

EAST BRUNSWICK PUBLIC SCHOOLS



Excellence in Academics, Athletics, and the Arts

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

760 State Highway 18, East Brunswick, New Jersey 08816

East Brunswick Public Schools

East Brunswick Board of Education East Brunswick, New Jersey

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

Prepared by

Bernardo Giuliana

East Brunswick Public Schools
Department of Financial Services

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Introductory Section

East Brunswick Public Schools

760 Route 18
East Brunswick, New Jersey 08816

December 5, 2023

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

Dear Board Members and Constituents of the Township of East Brunswick:

The Annual Comprehensive Financial Report for the East Brunswick School District (District) for the fiscal year ended June 30, 2023 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and the Government-wide financial statements of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The introductory section includes this transmittal letter (designed to complement Management's Discussion and Analysis and should be read in conjunction with it), the District's organizational chart and a list of principal officials. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, Title 2 U.S. Code of Federal Regulations (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and 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 auditors' report on internal control over compliance 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

East Brunswick School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and the government-wide financial statements of the District are included in this report. The East Brunswick School District and all its schools constitute the District's reporting entity.

The District operates eleven schools providing a full range of educational services appropriate to grade levels K through 12. These include regular and vocational education, as well as special education for handicapped youngsters. The schools, facility ages, and grade-levels served are as follows:

<u>School</u>	<u>Year Built</u>	<u>FY2023 Grades</u>
Bowne-Munro Elementary School	1952	K to 4
Central Elementary School	1949	K to 4
Chittick Elementary School	1969	K to 4
Frost Elementary School	1965	K to 4
Irwin Elementary School	1957	K to 4
Lawrence Brook Elementary School	1959	K to 4
Memorial Elementary School	2012	K to 4
Warnsdorfer Elementary School	1968	K to 4
Hammarskjold Middle School	2009	5 & 6
Churchill Junior High School	1962	7 to 9
East Brunswick High School	1958	10 to 12

The District completed fiscal year 2022-2023 with an average daily enrollment of 8,162 students, or 69 students more than the previous year's enrollment. The District has experienced an upward turn in the number of new enrollments in comparison to the COVID-19 Pandemic decrease, but the enrollment has not yet risen to the pre-pandemic level. The following details the changes in the District's student enrollment over the last five years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment Student Enrollment</u>	<u>Percent Change</u>
2022-2023	8,162.0	0.85%
2021-2022	8,093.0	0.36%
2020-2021	8,064.0	(1.87%)
2019-2020	8,218.0	(1.01%)
2018-2019	8,302.0	3.14%

Enrollment fluctuates daily as students enroll in and withdraw from the District. Thus, the above average daily enrollment table provides the mean measurement of enrollment throughout the respective years listed. This measure varies from the enrollment "snapshot" (known as the Application for State School Aid or ASSA) required by the New Jersey Department of Education and taken annually as of October 15.

The District re-engaged Statistical Forecasting, LLC to conduct a comprehensive analysis of school enrollment projections. The study was completed in June 2022 and updated as of January 3, 2023. It projects grade-by-grade enrollments over a five-year period from 2022-2023 through 2026-2027. In addition, the study included the following:

- Examination of historical enrollment trends, both districtwide and by grade configuration (PK-4, 5-6, 7-9, and 10-12);
- Investigation of historical enrollment trends with respect to race and poverty status in each school;
- Tabulation of birth counts at the attendance area level;

- Computation of student yields by housing type (i.e., detached single family, townhouse/condominium, and apartment);
- Analysis of new housing starts and the impact on the school district; and,
- Projected enrollments, in a totally independent analysis, based on student yields and housing turnover rates (resales) in East Brunswick.

The study’s projected year-to-year increases in enrollment will have serious consequences on District facilities and class sizes. The table below exhibits 2022-2023 actual enrollment and the ensuing enrollment projections.

Note that a new grade configuration became effective with the 2022-2023 school year, which impacts the District’s eight elementary schools, Hammarskjold Upper Elementary School (formerly the middle school), and Churchill Junior High School.

Actual Enrollment As Of 10/14/2022					
<i>(Source: Genesis)</i>					
Fiscal Year	PK-4	5-6	7-9	10-12	PK-12
2022-2023	2,764	1,315	2,000	2,033	8,112

Baseline Projections					
Fiscal Year	PK-4	5-6	7-9	10-12	PK-12
2023-2024	2,646	1,307	1,982	2,078	8,013
2024-2025	2,677	1,228	2,046	2,091	8,042
2025-2026	2,770	1,168	2,060	2,090	8,088
2026-2027	2,795	1,196	2,017	2,072	8,080
2026-2027 Change Over 2022-2023	+149	-111	+35	-6	+67

Projections Adjusted for Housing Growth					
Fiscal Year	PK-4	5-6	7-9	10-12	PK-12
2023-2024	2,683	1,321	2,000	2,097	8,101
2024-2025	2,744	1,256	2,085	2,128	8,213
2025-2026	2,860	1,211	2,119	2,145	8,335
2026-2027	2,901	1,253	2,099	2,146	8,399
2026-2027 Change Over 2022-2023	+218	-68	+99	+49	+298

Prior to the grade-level realignment, class sizes were being pushed upward to undesirable thresholds and the availability of classrooms for new sections was virtually non-existent. The grade-level realignment provided sorely needed classroom space at the elementary level.

During Fiscal Year 2021, the Board re-engaged in discussing resolutions to elementary classroom shortages. On May 6, 2021, the Board authorized the Administration to commence planning for Temporary Classroom Units to be placed at the Churchill Junior High School site for occupancy by September 2022. The Temporary Classroom Units were opened on schedule to accommodate

the entire seventh-grade class. However, while the New Jersey Department of Education approved the Temporary Classroom Units, the operative word is “temporary” as the use of these classroom units is short term and must be followed by a permanent facilities solution. Thus, the grade reconfiguration is expected to provide temporary relief while the Board plans a permanent resolution that will benefit students from Pre- K through Grade 12 for the long term.

The Township of East Brunswick is pursuing significant redevelopment plans, which are reported to include upscale or specialty food markets; medium- and high-end restaurants; shuttle bus service; bike paths; a concert venue; special needs and/or senior housing; universal Wi-Fi; a community use building for recreational purposes; a hotel; and, residential units.

Representatives from the East Brunswick Planning and Engineering Department provided information to the District’s demographer regarding current and future residential development. A list of approved housing developments, location, affected elementary attendance area, number of units, housing type, bedroom distribution (if available), and project status is shown in the table below. The table excludes new houses to be built on single in-fill lots, or the subdivision of existing lots, or homes that are built after the demolition of an existing older home.

Approved Residential Developments in East Brunswick

Subdivision/Developer (Location)	Elementary Attendance Area	Number of Units	Bedroom Distribution	Housing Type	Notes/Status
Abdelshahid (Hardenburg Lane)	Wamsdorfer	3	N/A	Detached Single-Family	One unit under construction
Bartel/Dunhams Cove (Dunhams Corner Road)	Central	8	N/A	Detached Single-Family	Under construction
Bruno (Dutch Road)	Wamsdorfer	3	N/A	Detached Single-Family	Approved but not under construction
Clark Farm (Stage Coach Run/ Lanterns Lane)	Wamsdorfer	12	N/A	Detached Single-Family	Approved in 2008. Nothing has been constructed due to very high water table. Unclear whether the project will move forward.
Enclave at East Brunswick (Old Bridge Turnpike/ May Road)	Chittick	17	N/A	Detached Single-Family	Under construction. Ten homes are built and occupied.
Hidden Oaks, LLC (Harts Lane)	Lawrence Brook	275	Market-Rate Apts. (220) 78 1-BR 142 2-PR Affordable Apts. (55) 11 1-BR 33 2-BR 11 3-BR	Apartments (market-rate and affordable)	Has received Preliminary and Final Site Plan approval. 55 units will be set aside for Low-Moderate Income households. Tree permit has been approved and land cleared.
Hidden Pond (Dutch Road)	Wamsdorfer	8	N/A	Detached Single-Family	Under construction. Five homes are built and occupied.
HD Summerhill (a.k.a. Mack-Cali) (377 Summerhill Road)	Frost	96	41 1-BR 50 2-BR 5 3-BR	Apartments (market-rate and affordable)	Under construction. 24 units will be set aside for Low Moderate Income households.
Tices Developers Urban Renewal, LLC (a.k.a. Garden Homes) (110 Tices Lane)	Lawrence Brook	520	Market-Rate Units (416) 280-BR 122 1-PR 234 2-PR 32 3-BR Affordable Units (104) 26 1-BR 58 2-BR 20 3-BR	Apartments and Duplexes (504) (market-rate and affordable) Townhouses (16)	Under construction. 104 units will be set aside for Low-Moderate Income households.
Total					942 Units

Source: East Brunswick Planning and Engineering Department/Township Administrator

Notes: Bolded text reflects a change in status from the July 2019 demographic study.

Developments shaded blue are new since the July 2019 demographic study.

As of this letter date, the Tices Developers Urban Renewal, LLC project is ahead of schedule and has begun leasing apartments for occupancy. The number of students that the development will yield cannot be known but can be substantial.

In addition, there are plans by the township to redevelop two additional areas on the northern end of the Route 18 corridor located at the former Gap store site and at the former Loehmann’s Plaza, as shown in table below. Vermella East Brunswick Phase I (located at the former Gap store site) was approved in October 2022 and will consist of 306 multi-family units with a mix of 0-3 bedrooms. Vermella Phase II (located at the former Loehmann’s Plaza) has not yet submitted an application to the Planning Board. As such, the type of units and bedroom distribution of this development is unknown. While each site would have a commercial and residential component, only the residential components are shown in the table. The two developments will consist of approximately 806 multi-family units. Most of the units will consist of one or two bedrooms. The new community would have two bus depots to provide accessible transportation for commuters into New York City.

Potential Redevelopment Projects in East Brunswick

Subdivision/ Developer (Location)	Elementary Attendance Area	Number of Units	Bedroom Distribution	Housing Type	Notes
Vermella East Brunswick Phase I (251 Route 18)	Lawrence Brook	306	28 0-BR 140 1-BR 131 2-BR 7 3-BR	Apartments (market-rate)	Redevelopment of former Gap store site. Phase I was approved by the Planning Board on 10/12/22.
Vermella East Brunswick Phase II (233 Route 18)	Lawrence Brook	500	Mostly 1-2 BR	Multi-Family	Redevelopment of former Loehmann’s Plaza. Vermella Phase II has not yet submitted an application to the Planning Board and therefore is not approved. Exact bedroom distribution is unknown.
Total		806 Units			

Source: East Brunswick Planning and Engineering Department/ Township Administrator

The precise impact of the approved residential developments upon the school district are currently unknown and must be examined as soon as the residential plans are approved. Certainly, any residential construction will bring more students into the school district. Therefore, the information is critical to school facilities planning.

A charter school based in East Brunswick opened its doors at the beginning of the 2010-2011 school year. Hatikvah International Academy Charter School was approved as a K-5 school and has since expanded to be a grades K-8 school. It is unfortunate that this charter school was granted an initial charter several years ago in the suburban community of East Brunswick having one of the best school districts in this State if not the entire country. The charter school did not serve any educational need then, and it does not now.

During its thirteen years, the charter school’s existence has required the cumulative appropriation of \$33,417,278 from the East Brunswick Public School District budget. This State-mandated diversion of local financial resources has come with significant and deleterious impacts to the school district beginning with the elimination of its model elementary world language program in the charter school’s first year. The time has long passed to argue the merits of whether or not the initial charter should have been approved. However, the community should be reminded that the students enrolled in the charter school would receive a superior quality of education and supports

if enrolled in the East Brunswick Public Schools.

East Brunswick's taxpayers largely provide the financial support for its public schools. For fiscal year 2023, the local funding share is 75.96% of the District's fiscal year 2023 General Fund budget.

It is a fact that increasing amounts of this suburban community's local funds and state aid allocation must be diverted to support a charter school for which there is absolutely no justifiable educational need.

2. ECONOMIC CONDITION AND OUTLOOK:

The Township of East Brunswick's total labor force increased 2.4% to 28,030 in 2022 from 27,374 in 2021, as reported by the New Jersey Department of Labor and Workforce Development. The employment rate for 2022 was 97.1% as compared with 95.0% in 2021, and the unemployment rate for 2022 decreased to 2.9% from 5.0% in 2021. East Brunswick's employment and unemployment rates continue to reflect the post-COVID-19 Pandemic rebounding experienced by the local economy and is reflective of data that has been reported statewide and nationally. In short, the general economic viability of the community is strong, and has rebounded as was expected.

The Township of East Brunswick reported certificates of occupancy (COs) issued for new residential units to be 67 for the calendar year 2022, as compared with 20 for the calendar year 2020. This represents a 36.73% increase in comparison to last year.

Economic data provided by the Township of East Brunswick indicates that the construction value and building permits issued for new units, additions and remodeling for the entire 2022 calendar year totaled \$39,604,905 and 625, respectively, as compared to \$118,250,195 and 2,889 for the 2021 calendar year. This represents an decrease of 2,264 permits and an decrease in construction value of \$78,645,290.

Notwithstanding the aforementioned data, re-sale housing in East Brunswick is reflective of the ongoing desire of individuals to establish their residency where the excellent public schools are the primary factor in that decision and the District continues register more students.

While the legally established caps on local property tax increases are intended to limit property tax growth, New Jersey continues to have a need for property tax reform. The Federal Tax Reform Act of 2017 with its limitations on the deductibility of property taxes has placed an added burden on New Jersey homeowners. The District is conscious of this and will continue to act prudently in its fiscal decisions. However, these issues must be addressed. We continue to urge New Jersey residents to express the expectations they have of their elected officials with regard to tax reform.

3. MAJOR INITIATIVES

The District has been aggressive in pursuing the maximum level of State grant funds for all qualifying projects since State's school facilities grants were reinstated in 2008. To date, East Brunswick has been successful in receiving grant approvals on all qualifying projects and for the maximum qualifying amount. The grant funds have benefitted East Brunswick taxpayers by reducing the local financial obligation for the projects. In fact, over \$3.1 million in State grant funds – a full 40% of estimated project costs – have funded security vestibules at all eleven school

locations, a myriad of infrastructure improvements and building upgrades that have been completed throughout the District. While the State has not continued the grant program, the District is poised to avail itself of such funding opportunities when and if they again become available.

The limitations on financial resources to support capital projects have required the District to pursue other means of providing project funds. It established a revolving fund of financing through which capital projects are funded. Such short-term debt having a payback of no more than five years has enabled the District to plan in meeting the many needs of its 13 facilities. The District has also received Safety Grants from the New Jersey Schools Insurance Group. Those grants focus on District safety and security through physical improvements. Furthermore, the District has been fortunate to supplement its capital reserve fund to further the capital plan.

The projects undertaken in the planning stage, in-process or completed during the past year include the following:

Central Elementary School: certain window replacements.

Chittick Elementary School: window and exterior door replacements, HVAC upgrades to corridors, and playground improvements.

Churchill Junior High School: window and exterior door replacements, temporary classroom units, and retaining wall design.

East Brunswick High School: new roof-top units, stadium field and track replacements, new girls softball and field hockey complex, kiln room improvements, and new high school planning.

Frost Elementary School: window and exterior door replacements, multi-purpose room and kitchen renovations, and HVAC upgrades to corridors.

Hammarskjold Upper Elementary School (formerly middle school): roof-top unit replacements, and kiln room improvements.

Irwin Elementary School: HVAC upgrades to corridors.

Lawrence Brook Elementary School: courtyard renovation.

Warnsdorfer Elementary School: window and exterior door replacements, and HVAC upgrades to corridors.

Support Operations Facility: warehouse air conditioning.

Administration Building: security improvements, exterior door replacements, restroom and elevator upgrades, and window replacements.

Finally, technology has a significant role in instruction and is integrated throughout the District's operations. It is an absolute necessity upon which there is heavy reliance to continually achieve success in District operations and instruction. In 2019-2020, the COVID-19 pandemic pushed the

District into utilizing its recently implemented learning management system (LMS) to support remote teaching and learning in grades eight through 12. The pandemic caused the District to speedily implement its one-to-one initiative resulting in the assignment of individual Lenovo laptop computers to each student in grades 8 through 12 and Chromebooks to each student in grades K through 7. The District's pre-pandemic foresight moving toward implementing these systems enabled it to be *ahead of the curve* and a leader capable of supporting student learning throughout the COVID-19 Pandemic.

The LMS, as well as other initiatives and general technology maintenance and upgrades, require a significant ongoing investment for which this District has been committed to find innovative ways of overcoming funding challenges. Thus, we must succeed in meeting our obligation to ensure technology is reliable and readily available to support student learning and the District's "business" operations.

Eight years ago, Sunera, LLC was engaged to assess the Information Technology Department. While the report is confidential due to sensitive security discussions contained therein, the District has been committed to implementing the recommendations and providing students with the tools needed to augment their educational experiences. The issues requiring attention were varied, and improvement will take time and financial resources. The dedication of time and financial resources has enabled much to be accomplished with marked improvements being the result. The District's steadfast commitment has yielded substantial progress in this area.

Eight years ago, the District engaged in a study of its Facilities Management operations, which includes building maintenance (electrical, general maintenance, HVAC, and plumbing), grounds maintenance, and custodial services. While the report is confidential due to certain personnel discussions contained therein, the overall objective has been to provide high-quality support to improve maintenance of the District's overall property investment and infrastructure both inside and out. While change is sometimes a slow and challenging process, the District's commitment to implementing the recommendations has been evidenced by the steady implementation of a reorganization plan resulting in substantive improvements that have taken hold and continue to benefit the District's properties.

4. INTERNAL CONTROL

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

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

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

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. The Board of Education of East Brunswick Public Schools has the legal level of budgetary control, which is made at the line-item level. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are accounted for in the capital projects fund when applicable. The final budget amount, as amended for the fiscal year, is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as reported as assigned fund balance at June 30, 2023.

6. ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized based on funds. These funds and the government-wide financial statements are explained in "Notes to the Basic Financial Statements," Note 1.

7. OTHER INFORMATION

- A) Independent Audit** - State statutes require an annual audit to be performed by independent certified public accountants or registered municipal accountants. The accounting firm of PKF O'Connor Davies, LLP was appointed 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 1986, the Federal Uniform Guidance and New Jersey's OMB Circular 15-08. The auditors' report on the basic financial statements, required supplementary information and other supplementary information are included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

- B) Awards** – The International Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2022. In order to be awarded this certificate, the District published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States and applicable legal requirements. This is the tenth year in a row the District has received this award.

This Certificate is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Programs' requirements and we are submitting it to ASBO to determine its eligibility for the fiscal year 2022-2023 award.

In addition, the District has applied for the the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2022. If awarded, this will be the eighth year that the District will have achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. We have continued to adhere to the GFOA program requirements, and we are optimistic that an award will be granted for the 2021-2022 fiscal year.

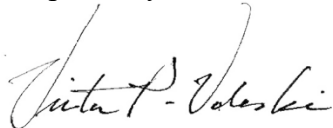
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Programs' requirements, and we are submitting it to the GFOA to determine its eligibility for the fiscal year 2022-2023 certificate.

- C) Continued Excellence in Academics, Athletics and the Arts** - During the 2022-2023 school year, the District continued to advance its reputation for excellence through a variety of accomplishments and achievements. See the accomplishments and achievements section for a number of those successes.

8. ACKNOWLEDGMENTS

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

Respectfully submitted,



Victor P. Valeski, Ed.D.
Superintendent of Schools



Bernardo Giuliana, SFO, QPA
Assistant Superintendent for Business
and Support Operations

East Brunswick Public Schools

Accomplishments and Achievements

Year ended June 30, 2023

The District is proud to report the many successes and accomplishments that our students have achieved. The 2022-2023 school year achievements are listed below:

For Excellence in Academics...

- East Brunswick is the only district in the state to have 11 *Blue Ribbon Schools*. The schools are Bowne-Munro, Central, Chittick, Frost, Irwin, Lawrence Brook, Memorial and Warnsdorfer Elementary Schools, Hammarskjold Upper Elementary School, Churchill Junior High School and East Brunswick High School.
- Over 93% of graduates go on to college.
- EBHS/MCC Pathways Program – offered College Level Courses amassing 3,697 College Credits.
- EBHS received reaccreditation from the Middle State Association Commissions on Elementary and Secondary Schools.
- Eight EBHS students were *National Merit Scholarship* Finalists.
- Twenty EBHS students received 1st Place at We the People -State Competition.
- East Brunswick High School welcomed 91 new members into the *National Honor Society*.
- Twenty-seven EBHS students received their first-year pins for the Science Honor Society and ten EBHS students received their second-year honor cords.
- The EBHS Math Honor Society Mu Alpha Theta induced 84 new members.
- One EBHS senior earned their Associate Degree from pursuing credits through our Dual Enrollment Program.
- The EBHS eSports team was ranked 2nd in the State.
- One EBHS student won first place for the MLK 23 Scholarship Essay Contest
- World Language Honor Societies Inductees:
 - *French Honor Society - 60 students*
 - *Spanish Honor Society - 54 students*
 - *Italian Honor Society - 19 students*
 - *German Honor Society - 24 students*
- NJ Seal of Biliteracy -131 high school seniors earned the distinction of the New Jersey Seal of Biliteracy

For Excellence in Academics-continued...

- Eight students earned two Bilingual Seals:
 - One student: French, Japanese and Korean
 - One student: French and German
 - One student: French and Portuguese
 - One student: Chinese and Spanish
 - One student: Korean and Spanish
 - One student: Arabic and Spanish
 - Two students: Hindi and Spanish

For Excellence in the Arts...

- Fifty-three EBHS students were inducted into the EBHS chapter of the *Tri-M Music Honors Society*.
- The EBHS Orchestra performed at Carnegie Hall.
- One EBHS Sophomore was selected to the All-National Orchestra.
- One EBHS Junior was selected to the NAFME All-Eastern Mixed Choir.
- Three EBHS students were selected to the CJMEA High School Symphonic Band.
- Five EBHS students were selected to the NJ All-State Orchestra.
- Five EBHS students were selected to the NJMEA All-State Mixed Choir.
- Three EBHS students were selected to the NJMEA All-State Treble Chorus.
- Four EBHS students and one CJHS student were selected to the 2023 NJMEA All-State Ensembles.
- Five CJHS students were selected to the CJMEA High School Region Orchestra.
- Six CJHS students and three HUES students were selected to CJMEA Intermediate String Orchestra.
- Four CJHS students were selected to CJMEA Intermediate Chamber Orchestra.
- Three CJHS students were selected to the CJMEA Intermediate Region Band.
- Five CJHS students were selected to NJ All-State Intermediate Orchestra.

For Excellence in Athletics...

- Red Division Champions:
 - Girls Tennis
 - Field Hockey
 - Girls Soccer

For Excellence in Athletics-continued...

- GMC Champions:
 - Girls Tennis
 - Gymnastics
 - Girls Soccer
 - Boys Tennis
 - Girls Winter Track – Relay Champions
 - Girls Track
 - Boys Track
 - Girls Swimming
 - Boys Swimming
 - Field Hockey
 - Freshman Boys Cross Country
- Sectional Champions:
 - Boys Track
 - Boys Bowling
- State Champions:
 - Boys Bowling – Group IV State Champions
 - One EBHS student was Central Jersey Sectional Individual Champion in Gymnastics
- Individual Awards:
 - One EBHS student was *Field Hockey* Player of the Year
 - One EBHS student made her 100th Career Save in *Field Hockey*
 - One EBHS student made his 200th Save in *Boys Lacrosse*
 - One EBHS student made her 500th Career Save in *Girls Lacrosse*
 - One EBHS student made her 100-career point in *Girls Lacrosse*
 - One EBHS student made her 200-career point in *Girls Lacrosse*
 - One EBHS student was All GMC in *Girls Volleyball*
 - One EBHS student was selected as GMC Player of the Year, 2nd Team All State and 1st Team All Group IV for *Girls Soccer*
 - One EBHS student was selected to 2nd Team North Jersey *Field Hockey* Association
 - One EBHS student was selected to 3rd Team North Jersey *Field Hockey* Association
 - One EBHS student was GMC Player of the Year for *Girls Lacrosse*
 - One EBHS student was All GMC for *Softball*
 - One EBHS student was All Red Division and All GMC for *Girls Bowling*
 - One EBHS student was All Red Division and All GMC First Team in *Girls Basketball*

For Excellence in Athletics-continued...

- Individual Awards-continued:
 - One EBHS student was selected All GMC for *Boys Soccer*
 - One EBHS student was First Team All-Conference in *Football*
 - One EBHS Junior was All Red and GMC Player for *Baseball*
 - One EBHS student won the sectional in *Girls Track* in the 400 and set a school record of 58.53
 - One EBHS student was Offensive Player of the Year and All American for *Boys Lacrosse*
 - One EBHS student was the 126 District Champ in *Boys Wrestling*
 - Two EBHS students were 1st Team All GMC for *Girls Lacrosse*
 - Two EBHS students were All GMC for *Boys Golf*
 - Two EBHS students were All Red and All GMC for *Boys Volleyball*
 - Two EBHS students were the GMC Champion in *Tennis*
 - Two EBHS students were All Red Division in *Girls Volleyball*
 - Two EBHS students were All GMC for *Boys Swimming*
 - Two EBHS students were All Red Division in *Boys Lacrosse*
 - Two EBHS students were All GMC in *Boys Lacrosse*
 - Two EBHS students were Second Team All-Conference in *Football*
 - Two EBHS students were All Conference in *Girls Soccer*
 - Two EBHS students were selected all Red Division and all GMC for *Girls Tennis*
 - Two EBHS students were All Red Division for *Boys Bowling*
 - Three EBHS students were All GMC for *Boys Bowling*
 - Three EBHS students were All Red Division in *Girls Soccer*
 - Three EBHS students were All GMC for *Field Hockey*
 - Three EBHS students were All Red Division in *Boys Soccer*
 - Three EBHS students were All Red Division for *Softball*
 - Three EBHS students were All GMC for *Girls Track*
 - Four EBHS students were All Red Division for *Girls Lacrosse*
 - Four EBHS students were All GMC in the 4x400 in *Boys Track*
 - Four EBHS students were All Red Division for *Girls Track*
 - Six EBHS students were All Red Division for *Boys Track*
 - Seven EBHS students were All Red-Division for *Boys Swimming*
 - 18 High School Seniors Signed Letters of Intent to play at the next level
- Coaches Recognition:
 - Kevin Brady - 400 career wins - *Softball*
 - Deb Mangino was *Girls Tennis* GMC Coach of the Year
 - Sean Carney was Red Division Boys and Girls Coach of the Year as well as GMC Boys Coach of the Year for *Swimming*
 - Laura Calderone was Red and GMC Coach of the Year for *Girls Track*

For Excellence in Athletics-continued...

- Coaches Recognition-continued:
 - Pasquale DiGiacchio was the Red and GMC Coach of the Year for *Boys Track*
 - Joe Langel was District Coach for the Year for *Boys Wrestling*
 - Kerri McQuade was the Red and GMC Coach of the Year for *Girls Lacrosse*
- Team Awards
 - *Girls Soccer* was Team of the Year
 - *Boys Bowling* were the Brunswick Brawl Champions
 - *Girls Bowling* won the Sportsmanship Award for the Red Division
 - *Cheerleading JV and Varsity* were State Champions for the first time in school history.
 - *Cheerleading* - First Place at the IMPACT Cheer and Dance Competition
 - *Cheerleading Varsity and JV* won the Perfect Storm Competition in Woodbridge and St. John Vianney Cheer Competition
 - *Cheerleading* was the Secaucus Cheer Competition Champs

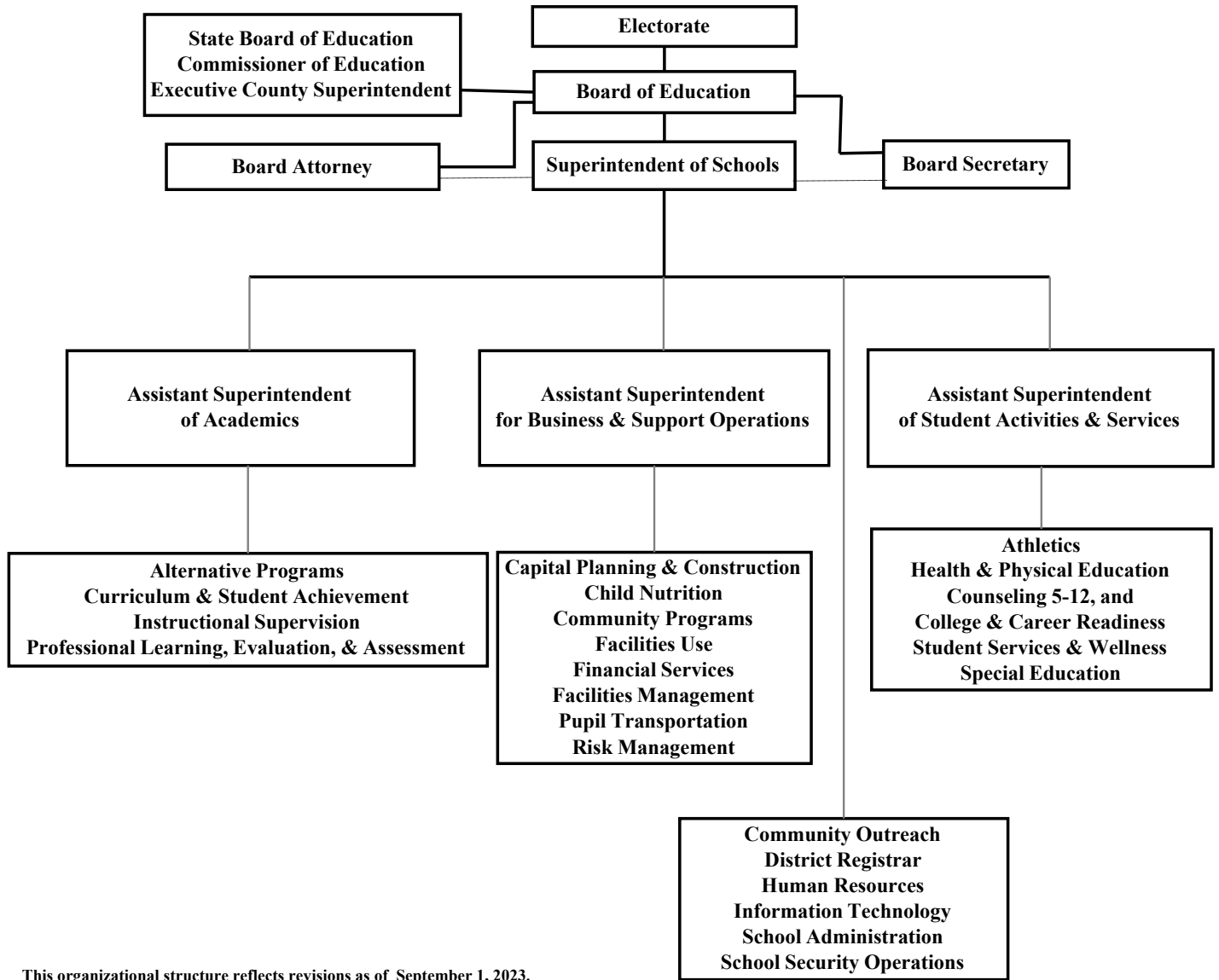
Staff Accomplishments...

- *The Certificate of Excellence in Financial Reporting* was awarded by the *Association of School Business Officials (ASBO) International* to the East Brunswick Public Schools for the tenth consecutive year.

For Excellence in Service to the Community...

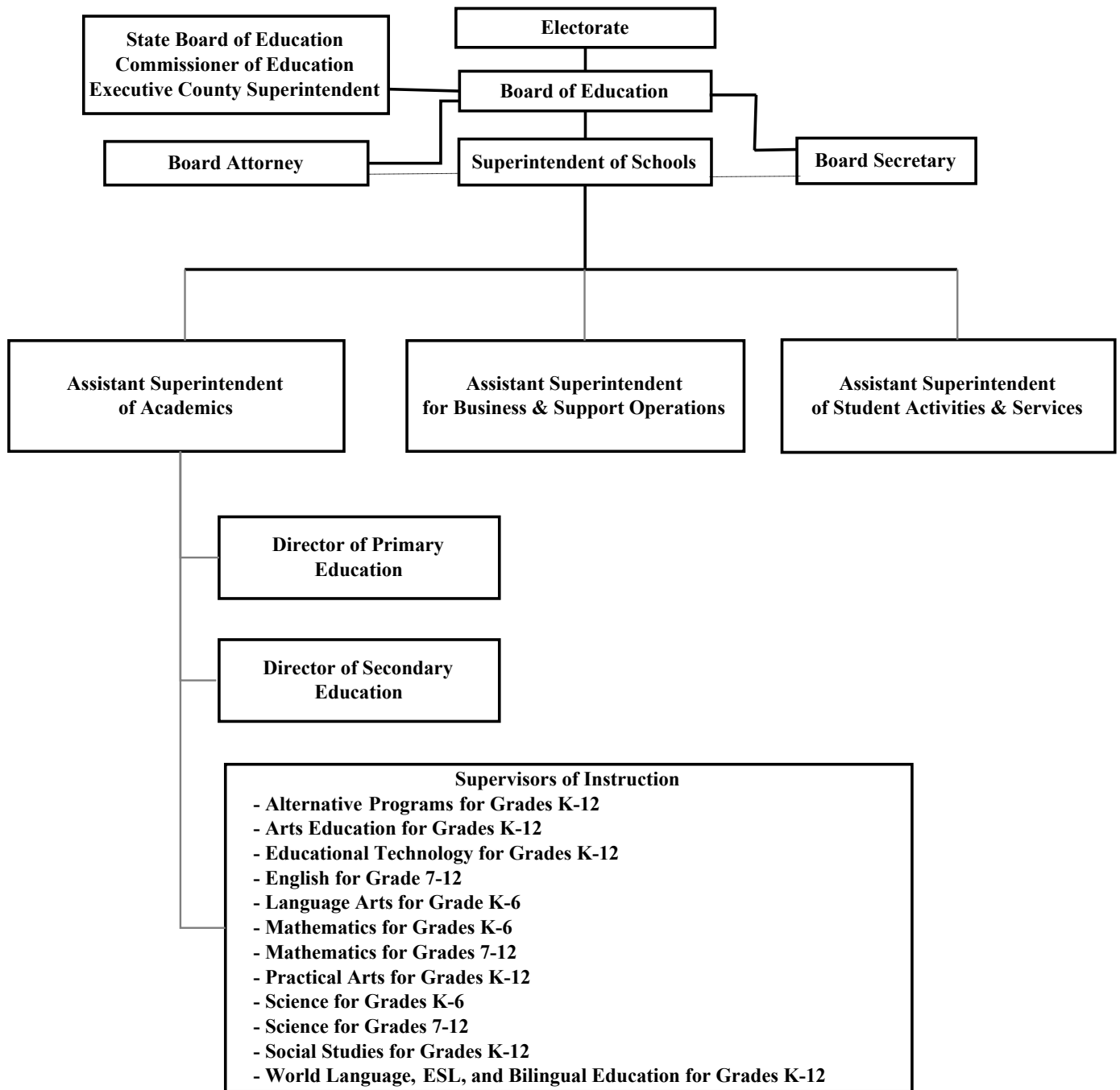
- District Staff collected \$2,267 for Breast Cancer Research and Pediatric Cancer Research for the *Rutgers University Foundation*.
- District staff collected \$2,305 for the American Heart Association on Wear Red Day.
- District Staff collected \$2,366 for displaced families in the District.
- EBHS hosted Relay for Life and raised over \$12,000.

East Brunswick Public Schools
Organization Chart



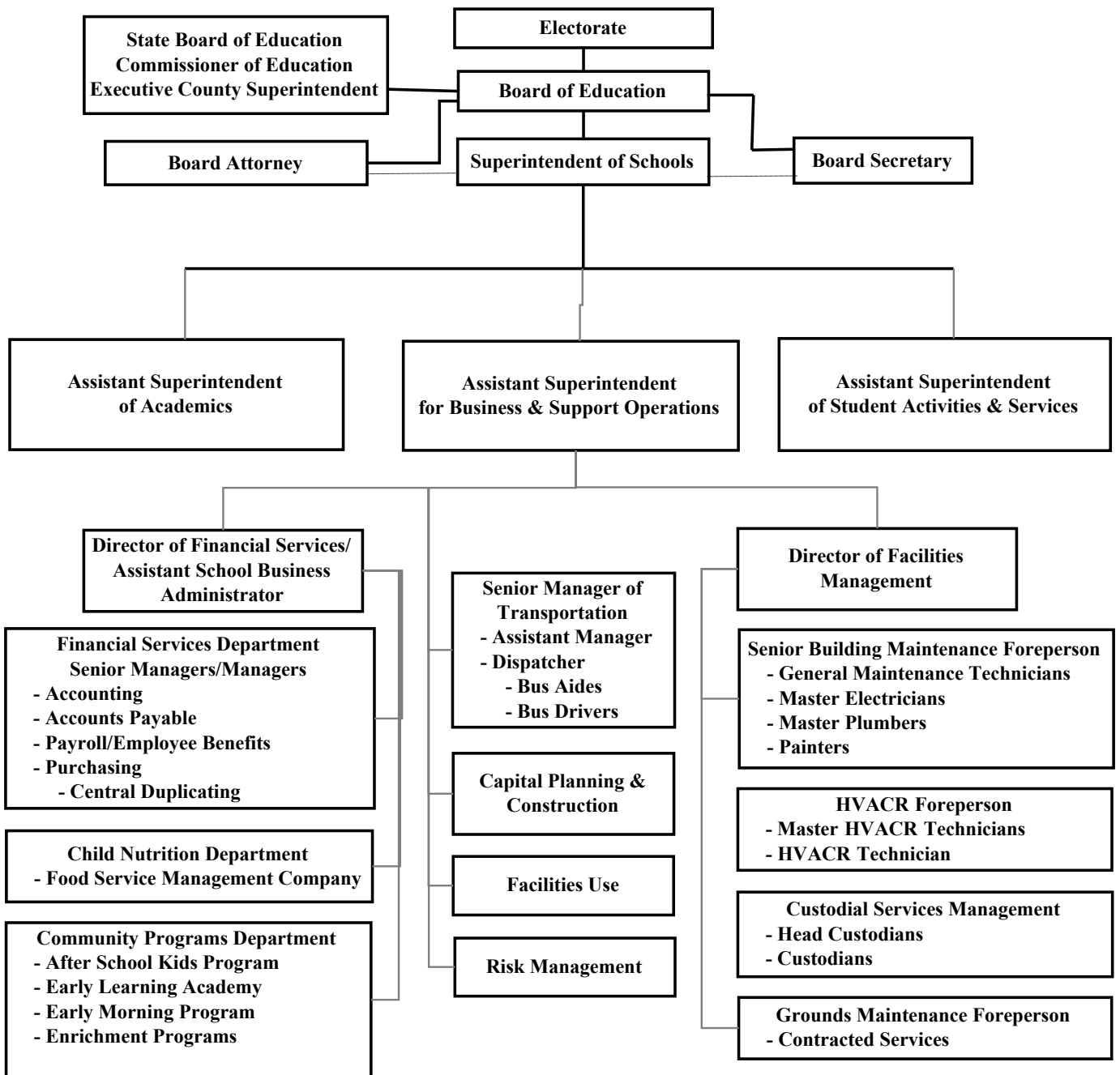
This organizational structure reflects revisions as of September 1, 2023.

Refer to position job descriptions for additional details.



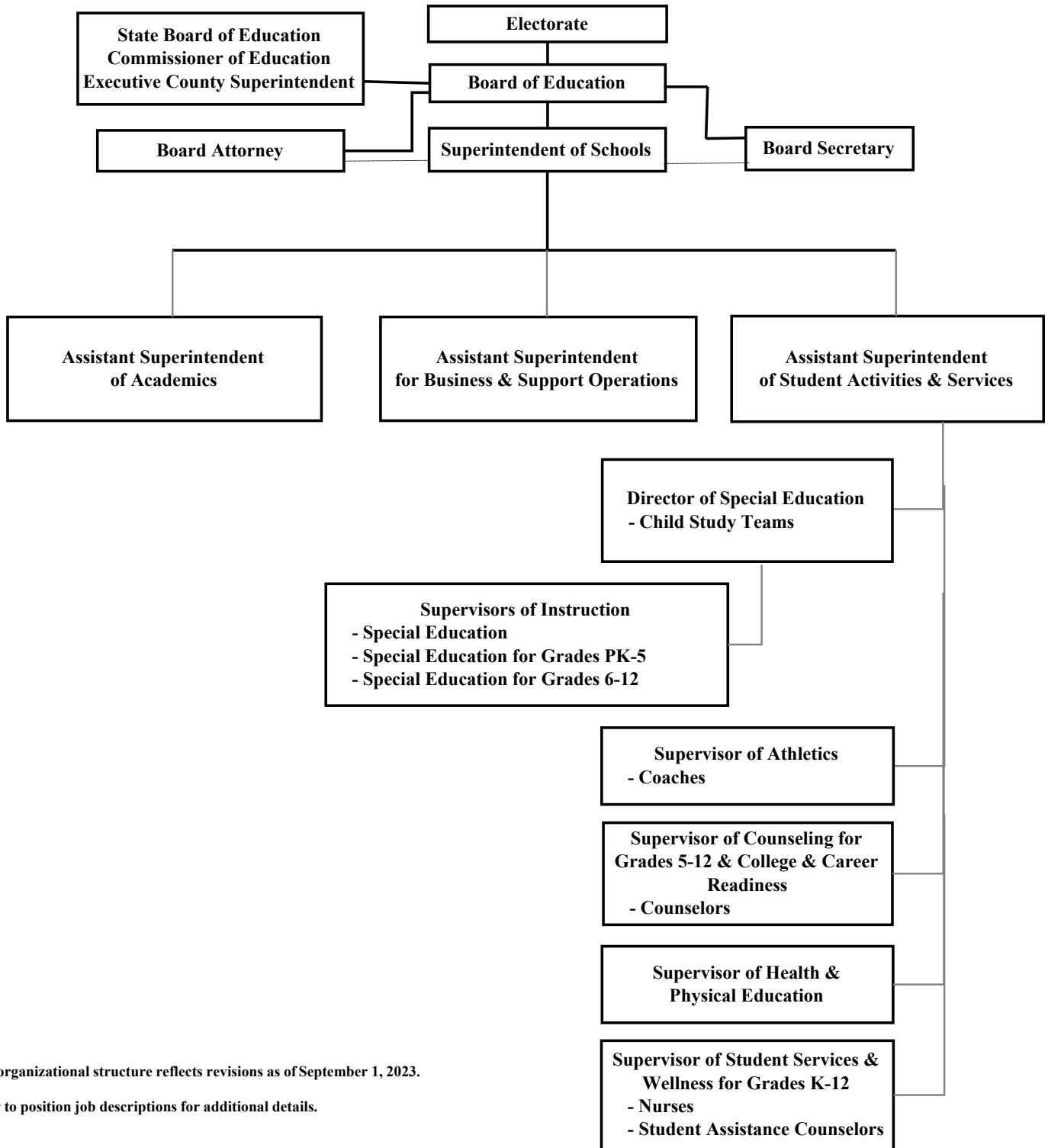
This organizational structure reflects revisions as of September 1, 2023.

Refer to position job descriptions for additional details.



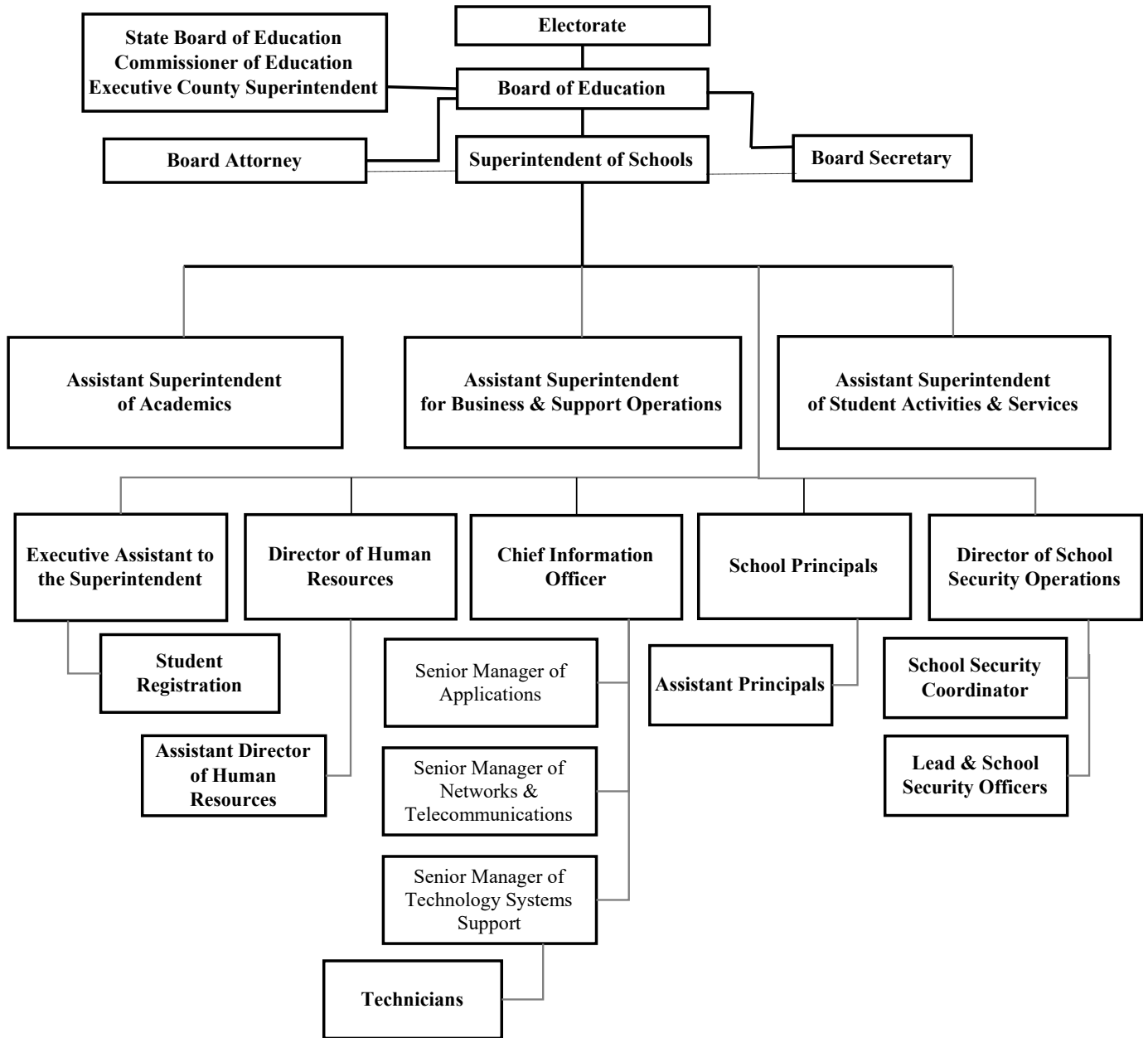
This organizational structure reflects revisions as of September 1, 2023.

Refer to job descriptions for position reporting lines.



This organizational structure reflects revisions as of September 1, 2023.

Refer to position job descriptions for additional details.



This organizational structure reflects revisions as of September 1, 2023.

Refer to position job descriptions for additional details.

East Brunswick Public Schools
East Brunswick, New Jersey

Roster of Officials

June 30, 2023

Members of the Board of Education

Term Expires

Laurie Lachs, President	2023
Heather Guas, Vice President.....	2025
Vicki Becker.....	2024
Mark Carangelo.....	2023
Susanna Chiu.....	2023
Mark Csizmar.....	2025
Liwu Hong.....	2025
Barbara Reiss.....	2024
Jeffrey Winston	2024

Other Officials

Victor P. Valeski, Ed.D., Superintendent of Schools

Bernardo Giuliana, SFO, QPA, Assistant Superintendent for Business & Support
Operations/Board Secretary

Louis Figueroa, Ed.D., Assistant Superintendent of Student Activities and Services

Joyce Boley, Ed.D., Assistant Superintendent of Academics

East Brunswick Public Schools
East Brunswick, New Jersey

Architect & Engineer

Parette Somjen Architects
439 US Highway 46 #4
Rockaway, New Jersey 07866

Van Cleef Engineering Associates, LLC
32 Brower Lane
Hillsborough, New Jersey 08844

Board Attorney

Matthew J. Giacobbe, Esq.
Cleary, Giacobbe, Alfieri, Jacobs, LLC
169 Ramapo Valley Road, Upper Level 105
Oakland, New Jersey 07436

Bond Counsel

C. Anthony Solimine, Esq.
Wilentz, Goldman & Spitzer, P.A.
90 Woodbridge Center Drive, Suite 900
Woodbridge, New Jersey 07095

Financial Advisor

Jennifer G. Edwards
Acacia Financial Group, Inc.
6000 Midlantic Drive, Suite 410 North
Mount Laurel, New Jersey 08054

Independent Auditor

Scott Clelland, CPA, PSA, RMA
PFK O'Connor Davies, LLP
20 Commerce Drive, Suite 301
Cranford, New Jersey 07016

Insurance Broker

Latonya Brennan, CSR
Arthur J. Gallagher Risk Management Services, LLC
707 State Road, Route 206
Princeton, New Jersey 08542

Official Depository

PNC Bank
Civic Center Office
555 Cranbury Road
East Brunswick, New Jersey 08816



**The Certificate of Excellence in Financial Reporting
is presented to**

East Brunswick Public Schools

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.**

The district report meets the criteria established for ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'John W. Hutchison', written over a horizontal line.

**John W. Hutchison
President**

A handwritten signature in black ink, reading 'Siobhán McMahon', written over a horizontal line.

**Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director**

Financial Section



Independent Auditors' Report

**Honorable President and Members
of the Board of Education
East Brunswick Public Schools
East Brunswick, New Jersey**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the East Brunswick Public Schools (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | www.pkfod.com

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

**Honorable President and Members
of the Board of Education
East Brunswick Public Schools**

Page 2

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

**Honorable President and Members
of the Board of Education
East Brunswick Public Schools**

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Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2023. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

**Honorable President and Members
of the Board of Education
East Brunswick Public Schools**

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Cranford, New Jersey
December 5, 2023

Scott A. Clelland

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

Required Supplementary Information
Part I

Management's Discussion and Analysis

East Brunswick Public Schools

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

The discussion and analysis of East Brunswick Public School's (the "District") financial performance provides an overview of the District's financial performance during the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements and notes, which immediately follow this section.

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-Management's Discussion and Analysis for State and Local Governments*. Certain comparative information between the current year and the prior fiscal year is presented in the MD&A, as required by GASB Statement No. 34.

Overview of the Financial Statements

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

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

The statement of net position (A-1) presents information on all of the assets, deferred outflows of resources, liabilities and deferred inflows of resources of the District, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities (A-2) presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

In the government-wide financial statements, the District's activities are divided into two categories:

Governmental Activities — All of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities, construction and facilities improvements, self-insurance, and debt repayment.

Business-Type Activities — The District charges fees for certain services it provides. The Food Service, Community Programs, Technology and Facilities Rentals are reported here.

The government-wide financial statements can be found on schedules A-1 and A-2 of this report.

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

Governmental funds. The District's activities are reported in governmental funds, which focus on how money flows into and out of the funds and balances left at year-end available for spending in the future years. These funds are reported using a modified accrual accounting method, 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 District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The basic governmental fund financial statements can be found on schedules B-1, B-2 and B-3 of this report.

Proprietary funds. The District maintains two proprietary fund types, four enterprise funds and one internal service fund. The enterprise 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 is that the costs of providing goods or services be financed through user charges. The enterprise fund reports the operations of the food service, community education, technology and facilities rentals programs. The self-insured internal service fund is used to record the activity of the District's medical benefits. Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on schedules B-4, B-5 and B-6 of this report.

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

Other information. The required supplementary information related to pensions and other postemployment benefits and the individual and combining statements referred to earlier in connection with the governmental and enterprise funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found immediately following the notes to the financial statements of this report.

Financial Highlights

Key financial highlights for 2022-2023 are as follows:

In total, net position at June 30, 2023 was \$167,930,519, which represents a 3.4% increase from 2022. This is primarily due to reductions of financed purchases payable offset by bonds payable in the amount of \$12,005,000 offset by the increase in the net pension liability of \$5,445,132.

Governmental activities general revenues and transfers accounted for \$205,094,527 in revenue or 94.9% of all governmental activities revenue. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$11,067,726 or 5.1% of total governmental activities revenues of \$216,162,253.

Among major funds, the General Fund had \$212,582,735 in revenues and \$222,471,740 in expenditures. The General Fund's fund balance is \$18,542,904 as of June 30, 2023, a decrease of \$8,879,242 from the June 30, 2022 balance. The decrease was mainly the result of use of prior year fund balance and an increase in capital outlay expenditures.

Notification was received that the two June 2023 state aid payments to the District in the total amount of \$3,270,872 would be delayed until the next school year. While, the State of New Jersey has taken action to withhold the final June payment each year since 2003, it expanded the withholding to both June payments in the 2009-2010 fiscal year, in order to avert a budget shortfall at the state level.

The District followed GASB Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and during the 2023 fiscal year the District recorded revenue and expense in the amount of \$2,179,419 related to post-employment health benefits.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The following table provides a comparative summary of net position relating to the District's governmental and business-type activities at June 30, 2023 and 2022:

	Net Position					
	June 30, 2023			June 30, 2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 44,914,496	\$ 5,653,694	\$ 50,568,190	\$ 58,342,759	\$ 4,976,418	\$ 63,319,177
Capital assets, net	256,761,388	1,010,841	257,772,229	238,841,116	391,113	239,232,229
Total assets	301,675,884	6,664,535	308,340,419	297,183,875	5,367,531	302,551,406
Deferred outflows of resources	5,941,743		5,941,743	7,669,030		7,669,030
Liabilities:						
Current liabilities	29,888,801	1,538,949	31,427,750	26,549,793	992,187	27,541,980
Net pension liability	28,494,665		28,494,665	23,049,533		23,049,533
Long-term liabilities	80,547,107	114,288	80,661,395	81,953,977	119,662	82,073,639
Total liabilities	138,930,573	1,653,237	140,583,810	131,553,303	1,111,849	132,665,152
Deferred inflow of resources	5,767,833		5,767,833	15,202,281		15,202,281
Net position:						
Net investment in capital assets	178,647,601	1,010,841	179,658,442	170,257,553	391,113	170,648,666
Restricted	10,779,387		10,779,387	10,433,686		10,433,686
Unrestricted (deficit)	(26,507,767)	4,000,457	(22,507,310)	(22,593,918)	3,864,569	(18,729,349)
Total net position	\$ 162,919,221	\$ 5,011,298	\$ 167,930,519	\$ 158,097,321	\$ 4,255,682	\$ 162,353,003

Current and other assets decreased in large part due to an decrease in cash and cash equivalents and various receivable balances due to the results of current year operations and the District's investment in capital assets during the year.

Capital assets, net increased as a result of capital asset additions exceeding depreciation expense in the current year.

Long-term liabilities decreased slightly as result of a new financed purchase of \$17,100,000 and an increase in net pension liability of \$5,445,132 which were offset principal payments made for bonds payable and financed purchases payable and the refunding of the 2012 bond issue and related premium.

Current liabilities increased slightly, which was due to an increase in the current portion of long-term obligations due and the timing of payments for expenses incurred near year-end.

The net pension liability increased as a result of changes in the allocation as determined by the State of New Jersey Division of Pensions and Benefits as well as the result of actual investment performance during the year and a change in assumptions as compared to the prior year.

There was an overall increase of \$755,616 in net position reported in connection with the District's business-type activities. The increase above was after the business-type activities programs transferred \$1,009,671 to the general fund. The Food Service program generated an increase in net position of \$712,746. The Community Programs program had an increase in net position of \$224,969, the Facilities Rentals program had a decrease in net position of \$194,904, and the Technology program had an increase in net position of \$12,805. The following table provides a comparative summary of the changes in net position relating to the District's governmental and business-type activities for the years ended June 30, 2023 and 2022:

Changes in Net Position

	Year ended June 30, 2023			Year ended June 30, 2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,500,371	\$ 6,899,323	\$ 8,399,694	\$ 1,312,529	\$ 3,966,686	\$ 5,279,215
Operating Grants and Contributions	9,567,355	1,815,423	11,382,778	8,002,063	4,948,091	12,950,154
General Revenues:						
Property Taxes	141,889,744		141,889,744	142,930,850		142,930,850
Grants and Entitlements	58,789,350		58,789,350	60,603,307		60,603,307
Miscellaneous	3,405,762	5,396	3,411,158	3,173,362	335	3,173,697
Total Revenues	215,152,582	8,720,142	223,872,724	216,022,111	8,915,112	224,937,223
Expenses:						
Instruction	112,834,619		112,834,619	110,099,320		110,099,320
Support Services	97,804,810		97,804,810	86,620,089		86,620,089
Interest and other charges	700,924		700,924	2,210,286		2,210,286
Business-type activities		6,954,855	6,954,855		6,622,510	6,622,510
Total Expenses	211,340,353	6,954,855	218,295,208	198,929,695	6,622,510	205,552,205
Change in Net Position Before Transfers	3,812,229	1,765,287	5,577,516	17,092,416	2,292,602	19,385,018
Transfers	1,009,671	(1,009,671)	-	-	-	-
Change in net position	4,821,900	755,616	5,577,516	17,092,416	2,292,602	19,385,018
Net Position—beginning	158,097,321	4,255,682	162,353,003	141,004,905	1,963,080	142,967,985
Net Position—ending	\$ 162,919,221	\$ 5,011,298	\$ 167,930,519	\$ 158,097,321	\$ 4,255,682	\$ 162,353,003

Governmental Activities

Property taxes made up 65.9% of total revenue for the fiscal year 2023. Federal, state and local grants and tuition and miscellaneous revenue accounted for the remainder. The total cost of all programs and services was \$211,435,842. Instruction accounted for 53.3% of total expenses.

Overall, change in net position increased \$4,821,900 during the current year, mainly due to an increase in capital assets, net of \$8,914,290, which was offset by a reduction in the pension benefit of \$2,146,756.

Business-Type Activities

Revenue for the District’s business-type activities was comprised of charges for services and federal and state reimbursements.

Food service revenue, which included no subsidy from the general fund, was greater than expenses by \$712,746. Charges for services, which consist of the amount paid by students and other patrons for daily food service and catering, represent 59.1% of total revenue and grants and contributions represent 40.9% of total revenue.

Community Programs revenues exceeded expenses by \$623,091.

The Facilities Rentals revenues exceeded expenses by \$115,112.

Technology Program revenues exceeded expenses by \$314,338.

Financial Analysis of the District’s Funds

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

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

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

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>(Decrease) Increase from 2022</u>	<u>Percent of (Decrease) Increase</u>
Local Sources	\$ 146,414,710	64.13%	\$ (3,527,811)	-2.55%
State Sources	73,000,914	31.97%	7,868,962	17.54%
Federal Sources	8,914,697	3.90%	3,930,502	123.71%
Total	\$ 228,330,321	100.00%	\$ 8,271,653	4.44%

The decrease in local source revenue is mainly attributable to the decrease in the debt service fund tax levy of \$1,041,106 and the decrease in miscellaneous income of \$3,020,977. These decreases were offset by an increase in investment income of \$585,252.

The increase in state source revenue is largely a result of an increase in extraordinary aid of \$550,407 and general state aid of \$7,432,186.

The increase in federal source revenue is mainly attributable to an increase in grant activity and revenue related to the COVID-19 expenditures.

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

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2022</u>	<u>Percent of Increase (Decrease)</u>
Instruction	\$ 74,283,992	28.88%	\$ 3,634,070	5.14%
Support Services	140,677,900	54.71%	13,716,548	10.80%
Capital Outlay	28,146,390	10.94%	24,439,034	659.20%
Debt Service	14,080,143	5.47%	(1,257,826)	-8.20%
Total	<u>\$ 257,188,425</u>	<u>100.00%</u>	<u>\$ 40,531,826</u>	<u>20.58%</u>

The increase in instruction expenditures, as adjusted for on-behalf expenditures related to TPAF pension costs assumed by the State, increased due to increased costs for instruction purposes. Support service expenditures increased as a result of increased costs for student and other support related services. The increase in capital outlay is the result of the District incurring greater costs on new projects as compared with the prior year. The decrease in debt service expenditures is the result of required principal and interest payments from financed purchases payable, lease purchase obligations, and bonds payable.

General Fund

The fund balance decreased by \$8,879,242 during the 2022-2023 fiscal year as a result of the timing of when expenditures were incurred in the general fund. As of June 30, 2023, the District has unassigned fund balance of \$2,339,734, which represents a decrease of \$4,307,842 from the prior year. The decrease in unassigned fund balance is attributable to state guidelines reducing the maximum unassigned fund balance to 2% of adjusted expenditures.

Special Revenue Fund

The fund balance in the Special Revenue Fund decreased by \$5,155,082 mainly as a result of the \$17,100,000 financed purchase that took place in the 2022-2023 fiscal year, offset by expenditures in the fund.

General Fund Budgetary Highlights

The 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.

During the course of the 2022-2023 fiscal year, the District amended its General Fund budget as needed. The District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. The School Business Administrator, Superintendent of Schools, and Board of Education must approve transfers from one program to another. Transfers were required due to:

- Staffing changes based on student needs.
- Accounting changes in maintenance and operations, such as transfers to Capital Projects.
- Changes in appropriations to prevent budget overruns, as well as to effect account coding corrections.

Budgetary transfers were made between budgetary line items and approved by the Board for various reasons including the following more significant transfers:

- State Source Revenues – Extraordinary Aid – an increase of \$1,250,000 was a result of the District increasing the anticipated revenue in order to increase appropriations to meet financial needs of the District.
- Instruction – Regular Programs – Grades 1-5 – Salaries – an increase of \$1,266,606 was a result of transfers to other salary accounts to accommodate staffing changes due to student needs.
- Instruction – Regular Programs – Grades 6-8 – Salaries – a decrease of \$1,372,144 was a result of transfers to other salary accounts to accommodate staffing changes due to student needs.
- Undistributed Expenditures – Student Transportation Services – Vendors – between home and school – an increase of \$1,510,726. The increase is due to the district utilizing a two-tier busing system in the current year, resulting in higher costs.
- Undistributed Expenditures – Student Transportation Services – Vendors – special education – an increase of \$1,350,744. The increase is due to the district utilizing a two-tier busing system in the current year, resulting in higher costs.
- Undistributed Expenditures – Unallocated Benefits – Health Benefits – an increase of \$1,787,341 was the result of increased health benefits costs during the year.
- Capital Outlay – Facilities Acquisition and Construction Services – Architectural/Engineering Services – an increase of \$1,337,597 was the result of withdrawals from the capital reserve for various construction projects through FY23.
- Capital Outlay – Facilities Acquisition and Construction Services – Construction Services – an increase of \$6,912,512 was the result of withdrawals from the capital reserve for various construction projects through FY23.

Capital Assets and Debt Administration

Capital Assets

At the end of the 2022-2023 fiscal year, the District had capital assets of \$377,747,850, which includes school facilities, land, buildings, equipment and vehicles and construction in progress.

The following provides a summary of the capital assets held by the District at June 30, 2023 and 2022:

	Capital Assets			
	2023		2022	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Non-Depreciable Assets:				
Land	\$ 1,019,208		\$ 1,019,208	
Construction in Progress	28,752,601		4,531,112	
Depreciable Assets:				
Buildings and Improvements	324,626,465	\$ 1,311,556	322,706,536	\$ 700,560
Machinery and Equipment	21,397,984	640,036	19,865,468	588,281
Totals	<u>\$ 375,796,258</u>	<u>\$ 1,951,592</u>	<u>\$ 348,122,324</u>	<u>\$ 1,288,841</u>

Overall governmental capital assets increased \$32,205,046 from the 2021-2022 fiscal year mainly due to the increase in construction attributable to the HVAC Upgrades, CJHS classroom units; EBHS track upgrades; EBHS RTU replacements; and District-wide window/door replacements; as well as other improvements throughout the District.

Additional information on the District’s capital assets can be found in Note 5 to the basic financial statements.

Debt Administration

The District’s long-term liabilities are as follows for the governmental and business-type activities at June 30, 2023 and 2022:

	2023		2022	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Bonds payable (net)	\$ 59,171,464		\$ 65,918,685	
Net pension liability	28,494,665		23,049,533	
Financed purchases payable	34,585,000		26,060,000	
Compensated absences	3,042,488	\$ 127,913	3,010,620	\$ 130,866
Total long-term liabilities	\$ 125,293,617	\$ 127,913	\$ 118,038,838	\$ 130,866

During fiscal year 2023, the District’s governmental-type long-term liabilities increased by \$7,254,779. The increase is a result of the issuance of a new financed purchase of \$17,100,000, offset by debt retirements of approximately \$15 million and the increase in the net pension liability of approximately \$5.4 million. The District’s credit rating has not recently changed and is currently at a Aa2 rating. Additional information on the District’s long-term liabilities can be found in Note 6 to the basic financial statements.

Current Concerns and Factors Bearing on the District’s Future

The East Brunswick Public School District is in excellent financial position. It has maintained a legally acceptable fund balance position. The District regularly seeks cost-savings and cost containment opportunities, which accrue to the annual budget in controlling costs. In addition, the District’s Community Programs Enterprise and the Facilities Rental Enterprise have provided valuable programs and services to the community while generating revenue and an annual net income, as well as maintaining a healthy retained earnings balance. While the COVID-19 Pandemic has severely curtailed revenue-generating opportunities during Fiscal Years 2020 and 2021, the two enterprises’ retained earnings provided the financial wherewithal to sustain these functions through that time. During Fiscal Years 2021, 2022, and 2023, the Community Programs enterprise resumed generating revenue to support the annual budget. We are confident that the enterprises will continue as a “going concern” into Fiscal Year 2024 and beyond.

The District re-engaged Statistical Forecasting, LLC to conduct a comprehensive analysis of school enrollment projections. The study was completed in June 2022 and updated as of January 3, 2023. It projects grade-by-grade enrollments over a five-year period from 2022-2023 through 2026-2027. In addition, the study included the following:

- Examination of historical enrollment trends, both districtwide and by grade configuration (PK-4, 5-6, 7-9, and 10-12);
- Investigation of historical enrollment trends with respect to race and poverty status in each school;
- Tabulation of birth counts at the attendance area level;
- Computation of student yields by housing type (i.e., detached single family, townhouse/condominium, and apartment);
- Analysis of new housing starts and the impact on the school district; and,
- Projected enrollments, in a totally independent analysis, based on student yields and housing turnover rates (resales) in East Brunswick.

The study’s projected year-to-year increases in enrollment will have serious consequences on District facilities and class sizes. The table below exhibits 2022-2023 actual enrollment and the ensuing enrollment projections.

Note that a new grade configuration became effective with the 2022-2023 school year, which impacts the District’s eight elementary schools, Hammarkjold Upper Elementary School (formerly the middle school), and Churchill Junior High School.

<i>Actual Enrollment As Of 10/14/2022</i>					
<i>(Source: Genesis)</i>					
<i>Fiscal Year</i>	<i>PK-4</i>	<i>5-6</i>	<i>7-9</i>	<i>10-12</i>	<i>PK-12</i>
<i>2022-2023</i>	<i>2,764</i>	<i>1,315</i>	<i>2,000</i>	<i>2,033</i>	<i>8,112</i>

<i>Baseline Projections</i>					
<i>Fiscal Year</i>	<i>PK-4</i>	<i>5-6</i>	<i>7-9</i>	<i>10-12</i>	<i>PK-12</i>
<i>2023-2024</i>	<i>2,646</i>	<i>1,307</i>	<i>1,982</i>	<i>2,078</i>	<i>8,013</i>
<i>2024-2025</i>	<i>2,677</i>	<i>1,228</i>	<i>2,046</i>	<i>2,091</i>	<i>8,042</i>
<i>2025-2026</i>	<i>2,770</i>	<i>1,168</i>	<i>2,060</i>	<i>2,090</i>	<i>8,088</i>
<i>2026-2027</i>	<i>2,795</i>	<i>1,196</i>	<i>2,017</i>	<i>2,072</i>	<i>8,080</i>
<i>2026-2027 Change Over 2022-2023</i>	<i>+149</i>	<i>-111</i>	<i>+35</i>	<i>-6</i>	<i>+67</i>

<i>Projections Adjusted for Housing Growth</i>					
<i>Fiscal Year</i>	<i>PK-4</i>	<i>5-6</i>	<i>7-9</i>	<i>10-12</i>	<i>PK-12</i>
<i>2023-2024</i>	<i>2,683</i>	<i>1,321</i>	<i>2,000</i>	<i>2,097</i>	<i>8,101</i>
<i>2024-2025</i>	<i>2,744</i>	<i>1,256</i>	<i>2,085</i>	<i>2,128</i>	<i>8,213</i>
<i>2025-2026</i>	<i>2,860</i>	<i>1,211</i>	<i>2,119</i>	<i>2,145</i>	<i>8,335</i>
<i>2026-2027</i>	<i>2,901</i>	<i>1,253</i>	<i>2,099</i>	<i>2,146</i>	<i>8,399</i>
<i>2026-2027 Change Over 2022-2023</i>	<i>+218</i>	<i>-68</i>	<i>+99</i>	<i>+49</i>	<i>+298</i>

Prior to the grade-level realignment, class sizes were being pushed upward to undesirable thresholds and the availability of classrooms for new sections was virtually non-existent. The grade-level realignment provided sorely needed classroom space at the elementary level.

During Fiscal Year 2021, the Board re-engaged in discussing resolutions to elementary classroom shortages. On May 6, 2021, the Board authorized the Administration to commence planning for Temporary Classroom Units to be placed at the Churchill Junior High School site for occupancy by September 2022. The Temporary Classroom Units were opened on schedule to accommodate the entire seventh-grade class. However, while the New Jersey Department of Education approved the Temporary Classroom Units, the operative word is “temporary” as the use of these classroom units is short term and must be followed by a permanent facilities solution. Thus, the grade reconfiguration is expected to provide temporary relief while the Board plans a permanent resolution that will benefit students from Pre- K through Grade 12 for the long term.

The Township of East Brunswick is pursuing significant redevelopment plans, which are reported to include upscale or specialty food markets; medium- and high-end restaurants; shuttle bus service; bike paths; a concert venue; special needs and/or senior housing; universal Wi-Fi; a community use building for recreational purposes; a hotel; and, residential units.

Representatives from the East Brunswick Planning and Engineering Department provided information to the District’s demographer regarding current and future residential development. A list of approved housing developments, location, affected elementary attendance area, number of units, housing type, bedroom distribution (if available), and project status is shown in the table below. The table excludes new houses to be built on single in-fill lots, or the subdivision of existing lots, or homes that are built after the demolition of an existing older home.

Approved Residential Developments in East Brunswick

Subdivision/Developer (Location)	Elementary Attendance Area	Number of Units	Bedroom Distribution	Housing Type	Notes/Status
Abdelshahid (Hardenburg Lane)	Wamsdorfer	3	N/A	Detached Single-Family	One unit under construction
Bartel/Dunhams Cove (Dunhams Corner Road)	Central	8	N/A	Detached Single-Family	Under construction
Bruno (Dutch Road)	Wamsdorfer	3	N/A	Detached Single-Family	Approved but not under construction
Clark Farm (Stage Coach Run/ Lanterns Lane)	Wamsdorfer	12	N/A	Detached Single-Family	Approved in 2008. Nothing has been constructed due to very high water table. Unclear whether the project will move forward.
Enclave at East Brunswick (Old Bridge Turnpike/ May Road)	Chittick	17	N/A	Detached Single-Family	Under construction. Ten homes are built and occupied.
Hidden Oaks, LLC (Harts Lane)	Lawrence Brook	275	Market-Rate Apts. (220) 78 1-BR 142 2-BR Affordable Apts. (55) 11 1-BR 33 2-BR 11 3-BR	Apartments (market-rate and affordable)	Has received Preliminary and Final Site Plan approval. 55 units will be set aside for Low-Moderate Income households. Tree permit has been approved and land cleared.
Hidden Pond (Dutch Road)	Wamsdorfer	8	N/A	Detached Single-Family	Under construction. Five homes are built and occupied.
HD Summerhill (a.k.a. Mack-Cali) (377 Summerhill Road)	Frost	96	41 1-BR 50 2-BR 5 3-BR	Apartments (market-rate and affordable)	Under construction. 24 units will be set aside for Low-Moderate Income households.
Tices Developers Urban Renewal, LLC (a.k.a. Garden Homes) (110 Tices Lane)	Lawrence Brook	520	Market-Rate Units (416) 28 0-BR 122 1-BR 234 2-BR 32 3-BR Affordable Units. (104) 26 1-BR 58 2-BR 20 3-BR	Apartments and Duplexes (504) (market-rate and affordable) Townhouses (16)	Under construction. 104 units will be set aside for Low-Moderate Income households.
Total				942 Units	

Source: East Brunswick Planning and Engineering Department/Township Administrator

Notes: Bolded text reflects a change in status from the July 2019 demographic study.

Developments shaded blue are new since the July 2019 demographic study.

As of this letter date, the Tices Developers Urban Renewal, LLC project is ahead of schedule and has begun leasing apartments for occupancy. The number of students that the development will yield cannot be known but can be substantial.

In addition, there are plans by the township to redevelop two additional areas on the northern end of the Route 18 corridor located at the former Gap store site and at the former Loehmann’s Plaza, as shown in table below. Vermella East Brunswick Phase I (located at the former Gap store site) was approved in October 2022 and will consist of 306 multi-family units with a mix of 0-3 bedrooms. Vermella Phase II (located at the former Loehmann’s Plaza) has not yet submitted an application to the Planning Board. As such, the type of units and bedroom distribution of this development is unknown. While each site would have a commercial and residential component, only the residential components are shown in the table. The two developments will consist of approximately 806 multi-family units. Most of the units will consist of one or two bedrooms. The new community would have two bus depots to provide accessible transportation for commuters into New York City.

Potential Redevelopment Projects in East Brunswick

Subdivision/ Developer (Location)	Elementary Attendance Area	Number of Units	Bedroom Distribution	Housing Type	Notes
Vermella East Brunswick Phase I (251 Route 18)	Lawrence Brook	306	28 0-BR 140 1-BR 131 2-BR 7 3-BR	Apartments (market-rate)	Redevelopment of former Gap store site. Phase I was approved by the Planning Board on 10/12/22.
Vermella East Brunswick Phase II (233 Route 18)	Lawrence Brook	500	Mostly 1-2 BR	Multi-Family	Redevelopment of former Loehmann's Plaza. Vermella Phase II has not yet submitted an application to the Planning Board and therefore is not approved. Exact bedroom distribution is unknown.
Total			806 Units		

Source: East Brunswick Planning and Engineering Department/ Township Administrator

The precise impact of the approved residential developments upon the school district are currently unknown and must be examined as soon as the residential plans are approved. Certainly, any residential construction will bring more students into the school district. Therefore, the information is critical to school facilities planning.

For the fiscal year ending June 30, 2023, local property taxes provided 75.96% of the funding to support the district's General Fund operations. While the General Fund tax levy (the amount to be raised by taxes) increases are capped at two percent annually, the actual property tax impact to most property owners is greater. This has resulted from property valuations that are not reflective of current values. In fact, East Brunswick's overall taxable property values are recorded at 20.35% of true value based on the *Table of Equalized Valuations 2023*. The Township of East Brunswick has suffered many tax appeals where major commercial property owners have successfully appealed valuations, thus resulting in property tax reductions to those property owners. The reduction in those property tax assessments merely redistributes the burden to the remaining property taxpayers in East Brunswick. While East Brunswick residents have been supportive of their schools and appreciate the quality education that is provided to students, the Township must undergo a property revaluation if it is to stabilize the impact of property tax increases for all property taxpayers. In addition, a concerted effort must be put forth to improve the Township's business and industrial tax base, which will alleviate the residential property owners tax burden. This effort may currently be in process as the Township of East Brunswick is pursuing significant redevelopment plans, which reportedly will include upscale or specialty food markets; medium- and high-end restaurants; shuttle bus service; bike paths; a concert venue; special needs and/or senior housing; universal Wi-Fi; a community use building for recreational purposes; a hotel; and, residential units. The impact of those plans upon the school district are currently unknown and must be examined as soon as the residential plans are approved. Certainly, any residential construction will bring more students into the school district. Therefore, the information is critical to school facilities planning.

A charter school based in East Brunswick opened its doors at the beginning of the 2010-2011 school year. Hatikvah International Academy Charter School was approved as a K-5 school and has since expanded to be a grades K-8 school. It is unfortunate that this charter school was granted an initial charter several years ago in the suburban community of East Brunswick having one of the best school districts in this State if not the entire country. The charter school did not serve any educational need then, and it does not now.

During its thirteen years, the charter school's existence has required the cumulative appropriation of \$33,417,278 from the East Brunswick Public School District budget. This State-mandated diversion of local financial resources has come with significant and deleterious impacts to the school district beginning with the elimination of its model elementary world language program in the charter school's first year. The time has long passed to argue the merits of whether or not the initial charter should have been approved. However, the community should be reminded that the students enrolled in the charter school would receive a superior quality of education and supports if enrolled in the East Brunswick Public Schools.

East Brunswick's taxpayers largely provide the financial support for its public schools. For fiscal year 2024, the local funding share is 73.26% of the District's fiscal year 2024 General Fund budget. More and more, this suburban community's local funds and state aid allocation must be diverted to support a charter school for which there is absolutely no justifiable educational need.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the revenue it receives. If you have questions about this report or need additional information, you may contact Bernardo Giuliani, Assistant Superintendent for Business and Support Operations at East Brunswick Public Schools, 760 Route 18, Suite 108, East Brunswick, NJ 08816.

Basic Financial Statements

Government-wide Financial Statements

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

East Brunswick Public Schools

Statement of Net Position

June 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 35,077,663	\$ 5,519,572	\$ 40,597,235
Cash held with fiscal agent	838,892		838,892
Accounts receivable	8,997,941	134,122	9,132,063
Capital assets, non-depreciable	29,771,809		29,771,809
Capital assets, depreciable, net	226,989,579	1,010,841	228,000,420
Total assets	<u>301,675,884</u>	<u>6,664,535</u>	<u>308,340,419</u>
Deferred Outflows of Resources			
Deferred loss on refunding of debt	1,435,411		1,435,411
Pension deferrals	4,506,332		4,506,332
Total deferred outflows of resources	<u>5,941,743</u>		<u>5,941,743</u>
Total assets and deferred outflows of resources	<u>307,617,627</u>	<u>6,664,535</u>	<u>314,282,162</u>
Liabilities			
Accounts payable and accrued expenses	10,609,263	713,447	11,322,710
Payroll deductions and withholdings payable	739,568		739,568
Accrued interest payable	837,076		837,076
Accrued liability for insurance claims	1,300,000		1,300,000
Intergovernmental payable	48,716		48,716
Unearned revenue	102,333	811,878	914,211
Noncurrent liabilities:			
Due within one year	16,251,845	13,624	16,265,469
Due beyond one year	109,041,772	114,288	109,156,060
Total liabilities	<u>138,930,573</u>	<u>1,653,237</u>	<u>140,583,810</u>
Deferred Inflow of Resources			
Pension deferrals	<u>5,767,833</u>		<u>5,767,833</u>
Net Position			
Net investment in capital assets	178,647,601	1,010,841	179,658,442
Restricted for:			
Capital Reserve	5,487,399		5,487,399
Unemployment compensation reserve	1,227,810		1,227,810
Student activity reserve	557,523		557,523
Excess Surplus	2,470,753		2,470,753
Excess Surplus - prior year	1,035,902		1,035,902
Unrestricted (deficit)	<u>(26,507,767)</u>	<u>4,000,457</u>	<u>(22,507,310)</u>
Total net position	<u>\$ 162,919,221</u>	<u>\$ 5,011,298</u>	<u>\$ 167,930,519</u>

See accompanying notes to basic financial statements.

East Brunswick Public Schools

Statement of Activities

Year ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities						
Instruction						
Regular Instruction	\$ 80,421,344	\$ 628,586	\$ 4,997,995	\$ (74,794,763)		\$ (74,794,763)
Special Education Instruction	25,552,966		2,391,090	(23,161,876)		(23,161,876)
Other Instruction	6,860,309		2,178,270	(4,682,039)		(4,682,039)
Support Services						
Tuition	6,584,770			(6,584,770)		(6,584,770)
Student and Instruction Related Services	32,907,640	871,785		(32,035,855)		(32,035,855)
School Administration	8,808,460			(8,808,460)		(8,808,460)
General and Business Administrative Services	9,944,280			(9,944,280)		(9,944,280)
Plant Operation and Maintenance	23,201,496			(23,201,496)		(23,201,496)
Pupil Transportation	16,346,542			(16,346,542)		(16,346,542)
Special Schools	11,622			(11,622)		(11,622)
Interest and other charges	700,924			(700,924)		(700,924)
Total governmental activities	<u>211,340,353</u>	<u>1,500,371</u>	<u>9,567,355</u>	<u>(200,272,627)</u>		<u>(200,272,627)</u>
Business-type activities						
Food Service	3,728,252	2,622,695	1,815,423		\$ 709,866	709,866
Community Programs	2,689,829	3,311,538			621,709	621,709
Technology	76,788	191,900			115,112	115,112
Facilities Rentals	459,986	773,190			313,204	313,204
Total business-type activities	<u>6,954,855</u>	<u>6,899,323</u>	<u>1,815,423</u>		<u>1,759,891</u>	<u>1,759,891</u>
Total primary government	<u>\$ 218,295,208</u>	<u>\$ 8,399,694</u>	<u>\$ 11,382,778</u>	<u>(200,272,627)</u>	<u>1,759,891</u>	<u>(198,512,736)</u>
General revenues and transfers:						
Taxes:						
Property taxes, levied for general purposes				136,587,587		136,587,587
Property taxes, levied for debt service				5,302,157		5,302,157
Federal sources				176,384		176,384
State sources—unrestricted				58,612,966		58,612,966
Investment income				596,467	5,396	601,863
Miscellaneous				2,809,295		2,809,295
Transfers				1,009,671	(1,009,671)	-
Total general revenues and transfers				<u>205,094,527</u>	<u>(1,004,275)</u>	<u>204,090,252</u>
Change in net position				4,821,900	755,616	5,577,516
Net Position—beginning				158,097,321	4,255,682	162,353,003
Net Position—ending				<u>\$ 162,919,221</u>	<u>\$ 5,011,298</u>	<u>\$ 167,930,519</u>

See accompanying notes to basic financial statements.

Fund Financial Statements

Governmental Funds

East Brunswick Public Schools
Governmental Funds

Balance Sheet

June 30, 2023

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 19,761,590	\$ 13,069,688	\$ 8,277	\$ 197,394	\$ 33,036,949
Accounts receivable:					
State	3,878,495	1,231			3,879,726
Federal		3,192,325			3,192,325
Other	1,300,964	508,000			1,808,964
Total assets	<u>\$ 24,941,049</u>	<u>\$ 16,771,244</u>	<u>\$ 8,277</u>	<u>\$ 197,394</u>	<u>\$ 41,917,964</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 5,393,698	\$ 1,892,480			\$ 7,286,178
Payroll deductions and withholdings payable	739,568				739,568
Accrued expenditures payable	235,448	632			236,080
Intergovernmental payables:					
State		48,718			48,718
Unearned revenue	29,431	72,902			102,333
Total liabilities	<u>6,398,145</u>	<u>2,014,732</u>			<u>8,412,877</u>
Fund balances:					
Restricted for:					
Capital reserve	5,487,399				5,487,399
Unemployment compensation reserve	1,227,810				1,227,810
Excess Surplus - current year	2,470,753				2,470,753
Excess Surplus - designated for subsequent year's expenditures	1,035,902				1,035,902
Capital projects			\$ 8,277		8,277
Debt service				\$ 197,394	197,394
Student activities		557,523			557,523
Assigned to:					
Subsequent years expenditures	3,609,098	14,198,989			17,808,087
Other purposes	2,372,208				2,372,208
Unassigned:					
General fund	2,339,734				2,339,734
Total fund balances	<u>18,542,904</u>	<u>14,756,512</u>	<u>8,277</u>	<u>197,394</u>	<u>33,505,087</u>
Total liabilities and fund balances	<u>\$ 24,941,049</u>	<u>\$ 16,771,244</u>	<u>\$ 8,277</u>	<u>\$ 197,394</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$375,796,258 and the accumulated depreciation is \$119,034,870.	256,761,388
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(837,076)
Long-term liabilities, including bonds payable, financed purchases payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(96,798,952)
Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the bonds.	1,435,411
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	(1,261,501)
Accrued pension contributions for the June 30, 2023 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(2,544,417)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(28,494,665)
Internal service funds are used by the District to charge the costs of the self-insurance program to the individual fund. The activities of this fund are included in the Statement of Activities.	1,153,946
Net position of governmental activities	<u>\$ 162,919,221</u>

East Brunswick Public Schools
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2023

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 136,587,587			\$ 5,302,157	\$ 141,889,744
Tuition from individuals	86,112				86,112
Tuition from other LEA's	542,474				542,474
Investment income	596,375		\$ 92		596,467
Miscellaneous	2,158,276	\$ 1,135,438		6,291	3,300,005
Total local sources	139,970,824	1,135,438	92	5,308,448	146,414,802
State sources	72,435,527	565,387			73,000,914
Federal sources	176,384	8,738,313			8,914,697
Total revenues	212,582,735	10,439,138	92	5,308,448	228,330,413
Expenditures					
Current:					
Instruction:					
Regular instruction	49,862,877	3,033,203			52,896,080
Special education instruction	14,541,309	2,391,090			16,932,399
Other special instruction	4,455,513				4,455,513
Support services:					
Tuition	2,121,460				2,121,460
Student and instruction related services	19,545,106	3,410,294			22,955,400
School administration services	5,617,796				5,617,796
Other administrative services	7,040,963				7,040,963
Plant operations and maintenance	18,243,929				18,243,929
Pupil transportation	13,869,911				13,869,911
Employee benefits and on-behalf TPAF social security and pension, medical and disability contributions	66,421,697				66,421,697
Charter schools	4,398,913				4,398,913
Special schools	7,831				7,831
Capital outlay	7,478,421	20,667,969			28,146,390
Debt Service:					
Principal	8,575,000			3,910,000	12,485,000
Interest	291,014			1,209,783	1,500,797
Costs of Issuance				94,346	94,346
Total expenditures	222,471,740	29,502,556	-	5,214,129	257,188,425
(Deficiency) Excess of revenues (under) over expenditures	(9,889,005)	(19,063,418)	92	94,319	(28,858,012)
Other financing sources (uses):					
Refunding bonds issued				41,355,000	41,355,000
Discount on refunding bonds issued				(103,388)	(103,388)
Payment to refunding bond escrow agent				(41,157,266)	(41,157,266)
Financed purchases proceeds		13,908,336			13,908,336
Transfers in	1,009,763				1,009,763
Transfers (out)			(92)		(92)
Total other financing sources (uses)	1,009,763	13,908,336	(92)	94,346	15,012,353
Net change in fund balances	(8,879,242)	(5,155,082)	-	188,665	(13,845,659)
Fund balances, July 1	27,422,146	19,911,594	8,277	8,729	47,350,746
Fund balances, June 30	<u>\$ 18,542,904</u>	<u>\$ 14,756,512</u>	<u>\$ 8,277</u>	<u>\$ 197,394</u>	<u>\$ 33,505,087</u>

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

East Brunswick Public Schools
Governmental Funds

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

Year ended June 30, 2023

Total net change in fund balances - governmental funds (from B-2) \$ (13,845,659)

Amounts reported for governmental activities in the statement of activities (A-2) are different because

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

Depreciation Expense	\$ (9,907,700)	
Loss on Capital Asset Disposals	(18,689)	
Capital Asset Additions	<u>27,846,661</u>	
		17,920,272

The issuance of long-term debt for general purposes provides current financial resources to governmental funds, however has no effect on net position.

Financed purchases	(17,100,000)	
Refunding Bonds Issued	(41,355,000)	
Bonds Refunded	<u>40,450,000</u>	
		(18,005,000)

Repayments of bond principal and financed purchases payable are expenditures 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.

Serial Bonds Payable	4,335,000	
Financed Purchases Payable	<u>8,575,000</u>	
		12,910,000

Governmental funds report the effect of premiums/discounts and similar items when the debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.

Discount on Refunding Bonds Issued	(103,388)	
Amortization of Premium/Discount on Bonds, net	550,733	
Reduction of Premium on Bonds Refunded	<u>2,869,874</u>	
		3,317,219

Governmental funds report the effect of refunding transactions when the debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This represents the current year amortization related to the deferred loss of refunding.

Amortization of Deferred Loss on Refunding of Debt		(2,609,447)
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Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.

(186,446)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation

(31,868)

Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Pension expense		4,708,099
-----------------	--	-----------

The internal service fund is used by the District to charge the costs of the self-insurance program to the individual fund. The assets and liabilities of the internal service fund are included with governmental activities.

644,730

Change in net position of governmental activities (A-2) \$ 4,821,900

Proprietary Funds

East Brunswick Public Schools
Proprietary Funds

Statement of Net Position

June 30, 2023

	Business-Type Activities Major Enterprise Funds				Total	Governmental Activity
	Food Service	Community Programs	Technology	Facilities Rentals		Internal Service Fund
						Self-Insured Health Benefits
Assets						
Current assets:						
Cash and cash equivalents	\$ 3,197,702	\$ 1,379,065	\$ 133,156	\$ 809,649	\$ 5,519,572	\$ 2,040,714
Accounts receivable:						
State	3,438				3,438	
Federal	71,422				71,422	
Other	19,102	687	24,716	14,757	59,262	116,926
Restricted assets:						
Cash held by fiscal agent						838,892
Total current assets	<u>3,291,664</u>	<u>1,379,752</u>	<u>157,872</u>	<u>824,406</u>	<u>5,653,694</u>	<u>2,996,532</u>
Noncurrent assets:						
Capital assets:						
Depreciable:						
Equipment	1,885,599			65,993	1,951,592	
Accumulated depreciation	(890,454)			(50,297)	(940,751)	
Total capital assets, net	<u>995,145</u>			<u>15,696</u>	<u>1,010,841</u>	
Total assets	<u>4,286,809</u>	<u>1,379,752</u>	<u>157,872</u>	<u>840,102</u>	<u>6,664,535</u>	<u>2,996,532</u>
Liabilities						
Current liabilities:						
Accounts payable	516,607	113,204	12,872	21,289	663,972	542,586
Accrued salaries payable	4,494	17,390		27,591	49,475	
Unearned revenue	286,939	400,606		124,333	811,878	
Accrued liability - IBNR						1,300,000
Current portion of compensated absences	8,100	5,524			13,624	
Total current liabilities	<u>816,140</u>	<u>536,724</u>	<u>12,872</u>	<u>173,213</u>	<u>1,538,949</u>	<u>1,842,586</u>
Noncurrent liabilities:						
Compensated absences	65,871	43,028		5,389	114,288	
Total noncurrent liabilities	<u>65,871</u>	<u>43,028</u>		<u>5,389</u>	<u>114,288</u>	
Total liabilities	<u>882,011</u>	<u>579,752</u>	<u>12,872</u>	<u>178,602</u>	<u>1,653,237</u>	<u>1,842,586</u>
Net Position						
Investment in capital assets	995,145			15,696	1,010,841	
Unrestricted	2,409,653	800,000	145,000	645,804	4,000,457	1,153,946
Total net position	<u>\$ 3,404,798</u>	<u>\$ 800,000</u>	<u>\$ 145,000</u>	<u>\$ 661,500</u>	<u>\$ 5,011,298</u>	<u>\$ 1,153,946</u>

See accompanying notes to basic financial statements.

East Brunswick Public Schools
Proprietary Funds

Statement of Revenues, Expenses and Changes in Fund Net Position

Year ended June 30, 2023

	Business-Type Activities				Total	Governmental
	Major Enterprise Funds					Internal Service
	Food Service	Community Programs	Technology	Facilities Rentals		Fund Self-Insured Health Benefits
Operating revenues:						
Local sources:						
Services provided by other funds						\$ 29,335,328
Daily sales reimbursable programs	\$ 1,550,596				\$ 1,550,596	
Daily sales non-reimbursable programs	1,072,099				1,072,099	
Rental				\$ 771,030	771,030	
Special functions				2,160	2,160	
Registration fees		\$ 3,311,398			3,311,398	
Miscellaneous		140	\$ 191,900		192,040	80,620
Total operating revenues	2,622,695	3,311,538	191,900	773,190	6,899,323	29,415,948
Operating expenses:						
Salaries	1,050,635	1,966,817	10,049	366,638	3,394,139	
Employee benefits	261,905	333,204	6,062	51,368	652,539	28,771,218
Purchased professional services	29,556				29,556	
Other purchased services	126,966	344,220		27,166	498,352	
Supplies and materials	9,099	45,019	60,677	11,258	126,053	
Registrations/Training/Travel	386	569			955	
Depreciation	39,570			3,453	43,023	
Indirect cost	16,431				16,431	
Cost of sales - reimbursable programs	1,790,377				1,790,377	
Cost of sales - non-reimbursable programs	403,327				403,327	
Miscellaneous				103	103	
Total operating expenses	3,728,252	2,689,829	76,788	459,986	6,954,855	28,771,218
Operating (loss) income	(1,105,557)	621,709	115,112	313,204	(55,532)	644,730
Nonoperating revenues:						
State sources:						
State school breakfast program	3,471				3,471	
State school lunch program	62,311				62,311	
Federal sources:						
School breakfast program	114,513				114,513	
National school lunch program	1,164,035				1,164,035	
Supply Chain Assistance Funding	286,527				286,527	
P-EBT administrative cost	3,256				3,256	
Food donation program	181,310				181,310	
Interest income	2,880	1,382		1,134	5,396	
Total nonoperating revenues	1,818,303	1,382		1,134	1,820,819	
Income before transfers	712,746	623,091	115,112	314,338	1,765,287	644,730
Transfers out		(398,122)	(102,307)	(509,242)	(1,009,671)	
Total transfers		(398,122)	(102,307)	(509,242)	(1,009,671)	
Change in net position	712,746	224,969	12,805	(194,904)	755,616	644,730
Total net position-beginning	2,692,052	575,031	132,195	856,404	4,255,682	509,216
Total net position-ending	\$ 3,404,798	\$ 800,000	\$ 145,000	\$ 661,500	\$ 5,011,298	\$ 1,153,946

See accompanying notes to basic financial statements.

East Brunswick Public Schools
Proprietary Funds

Statement of Cash Flows

Year ended June 30, 2023

	Business-Type Activities				Total	Governmental Activity
	Major Enterprise Funds					Internal Service Fund
	Food Service	Community Programs	Technology	Facilities Rentals		Self-Insured Health Benefits
Cash flows from operating activities						
Receipts for services provided to other funds						\$ 29,415,948
Receipts from customers	\$ 2,645,032	\$ 3,348,854	\$ 185,390	\$ 846,761	\$ 7,026,037	
Payments to employees	(1,082,146)	(1,964,002)	(10,049)	(358,048)	(3,414,245)	
Payments for employee benefits	(261,905)	(333,204)	(6,062)	(51,368)	(652,539)	(29,094,897)
Payments to suppliers	(2,074,089)	(339,163)	(65,300)	(39,309)	(2,517,861)	
Net cash (used in) provided by operating activities	<u>(773,108)</u>	<u>712,485</u>	<u>103,979</u>	<u>398,036</u>	<u>441,392</u>	<u>321,051</u>
Cash flows from noncapital financing activities						
Cash received from state and federal sources	2,156,077				2,156,077	
Transfers to other funds		(398,122)	(102,307)	(509,242)	(1,009,671)	
Net cash provided by (used in) noncapital financing activities	<u>2,156,077</u>	<u>(398,122)</u>	<u>(102,307)</u>	<u>(509,242)</u>	<u>1,146,406</u>	
Cash flows from investing activities						
Interest received	2,880	1,382		1,134	5,396	
Purchase of capital assets	(662,751)				(662,751)	
Net cash (used in) provided by investing activities	<u>(659,871)</u>	<u>1,382</u>		<u>1,134</u>	<u>(657,355)</u>	
Net increase (decrease) in cash and cash equivalents	723,098	315,745	1,672	(110,072)	930,443	321,051
Cash, cash equivalents and restricted cash, beginning of year	<u>2,474,604</u>	<u>1,063,320</u>	<u>131,484</u>	<u>919,721</u>	<u>4,589,129</u>	<u>2,558,555</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 3,197,702</u>	<u>\$ 1,379,065</u>	<u>\$ 133,156</u>	<u>\$ 809,649</u>	<u>\$ 5,519,572</u>	<u>\$ 2,879,606</u>
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:						
Operating (loss) income	\$ (1,105,557)	\$ 621,709	\$ 115,112	\$ 313,204	\$ (55,532)	\$ 644,730
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:						
Depreciation	39,570			3,453	43,023	
Change in assets and liabilities:						
(Increase) decrease in other accounts receivable	(12,155)	1,811	(6,510)	16,793	(61)	(116,926)
Increase (decrease) in accounts payable	302,053	50,645	(4,623)	(782)	347,293	320,247
(Decrease) increase in accrued expenses	(20,152)	(1,397)		4,397	(17,152)	(527,000)
Increase in unearned revenue	34,492	35,505		56,778	126,775	
(Decrease) increase in compensated absences	(11,359)	4,212		4,193	(2,954)	
Net cash (used in) provided by operating activities	<u>\$ (773,108)</u>	<u>\$ 712,485</u>	<u>\$ 103,979</u>	<u>\$ 398,036</u>	<u>\$ 441,392</u>	<u>\$ 321,051</u>

Noncash noncapital financing activities:

The District received \$181,310 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2023.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies

The financial statements of the East Brunswick Public Schools (the "District") have been prepared in conformity with accounting principles generally accepted in the United States ("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.

A. Reporting Entity

The District is a Type II school district located in the County of Middlesex, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-12.

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

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

The District, as the primary government for financial reporting entity purposes, has control over all activities related to the East Brunswick Public Schools in East Brunswick Township, New Jersey. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the District. For the most part, the effect of internal activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

The District has reported the following major governmental funds:

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

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

Special Revenue Fund: The District maintains one special revenue fund, which includes the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes, other than debt service or capital projects. The revenue sources are derived from federal, state and local grant funds and lease purchase obligations and the fund balance accounts for the activities of these restricted sources.

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

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

The District's Proprietary Fund is comprised of four enterprise fund programs, the Food Service Fund, the Community Program Fund, the Technology Fund, and the Facilities Rentals Fund and the Self-Insurance Internal Service Fund. All are considered major funds, except for the Internal Service Fund.

The District reports the following enterprise funds:

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

Community Programs Enterprise Fund: The community programs fund accounts for financial activity related to providing child care services for District students before and after school, as well as, providing adults with lifelong learning opportunities.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

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

Technology Enterprise Fund: The technology fund accounts for the collection of fees for device coverage as well as technology fines and for the incurrence of costs associated with claims for technology devices issued to students.

Facilities Rentals Enterprise Fund: The facilities rentals fund accounts for financial activity related to rental activities at the District owned performing arts center.

The District reports the following internal service fund:

Self-Insured Health Benefits Fund: The self-insurance fund is used to record the activity of the District's health insurance expenses.

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

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

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

D. Budgets/Budgetary Control

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 certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable."

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

D. Budgets/Budgetary Control (continued)

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

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 Middlesex County office of the DOE for approval. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referred in N.J.A.C. 6A:23. The over-expenditure in the general fund is due to the inclusion of the non-budgeted on behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures. All budget amendments must be approved by School Board resolution. Budget amendments were made during the year ended June 30, 2023 and were not significant.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States with the exception of the legally mandated revenue recognition of the last state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Open encumbrances at year-end are reappropriated in the subsequent year's budget. Unencumbered appropriations lapse at fiscal year-end. Except for student activity funds, the accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

E. Interfund Receivables/Payables

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

F. Inventories

Inventories, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. At June 30, 2023, the District did not have any inventory in the Food Service Enterprise Fund.

G. Capital Assets

Capital assets, which include land, construction in progress, property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or through estimation procedures performed by an independent appraisal company. Donated capital assets, donated works of art and similar items, and capital assets received are reported at acquisition value on the date of acquisition. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Property, plant and equipment of the District is depreciated using the straight line method. The following estimated useful lives are used to compute depreciation:

	<u>Years</u>
Buildings and Improvements	20-50
Furniture and Equipment	7-20
Vehicles	8

H. Compensated Absences

A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the 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.

The liability for vested compensated absences of the District is recorded in the government-wide financial statements and includes salary related payments. The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

H. Compensated Absences (continued)

As of June 30, 2023, a liability existed for compensated absences in the government-wide financial statements in the amount of \$3,042,488 and a liability in the proprietary fund types in the amount of \$127,913.

I. Unearned Revenue

Unearned revenue in the general fund, food service enterprise fund, and community program enterprise fund represent fees received in advance for services to be provided. Unearned revenue in the special revenue fund represents cash received from federal, state and local sources, which have been received but not yet earned and outstanding encumbrances.

J. Long-Term Obligations

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

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

K. Deferred Loss on Refunding of Debt

Deferred loss on refunding arising from the issuance of refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. As of June 30, 2023, the District has recorded an unamortized balance of \$1,435,411 as a deferred outflow of resources and the amortization expense for the year ended June 30, 2023 was \$446,838. \$3,520,266 was written off as a result of the 2022 refunding bonds issued during the year ended June 30, 2023.

L. Net Position

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources and liabilities in the Government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

L. Net Position (continued)

Net positions are reported as restricted in the Government-wide and fund financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

M. Deferred Outflows/Inflows of Resources

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

N. Fund Balances

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

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

N. Fund Balances (continued)

- 4) Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- 5) Unassigned – includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

Of the \$18,542,904 of fund balances in the General Fund, \$2,372,208 of outstanding encumbrances has been assigned to other purposes, \$3,609,098 has been assigned as designated for subsequent year's expenditures, \$5,487,399 has been restricted for capital reserve, \$2,470,753 has been restricted for excess surplus – current year, \$1,035,902 has been restricted for excess surplus – designated for subsequent years expenditures, \$1,227,810 has been restricted for unemployment compensation reserve, and \$2,339,734 is classified as unassigned.

Of the \$14,756,512 of fund balances in the Special Revenue Fund, \$557,523 is restricted for student activities and \$14,198,989 is assigned and designated for subsequent years expenditures. All of the \$8,277 Capital Projects fund balance at June 30, 2023 is restricted for capital projects. All of the \$197,394 Debt Service fund balance at June 30, 2023 is restricted for debt service.

O. 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.

P. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey social security and post-retirement medical pension contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

P. On-Behalf Payments (continued)

Additionally, revenues and expenses related to on-behalf pension contributions in the government-wide financial statements have been decreased by \$16,001,980 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

Q. Calculation of Excess Surplus

The designation for restricted fund balance -- excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 was \$3,506,655. Of this amount, \$1,035,902 has been appropriated in the 2023/24 budget and the remaining \$2,470,753 is required to be appropriated in the 2024/25 budget.

R. GASB Pronouncements

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* in May 2020. This Statement provides guidance on accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management of the District has reviewed the GASB and have determined that it did not have an impact on the District.

The GASB issued Statement No. 99, *Omnibus 2022* in April 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective for period beginning after June 15, 2022. Management has reviewed the requirements of the statement and the impact on the financial statements was deemed not material.

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

1. Summary of Significant Accounting Policies (continued)

S. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2023 through December 5, 2023, the date that the financial statements were available for issuance and the effects of those that provide additional pertinent information about conditions that existed at the balance sheet date, have been recognized in the accompanying financial statements.

2. Reconciliation of Government-Wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the Government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable and related unamortized premiums, financed purchases payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds. The details of this \$96,798,952 difference are as follows:

Bonds payable	\$ 57,190,000
Unamortized premium on bonds	1,981,464
Financed purchases payable	34,585,000
Compensated absences	<u>3,042,488</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 96,798,952</u>

3. Deposits and Investments

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

Deposits

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

3. Deposits and Investments (continued)

public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

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

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

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

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

Operating cash accounts are held in the District's name by several commercial banking institutions. At June 30, 2023, the carrying amount of the District's deposits was \$40,597,235 and the bank balance was \$42,059,203. Of the bank balance, \$250,000 of the District's cash deposits on June 30, 2023 was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$39,725,755. \$1,244,556 held in the District agency accounts are not covered by GUDPA. The District also has \$838,892 of cash held by fiscal agents on its behalf which is not covered by the FDIC or GUDPA.

Pursuant to GASB Statement No. 40, *Deposit and Investment Risk Disclosures* ("GASB 40"), the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

3. Deposits and Investments (continued)

Deposits (continued)

The District does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the District's deposits were fully collateralized by funds held by the financial institution, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Investments

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

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

Custodial Credit Risk: The District does not have a policy for custodial credit risk other than to maintain a safekeeping account for the securities at a financial institution.

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

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer. At June 30, 2023, the District had no investments.

Interest Rate Risk: The District does not have a policy to limit interest rate risk.

The District did not have any investments during or at the year ended June 30, 2023.

4. Capital Reserve Account

A capital reserve account was established by the Board by inclusion of \$410,363 in the 1996-1997 capital outlay budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

4. Capital Reserve Account (continued)

general fund budget certified for taxes or by transfer by board resolution at year end (July 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning balance, July 1, 2022	\$ 7,114,758
Increases:	
Interest earnings	30,674
Board approved deposit - June 2023 resolution	2,279,761
Project Close-outs	639,965
Subtotal	<u>10,065,158</u>
Decreases:	
Board approved withdrawals – various dates	<u>(4,577,759)</u>
Ending balance, June 30, 2023	<u>\$ 5,487,399</u>

The June 30, 2023 LRFP balance of local support costs of uncompleted capital projects exceeded the June 30, 2023 capital reserve balance. The withdrawals from the capital reserve were for Department of Education approved facilities projects. The District has budgeted a withdrawal from capital reserve in its 2023-24 approved budget in the amount of \$2,548,937.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

5. Capital Assets

The District capitalizes all assets with an acquisition cost greater than \$2,000. The following schedule is a summarization of the changes in capital assets by source for the fiscal year ended June 30, 2023:

Capital Assets, not being Depreciated:				
Land	\$ 1,019,208			\$ 1,019,208
Construction in Progress	4,531,112	\$ 26,608,838	\$ (2,387,349)	28,752,601
Total Capital Assets not being Depreciated	<u>5,550,320</u>	<u>26,608,838</u>	<u>(2,387,349)</u>	<u>29,771,809</u>
Capital Assets, being Depreciated:				
Building and Improvements	322,706,536	26,960	1,892,969	324,626,465
Machinery and Equipment	19,865,468	1,210,863	\$ (172,727)	21,397,984
Total Capital Assets, being Depreciated	<u>342,572,004</u>	<u>1,237,823</u>	<u>(172,727)</u>	<u>346,024,449</u>
Less Accumulated Depreciation:				
Building and Improvements	(97,069,613)	(8,293,630)		(105,363,243)
Machinery and Equipment	(12,211,595)	(1,614,070)	154,038	(13,671,627)
Total Accumulated Depreciation	<u>(109,281,208)</u>	<u>(9,907,700)</u>	<u>154,038</u>	<u>(119,034,870)</u>
Total Capital Assets, being Depreciated, Net	<u>233,290,796</u>	<u>(8,669,877)</u>	<u>(18,689)</u>	<u>226,989,579</u>
Governmental Activities Capital Assets, Net	<u>\$ 238,841,116</u>	<u>\$ 17,938,961</u>	<u>\$ (18,689)</u>	<u>\$ 256,761,388</u>
Business-Type Activities:				
Total Capital Assets, being Depreciated:				
Building and building improvements	\$ 700,560	\$ 610,996		\$ 1,311,556
Machinery and Equipment	588,281	51,755		640,036
Total Capital Assets, being Depreciated	<u>1,288,841</u>	<u>662,751</u>		<u>1,951,592</u>
Less Accumulated Depreciation:				
Building and Improvements	(506,071)	(15,110)		(521,181)
Machinery and Equipment	(391,657)	(27,913)		(419,570)
Total Accumulated Depreciation	<u>(897,728)</u>	<u>(43,023)</u>		<u>(940,751)</u>
Total Business-Type Activities Capital Assets, Net	<u>\$ 391,113</u>	<u>\$ 619,728</u>	<u>\$ -</u>	<u>\$ 1,010,841</u>

Total depreciation expense for the fiscal year ended June 30, 2023 for governmental activities was \$9,907,700 and for business-type activities was \$43,023.

Depreciation for governmental activities was charged as follows in the Statement of Activities:

Regular instruction	\$ 3,690,382
Special education instruction	1,181,317
Other instruction	310,846
Student and instruction related services	1,601,521
School administration services	391,935
General and other administration services	491,224
Plant operation and maintenance	1,272,818
Pupil transportation	967,657
Total depreciation expense – governmental activities	<u>\$ 9,907,700</u>

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

6. Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Serial bonds payable	\$ 60,620,000	\$41,355,000	\$44,785,000	\$ 57,190,000	\$ 4,130,000
Unamortized premium on bonds	5,298,685		3,317,221	1,981,464	169,617
Financed purchases payable	26,060,000	\$17,100,000	8,575,000	34,585,000	11,860,000
Compensated absences payable	3,010,620	385,392	353,524	3,042,488	92,228
Sub-total	94,989,305	58,840,392	57,030,745	96,798,952	16,251,845
Net pension liability	23,049,533	5,445,132		28,494,665	
Total governmental activities long-term liabilities	<u>\$118,038,838</u>	<u>\$64,285,524</u>	<u>\$57,030,745</u>	<u>\$125,293,617</u>	<u>\$ 16,251,845</u>
Business-Type Activities:					
Compensated absences payable	\$ 130,866	\$ 29,659	\$ 32,612	\$ 127,913	\$ 13,624
Total Business-Type activities long-term liabilities	<u>\$ 130,866</u>	<u>\$ 29,659</u>	<u>\$ 32,612</u>	<u>\$ 127,913</u>	<u>\$ 13,624</u>

The District expects to liquidate the financed purchases payable and the net pension liability with payments made from the District's general fund and the bonds payable from the debt service fund. The District expects to liquidate the compensated absences payable with payments made from the general fund, the food service enterprise fund, the community program enterprise fund and the facilities rentals enterprise fund.

A. Bonds Payable

Bonds are authorized in accordance with State law or by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds and are a direct borrowing of the District for which its full faith and credit is pledged and are payable from taxes levied on all taxable real property within the District.

2012 Issue

On November 20, 2012, the District issued \$60,560,000 Refunding School Bonds, which were refunded on August 3, 2022. A payment of \$3,075,000 was made November 1, 2022 and the remainder was refunded.

2019 Issue

On February 6, 2019, the District issued School Energy Savings Improvement Program Refunding Bonds in the amount of \$8,135,000 to finance energy conservation measures pursuant to an

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

6. Long-Term Liabilities

A. Bonds Payable (continued)

Energy Savings Improvement Plan (“ESIP”) at interest rates ranging from 4.00% to 5.00%, due in annual installments ranging from \$415,000 to \$805,000 through August 1, 2034.

2020 Issue

On February 25, 2020, the District issued \$10,355,000 Refunding School Bonds at interest rates ranging from 3.00% to 5.00% to advance refund \$11,465,000 of 2010 School Bonds. As of June 30, 2023, the amount of defeased bonds outstanding is \$9,360,000. The 2020 Refunding School Bonds mature in amounts ranging from \$355,000 to \$755,000 through May 15, 2040.

2022 Issue

On August 3, 2022, the District issued \$41,355,000 Refunding School Bonds at an interest rate of 2.430% to advance refund \$40,450,000 of 2012 School Bonds. As of June 30, 2023, the amount of defeased bonds outstanding is \$40,450,000. The savings from the refunding was \$2,367,745 with a net present value savings of \$2,025,144. The 2022 Refunding School Bonds mature in amounts ranging from \$3,140,000 to \$3,605,000 through November 1, 2034.

Principal and interest due on serial bonds outstanding is as follows:

	Principal	Interest	Total
Year ending June 30,			
2024	\$ 4,130,000	\$ 1,630,878	\$ 5,760,878
2025	4,120,000	1,513,167	5,633,167
2026	4,380,000	1,388,996	5,768,996
2027	4,380,000	1,261,535	5,641,535
2028	4,380,000	1,132,468	5,512,468
2029-2033	22,990,000	3,660,079	26,650,079
2034-2038	11,325,000	781,227	12,106,227
2039-2040	1,485,000	67,200	1,552,200
	\$57,190,000	\$11,435,550	\$68,625,550

B. Financed Purchases Payable

2017 Agreement

In September 2017, the Board of Education (the Lessee) entered into a lease purchase agreement with the Township of East Brunswick (the Lessor) to finance district-wide building improvements, technology equipment, classroom furnishings and transportation and maintenance vehicles. Approval was obtained from the Commissioner of Education and the

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

6. Long-Term Liabilities (continued)

B. Financed Purchases Payable (continued)

State of New Jersey Local Finance Board.

Under the lease, the Board was required to pay basic rent due on each October 1, through October 1, 2022. The lease carried an interest rate of 1.20%. In October 2022, the Board made its final payment of \$222,560 which comprised of \$220,000 in principal and \$2,560 in interest.

2018 Agreement

In May 2018, the Board of Education (the Lessee) entered into a lease purchase agreement with the Township of East Brunswick (the Lessor) to finance district-wide building improvements, technology equipment, classroom furnishings and transportation and maintenance vehicles. Approval was obtained from the Commissioner of Education and the State of New Jersey Local Finance Board.

Under the lease, the Board is required to pay basic rent due on each July 1, through July 1, 2023. The lease carries an interest rate of 1.35%. The total principal amount of the lease was \$5,800,000.

Future Minimum Lease Payments - Future minimum lease payments for the next two years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2023 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 1,173,499
Total Minimum Lease Payments	1,173,499
Less: Amount representing interest	(13,999)
Present Value of Net Minimum Lease Payments	<u>\$ 1,160,000</u>

2019 Agreement

In July 2019, the Board of Education (the Lessee) entered into a lease purchase agreement with the Township of East Brunswick (the Lessor) to finance District-wide building improvements, technology equipment, classroom furnishings and transportation and maintenance vehicles. Approval was obtained from the Commissioner of Education and the State of New Jersey Local Finance Board.

Under the lease, the Board is required to pay basic rent due on each July 1, which commenced on July 1, 2020 and will conclude on July 1, 2024. The lease carries an interest rate of 1.200%. The total principal amount of the lease was \$14,600,000.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

6. Long-Term Liabilities (continued)

B. Financed Purchases Payable (continued)

Future Minimum Lease Payments - Future minimum lease payments for the next two years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2023 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 2,987,961
2025	2,920,000
Total Minimum Lease Payments	<u>5,907,961</u>
Less: Amount representing interest	<u>(67,961)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 5,840,000</u>

2021 Agreement

In July 2020, the Board of Education (the Lessee) entered into a lease purchase agreement with the Township of East Brunswick (the Lessor) to finance District-wide building improvements, technology equipment, classroom furnishings and transportation and maintenance vehicles. Approval was obtained from the Commissioner of Education and the State of New Jersey Local Finance Board.

Under the lease, the Board is required to pay basic rent due on each July 1, which commenced on July 11, 2021 and will conclude on July 11, 2025. The lease carries an interest rate of 1.160%. The total principal amount of the lease was \$3,600,000. The District made an advance payment of the first principal payment due on July 11, 2021 in June 2021, resulting in an interest only payment being due July 11, 2021.

Future Minimum Lease Payments - Future minimum lease payments for the next two years under the financed purchase agreement along with the present value of the minimum lease payments as of June 30, 2023 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 745,136
2025	720,000
Total Minimum Lease Payments	<u>1,465,136</u>
Less: Amount representing interest	<u>(25,136)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 1,440,000</u>

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

6. Long-Term Liabilities (continued)

B. Financed Purchases Payable (continued)

2022 Agreement

In May 2021, the Board of Education (the Lessee) entered into a lease purchase agreement with the Township of East Brunswick (the Lessor) to finance district-wide building improvements, technology equipment, classroom furnishings and transportation and maintenance vehicles. Approval was obtained from the Commissioner of Education and the State of New Jersey Local Finance Board.

Under the lease, the Board is required to pay basic rent due on each July 1, through July 1, 2026. The lease carries an interest rate of 0.30%. The total principal amount of the lease was \$4,200,000.

Future Minimum Lease Payments - Future minimum lease payments for the next four years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2023 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 902,496
2025	840,000
2026	840,000
2027	840,000
Total Minimum Lease Payments	3,422,496
Less: Amount representing interest	(62,496)
Present Value of Net Minimum Lease Payments	<u>\$ 3,360,000</u>

2023 Agreement

In April 2022, the Board of Education (the Lessee) entered into a lease purchase agreement with the Township of East Brunswick (the Lessor) to finance district-wide building improvements, instructional and life-safety equipment, classroom furnishings and transportation and security vehicles. Approval was obtained from the Commissioner of Education and the State of New Jersey Local Finance Board.

Under the lease, the Board is required to pay basic rent due on each July 11, through July 11, 2027. The lease carries an interest rate of 0.30%. The total principal amount of the lease was \$17,100,000.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

6. Long-Term Liabilities (continued)

C. Financed Purchases Payable (continued)

Future Minimum Lease Payments - Future minimum lease payments for the next five years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2023 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 3,738,060
2025	3,420,000
2026	3,420,000
2027	3,420,000
2028	3,420,000
Total Minimum Lease Payments	17,418,060
Less: Amount representing interest	(318,060)
Present Value of Net Minimum Lease Payments	\$ 17,100,000

Financed Purchase Agreement

The District entered into a financed purchase agreement on October 28, 2020 in the amount of \$13,685,000, which is due in annual principal installments and for which final payment is due on April 15, 2025. Interest rate is at 1.350%. The financed purchase was initiated for various capital improvements throughout the District.

Future Minimum Lease Payments - Future minimum lease payments for the next two years under the lease purchase agreement along with the present value of the 48 minimum lease payments as of June 30, 2023 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 2,876,748
2025	2,923,948
Total Minimum Lease Payments	5,800,696
Less: Amount representing interest	(115,696)
Present Value of Net Minimum Lease Payments	\$ 5,685,000

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

7. Pension Plans

Description of Systems

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

Teachers' Pension and Annuity Fund

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

Public Employees' Retirement System

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

7. Pension Plans (continued)

years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be $1/60^{\text{th}}$ of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

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

Funding Policy

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

During the year ended June 30, 2023, the State of New Jersey contributed \$30,621,385 to the TPAF for post-retirement medical benefits and other pension costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$5,244,845 during the year ended June 30, 2023 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the government-wide and fund financial statements.

The Board's actuarially determined contributions to PERS for each of the years ended June 30, 2023, 2022, and 2021 was \$2,381,038, \$2,278,621, and \$2,106,941 respectively, equal to the required contributions for each year.

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

7. Pension Plans (continued)

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

Public Employee's Retirement System (PERS)

At June 30, 2023, the District reported a liability of \$28,494,665 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2021, which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2022, the District's proportion was 0.1888142211 percent, which was a decrease of 0.0057540849 from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the District recognized full accrual pension benefit of (\$2,237,060) in the government-wide financial statements. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 205,661	\$ 181,364
Changes of assumptions	88,285	4,266,779
Net difference between projected and actual earnings on pension plan investments	1,179,368	
Changes in proportion and differences between District contributions and proportionate share of contributions	488,601	1,319,690
District contributions subsequent to the measurement date	2,544,417	
	\$ 4,506,332	\$ 5,767,833

\$2,544,417 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. The contributions made subsequent to the measurement date will be recognized as a reduction of the collective net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

7. Pension Plans (continued)

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

Year ended June 30:	
2024	\$ (2,663,443)
2025	(1,523,702)
2026	(785,043)
2027	1,176,751
2028	(10,481)
	<u>\$ (3,805,918)</u>

Actuarial Assumptions

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

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	2.75 - 6.55%
	based on years of service
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

7. Pension Plans (continued)

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

Long-Term Rate of Return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	100.00%	

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

7. Pension Plans (continued)

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

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's proportionate share of the net pension liability associated with the District	\$ 36,607,298	\$ 28,494,665	\$ 21,590,488

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.

Additional Information

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

Deferred outflows of resources	\$ 1,660,772,008
Deferred inflows of resources	\$ 3,236,303,935
Net pension liability	\$ 15,219,184,920
District's Proportion	0.1888142211%

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

7. Pension Plans (continued)

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

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

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

Special Funding Situation

A special funding situation exists for certain Local employers of the PERS. The State of New Jersey, a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2011 and Chapter 122, P.L. 2001. The June 30, 2022 State special funding situation net pension liability amount of \$127.8 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2011 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there was no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$50.2 million, for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The District's expense related to the special funding situation is \$59,954.

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

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a 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 State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2022 was \$306,214,783. The District's proportionate share was \$0.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

7. Pension Plans (continued)

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

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State's proportionate share of the TPAF net pension liability associated with the District was 0.5935037320 percent, which was an increase of 0.0075504494 from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$8,241,095 for contributions incurred by the State.

Actuarial assumptions

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

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

Mortality Rates

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

7. Pension Plans (continued)

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

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of 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 real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	27.00%	8.09%
Non-U.S. developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	100.00%	

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

7. Pension Plans (continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's proportionate share of the net pension liability associated with the District	\$ 359,043,340	\$ 306,214,783	\$ 261,713,362

Pension plan fiduciary net position

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

Additional Information

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

Deferred outflows of resources	\$ 4,996,491,160
Deferred inflows of resources	\$ 19,532,696,776
Net pension liability	\$ 51,594,415,806

State's proportionate share associated with the District 0.5935037320%

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

7. Pension Plans (continued)

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

Collective pension expense of the Local Group for the plan for the measurement period ended June 30, 2022 is \$1,424,884,581. The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2022, 2021, 2019, 2018, 2017, 2016, and 2015 is 7.83, 7.93, 8.04, 8.29, 8.30, 8.30, and 8.30 years, respectively.

8. Post-Retirement Benefits

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan:

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepting actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability.

The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In the Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds the post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

8. Post-Retirement Benefits (continued)

In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Total OPEB Liability

The nonemployer OPEB liability from the State of New Jersey’s plan is \$50,646,462,966.

Changes in the Total Non-employer OPEB Liability

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

	Total OPEB Liability
Beginning Total OPEB Liability, June 30, 2021	\$ 351,383,925
Changes for the year:	
Service cost	16,427,765
Interest	7,709,321
Differences between expected and actual experiences	814,035
Changes in assumptions or other inputs	(78,038,053)
Members contributions	244,977
Benefit payments	<u>(7,636,310)</u>
Net Changes	<u>(60,478,265)</u>
Ending Total OPEB Liability, June 30, 2022	<u>\$ 290,905,660</u>

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

8. Post-Retirement Benefits (continued)

Employees covered by benefit terms

The following employees were covered by the benefit terms:

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

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective OPEB liability on the Statement of Net Position. The State's proportionate share of the total OPEB liability associated with the District as of June 30, 2022 was \$290,905,660. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

Actuarial assumptions and other inputs

The total non-employer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality Rates

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

8. Post-Retirement Benefits (continued)

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

Discount Rate

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-64 medical benefits PPO, the trend is initially (1.99%) in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially (3.54%) in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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

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

	At 1% decrease (2.54%)	At current discount rate (3.54%)	At 1% increase (4.54%)
Total OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 341,929,003	\$ 290,905,660	\$ 250,013,002

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

8. Post-Retirement Benefits (continued)

	At 1% decrease	Healthcare Cost Trend Rates	At 1% increase
Total OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 240,451,309	\$ 290,905,660	\$ 357,180,514

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

For the year ended June 30, 2023, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$8,548,016 for OPEB expenses incurred by the State.

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

Deferred outflows of resources	\$	20,104,625,333
Deferred inflows of resources	\$	34,996,842,046
Collective OPEB Expense	\$	1,595,653,562
District's Proportion		0.59%

Special Funding Situation

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

9. Contingent Liabilities

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

9. Contingent Liabilities (continued)

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

10. Deferred Compensation Plans

The District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Sections 401(a), 403(b) and 457(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plans, all property and rights purchased with the amounts and all income attributable to these amounts are held in trust for the exclusive benefit of participating employees and their beneficiaries.

The plan administrators are as follows:

- A.I.G. Met Life Investment
- American Fund (Capital Guardian)
- Equitable
- Franklin Templeton Group
- ING

11. 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 commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverage over the past three years.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

11. Risk Management (continued)

New Jersey Unemployment Compensation Insurance

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

Fiscal Year	Beginning Balance	Board Contribution	Prior Year Refunds	Employee Contribution	Interest	Deductions
2022-2023	\$ 547,727	\$ 19,616	\$ 688,718	\$ 179,779	\$ 9,324	\$ 217,354
2021-2022	438,330	266,202		162,014	81	318,900
2020-2021	795,788	151,881		144,476	238	654,053

Self-Insurance

The District is self-insured for medical, prescription and dental benefits and has established an internal service fund to account for its self-insurance activities. At June 30, 2023, the accrued liability for unpaid medical, prescription and dental claims of \$1,300,000 has been recorded in the internal service fund financial statements for Incurred But Not Reported Claims (IBNR), which is subject to modification and/or assessment of existing or additional claims. The medical, prescription and dental benefits IBNR liability has been calculated by an actuary contracted by the District's claims administrator. The actuary utilized a 10% margin to estimate the liabilities. The change in the IBNR for the year ended June 30, 2023 is as follows:

Fiscal Year	Beginning Balance	Current Year Claims and Estimates	Claim Payments	Ending Balance
2022-2023	\$ 1,827,000	\$ 28,244,218	\$ 28,771,218	\$ 1,300,000
2021-2022	1,881,000	25,729,265	25,783,265	1,827,000
2020-2021	1,604,000	26,279,818	26,002,818	1,881,000

12. Economic Dependency

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

13. Transfers to Capital Outlay

During the year ending June 30, 2023, the District transferred \$4,577,759 to the capital outlay accounts. The transfers were made from the capital reserve account to supplement capital projects certified in the budget for taxes pursuant to N.J.A.C. 6A:23A-8.4.

14. Transfers – Reconciliation

The following represents a reconciliation of transfers made during the 2023 fiscal year:

	<u>In</u>	<u>Out</u>
General Fund	\$ 1,009,763	
Capital Projects Fund		\$ 92
Enterprise Fund – Technology		102,307
Enterprise Fund – Community Programs		398,122
Enterprise Fund – Facilities Rentals		509,242
	<u>\$ 1,009,763</u>	<u>\$ 1,009,763</u>

The transfer from the capital projects fund to the general fund represents a transfer of interest earned in the capital projects fund. The transfer from the enterprise funds to the general fund represent transfers of return on investment to the general fund.

15. Restricted Assets

Funds held by a fiscal agent in the internal service fund are held by the District's insurance advisor for payment of future claims are classified as restricted assets.

16. Net Position - Net Investment in Capital Assets

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$178,647,601 indicated as part of the Governmental Activities net position is calculated as follows:

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

16. Net Position - Net Investment in Capital Assets (continued)

Capital assets, net of depreciation	\$ 256,761,388
Bonds payable (used to build or acquire capital assets)	(57,190,000)
Unused ESIP refunding bond proceeds	8,277
Deferred loss on refunding of debt	1,435,411
Unamortized deferred premium	(1,981,464)
Financed purchases payable	(34,585,000)
Designated for subsequent years expenditures - Special Revenue Fund (unused lease proceeds)	<u>14,198,989</u>
Total net investment in capital assets	<u>\$ 178,647,601</u>

17. Commitments

The District has contractual commitments at June 30, 2023 to various vendors, which are recorded in the General Fund as fund balance assigned to other purposes in the amount of \$2,372,208 and in the Capital Projects Fund as restricted for capital projects in the amount of \$8,277.

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

18. Tax Abatements

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

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2023

18. Tax Abatements (continued)

The Township of East Brunswick recognized revenue of \$2,990,350 from the annual service charge in lieu of payment of taxes in 2022 and taxes in 2022 that otherwise would have been due on these long-term tax exemptions amounted to \$5,139,666, based upon the assessed valuations of the long-term tax exemptions properties. A portion of the \$2,149,316 abatement would have been allocated to the District.

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

**Required Supplementary Information
Part II**

**Schedules Related to Accounting and Reporting
for Pensions (GASB 68)**

East Brunswick Public Schools
Schedule of District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System
Required Supplementary Information

Last Ten Fiscal Years

	Year Ended June 30,				
	2014	2015	2016	2017	2018
Measurement date	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017
District's proportion of the net pension liability (asset) - Local Group	0.1930621676%	0.1931581586%	0.2001424156%	0.1977688257%	0.1940609018%
District's proportionate share of the net pension liability (asset)	\$ 36,898,016	\$ 36,164,490	\$ 44,927,962	\$ 58,573,454	\$ 45,174,276
District's covered payroll	\$ 13,047,120	\$ 13,447,670	\$ 13,368,140	\$ 13,252,553	\$ 13,301,469
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	282.81%	268.93%	336.08%	441.98%	339.62%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	48.72%	52.08%	47.93%	40.14%	48.10%
N/A - Information not available					

East Brunswick Public Schools
Schedule of District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System
Required Supplementary Information

Last Ten Fiscal Years

	Year Ended June 30,				
	2019	2020	2021	2022	2023
Measurement date	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
District's proportion of the net pension liability (asset) - Local Group	0.1925928900%	0.1968999996%	0.1925992817%	0.1945683060%	0.1888142211%
District's proportionate share of the net pension liability (asset)	\$ 37,920,580	\$ 35,478,393	\$ 31,407,906	\$ 23,049,533	\$ 28,494,665
District's covered payroll	\$ 13,711,055	\$ 13,282,994	\$ 14,092,514	\$ 13,867,408	\$ 14,096,915
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	276.57%	267.10%	222.87%	166.21%	202.13%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	53.60%	56.27%	58.32%	70.33%	62.91%
N/A - Information not available					

East Brunswick Public Schools
Schedule of District Contributions
Public Employees' Retirement System
Required Supplementary Information

Last Ten Fiscal Years

	Year Ended June 30,				
	2014	2015	2016	2017	2018
Contractually required contribution	\$ 1,454,684	\$ 1,590,486	\$ 1,720,688	\$ 1,756,950	\$ 1,797,767
Contributions in relation to the contractually required contribution	(1,454,684)	(1,590,486)	(1,720,688)	(1,756,950)	(1,797,767)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 13,447,670	\$ 13,368,140	\$ 13,252,553	\$ 13,301,469	\$ 13,711,055
Contributions as a percentage of covered payroll	10.82%	11.90%	12.98%	13.21%	13.11%

See accompanying notes to required supplementary information.

East Brunswick Public Schools
Schedule of District Contributions
Public Employees' Retirement System
Required Supplementary Information

Last Ten Fiscal Years

	Year Ended June 30,				
	2019	2020	2021	2022	2023
Contractually required contribution	\$ 1,853,416	\$ 1,925,028	\$ 2,106,941	\$ 2,278,621	\$ 2,381,038
Contributions in relation to the contractually required contribution	(1,853,416)	(1,925,028)	(2,106,941)	(2,278,621)	(2,381,038)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 13,282,994	\$ 14,092,514	\$ 13,867,408	\$ 14,096,915	\$ 14,780,471
Contributions as a percentage of covered payroll	13.95%	13.66%	15.19%	16.16%	16.11%

See accompanying notes to required supplementary information.

East Brunswick Public Schools
 Schedule of the State's Proportionate Share of the Net Pension Liability Associated With the District
 Teachers' Pension and Annuity Fund
 Required Supplementary Information

Last Ten Fiscal Years*

	Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.6038945428%	0.5894999659%	0.5738312934%	0.6048806937%	0.6044813962%	0.6031536811%	0.6033391834%	0.5984730122%	0.5859532826%	0.5935037320%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 305,203,552	\$ 315,068,546	\$ 362,685,882	\$ 475,837,667	\$ 407,563,154	\$ 383,713,416	\$ 370,274,952	\$ 394,087,277	\$ 281,698,146	\$ 306,214,783
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 305,203,552</u>	<u>\$ 315,068,546</u>	<u>\$ 362,685,882</u>	<u>\$ 475,837,667</u>	<u>\$ 407,563,154</u>	<u>\$ 383,713,416</u>	<u>\$ 370,274,952</u>	<u>\$ 394,087,277</u>	<u>\$ 281,698,146</u>	<u>\$ 306,214,783</u>
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%

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

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

**Schedules Related to Accounting and Reporting
for OPEB (GASB 75)**

East Brunswick Public Schools
 Schedule of the State's Proportionate Share of the Net OPEB Liability Associated With the District
 and Changes in the Total OPEB Liability and Related Ratios
 Public Employees' Retirement System and Teachers' Pension and Annuity Fund
 Required Supplementary Information

Last Ten Fiscal Years*

	Year Ended June 30,						
	2017	2018	2019	2020	2021	2022	2023
State's proportion of the net OPEB liability (asset) associated with the District	0.59%	0.59%	0.59%	0.59%	0.59%	0.59%	0.57%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 341,602,391	\$ 316,476,368	\$ 271,308,212	\$ 244,508,234	\$ 399,285,805	\$ 351,383,925	\$ 290,905,660
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 341,602,391</u>	<u>\$ 316,476,368</u>	<u>\$ 271,308,212</u>	<u>\$ 244,508,234</u>	<u>\$ 399,285,805</u>	<u>\$ 351,383,925</u>	<u>\$ 290,905,660</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	<u>2017**</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total OPEB Liability							
Changes for the year:							
Service cost		\$ 13,993,198	\$ 11,568,347	\$ 10,215,878	\$ 10,614,067	\$ 19,117,654	\$ 16,427,765
Interest cost		10,034,571	11,619,732	10,755,390	8,812,335	9,115,269	7,709,321
Changes of benefit terms		-	-	-	-	(374,005)	-
Difference between expected and actual experience		-	(31,218,308)	(44,133,699)	69,155,918	(69,160,219)	814,035
Changes of assumptions		(42,093,447)	(30,133,975)	3,645,638	72,935,796	346,667	(78,038,053)
Member contributions		269,919	250,733	222,489	210,692	233,033	244,977
Gross benefit payments		(7,330,264)	(7,254,685)	(7,505,674)	(6,951,237)	(7,180,279)	(7,636,310)
Net change in total OPEB liability		(25,126,023)	(45,168,156)	(26,799,978)	154,777,571	(47,901,880)	(60,478,265)
Total OPEB liability - beginning		<u>341,602,391</u>	<u>316,476,368</u>	<u>271,308,212</u>	<u>244,508,234</u>	<u>399,285,805</u>	<u>351,383,925</u>
Total OPEB liability - ending		<u>\$ 316,476,368</u>	<u>\$ 271,308,212</u>	<u>\$ 244,508,234</u>	<u>\$ 399,285,805</u>	<u>\$ 351,383,925</u>	<u>\$ 290,905,660</u>
Covered-employee payroll		<u>\$ 76,607,296</u>	<u>\$ 77,683,234</u>	<u>\$ 77,951,256</u>	<u>\$ 80,713,138</u>	<u>\$ 83,131,728</u>	<u>\$ 87,881,927</u>
Total OPEB liability as a percentage of covered-employee payroll		<u>413.12%</u>	<u>349.25%</u>	<u>313.67%</u>	<u>494.70%</u>	<u>422.68%</u>	<u>331.02%</u>

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

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

** information not available.

See accompanying notes to required supplementary information.

East Brunswick Public Schools
Notes to Required Supplementary Information
Year ended June 30, 2023

1. PUBLIC EMPLOYEES' RETIREMENT SYSTEM – PENSION

Benefit Changes

There were none.

Changes of Assumptions

There were none.

2. TEACHERS PENSION AND ANNUITY FUND - PENSION

Benefit Changes

There were none.

Changes of Assumptions

There were none.

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

Benefit Changes

There were none.

Changes of Assumptions

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

Required Supplementary Information
Part III

Budgetary Comparison

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 136,587,587		\$ 136,587,587	\$ 136,587,587	
Tuition (from individuals)	75,000		75,000	86,112	\$ 11,112
Tuition (other LEAS)	675,535		675,535	542,474	(133,061)
Investment income	5,500		5,500	565,701	560,201
Interest earned on capital reserve				30,674	30,674
Miscellaneous	544,683		544,683	2,158,276	1,613,593
Total - local sources	137,888,305		137,888,305	139,970,824	2,082,519
State sources:					
Extraordinary aid	750,000	\$ 1,250,000	2,000,000	3,818,540	1,818,540
Special education categorical aid	5,355,986		5,355,986	5,355,986	
Equalization aid	26,300,337		26,300,337	26,300,337	
Security aid	176,418		176,418	176,418	
Transportation aid	1,491,445		1,491,445	1,491,445	
Additional Non-public school transportation aid				59,955	59,955
Securing Our Children's Future Bond Act				79,808	79,808
State Reimbursement for Lead Testing of Drinking Water				13,715	13,715
On-Behalf TPAF - Pension					
Contribution (non-budgeted)				24,243,075	24,243,075
On-Behalf TPAF - Post-Retirement					
Medical (non-budgeted)				6,368,597	6,368,597
On-Behalf TPAF - Long-Term Disability					
Insurance (non-budgeted)				9,713	9,713
Reimbursed TPAF social security contributions (non-budgeted)				5,244,845	5,244,845
Total - state sources	34,074,186	1,250,000	35,324,186	73,162,434	37,838,248
Federal sources:					
Medical assistance	199,607		199,607	176,384	(23,223)
Total - federal sources	199,607		199,607	176,384	(23,223)
Total revenues	172,162,098	1,250,000	173,412,098	213,309,642	39,897,544
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Preschool	467,716	(103,206)	364,510	364,510	
Kindergarten	2,220,139	(8,525)	2,211,614	2,211,614	
Grades 1-5	15,638,927	1,266,606	16,905,533	16,905,533	
Grades 6-8	11,120,201	(1,372,144)	9,748,057	9,748,057	
Grades 9-12	16,360,090	167,789	16,527,879	16,527,879	
Home instruction - regular programs:					
Salaries of teachers	27,716	5,553	33,269	33,269	
Purchased professional-educational services	50,000		50,000	49,283	717
Undistributed instruction - regular programs:					
Other salaries for instruction	142,864	(26,075)	116,789	116,789	
Purchased professional-educational services	1,072,370	236,562	1,308,932	1,277,305	31,627
Purchased technical services	163,396	(52,502)	110,894	110,894	
Other purchased services	689,842	(82,251)	607,591	542,628	64,963
General supplies	2,045,746	197,666	2,243,412	2,147,609	95,803
Textbooks	124,475	546	125,021	113,753	11,268
Other objects	7,054	36	7,090	6,183	907
Total instruction - regular programs	50,130,536	230,055	50,360,591	50,155,306	205,285

East Brunswick Public Schools
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures					
Special education:					
Learning and/or language disabilities:					
Salaries of teachers	\$ 685,691	\$ 128,948	\$ 814,639	\$ 814,639	
Other salaries for instruction	447,392	67,788	515,180	515,180	
Purchased professional - educational services	9,000	9,620	18,620	18,620	
Other purchased services	50	(50)			
General supplies	1,600	1,012	2,612	2,484	\$ 128
Total learning and/or language disabilities	1,143,733	207,318	1,351,051	1,350,923	128
Emotional Regulation Impairment:					
Salaries of teachers	307,426	164,178	471,604	471,604	
Other salaries for instruction	87,779	113,734	201,513	201,513	
Purchased professional - educational services	16,500	(6,332)	10,168	10,168	
General supplies	6,600	2,244	8,844	4,326	4,518
Total emotional regulation impairment	418,305	273,824	692,129	687,611	4,518
Multiple disabilities:					
Salaries of teachers	392,118	(72,657)	319,461	319,461	
Other salaries for instruction	264,323	(66,781)	197,542	197,542	
Purchased professional - educational services	900	2,413	3,313	3,313	
Other purchased services	200	(51)	149	149	
General supplies	3,100	258	3,358	3,258	100
Total multiple disabilities	660,641	(136,818)	523,823	523,723	100
Resource room/center:					
Salaries of teachers	8,631,952	(146,047)	8,485,905	8,485,905	
Other salaries for instruction	433,021	68,864	501,885	501,885	
Purchased professional - educational services	49,000	33,946	82,946	82,866	80
Other purchased services	500	(351)	149	149	
General supplies	22,744	902	23,646	17,156	6,490
Textbooks	1,800	(1,000)	800	800	800
Total resource room/center	9,139,017	(43,686)	9,095,331	9,087,961	7,370
Autism:					
Salaries of teachers	1,088,085	62,427	1,150,512	1,150,512	
Other salaries for instruction	795,520	95,668	891,188	891,188	
Purchased professional - educational services	36,000	(9,795)	26,205	26,205	
Other purchased services	200	(200)			
General supplies	12,260	752	13,012	9,751	3,261
Total autism	1,932,065	148,852	2,080,917	2,077,656	3,261
Preschool disabilities - part time:					
Salaries of teachers	64,146	(5,387)	58,759	58,759	
Other salaries for instruction	51,820	(36,662)	15,158	15,158	
Purchased professional - educational services		560	560	560	
General supplies	385	(385)			
Total preschool disabilities - part time	116,351	(41,874)	74,477	74,477	-

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to
Expenditures (continued)					
Current expenditures (continued):					
Special education (continued):					
Preschool disabilities - full time:					
Salaries of teachers	\$ 250,840	\$ 87,622	\$ 338,462	\$ 338,462	
Other salaries for instruction	277,318	6,554	283,872	283,872	
Purchased professional - educational services	18,000	(10,711)	7,289	7,289	
General supplies	1,320	9,838	11,158	10,122	\$ 1,036
Total preschool disabilities - full time	<u>547,478</u>	<u>93,303</u>	<u>640,781</u>	<u>639,745</u>	<u>1,036</u>
Home instruction - special education:					
Salaries of teachers	10,935	45,281	56,216	56,216	
Purchased professional - educational services	60,000		60,000	42,997	17,003
Total home instruction - special education	<u>70,935</u>	<u>45,281</u>	<u>116,216</u>	<u>99,213</u>	<u>17,003</u>
Total special education	<u>14,028,525</u>	<u>546,200</u>	<u>14,574,725</u>	<u>14,541,309</u>	<u>33,416</u>
Basic skills/remedial - instruction:					
Salaries of teachers	2,435,573	(472,635)	1,962,938	1,962,938	
Purchased professional - educational services	24,111	(19,933)	4,178	3,621	557
Other purchased services	100	(100)			
Purchased technical services	4,500	(4,500)			
General supplies	9,429	24,985	34,414	31,983	2,431
Total basic skills/remedial - instruction	<u>2,473,713</u>	<u>(472,183)</u>	<u>2,001,530</u>	<u>1,998,542</u>	<u>2,988</u>
Bilingual education - instruction:					
Salaries of teachers	904,505	(62,603)	841,902	841,902	
Other purchased services	300	250	550	150	400
Purchased professional - educational services	1,200	2,176	3,376	3,376	
General supplies	6,340	134	6,474	5,781	693
Total bilingual education - instruction	<u>912,345</u>	<u>(60,043)</u>	<u>852,302</u>	<u>851,209</u>	<u>1,093</u>
School - sponsored cocurricular activities:					
Salaries	352,916	(42,141)	310,775	310,775	
Purchased services	58,935	4,756	63,691	58,503	5,188
Supplies and materials	6,893		6,893	6,451	442
Other objects	5,500	(1,362)	4,138	4,127	11
Total school-sponsored cocurricular activities	<u>424,244</u>	<u>(38,747)</u>	<u>385,497</u>	<u>379,856</u>	<u>5,641</u>
School - sponsored athletics - instruction:					
Salaries	833,746	44,671	878,417	878,417	
Purchased services	70,130	17,370	87,500	85,921	1,579
Supplies and materials	114,561	58,200	172,761	167,532	5,229
Other objects	5,000	(1,000)	4,000	4,000	
Transfers to cover deficit (agency funds)	70,744		70,744	60,623	10,121
Total school - sponsored athletics - instruction	<u>1,094,181</u>	<u>119,241</u>	<u>1,213,422</u>	<u>1,196,493</u>	<u>16,929</u>

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to
Expenditures (continued)					
Current expenditures (continued):					
Alternative Education:					
Salaries of teachers	\$ 117,264	\$ (66,138)	\$ 51,126	\$ 51,126	
Total alternative education	117,264	(66,138)	51,126	51,126	
Total instruction	69,180,808	258,385	69,439,193	69,173,841	\$ 265,352
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs w/in the state - regular	27,224	127,327	154,551	154,551	
Tuition to other LEAs w/in the state - special	1,312,345	(270,389)	1,041,956	1,036,573	5,383
Tuition to CSSD and regional day schools		35,793	35,793	35,793	
Tuition to private schools disabled - within state	1,041,746	(122,176)	919,570	814,546	105,024
Tuition - state facilities	79,997		79,997	79,997	
Total instruction	2,461,312	(229,445)	2,231,867	2,121,460	110,407
Attendance and social work services:					
Salaries	334,337	14,176	348,513	348,513	
Other purchased services	5,052	(1,375)	3,677	915	2,762
Supplies and materials	3,457	2,099	5,556	2,487	3,069
Total attendance and social work services	342,846	14,900	357,746	351,915	5,831
Health services:					
Salaries	1,143,308	(7,765)	1,135,543	1,135,543	
Purchased professional and technical services	397,929	(100,727)	297,202	246,234	50,968
Other purchased services	10,814	(702)	10,112	2,113	7,999
Supplies and materials	29,693	4,983	34,676	33,705	971
Total health services	1,581,744	(104,211)	1,477,533	1,417,595	59,938
Other support services - students - speech, OT, PT and related services:					
Salaries	1,646,359	3,435	1,649,794	1,649,794	
Purchased professional - educational services	1,246,575	221,713	1,468,288	1,458,488	9,800
Supplies and materials	11,119	(2,530)	8,589	6,695	1,894
Total other support services - students - speech, OT, PT and related services	2,904,053	222,618	3,126,671	3,114,977	11,694
Other support services - students - extraordinary:					
Salaries	2,185,064	(288,025)	1,897,039	1,897,039	
Purchased professional - educational services	1,017,542	190,716	1,208,258	1,208,258	
Supplies and materials	18,500	(2,854)	15,646	14,768	878
Other objects	1,000	(1,000)			
Total other support services - students - extraordinary	3,222,106	(101,163)	3,120,943	3,120,065	878

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Guidance:					
Salaries of other professional staff	\$ 3,517,073	\$ (111,236)	\$ 3,405,837	\$ 3,405,837	
Salaries of secretarial and clerical assistants	227,498	(356)	227,142	227,142	
Unused vacation payments to					
terminated/retired staff - normal retirements		14,525	14,525	14,525	
Other purchased professional and technical services	130,811	(18,279)	112,532	106,793	\$ 5,739
Other purchased services	15,244	132	15,376	9,788	5,588
Supplies and materials	20,867	(7,099)	13,768	10,264	3,504
Other objects	500		500	440	60
Total guidance	3,911,993	(122,313)	3,789,680	3,774,789	14,891
Child study teams:					
Salaries of other professional staff	2,454,814	69,074	2,523,888	2,523,888	
Salaries of secretarial and clerical assistants	294,824	(1,100)	293,724	293,724	
Unused vacation payments to					
terminated/retired staff - normal retirements		2,488	2,488	2,488	
Purchased professional - educational services	94,000	18,142	112,142	112,142	
Other purchased professional and technical services	27,997		27,997	24,944	3,053
Other purchased services	8,950	(405)	8,545	5,739	2,806
Supplies and materials	18,978	795	19,773	17,759	2,014
Total child study teams	2,899,563	88,994	2,988,557	2,980,684	7,873
Improvement of instructional services:					
Salaries of supervisors of instruction	1,859,436	(198,692)	1,660,744	1,660,744	
Salaries of other professional staff	370,413	(25,999)	344,414	344,414	
Salaries of secretarial and clerical assistants	426,192	(92,298)	333,894	333,894	
Other salaries	78,064	280	78,344	78,344	
Salaries of Facilitators, Math & Literacy coaches	555,838	65,725	621,563	621,563	
Unused vacation payments to					
terminated/retired staff - normal retirements		14,978	14,978	14,978	
Purchased professional - educational services	40,000		40,000	40,000	
Other purchased professional and technical services	48,141	331	48,472	48,472	
Other purchased services	49,401	(583)	48,818	26,113	22,705
Supplies and materials	25,852	(4,613)	21,239	15,700	5,539
Other objects	16,878	(795)	16,083	15,887	196
Total improvement of instructional services	3,470,215	(241,666)	3,228,549	3,200,109	28,440
Educational media services/school library:					
Salaries	946,106	(1,118)	944,988	944,988	
Other purchased professional and technical services	46,077	2,893	48,970	48,320	650
Other purchased services	3,845	1,233	5,078	3,769	1,309
Supplies and materials	118,136	37,309	155,445	148,898	6,547
Other objects	175		175	175	
Total educational media services / school library	1,114,339	40,317	1,154,656	1,145,975	8,681
Instructional staff training services:					
Salaries of other professional staff	166,099	173,987	340,086	340,086	
Purchased professional - educational services	90,315	(33,500)	56,815	55,455	1,360
Other purchased services	32,975	5,225	38,200	32,054	6,146
Supplies and materials	11,480		11,480	11,402	78
Total instructional staff training services	300,869	145,712	446,581	438,997	7,584

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Support services-general administration:					
Salaries	\$ 831,756	\$ (115,863)	\$ 715,893	\$ 715,893	
Legal services	400,625	3,937	404,562	263,122	\$ 141,440
Audit fees	85,475	75,000	160,475	75,000	85,475
Other purchased professional services	21,000	3,375	24,375	24,375	
Purchased technical services	17,565	8,050	25,615	25,615	
Communications/telephone	306,161	(6,506)	299,655	231,239	68,416
BOE other purchased services	10,500	(717)	9,783	3,541	6,242
Miscellaneous purchased services	434,944	(26,700)	408,244	391,084	17,160
General supplies	12,475	685	13,160	6,047	7,113
BOE in-house training/meeting supplies	1,500		1,500	1,187	313
Miscellaneous expenditures	16,548		16,548	9,930	6,618
BOE membership dues/fees	36,335		36,335	34,498	1,837
Total support services-general administration	2,174,884	(58,739)	2,116,145	1,781,531	334,614
Support services-school administration:					
Salaries of principals / assistant principals	3,023,331	139,973	3,163,304	3,163,304	
Salaries of other professional staff	707,363	2,767	710,130	709,770	360
Salaries of secretarial and clerical assistants	1,543,586	11,258	1,554,844	1,554,844	
Unused vacation payments to					
terminated/retired staff - normal retirements		73,584	73,584	73,584	
Purchased professional and technical services	3,000	(1,101)	1,899	1,899	
Other purchased services	84,530	94	84,624	62,944	21,680
Supplies and materials	39,147	(192)	38,955	30,246	8,709
Other objects	26,110	(2,627)	23,483	21,205	2,278
Total support services-school administration	5,427,067	223,756	5,650,823	5,617,796	33,027
Central services:					
Salaries	2,212,546	(123,776)	2,088,770	2,088,770	
Unused vacation payments to					
terminated/retired staff - normal retirements		42,635	42,635	42,635	
Purchased professional services	100,347	(14,299)	86,048	57,848	28,200
Purchased technical services	66,000		66,000	34,386	31,614
Miscellaneous purchased services	56,415	(8,792)	47,623	41,844	5,779
Supplies and materials	26,207	(3,337)	22,870	13,039	9,831
Interest on lease purchase agreements	456,295	(202,410)	253,885	253,885	
Miscellaneous expenditures	7,895	316,235	324,130	323,734	396
Total central services	2,925,705	6,256	2,931,961	2,856,141	75,820
Administrative information technology:					
Salaries	1,803,716	(68,823)	1,734,893	1,734,893	
Unused vacation payments to					
terminated/retired staff - normal retirements		8,771	8,771	8,771	
Purchased technical services	676,481	60,922	737,403	696,309	41,094
Other purchased services	34,950	(4,337)	30,613	17,923	12,690
Supplies and materials	41,530	81,390	122,920	109,484	13,436
Other objects	500		500	200	300
Total administrative information technology	2,557,177	77,923	2,635,100	2,567,580	67,520
Required maintenance for school facilities:					
Salaries	1,537,005	(194,709)	1,342,296	1,342,296	
Unused vacation payments to					
terminated/retired staff - normal retirements		7,694	7,694	7,694	
Cleaning, repair and maintenance services	893,312	41,214	934,526	807,902	126,624
General supplies	610,998	(164,817)	446,181	406,804	39,377
Other objects	217,196	(6,798)	210,398	179,084	31,314
Total required maintenance for school facilities	3,258,511	(317,416)	2,941,095	2,743,780	197,315

**East Brunswick Public Schools
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)**

Year ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Custodial services:					
Salaries	\$ 1,427,692	\$ (77,111)	\$ 1,350,581	\$ 1,350,581	
Salaries of non-instructional aides	784,381	(94,072)	690,309	690,309	
Unused vacation payments to terminated/retired staff - normal retirements		9,576	9,576	9,576	
Purchased professional and technical services	59,457	12,367	71,824	71,423	\$ 401
Cleaning, repair and maintenance services	4,413,806	(101,039)	4,312,767	4,311,912	855
Other purchased property services	74,000		74,000	64,719	9,281
Insurance	905,026		905,026	868,031	36,995
Miscellaneous purchased services	48,250	120,243	168,493	133,239	35,254
General supplies	248,059	48,949	297,008	296,364	644
Energy (electricity)	1,438,869	284,965	1,723,834	1,723,834	
Energy (natural gas)	874,167	(140,216)	733,951	733,678	273
Other objects	12,455	(3,686)	8,769	8,769	
Interest ESIP Bonds	323,375		323,375	323,375	
Principal ESIP Bonds	425,000		425,000	425,000	
Total custodial services	11,034,537	59,976	11,094,513	11,010,810	83,703
Care and upkeep of grounds:					
Salaries	138,039	1,914	139,953	139,953	
Cleaning, repair and maintenance services	1,480,803	(105,737)	1,375,066	1,008,923	366,143
General supplies	38,755	3,303	42,058	40,978	1,080
Other objects	63,168		63,168	62,333	835
Total care and upkeep of grounds	1,720,765	(100,520)	1,620,245	1,252,187	368,058
Security:					
Salaries	2,960,347	238,393	3,198,740	3,198,740	
Purchased professional and technical services	146,755	39,210	185,965	109,261	76,704
Cleaning, Repair, and Maintenance Services	134,154	(46,181)	87,973	87,198	775
General supplies	50,440	13,174	63,614	47,642	15,972
Other objects	113,815	888	114,703	100,496	14,207
Total security	3,405,511	245,484	3,650,995	3,543,337	107,658
Student transportation services:					
Salaries - Non-instructional Aides	176,319	(19,600)	156,719	156,719	
Salaries for pupil transportation:					
Between home and school - regular	2,192,966	(96,551)	2,096,415	2,087,042	9,373
Unused vacation payments to terminated/retired staff - normal retirements					
		2,426	2,426	2,426	
Other Purchased professional and technical services	39,994	4,440	44,434	36,615	7,819
Cleaning, Repair, and Maintenance Services	337,936	(1,693)	336,243	319,911	16,332
Lease Purchase Payments - School Buses	850,971	(148,320)	702,651	702,651	
Contracted services:					
Aid in lieu of payments-Nonpublic students	180,000		180,000	156,695	23,305
Vendors - between home and school	2,501,641	1,510,726	4,012,367	4,012,367	
Vendors - other than between home and school	521,637	143,697	665,334	662,171	3,163
Vendors - Special Ed	2,087,883	1,350,744	3,438,627	3,438,627	
Vendors - between home and school - regional ESCs	404,750	257,387	662,137	662,137	
ESCs & CTSA's - Special Ed	1,958,174	119,632	2,077,806	2,077,806	
Miscellaneous purchased services - transportation	160,487	(92,844)	67,643	66,553	1,090
General supplies	1,000		1,000	394	606
Transportation Supplies	212,672	(582)	212,090	187,649	24,441
Other objects	2,875	274	3,149	2,800	349
Total student transportation services	11,629,305	3,029,736	14,659,041	14,572,563	86,478

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Unallocated benefits:					
Social security contributions	\$ 1,990,000	\$ 26,900	\$ 2,016,900	\$ 2,016,183	\$ 717
Other retirement contributions - PERS	2,600,000	(26,900)	2,573,100	2,569,757	3,343
Unemployment compensation insurance	70,000	(7,428)	62,572	37,575	24,997
Worker's compensation	492,346		492,346	464,827	27,519
Health benefits	23,342,859	1,787,341	25,130,200	25,127,895	2,305
Tuition reimbursement	205,500	(45,208)	160,292	126,369	33,923
Other employee benefits	477,054	(433,927)	43,127	36,015	7,112
Unused sick payments to terminated/retired staff - normal retirements		176,846	176,846	176,846	
Total unallocated benefits	<u>29,177,759</u>	<u>1,477,624</u>	<u>30,655,383</u>	<u>30,555,467</u>	<u>99,916</u>
On-behalf payments:					
TPAF - Pension Contribution (non-budgeted)				24,243,075	(24,243,075)
TPAF - Post-Retirement Medical (non-budgeted)				6,368,597	(6,368,597)
TPAF - Long-Term Disability Insurance (non-budgeted)				9,713	(9,713)
Reimbursed TPAF social security contributions (non-budgeted)				5,244,845	(5,244,845)
Total on-behalf payments				<u>35,866,230</u>	<u>(35,866,230)</u>
Total undistributed expenditures	<u>95,520,261</u>	<u>4,357,823</u>	<u>99,878,084</u>	<u>134,033,988</u>	<u>(34,155,904)</u>
Total current expenditures	<u>164,701,069</u>	<u>4,616,208</u>	<u>169,317,277</u>	<u>203,207,829</u>	<u>(33,890,552)</u>
Capital outlay:					
Equipment:					
Regular programs - instruction:					
Grades 1-5		28,783	28,783		28,783
Grades 6-8		13,107	13,107	13,107	
Undistributed instruction:					
Support services - extraordinary services		14,661	14,661	12,186	2,475
School administration		4,777	4,777	4,777	
Administration information technology	305,040	(66,067)	238,973	191,890	47,083
Required maintenance for school facilities		28,337	28,337	28,337	
Care and upkeep of grounds		69,296	69,296	69,296	
Security	3,582		3,582	3,582	
Total equipment	<u>308,622</u>	<u>92,894</u>	<u>401,516</u>	<u>323,175</u>	<u>78,341</u>
Facilities acquisition and construction services:					
Salaries	14,482	352	14,834	14,834	
Architectural/engineering services	90,000	1,337,597	1,427,597	627,176	800,421
Other purchased professional and technical services		46,726	46,726	34,621	12,105
Construction services	201,693	6,912,512	7,114,205	6,106,275	1,007,930
Supplies and materials	60,000	(25,412)	34,588	34,588	
Lease purchase agreements - principal	9,472,160	(2,050,532)	7,421,628	7,289,150	132,478
Buildings other than lease purchase		79,810	79,810	79,810	
Assessment for Debt Service on SDA Funding	347,538		347,538	347,538	
Total facilities acquisition and construction services	<u>10,185,873</u>	<u>6,301,053</u>	<u>16,486,926</u>	<u>14,533,992</u>	<u>1,952,934</u>
Total expenditures - capital outlay	<u>10,494,495</u>	<u>6,393,947</u>	<u>16,888,442</u>	<u>14,857,167</u>	<u>2,031,275</u>
Special schools:					
Summer school - instruction:					
Salaries of teachers	10,410	(3,123)	7,287	7,287	
Other salaries for instruction	13,770	(13,226)	544	544	
Total summer school - instruction	<u>24,180</u>	<u>(16,349)</u>	<u>7,831</u>	<u>7,831</u>	
Total special schools	<u>24,180</u>	<u>(16,349)</u>	<u>7,831</u>	<u>7,831</u>	
Charter schools	<u>4,600,104</u>	<u>(186,191)</u>	<u>4,413,913</u>	<u>4,398,913</u>	<u>15,000</u>
Total expenditures	<u>179,819,848</u>	<u>10,807,615</u>	<u>190,627,463</u>	<u>222,471,740</u>	<u>(31,844,277)</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(7,657,750)</u>	<u>(9,557,615)</u>	<u>(17,215,365)</u>	<u>(9,162,098)</u>	<u>8,053,267</u>

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other financing sources:					
Transfers in	\$ 963,813	\$ 200,000	\$ 1,163,813	\$ 1,009,763	\$ (154,050)
Total other financing sources	<u>963,813</u>	<u>200,000</u>	<u>1,163,813</u>	<u>1,009,763</u>	<u>(154,050)</u>
(Deficiency) excess of revenues (under) over expenditures and other financing sources	(6,693,937)	(9,357,615)	(16,051,552)	(8,152,335)	7,899,217
Fund Balances, July 1	<u>29,966,111</u>		<u>29,966,111</u>	<u>29,966,111</u>	
Fund balances, June 30	<u>\$ 23,272,174</u>	<u>\$ (9,357,615)</u>	<u>\$ 13,914,559</u>	<u>\$ 21,813,776</u>	<u>\$ 7,899,217</u>
Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources					
Budgeted fund balance	\$ (4,645,000)	\$ (37,575)	(4,682,575)	\$ 906,207	\$ 5,588,782
Budgeted fund balance - capital reserve	(2,048,937)	(1,888,857)	(3,937,794)	(1,627,359)	2,310,435
Adjustment for prior year encumbrances		(7,431,183)	(7,431,183)	(7,431,183)	
Total	<u>\$ (6,693,937)</u>	<u>\$ (9,357,615)</u>	<u>\$ (16,051,552)</u>	<u>\$ (8,152,335)</u>	<u>\$ 7,899,217</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital Reserve				\$ 5,487,399	
Unemployment Compensation				1,227,810	
Excess Surplus - Current Year				2,470,753	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,035,902	
Assigned Fund Balance:					
Year-end Encumbrances				2,372,208	
Designated for Subsequent Year's Expenditures				3,609,098	
Unassigned Fund Balance				<u>5,610,606</u>	
				21,813,776	
Reconciliation to Governmental Funds Statements (GAAP):					
Last state aid payments not recognized on GAAP basis				<u>(3,270,872)</u>	
Fund balance per Governmental Funds (GAAP) (B-1)				<u>\$ 18,542,904</u>	

East Brunswick Public Schools
Special Revenue Fund

Required Supplementary Information
Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Federal sources	\$ 2,820,000	\$ 9,404,078	\$ 12,224,078	\$ 10,656,119	\$ (1,567,959)
State sources	256,000	361,360	617,360	565,387	(51,973)
Other sources	50,000	33,538,779	33,588,779	1,088,513	(32,500,266)
Total revenues	3,126,000	43,304,217	46,430,217	12,310,019	(34,120,198)
Expenditures:					
Current expenditures:					
Instruction:					
Salaries	425,128	683,146	1,108,274	971,854	136,420
Purchased professional educational services	103,000	50,816	153,816	132,030	21,786
Other purchased services	1,689,523	1,239,320	2,928,843	2,928,511	332
Supplies and materials	202,485	740,072	942,557	563,403	379,154
General Supplies		799,875	799,875	799,875	
Textbooks	3,400	25,624	29,024	29,022	2
Total instruction	2,423,536	3,538,853	5,962,389	5,424,695	537,694
Support services:					
Salaries	97,955	560,302	658,257	444,934	213,323
Personal services - employee benefits	231,108	647,303	878,411	663,663	214,748
Purchased professional technical services	122,043	1,594,087	1,716,130	783,971	932,159
Purchased professional educational services	90,000	37,435	127,435	117,530	9,905
Other purchased services	47,831	37,579	85,410	47,813	37,597
Contract services - transportation	8,000	3,649	11,649		11,649
Travel	1,367	(1,367)			
Supplies and materials	74,317	553,675	627,992	468,514	159,478
Student activities				883,869	(883,869)
Total support services	672,621	3,432,663	4,105,284	3,410,294	694,990
Capital outlay:					
Facilities acquisition and construction services:					
Instructional equipment	2,953	559,248	562,201	168,565	393,636
Non-instructional equipment	501	2,302	2,803	2,803	
Regular education - school buses		1,381,517	1,381,517	731,517	650,000
Purchased professional technical services		5,580	5,580	5,580	
Architectural/engineering services		130,968	130,968	91,820	39,148
Other purchased professional / technical services		5,036	5,036	5,036	
Construction services	26,389	34,248,050	34,274,439	21,533,127	12,741,312
Total facilities acquisition and construction services	29,843	36,332,701	36,362,544	22,538,448	13,824,096
Total expenditures	3,126,000	43,304,217	46,430,217	31,373,437	15,056,780
(Deficiency) of revenues (under) expenditures	-	-	-	(19,063,418)	(19,063,418)
Other financing sources:					
Financed purchase proceeds		-	-	13,908,336	13,908,336
Total other financing sources	-	-	-	13,908,336	13,908,336
Net change in fund balance	-	-	-	(5,155,082)	(5,155,082)
Fund Balance, July 1	19,911,594	-	19,911,594	19,911,594	
Fund Balance, June 30	\$ 19,911,594	\$ -	\$ 19,911,594	\$ 14,756,512	\$ (5,155,082)
Recapitulation:					
Restricted:					
Student activities				\$ 557,523	
Assigned fund balance - designated for subsequent year's expenditures				14,198,989	
Total Fund Balance				\$ 14,756,512	

East Brunswick Public Schools
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2023

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures.

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the Budgetary Comparison Schedule (C-1, C-2)	\$ 213,309,642	\$ 12,310,019
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances (net) are recognized as expenditures, and the related revenue is recognized.		
Prior year		49,828
Current year		(1,920,709)
State aid payments from prior year recognized in prior year for budgetary purposes, and recognized for GAAP purposes in the current fiscal year.	2,543,965	
State aid payments recognized for budgetary purposes, not recognized for GAAP purposes	(3,270,872)	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (B-2)	\$ 212,582,735	\$ 10,439,138
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule (C-1, C-2)	\$ 222,471,740	\$ 31,373,437
Differences - budget to GAAP		
Encumbrances (net) for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year they are received for GAAP purposes.		
Prior year		49,828
Current year		(1,920,709)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 222,471,740	\$ 29,502,556

Supplementary Information

Special Revenue Fund

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2023

	Title I Part A	Title II Part A	Title III Part A	Title IV Part A	I.D.E.A.			
					Part B	Preschool	COVID-19 ARP Basic	COVID-19 ARP Preschool
Revenues:								
Federal sources	\$ 890,938	\$ 136,107	\$ 57,527	\$ 90,527	\$ 2,096,910	\$ 77,123	\$ 388,963	\$ 33,149
State sources								
Other sources								
Total revenues	<u>\$ 890,938</u>	<u>\$ 136,107</u>	<u>\$ 57,527</u>	<u>\$ 90,527</u>	<u>\$ 2,096,910</u>	<u>\$ 77,123</u>	<u>\$ 388,963</u>	<u>\$ 33,149</u>
Expenditures:								
Instruction:								
Salaries	\$ 412,898		\$ 33,000					
Purchased professional/educational services								
Other purchased services	500				\$ 1,978,906	\$ 30,015	\$ 382,169	
Instructional supplies	165,669		3,960	\$ 75,998				
General supplies								
Textbooks								
Total instruction	<u>579,067</u>		<u>36,960</u>	<u>75,998</u>	<u>1,978,906</u>	<u>30,015</u>	<u>382,169</u>	<u>-</u>
Support services:								
Salaries	27,992	\$ 40,854	6,582	852	38,033	1,405		
Personal services—employee benefits	280,377	6,460	3,736	485	21,668	800		
Purchased professional/technical services		57,318		13,192	58,303	44,903	6,794	\$ 33,149
Purchased professional/educational services								
Other purchased services		28,391	3,853					
Supplies and materials	3,502	3,084	6,396					
Student activities								
Total support services	<u>311,871</u>	<u>136,107</u>	<u>20,567</u>	<u>14,529</u>	<u>118,004</u>	<u>47,108</u>	<u>6,794</u>	<u>33,149</u>
Capital outlay:								
Facilities acquisition and construction services								
Instructional equipment								
Non - instructional equipment								
Regular education - school buses								
Purchased professional/technical services								
Architectural / Engineering services								
Other purchased professional / technical services								
Construction services								
Total facilities acquisition and construction services								
Total expenditures	<u>890,938</u>	<u>136,107</u>	<u>57,527</u>	<u>90,527</u>	<u>2,096,910</u>	<u>77,123</u>	<u>388,963</u>	<u>33,149</u>
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	-	-	-
Other financing sources:								
Financed purchases								
Total other financing sources	-	-	-	-	-	-	-	-
Net changes in fund balance	-	-	-	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2023

	COVID-19 Coronavirus State and Local Fiscal Recovery Funds			COVID-19 Education Stabilization Fund								Adult Basic Education	
	School Climate Change	Additional or Compensatory Special Education and Related Services	SDA Emergent Needs and Capital Maintenance	CARES Act ESSER I	CRRSA Act ESSER II	CRRSA Act Learning Acceleration	ARP ESSER III	ARP Learning Acceleration	ARP Summer Learning	ARP Beyond the School Day	ARP Homeless II		
Revenues:													
Federal sources		\$ 518,975		\$ 5,805	\$ 1,475,702	\$ 30,252	\$ 4,130,625	\$ 336,307	\$ 21,739	\$ 26,730	\$ 13,539	\$ 325,201	
State sources	\$ 6,539		\$ 197,965										
Other sources													
Total revenues	\$ 6,539	\$ 518,975	\$ 197,965	\$ 5,805	\$ 1,475,702	\$ 30,252	\$ 4,130,625	\$ 336,307	\$ 21,739	\$ 26,730	\$ 13,539	\$ 325,201	
Expenditures:													
Instruction:													
Salaries					\$ 337,521	\$ 12,168							\$ 174,266
Purchased professional/educational services		\$ 518,975											
Other purchased services													
Instructional supplies	\$ 4,879			\$ 5,805		17,040							100,518
General supplies													
Textbooks													5,289
Total instruction	4,879	518,975		5,805	337,521	29,208							280,073
Support services:													
Salaries					116,572			\$ 199,850	\$ 5,079	\$ 1,151			6,564
Personal services—employee benefits					174,182	1,044		136,457	436	99			37,766
Purchased professional/technical services					304,458		\$ 223,100		16,224	25,480	\$ 1,050		
Purchased professional/educational services												12,489	152
Other purchased services	1,660												646
Supplies and materials													
Student activities													
Total support services	1,660				595,212	1,044	223,100	336,307	21,739	26,730	13,539		45,128
Capital outlay:													
Facilities acquisition and construction services													
Instructional equipment													
Non - instructional equipment													
Regular education - school buses													
Purchased professional/technical services													
Architectural / Engineering services													
Other purchased professional / technical serv													
Construction services			\$ 197,965		542,969		3,907,525						
Total facilities acquisition and construction services			197,965		542,969		3,907,525						
Total expenditures	6,539	518,975	197,965	5,805	1,475,702	30,252	4,130,625	336,307	21,739	26,730	13,539	325,201	
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financing sources:													
Financed purchases													
Total other financing sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Net changes in fund balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2023

	NJ Nonpublic Auxiliary Services, Ch. 192			NJ Nonpublic Handicapped Services, Ch. 193							
	Compensatory Education	English as a Second Language	Supplemental Instruction	Examination and Classification	Corrective Speech	Nonpublic Textbook Aid	Nonpublic Nursing	Nonpublic Technology Services	Nonpublic Security	Nonpublic Teach STEM	
Revenues:											
Federal sources											
State sources	\$ 109,800	\$ 1,002	\$ 21,228	\$ 35,263	\$ 19,995	\$ 23,733	\$ 44,016	\$ 18,256	\$ 85,436	\$ 2,154	
Other sources											
Total revenues	\$ 109,800	\$ 1,002	\$ 21,228	\$ 35,263	\$ 19,995	\$ 23,733	\$ 44,016	\$ 18,256	\$ 85,436	\$ 2,154	
Expenditures:											
Instruction:											
Salaries										\$ 2,001	
Purchased professional/educational services	\$ 109,800	\$ 1,002	\$ 21,228								
Other purchased services											
Supplies and materials											
General supplies											
Textbooks						\$ 23,733					
Total instruction	109,800	1,002	21,228			23,733				2,001	
Support services:											
Salaries										153	
Personal services—employee benefits											
Purchased professional/technical services											
Purchased professional/educational services				\$ 35,263	\$ 19,995		\$ 44,016	\$ 18,256			
Other purchased services											
Supplies and materials									\$ 85,436		
Student activities											
Total support services				35,263	19,995		44,016	18,256	85,436	153	
Capital outlay:											
Facilities acquisition and construction services											
Instructional equipment											
Non - instructional equipment											
School Buses-Regular											
Purchased professional/technical services											
Architectural / Engineering services											
Other purchased professional / technical services											
Construction services											
Total facilities acquisition and construction services											
Total expenditures	109,800	1,002	21,228	35,263	19,995	23,733	44,016	18,256	85,436	2,154	
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	-	-	-	-	-	
Other financing sources:											
Financed purchases											
Total other financing sources	-	-	-	-	-	-	-	-	-	-	
Net changes in fund balance	-	-	-	-	-	-	-	-	-	-	
Fund balance, July 1	-	-	-	-	-	-	-	-	-	-	
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2023

	East Brunswick Education Fund	PTA Grants	Other Local	2014-2015 Lease Agreement Township of East Brunswick	2016-2017 Lease Agreement Township of East Brunswick	2017-2018 Lease Agreement Township of East Brunswick	2018-2019 Lease Agreement Township of East Brunswick	2019-2020 Lease Agreement Township of East Brunswick
Revenues:								
Federal sources								
State sources								
Other sources	\$ 169,791	\$ 13,943	\$ 32,994					
Total revenues	\$ 169,791	\$ 13,943	\$ 32,994					
Expenditures:								
Instruction:								
Salaries								
Purchased professional/educational services								
Other purchased services	\$ 16,549		\$ 1,397					
Supplies and materials	51,408	102	12,080					
General supplies								
Textbooks								
Total instruction	67,957	102	13,477					
Support services:								
Salaries								
Personal services-employee benefits								
Purchased professional/technical services								
Purchased professional/educational services								
Other purchased services			1,268					
Supplies and materials	92	3,954	17,249					\$ 1,647
Student activities								
Total support services	92	3,954	18,517					1,647
Capital outlay:								
Facilities acquisition and construction services								
Instructional equipment	4,939							6,866
Non - instructional equipment	1,803		1,000					
Regular education - school buses				\$ 33,528			\$ 4,982	24,282
Purchased professional/technical service								
Architectural / Engineering services								
Other purchased professional / technical services					\$ 5,036			
Construction services	95,000	9,887			109,135			136,690
Total facilities acquisition and construction services	101,742	9,887	1,000	33,528	114,171		4,982	167,838
Total expenditures	169,791	13,943	32,994	33,528	114,171	-	4,982	169,485
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	(33,528)	(114,171)	-	(4,982)	(169,485)
Other financing sources:								
Financed purchases								
Total other financing sources	-	-	-	-	-	-	-	-
Net changes in fund balance	-	-	-	(33,528)	(114,171)	-	(4,982)	(169,485)
Fund balance, July 1	-	-	-	183,428	456,315	\$ 286	97,190	678,541
Fund balance, June 30	\$ -	\$ -	\$ -	\$ 149,900	\$ 342,144	\$ 286	\$ 92,208	\$ 509,056

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2023

	2020-2021 Lease Agreement Township of East Brunswick	2020-2021 Lease Agreement Trust Bank	2021-2022 Lease Agreement Township of East Brunswick	2022-2023 Lease Agreement Township of East Brunswick	Student Activity Funds	Totals
Revenues:						
Federal sources						\$ 10,656,119
State sources						565,387
Other sources					\$ 871,785	1,088,513
Total revenues					\$ 871,785	\$ 12,310,019
Expenditures:						
Instruction:						
Salaries						\$ 971,854
Purchased professional/educational services						132,030
Other purchased services						2,928,511
Supplies and materials	\$ 118,384		\$ 7,560			563,403
General supplies				\$ 799,875		799,875
Textbooks						29,022
Total instruction	118,384		7,560	799,875		5,424,695
Support services:						
Salaries						444,934
Personal services—employee benefits						663,663
Purchased professional/technical services						783,971
Purchased professional/educational services						117,530
Other purchased services						47,813
Supplies and materials	45,233		132,151	169,124		468,514
Student activities					\$ 883,869	883,869
Total support services	45,233		132,151	169,124	883,869	3,410,294
Capital outlay:						
Facilities acquisition and construction services						
Instructional equipment	76,263		16,096	64,401		168,565
Non - instructional equipment						2,803
Regular education - school buses	18,725		650,000			731,517
Purchased professional/technical services				5,580		5,580
Architectural / Engineering services				91,820		91,820
Other purchased professional / technical services						5,036
Construction services	12,661	\$ 9,050,180	\$ 1,072,870	6,398,245		21,533,127
Total facilities acquisition and construction services	107,649	9,050,180	1,738,966	6,560,046		22,538,448
Total expenditures	271,266	9,050,180	1,878,677	7,529,045	883,869	31,373,437
Excess/(deficiency) of revenues over/(under) expenditures	(271,266)	(9,050,180)	(1,878,677)	(7,529,045)	(12,084)	(19,063,418)
Other financing sources:						
Financed purchases				13,908,336		13,908,336
Total other financing sources	-	-	-	13,908,336	-	13,908,336
Net changes in fund balance	(271,266)	(9,050,180)	(1,878,677)	6,379,291	(12,084)	(5,155,082)
Fund balance, July 1	578,832	13,174,502	4,172,893		569,607	19,911,594
Fund balance, June 30	\$ 307,566	\$ 4,124,322	\$ 2,294,216	\$ 6,379,291	\$ 557,523	\$ 14,756,512

Capital Projects Fund

East Brunswick Public Schools
Capital Projects Fund

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

(Budgetary Basis)

Year ended June 30, 2023

Revenues

Interest earned	\$ 92
Total Revenues and other financing sources	92

Expenditures

Purchased professional and technical services	
Construction services	
Total expenditures	-
Excess of revenues over expenditures	92

Other Financing Uses

Transfers out	(92)
Net change in fund balance	-

Fund Balance, July 1	8,277
Fund Balance, June 30	\$ 8,277

East Brunswick Public Schools
Capital Projects Fund

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

Energy Savings Improvement Program - Project No. ESP

Year ended June 30, 2023

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant				
Bond proceeds	\$ 8,135,000		\$ 8,135,000	\$ 8,135,000
Lease purchase				
Premium on bond issuance	839,236		839,236	839,236
Transfer from capital reserve				
Interest earned	114,414		114,414	114,414
Miscellaneous				
Total Revenues	<u>9,088,650</u>	<u>-</u>	<u>9,088,650</u>	<u>9,088,650</u>
Expenditures and other financing uses				
Legal				
Other professional services				
Purchased professional and technical services	523,326		523,326	523,326
Construction services	8,355,742		8,355,742	8,355,742
Other objects				
Transfer to capital reserve				
Costs of issuance	86,896		86,896	86,896
Total expenditures	<u>8,965,964</u>	<u>-</u>	<u>8,965,964</u>	<u>8,965,964</u>
Other Financing Uses				
Transfers out	<u>(114,409)</u>	<u>-</u>	<u>(114,409)</u>	<u>(114,409)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 8,277</u>	<u>\$ -</u>	<u>\$ 8,277</u>	<u>\$ 8,277</u>
Additional project information				
Project number	ESP			
Grant date	N/A			
Bond authorization date	January 23, 2019			
Bonds Authorized	\$ 8,135,000			
Bonds Issued	8,135,000			
Premium	839,236			
Original Authorized Cost	8,135,000			
Revised Authorized Cost	9,088,650			
Percentage Increase over Original				
Authorized Cost	11.72%			
Percentage completion	98.65%			
Original target completion date	2020			
Revised target completion date	2023			

East Brunswick Public Schools
Capital Projects Fund

Summary Schedule of Project Expenditures
(Budgetary Basis)

From Inception and for the year ended June 30, 2023

Issue/Project Title	District Project Number	Original Date	Revised Appropriations	Expenditures to Date Prior Years	Unexpended Balance
Energy Savings Improvement Program	ESP	1/23/2019	\$ 8,974,236	\$ 8,965,959	\$ 8,277
Grand Total			<u>\$ 8,974,236</u>	<u>\$ 8,965,959</u>	<u>\$ 8,277</u>

Long-Term Debt

East Brunswick Public Schools
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2023

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2022	Issued	Retired	Balance June 30, 2023
			Date	Amount					
2012 Refunding of 2005 School Bonds	11/20/2012	\$ 60,560,000				\$ 43,525,000		\$ 43,525,000	
School Energy Savings Improvement Program - Refunding Bonds	2/6/2019	8,135,000	8/1/2023	\$ 465,000	5.000%				
			8/1/2024	480,000	5.000%				
			8/1/2025	415,000	5.000%				
			8/1/2026	455,000	5.000%				
			8/1/2027	490,000	5.000%				
			8/1/2028	535,000	5.000%				
			8/1/2029	575,000	5.000%				
			8/1/2030	620,000	4.000%				
			8/1/2031	665,000	4.000%				
			8/1/2032	705,000	4.000%				
			8/1/2033	755,000	4.000%				
			8/1/2034	805,000	4.000%	7,390,000		425,000	\$ 6,965,000
			2020 Refunding of 2010 School Bonds	2/25/2020	10,355,000	5/15/2024	355,000	4.000%	
5/15/2025	375,000	5.000%							
5/15/2026	395,000	5.000%							
5/15/2027	420,000	5.000%							
5/15/2028	445,000	5.000%							
5/15/2029	470,000	5.000%							
5/15/2030	495,000	5.000%							
5/15/2031	525,000	5.000%							
5/15/2032	555,000	4.000%							
5/15/2033	575,000	4.000%							
5/15/2034	600,000	4.000%							
5/15/2035	625,000	4.000%							
5/15/2036	655,000	4.000%							
5/15/2037	685,000	3.000%							
5/15/2038	700,000	3.000%							
5/15/2039	730,000	3.000%							
5/15/2040	755,000	3.000%				9,705,000		345,000	9,360,000
2022 Refunding of 2012 School Bonds	8/3/2022	41,355,000	11/1/2023	3,310,000	2.430%				
			11/1/2024	3,265,000	2.430%				
			11/1/2025	3,570,000	2.430%				
			11/1/2026	3,505,000	2.430%				
			11/1/2027	3,445,000	2.430%				
			11/1/2028	3,380,000	2.430%				
			11/1/2029	3,310,000	2.430%				
			11/1/2030	3,605,000	2.430%				
			11/1/2031	3,525,000	2.430%				
			11/1/2032	3,450,000	2.430%				
			11/1/2033	3,360,000	2.430%				
			11/1/2034	3,140,000	2.430%				
									\$ 41,355,000
						\$ 60,620,000	\$ 41,355,000	\$ 44,785,000	\$ 57,190,000

East Brunswick Public Schools
Long-Term Debt

Schedule of Financed Purchases Payable

Year ended June 30, 2023

	Interest Rate	Amount of Original Issue	Balance July 1, 2022	Additions	Current Retired	Balance June 30, 2023
Capital Improvement Projects - 2017 Lease with East Brunswick Township	1.20%	\$ 1,100,000	\$ 220,000		\$ 220,000	
Capital Improvement Projects - 2018 Lease with East Brunswick Township	1.35%	5,800,000	2,320,000		1,160,000	\$ 1,160,000
Capital Improvement Projects - 2020 Lease with East Brunswick Township	1.20%	14,600,000	8,760,000		2,920,000	5,840,000
Capital Improvement Projects - 2021 Lease with East Brunswick Township	1.16%	3,600,000	2,160,000		720,000	1,440,000
Capital Improvement Projects - 2022 Lease with East Brunswick Township	0.30%	4,200,000	4,200,000		840,000	3,360,000
Capital Improvement Projects - 2022 Lease with East Brunswick Township	0.30%	17,100,000		\$ 17,100,000		17,100,000
Capital Improvements - Truist Bank	1.35%	13,685,000	8,400,000		2,715,000	5,685,000
			<u>\$ 26,060,000</u>	<u>\$ 17,100,000</u>	<u>\$ 8,575,000</u>	<u>\$ 34,585,000</u>

East Brunswick Public Schools
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Final to Actual
Revenues:				
Local sources:				
Local tax levy	\$ 5,302,157	\$ 5,302,157	\$ 5,302,157	
Miscellaneous			6,291	\$ 6,291
Total revenues	<u>5,302,157</u>	<u>5,302,157</u>	<u>5,308,448</u>	<u>6,291</u>
Expenditures:				
Principal on debt	3,420,000	3,910,000	3,910,000	
Interest on debt	1,882,157	1,392,157	1,209,783	182,374
Cost of issuance			94,346	(94,346)
Total expenditures	<u>5,302,157</u>	<u>5,302,157</u>	<u>5,214,129</u>	<u>88,028</u>
Excess of revenues over expenditures	-	-	94,319	94,319
Other financing sources (uses):				
Refunding bonds issued			41,355,000	41,355,000
Discount on refunding bonds issued			(103,388)	(103,388)
Payment to refunding bond escrow agent			(41,157,266)	(41,157,266)
Total other financing sources (uses):			<u>94,346</u>	<u>94,346</u>
Net change in fund balances	-	-	188,665	188,665
Fund balance, July 1	8,729	8,729	8,729	
Fund balance, June 30	<u>\$ 8,729</u>	<u>\$ 8,729</u>	<u>\$ 197,394</u>	<u>\$ 188,665</u>

Statistical Section
(Unaudited)

Statistical Section
Unaudited

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

East Brunswick Public Schools
 Net Position by Component
 Last Ten Fiscal Years

(accrual basis of accounting)
 Unaudited

	June 30.									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 115,774,538	\$ 118,166,184	\$ 130,190,096	\$ 136,473,915	\$ 142,447,803	\$ 150,002,200	\$ 155,044,226	\$ 162,985,803	\$ 170,257,553	\$ 178,647,601
Restricted	13,811,105	18,700,525	17,502,827	16,384,637	19,147,535	18,170,297	18,343,418	15,315,721	10,433,686	10,779,387
Unrestricted (deficit)	3,327,547	(34,087,398)	(38,447,639)	(40,955,477)	(41,425,952)	(41,746,622)	(41,545,336)	(37,296,619)	(22,593,918)	(26,507,767)
Total governmental activities net position	\$ 132,913,190	\$ 102,779,311	\$ 109,245,284	\$ 111,903,075	\$ 120,169,386	\$ 126,425,875	\$ 131,842,308	\$ 141,004,905	\$ 158,097,321	\$ 162,919,221
Business-type activities										
Investment in capital assets	\$ 170,296	\$ 186,262	\$ 440,722	\$ 487,181	\$ 502,498	\$ 490,034	\$ 457,057	\$ 408,211	\$ 391,113	\$ 1,010,841
Unrestricted	1,822,788	2,199,707	2,266,401	2,209,380	2,360,126	2,543,282	2,317,227	1,554,869	3,864,569	4,000,457
Total business-type activities net position	\$ 1,993,084	\$ 2,385,969	\$ 2,707,123	\$ 2,696,561	\$ 2,862,624	\$ 3,033,316	\$ 2,774,284	\$ 1,963,080	\$ 4,255,682	\$ 5,011,298
Government-wide										
Net investment in capital assets	\$ 115,944,834	\$ 118,352,446	\$ 130,630,818	\$ 136,961,096	\$ 142,950,301	\$ 150,492,234	\$ 155,501,283	\$ 163,394,014	\$ 170,648,666	\$ 179,658,442
Restricted	13,811,105	18,700,525	17,502,827	16,384,637	19,147,535	18,170,297	18,343,418	15,315,721	10,433,686	10,779,387
Unrestricted (deficit)	5,150,335	(31,887,691)	(36,181,238)	(38,746,097)	(39,065,826)	(39,203,340)	(39,228,109)	(35,741,750)	(18,729,349)	(22,507,310)
Total government-wide net position	\$ 134,906,274	\$ 105,165,280	\$ 111,952,407	\$ 114,599,636	\$ 123,032,010	\$ 129,459,191	\$ 134,616,592	\$ 142,967,985	\$ 162,353,003	\$ 167,930,519

Source: ACFR Schedule A-1 and District records.

GASB 68 was implemented during the 2015 fiscal year, which required the restatement of beginning net position in the amount of \$36,898,016. This amount is not reflected in the June 30, 2014 Net Position, above.

GASB 84 was implemented during the 2021 fiscal year, which required a retroactive adjustment of beginning net position in the amount of \$1,375,547. This amount is not reflected in the June 30, 2020 Net Position, above.

East Brunswick Public Schools
Changes in Net Position
Last Ten Fiscal Years

(accrual basis of accounting)
Unaudited

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 61,222,122	\$ 68,615,626	\$ 72,875,349	\$ 80,070,187	\$ 82,512,817	\$ 73,533,156	\$ 75,992,707	\$ 85,945,997	\$ 79,325,498	\$ 80,421,344
Special Education	18,002,997	21,564,452	23,574,092	24,696,833	25,112,417	24,221,633	24,195,306	25,140,440	23,272,993	25,552,966
Other Special Education	4,993,065	5,724,102	6,123,010	7,312,040	7,522,335	7,061,494	6,969,391	8,225,240	7,500,829	6,860,309
Support services:										
Tuition	3,585,012	2,583,902	2,423,489	2,627,104	2,532,463	2,936,393	2,747,159	2,334,472	1,779,546	2,185,857
Student & Instruction Related Services	23,070,531	26,533,976	28,307,168	33,274,760	32,243,803	30,835,865	28,629,194	32,137,786	30,189,905	32,907,640
School Administrative Services	6,916,828	7,732,508	8,390,585	8,954,594	9,438,744	8,712,715	8,328,857	9,536,348	8,407,020	8,806,460
General and Business Administrative Services	6,655,280	7,562,626	8,633,111	9,509,700	9,798,590	9,196,495	9,371,226	10,262,786	9,944,280	9,944,280
Plant Operations and Maintenance	13,791,457	14,699,178	15,438,680	17,248,552	18,667,797	18,695,399	18,656,056	20,751,098	21,355,069	23,201,496
Pupil Transportation	7,492,952	7,687,318	8,370,455	9,725,990	10,386,458	11,101,169	9,895,612	9,859,627	11,605,075	16,346,542
Special Schools						24,014	14,840	52,053	35,214	11,622
Charter Schools*	1,721,288	2,056,054	2,253,355	2,354,479	2,610,331	2,701,322	2,728,132	3,220,597	3,908,178	4,398,913
Interest and other charges	4,183,089	3,832,985	3,580,983	3,272,398	3,079,180	3,085,432	2,817,287	2,590,700	2,210,286	700,924
Total governmental activities	151,634,621	168,592,727	179,970,277	199,046,637	203,904,935	192,105,187	190,343,767	210,057,146	198,929,695	211,340,353
Business-type activities:										
Food service	2,566,676	2,754,647	2,680,889	2,934,130	3,010,836	3,222,140	2,688,518	2,910,095	3,985,393	3,728,252
Community Programs	1,855,711	2,163,566	2,447,648	2,641,014	2,833,842	2,815,848	2,830,324	1,858,213	2,324,188	2,689,829
Facilities Rentals**				234,894	327,886	429,023	230,051	24,778	245,950	459,986
Technology									66,979	76,788
Total business-type activities expense	4,422,387	4,918,213	5,128,537	5,810,038	6,172,064	6,467,011	5,748,893	4,793,086	6,622,510	6,954,855
Total district expenses	156,057,008	173,510,940	185,098,814	204,856,675	210,076,999	198,572,198	196,092,660	214,850,232	205,552,205	218,295,208
Program Revenues										
Governmental activities:										
Charges for services										
Instruction	306,837	358,579	475,978	868,256	1,042,113	895,102	699,894	1,082,359	679,571	628,586
Student and instruction related services								337,614	632,958	871,785
Operating grants and contributions	2,815,490	3,267,971	3,610,352	3,477,402	3,439,319	3,533,693	3,484,760	4,776,862	8,002,063	9,567,355
Capital grants and contributions				1,876,240	226,053					
Total governmental activities program revenues	3,122,327	3,626,550	4,086,330	6,021,898	4,707,485	4,428,795	4,184,654	6,196,835	9,314,592	11,067,726
Business-type activities:										
Charges for services										
Food service	1,895,886	1,936,567	1,981,236	2,089,646	2,102,393	2,249,304	1,597,544	31,635	513,177	2,622,695
Community Programs	2,689,454	2,979,625	3,109,991	2,963,049	3,383,839	3,621,566	2,409,690	862,783	2,767,667	3,311,538
Facilities Rentals**				601,910	728,881	923,997	356,301	1,526	486,668	191,900
Technology									199,174	773,190
Operating grants and contributions	794,488	793,844	857,304	911,506	1,017,532	1,063,113	1,045,955	3,083,538	4,948,091	1,815,423
Total business-type activities program revenues	5,369,828	5,710,036	5,948,531	6,566,111	7,232,845	7,877,980	5,409,490	3,979,482	8,914,777	8,714,746
Total district program revenues	8,492,155	9,336,586	10,034,861	12,588,009	11,940,130	12,306,775	9,594,144	10,176,317	18,229,369	19,782,472
Net (Expense) / Revenue										
Governmental activities	(148,512,294)	(164,966,177)	(175,883,947)	(193,024,739)	(199,197,450)	(187,676,392)	(186,159,113)	(203,860,311)	(189,615,103)	(200,272,627)
Business-type activities	947,441	791,823	819,994	756,073	1,060,581	1,410,969	(339,403)	(813,604)	2,292,267	1,759,891
Total government-wide net expense	\$ (147,564,853)	\$ (164,174,354)	\$ (175,063,953)	\$ (192,268,666)	\$ (198,136,869)	\$ (186,265,423)	\$ (186,498,516)	\$ (204,673,915)	(187,322,836)	(198,512,736)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 113,246,150	\$ 116,518,219	\$ 119,532,427	\$ 121,923,075	\$ 124,769,255	\$ 127,264,640	\$ 129,809,932	\$ 132,406,131	\$ 136,587,587	\$ 136,587,587
Taxes levied for debt service	8,122,565	7,698,287	8,406,666	8,254,263	7,655,421	7,371,342	6,693,984	6,632,912	6,343,263	5,302,157
Grants and contributions	30,310,681	46,511,588	51,579,165	65,567,501	72,722,934	60,150,455	53,986,819	72,206,494	60,603,307	58,789,350
Investment earnings	14,985	13,327	17,394	18,216	64,177	488,517	774,264	14,297	11,123	596,647
Miscellaneous income	479,648	588,893	638,028	601,196	1,573,749	369,672	210,547	387,527	3,162,239	2,809,295
Transfers	200,000	400,000	500,000	768,466	904,278	1,288,255				1,009,671
Total governmental activities	152,374,029	171,730,314	180,673,680	197,132,717	207,689,814	196,932,881	191,475,546	211,647,361	206,707,519	205,094,527
Business-type activities:										
Investment earnings	955	1,062	1,160	1,831	6,812	47,978	80,371	2,400	335	5,396
Miscellaneous					2,948					
Transfers	(200,000)	(400,000)	(500,000)	(768,466)	(904,278)	(1,288,255)				(1,009,671)
Total business-type activities	(199,045)	(398,938)	(498,840)	(766,635)	(894,518)	(1,240,277)		2,400	335	(1,004,275)
Special items							100,000			
Total government-wide	152,174,984	171,331,376	180,174,840	196,366,082	206,795,296	195,692,604	191,655,917	211,649,761	206,707,854	204,090,252
Change in Net Position										
Governmental activities	3,861,735	6,764,137	4,789,733	4,107,978	8,492,364	9,256,489	5,416,433	7,787,050	17,092,416	4,821,900
Business-type activities	748,396	392,885	321,154	(10,562)	166,063	170,692	(259,032)	(811,204)	2,292,602	755,616
Total district	\$ 4,610,131	\$ 7,157,022	\$ 5,110,887	\$ 4,097,416	\$ 8,658,427	\$ 9,427,181	\$ 5,157,401	\$ 6,975,846	\$ 19,385,018	\$ 5,577,516

Source: ACFR Schedules A-2 and District records

GASB 75 was implemented in the 2018 fiscal year, which increased the grants and contributions and various expense lines from the previous year.

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

*Charter school expenditures were included with tuition on ACFR Schedule A-2 in the year ended June 30, 2017.

**The activity of the Facilities Rentals Fund was included with the Community Programs Fund prior to the 2017 fiscal year.

East Brunswick Public Schools
Fund Balances - Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)
Unaudited

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted for										
Assigned to	\$ 11,481,907	\$ 14,201,020	\$ 15,583,672	\$ 15,274,268	\$ 18,355,206	\$ 17,391,140	\$ 17,468,674	\$ 14,034,453	\$ 9,864,079	\$ 10,221,864
Unassigned	5,486,090	5,658,436	2,337,847	3,516,683	2,765,172	3,013,885	3,434,722	2,422,154	10,910,491	5,981,306
Total general fund	<u>1,345,345</u>	<u>1,280,719</u>	<u>1,453,597</u>	<u>1,741,040</u>	<u>2,307,316</u>	<u>2,350,912</u>	<u>2,359,257</u>	<u>6,273,366</u>	<u>6,647,576</u>	<u>2,339,734</u>
	<u>\$ 18,313,342</u>	<u>\$ 21,140,175</u>	<u>\$ 19,375,116</u>	<u>\$ 20,531,991</u>	<u>\$ 23,427,694</u>	<u>\$ 22,755,937</u>	<u>\$ 23,262,653</u>	<u>\$ 22,729,973</u>	<u>\$ 27,422,146</u>	<u>\$ 18,542,904</u>
All Other Governmental Funds										
Restricted for:										
Special revenue fund *								\$ 563,782	\$ 569,607	\$ 557,523
Capital projects fund	\$ 2,329,198	\$ 4,499,505	\$ 1,919,155	\$ 1,110,369	\$ 792,329	\$ 7,158,718	\$ 1,335,302	794,087	8,277	8,277
Debt service fund	289,419	7	9,663	37,073	89,193	22,122	112,462	112,461	8,729	197,394
Assigned to:										
Special revenue fund	3,871,997	6,984,466	2,920,017	3,313,095	6,326,984	1,070,300	4,811,632	15,616,699	19,341,987	14,198,989
Total all other governmental funds	<u>\$ 6,490,614</u>	<u>\$ 11,483,978</u>	<u>\$ 4,848,835</u>	<u>\$ 4,460,537</u>	<u>\$ 7,208,506</u>	<u>\$ 8,251,140</u>	<u>\$ 6,259,396</u>	<u>\$ 17,087,029</u>	<u>\$ 19,928,600</u>	<u>\$ 14,962,183</u>

Source: ACFR Schedule B-1 and District records.

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

East Brunswick Public Schools
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)
Unaudited

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$ 121,368,715	\$ 124,216,506	\$ 127,939,093	\$ 130,177,338	\$ 132,424,676	\$ 134,635,982	\$ 136,503,916	\$ 139,039,043	\$ 142,930,850	\$ 141,889,744
Tuition Charges	306,837	358,579	475,978	868,256	1,042,113	895,102	699,894	1,082,359	679,571	628,586
Miscellaneous	694,541	818,651	843,337	763,753	774,623	1,322,176	1,314,724	1,029,590	6,332,105	3,896,472
State Sources	30,290,748	32,775,963	36,100,049	37,042,942	40,010,830	43,261,558	44,872,508	50,986,422	65,131,952	73,000,914
Federal Sources	2,635,515	2,935,861	3,275,464	3,115,558	3,076,939	3,133,976	3,177,071	4,594,213	4,984,195	8,914,697
Total revenue	155,296,356	161,105,560	168,633,921	171,967,847	177,329,181	183,248,794	186,568,113	196,731,627	220,058,673	228,330,413
Expenditures										
Instruction										
Regular Instruction	42,331,154	42,609,345	43,161,359	43,480,565	44,932,487	44,555,848	46,205,968	47,062,427	50,948,420	52,896,080
Special Education Instruction	12,641,912	13,625,208	14,241,889	13,824,988	13,907,405	14,492,335	15,012,585	14,009,646	14,983,616	16,932,399
Other Instruction	3,408,525	3,505,574	3,579,677	3,935,738	4,020,042	4,105,261	4,194,618	4,436,582	4,717,886	4,455,513
Support Services:										
Tuition	3,585,012	2,583,902	2,423,489	2,627,104	2,532,463	2,936,393	2,747,159	2,334,472	1,779,546	2,121,460
Student and Instruction Related Services	16,556,932	17,091,007	17,647,875	19,461,012	18,483,757	19,086,322	18,257,127	19,009,773	20,323,691	22,955,400
School Administration Services	4,679,406	4,679,531	4,869,160	4,760,481	5,001,742	5,005,151	4,968,962	5,130,684	5,208,377	5,617,796
Business Administration Services	4,852,209	5,089,572	5,717,736	5,860,112	6,071,897	5,975,496	6,315,430	6,276,522	6,435,417	7,040,963
Plant Operations and maintenance	11,335,943	11,496,169	11,541,729	12,138,367	13,167,655	13,840,485	13,739,620	15,144,162	17,307,062	18,243,929
Pupil transportation	6,564,578	6,579,452	7,066,950	8,032,512	8,378,473	9,203,154	8,149,213	7,742,801	9,666,862	13,869,911
Employee Benefits	33,460,636	34,833,557	38,216,421	39,076,214	40,118,595	44,981,048	47,712,010	54,693,024	62,309,564	66,421,697
Special Schools										
Charter Schools	1,721,288	2,056,054	2,253,355	2,354,479	2,610,331	2,701,322	2,728,132	3,220,597	3,908,178	4,398,913
Capital Outlay	4,562,211	12,547,621	15,196,326	10,016,035	7,182,391	12,618,881	20,727,505	9,117,619	3,775,686	28,146,390
Debt Service:										
Principal	6,675,699	6,942,671	8,893,503	9,369,352	10,088,849	10,660,960	9,363,240	14,227,792	12,890,000	12,485,000
Interest and other charges	3,880,821	3,695,700	3,584,654	3,287,554	3,054,263	2,876,687	2,622,429	2,662,603	2,447,969	1,500,797
Costs of issuance						86,896	110,849			94,346
Total expenditures	156,256,326	167,335,363	178,394,123	178,224,513	179,550,350	193,140,408	202,863,990	205,097,221	216,724,929	257,188,425
Excess (Deficiency) of revenues over (under) expenditures	(959,970)	(6,229,803)	(9,760,202)	(6,256,666)	(2,221,169)	(9,891,614)	(16,295,877)	(8,365,594)	3,333,744	(28,858,012)
Other Financing sources (uses)										
Financed purchases	2,089,513	7,850,000	860,000					17,285,000	4,200,000	13,908,336
Lease purchase issuance		5,800,000		6,200,000	6,900,000		14,600,000			
Refunding bonds issued				5,515,000		8,135,000	10,355,000			41,355,000
Premium on bonds issued						839,236	1,799,553			
Payment to refunding bond escrow agent				(5,472,984)			(12,043,704)			(41,157,266)
Discount on refunding bonds issued										(103,388)
Non-Federal Cost Share Reimb. Program proceeds				14,761						
Transfers in	2,728,534	3,771,596	500,000	768,466	1,753,874	1,331,724	70,827	89,635	717,485	1,009,763
Transfers Out	(2,528,534)	(3,371,596)			(789,033)	(43,469)	(70,827)	(89,635)	(717,485)	(92)
Total other financing sources (uses)	2,289,513	14,050,000	1,360,000	7,025,243	7,864,841	10,262,491	14,710,849	17,285,000	4,200,000	15,012,353
Special Item:										
SDA settlement							100,000			
Net change in fund balances	\$ 1,329,543	\$ 7,820,197	\$ (8,400,202)	\$ 768,577	\$ 5,643,672	\$ 370,877	\$ (1,485,028)	\$ 8,919,406	\$ 7,533,744	\$ (13,845,659)
Debt service as a percentage of noncapital expenditures	6.96%	6.87%	7.65%	7.10%	7.98%	7.50%	5.91%	9.14%	7.21%	6.10%

Source: ACFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

East Brunswick Public Schools
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)
 Unaudited

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rentals	Fees	Refunds	Miscellaneous	Annual Totals
2014	\$ 14,985	\$ 306,837	\$ 146,365			\$ 333,284	\$ 801,471
2015	13,327	358,579	146,556			442,337	960,799
2016	17,394	475,978	113,618			514,754	1,121,744
2017	18,216	868,256	108,755			471,373	1,466,600
2018	64,177	1,042,113	102,758			393,937	1,602,985
2019	445,048	895,102				587,457	1,927,607
2020	703,437	699,894				344,942	1,748,273
2021	14,184	1,082,359				596,622	1,693,165
2022	11,118	679,571		\$ 169,571	\$ 1,035,096	1,894,846	3,790,202
2023	596,375	628,586		290,607	457,455	1,410,214	3,383,237

Source: District Records

East Brunswick Public Schools
Assessed Value and Actual Value of Taxable Property
Last Ten Years

Unaudited

Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment
2014	\$ 14,019,200	\$ 1,484,263,200	\$ 2,191,300	\$ 285,010,100	\$ 85,197,400	\$ 19,733,100
2015	12,763,300	1,485,430,500	2,582,800	287,524,800	85,132,900	19,733,100
2016	13,442,700	1,489,679,700	2,568,400	286,964,750	83,421,100	19,733,100
2017	14,646,300	1,492,830,200	2,471,500	286,380,850	84,933,800	19,733,100
2018	14,581,900	1,495,898,800	2,394,300	281,670,250	84,108,700	19,733,100
2019	13,884,700	1,502,220,000	2,394,300	281,921,250	83,170,400	19,723,100
2020	15,528,800	1,508,031,500	2,392,700	275,828,650	78,054,500	19,983,300
2021	13,785,300	1,512,432,400	2,668,500	275,240,350	78,080,000	27,137,600
2022	13,204,000	1,516,410,200	2,668,500	273,851,650	78,098,000	27,137,600
2023	14,591,800	1,520,976,100	2,672,500	273,493,150	78,824,700	27,109,900

Source: District records, Abstract of Ratables, Table of Aggregates & 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

East Brunswick Public Schools
Assessed Value and Actual Value of Taxable Property
Last Ten Years

Unaudited

Year Ended December 31,	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Ratio to True Value %	Aggregate True Value
2014	\$ 1,890,414,300	\$ 2,044,733	\$ 1,892,459,033	\$ 6.49	26.19 %	\$ 7,218,076,747
2015	1,893,167,400	2,143,448	1,895,310,848	6.65	26.64	7,106,484,234
2016	1,895,809,750	2,077,187	1,897,886,937	6.80	26.22	7,230,395,690
2017	1,900,995,750	2,031,934	1,903,027,684	6.90	25.34	7,501,956,393
2018	1,898,387,050	2,146,634	1,900,533,684	7.03	24.36	7,793,050,287
2019	1,903,313,750	2,227,252	1,905,541,002	7.12	25.03	7,604,130,044
2020	1,899,819,450	2,321,389	1,902,140,839	7.25	24.82	7,652,042,909
2021	1,909,344,150	2,410,316	1,911,754,466	7.21	23.24	8,215,766,566
2022	1,911,369,950	2,188,943	1,913,558,893	7.44	22.16	8,625,315,659
2023	1,917,668,150	2,225,100	1,919,893,250	7.45	20.35	9,423,430,713

Source: District records, Abstract of Ratables, Table of Aggregates & 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

East Brunswick Public Schools
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (rate per \$100 of assessed value)

Unaudited

Year Ended December 31,	East Brunswick Public Schools			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	East Brunswick Township	Middlesex County	Municipal Open Space	Middlesex County Open Space	
2014	\$ 6.071	\$ 0.418	\$ 6.489	\$ 1.948	\$ 1.391	\$ 0.019	\$ 0.114	\$ 9.961
2015	6.228	0.425	6.653	2.009	1.385	0.019	0.113	10.179
2016	6.362	0.439	6.801	2.139	1.358	0.020	0.113	10.431
2017	6.482	0.418	6.900	2.211	1.406	0.019	0.115	10.651
2018	6.631	0.395	7.026	2.218	1.447	0.019	0.119	10.829
2019	6.746	0.369	7.115	2.300	1.463	0.019	0.123	11.020
2020	6.895	0.351	7.246	2.307	1.437	0.020	0.120	11.130
2021	7.036	0.173	7.209	2.316	1.471	0.020	0.121	11.137
2022	7.138	0.304	7.442	2.342	1.530	0.020	0.129	11.463
2023	7.185	0.268	7.453	2.362	1.532	0.020	0.135	11.502

Source: District Records and Municipal Tax Collector

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.

East Brunswick Public Schools
Principal Property Taxpayers
Current Year and Nine Years Ago

Unaudited

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Brunswick Square Mall	\$ 24,549,900	1	1.28%	\$ 30,266,800	1	1.60%
Mid State Mall	15,460,000	2	0.81%	15,460,000	2	0.82%
Tower II	13,284,000	3	0.69%	15,159,200	3	0.80%
Highview Partners, LLC	12,378,000	4	0.64%			
Tower I	10,000,000	5	0.52%	12,374,400	4	0.65%
East Brunswick UE, LLC	9,500,000	6	0.49%			
East Brunswick VF, LLC				9,500,000	5	0.50%
L.P.E. Partners				9,038,400	6	0.48%
Wyndmoor Apartments	9,375,000	7	0.49%	7,769,400	7	0.41%
Summerhill Square LLC	7,377,100	8	0.38%			
JP Taylor, LLC	6,500,100	9	0.34%			
East Coast Cranbury Crossing	6,324,000	10	0.33%	6,000,000	8	0.32%
Toll JM EB, LLC				5,977,600	9	0.32%
Belmont Associates (K Mart)				5,880,600	10	0.31%
Total	<u>\$ 114,748,100</u>		<u>5.98%</u>	<u>\$ 117,426,400</u>		<u>6.20%</u>

Source: District ACFR & Municipal Tax Assessor

East Brunswick Public Schools
Property Tax Levies and Collections
Last Ten Fiscal Years

Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	* \$ 113,246,150	\$ 113,246,150	100.00%	
2015	* 116,518,219	116,518,219	100.00%	
2016	127,939,093	127,939,093	100.00%	
2017	130,177,338	130,177,338	100.00%	
2018	132,424,676	132,424,676	100.00%	
2019	134,635,982	134,635,982	100.00%	
2020	136,503,916	136,503,916	100.00%	
2021	139,039,043	139,039,043	100.00%	
2022	142,930,850	142,930,850	100.00%	
2023	141,889,744	141,889,744	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 the amount certified prior to the end of the school year.

* Years presented prior to 2016 only include the General Fund tax levy.

East Brunswick Public Schools
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Unaudited

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Unamortized Premium on Bonds	Financed Purchases Payable			
2014	\$ 86,775,000	\$ 5,369,436	\$ 12,586,442	\$ 104,730,878	*	\$ 2,186
2015	83,465,000	5,091,707	22,603,771	111,160,478	*	2,315
2016	79,585,000	4,813,978	18,450,268	102,849,246	*	2,146
2017	75,780,000	4,536,249	19,235,679	99,551,928	*	2,078
2018	71,660,000	4,258,520	20,166,992	96,085,512	*	2,011
2019	75,715,000	4,785,059	13,586,032	94,086,091	*	1,977
2020	70,140,000	6,193,377	22,917,792	99,251,169	*	2,055
2021	65,400,000	5,746,031	30,360,000	101,506,031	*	2,060
2022	60,620,000	5,298,685	26,060,000	91,978,685	*	1,864
2023	57,190,000	1,981,464	34,585,000	93,756,464	*	*

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

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

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

* District personal income information is not available.

** Information for the noted year not available

East Brunswick Public Schools
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General ^d Obligation Bonds	Deductions ^c	Net General Bonded Debt Outstanding		
2014	\$ 92,144,436	\$ 5,658,855	\$ 86,485,581	4.57%	\$ 1,805
2015	88,556,707	5,091,714	83,464,993	4.41%	1,739
2016	84,398,978	4,823,641	79,575,337	4.20%	1,660
2017	80,316,249	4,573,322	75,742,927	3.98%	1,581
2018	75,918,520	4,347,713	71,570,807	3.77%	1,498
2019	80,500,059	4,807,181	75,692,878	3.98%	1,590
2020	76,333,377	6,305,839	70,027,538	3.69%	1,450
2021	71,146,031	5,858,492	65,287,539	3.42%	1,325
2022	65,918,685	5,307,414	60,611,271	3.17%	1,228
2023	59,171,464	2,274,348	56,897,116	2.97%	*

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.

c Deductions are externally restricted for the payment of principal of the debt.

d Includes the unamortized premiums.

* Information for the noted year not available

East Brunswick Public Schools
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2023

Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
East Brunswick Township (as of 12/31/22)	\$ 119,725,000	100.000%	\$ 119,725,000
Other debt			
Middlesex County as of 12/31/22	397,816,343	6.408%	25,492,071
Middlesex County Utility Authority as of 12/31/22	108,918,132	4.060%	4,421,915
Subtotal, overlapping debt			149,638,986
East Brunswick Public Schools Direct Debt			93,756,464
Total direct and overlapping debt			\$ 243,395,450

Sources: District Records, East Brunswick Township Official Statement

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

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

East Brunswick Public Schools
 Legal Debt Margin Information,
 Last Ten Fiscal Years

Unaudited

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized valuation basis

	2023	\$ 9,423,430,713
	2022	\$ 8,625,315,659
	2021	8,215,766,566
	[A]	<u>\$ 26,264,512,938</u>
Average equalized valuation of taxable property	[A/3]	<u>\$ 8,754,837,646</u>
Debt limit (4 % of average equalization value)		\$ 350,193,506
Net bonded school debt	[C]	58,878,580
Legal debt margin	[B-C]	<u>\$ 291,314,926</u>

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt limit	\$ 292,553,065	\$ 287,017,317	\$ 287,399,422	\$ 291,184,484	\$ 300,338,698
Total net debt applicable to limit *	<u>95,851,497</u>	<u>92,553,180</u>	<u>88,385,795</u>	<u>84,275,656</u>	<u>79,825,807</u>
Legal debt margin	<u>\$ 196,701,568</u>	<u>\$ 194,464,137</u>	<u>\$ 199,013,627</u>	<u>\$ 206,908,828</u>	<u>\$ 220,512,891</u>
Total net debt applicable to the limit as a percentage of debt limit	32.76%	32.25%	30.75%	28.94%	29.36%
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt limit	\$ 305,321,823	\$ 307,322,977	\$ 312,959,194	\$ 326,575,002	\$ 350,193,506
Total net debt applicable to limit *	<u>84,474,417</u>	<u>80,217,395</u>	<u>75,030,050</u>	<u>69,906,436</u>	<u>58,878,580</u>
Legal debt margin	<u>\$ 220,847,406</u>	<u>\$ 227,105,582</u>	<u>\$ 237,929,144</u>	<u>\$ 256,668,566</u>	<u>\$ 291,314,926</u>
Total net debt applicable to the limit as a percentage of debt limit	27.67%	26.10%	23.97%	21.41%	16.81%

Source: Township Official Statement and District Records ACFR Schedule J-11

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

East Brunswick Public Schools
Demographic and Economic Statistics
Last Ten Fiscal Years

Unaudited

Year	Population **	Personal Income (thousands of dollars)	Per Capita Personal Income **	Unemployment Rate
2014	47,910	-	\$ 53,501	5.0%
2015	48,008	-	54,542	4.2%
2016	47,933	-	56,207	3.7%
2017	47,905	-	57,889	3.5%
2018	47,784	-	60,547	3.1%
2019	47,593	-	62,665	2.60%
2020	48,309	-	66,640	7.80%
2021	49,285	-	70,221	5.00%
2022	49,339	-	*	2.90%
2023	*		*	*

Source: NJ Department of Labor and Workforce Development

* Information for the noted years was not available.

** Prior year estimates revised.

Note: Per capita personal income is disclosed at the county level. Personal income and per capita personal income information was not available at the district level.

East Brunswick Public Schools
Principal Employers
Current Year and Nine Years Ago

Unaudited

Employer	2023			2014		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Robert Wood Johnson University Hospital	5,000 - 5,249	1	0.00%	5,000 - 5,249	1	0.00%
Novo Nordisk	4,500 - 4,579	2	0.00%	4,500 - 4,579	2	0.00%
Wakefern Food Corporation	3,500 - 3,749	3	0.00%	3,500 - 3,749	3	0.00%
J.F.K. Medical Center	3,000 - 3,369	4	0.00%	3,000 - 3,369	4	0.00%
Bristol-Myers Squibb	3,000 - 3,249	5	0.00%	3,000 - 3,249	5	0.00%
St. Peter's Healthcare System	2,750 - 2,999	6	0.00%	2,750 - 2,999	6	0.00%
Silverline Building Products	2,250 - 2,299	7	0.00%	2,250 - 2,299	7	0.00%
Johnson & Johnson	2,000 - 2,249	8	0.00%	2,000 - 2,249	8	0.00%
Raritan Bay Medical Center	2,000 - 2,249	9	0.00%	2,000 - 2,249	9	0.00%
Home Depot / United Parcel Service	1,750 - 1,999	10	0.00%			
Ericsson				1,000 - 1,249	10	0.00%

Source: Middlesex County Department of Economic Development

* Note: Top ten employers by number of employees was not available at the municipal level, therefore we have presented the current year information at the county level. We have also presented the number of employees as a range, as an exact number of employees was unavailable.

East Brunswick Public Schools
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

Unaudited

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017*</u>	<u>2018</u>	<u>2019**</u>	<u>2020**</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	504.7	510.2	516.2	605.8	562.5	571.5	565.3	561.1	564.1	573.6
Special education	224.5	230.5	238.5	268.3	257.1	254.0	268.7	264.0	270.5	270.5
Support Services:										
Student & instruction related services	204.2	205.7	206.7	214.3	235.0	242.4	246.5	225.9	233.4	243.4
General administrative services	7.9	7.9	7.9	7.9	9.0	9.0	8.5	6.5	6.5	7.5
School administrative services	60.6	60.6	60.6	56.4	57.2	57.2	55.7	53.8	53.8	56.1
Business administrative services	22.9	22.9	23.9	25.7	25.7	25.7	24.1	26.0	27.0	27.0
Information Technology	19.0	19.0	19.0	20.0	21.0	22.0	22.0	22.0	23.0	24.0
Plant operations and maintenance	157.8	157.8	157.8	144.5	121.0	129.8	130.1	151.1	147.1	162.0
Pupil transportation	37.3	37.3	37.3	39.5	45.1	45.0	46.3	43.9	43.9	43.9
Food Service	42.0	37.8	40.1	34.3	37.9	33.1	32.9	34.3	31.7	35.1
Adult and Community Programs	5.5	6.2	6.2	6.4	6.7	6.4	6.6	6.4	6.4	6.4
JMPAC	-	-	-	0.9	0.9	0.1	1.1	1.1	1.1	1.1
Total	<u>1,286.3</u>	<u>1,295.9</u>	<u>1,314.2</u>	<u>1,424.0</u>	<u>1,379.0</u>	<u>1,396.1</u>	<u>1,407.7</u>	<u>1,396.1</u>	<u>1,408.3</u>	<u>1,450.4</u>

** Prior year revision

Source: District Personnel Records

East Brunswick Public Schools
 Operating Statistics
 Last Ten Fiscal Years

Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Upper Elementary School	Junior High School	High School				
2014	8,439	\$ 141,137,595	\$ 16,724	0.05%	662	12.1	11.0	12.0	13.0	8,270.77	7,926.72	0.71%	95.84%
2015	8,399	144,149,371	17,163	2.62%	690	11.8	11.0	12.0	13.0	8,261.29	7,904.34	-0.11%	95.68%
2016	8,259	150,719,640	18,249	6.33%	717	10.4	10.0	11.0	12.0	8,107.92	7,769.14	-1.86%	95.82%
2017	8,089	155,551,572	19,230	5.37%	722	10.4	10.0	11.0	12.0	7,993.63	7,647.36	-1.41%	95.67%
2018	8,167	159,224,847	19,497	1.39%	723	10.1	11.0	11.0	12.0	8,048.68	7,654.10	0.69%	95.10%
2019	8,381	166,896,984	19,914	2.14%	724	10.6	10.0	11.0	12.0	8,301.65	7,900.57	3.14%	95.17%
2020	8,403	170,039,967	20,237	1.62%	735	10.5	12.0	11.0	12.0	8,217.80	7,958.95	-1.01%	96.85%
2021	8,279	179,089,207	21,632	6.89%	720	10.3	12.0	11.0	12.0	8,063.70	7,835.65	-1.88%	97.17%
2022	8,346	197,611,274	23,677	9.46%	725	10.5	12.0	12.0	14.0	8,092.62	7,691.87	0.36%	95.05%
2023	8,391	214,961,892	25,618	8.20%	751	10.0	12.0	12.0	14.0	8,162.34	7,686.28	0.86%	94.17%

Sources: District records, ASSA, NJ School Report Card, NJ School Performance Report

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

East Brunswick Public Schools
School Building Information
Last Ten Fiscal Years

Unaudited

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Building</u>										
<u>Elementary</u>										
Bowne-Munro (1952)										
Square Feet	32,738	32,738	32,738	32,738	32,738	32,738	32,738	32,738	32,738	32,738
Capacity (students)	270	270	270	270	270	270	270	270	270	196
Enrollment	213	215	205	209	224	219	250	240	246	175
Central (1949)										
Square Feet	78,283	78,283	78,283	78,283	78,283	78,283	78,283	78,283	78,283	78,283
Capacity (students)	532	532	532	532	532	532	532	532	532	504
Enrollment	426	438	418	416	399	414	433	429	395	354
Chittick (1969)										
Square Feet	52,241	52,241	52,241	52,241	53,058	53,058	53,058	53,058	53,058	53,058
Capacity (students)	550	550	550	550	550	550	550	550	550	460
Enrollment	453	417	397	414	437	500	509	471	490	394
Frost (1965)										
Square Feet	52,230	52,230	52,230	52,230	52,545	52,545	52,545	52,545	52,545	52,545
Capacity (students)	455	455	455	455	455	455	455	455	455	370
Enrollment	423	427	442	444	463	472	450	448	457	375
Irwin (1957)										
Square Feet	43,279	43,279	43,279	43,279	43,986	43,986	43,986	43,986	43,986	43,986
Capacity (students)	478	478	478	478	478	478	478	478	478	365
Enrollment	459	468	464	440	449	473	429	380	362	323
Lawrence Brook (1959)										
Square Feet	77,218	77,218	77,218	77,218	77,218	77,218	77,218	77,218	77,218	77,218
Capacity (students)	520	520	520	520	520	520	520	520	520	476
Enrollment	426	405	406	446	439	451	422	432	463	357
Memorial (2012)										
Square Feet	82,821	82,821	82,821	82,821	82,821	82,821	82,821	82,821	82,821	82,821
Capacity (students)	565	565	565	565	565	565	565	565	565	631
Enrollment	499	507	494	493	537	570	541	529	543	425
Warnsdorfer (1968)										
Square Feet	55,708	55,708	55,708	55,708	55,708	55,708	55,708	55,708	55,708	55,708
Capacity (students)	488	488	488	488	488	488	488	488	488	381
Enrollment	443	476	472	462	461	449	478	446	452	361
Total Elementary Schools										
Square Feet	474,518	474,518	474,518	474,518	476,357	476,357	476,357	476,357	476,357	476,357
Capacity (students)	3,858	3,858	3,858	3,858	3,858	3,858	3,858	3,858	3,858	3,383
Enrollment	3,342	3,353	3,298	3,324	3,409	3,548	3,512	3,375	3,408	2,764

East Brunswick Public Schools
School Building Information (continued)
Last Ten Fiscal Years

Unaudited

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 *
Upper Elementary School										
Hammarskjold (2009)										
Square Feet	271,520	271,520	271,520	271,520	271,520	271,520	271,520	271,520	271,520	271,520
Capacity (students)	1,518	1,518	1,518	1,518	1,518	1,518	1,518	1,518	1,518	1,518
Enrollment	1,357	1,311	1,294	1,212	1,197	1,280	1,343	1,297	1,273	1,315
Junior High School										
Churchill Jr. High (1962)										
Square Feet	260,332	260,332	260,332	260,332	260,332	260,332	260,332	260,332	260,332	288,187
Capacity (students)	1,432	1,432	1,432	1,432	1,432	1,432	1,432	1,432	1,432	1,432
Enrollment	1,315	1,372	1,374	1,336	1,320	1,273	1,269	1,329	1,367	1,993
High School										
East Brunswick High (1958)										
Square Feet	360,422	360,422	360,422	360,422	360,422	360,422	360,422	360,422	360,422	360,422
Capacity (students)	2,724	2,724	2,724	2,724	2,724	2,724	2,724	2,724	2,724	2,724
Enrollment	2,225	2,165	2,101	2,055	2,052	2,082	2,066	2,023	2,010	2,031
Other										
Administration Building										
Square Feet	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Support Operations										
Square Feet	-	-	-	29,614	29,614	29,614	29,614	29,614	29,614	29,614

Number of Schools at June 30, 2023

- Elementary = 8
- Upper Elementary = 1
- Junior High School = 1
- High School = 1
- Other = 2

Source: District records, ASSA, LRFP

* - Variances from the prior year are the result of a district wide grade reconfiguration as well as the addition of Temporary Classroom Units at Churchill Junior High School.

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

East Brunswick Public Schools
Schedule of Required Maintenance
Last Ten Fiscal Years

Unaudited

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
East Brunswick High School	\$ 693,497	\$ 711,188	\$ 700,862	\$ 560,420	\$ 541,155	\$ 423,026	\$ 368,229	\$ 459,471	\$ 415,952	\$ 418,330
Churchill Junior High School	517,657	485,854	385,500	416,052	342,511	281,798	268,147	329,563	300,543	302,159
Hammarskjold School	497,290	494,216	446,323	383,963	359,302	293,000	277,384	348,852	313,353	315,145
Bowne-Munro School	68,288	60,270	55,495	49,128	49,203	40,076	33,445	41,444	37,782	37,998
Central School	162,282	149,774	130,713	121,223	110,613	88,024	81,914	100,193	90,344	90,861
Irwin School	89,242	90,936	74,517	68,511	69,173	58,937	46,594	54,788	49,947	50,232
Lawrence Brook School	151,956	149,800	158,489	129,693	123,090	91,806	78,886	97,753	89,115	89,625
Memorial School	157,661	152,844	137,337	115,232	111,569	86,970	84,610	105,652	95,581	96,128
Chittick School	107,767	93,659	88,259	85,357	89,491	76,794	53,369	66,134	60,290	60,634
Frost School	107,836	90,555	75,849	113,646	67,116	56,698	53,358	66,120	60,277	60,622
Warnsdorfer School	99,244	98,812	87,330	112,729	75,125	61,597	57,086	70,523	64,291	64,659
Total School Facilities	2,652,720	2,577,908	2,340,674	2,155,954	1,938,348	1,558,726	1,403,022	1,740,493	1,577,475	1,586,393
Other Facilities										
Administration	45,825	42,676	37,857	37,398	31,291	25,050	30,647	37,976	34,622	34,819
Support Operations	45,235	42,126	37,370	36,917	30,890	24,726	30,254	-	-	-
Total Other Facilities	91,060	84,802	75,227	74,315	62,181	49,776	60,901	37,976	34,622	34,819
Grand Total	\$ 2,743,780	\$ 2,662,710	\$ 2,415,901	\$ 2,230,269	\$ 2,000,529	\$ 1,608,502	\$ 1,463,923	\$ 1,778,469	\$ 1,612,097	\$ 1,621,212

Source: M1

East Brunswick Public Schools
Insurance Schedule
Year Ended June 30, 2023

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>MULTI-PERIL PACKAGE POLICY</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG POLICY NO. P-135AN ANNUAL PREMIUM: \$887,209		
<u>Section II - Commercial General Liability</u>		
Bodily Injury, Property Damage and Personal Injury	\$ 31,000,000	
Medical Expense	10,000	
Aggregate Child Molestation/Sexual Abuse	31,000,000	
Employee Benefits Legal Liability	31,000,000	
<u>Section III - Crime</u>		
Money and Securities	50,000	\$ 500
Employee Dishonesty	1,000,000	1,000
Depositors Forgery	1,000,000	1,000
Computer Fraud	1,000,000	1,000
<u>SCHOOL BOARD LEGAL</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG POLICY NO. E-135AN ANNUAL PREMIUM: \$281,191		
Wrongful Acts Liability - Each Occurrence	31,000,000	15,000
Annual Aggregate	31,000,000	
<u>CATASTROPHIC POLICY</u>		
FIREMAN'S FUND POLICY NO. USL007276222 ANNUAL PREMIUM: \$54,562		
Limit of Insurance (Group Aggregate)	25,000,000	
<u>PROPERTY INSURANCE</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG POLICY NO. P135AN ANNUAL PREMIUM: Included		
Blanket Building - Contents Coverage	419,094,220	10,000
Extra Expense	50,000,000	10,000
Flood & Earthquake	75,000,000	10,000
EDP	2,100,000	1,000
Energy Systems - Property Damage	419,094,220	25,000
Energy Systems - Extra Expense	10,000,000	10,000

East Brunswick Public Schools
Insurance Schedule
Year Ended June 30, 2023

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>AUTOMOBILE POLICY AND GARAGE KEEPERS</u>		
INCLUDED IN MULTI-PERIL PACKAGE POLICY BY EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG		
Bodily Injury and Property Damage	\$ 31,000,000	
Uninsured Motorist Coverage	1,000,000	
Comprehensive	Replacement	\$ 1,000
Collision	Replacement	1,000
Beazley Environmental POLICY NO. W1BE82210701 ANNUAL PREMIUM: \$22,843		
Legal Liability	1,000,000 each loss 3,000,000 aggregate	10,000
<u>WORKERS COMPENSATION</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG POLICY NO. W-135AN PREMIUM: \$460,057		
A. Worker's Compensation Insurance Under New Jersey State Laws		
B. Employer's Liability		
Bodily Injury - Each Accident	3,000,000	
Bodily Injury By Disease - Each Employee	3,000,000	
CHUBB INSURANCE POLICY NO. 64775774 (99071588) ANNUAL PREMIUM: \$47,130		
Supplemental Coverage:		
Reimbursement of Salary - Max Weekly Benefit		1,750
<u>PRIMARY UMBRELLA</u>		
INCLUDED IN MULTI-PERIL PACKAGE POLICY BY EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG		

East Brunswick Public Schools
Insurance Schedule
Year Ended June 30, 2023

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>STUDENT ACCIDENT INSURANCE</u>		
BOLLINGER		
POLICY NO. MCB5859349		
ANNUAL PREMIUM: \$83,204	\$ 6,000,000	
Supplemental to primary family policy - full excess		
 <u>BONDS</u>		
SELECTIVE INSURANCE		
POLICY NO. B1005007		
ANNUAL PREMIUM: \$2,100		
Bernardo J. Giuliani, Business Administrator / Board Secretary	750,000	

Source: District Records

Single Audit Section

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

Independent Auditors' Report

**Honorable President and Members
of the Board of Education
East Brunswick Public Schools
East Brunswick, New Jersey**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, the business-type activities and each major fund of the East Brunswick Public Schools, in the County of Middlesex, New Jersey (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 5, 2023.

Report on Internal Control Over Financial Reporting

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

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

**Honorable President and Members
of the Board of Education
East Brunswick Public Schools**

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
December 5, 2023

Scott A. Clelland

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

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

Independent Auditors' Report

**Honorable President and Members
of the Board of Education
East Brunswick Public Schools
East Brunswick, New Jersey**

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited East Brunswick Public School's, in the County of Middlesex, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2023. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

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

**Honorable President and Members
of the Board of Education
East Brunswick Public Schools**

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

**Honorable President and Members
of the Board of Education
East Brunswick Public Schools**

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

Report on Internal Control Over Compliance

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

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

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

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

PKF O'Connor Davies, LLP
Cranford, New Jersey
December 5, 2023

Scott A Clelland

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

East Brunswick Public Schools

Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Federal Award Identification Number	Program or Award Amount	Grant Period		Balance at June 30, 2022	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance June 30, 2023			
				From	To						(Accounts Receivable)	Unearned Revenue	Due to Grantor	Amounts Provided to Subrecipients
General Fund:														
U.S. Department of Health and Human Services														
-Passed-Through State Department of Education														
Medical Assistance Aid	93.778	2005NJ5MAP	\$ 176,384	7/1/2022	6/30/2023			\$ 176,384	\$ (176,384)					
Medical Assistance Aid	93.778	2005NJ5MAP	93,527	7/1/2021	6/30/2022	<u>\$ (13,975)</u>		<u>13,975</u>						
Total U.S. Department of Health and Human Services - Passed-Through State Department of Education						<u>(13,975)</u>		<u>190,359</u>	<u>(176,384)</u>					
U.S. Department of Labor and Workforce Development														
-Passed-Through State Department of Labor														
COVID-19 American Rescue Plan Act (ARPA) Unemployment Reimbursement (NC)	17.000	N/A	368,934	7/1/2022	6/30/2023			<u>368,934</u>	<u>(368,934)</u>					
Total U.S. Department of Labor and Workforce - Passed-Through State Department of Labor								<u>368,934</u>	<u>(368,934)</u>					
Total General Fund						<u>(13,975)</u>		<u>559,293</u>	<u>(545,318)</u>					
Special Revenue Fund:														
U.S. Department of Education-Passed-Through State Department of Education														
Elementary and Secondary Education Act (ESEA):														
Title I, Part A - 22/23	84.010A	S010A210030	961,469	7/1/2022	9/30/2023			689,145	(890,938)	\$ (100)	\$ (201,893)			
Title I, Part A - 21/22	84.010A	S010A200030	957,543	7/1/2021	9/30/2022	(241,696)		241,696						
Title II, Part A - 22/23	84.367A	S367A210029	187,074	7/1/2022	9/30/2023			112,427	(136,107)	(1)	(23,681)			
Title II, Part A - 21/22	84.367A	S367A200029	168,105	7/1/2021	9/30/2022	(37,948)		37,948						
Title III - 22/23	84.365A	S365A210030	60,715	7/1/2022	9/30/2023			51,726	(57,527)		(5,801)			
Title III - 21/22	84.365A	S365A200030	66,418	7/1/2021	9/30/2022	(15,677)		15,677						
Title III Immigrant - 22/23	84.365	S365A210030		7/1/2022	9/30/2023									
Title III Immigrant - 21/22	84.365	S365A200030	2,447	7/1/2021	9/30/2022	(1,210)		1,210						
Title IV, Part A - 22/23	84.424	S424A210031	99,499	7/1/2022	9/30/2023			80,867	(90,527)	1	(9,659)			
Title IV, Part A - 21/22	84.424	S424A200031	68,542	7/1/2021	9/30/2022	(21,656)		21,656						
Special Education Grant Cluster:														
IDEA Part B, Basic Regular 22/23	84.027A	H027A220100	2,093,559	7/1/2022	9/30/2023			1,625,750	(2,076,020)	1	(450,269)			
IDEA Part B, Basic Regular 21/22	84.027A	H027A210100	1,994,242	7/1/2021	9/30/2022	(403,416)		424,306	(20,890)					
COVID-19 ARP IDEA Part B, Basic Regular	84.027X	H027X210100	388,963	7/1/2021	9/30/2022			262,462	(388,963)		(126,501)			
IDEA Preschool - 22/23	84.173	H173A220114	77,123	7/1/2022	9/30/2023			44,779	(77,123)		(32,344)			
IDEA Preschool - 21/22	84.173	H173A210114	67,417	7/1/2021	9/30/2022	(65,744)		65,744						
COVID-19 ARP IDEA Preschool	84.173X	H173X210114	33,149	7/1/2021	9/30/2022			<u>32,559</u>	<u>(33,149)</u>		<u>(590)</u>			
Total of Special Education Grant Cluster						<u>(469,160)</u>		<u>2,455,600</u>	<u>(2,596,145)</u>	<u>1</u>	<u>(609,704)</u>			
Adult Basic Education	84.002A	V002A210031	350,145	7/1/2022	9/30/2023			90,071	(325,201)		(235,130)			
Adult Basic Education	84.002A	V002A200031	290,000	7/1/2021	9/30/2022	(63,850)		63,850						
Education Stabilization Fund (ESF):														
COVID-19 CARES Emergency Relief (ESSER I)	84.425D	S425D200027	584,814	3/13/2020	9/30/2022	(114,523)		120,328	(5,805)					
COVID-19 CRRSA ESSER II	84.425D	S425D200027	2,173,325	3/13/2020	9/30/2023	(113,446)		783,443	(1,475,702)	(1)	(805,706)			
COVID-19 CRRSA Learning Acceleration	84.425D	S425D200027	139,473	3/13/2020	9/30/2023	(1,292)		26,013	(30,252)		(5,531)			
COVID-19 CRRSA Mental Health	84.425D	S425D200027	45,000	3/13/2020	9/30/2023	(40,296)		40,296						
COVID-19 ARP ESSER III	84.425U	S425U210027	4,884,407	3/13/2020	9/30/2024			1,238,802	(4,130,625)		(2,891,823)			
COVID-19 ARP Learning Acceleration	84.425U	S425U210027	713,380	3/13/2020	9/30/2024			269,351	(336,307)		(66,956)			
COVID-19 ARP Summer Learning	84.425U	S425U210027	48,637	3/13/2020	9/30/2024			21,739	(21,739)					
COVID-19 ARP Beyond the School Day	84.425U	S425U210027	48,637	3/13/2020	9/30/2024			487	(26,730)		(26,243)			
COVID-19 ARP Homeless II	84.425W	S425W210031	24,446	9/1/2021	8/31/2022			<u>13,473</u>	<u>(13,539)</u>		<u>(66)</u>			
Total Education Stabilization Fund (ESF)						<u>(269,557)</u>		<u>2,513,932</u>	<u>(6,040,699)</u>		<u>(3,796,325)</u>			
Additional or Compensatory Special Education and Related Services (ACSERS)	21.027	SLFRFDOE1SES	518,975	3/3/2021	12/31/2024	(700,769)		991,706	(518,975)		(228,038)			
Total U.S. Department of Education - Passed-Through State Department of Education						<u>(1,821,523)</u>		<u>7,367,511</u>	<u>(10,656,119)</u>	<u>(99)</u>	<u>(5,110,231)</u>			
Total Special Revenue Fund						<u>(1,821,523)</u>		<u>7,367,511</u>	<u>(10,656,119)</u>	<u>(99)</u>	<u>(5,110,231)</u>			

East Brunswick Public Schools

Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Federal Award Identification Number	Program or Award Amount	Grant Period		Balance at June 30, 2022	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance June 30, 2023			
				From	To						(Accounts Receivable)	Unearned Revenue	Due to Grantor	Amounts Provided to Subrecipients
U.S. Department of Agriculture—Passed-Through State Department of Agriculture														
Enterprise Fund:														
Child Nutrition Cluster:														
National School Lunch Program	10.555	231NJ304N1099	\$ 1,164,035	7/1/2022	6/30/2023			\$ 1,104,900	\$ (1,164,035)		\$ (59,135)			
National School Lunch Program	10.555	221NJ304N1099	3,795,743	7/1/2021	6/30/2022	\$ (262,426)		262,426						
School Breakfast Program	10.553	231NJ304N1099	114,513	7/1/2022	6/30/2023			105,482	(114,513)		(9,031)			
School Breakfast Program	10.553	221NJ304N1099	741,731	7/1/2021	6/30/2022	(59,623)		59,623						
COVID-19 Supply Chain Assistance Funding (Round 1 and 2)	10.555	221NJ344N8903	305,575	7/1/2022	6/30/2023			305,575	(286,527)		\$ 19,048			
COVID-19 Supply Chain Assistance Funding (Round 3)	10.555	231NJ344N8903	68,378	7/1/2022	6/30/2023			68,378			68,378			
Food Donation Program (NC)	10.555	231NJ304N1099	181,310	7/1/2022	6/30/2023			181,310	(181,310)					
Total Child Nutrition Cluster						(322,049)		2,087,694	(1,746,385)		(68,166)		87,426	
COVID-19 P-EBT Administrative Cost Reimbursement	10.649	231NJ30459009	3,256	7/1/2022	6/30/2023				(3,256)		(3,256)			
Total Enterprise Fund and Total U.S. Department of Agriculture—Passed-Through State Department of Agriculture and Child Nutrition Cluster						(322,049)		2,087,694	(1,749,641)		(71,422)		87,426	
Total Federal Awards Expenditures						\$ (2,157,547)	\$ -	\$ 10,014,498	\$ (12,951,078)	\$ (99)	\$ (5,181,653)	\$ 87,426	\$ -	\$ -

NC - non-cash expenditures

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this schedule.

East Brunswick Public Schools

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period		Award Amount	Balance June 30, 2022			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2023			Memo	
		From	To		Unearned Revenue	(Accounts Receivable)	Due to Grantor				Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
<i>General Fund:</i>															
Equalization Aid	23-495-034-5120-078	7/1/2022	6/30/2023	\$ 26,300,337				\$ 23,718,878	\$ (26,300,337)					\$ (2,581,459)	\$ (26,300,337)
Equalization Aid	22-495-034-5120-078	7/1/2021	6/30/2022	18,868,151		\$ (1,853,851)		1,853,851							
Special Education Categorical Aid	23-495-034-5120-089	7/1/2022	6/30/2023	5,355,986				4,830,279	(5,355,986)					(525,707)	(5,355,986)
Special Education Categorical Aid	22-495-034-5120-089	7/1/2021	6/30/2022	5,355,986		(526,241)		526,241							
Transportation Aid	23-495-034-5120-014	7/1/2022	6/30/2023	1,491,445				1,345,055	(1,491,445)					(146,390)	(1,491,445)
Transportation Aid	22-495-034-5120-014	7/1/2021	6/30/2022	1,491,445		(146,539)		146,539							
Security Aid	23-495-034-5120-084	7/1/2022	6/30/2023	176,418				159,102	(176,418)					(17,316)	(176,418)
Security Aid	22-495-034-5120-084	7/1/2021	6/30/2022	176,418		(17,334)		17,334							
Nonpublic School Transportation Aid	23-495-034-5120-014	7/1/2022	6/30/2023	59,955					(59,955)			\$ (59,955)			(59,955)
Nonpublic School Transportation Aid	22-495-034-5120-014	7/1/2021	6/30/2022	51,330		(51,330)		51,330							(59,955)
Extraordinary Aid	23-495-034-5120-044	7/1/2022	6/30/2023	3,818,540					(3,818,540)				(3,818,540)		(3,818,540)
Extraordinary Aid	22-495-034-5120-044	7/1/2021	6/30/2022	3,268,133		(3,268,133)		3,268,133							(3,818,540)
Lead Testing for Schools	23-495-034-5120-104	7/1/2022	6/30/2023	13,715				13,715	(13,715)						(13,715)
On-Behalf TPAF - Pension Contribution	495-034-5094-002	7/1/2022	6/30/2023	24,243,075				24,243,075	(24,243,075)						(24,243,075)
On-Behalf TPAF - Post-Retirement Medical	495-034-5094-001	7/1/2022	6/30/2023	6,368,597				6,368,597	(6,368,597)						(6,368,597)
On-Behalf TPAF - Long-Term Disability Insurance	495-034-5094-004	7/1/2022	6/30/2023	9,713				9,713	(9,713)						(9,713)
TPAF Social Security Reimbursements	23-495-034-5094-003	7/1/2022	6/30/2023	5,244,845				5,244,845	(5,244,845)						(5,244,845)
TPAF Social Security Reimbursements	22-495-034-5094-003	7/1/2021	6/30/2022	4,968,932		(241,098)		241,098							(5,244,845)
N.J. Schools Development Authority															
<i>General Fund:</i>															
Securing Our Children's Future Bond Act	20E00395	4/1/2021	3/31/2023	465,045				79,808	(79,808)						(79,808)
Total N.J. Schools Development Authority								79,808	(79,808)						(79,808)
Total General Fund						(6,104,526)		72,117,593	(73,162,434)			(3,878,495)		(3,270,872)	(73,162,434)
N.J. Schools Development Authority															
<i>Special Revenue Fund:</i>															
Emergent and Capital Maintenance Grant	Not available	7/1/2022	6/30/2023	197,965				197,965	(197,965)						(197,965)
State Department of Education															
<i>Special Revenue Fund:</i>															
N.J. Nonpublic Aid:															
Auxiliary Services:															
English as a Second Language	23-100-034-5120-067	7/1/2022	6/30/2023	1,002				1,002	(1,002)						(1,002)
English as a Second Language	22-100-034-5120-067	7/1/2021	6/30/2022	2,741			\$ 1,827			\$ (1,827)					
Compensatory Education	23-100-034-5120-067	7/1/2022	6/30/2023	124,033				124,033	(109,800)			\$ 14,233			(109,800)
Compensatory Education	22-100-034-5120-067	7/1/2021	6/30/2022	109,287			13,499			(13,499)					
Transportation	23-100-034-5120-068	7/1/2021	6/30/2022	11,649				11,649							11,649
Handicapped Services:															
Supplemental Instruction	23-100-034-5120-066	7/1/2022	6/30/2023	21,229				21,229	(21,228)				1		(21,228)
Supplemental Instruction	22-100-034-5120-066	7/1/2021	6/30/2022	21,807			2,650			(2,650)					
Examination and Classification	23-100-034-5120-066	7/1/2022	6/30/2023	37,916				37,916	(35,263)				2,653		(35,263)
Corrective Speech	23-100-034-5120-066	7/1/2022	6/30/2023	19,995				19,995	(19,995)						(19,995)
Textbook Aid	23-100-034-5120-064	7/1/2022	6/30/2023	31,284				31,284	(23,733)				7,551		(23,733)
Textbook Aid	22-100-034-5120-064	7/1/2021	6/30/2022	23,227			1,086			(1,086)					
Nursing Services	23-100-034-5120-070	7/1/2022	6/30/2023	49,616				49,616	(44,016)				5,600		(44,016)
Nursing Services	22-100-034-5120-070	7/1/2021	6/30/2022	43,344			120			(120)					
Technology Services	23-100-034-5120-373	7/1/2022	6/30/2023	19,908				19,908	(18,256)				1,652		(18,256)
Technology Services	22-100-034-5120-373	7/1/2021	6/30/2022	16,254			332			(332)					
Security	23-100-034-5120-509	7/1/2022	6/30/2023	90,815				90,815	(85,436)				5,379		(85,436)
Security	22-100-034-5120-509	7/1/2021	6/30/2022	67,725			232			(232)					
Nonpublic Teach STEM Grant	Not available	7/1/2022	6/30/2023	5,287				923	(2,154)				(1,231)		(2,154)
Climate Change Education Grant	23-100-034-5063-359	7/1/2022	6/30/2023	6,660				6,539	(6,539)						(6,539)
Total Special Revenue Fund						-	19,746	612,874	(565,387)	(19,746)		(1,231)	48,718		(565,387)

East Brunswick Public Schools

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period		Award Amount	Balance June 30, 2022			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2023			Memo	
		From	To		Unearned Revenue	(Accounts Receivable)	Due to Grantor				Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
<i>Enterprise Fund:</i>															
State School Lunch Program	23-100-010-3350-023	7/1/2022	6/30/2023	\$ 62,311			\$ 59,141	\$ (62,311)			\$ (3,170)			\$ (62,311)	
State School Lunch Program	22-100-010-3350-023	7/1/2021	6/30/2022	89,468	\$ (6,039)		6,039								
State School Breakfast Program	23-100-010-3350-023	7/1/2022	6/30/2023	3,471			3,203	(3,471)			(268)			(3,471)	
Total Enterprise Fund					(6,039)		68,383	(65,782)			(3,438)			(65,782)	
Total Expenditures of State Financial Assistance					\$ -	\$ (6,110,565)	\$ 19,746	\$ 72,798,850	\$ (73,793,603)	\$ (19,746)	\$ -	\$ (3,883,164)	\$ 48,718	\$ (3,270,872)	\$ (73,793,603)
State Financial Assistance Not Subject to Single Audit Determination:															
On-Behalf TPAF - Pension Contribution	495-034-5094-002	7/1/2022	6/30/2023	24,243,075			\$ 24,243,075	\$ (24,243,075)						\$ (24,243,075)	
On-Behalf TPAF - Post-Retirement Medical	495-034-5094-001	7/1/2022	6/30/2023	6,368,597			6,368,597	(6,368,597)						(6,368,597)	
On-Behalf TPAF - Long-Term Disability Insurance	495-034-5094-004	7/1/2022	6/30/2023	9,713			9,713	(9,713)						(9,713)	
Total State Financial Assistance Subject to Single Audit Determination					\$ -	\$ (6,110,565)	\$ 19,746	\$ 42,177,465	\$ (43,172,218)	\$ (19,746)	\$ -	\$ (3,883,164)	\$ 48,718	\$ (43,172,218)	

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this statement.

East Brunswick Public Schools

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

Year ended June 30, 2023

1. General

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

2. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented, or used in the preparation of, the basic financial statements. Because the schedules present only selected portions of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District

3. Relationship to Basic Financial Statements

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

East Brunswick Public Schools

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

Year ended June 30, 2023

3. Relationship to Basic Financial Statements (continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$726,907 for the general fund and \$1,870,881 for the special revenue fund. See the Note to Required Supplementary Information (C-3) for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general fund and special revenue fund.

As a result, the federal account receivable balance in the special revenue fund on the budgetary basis differs from the GAAP basis as follows:

<u>Accounts Receivable</u>	<u>Budgetary Basis</u>	<u>Less: CY Encumbrances</u>	<u>GAAP Basis</u>
Federal	\$ 5,110,231	\$ 1,917,906	\$ 3,192,325

Financial award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 176,384	\$ 72,435,527	\$ 72,611,911
Special Revenue Fund	8,738,313	565,387	9,303,700
Enterprise Fund – Food Service	1,749,641	65,782	1,815,423
Total financial award revenues	<u>\$ 10,664,338</u>	<u>\$ 73,066,696</u>	<u>\$ 83,731,034</u>

East Brunswick Public Schools

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

Year ended June 30, 2023

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 report.

5. Other

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

The post retirement pension medical benefits and long-term disability received on-behalf of the District for the year ended June 30, 2023 amounted to \$30,621,385. Since on-behalf post retirement pension medical and other long-term disability benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

During fiscal year 2023, the New Jersey Department of Labor notified the District that federal legislation under the CARES Act and the American Rescue Plan Act of 2021 provided for partial federal subsidies related to unemployment insurance benefits attributable to the District's account. The amount of federal subsidies received by the District during fiscal year 2023 amounted to \$368,934, which have been included on the schedule of expenditures of federal awards. These subsidies represent amounts paid on behalf of the District for time periods prior to the current fiscal year (third quarter of 2020 through the second quarter of 2021) and therefore have been excluded from the District' basic financial statements.

6. Indirect Costs

The District charged indirect costs of \$16,431 to the Food Service Enterprise Fund. The District did not elect to use the 10% de minimis indirect cost rate allowed by the Uniform Guidance for any other grants.

East Brunswick Public Schools
Schedule of Findings and Questioned Costs

Year ended June 30, 2023

Part I - Summary of Auditors' Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____	Yes	_____ X _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ X _____	None Reported

Noncompliance material to financial statements noted?

_____	Yes	_____ X _____	No
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Federal Awards

Internal control over major federal programs:

Material weaknesses identified?	_____	Yes	_____ X _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ X _____	None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____	Yes	_____ X _____	No
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Identification of major federal programs:

AL Number(s)	FAIN Number	Name of Federal Program or Cluster
		Education Stabilization Fund:
84.425D	S425D200027	COVID-19 CARES Emergency Relief (ESSER I)
84.425D	S425D200027	COVID-19 CRRSA ESSER II
84.425D	S425D200027	COVID-19 CRRSA Learning Acceleration
84.425U	S425U210027	COVID-19 ARP ESSER III
84.425U	S425U210027	COVID-19 ARP Learning Acceleration
84.425U	S425U210027	COVID-19 ARP Summer Learning
84.425U	S425U210027	COVID-19 ARP Beyond the School Day

East Brunswick Public Schools
Schedule of Findings and Questioned Costs

Year ended June 30, 2023

Part I - Summary of Auditors' Results

84.425W S425W210031 COVID-19 ARP Homeless II

AL Number(s)	FAIN Number	Name of Federal Program or Cluster
		Special Education Cluster:
84.027A	H027A220100	IDEA Part B, Basic
84.027X	H027X210100	COVID-19 ARP IDEA Part B, Basic
84.173	H173A220114	IDEA Preschool
84.173X	H173X210114	COVID-19 ARP IDEA Preschool
21.027	SLFRFDOE1SES	COVID-19 Additional or Compensatory Special Education and Related Services (ACSERS)

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 X Yes No

East Brunswick Public Schools
Schedule of Findings and Questioned Costs

Year ended June 30, 2023

Part I - Summary of Auditors' Results

State Financial Assistance

Internal control over major state programs:

Material weakness(es) identified? _____ Yes X No
Significant deficiency(ies) identified? _____ Yes X None Reported

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

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

Identification of major state programs:

GMIS/Program Number	Name of State Program or Cluster
	General State Aid Cluster:
23-495-034-5120-078	Equalization Aid
23-495-034-5120-089	Special Education Categorical Aid
23-495-034-5120-084	Security Aid
23-495-034-5094-003	TPAF Social Security Reimbursements

Dollar threshold used to distinguish between Type A and Type B programs: _____ \$1,295,167

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

East Brunswick Public Schools
Schedule of Findings and Questioned Costs
Year ended June 30, 2023

Part II - Schedule of Financial Statement Findings

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

East Brunswick Public Schools

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

Part III – Schedule of Federal Award and State Financial Assistance Findings and Questioned Costs

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

East Brunswick Public Schools
Summary Schedule of Prior Year Audit Findings
Year ended June 30, 2023

No prior year findings were noted.