,132,610.15	(6,652,453.38)			281,342.53	19,314.00	19,314.00
Non-Public Security	20-100-034-5120-084	7/1/19	39,000.00				19,686.00	(19,686.00)				-	39,000.00
Total Special Revenue Fund				182,188.34		29,488.56	6,132,610.15	(6,652,453.38)	617,536.29		281,342.53	647,034.85	6,824,082.90
Debt Service Fund:													
Debt Service Aid Type II - School Building Aid	21-100-034-5120-017	7/1/20	79,242.00				79,242.00	(79,242.00)				-	79,242.00
Total Debt Service Fund							79,242.00	(79,242.00)				-	79,242.00
Enterprise Fund:													
National School Lunch Program (State Share)	21-100-010-3350-023	7/1/20	\$45,208.87				\$ 36,728.33	(\$ 45,208.87)			\$ 8,480.54	\$ 45,208.87	\$ 45,208.87
National School Lunch Program (State Share)	20-100-010-3350-023	7/1/19	19,126.61				2,959.50	(45,208.87)				-	19,126.61
Total Enterprise Fund							\$ 38,787.83	(\$ 45,208.87)			\$ 8,480.54	\$ 64,335.48	\$ 64,335.48
Total State Financial Assistance							\$ 54,630,872.53	(\$ 55,392,856.35)	\$ 684,173.85		\$ 28,035.43	\$ 4,792,371.91	\$ 87,706,857.47
Less: On-Benefit amounts not utilized for determination of Major Programs:													
On-behalf TPAF non-contributory insurance			\$ -				\$ (214,275.00)	\$ 214,275.00					\$ -
On-behalf TPAF Pension			\$ -				\$ (11,262,025.00)	\$ 11,262,025.00					\$ -
On-behalf TPAF Long-term disability insurance			\$ -				\$ (6,365.00)	\$ 6,365.00					\$ -
On-behalf TPAF post retirement medical			\$ -				\$ (3,596,494.00)	\$ 3,596,494.00					\$ -
Total State Financial Assistance Subject to Single Audit							\$ 39,551,713.53	\$ (40,313,497.35)					\$ 87,706,857.47

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

Sayreville Borough School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2021

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the District's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

Sayreville Borough School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2021

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$66,637.56) for the general fund and (\$367,442.44) 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	\$214,219.45	\$48,549,114.54	\$48,763,333.99
Special Revenue Fund	4,526,718.75	6,285,010.94	10,811,729.69
Debt Service Fund		79,242.00	79,242.00
Food Service Fund	1,313,004.81	45,208.87	1,358,213.68
	<u>6,053,943.01</u>	<u>54,958,576.35</u>	<u>61,012,519.36</u>
GAAP Adjustment		434,080.00	434,080.00
Total Awards & Financial Assistance	<u>\$6,053,943.01</u>	<u>\$55,392,656.35</u>	<u>\$61,012,519.36</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, 2021. 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, 2021.

Sayreville Borough School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Program(s)

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

(4) Identification of Major Federal Program(s):

<u>Program Title</u>	<u>CFDA</u>
Title I Part A- Grants to Local Educational Agencies	84.010
Education Stabilization Fund- CARES Act	84.425D
Coronavirus Relief Fund	21.019
Child Nutrition Cluster:	
School Breakfast Program	10.553
National School Lunch Program	10.555
U.S.D.A. Commodities Program	10.555
Emergency Operational Cost Program- Schools	10.555

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

Sayreville Borough School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

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

State Program(s)

- (1) Internal Control Over Major State Programs:
 - (a) Material weakness(es) identified? No
 - (b) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? No
- (4) Identification of Major State Program(s):

<u>Program Title</u>	<u>Project Number</u>
State Aid Cluster:	
Equalization Aid	21-495-034-5120-078
Categorical Special Education Aid	21-495-034-5120-089
Categorical Security Aid	21-495-034-5120-084
Categorical Transportation Aid	21-495-034-5120-014

- (5) Program Threshold Determination:
 - Type A State Program Threshold > \$1,209,405.00
 - Type B State Program Threshold <= \$1,209,405.00
- (6) Auditee qualified as a low-risk auditee under OMB Circular 15-08? Yes

Sayreville Borough School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

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

Internal Control Findings – None Reported

Compliance Findings – None Reported

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

Federal Programs – None Reported

State Programs – None Reported

Sayreville Borough School District
Schedule of Prior Year Audit Findings

Not Applicable

