

EAST BRUNSWICK PUBLIC SCHOOLS



Excellence in Academics, Athletics, and the Arts

*Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2013*

760 State Highway 18, East Brunswick, New Jersey 08816

East Brunswick Public Schools

**East Brunswick Board of Education
East Brunswick, New Jersey**

Comprehensive Annual Financial Report
Year Ended June 30, 2013

Prepared by

Bernardo J. Guiliana

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 2, 2013

Honorable President and
Members of the Board of Education
East Brunswick School District
County of Middlesex, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report for the East Brunswick School District (District) for the fiscal year ended June 30, 2013 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 account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the independent auditor's report, management's discussion and analysis, the basic financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations," and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: 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 provides 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 District completed fiscal year 2012-2013 with an average daily enrollment of 8,213 students, or 80 students less than the previous year's enrollment. The following details the changes in the District's student enrollment over the last five years.

<u>Fiscal Year</u>	<i>Average Daily Enrollment</i>	
	<u>Student Enrollment</u>	<u>Percent Change</u>
2012-2013	8,213.0	(0.96%)
2011-2012	8,293.0	(2.39%)
2010-2011	8,496.0	(2.45%)
2009-2010	8,709.0	(1.15%)
2008-2009	8,810.0	0.32%

While the District has experienced a decline in enrollment over the last several years, it appears to have leveled itself in 2012-2013. The District will be undertaking a comprehensive demographic study in fiscal year 2014, which is more fully discussed in section 2 below.

2. ECONOMIC CONDITION AND OUTLOOK: The Township of East Brunswick's total labor force increased 1.84% to 26,957 in 2012 from 26,469 in 2011, as reported by the New Jersey Department of Labor and Workforce Development. The employment rate for 2012 was 92.6% as compared with 92.8% in 2011, and the unemployment rate for 2012 increased to 7.4% from 7.2% in 2011.

Economic data provided by the Township of East Brunswick indicates that the construction value of building permits issued for new units, additions and remodeling as of June 30, 2013 totaled \$23,792,313.00 and the total number of permits issued totaled 1,895 for the same period. The construction value and

permits issued for the entire 2012 calendar year respectively totaled \$46,085,678.80 and 3,000 as compared to \$39,723,210.00 and 3,427 for the 2011 calendar year. This represents a decrease of 427 permits and an increase in construction value of \$6,362,468.80.

Certificates of occupancy (COs) issued for new residential units were reported to be at 8, or 33% during the first six months of 2013 as compared with the calendar year 2012.

While the demand for new housing is low, re-sale housing in East Brunswick continues to be reflective of the ongoing desire of individuals to establish their residency where the excellent public schools are the primary factor in that decision. The modest 13.81% increase in construction value indicates the continuing investment being made in East Brunswick properties.

East Brunswick Public Schools recently issued a request for proposals to provide school enrollment projections, District boundary analysis, geocoding, and mapping services. The goal is to gather U.S. census data, birth data, and relevant demographic information to calculate the number of school children who are anticipated to attend each of the grades within the school district. The report will review historic and current residential development trends, including proposed development and redevelopment. It will also assess the impact of these trends on future enrollment using standard land use planning methodologies and demographic multipliers in determining the impact of this growth and development on enrollment.

Although the unemployment rate has once again seen a slight increase for the period ending with this report, it should not be construed to minimize the general economic conditions experienced both nationally and in New Jersey and East Brunswick, in particular. Unemployment continues to remain at high levels, and the State and national economic forecasts do not support any substantive improvement in the near future. This singly important issue must be underscored as it affects general economic viability locally, state-wide and nationally.

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 District is conscious of this and will continue to act prudently in its fiscal decisions. However, this issue must be addressed. We continue to urge New Jersey residents to express the expectations they have of their elected State officials with regard to property tax reform.

3. MAJOR INITIATIVES: After suffering a devastating fire on July 10, 2008 followed by a temporary relocation and reconstruction, Memorial Elementary School opened its new building to students and staff in September 2013. Thanks to the East Brunswick community's support, a bond referendum to replace the fire-damaged Memorial Elementary School building was approved by the voters on September 29, 2009 with additional funding being provided through a State grant. The more than five-year "recovery mode" has officially come to an end.

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. The District most recently applied for numerous grants in the latest round of grant offerings to support the following facilities and infrastructure initiatives: bleacher replacements and HVAC improvements at East Brunswick High School's gymnasium; unit ventilator replacements, HVAC improvements and electrical distribution system upgrades at Chittick Elementary School and Irwin Elementary School; roof replacement at Frost Elementary School; security vestibules at all eleven school locations; and, technology infrastructure at all eleven school locations.

While limited funds have been available for needed capital improvements, the District has planned for projects funded through short-term lease-purchase financing having a payback period of no more than five years. In addition, the District has received Safety Grants from the New Jersey School Boards Insurance Group. Those grants focus on District safety and security through physical improvements. The projects undertaken in the planning stage, in-process or completed during the past year include the roof replacement at Bowne-Munro Elementary School; boiler replacement and building-wide window/door replacements at Irwin Elementary School; science room air conditioning at Churchill Junior High School; science room renovations, girls locker room renovations, and tennis court renovations at East Brunswick High School; the maintenance, grounds, and transportation facility; and, the District network operations center.

Finally, technology has a significant role in instruction and is integrated throughout the District's operations. In fact, it is important to recognize that technology is not a frill. Rather, it is a necessity since it is infused in nearly every aspect of every day

life. In addition, technology is not stagnant; it is ever emerging with advancements released nearly every day. Budget constraints have significantly affected the level of support for the District's investment in technology. However, this District must find innovative ways to overcome the funding challenges if it is to continue providing appropriate hands-on technology to students who are expected to be productive contributors to society in the 21st century as well as support its overall "business" operations.

4. MAJOR OPERATIONAL OR FINANCIAL CONCERNS: 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 to serve up to 50 students per grade level. In its recent application, it proposes increasing its enrollment and expanding grade levels, as well as extending its charter. The application is currently under review by the New Jersey Department of Education Office of Charter Schools, which will make its recommendation to the Commissioner of Education.

It is unfortunate that this charter school was granted an initial charter several years ago in the suburban community of East Brunswick with one of the best school districts in this State. The charter school did not serve any educational need then, and it does not now.

During its first four years, the charter school's existence has required the cumulative appropriation of \$6,243,940.00 from the East Brunswick Public School District budget. These appropriations have come with significant loss to the school district most notable of which is the elimination of its model elementary world language program. While the time has passed to argue the merits of whether or not the initial charter should have been approved, it is highly important to underscore the serious and substantive negative impact the current application's approval would have upon the East Brunswick Public Schools.

East Brunswick's taxpayers largely provide the financial support for its public schools. For FY2014, the local funding share is 86.44% of the District's FY2014 General Fund budget. Based on the NJ Department of Education's FY2014 per pupil amount budgeted for this charter school, the charter school's projected enrollment increase would require an appropriation increase to support it from FY2014's \$1,850,490.00 to \$2,885,280.00 for FY2015. The net increase of \$1,034,790.00 represents 45.69% of the District's projected FY2015 2% tax cap. More and more, this suburban community's local funds must be diverted to support a charter school for which there is no educational need.

If the charter school's current application is approved, there is no doubt that the consequences ensuing to the East Brunswick Public Schools would be deleterious. Planned teacher additions reducing class size and addressing the needs of our students would be deferred, and existing staff and program would be cut. The District would also be faced with significant challenges in meeting its existing contractual obligations. In short, such an approval would disregard the impact on East Brunswick's students, staff, parents, educational programs, and finance in contradiction to N.J.S.A. 18A:36A-16(e)1.

By resolution of the East Brunswick Board of Education, the Commissioner of Education has been urged to carefully take into consideration the pending application's substantive negative impact that would result upon the East Brunswick Public Schools, and has encouraged the Commissioner to reject Hatikvah International Academy Charter School's application to increase its enrollment and expand grade levels.

5. 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.

6. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are 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 reservations of fund balance at June 30, 2013.

7. 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 are explained in "Notes to the Basic Financial Statements," Note 1.

8. DEBT ADMINISTRATION: Under provisions of New Jersey statutes, school districts may not incur indebtedness greater than 4% of the average equalized valuation of taxable property. At June 30, 2013, the District's outstanding debt issues are below the legal debt margin. The bonds of the District have been assigned an underlying rating of Aa2 and an enhanced rating of Aa3 by Moody's Investors Service. The District continues to be committed to providing the debt rating agencies and all other interested parties with annual audited financial statements and other pertinent credit information relevant to our outstanding securities.

9. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements," Note 3. The District deposits public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

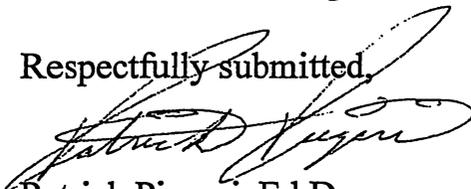
11. OTHER INFORMATION:

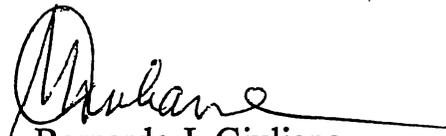
A) Independent Audit - State statutes require an annual audit to be performed by independent certified public accountants or registered municipal accountants. The accounting firm of Wiss & Company, LLP was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and New Jersey's OMB Circular 04-04. The auditor's report on the basic financial statements, required supplementary information and other supplementary information are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

B) Continued Excellence in Academics, Athletics and the Arts - During the 2012-2013 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.

12. 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,


Patrick Piegari, Ed.D.
Interim Superintendent


Bernardo J. Giuliana
School Business Administrator/
Board Secretary

The District is proud to report the many successes and accomplishments that our students have achieved. The 2012-2013 school year achievements are listed below.

For Excellence in Academics...

- Memorial Elementary School received the prestigious designation of 2012 Blue Ribbon Lighthouse School from Blue Ribbon Schools of Excellence, Inc. The award was officially presented to Principal Pam Mayo at the Blue Ribbon Schools Blueprint for Excellence National Conference in December 2012.
- 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 Middle School, Churchill Junior High School and East Brunswick High School.
- “EBHS is without a doubt one of the finest schools in the nation. It is a school that has a very strong academic program, supported by ample financial resources and guided by excellent leadership.” Quote taken from the Middle States Association of Colleges and Schools Accreditation for Growth Validation Team.
- Seven EBHS students were named Semi-finalists and Finalists in the 2013 National Merit Scholarship Program.
- The EBHS FCCLA Team (Advisor Rachel Serpico) performed very well at the NJ State Fall Family Career and Community Leaders of America Conference. The team placed third in the state and was awarded a silver medal in Banner competition. The Caregiver Carryall placed third in the state and was awarded a gold medal. The Go Green event placed first in the state and received a gold medal. Tune into FCCLA, placed second in the state and received a silver medal. The team received a bronze medal for the Cupcake Challenge and a silver for the Passion for Fashion entry.
- The EBHS Academic Team (Advisor Ryan Hynes) placed first in State with High Tech High at the Monsignor Donovan Academic Challenge.
- In January, 91 juniors and seniors were inducted into the National Honor Society. In addition to maintaining at least a 3.6 GPA, these students also excelled in the areas of leadership, service to their community and character. They are shining examples of the district’s goal to develop the whole child.
- Based on the New Jersey School Performance Report, EBHS was ranked high in academic performance and college readiness when compared to other schools across the State.
- EBHS placed among the top 500 high schools in the country on *Newsweek's America's Best High School's List* for 2013. The High School’s graduation rate, SAT Scores and Advanced Placement Scores have earned it this ranking.
- The EBHS Future Business Leaders of America (FBLA) Team (Advisors, Jessica DelliSanti and Vicki-Ann Patrizi) placed 1st in the Regional Consumer Bowl held at North Brunswick High School.
- Four EBHS students (Teacher Anne Sanelli) qualified for the US Biology Olympiad.

For Excellence in Academics - Continued

- For the second consecutive year, one EBHS senior (Teachers, Leslie Anderson and Deborah Cretsinger) was named a National Chemistry Olympiad Winner, one of only 20 students in the country chosen to participate in an intense chemistry study camp at the Air Force Academy.
- In the New Jersey Science Olympiad where 1,200 students from 26 middle schools and 26 high schools around New Jersey competed, two EBHS groups (Teacher Steve Vendome) placed 1st in their categories. One team came in 2nd. The CJHS Team (Teachers, Beth Shobe and Dana Poulsen) came in 3rd place overall with one 1st place finish and four 2nd place finishes in individual categories.
- One EBHS student received a Golden Key Award in the Scholastic Arts & Writing Awards Competition.
- Two EBHS students were selected to participate in the prestigious 2013 Governors School for the Sciences.
- The EBHS Junior Engineering Technical Society (JETS) Team (Advisors, Leslie Anderson and Deb Cretsinger) came in 3rd in the State at the Merck State Science Day.
- Two EBHS students won First Place in News-Team Reporting Category in Youth Journalism International's Excellence in Journalism Contest for their Sandy article in the November 2012 The Clarion (Advisor, Cindy Collins).
- HMS's 7th grade Academic Challengers Team (Advisors, Anthony Ruzala and Ryan Dick) finished 2nd in regional competition.
- Two 4th graders placed in the Security Industry and Financial Markets Association Foundation's InvestWrite Competition. One placed 1st in New Jersey and 6th in the nation and the other placed 8th nationally (Teachers, Jill Ventrice and Cynthia Scribner).
- Four EBHS students were recognized for their exemplary written work and oral presentation and received the Best Delegate Award at the 2013 Rutgers Model Congress Conference. (Advisors, Alan Brodman, Joyce Lentz, Barbara Maier, Michael Wildermuth and Kimberly Giambrone).
- Eight EBHS sophomores (Teachers, Leslie Anderson and Deborah Cretsinger) finished 1st in State in the Division II category and 3rd in the nation in the 2013 Technology Student Association (TSA) Competition.
- Five EBHS students placed 1st in State in New Jersey Science League Team Competition, Chemistry II category (Teachers, Leslie Anderson and Deborah Cretsinger).
- The research on the ADP-Glucose Pyrophosphorylase (ADP-Glc PPase) of 28 EBHS students, Waksman Student Scholars (Teacher Anne Sanelli) has been published on a national database that disseminates biomedical information for the better understanding of molecular processes affecting human health and disease.
- Two HMS students received the highest score in grade 6 level competition in the New Jersey Math League (Teachers, Lauren Siecinski, Kelly Perno and Michele Vicens).

For Excellence in Academics - Continued

- Four CJHS students and 3 EBHS students of the Math Team participated in Mathematical Association of America American Mathematics Competition scored in the top 5% of the nation (Teachers, Erin Crupi and Emily Migliore).
- One HMS student placed 1st in the Middlesex County Environmental Essay Contest at the 6th grade level (Teacher Melissa Novak).
- Sixteen EBHS students were inducted into the Science Honor Society. In order to be part of this elite group, students must: 1. Maintain a B+ or better in high school Science Honors or AP Courses and/or an A- or better in Academic or elective science courses, 2. Complete 10 club hours (attendance at meetings, committee work, writing for our online journal, *The Cepheid*), 3. Complete 10 community service hours (tutoring, library science scene)
- A member of the Chittick Safety Patrol (Advisor Lauren Gilman) received a 2013 Outstanding AAA School Safety Patrol Award. From over 500 essays submitted from the Mid-Atlantic Area, this student's essay was one of 16 chosen state-wide and one of 3 in Middlesex County.
- Advanced Placement Test results for 2013: In total 1,118 exams were administered. The percent of students scoring 3 or better was 90 percent. Students scoring 3 or better will receive college credit for the course tested.
- The average SAT score was 1674; that is 150 points higher than the state average.
- 95% of the graduating class will go on to college.
- Twelve seniors received high honors status.
- The EBHS Class of 2013 can boast: 106 NJ Stars recipients, 3 Presidential Scholars and 233 Presidential Academic recipients.
- At the Community Programs Department's Yearly Celebration of Lifelong Learning, 38 adults were among those recognized for having achieved citizenship.

For Excellence in Athletics...

- Season Summaries

	Fall	Winter	Spring	Overall
Record	101-39-4	78-53-3	118-56	297-149-7
Winning %	72%	58%	69%	67%
Division Record	79-32-2	35-28-3	74-34	188-85-5

- Team Champions

Conference	Division	Sectional	Districts
Girls Soccer	Gymnastics	Gymnastics	Wrestling
Girls Tennis	Girls Soccer	Boys Basketball	
Girls Volleyball	Girls Tennis		
Softball	Girls Volleyball		
	Boys Volleyball		

- The Fall Red Division Champions are Girls Tennis (Coach Brian McInerney), Girls Soccer (Coach Kevin Brady).

For Excellence in Athletics - Continued

- The Fall GMC Champions are Girls Tennis (6th year in a row!) (Coach Brian McInerney), Girls Gymnastics (Coach Kara Scefcyk).
- The Girls Gymnastic Team named 2012 New Jersey State Interscholastic Athletic Association (NJSIAA) Sectional Champion (Coach Kara Scefcyk).
- EB's own Heather O'Reilly of the Class of 2003 won her third gold medal in Olympic Competition as a member of the United States Women's Soccer Team. In December Heather was inducted into the NJSIAA Hall of Fame.
- Soccer player Natasha Ntone-Kouo, has been selected to the First Team All-State by the Star Ledger and named a 2012 Area Player of the Year by both the Star Ledger and Home News Tribune.
- On National Signing Day (February 6) two EBHS student athletes were honored. They are: Natasha Ntone Kouo (University of Maryland – girls' soccer) and Rob Ukawuba (NJIT – boys' basketball). Congratulations to Athletic Director, Frank Noppenberger and Coaches, Kevin Brady and Bo Henning.
- The Wrestling Team was named 2013 NJSIAA District Champions with one student named Outstanding Individual Wrestler and four named Individual Champs in their weight class. Coach Matt Pazinko was named Coach of the Year.
- One member of the Varsity Wrestling Team (Coach Matt Pazinko) won his 100th match during the 2012-2013 season.
- The Varsity Cheerleading Team (Coach Stephanie Niemis) was named National Champions in their division.
- At the GMC Swimming Championships, Lady Bears Tori Glascock and Colleen Dwyer broke school records. Also breaking school records at the GMC Swimming Championships was the Boys 200 Yard Medley Team.
- The Boys Basketball Team (Coach Bo Henning) earned the title of NJSIAA Central Jersey Group IV Champions.
- The Girls Golf Team (Coach Mark Motusesky) took 1st place at the Central Jersey Golf Tournament. A freshman on the Girls Golf Team was EB Patch Bear of the Week and Coach Motusesky was named Home News Tribune 2013 Coach of the Year for Girls Golf.
- The Boys Volleyball Team (Coach Greg Rutz) won the GMC Championship. Coach Rutz was named 2013 Star Ledger Coach of the Year for Boys Volleyball.
- One EBHS female and one EBHS male athlete received the County Sportsmanship Award for Field Hockey and Wrestling respectively.
- Two EBHS students were named GMC Scholar Athletes.
- Sam Mattis, a member of the Class of 2012, set a new school record in the discus throw twice as a freshman at the University of Pennsylvania.
- Ben Weinfeld, a member of the Class of 2012, was selected to compete on the US Team at the 19th Annual World Maccabiah Games. Ben earned a bronze medal in fencing and was part of the Gold Medal Team.
- 98.7% of our student athletes from the Class of 2013 are going onto higher education.
- Eight members of the Class of 2013 received monetary scholarships or grants to sports in college.

For Excellence in Athletics - Continued

- All sports teams were ejection free for the entire year.

For Excellence in the Arts...

- EBHS has been named a Model School of the Arts, and all 11 schools in the district were among the top 10% State-wide for our offerings and the work of our students in the visual and performing arts.
- Congratulations to student musicians selected for Honors, Regional, All-State, and All Eastern Ensembles:
 - All Eastern HS Orchestra (2)
 - All State HS Chorus and Women's Chorus (8)
 - All State HS Orchestra (11)
 - All State Intermediate Orchestra (5)
 - All State HS Symphonic Band (6)
 - CJMEA Elementary Honors Band (16)
 - CJMEA Elementary Honors Orchestra (73)
 - CJMEA Intermediate Region Band (3)
 - CJMEA Intermediate Region Orchestra (5)
 - CJMEA Intermediate Region Symphonic Orchestra (8)
 - CJMEA HS Region Chorus (15)
 - CJMEA HS Region Orchestra (15)
 - CJMEA HS Region Percussion Ensemble (2)
 - CJMEA HS Region Symphonic Band (5)
 - CJMEA HS Region Wind Ensemble (2)
- One EBHS sophomore was selected to compete at the Mid-Atlantic Flute Fair presented by the Flute Society of Washington, Inc.
- The New Jersey Symphony Orchestra, under the direction of Jacques Lacombe, performed live, on stage at the EBPAC.
- The EBHS Jazz Ensemble (Director Brian Toth), for the first time, qualified for the State finals.
- The works of four EBHS student artists were entered in the 2013 Congressional Art Competition for the 12th Congressional District. One artist took 1st place honors in the photography category; one placed 2nd and two placed 3rd.
- The artworks of 136 EBHS and CJHS students was displayed at the Cancer Institute of New Jersey. It is our hope that the display has positively impacted the lives of the patients and their families and friends.
- A painting of one EBHS student was selected for recognition at the VSA Arts Achievement Awards.
- The works of three CJHS students (Art Teacher Darin Amme) were selected for The Middlesex County Youth Art Month Exhibit.
- The works of two CJHS students (Art Teacher Darin Amme) were selected for The College of New Jersey Kindergarten through 12th Grade Student Art Exhibition.
- The EBHS Concert Band (Director Brian Toth) received the Outstanding Woodwind Section at the Central Jersey Concert Band Festival.

For Excellence in the Arts - Continued

- The EBHS Chorus (Director Jennifer Sengin) received awards for Outstanding Performance and Superior Sight-Reading at the American Choral Directors Association Festival.

Staff Accomplishments...

- Dr. Jo Ann Magistro, Superintendent received the 2012 Educational Leadership Award presented by the Art Administrators of New Jersey (AANJ). The award is presented annually by AANJ to honor outstanding commitment to Arts Education programs by an educational leader.
- Dr. Mary-Anne Love, Supervisor of Student Services was one of eight people to receive the designation of Rachel's Challenge Champion of the Year. Chosen by the leaders at Rachel's Challenge, these eight champions went above and beyond to spread the message of kindness and compassion that Rachel Scott left behind.
- Coach Melissa Strauss, Girls Volleyball was named Division and GMC Coach of the Year by the GMC Coaches.
- Coach Robert (Bo) Henning was selected by the NJSIAA Honor Awards Committee to receive the NJSIAA Basketball Award.
- Coach Kevin Brady was selected by the NJSIAA Honor Awards Committee to receive the NJSIAA Soccer Award.
- Field Hockey Coach Cindy Todoroff was inducted into the NJSCA Hall of Fame.
- Basketball Coach Robert (Bo) Henning was inducted into the NJSCA Hall of Fame.
- At the annual Staff Awards Ceremony the following staff members were applauded and celebrated by the Board, family and friends, colleagues, students and parents:
- EBHS Science Teacher, Leslie Anderson, received the Middlesex County Governor's Recognition Award.
- Four former staff members were inducted onto the Wall of Honor. They are: Brenda Hagan, Leslie Hinman, Gail Rabii and Kathleen Spadafino.
- EBHS Humanities Teacher Adam Recktenwald was designated the 2013 Teacher of the Year by the New Jersey Council for the Humanities.

Excellence for Service to the Community...

- District-wide \$3,405 was collected for Cancer research through a staff denim day in October. All proceeds went to the Cancer Institute of New Jersey Foundation's Breast Cancer and Pediatric Cancer Research Fund.
- The Girls Volleyball Team held their second annual Live Pink/Volley for Cancer event in October. Applause to the girls and Coach Melissa Strauss on raising more than \$4,300 for Cancer research.
- In recognition of Veteran's Day, staff donated \$2,829 for G.I. Go Fund.
- At the EBHS National Honor Society's (Advisors, Leslie Anderson and Bruce Singer) Blood Drive, 160 pints of blood was donated by students and staff.

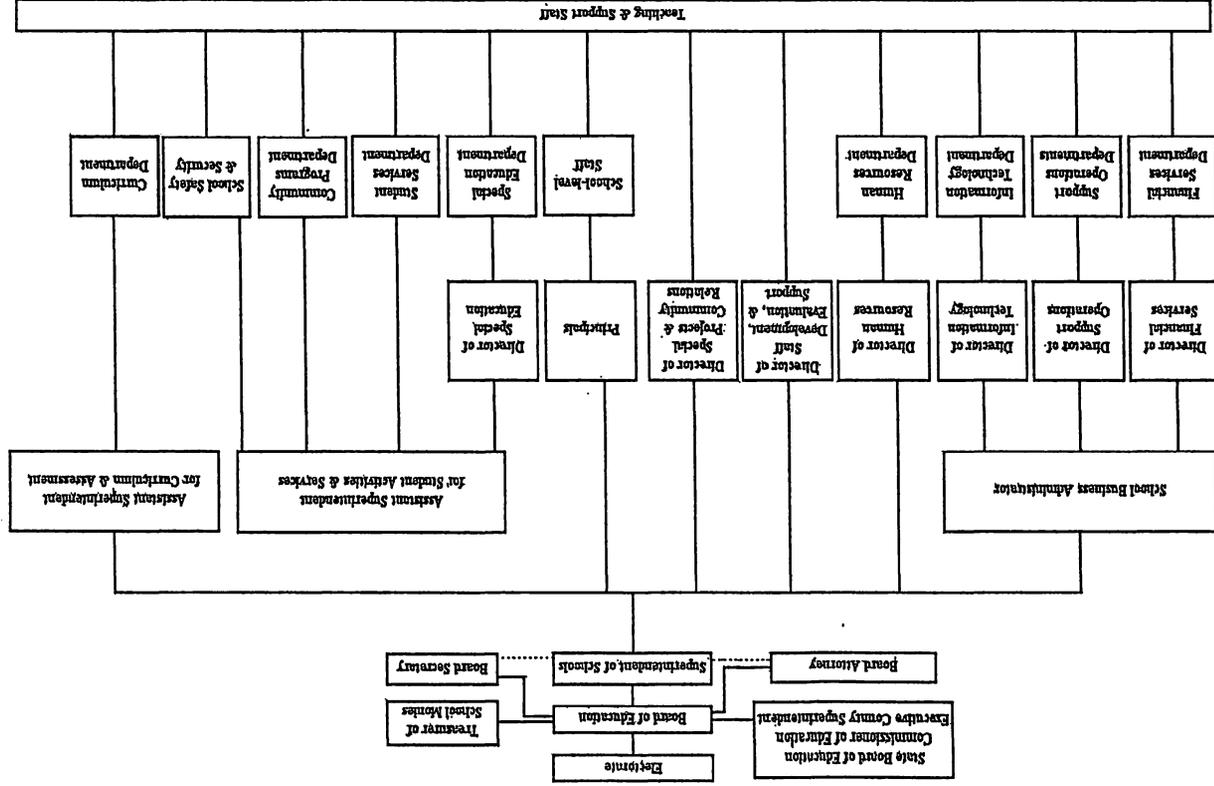
Excellence for Service to the Community - Continued

- Students and Staff for Sandy (at EBHS): Students from all clubs, sports and other extracurricular activities organized a variety of events from Hats for Help to Singing Telegrams to Just BeCause gifts with the proceeds going to Superstorm Sandy relief funds. The students also did community service projects to help the shore and local communities. Staff collected monies to help Sandy victims and supported staff and students who were impacted with food, clothing and other household items.
- Through the Annual Gift Drive at EBHS over 1250 gifts were purchased by staff and students (facilitated by Pat Peters and Audrey Nelson).
- One EBHS student received the 2013 Caring Award presented by the Middlesex County Guidance Council for outstanding volunteer community service.
- In total our educational community collected over 8,000 pounds of food for the 2013 Spring School Food Drive for MCFOODS.
- Approximately 180 senior citizens attended the annual Senior, Senior Prom at EBHS sponsored by many student organizations with support from the following staff members: Audrey Nelson, Pat Peters, Kim Cuntala, Kerri McQuade and Liz Soder.
- In recognition of Memorial Day, staff donated \$2,672 for the GI Go Fund.
- A total of \$3,512 was raised through a district-wide denim day in recognition of Autism Awareness Month. Thank you to Speech/Language Specialist, Marianne Zema for championing this outreach every year.
- A total of \$5,300 was raised by elementary students who, with their art teachers as facilitators, created Luminaria Bags that lined the track at the East Brunswick Relay for Life held on June 1st.
- A total of \$4,703 was raised for the American Cancer Society at HMS's 4th Annual Relay for Life Field Day.

The record of achievement keeps the District hopeful that the 2013-2014 school year promises to be as productive as the previous year.

EAST BRUNSWICK PUBLIC SCHOOLS
Administration
ORGANIZATIONAL CHART

ORGANIZATIONAL CHART



This organizational structure is effective August 1, 2013.

East Brunswick Public Schools
East Brunswick, New Jersey

Roster of Officials

June 30, 2013

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Todd Simmens, President.....	2014
Katie Spiegler, Vice President.....	2014
Vicki Becker.....	2015
Brad Cohen, M.D.....	2013
Holly Howard.....	2013
Laurie Lachs.....	2014
Kevin McEvoy.....	2015
Curt Philipczak.....	2013
Meredith Shaw.....	2015

Other Officials

Patrick Piegari, Ed.D., Interim Superintendent (effective 7/1/2013)

Jo Ann Magistro, Ed.D., Superintendent (retired 6/30/2013)

Bernardo J. Giuliana, School Business Administrator/Board Secretary

Louis Figueroa, Assistant Superintendent of Student Activities and Services

Evelyn H. Ogden, Ed.D., Assistant Superintendent for Curriculum and Assessment

L. Mason Neely, Treasurer

East Brunswick Public Schools
East Brunswick, New Jersey

Independent Auditors and Advisors

Architects

ARMM Associates
725 Kenilworth Avenue
Cherry Hill, New Jersey 08002

Clarke Caton Hintz
100 Barrack Street
Trenton, New Jersey 08608

FKA Architects
306 Ramapo Valley Road
Oakland, New Jersey 07436

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

Van Cleef Engineering Associates, LLC
4 AAA Drive, Suite 103
Hamilton, NJ 08691

Attorney

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

Independent Auditors

Wiss & Company, LLP
485C Route One South
Iselin, NJ 08830

Insurance Broker

E. Jay Lawton
G.R. Murray Insurance Company
707 State Road, Route 206
Princeton, New Jersey 08542

Official Depository

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

Financial Section



Independent Auditors' Report

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

Report on the Financial Statements

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, County of Middlesex, New Jersey (the "District"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to previously 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, 2013, 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.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, which consists of the combining and individual fund financial statements, long-term debt schedules and schedules of expenditures of federal awards and state financial assistance, as required by the U.S. Office of Management and

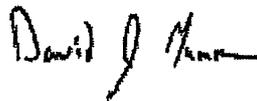
Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and the other information such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 compliance.



David J. Gannon
Licensed Public School Accountant
No. 2305



WISS & COMPANY, LLP

December 2, 2013
Iselin, New Jersey

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Required Supplementary Information
Part I

Management's Discussion and Analysis

East Brunswick Public Schools

Management's Discussion and Analysis Year Ended June 30, 2013 (Unaudited)

The discussion and analysis of East Brunswick Public School's (the "District") financial performance provides an overall review of the District's financial performance during the fiscal year ended June 30, 2013. 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 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 year is presented in the MD&A.

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, liabilities and deferred inflows of the District, with the difference between the two 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, and debt repayment.

Business-Type Activities — The District charges fees for certain services it provides. The Food service and Adult and Community Programs are reported here.

The government-wide financial statements can be found on pages 31 – 32 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 three categories: governmental funds, proprietary funds, and fiduciary 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 pages 33 – 35 of this report.

Proprietary funds. The District maintains one proprietary fund type, an enterprise fund. The enterprise fund is 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 and adult and community education programs. 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 pages 36 – 38 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The District uses agency funds to account for resources held for student activities and groups, and payroll related liabilities. The District uses trust funds to account for a deferred benefit fund and an unemployment compensation fund.

The basic fiduciary fund financial statement can be found on pages 39 – 40 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 on pages 41 - 70 of this report.

Other information. The 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 on pages 71 – 105 of this report.

Financial Highlights

Key financial highlights for 2012-2013 are as follows:

In total, net position totaled \$128,802,118, which represents a 6.6% increase from 2012. This is primarily due to the continued investment in capital assets during the 2013 fiscal year.

Governmental activities general revenues accounted for \$151,246,508 in revenue or 97.5% of all governmental activity revenue. Program specific revenue in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,908,021 or 2.5% of total governmental activity revenue of \$155,154,529.

Among major funds, the General Fund had \$142,643,945 in revenue and \$143,519,916 in expenditures. The General Fund's fund balance is \$16,776,297 as of June 30, 2013, a decrease of \$730,637 from the June 30, 2012 balance.

Notification was received that the two June 2013 state aid payments to the district in the total amount of \$1,678,067 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 FY 2010, in order to avert a budget shortfall at the state level.

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, 2013 and 2012:

	Net Position					
	June 30, 2013			June 30, 2012		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 28,399,675	\$1,488,268	\$ 29,887,943	\$ 29,113,964	\$ 914,469	\$ 30,028,433
Capital assets	210,313,110	233,514	210,546,624	203,998,897	247,811	204,246,708
Total assets	238,712,785	1,721,782	240,434,567	233,112,861	1,162,280	234,275,141
Long-term liabilities	99,095,842	135,581	99,231,423	100,169,458	143,811	100,313,269
Current liabilities	12,091,718	309,308	12,401,026	12,801,141	299,972	13,101,113
Total liabilities	111,187,560	444,889	111,632,449	112,970,599	443,783	113,414,382
Net position:						
Net investment in capital assets	112,521,044	233,514	112,754,558	100,224,934	247,811	100,472,745
Restricted	14,836,012		14,836,012	22,469,548		22,469,548
Unrestricted (deficit)	168,169	1,043,379	1,211,548	(2,552,220)	470,686	(2,081,534)
Total net position	\$127,525,225	\$1,276,893	\$128,802,118	\$120,142,262	\$718,497	\$120,860,759

The District's combined net position were \$128,802,118 on June 30, 2013. This is an increase of \$7,941,359 from the previous year.

Current and other assets decreased slightly in large part due to the decrease in state receivable as a result of having received \$3,278,964 in SDA funding coupled with an increase in the capital reserve account of \$2,541,833 to be used to address the future capital needs of the District.

Capital assets increased mainly due to the increase in construction in progress attributable to the Memorial School construction project.

Long-term liabilities decreased based on principal payments made and savings as the result of the advance refunding of school bonds in the total amount of \$1,541,000, \$1,279,811 in net unamortized deferred interest costs and bond premiums, approximately \$4,391,840 in lease purchase obligations and capital lease payments, offset by new capital leases issued in the amount of \$6,106,500.

Current liabilities decreased slightly due to a decrease in accounts payable as a result of certain bills being paid prior to yearend offset by an increase in accrued salaries payable due to the accrual of retroactive salary payments as a result of the settlement of the EBEA contract.

There was a decrease in restricted net position of approximately \$7,600,000, which resulted largely from the liquidation of prior year encumbrances as they related to the Memorial School construction project nearing completion and the purchase of property to be utilized for a Maintenance/Transportation facility.

There was an overall increase of approximately \$558,000 in net position reported in connection with the District's business-type activities. The Food Service program received an increase of approximately \$60,000 in federal revenue while the Adult and Community program benefited from an increase of \$367,000 in registration fees.

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 year ended June 30, 2013 and 2012:

Changes in Net Position

	June 30, 2013			June 30, 2012		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for Services	\$ 346,709	\$ 4,339,032	\$ 4,685,741	\$ 311,056	\$ 4,321,938	\$ 4,632,994
Operating Grants and Contributions	3,561,312	732,776	4,294,088	3,392,303	649,303	4,041,606
General Revenues:						
Property Taxes	118,821,381		118,821,381	116,678,885		116,678,885
Grants and Entitlements	31,656,765		31,656,765	28,249,277		28,249,277
Miscellaneous	768,362	(34,491)	733,871	5,555,119	(294,258)	5,260,861
Total Revenues	155,154,529	5,037,317	160,191,846	154,186,640	4,676,983	158,863,623
Expenses:						
Instruction	83,440,972		83,440,972	79,294,891		79,294,891
Support Services	59,099,737		59,099,737	56,978,256		56,978,256
Charter school	1,215,974		1,215,974	1,146,507		1,146,507
Interest and other charges	4,014,883		4,014,883	4,492,514		4,492,514
Business-type activities		4,478,921	4,478,921		4,514,976	4,514,976
Total Expense	147,771,566	4,478,921	152,250,487	141,912,168	4,514,976	146,427,144
Change in Net Position	7,382,963	558,396	7,941,359	12,274,472	162,007	12,436,479
Net Position-beginning	120,142,262	718,497	120,860,759	107,867,790	556,490	108,424,280
Net Position-ending	\$ 127,525,225	\$ 1,276,893	\$ 128,802,118	\$ 120,142,262	\$ 718,497	\$ 120,860,759

Governmental Activities

Property taxes as approved by the voters of the Township of East Brunswick made up 76.6% of total revenue for the fiscal year 2013. Federal, state and local grants and tuition and miscellaneous revenue accounted for the remainder.

The total cost of all programs and services was \$147,771,566. Instruction accounted for 56.5% of total expenditures.

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 \$147,755. Charges for services, which are made up of the amount paid by students and other patrons for daily food service and catering, represent 70.9% of total revenue.

The Adult and Community Programs revenues exceeded expenses by \$510,641. A \$100,000 transfer to the General Fund brought the net increase in net position to \$410,641.

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, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2013 as well as the amount and percentage of increases or decreases in relation to the prior year.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>(Decrease) Increase from 2012</u>	<u>Percent of (Decrease) Increase</u>
Local Sources	\$ 120,082,946	77.47%	\$ (3,008,331)	(2.44)%
State Sources	31,715,955	20.46%	3,939,098	14.18
Federal Sources	3,210,294	2.07%	(243,644)	(7.05)
Total	\$ 155,009,195	100.00%	\$ 687,123	0.45%

The decrease in local source revenue is attributable to the receipt of a one-time insurance settlement in the prior year.

The increase in state source revenue is largely a result of an increase in the State of New Jersey’s contribution to on-behalf TPAF pension contributions.

The decrease in federal source revenue is mainly attributable to the District receiving non-recurring revenue from Education Jobs Funds during the 2012 fiscal year.

The following schedule presents a summary of governmental fund expenditures for the fiscal year ended June 30, 2013 and the increases and decreases related to the prior year.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2012</u>	<u>Percent of Increase (Decrease)</u>
Current Expense:				
Instruction	\$ 58,106,650	35.85%	\$ 2,440,340	4.38%
Undistributed expenditures	81,424,199	50.24%	4,681,583	6.10
Capital Outlay	12,406,577	7.65%	(3,823,389)	(23.25)
Charter School	1,215,974	0.75%	69,467	6.06
Debt Service	8,919,524	5.50%	71,978	0.81
Total	<u>\$162,072,924</u>	<u>100.00%</u>	<u>\$ 3,439,979</u>	<u>(5.90)%</u>

The increase in instruction is attributed to the retroactive salary paid due to the settlement of the EBFA contract.

The increase in undistributed expenditures is attributed to the increase in on-behalf TPAF pension contributions and expenditures as a result of two new lease purchase agreements.

The decrease in capital outlay is the result of the majority of expenditures related to the Memorial Elementary school being expended in the prior year.

The changes in fund balance for the year that were most significant were in the Capital Projects Fund, which reflects a decrease of \$4,750,203 due mainly to capital expenditures related to the Memorial School, and the Special Revenue Fund, which had a net change in fund balance of \$4,784,531, due in large part to capital lease proceeds in the amount of \$6,106,500.

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 fiscal year 2013, 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.

While the District's final budget for the General Fund anticipated that revenue and expenditures would roughly equal, the actual results for the year shows a slight decrease in surplus of \$610,554, which was generated in large part because the District appropriated capital reserve balances during the year in the amount of \$569,450.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2013, the District has capital assets of \$255,587,135, which includes school facilities, land, buildings, equipment and vehicles.

The following provides a summary of the capital assets held by the District at June 30, 2013 and 2012:

	Capital Assets			
	2013		2012	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Non-Depreciable Assets:				
Land	\$ 1,019,208		\$ 1,019,208	
Construction in Progress	24,717,348		19,217,973	
Depreciable Assets:				
Buildings and Improvements	219,024,605	\$ 285,738	214,216,649	\$ 317,395
Machinery and Equipment	10,825,974	73,092	10,522,222	57,586
Totals	<u>\$ 255,587,135</u>	<u>\$ 358,830</u>	<u>\$ 244,976,052</u>	<u>\$ 374,981</u>

Overall capital assets increased \$10,611,083 from fiscal year 2012 to fiscal year 2013 mainly due to the increase in construction in progress attributable to the Memorial School construction project.

The decrease in proprietary capital assets is the result of the write off of fully depreciated assets in the Food Service fund.

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, 2013 and 2012:

	2013		2012	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Bonds payable (net)	\$ 88,805,189		\$ 91,626,000	
Obligations under capital leases	5,726,746		2,674,110	
Lease purchase obligations payable	8,135,882		9,473,853	
Compensated absences	3,074,229	\$ 135,581	3,102,874	\$ 143,811
Total long-term liabilities	<u>\$ 105,742,046</u>	<u>\$ 135,581</u>	<u>106,876,837</u>	<u>\$ 143,811</u>

During fiscal year 2013, the District's governmental-type long-term liabilities decreased by \$1,134,791. The decrease is a result of debt retirements offset by the issuance of new capital leases.

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 Operation has provided valuable programs and services to the community while generating revenue and an annual net income. The resultant increases in retained earnings have provided an additional financial resource supporting the General Fund budget.

The East Brunswick Public School District's Child Nutrition Enterprise Program has experienced numerous cost-cutting strategies over the last several years. In response to New Jersey Department of Education requirements, the actions were specifically geared toward eliminating the General Fund budget's subsidization of the program. Notwithstanding the steps taken to reduce costs where possible, additional expense-reducing steps, as well as revenue-generating opportunities, must be analyzed and implemented to ensure that students are well served. In June 2013, the Board of Education authorized an independent evaluation of the program to assist it in identifying options for improving the program. The Board will be receiving the findings and considering options in the near future.

Local property taxes provide approximately 85% 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 approximately 25% of true value. 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.

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 to serve up to 50 students per grade level. In its recent application, it proposes increasing its enrollment and expanding grade levels, as well as extending its charter. The application is currently under review by the New Jersey Department of Education Office of Charter Schools, which will make its recommendation to the Commissioner of Education.

It is unfortunate that this charter school was granted an initial charter several years ago in the suburban community of East Brunswick with one of the best school districts in this State. The charter school did not serve any educational need then, and it does not now.

During its first four years, the charter school's existence has required the cumulative appropriation of \$6,243,940.00 from the East Brunswick Public School District budget. These appropriations have come with significant loss to the school district most notable of which is the elimination of its model elementary world language program. While the time has passed to argue the merits of whether or not the initial charter should have been approved, it is highly important to underscore the serious and substantive negative impact the current application's approval would have upon the East Brunswick Public Schools.

East Brunswick's taxpayers largely provide the financial support for its public schools. For FY2014, the local funding share is 86.44% (property taxes and other local revenue sources) of the District's FY2014 General Fund budget. Based on

the NJ Department of Education's FY2014 per pupil amount budgeted for this charter school, the charter school's projected enrollment increase would require an appropriation increase to support it from FY2014's \$1,850,490.00 to \$2,885,280.00 for FY2015. The net increase of \$1,034,790.00 represents 45.69% of the District's projected FY2015 2% tax cap. More and more, this suburban community's local funds must be diverted to support a charter school for which there is no educational need.

If the charter school's current application is approved, there is no doubt that the consequences ensuing to the East Brunswick Public Schools would be deleterious. Planned teacher additions reducing class size and addressing the needs of our students would be deferred and existing staff and program would be cut. The District would also be faced with significant challenges in meeting its existing contractual obligations. In short, such an approval would disregard the impact on East Brunswick's students, staff, parents, educational programs, and finance in contradiction to N.J.S.A. 18A:36A-16(e)1.

By resolution of the East Brunswick Board of Education, the Commissioner of Education has been urged to carefully take into consideration the pending application's substantive negative impact that would result upon the East Brunswick Public Schools, and has encouraged the Commissioner to reject Hatikvah International Academy Charter School's application to increase its enrollment and expand grade levels.

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 Giuliana, School Business Administrator/Board Secretary at East Brunswick Public Schools, 760 Route 18, Suite 108, East Brunswick, NJ 08816.

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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, 2013.

East Brunswick Public Schools

Statement of Net Position

June 30, 2013

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 13,998,512	\$ 1,266,277	\$ 15,264,789
Accounts receivable	3,398,064	150,755	3,548,819
Inventories		71,236	71,236
Deferred Charges	307,156		307,156
Restricted assets:			
Cash and cash equivalents	10,695,943		10,695,943
Capital assets, non-depreciable	25,736,556		25,736,556
Capital assets, depreciable, net	184,576,554	233,514	184,810,068
Total assets	238,712,785	1,721,782	240,434,567
Liabilities			
Accounts payable	2,045,939	65,223	2,111,162
Accrued interest payable	827,407		827,407
Accrued salaries payable	2,395,999	66,146	2,462,145
Intergovernmental payable	53,969		53,969
Unearned revenue	122,200	177,939	300,139
Current portion of long-term obligations	6,646,204		6,646,204
Noncurrent portion of long-term obligations	99,095,842	135,581	99,231,423
Total liabilities	111,187,560	444,889	111,632,449
Net Position			
Net investment in capital assets	112,521,044	233,514	112,754,558
Restricted for:			
Capital Reserve	10,695,943		10,695,943
Excess Surplus - current year	1,980,000		1,980,000
Excess Surplus - prior year	337,705		337,705
Capital Projects	1,525,699		1,525,699
Debt service	296,665		296,665
Unrestricted	168,169	1,043,379	1,211,548
Total net position	\$ 127,525,225	\$ 1,276,893	\$ 128,802,118

See independent auditors' report and accompanying notes to basic financial statements.

East Brunswick Public Schools

Statement of Activities

Year ended June 30, 2013

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	\$ 61,577,016	\$ 346,709	\$ 857,382	\$ (60,372,925)		\$ (60,372,925)
Special Education Instruction	16,765,399		1,435,581	(15,329,818)		(15,329,818)
Other Instruction	5,098,557			(5,098,557)		(5,098,557)
Support Services						
Tuition	4,015,981			(4,015,981)		(4,015,981)
Student and Instruction Related Services	22,618,275		1,268,349	(21,349,926)		(21,349,926)
School Administration	7,071,530			(7,071,530)		(7,071,530)
General and Business Administrative Services	6,143,549			(6,143,549)		(6,143,549)
Plant Operation and Maintenance	11,686,068			(11,686,068)		(11,686,068)
Pupil transportation	7,564,334			(7,564,334)		(7,564,334)
Interest and other charges	4,014,883			(4,014,883)		(4,014,883)
Transfer of funds to charter schools	1,215,974			(1,215,974)		(1,215,974)
Total governmental activities	147,771,566	346,709	3,561,312	(143,863,545)		(143,863,545)
Business-type activities						
Food service	2,590,808	1,940,913	732,776		\$ 82,881	82,881
Adult and Community Education	1,888,113	2,398,119			510,006	510,006
Total business-type activities	4,478,921	4,339,032	732,776		592,887	592,887
Total primary government	\$ 152,250,487	\$ 4,685,741	\$ 4,294,088	(143,863,545)	592,887	(143,270,658)
General revenues and transfers:						
Taxes:						
Property taxes, levied for general purposes				110,437,402		110,437,402
Property taxes, levied for debt service				8,383,979		8,383,979
Federal sources				85,661		85,661
State sources—unrestricted				31,571,104		31,571,104
Investment income				20,548	875	21,423
Miscellaneous				647,814	64,634	712,448
Transfers				100,000	(100,000)	-
Total general revenues and transfers				151,246,508	(34,491)	151,212,017
Change in net position				7,382,963	558,396	7,941,359
Net Position—beginning				120,142,262	718,497	120,860,759
Net Position—ending				\$ 127,525,225	\$ 1,276,893	\$ 128,802,118

See independent auditors' report and accompanying notes to basic financial statements.

Fund Financial Statements

Governmental Funds

East Brunswick Public Schools
Governmental Funds

Balance Sheet

June 30, 2013

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 7,658,587	\$ 5,347,902	\$ 695,358	\$ 296,665	\$ 13,998,512
Accounts receivable:					
State	1,211,309		847,704		2,059,013
Federal	1,745	795,039			796,784
Other	539,542	2,725			542,267
Interfund	866,297				866,297
Restricted assets:					
Cash and cash equivalents	10,695,943				10,695,943
Total assets	<u>\$ 20,973,423</u>	<u>\$ 6,145,666</u>	<u>\$ 1,543,062</u>	<u>\$ 296,665</u>	<u>\$ 28,958,816</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,781,793	\$ 246,783	\$ 17,363		\$ 2,045,939
Accrued expenses	2,394,558	1,441			2,395,999
Intergovernmental payables:					
State		53,969			53,969
Interfunds payable		866,297			866,297
Unearned revenue	20,775	101,425			122,200
Total liabilities	<u>4,197,126</u>	<u>1,269,915</u>	<u>17,363</u>		<u>5,484,404</u>
Fund balances:					
Restricted for:					
Capital reserve	10,695,943				10,695,943
Excess Surplus	1,980,000				1,980,000
Excess Surplus - designated for subsequent year's expenditures	337,705				337,705
Capital projects			1,525,699		1,525,699
Debt service				\$ 296,665	296,665
Assigned to:					
Designated for subsequent years expenditures	1,642,295	4,875,751			6,518,046
Other purposes	681,193				681,193
Unassigned:					
General fund	1,439,161				1,439,161
Total fund balances	<u>16,776,297</u>	<u>4,875,751</u>	<u>1,525,699</u>	<u>296,665</u>	<u>23,474,412</u>
Total liabilities and fund balances	<u>\$ 20,973,423</u>	<u>\$ 6,145,666</u>	<u>\$ 1,543,062</u>	<u>\$ 296,665</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 \$255,587,135 and the accumulated depreciation is \$45,274,025. 210,313,110

Other long term assets are not available to pay for current period expenditures and, therefore are deferred in the funds.

Bond Issuance Costs - deferred charges 307,156

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. (827,407)

Long-term liabilities, including bonds payable, lease purchase obligations, capital leases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds. (105,742,046)

Net position of governmental activities \$ 127,525,225

East Brunswick Public Schools
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2013

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 110,437,402			\$ 8,383,979	\$ 118,821,381
Tuition from individuals	37,466				37,466
Tuition from other LEA's	309,243				309,243
Investment income	20,548				20,548
Miscellaneous	602,480	\$ 291,828			894,308
Total local sources	111,407,139	291,828	-	8,383,979	120,082,946
State sources	31,151,145	144,851		419,959	31,715,955
Federal sources	85,661	3,124,633			3,210,294
Total revenues	142,643,945	3,561,312	-	8,803,938	155,009,195
Expenditures					
Instruction:					
Regular instruction	41,740,770	1,134,509			42,875,279
Special education instruction	10,293,421	1,435,581			11,729,002
Other special instruction	3,502,369				3,502,369
Support services:					
Tuition	4,015,981				4,015,981
Student and instruction related services	14,742,345	1,516,186			16,258,531
School administration services	4,809,718				4,809,718
Other administrative services	4,450,189				4,450,189
Plant operations and maintenance	10,704,702				10,704,702
Pupil transportation	7,179,167				7,179,167
Employee benefits and on-behalf TPAF social security and pension contributions	34,005,911				34,005,911
Capital outlay	6,859,369	797,005	\$ 4,750,203		12,406,577
Debt Service:					
Principal				4,517,976	4,517,976
Interest				4,084,321	4,084,321
Cost of Issuance				317,227	317,227
Transfer of funds to charter schools	1,215,974				1,215,974
Total expenditures	143,519,916	4,883,281	4,750,203	8,919,524	162,072,924
(Deficiency) of revenues					
(Under) expenditures	(875,971)	(1,321,969)	(4,750,203)	(115,586)	(7,063,729)
Other financing sources (uses):					
Refunding bonds issued				60,560,000	60,560,000
Premium on bonds issued				5,832,318	5,832,318
Payment to refunding bond escrow agent				(66,075,091)	(66,075,091)
Capital leases		6,106,500			6,106,500
Transfers in	100,000				100,000
Insurance recovery from Superstorm Sandy	45,334				45,334
Total other financing sources (uses)	145,334	6,106,500		317,227	6,569,061
Net change in fund balances	(730,637)	4,784,531	(4,750,203)	201,641	(494,668)
Fund balances, July 1	17,506,934	91,220	6,275,902	95,024	23,969,080
Fund balances, June 30	\$ 16,776,297	\$ 4,875,751	\$ 1,525,699	\$ 296,665	\$ 23,474,412

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, 2013

Total net change in fund balances - governmental funds (from B-2) **\$ (494,668)**

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 in the period.

Depreciation Expense	\$ (4,716,215)	
Capital Asset Additions	<u>11,030,428</u>	
		6,314,213

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

Capital Leases		(6,106,500)
Refunding Bonds Issued	(60,560,000)	
Bonds refunded	<u>58,921,000</u>	
		(1,639,000)

Repayments of bond principal, lease purchase principal and capital leases principal 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	3,180,000	
Lease Purchase Obligations	1,337,976	
Obligations Under Capital Leases	<u>3,053,864</u>	
		7,571,840

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

Premium on Bond Issuance	(5,832,318)	
Amortization of Premium on Bonds	<u>185,153</u>	
		(5,647,165)
Deferred Interest Costs on Bond Refunding	7,154,091	
Amortization of Deferred Interest Costs	<u>(227,115)</u>	
		6,926,976
Payment of Bond Issuance Costs	317,227	
Amortization of Bond Issuance Costs	<u>(10,071)</u>	
		307,156

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.

121,471

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

28,640

Change in net assets of governmental activities (A-2) **\$ 7,382,963**

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Proprietary Funds

East Brunswick Public Schools
Enterprise Funds

Statement of Net Position

June 30, 2013

	Major Funds		Total
	Food Service	Adult and Community Programs	
Assets			
Current assets:			
Cash and cash equivalents	\$ 391,416	\$ 874,861	\$ 1,266,277
Accounts receivable:			
State	3,084		3,084
Federal	39,988		39,988
Other	12,183	95,500	107,683
Inventory	71,236		71,236
Total current assets	<u>517,907</u>	<u>970,361</u>	<u>1,488,268</u>
Noncurrent assets:			
Equipment	335,524	23,306	358,830
Accumulated depreciation	(116,807)	(8,509)	(125,316)
Total capital assets, net	<u>218,717</u>	<u>14,797</u>	<u>233,514</u>
Total assets	<u>736,624</u>	<u>985,158</u>	<u>1,721,782</u>
Liabilities			
Current liabilities:			
Accounts payable	41,302	23,921	65,223
Accrued salaries payable	20,953	45,193	66,146
Unearned revenue	85,782	92,157	177,939
Total current liabilities	<u>148,037</u>	<u>161,271</u>	<u>309,308</u>
Noncurrent liabilities:			
Compensated absences	72,121	63,460	135,581
Total noncurrent liabilities	<u>72,121</u>	<u>63,460</u>	<u>135,581</u>
Total liabilities	<u>220,158</u>	<u>224,731</u>	<u>444,889</u>
Net Position			
Net investment in capital assets	218,717	14,797	233,514
Unrestricted	297,749	745,630	1,043,379
Total net position	<u>\$ 516,466</u>	<u>\$ 760,427</u>	<u>\$ 1,276,893</u>

See independent auditors' report and accompanying notes to basic financial statements.

East Brunswick Public Schools
Enterprise Funds

Statement of Revenues, Expenditures and Changes in Net Position

Year ended June 30, 2013

	Major Funds		Total
	Food Service	Adult and Community Programs	
Operating revenues:			
Local sources:			
Daily sales reimbursable programs	\$ 1,216,127		\$ 1,216,127
Daily sales non-reimbursable programs	724,786		724,786
Registration fees		\$ 2,398,119	2,398,119
Total operating revenues	1,940,913	2,398,119	4,339,032
Operating expenditures:			
Salaries	840,779	1,337,945	2,178,724
Employee benefits	297,154	241,623	538,777
Purchased professional services	9,042		9,042
Other purchased services	50,972	195,344	246,316
Supplies and materials	112,839	105,800	218,639
Registrations/Training/Travel	585	3,873	4,458
Depreciation	27,310	2,493	29,803
Cost of sales	1,187,312		1,187,312
Miscellaneous	64,815	1,035	65,850
Total operating expenses	2,590,808	1,888,113	4,478,921
Operating (loss) income	(649,895)	510,006	(139,889)
Nonoperating revenues:			
State sources:			
State school lunch program	24,678		24,678
Federal sources:			
School breakfast program	18,737		18,737
National school lunch program	541,554		541,554
Food donation program	147,807		147,807
Interest income	240	635	875
Other nonoperating revenues	64,634		64,634
Total nonoperating revenues	797,650	635	798,285
Other financing (uses)			
Transfers to other funds		(100,000)	(100,000)
Total other financing (uses)	-	(100,000)	(100,000)
Change in net position	147,755	410,641	558,396
Total net position-beginning	368,711	349,786	718,497
Total net position-ending	\$ 516,466	\$ 760,427	\$ 1,276,893

See independent auditors' report and accompanying notes to basic financial statements.

East Brunswick Public Schools
Enterprise Funds

Statement of Cash Flows

Year ended June 30, 2013

	Major Funds			Total
	Food Service	Adult and Community Programs	ETTC Program	
Cash flows from operating activities				
Receipts from customers	\$ 1,941,027	\$ 2,472,695	\$ 17,120	\$ 4,430,842
Payments to employees	(824,575)	(1,309,906)	(21,608)	(2,156,089)
Payments for employee benefits	(297,154)	(241,623)		(538,777)
Payments to suppliers	(1,472,659)	(367,289)	(4,600)	(1,844,548)
Net cash (used in) provided by operating activities	(653,361)	553,877	(9,088)	(108,572)
Cash flows from noncapital financing activities				
Cash received from state and federal sources	575,467			575,467
Receipts from food donation program	147,807			147,807
Receipts from other sources	64,634			64,634
Transfers to other funds		(100,000)		(100,000)
Net cash provided by (used in) noncapital financing activities	787,908	(100,000)	-	687,908
Cash flows from capital and related financing activities				
Purchase of capital assets	(15,506)			(15,506)
Net cash (used in) capital and related financing activities	(15,506)			(15,506)
Cash flows from investing activities				
Interest received	240	635		875
Net cash provided by investing activities	240	635		875
Net increase (decrease) in cash and cash equivalents	119,281	454,512	(9,088)	564,705
Cash and cash equivalents, beginning of year	272,135	420,349	9,088	701,572
Cash and cash equivalents, end of year	<u>\$ 391,416</u>	<u>\$ 874,861</u>	<u>\$ -</u>	<u>\$ 1,266,277</u>
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:				
Operating (loss) income	\$ (649,895)	\$ 510,006		\$ (139,889)
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:				
Depreciation	27,310	2,493		29,803
Change in assets and liabilities:				
(Increase) decrease in other accounts receivable	(6,874)	(5,085)	\$ 17,120	5,161
(Increase) in inventory	(4,752)			(4,752)
(Decrease) in accounts payable	(42,342)	(61,237)	(4,600)	(108,179)
Increase in accrued expenses	7,635	23,230		30,865
Increase in unearned revenue	6,988	79,661		86,649
Increase (Decrease) in compensated absences	8,569	4,809	(21,608)	(8,230)
Net cash (used in) provided by operating activities	<u>\$ (653,361)</u>	<u>\$ 553,877</u>	<u>\$ (9,088)</u>	<u>\$ (108,572)</u>

Noncash noncapital financing activities:

The District received \$147,807 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2013.

See independent auditors' report and accompanying notes to basic financial statements.

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Fiduciary Funds

East Brunswick Public Schools
Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2013

	Deferred Benefit Trust Fund	Unemployment Compensation Trust Fund	Agency Fund
Assets			
Cash and cash equivalents	\$ 88,180	\$ 833,787	\$ 1,120,138
Other accounts receivable			50
Total assets	88,180	833,787	\$ 1,120,188
Liabilities			
Accounts Payable		16,759	\$ 5,147
Payroll deductions payable			554,992
Due to student groups			560,049
Total liabilities		16,759	\$ 1,120,188
Net Position			
Held in trust for unemployment claims		\$ 817,028	
Held in trust for deferred benefits	\$ 88,180		

See independent auditors' report and accompanying notes to basic financial statements.

East Brunswick Public Schools
Fiduciary Funds

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2013

	Deferred Benefit Trust Fund	Unemployment Compensation Trust Fund
Additions		
Interest income	\$ 66	\$ 426
Board contributions		274,462
Employee contributions		133,810
Total additions	66	408,698
Deductions		
Unemployment payments		196,464
Transfer to qualified benefit plan	8,230	
Total deductions	8,230	196,464
Change in net position	(8,164)	212,234
Net position-beginning	96,344	604,794
Net position-ending	\$ 88,180	\$ 817,028

See independent auditors' report and accompanying notes to basic financial statements.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

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 District had an average daily enrollment for the 2012-13 fiscal year of 8,213 students.

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 oversight responsibility and 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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

1. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. 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 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 and fiduciary 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 and capital leases, are recorded only when payment is due.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

1. Summary of Significant Accounting Policies (continued)

Property taxes, interest, and state equalization monies 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.

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.

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.

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 three programs, the Food Service Fund, the Educational Technology Training Center ("ETTC") Program (which ceased operations on June 30, 2012, with all accounts closing on January 1, 2013), and the Adult and Community Program. All are considered major enterprise fund programs.

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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

1. Summary of Significant Accounting Policies (continued)

Adult and Community Program Enterprise Fund: The adult and community program 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.

Additionally, the District reports the following fund types:

Fiduciary funds of the District include the deferred benefit and the unemployment compensation trust funds and agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurements of results of operations. The following is a description of the fiduciary funds of the District.

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Trust Funds: The deferred benefit and unemployment compensation trust funds are accounted for in essentially the same manner as the governmental funds. The deferred benefit trust fund is used to account for employee contributions for allowable deferred compensation. The unemployment compensation fund is used to account for contributions from employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims.

Agency Funds (Student Activity, Payroll and Other Agency Fund): Agency Funds are used to account for the assets that the District holds on behalf of others as their agent. Agency Funds are custodial in nature and do not involve measurement of results of operations. Agency Funds include student activities, payroll and retirement party funds.

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 nonoperating 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 and tuition. 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 nonoperating revenues and expenses.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

1. Summary of Significant Accounting Policies (continued)

The District reports unearned revenue on its balance sheet and statements of net position. Unearned revenue arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenue also 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.

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

D. Budgets/Budgetary Control

In accordance with P.L. 2011, which became effective January 17, 2012, the district elected to move the annual school board election from April to the date of the annual November general election, thereby eliminating the vote on the annual based budget. 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 overexpenditure 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 overexpenditures. All budget amendments must be approved by School Board resolution. Budget amendments were made during the year ended June 30, 2013 and were not significant.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

1. Summary of Significant Accounting Policies (continued)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States 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.

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.

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, 2013, the District had inventories in the Food Service Enterprise Fund of \$71,236.

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 are valued at their estimated fair value on the date of donation. 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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

1. Summary of Significant Accounting Policies (continued)

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.

As of June 30, 2013, a liability existed for compensated absences in the government-wide financial statements in the amount of \$3,074,229 and a liability in the amount of \$135,581 for compensated absences in the proprietary fund types.

I. Unearned Revenue

Unearned revenue in the general fund, food service enterprise fund and the adult and community programs 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 grants, which has been received but not yet earned and outstanding encumbrances.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

1. Summary of Significant Accounting Policies (continued)

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, as well as issuance costs, 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 and unamortized loss on a refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as either capital projects fund or debt service fund expenditures in the year of issuance.

K. Net Position

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* became effective for financial statements for periods beginning after December 15, 2011 and established standards for reporting deferred outflows of resources, deferred inflows of resources and net position. The adoption of this statement resulted in a change in the presentation of the statement of net position to what is now referred to as the statement of net position and the term "net position" is changed to "net position" throughout the financial statements. Net Position represents the difference between assets, deferred outflows, deferred inflows, 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. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

1. Summary of Significant Accounting Policies (continued)

L. 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.
- 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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

1. Summary of Significant Accounting Policies (continued)

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 \$16,776,297 of fund balances in the General Fund, \$681,193 of outstanding encumbrances has been assigned for other purposes, \$1,642,295 has been classified as assigned fund balance designated for subsequent years expenditures, \$10,695,943 has been restricted for capital reserve, \$1,980,000 has been restricted for excess surplus – current year, \$337,705 has been restricted for excess surplus – designated for subsequent years expenditures and \$1,439,161 is classified as unassigned.

All of the \$4,875,751 special revenue fund balance at June 30, 2013, is assigned as designated for subsequent years expenditures.

The \$1,525,699 Capital Projects fund balance at June 30, 2013 is restricted for capital projects. The District has contractual commitments in the amount of \$554,153 at June 30, 2013 to vendors related to ongoing construction projects that is reported as part of the restricted capital projects fund balance.

Of the \$296,665 Debt Service fund balance at June 30, 2013, \$7,250, in accordance with NJSA 7F-41c(2), is anticipated as revenue in the 2013-2014 adopted budget.

M. 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.

N. 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. The amounts are not required to be included in the District's annual budget.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

1. Summary of Significant Accounting Policies (continued)

O. 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, 2013 was \$2,317,705. Of this amount, \$337,705 has been appropriated in the 2013/14 budget and the remaining \$1,980,000 is required to be appropriated in the 2014/15 budget.

P. Implementation of GASB No. 65

In March, 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities* ("GASB No. 65"). This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this statement will improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2012.

The District has not completed the process of evaluating the impact that will result from adopting GASB No. 65.

Q. Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation in the management's discussion and analysis and certain statistical schedules. These reclassifications had no effect on the ending fund balances or net assets amounts and were made to reallocate prior year presentation of program revenues, general revenues and expenses as required to be presented on the statement of activities for the governmental activities.

R. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2013 through December 2, 2013, the date that the financial statements are issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

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 deferred interest costs and unamortized premiums, capital leases and compensated absences, are not due and payable in the current period and therefore are not reported in the funds. The details of this \$105,742,046 difference are as follows:

Bonds payable	\$ 90,085,000
Unamortized deferred interest costs	(6,926,976)
Unamortized premium on bonds	5,647,165
Capital leases obligations	5,726,746
Lease purchase obligations	8,135,882
Compensated absences	<u>3,074,229</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 105,742,046</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.

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value.

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

3. Deposits and Investments (continued)

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

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit Insurance Corporation, 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, 2013, the carrying amount of the District's deposits for all funds was \$28,002,837 and the bank balance was \$29,906,541. Of the bank balance, \$750,000 of the District's cash deposits on June 30, 2013 was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the remaining bank balance of \$29,156,541.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

3. Deposits and Investments (continued)

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.

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, New Jersey Asset and Rebate Management Fund and MBIA CLASS.

The District did not have any funds held as investments during or at the year ended June 30, 2013.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

4. Capital Reserve Account

A capital reserve account was established by the Board by inclusion of \$410,363 in the 96-97 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 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, 2012 to June 30, 2013 fiscal year is as follows:

Beginning balance, July 1, 2012	\$ 8,154,110
Increases:	
Interest earnings	5,740
Unexpended balance lapsed	17,502
Amounts designated but not expended	434,059
Approved by Resolution at the June 27, 2013 Board meeting	<u>2,653,982</u>
	11,265,393
Decreases:	
Board approved withdrawal - January 18, 2013	384,450
Board approved withdrawal - February 8, 2013	177,000
Board approved withdrawal - March 22, 2013	6,500
Board approved withdrawal - April 26, 2013	<u>1,500</u>
Ending balance, June 30, 2013	<u>\$ 10,695,943</u>

The June 30, 2013 LRFP balance of local support costs of uncompleted capital projects exceeded the June 30, 2013 capital reserve balance. The withdrawals from the capital reserve were for DOE approved facilities projects.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

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, 2013:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, not being Depreciated:					
Land	\$ 1,019,208				\$ 1,019,208
Construction in Progress	19,217,973	\$ 10,490,726		\$ (4,991,351)	24,717,348
Total Capital Assets not being Depreciated	<u>20,237,181</u>	<u>10,490,726</u>		<u>(4,991,351)</u>	<u>25,736,556</u>
Capital Assets, being Depreciated:					
Building and Improvements	214,216,649		\$ (183,395)	4,991,351	219,024,605
Machinery and Equipment	10,522,222	539,702	(235,950)		10,825,974
Total Capital Assets, being Depreciated	<u>224,738,871</u>	<u>539,702</u>	<u>(419,345)</u>	<u>4,991,351</u>	<u>229,850,579</u>
Less: Accumulated Depreciation:	<u>(40,977,155)</u>	<u>(4,716,215)</u>	<u>419,345</u>		<u>(45,274,025)</u>
Total Capital Assets, being Depreciated, Net	<u>183,761,716</u>	<u>(4,176,513)</u>	<u>-</u>	<u>4,991,351</u>	<u>184,576,554</u>
Governmental Activities Capital Assets, Net	<u>\$ 203,998,897</u>	<u>\$ 6,314,213</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,313,110</u>
Business-Type Activities:					
Total Capital Assets, being Depreciated:					
Building and building improvements	\$ 317,395		\$ (31,657)		\$ 285,738
Machinery and Equipment	57,586	\$ 15,506			73,092
Total Capital Assets, being Depreciated	<u>374,981</u>	<u>15,506</u>	<u>(31,657)</u>	<u>-</u>	<u>358,830</u>
Less: Accumulated Depreciation:	<u>(127,170)</u>	<u>(29,803)</u>	<u>31,657</u>		<u>(125,316)</u>
Total Business-Type Activities Capital Assets, Net	<u>\$ 247,811</u>	<u>\$ (14,297)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233,514</u>

Total depreciation expense for the fiscal year ended June 30, 2013 for governmental activities was \$4,716,215 and for business-type activities was \$29,803.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

5. Capital Assets (continued)

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

Regular instruction	\$ 1,992,031
Special education instruction	544,942
Other instruction	162,724
Student and instruction related services	755,389
School administration services	223,465
General and other administration services	206,761
Plant operation and maintenance	497,351
Pupil transportation	333,552
Total depreciation expense – governmental activities	<u>\$ 4,716,215</u>

6. Long-Term Liabilities

During the fiscal year ended June 30, 2013, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Serial Bonds Payable	\$ 91,626,000	\$ 60,560,000	\$ 62,101,000	\$ 90,085,000	\$ 3,310,000
Unamortized deferred interest costs		(7,154,091)	(227,115)	(6,926,976)	(340,671)
Unamortized premium on bonds		5,832,318	185,153	5,647,165	277,729
Obligations under capital leases	2,674,110	6,106,500	3,053,864	5,726,746	1,948,861
Lease purchase obligation payable	9,473,858		1,337,976	8,135,882	1,395,337
Compensated absences payable	3,102,869	449,651	478,291	3,074,229	54,948
Total governmental activity long-term liabilities	<u>\$ 106,876,837</u>	<u>\$ 65,794,378</u>	<u>\$ 66,929,169</u>	<u>\$ 105,742,046</u>	<u>\$ 6,646,204</u>
Business-Type Activities					
Compensated absences payable	\$ 143,811	\$ 13,378	\$ 21,608	\$ 135,581	\$ -
Total Business-Type activity long-term liabilities	<u>\$ 143,811</u>	<u>\$ 13,378</u>	<u>\$ 21,608</u>	<u>\$ 135,581</u>	<u>\$ -</u>

The District expects to liquidate the obligations under capital leases with payments made from the District's general fund and the bonds payable and lease purchase obligations payable from the debt service fund. The District expects to liquidate the compensated absences payable with payments made from the general fund and the food service enterprise fund.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

6. Long-Term Liabilities (continued)

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.

2005 Issue

On March 8, 2005, the District issued \$81,386,000 School Bonds. The remaining outstanding Bonds mature annually through November 2015 in amounts ranging from \$2,175,000 to \$2,540,000. The Bond bears an interest rate of 4.25%.

The proceeds of the Bonds were utilized to finance renovations and improvements to the Hammarskjold Middle School, Central Elementary School and Lawrence Brook Elementary School.

The Bonds maturing prior to November 1, 2016 are not subject to redemption prior to their stated maturities and during the 2013 fiscal year the District elected to issue refunding bonds for all obligations maturing thereafter.

2007 Issue

On March 15, 2007, the District issued \$10,825,000 School Refunding Bonds. The remaining outstanding Bonds mature annually through May 2022 in amounts ranging from \$900,000 to \$1,085,000. The Bonds bear interest rates ranging from 4.00% to 5.00%. The bonds were issued to advance refund \$10,545,000 of the District's outstanding 2001 bonds.

The Bonds maturing prior to May 1, 2018 shall not be subject to optional redemption. The Bonds maturing on or after May 1, 2018 shall be subject to redemption at the option of the Board, in whole or in part, on any date on or after May 1, 2017, at par, plus unpaid accrued interest to the date fixed for redemption.

2010 Issue

On May 12, 2010, the District issued \$13,960,000 School Bonds. The remaining outstanding Bonds mature annually through May 2040 in amounts ranging from \$100,000 to \$880,000. The Bonds bear interest rates ranging from 4.00% to 4.50%.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

6. Long-Term Liabilities (continued)

The bonds were issued to finance a portion of the replacement of the Memorial Elementary School, including acquisition of furnishings and equipment and site work.

The Bonds maturing prior to May 15, 2021 are not subject to optional redemption. The Bonds maturing on or after May 15, 2021 shall be subject to redemption at the option of the Board, in whole or in part, on any date on or after May 15, 2020 at par, plus unpaid accrued interest to the date fixed for redemption.

On September 29, 2009, the District's voters approved the issuance of \$17,956,480 in bonds for the Memorial School replacement. At June 30, 2013, there were bonds authorized but not issued of \$3,996,480.

2012 Issue

On November 20, 2012, the District issued \$60,560,000 Refunding School Bonds. The remaining outstanding Bonds mature annually through November 2034 in amounts ranging from \$135,000 to \$6,755,000. The Bonds bear interest rates ranging from 0.35% to 5.00%.

The refunding bonds were issued to provide resources to refund a portion of the District's outstanding debt. As a result, \$58,921,000 of refunded bonds are considered defeased and the liability has been removed from the basic financial statements. This advance refunding was undertaken to reduce total debt service payments over the next twenty two years by \$4,753,468 and resulted in a net present value savings of \$3,619,372. As of June 30, 2013, \$58,921,000 of defeased debt remains outstanding. The difference between the reacquisition price of the defeased debt of \$66,075,091 and the net carrying value amount of the old bonds of \$58,921,000 is being amortized over the remaining life of the defeased debt.

The Bonds maturing prior to November 1, 2023 are not subject to redemption to their stated maturities. The Bonds maturing on or after November 1, 2023 are redeemable at the option of the Board in whole or in part, on any date on or after November 1, 2022 at par, plus unpaid accrued interest to the date fixed for redemption.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

6. Long-Term Liabilities (continued)

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

Year ending June 30,	Principal	Interest	Total
2014	\$ 3,310,000	\$ 3,496,770	\$ 6,806,770
2015	3,310,000	3,354,658	6,664,658
2016	3,880,000	3,203,625	7,083,625
2017	3,880,000	3,051,225	6,931,225
2018	4,050,000	2,914,000	6,964,000
2019 - 2023	20,540,000	11,848,075	32,388,075
2024 - 2028	18,705,000	7,659,050	26,364,050
2029 - 2033	20,260,000	4,270,822	24,530,822
2034 - 2038	10,430,000	1,148,094	11,578,094
2039 - 2040	1,720,000	117,000	1,837,000
	<u>\$ 90,085,000</u>	<u>\$ 41,063,319</u>	<u>\$ 131,148,319</u>

B. Lease Purchase Obligations Payable

1996 Agreement

In June 1996, the Board of Education (the Lessee) entered into a lease purchase agreement with the Township of East Brunswick (the Lessor) to finance the construction of additions and renovations of the existing East Brunswick Public Schools buildings. The approval was obtained from the Commissioner of Education of the State of New Jersey and the New Jersey Local Finance Board in the Department of Community Affairs on May 6, 1996. The building is located on land owned by the Board of Education that has been leased to the Township of East Brunswick, pursuant to a ground lease agreement dated June 1, 1996. Certificates of Participation (the "Certificates") in the par amount of \$9,000,000 were issued and the net proceeds of \$8,841,945 were budgeted as follows:

Project Construction Fund	<u>\$ 8,841,945</u>
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Proceeds from the sales of the Certificates were used to finance additions, renovations and/or facility improvements at Bowne Munro, Central, Chittick, Frost, Irwin, Lawrence Brook, Memorial, Warnsdorfer, Churchill and Hammarskjold Schools, including site work and acquisition and installation of furnishings and equipment, in order to alleviate overcrowding, and to accommodate technology.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

6. Long-Term Liabilities (continued)

Under the lease, the Board is required to pay Basic Rent due on each October 1, which commenced October 1, 1997. Basic Rent is composed of an interest component and a principal component. The Certificates carry an interest rate of 4.36%; and the Certificates mature on October 1, 2016.

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, 2013 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2014	\$ 693,000
2015	693,000
2016	693,000
2017	693,000
	<hr/>
Total Minimum Lease Payments	\$ 2,772,000
Less: Amount representing interest	<hr/> (277,645)
Present Value of Net Minimum Lease Payments	<hr/> <hr/> \$ 2,494,355

Optional Prepayment - The Certificates are subject to prepayment on any date, at the option of the Board, as a whole at any time by paying the Optional Prepayment Price together with all other sums due and unpaid under this lease with the consent of the Township. The Board must give the Township notice in writing of its intention to prepay not less than fifteen (15) days prior to the date in which the option is to be exercised.

Mandatory Prepayment - The Certificates are subject to mandatory prepayment at a redemption price equal to their principal amount plus accrued interest to the redemption date in whole or from time to time in part (in inverse order of maturities and within a maturity by lot), on any interest payment date, from the net proceeds of insurance or condemnation proceedings, together with any available revenues permitted to be applied to the purpose, if the Board determines not to repair, restore or reconstruct the Project or the affected portion thereof.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

6. Long-Term Liabilities (continued)

1999 Agreement

In March 1999, the Board of Education (the Lessee) entered into a lease purchase agreement with the Township of East Brunswick (the Lessor) to finance additions and renovations to the East Brunswick High School, including site work and acquisition and installation of furnishings and equipment. Approval was obtained from the Commissioner of Education and the State of New Jersey Local Finance Board. The building is located on land owned by the Board of Education that has been leased to the Township of East Brunswick, pursuant to a ground lease agreement dated March 1, 1999.

Under the lease, the Board is required to pay basic rent due on each October 1, which commenced on October 1, 1999 and will conclude on October 1, 2019. The lease carries an interest rate of 4.24%. The total principal amount of the lease was \$14,320,000.

Future Minimum Lease Payments - Future minimum lease payments for the next six years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2013 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2014	\$ 1,050,000
2015	1,050,000
2016	1,050,000
2017	1,050,000
2018	1,050,000
2019	<u>1,289,519</u>
Total Minimum Lease Payments	\$ 6,539,519
Less: Amount representing interest	<u>(897,992)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 5,641,527</u>

Optional Prepayment - The Lease is prepayable in whole or in part by the Board at any time upon notice in writing to the Township not less than fifteen (15) days prior to the date on which the option is to be exercised with the consent of the Township. On any partial prepayment, the remaining rent shall be computed by a qualified firm as selected by the Board and acceptable to the Township.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

6. Long-Term Liabilities (continued)

C. Capital Lease Obligations – Governmental Fund

The District entered into a Capital Lease Obligation on August 10, 2008 for a utility truck lease in the amount of \$55,757, which is due in five annual installments and for which final payment is due on August 10, 2013. Interest is at 7.30%.

The District entered into a Capital Lease Obligation on February 1, 2010 for the leasing of the Chittick school roof in the amount of \$750,000, which is due in five annual installments and for which final payment is due on February 1, 2015. Interest is at 3.09%.

The District entered into a Capital Lease Obligation on August 1, 2009 for various school buses in the amount of \$325,000, which is due in five annual installments and for which final payment is due on August 1, 2014. Interest is at 3.22%.

The District entered into a Capital Lease Obligation on July 9, 2010 for school buses and various equipment in the amount of \$361,500, which is due in five annual installments and for which final payment is due on July 9, 2015. Interest is at 3.31%.

The District entered into a Capital Lease Obligation on August 1, 2011 for various school buses in the amount of \$120,500, which is due in five annual installments and for which final payment is due on August 1, 2016. Interest is at 3.73%.

The District entered into a Capital Lease Obligation on July 18, 2012 for various technology equipment in the amount of \$1,400,000, which is due in five annual installments and for which final payment is due on July 18, 2017. Interest is at 1.01%.

The District entered into a Capital Lease Obligation on July 18, 2012 for various equipment in the amount of \$481,500, which is due in five annual installments and for which final payment is due on July 18, 2017. Interest is at 1.14%.

The District entered into a Capital Lease Obligation on June 19, 2013 for various construction in the amount of \$4,225,000, which is due in five annual installments and for which final payment is due on June 19, 2018. Interest is at 1.23%.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

6. Long-Term Liabilities (continued)

Future Minimum Lease Payments - Future minimum lease payments for the next five years under the capital lease obligations along with the present value of the minimum lease payments as of June 30, 2013 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2014	\$ 1,984,434
2015	1,069,923
2016	991,423
2017	966,083
2018	867,442
Total Minimum Lease Payments	\$ 5,879,305
Less: Amount representing interest	(152,559)
Present Value of Net Minimum Lease Payments	<u>\$ 5,726,746</u>

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

7. Pension Plans (continued)

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 Employee's 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 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.

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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

7. Pension Plans (continued)

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 increased from 5.5% to 6.5% of employees' annual compensation. An additional increase is to be phased in over the next seven years that will bring the total pension contribution rate to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

During the year ended June 30, 2013, the State of New Jersey contributed \$8,314,379 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 \$4,279,962 during the year ended June 30, 2013 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, 2013, 2012 and 2011 was \$1,589,566, \$1,514,573, and \$1,139,483, respectively, equal to the required contributions for each year.

Post-Retirement Benefits

Plan Description

The District contributes to the New Jersey State Health Benefits Program (the "SHBP"), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

7. Pension Plans (continued)

Funding Policy

may be obtained by writing to Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295. P.L. 1987, chapter 384 and P.L. 1990, chapter 6 required Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, chapter 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2012 there were 97,661 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in fiscal year 2012.

The State will set the contribution rate based on the *annual required contribution of the employers* (ARC), an amount actuarially determined in accordance with parameters of GASB 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2013, 2012, and 2011 were \$4,412,284, \$3,709,417, and \$3,519,177, respectively, which equaled the required contributions for each year. The State's contributions to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the District was not determined or made available by the State of New Jersey.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

8. Interfund Receivables and Payables

The total interfund accounts receivable and payable for the District at June 30, 2013 amounted to \$866,297 analyzed as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 866,297	
Special Revenue Fund		\$ 866,297
	<u>\$ 866,297</u>	<u>\$ 866,297</u>

The interfund receivable in the general fund from the Special Revenue Fund represents cash loaned from the General Fund to reduce a pooled cash deficit.

All interfunds are expected to be liquidated within one year.

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 collectibility of any related receivable at June 30, 2013 may be impaired. 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 combined financial statements for such contingencies.

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 Charges

The deferred charges recorded in the government-wide statement of net position represent debt issuance costs that are being amortized using the straight-line method over the life of the related bonds. The unamortized costs associated with the issues of the various bonds amounted to \$307,156 at June 30, 2013. The amortization expense for the year ended June 30, 2013 amounted to \$10,071. In governmental funds, debt issuance costs are recognized in the current period.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

11. Deferred Compensation

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
- Franklin Templeton Group
- American Fund (Capital Guardian)
- Equitable
- ING

12. 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 Comprehensive Annual 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.

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 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	Employee Contribution	Interest	Deductions	Ending Balance
2012-2013	\$ 604,794	\$ 274,462	\$ 133,810	\$ 426	\$ 196,464	\$ 817,028
2011-2012	222,324	750,000	117,449	583	485,562	604,794
2010-2011	86,865	649,856	119,761	395	634,553	222,324

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2013

13. Deferred Benefit Trust

On June 29, 2006, the Board authorized that a Board-directed Reserve for Deferred Benefits in Trust be established in the Trust and Agency Fund. Funds in the Trust are to be utilized solely to provide allowable deferred compensation contributions for those employees who have funds available within the Trust.

14. Economic Dependency

The District receives 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.

15. Transfers to Capital Outlay

During the year ending June 30, 2013 the District transferred \$569,450 to the capital outlay accounts. The transfers were made from the capital reserve account to supplement a capital project previously approved by the voters in the budget certified for taxes pursuant to N.J.A.C. 6A:23A-8.4.

16. Transfers – Reconciliation

The following represents a reconciliation of transfers made during the 2013 fiscal year:

	<u>In</u>	<u>Out</u>
General Fund	\$ 100,000	
Adult and Community Programs Fund		\$ 100,000
	<u>\$ 100,000</u>	<u>\$ 100,000</u>

The transfer from the adult and community programs fund to the general fund represents funds reimbursed to the general fund for shared expenses.

17. Restricted Assets

The funds set aside for the capital reserve are classified as restricted assets (cash and cash equivalents) as they are restricted for use for future capital requirements.

Required Supplementary Information
Part II

Budgetary Comparison

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 110,437,402		\$ 110,437,402	\$ 110,437,402	
Tuition (from individuals)	50,000		50,000	37,466	\$ (12,534)
Tuition (other LEAS)	30,000		30,000	309,243	279,243
Investment income	27,000		27,000	20,548	(6,452)
Miscellaneous	324,525		324,525	602,480	277,955
Total revenues - local sources	110,868,927		110,868,927	111,407,139	538,212
State sources:					
Extraordinary aid	500,000		500,000	962,388	462,388
Special education categorical aid	5,044,500		5,044,500	5,044,500	
Equalization aid	11,913,311		11,913,311	11,913,311	
Security aid	142,435		142,435	142,435	
Transportation aid	577,924		577,924	577,924	
Non-public school transportation aid				36,329	36,329
On-behalf TPAF pension contributions (non-budgeted)				8,314,379	8,314,379
Reimbursed TPAF social security contributions (non-budgeted)				4,279,962	4,279,962
Total - state sources	18,178,170		18,178,170	31,271,228	13,093,058
Federal sources:					
Education jobs fund program aid		\$ 1,745	1,745	1,745	
Medicaid initiative	51,928		51,928	83,916	31,988
Total - federal sources	51,928	1,745	53,673	85,661	31,988
Total revenues	129,099,025	1,745	129,100,770	142,764,028	13,663,258
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool	45,475	98,856	144,331	144,331	
Kindergarten	1,514,166	40,890	1,555,056	1,555,056	
Grades 1-5	12,158,908	(167,288)	11,991,620	11,991,620	
Grades 6-8	10,684,091	(466,186)	10,217,905	10,180,331	37,574
Grades 9-12	13,777,739	195,990	13,973,729	13,959,296	14,433
Home instruction - regular programs:					
Salaries of teachers	10,000	14,891	24,891	24,891	
Purchased professional-educational services	17,500	20,000	37,500	36,698	802
Undistributed instruction - regular programs:					
Other salaries for instruction	27,325	33,139	60,464	60,464	
Purchased professional-educational services	154,236	2,963	157,199	154,356	2,843
Purchased technical services	58,173	93,658	151,831	36,966	114,865
Other purchased services	1,286,231	700,681	1,986,912	1,970,830	16,082
General supplies	1,362,571	16,758	1,379,329	1,302,931	76,398
Textbooks	300,552	19,804	320,356	315,955	4,401
Other objects	9,383	896	10,279	7,045	3,234
Total instruction - regular programs	41,406,350	605,052	42,011,402	41,740,770	270,632

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2013

Expenditures (continued)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current expenditures					
Special education:					
Learning and/or language disabilities:					
Salaries of teachers	\$ 348,777	\$ (150,109)	\$ 198,668	\$ 198,668	
Other salaries for instruction	62,908	38,887	101,795	101,795	
Other purchased services	200		200		\$ 200
General supplies	1,920	(1,620)	300	294	6
Total learning and/or language disabilities	413,805	(112,842)	300,963	300,757	206
Behavioral disabilities:					
Salaries of teachers	100,840	(41,706)	59,134	59,134	
Other salaries for instruction	38,292	(5,779)	32,513	32,512	1
General supplies	3,800	626	4,426	3,700	726
Total behavioral disabilities	142,932	(46,859)	96,073	95,346	727
Multiple disabilities:					
Salaries of teachers	346,677	(153,911)	192,766	192,766	
Other salaries for instruction	125,106	3,091	128,197	128,197	
Other purchased services	450		450	232	218
General supplies	5,500		5,500	4,485	1,015
Textbooks	2,000		2,000		2,000
Total multiple disabilities	479,733	(150,820)	328,913	325,680	3,233
Resource room/center:					
Salaries of teachers	6,342,134	489,290	6,831,424	6,831,424	
Other salaries for instruction	711,784	237,956	949,740	949,740	
Other purchased services	1,200		1,200	882	318
General supplies	20,179	(3,239)	16,940	16,061	879
Textbooks	2,000		2,000	1,965	35
Total resource room/center	7,077,297	724,007	7,801,304	7,800,072	1,232
Autism:					
Salaries of teachers	811,105	3,233	814,338	814,338	
Other salaries for instruction	428,205	5,242	433,447	433,447	
Other purchased services	700		700		700
General supplies	15,551	(2,367)	13,184	5,667	7,517
Total autism	1,255,561	6,108	1,261,669	1,253,452	8,217
Preschool disabilities - part time:					
Salaries of teachers	112,249	(72,182)	40,067	40,067	
Other salaries for instruction	93,477	(42,622)	50,855	50,855	
General supplies	950	118	1,068	569	499
Total preschool disabilities - part time	206,676	(114,686)	91,990	91,491	499

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Special education (continued):					
Preschool disabilities - full time:					
Salaries of teachers	\$ 212,572	\$ (22,430)	\$ 190,142	\$ 190,142	
Other salaries for instruction	99,749	37,635	137,384	137,384	
General supplies	840	(400)	440	382	\$ 58
Total preschool disabilities - full time	313,161	14,805	327,966	327,908	58
Home instruction - special education:					
Salaries of teachers	15,000	16,095	31,095	31,095	
Purchased professional - educational services	70,000		70,000	67,620	2,380
Total home instruction - special education	85,000	16,095	101,095	98,715	2,380
Total special education	9,974,165	335,808	10,309,973	10,293,421	16,552
Basic skills/remedial - instruction:					
Salaries of teachers	1,806,533	71,541	1,878,074	1,878,074	
Other purchased services	500		500		500
General supplies	12,952	(533)	12,419	10,569	1,850
Total basic skills/remedial - instruction	1,819,985	71,008	1,890,993	1,888,643	2,350
Bilingual education - instruction:					
Salaries of teachers	556,917	(47,787)	509,130	509,130	
Other purchased services	187		187	148	39
General supplies	73,777	11,576	85,353	84,839	514
Total bilingual education - instruction	630,881	(36,211)	594,670	594,117	553
School - sponsored cocurricular activities:					
Salaries	269,868	19,413	289,281	289,281	
Purchased services	12,500		12,500	12,490	10
Supplies and materials	200		200		200
Other objects	5,000	590	5,590	5,181	409
Total school sponsored cocurricular activities	287,568	20,003	307,571	306,952	619
School - sponsored athletics - instruction:					
Salaries	563,176	13,013	576,189	576,189	
Purchased services	52,145	(734)	51,411	49,883	1,528
Supplies and materials	25,206	7,231	32,437	27,001	5,436
Other objects	3,500		3,500	3,500	
Transfers to cover deficit (agency funds)	54,317	1,830	56,147	56,084	63
Total school - sponsored athletics - instruction	698,344	21,340	719,684	712,657	7,027
Total instruction	54,817,293	1,017,000	55,834,293	55,536,560	297,733

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs w/in the state - regular	\$ 15,547	\$ (15,390)	\$ 157	\$ 157	
Tuition to other LEAs w/in the state - special	1,462,597	84,486	1,547,083	1,546,449	\$ 634
Tuition to CSSD and regional day schools	307,480	(52,410)	255,070	255,067	3
Tuition to private schools disabled - within state	1,943,329	127,680	2,071,009	2,071,009	
Tuition - state facilities	143,299		143,299	143,299	
Tuition - other	55,100	(55,100)			
Total instruction	3,927,352	89,266	4,016,618	4,015,981	637
Attendance and social work services:					
Salaries	124,833	1,067	125,900	125,900	
Other purchased services	852		852	739	113
Supplies and materials	535	(250)	285	33	252
Total attendance and social work services	126,220	817	127,037	126,672	365
Health services:					
Salaries	1,133,071	29,962	1,163,033	1,163,033	
Purchased professional and technical services	110,782	(41,269)	69,513	69,513	
Other purchased services	6,152		6,152	3,583	2,569
Supplies and materials	18,499	1,837	20,336	19,796	540
Total health services	1,268,504	(9,470)	1,259,034	1,255,925	3,109
Other support services - students - speech, OT, PT & related services					
Salaries	1,377,058	46,590	1,423,648	1,423,648	
Purchased professional educational services	729,046	146,677	875,723	875,723	
Supplies and materials	5,050	49	5,099	4,648	451
Total other support services - students - speech, OT, PT & Related services	2,111,154	193,316	2,304,470	2,304,019	451
Other support services - students - extraordinary:					
Salaries	1,285,640	(52,932)	1,232,708	1,232,708	
Purchased professional - educational services	561,510	82,746	644,256	644,256	
Supplies and materials	3,200	11,065	14,265	13,068	1,197
Other objects	6,500	(5,750)	750	748	2
Total other support services - students - extraordinary	1,856,850	35,129	1,891,979	1,890,780	1,199

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2013

	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	\$ 2,607,211	\$ (77,724)	\$ 2,529,487	\$ 2,529,487	
Salaries of secretarial and clerical assistants	371,872	(17,639)	354,233	354,233	
Other purchased professional - technical services	22,205	300	22,505	22,280	\$ 225
Other purchased services	10,244		10,244	8,791	1,453
Supplies and materials	18,980	3,556	22,536	21,800	736
Other objects	675		675	575	100
Total guidance	3,031,187	(91,507)	2,939,680	2,937,166	2,514
Child study teams:					
Salaries of other professional staff	2,230,706	(66,269)	2,164,437	2,164,437	
Salaries of secretarial and clerical assistants	320,712	15,473	336,185	336,185	
Purchased professional - educational services	12,000	12,200	24,200	24,200	
Miscellaneous purchased services	13,975	54	14,029	13,078	951
Supplies and materials	12,650	(4,047)	8,603	8,242	361
Total child study teams	2,590,043	(42,589)	2,547,454	2,546,142	1,312
Improvement of instructional services:					
Salaries of supervisors of instruction	629,747	24,811	654,558	654,558	
Salaries of other professional staff	185,534	(3,638)	181,896	181,896	
Salaries of secretarial and clerical assistants	215,512	(9,204)	206,308	206,308	
Other salaries	59,423	907	60,330	60,330	
Other purchased services	42,328	95	42,423	31,341	11,082
Supplies and materials	23,989	(2,311)	21,678	17,904	3,774
Other objects	12,500	(900)	11,600	10,883	717
Total improvement of instructional services	1,169,033	9,760	1,178,793	1,163,220	15,573
Educational media services/school library:					
Salaries	1,172,665	(66,097)	1,106,568	1,106,568	
Purchased professional - technical services	29,530	356	29,886	29,828	58
Other purchased services	5,307	496	5,803	4,184	1,619
Supplies and materials	178,377	(4,393)	173,984	167,597	6,387
Other objects	175		175	175	
Total educational media services / school library	1,386,054	(69,638)	1,316,416	1,308,352	8,064
Instructional staff training services:					
Salaries of supervisors of instruction	923,198	(53,135)	870,063	870,063	
Salaries of other professional staff	37,800	(37,800)			
Salaries of secretarial and clerical assistants	290,496	16,997	307,493	307,493	
Purchased professional - educational services	14,833	(1,108)	13,725	12,012	1,713
Other purchased services	45,350	(354)	44,996	20,501	24,495
Supplies and materials	2,000	1,120	3,120		3,120
Total instructional staff training services	1,313,677	(74,280)	1,239,397	1,210,069	29,328

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Support services-general administration					
Salaries	\$ 611,826	\$ 16,877	\$ 628,703	\$ 628,703	
Legal services	209,250	(43,032)	166,218	166,218	
Audit fees	40,000	70,355	110,355	40,355	\$ 70,000
Other purchased professional services	21,750	(1,057)	20,693	14,608	6,085
Purchased technical services	6,600	2,000	8,600	6,872	1,728
Communications/telephone	324,677	(63,348)	261,329	261,329	
BOE other purchased services	10,500	(592)	9,908	3,103	6,805
Miscellaneous purchased services	29,850	2,396	32,246	17,518	14,728
General supplies	21,665	(3,995)	17,670	10,124	7,546
BOE in-house training/meeting supplies	1,284	716	2,000	1,422	578
Miscellaneous expenditures	13,823	36,804	50,627	47,205	3,422
BOE membership dues/fees	35,500		35,500	34,598	902
Total support services-general administration	1,326,725	17,124	1,343,849	1,232,055	111,794
Support services-school administration:					
Salaries of principals / assistant principals	2,292,463	(13,084)	2,279,379	2,279,379	
Salaries of other professional staff	824,074	(25,116)	798,958	798,958	
Salaries of secretarial and clerical assistants	1,589,979	(43,102)	1,546,877	1,546,877	
Other purchased services	135,219	185	135,404	124,008	11,396
Supplies and materials	44,821	(2,321)	42,500	36,005	6,495
Other objects	23,200	1,880	25,080	24,491	589
Total support services-school administration	4,909,756	(81,558)	4,828,198	4,809,718	18,480
Central services:					
Salaries	1,385,775	73,107	1,458,882	1,453,187	5,695
Purchased professional services	25,175	19,039	44,214	42,685	1,529
Purchased technical services	18,000	1,080	19,080	18,600	480
Miscellaneous purchased services	74,570	5,981	80,551	50,801	29,750
Supplies and materials	26,721	153	26,874	25,365	1,509
Interest on lease purchase agreements	271,044	(71,830)	199,214	34,581	164,633
Miscellaneous expenditures	5,200	356	5,556	5,097	459
Total central services	1,806,485	27,886	1,834,371	1,630,316	204,055
Administrative information technology:					
Salaries	1,309,794	(18,443)	1,291,351	1,291,351	
Purchased professional services	27,451	102,598	130,049	18,998	111,051
Purchased technical services	194,470	17,754	212,224	212,223	1
Other purchased services	17,075	(4,424)	12,651	9,454	3,197
Supplies and materials	58,921	(3,559)	55,362	55,067	295
Other objects	760		760	725	35
Total administrative information technology	1,608,471	93,926	1,702,397	1,587,818	114,579
Required maintenance for school facilities:					
Salaries	896,648	1,134	897,782	897,782	
Cleaning, repair and maintenance services	525,009	(109,073)	415,936	411,113	4,823
General supplies	328,000	(64,631)	263,369	263,369	
Other objects	8,841	19,528	28,369	28,369	
Total required maintenance for school facilities	1,758,498	(153,042)	1,605,456	1,600,633	4,823

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Custodial services:					
Salaries	\$ 1,390,579	\$ (20,279)	\$ 1,370,300	\$ 1,368,996	\$ 1,304
Purchased professional and technical services	106,500	(13,911)	92,589	34,690	57,899
Cleaning, repair and maintenance services	2,702,532	(82,315)	2,620,217	2,502,839	117,378
Rentals of land and buildings	210,013	25	210,038	210,038	
Other purchased property services	82,777	(24)	82,753	69,154	13,599
Insurance	672,524	25,525	698,049	698,049	
Miscellaneous purchased services	2,000		2,000	26	1,974
General supplies	150,131	14,015	164,146	160,499	3,647
Energy (electricity)	2,216,011		2,216,011	1,598,913	617,098
Other objects	9,775		9,775	6,747	3,028
Salaries of non-instructional aides	435,565	(29,166)	406,399	406,399	
Energy (natural gas)	982,098	9,785	991,883	488,428	503,455
Total custodial services	8,960,505	(96,345)	8,864,160	7,544,778	1,319,382
Care and upkeep of grounds:					
Salaries	472,857	11,986	484,843	484,843	
Cleaning, repair and maintenance services	153,080	(44,002)	109,078	58,358	50,720
General supplies	125,032	51,000	176,032	124,534	51,498
Other objects	7,959	17,598	25,557	25,557	
Total care and upkeep of grounds	758,928	36,582	795,510	693,292	102,218
Security:					
Salaries	538,962	184,536	723,498	723,498	
Cleaning, Repair, and Maintenance Services	120,162	6,556	126,718	108,894	17,824
General supplies	35,767	11,603	47,370	17,573	29,797
Other objects	14,820	2,054	16,874	16,034	840
Total security	709,711	204,749	914,460	865,999	48,461
Student transportation services:					
Salaries - Non-instructional Aides	57,880	5,692	63,572	63,572	
Salaries for pupil transportation:					
Between home and school - regular	1,106,691	(29,131)	1,077,560	1,077,212	348
Other Purchased professional and technical services		1,500	1,500	1,500	
Cleaning, Repair, and Maintenance Services	220,214	70,000	290,214	284,938	5,276
Rental payments - School Buses	13,500		13,500	9,375	4,125
Lease Purchase Payments - School Buses	443,905	8,202	452,107	451,133	974
Contracted services:					
Vendors - between home and school	1,520,304	(51,200)	1,469,104	1,419,788	49,316
Vendors - other than between home and school	376,321	(46,859)	329,462	329,462	
Vendors - between home and school - regional		115,592	115,592	115,592	
Vendors - Special Ed	1,098,723		1,098,723	688,357	410,366
ESCs & CTSA's - Special Ed	2,505,956	(115,592)	2,390,364	2,302,697	87,667
Aid in lieu of payments	321,776	(72,400)	249,376	125,106	124,270
Miscellaneous purchased services - transportation	66,804	2,482	69,286	67,076	2,210
Supplies and materials	355,498	(114,779)	240,719	240,571	148
Other objects	4,000	413	4,413	2,788	1,625
Total student transportation services	8,091,572	(226,080)	7,865,492	7,179,167	686,325

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Unallocated benefits:					
Social security contributions	\$ 1,429,000	\$ 157,189	\$ 1,586,189	\$ 1,580,244	\$ 5,945
Other retirement contributions - PERS	1,643,860	(166,244)	1,477,616	1,477,602	14
Unemployment compensation insurance	550,000	(133,542)	416,458	274,462	141,996
Worker's compensation	475,440	(4,000)	471,440	400,211	71,229
Health benefits	17,610,005	1,745	17,611,750	16,902,133	709,617
Tuition reimbursement	187,000	(12,896)	174,104	96,550	77,554
Other employee benefits	542,176	145,797	687,973	680,368	7,605
Total unallocated benefits	22,437,481	(11,951)	22,425,530	21,411,570	1,013,960
On-behalf TPAF pension contributions (non-budgeted)				8,314,379	(8,314,379)
Reimbursed TPAF social security (non-budgeted)				4,279,962	(4,279,962)
Total Undistributed expenditures	71,148,206	(147,905)	71,000,301	79,908,013	(8,907,712)
Total current expenditures	125,965,499	869,095	126,834,594	135,444,573	(8,609,979)
Capital outlay:					
Equipment:					
Regular programs - instruction:					
Grades 1-5		35,604	35,604	35,604	
Grades 9-12		43,841	43,841	43,841	
Undistributed instruction:					
Students - extraordinary		9,754	9,754	9,754	
Child study teams		2,748	2,748		2,748
Administration information technology	35,000	14,082	49,082	49,081	1
Total equipment	35,000	106,029	141,029	138,280	2,749
Facilities acquisition and construction services:					
Architectural/engineering services	85,050	766,133	851,183	116,651	734,532
Construction services	155,000	1,429,355	1,584,355	1,525,533	58,822
Supplies and materials	60,000	(46,781)	13,219	12,908	311
Lease purchase agreements - principal	2,769,754	(710,574)	2,059,180	1,028,610	1,030,570
Buildings other than lease purchase agreements		3,680,710	3,680,710	3,671,151	9,559
Assessment for Debt Service on SDA Funding	347,538		347,538	347,538	
Other expenditures		18,698	18,698	18,698	
Total facilities acquisition and construction services	3,417,342	5,137,541	8,554,883	6,721,089	1,833,794
Total expenditures - capital outlay	3,452,342	5,243,570	8,695,912	6,859,369	1,836,543
Transfer of funds to charter schools	1,758,258	(2,958)	1,755,300	1,215,974	539,326
Total expenditures	131,176,099	6,109,707	137,285,806	143,519,916	(6,234,110)
(Deficiency) excess of revenues (under) over expenditures	(2,077,074)	(6,107,962)	(8,185,036)	(755,888)	7,429,148

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other financing sources:					
Insurance proceeds from Superstorm Sandy				\$ 45,334	\$ 45,334
Transfers in from other funds	\$ 100,000		\$ 100,000	100,000	
Total other financing sources	<u>100,000</u>		<u>100,000</u>	<u>145,334</u>	<u>45,334</u>
(Deficiency) excess of revenues (under) over expenditures and other financing sources	(1,977,074)	\$ (6,107,962)	(8,085,036)	(610,554)	7,474,482
Fund balances, July 1	19,064,918		19,064,918	19,064,918	
Fund balances, June 30	<u>\$ 17,087,844</u>	<u>\$ (6,107,962)</u>	<u>\$ 10,979,882</u>	<u>\$ 18,454,364</u>	<u>\$ 7,474,482</u>
Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources					
Budgeted fund balance	\$ (1,977,074)		\$ (1,977,074)	\$ 5,497,408	\$ 7,474,482
Budgeted fund balance - capital reserve		\$ (569,450)	(569,450)	(569,450)	
Adjustment for prior year encumbrances		(5,538,512)	(5,538,512)	(5,538,512)	
Total	<u>\$ (1,977,074)</u>	<u>\$ (6,107,962)</u>	<u>\$ (8,085,036)</u>	<u>\$ (610,554)</u>	<u>\$ 7,474,482</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital Reserve				\$ 10,695,943	
Excess Surplus				1,980,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				337,705	
Assigned Fund Balance:					
Year-end Encumbrances				681,193	
Designated for Subsequent Year's Expenditures				1,642,295	
Unassigned Fund Balance				<u>3,117,228</u>	
				18,454,364	
Reconciliation to Government Funds Statements GAAP:					
Last state aid payments not recognized on GAAP basis				(1,678,067)	
Fund balance per Government Funds (GAAP) (B-1)				<u>\$ 16,776,297</u>	

East Brunswick Public Schools
Education Jobs Fund Program

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:				
Federal sources:				
Education Jobs fund program aid	<u>-</u>	<u>\$ 1,745</u>	<u>\$ 1,745</u>	<u>\$ 1,745</u>
Total revenues	<u>-</u>	<u>1,745</u>	<u>1,745</u>	<u>1,745</u>
Expenditures:				
Undistributed expenditures				
Unallocated benefits:				
Health benefits	<u>-</u>	<u>1,745</u>	<u>1,745</u>	<u>1,745</u>
Total unallocated benefits	<u>-</u>	<u>1,745</u>	<u>1,745</u>	<u>1,745</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

East Brunswick Public Schools
Special Revenue Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Federal sources	\$ 2,305,000	\$ 733,375	\$ 3,038,375	\$ 3,011,143	\$ (27,232)
State sources	194,000	182,570	376,570	144,851	(231,719)
Other sources	75,000	405,220	480,220	291,828	(188,392)
Total revenues	2,574,000	1,321,165	3,895,165	3,447,822	(447,343)
Expenditures:					
Current expenditures:					
Instruction:					
Salaries of teachers	422,805	227,236	650,041	513,654	136,387
Purchased professional technical services	1,398	602	2,000	2,000	
Purchased professional educational services	99,000	(11,393)	87,607	46,359	41,248
Other purchased services	1,256,363	182,359	1,438,722	1,435,994	2,728
Supplies and materials	70,387	673,138	743,525	568,673	174,852
Textbooks	3,462	(38)	3,424	3,410	14
Total instruction	1,853,415	1,071,904	2,925,319	2,570,090	355,229
Support services:					
Salaries of teachers	48,127	117,069	165,196	146,811	18,385
Personal services - employee benefits	127,615	46,421	174,036	155,489	18,547
Purchased professional technical services	423,385	246,143	669,528	651,298	18,230
Purchased professional educational services	95,000	6,533	101,533	88,812	12,721
Purchased technical services	9,856	17,446	27,302		27,302
Other purchased services		101,826	101,826	82,932	18,894
Contract services - transportation	2,068	7,612	9,680	9,680	
Travel	8,662	(6,617)	2,045	87	1,958
Supplies and materials		1,030,326	1,030,326	267,587	762,739
Total support services	714,713	1,566,759	2,281,472	1,402,696	878,776
Capital outlay:					
Facilities acquisition and construction services:					
Instructional equipment	4,648	234,112	238,760	212,037	26,723
Non-instructional equipment		81,651	81,651	64,131	17,520
Regular education - school buses		136,495	136,495	125,254	11,241
Architectural/engineering services		367,193	367,193	274,029	93,164
Construction services	1,224	3,969,551	3,970,775	121,554	3,849,221
Total facilities acquisition and construction services	5,872	4,789,002	4,794,874	797,005	3,997,869
Total expenditures	2,574,000	7,427,665	10,001,665	4,769,791	5,231,874
(Deficiency) of revenues under expenditures	-	(6,106,500)	(6,106,500)	(1,321,969)	4,784,531
Other financing sources					
Capital lease proceeds		6,106,500	6,106,500	6,106,500	
Total other financing sources	-	6,106,500	6,106,500	6,106,500	-
Net changes in fund balance	-	-	-	4,784,531	4,784,531
Fund Balance, July 1	91,220		91,220	91,220	
Fund Balance, June 30	\$ 91,220	\$ -	\$ 91,220	\$ 4,875,751	\$ 4,784,531

East Brunswick Public Schools
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2013

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the Budgetary Comparison Schedule (C-1, C-2)	\$142,764,028	\$ 3,447,822
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		113,490
State aid payments from prior year recognized in prior year for budgetary purposes, and recognized for GAAP purposes in the current fiscal year.	1,557,984	
State aid payments recognized for budgetary purposes, not recognized for GAAP purposes	(1,678,067)	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (B-2)	\$ 142,643,945	\$ 3,561,312
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule (C-1, C-2)	\$ 143,519,916	\$ 4,769,791
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		113,490
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 143,519,916	\$ 4,883,281

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, 2013

	Title I Part A	Title II Part A	Title II Part D	Title III Part A	Title III Immigrant	Law and Public Safety FEMA	I.D.E.L.A.		Adult Basic Education
							Regular	Preschool	
Revenues:									
Federal sources	\$ 282,406	\$ 182,888	\$ 481	\$ 57,043	\$ 40,908	\$ 155,548	\$ 1,985,798	\$ 143,041	\$ 148,371
State sources									
Other sources									
Total revenues	\$ 282,406	\$ 182,888	\$ 481	\$ 57,043	\$ 40,908	\$ 155,548	\$ 1,985,798	\$ 143,041	\$ 148,371
Expenditures:									
Instruction:									
Salaries	\$ 202,372	\$ 129,481	\$ 443	\$ 42,556	\$ 13,522				\$ 111,784
Purchased professional/technical services									
Purchased professional/educational services							\$ 1,387,155		
Other purchased services							42,696	\$ 5,730	7,998
Supplies and materials	8,008			9,710	24,030				3,410
Textbooks									
Total instruction	210,380	129,481	443	52,266	37,552		1,429,851	5,730	123,192
Support services:									
Salaries	8,928	4,529		600	1,327	\$ 91,140	36,377	1,031	2,879
Personal services-employee benefits	63,098	28,279	38	4,057	2,029	10,318	23,694	672	22,141
Purchased professional/technical services		20,000					473,314	135,608	
Purchased professional/educational services									
Other purchased services		599		120		21,554	6,486		72
Contracted services - transportation									
Travel									87
Supplies and materials						32,536	16,076		
Total support services	72,026	53,407	38	4,777	3,356	155,548	555,947	137,311	25,179
Capital outlay:									
Facilities acquisition and construction services									
Instructional equipment									
Non - instructional equipment									
Regular education - school buses									
Architectural / Engineering services									
Construction services:									
Total facilities acquisition and construction services									
Total expenditures	282,406	182,888	481	57,043	40,908	155,548	1,985,798	143,041	148,371
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	-	-	-	-
Other financing sources									
Capital lease proceeds									
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, 2013

	NJ Nonpublic Auxiliary Services, Ch. 192				NJ Nonpublic Handicapped Services, Ch. 193				
	Rece to the Top	English as a Second Language	Transportation	Basic Skills Remedial	Supplemental Instruction	Examination and Classification	Corrective Speech	Nonpublic Textbook Aid	Nonpublic Nursing
Revenues:									
Federal sources	\$ 14,659								
State sources		\$ 853	\$ 9,680	\$ 11,705	\$ 9,714	\$ 24,364	\$ 20,311	\$ 24,087	\$ 35,702
Other sources									
Total revenues	\$ 14,659	\$ 853	\$ 9,680	\$ 11,705	\$ 9,714	\$ 24,364	\$ 20,311	\$ 24,087	\$ 35,702
Expenditures:									
Instruction:									
Salaries	\$ 13,496								
Purchased professional/technical services									
Purchased professional/educational services		\$ 853		\$ 11,705	\$ 9,714			\$ 24,087	
Other purchased services									
Supplies and materials									
Textbooks									
Total instruction	13,496	853		11,705	9,714			24,087	
Support services:									
Salaries									
Personal services-employee benefits	1,163								
Purchased professional/technical services									
Purchased professional/educational services						\$ 24,364	\$ 20,311		\$ 35,702
Other purchased services									
Contracted services - transportation			\$ 9,680						
Travel									
Supplies and materials									
Total support services	1,163		9,680			24,364	20,311		35,702
Capital outlay:									
Facilities acquisition and construction services									
Instructional equipment									
Non - instructional equipment									
Regular education - school buses									
Architectural / Engineering services									
Construction services:									
Total facilities acquisition and construction services									
Total expenditures	14,659	853	9,680	11,705	9,714	24,364	20,311	24,087	35,702
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	-	-	-	-
Other financing sources									
Capital leases									
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, 2013

	Nonpublic Technology Services	East Brunswick Education Fund	PTA Grants	Lowe's	Other Local	2012-2013 Lease Agreement Bancorp	2012-2013 Lease Agreement Bank of America	Other Lease Agreements	Totals
Revenues:									
Federal sources									\$ 3,011,143
State sources	\$ 8,435								144,851
Other sources		\$ 112,875	\$ 35,201	\$ 20,981	\$ 122,771				291,828
Total revenues	\$ 8,435	\$ 112,875	\$ 35,201	\$ 20,981	\$ 122,771	\$ -	\$ -	\$ -	\$ 3,447,822
Expenditures:									
Instruction:									
Salaries									\$ 513,654
Purchased professional/technical services		\$ 2,000							2,000
Purchased professional/educational services									46,359
Other purchased services		37,682			\$ 7,237	\$ 3,920			1,435,994
Supplies and materials		65,762	\$ 35,201		5,643	363,895			568,673
Textbooks									3,410
Total instruction		105,444	35,201		12,880	367,815			2,570,090
Support services:									
Salaries									146,811
Personal services-employee benefits									155,489
Purchased professional/technical services					4,190		\$ 18,186		651,298
Purchased professional/educational services	\$ 8,435								88,812
Other purchased services					17,936	23,965		\$ 12,200	82,932
Contracted services - transportation									9,680
Travel									87
Supplies and materials				\$ 17,845	7,644	193,486			267,587
Total support services	8,435			17,845	29,770	217,451	18,186	12,200	1,402,696
Capital outlay:									
Facilities acquisition and construction services									
Instructional equipment		5,679				201,637		4,721	212,037
Non - instructional equipment					5,227	58,904			64,131
Regular education - school buses						125,254			125,254
Architectural / Engineering services							274,029		274,029
Construction services:		1,752		3,136	74,894	19,104	4,768	17,900	121,554
Total facilities acquisition and construction services		7,431		3,136	80,121	404,899	278,797	22,621	797,005
Total expenditures	8,435	112,875	35,201	20,981	122,771	990,165	296,983	34,821	4,769,791
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	(990,165)	(296,983)	(34,821)	(1,321,969)
Other financing sources									
Capital leases						1,881,500	4,225,000		6,106,500
Total other financing sources						1,881,500	4,225,000		6,106,500
Net changes in fund balance	-	-	-	-	-	891,335	3,928,017	(34,821)	4,784,531
Fund balance, July 1								91,220	91,220
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 891,335	\$ 3,928,017	\$ 56,399	\$ 4,875,751

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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, 2013

Revenues	
State sources - SDA grant	
Bond proceeds	
Lease purchase	
Transfer from special revenue fund	
Transfer from capital reserve	
Transfer from capital outlay	
Reallocated from completed projects	
Miscellaneous	
Total Revenues	-
Expenditures and other financing uses	
Legal	
Other professional services	\$ 206,537
Purchased professional and technical services	9,572
Construction services	4,513,452
Other objects	20,642
Transfers	
Total expenditures	4,750,203
Deficiency of revenues under expenditures	(4,750,203)
Fund Balance, July 1	6,275,902
Fund Balance, June 30	<u>\$ 1,525,699</u>

East Brunswick Public Schools
Capital Projects Fund

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

From Inception and for the year ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 17,546,082		\$ 17,546,082	\$ 17,546,082
Bond proceeds	68,148,725		68,148,725	68,148,725
Lease purchase	750,000		750,000	750,000
Transfer from special revenue fund	1,240,841		1,240,841	1,240,841
Transfer from capital reserve	1,896,991		1,896,991	1,896,991
Transfer from capital outlay	1,017,784		1,017,784	1,017,784
Reallocated from completed projects	78,809		78,809	78,809
Miscellaneous	3,996,481		3,996,481	3,996,481
Total Revenues	94,675,712		94,675,712	94,675,712
Expenditures and other financing uses				
Legal	93,662		93,662	93,662
Other professional services	2,619,510	\$ 206,537	2,826,047	2,826,047
Purchased professional and technical services	6,213,603	9,572	6,223,175	6,223,175
Construction services	78,908,992	4,513,452	83,422,444	83,422,444
Other objects	18,023	20,642	38,665	961,364
Transfers	546,020		546,020	1,149,020
Total expenditures	88,399,810	4,750,203	93,150,013	94,675,712
Excess (deficiency) of revenues over (under) expenditures	\$ 6,275,902	\$ (4,750,203)	\$ 1,525,699	\$ -

East Brunswick Public Schools
Capital Projects Fund

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

Hammarskjold - Project No. 912

From Inception and for the year ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 12,307,152		\$ 12,307,152	\$ 12,307,152
Bond proceeds	54,188,725		54,188,725	54,188,725
Lease purchase				
Transfer from special revenue fund				
Transfer from capital reserve				
Transfer from capital outlay				
Reallocated from completed projects	78,809		78,809	78,809
Miscellaneous				
Total Revenues	<u>66,574,686</u>	<u>-</u>	<u>66,574,686</u>	<u>66,574,686</u>
Expenditures and other financing uses				
Legal	59,468		59,468	59,468
Other professional services				
Purchased professional and technical services	5,931,814		5,931,814	5,931,814
Construction services	60,109,411		60,109,411	60,109,411
Other objects				
Transfers	473,993		473,993	473,993
Total expenditures	<u>66,574,686</u>	<u>-</u>	<u>66,574,686</u>	<u>66,574,686</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information				
Project number	912			
Grant date	August 25, 2004			
Bond authorization date	December 14, 2004			
Bonds Authorized	\$ 54,188,725			
Bonds Issued	54,188,725			
Original Authorized Cost	66,495,877			
Additional Authorized Cost	78,809			
Revised Authorized Cost	66,574,686			
Percentage Increase over Original				
Authorized Cost	0.12%			
Percentage completion	100.00%			
Original target completion date	2008			
Revised target completion date	2012			

East Brunswick Public Schools
Capital Projects Fund

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

Security Systems - Project No 922

From Inception and for the year ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant				
Bond proceeds				
Lease purchase				
Transfer from special revenue fund				
Transfer from capital reserve				
Transfer from capital outlay	\$ 730,000		\$ 730,000	\$ 730,000
Reallocated from completed projects				
Miscellaneous				
Total Revenues	<u>730,000</u>	<u>-</u>	<u>730,000</u>	<u>730,000</u>
Expenditures and other financing uses				
Legal				
Other professional services				
Purchased professional and technical services	67,867		67,867	67,867
Construction services	528,538	\$ (19,744)	508,794	508,794
Other objects				153,339
Transfers				
Total expenditures	<u>596,405</u>	<u>(19,744)</u>	<u>576,661</u>	<u>730,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 133,595</u>	<u>\$ 19,744</u>	<u>\$ 153,339</u>	<u>\$ -</u>
Additional project information				
Project number	922			
Grant date	N/A			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 730,000			
Additional Authorized Cost	-			
Revised Authorized Cost	730,000			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	78.99%			
Original target completion date	2008			
Revised target completion date	2013			

East Brunswick Public Schools
Capital Projects Fund

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

Memorial Elementary School Replacement - Project No. 924

From Inception and for the year ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 4,238,520		\$ 4,238,520	\$ 4,238,520
Bond proceeds	13,960,000		13,960,000	13,960,000
Lease purchase				
Transfer from special revenue fund				
Transfer from capital reserve	1,619,000		1,619,000	1,619,000
Transfer from capital outlay				
Reallocated from completed projects				
Miscellaneous	3,996,481		3,996,481	3,996,481
Total Revenues	23,814,000	-	23,814,000	23,814,000
Expenditures and other financing uses				
Legal	34,194		34,194	34,194
Other professional services	2,268,376	\$ 206,537	2,474,913	2,474,912
Purchased professional and technical services	213,922	9,572	223,494	223,494
Construction services	15,826,203	4,533,196	20,359,399	20,359,399
Other objects	17,408	20,642	38,050	722,001
Transfers				
Total expenditures	18,360,103	4,769,947	23,130,050	23,814,000
Excess (deficiency) of revenues over (under) expenditures	\$ 5,453,897	\$ (4,769,947)	\$ 683,950	\$ -
Additional project information				
Project number	924			
Grant date	January 4, 2010			
Bond authorization date	May 12, 2010			
Bonds Authorized	17,956,480			
Bonds Issued	13,960,000			
Original Authorized Cost	\$ 23,814,000			
Additional Authorized Cost	-			
Revised Authorized Cost	23,814,000			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	97.13%			
Original target completion date	2012			
Revised target completion date	2014			

East Brunswick Public Schools
Capital Projects Fund

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

Chittick School Roof Replacement - Project No. 925

From Inception and for the year ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 272,923		\$ 272,923	\$ 272,923
Bond proceeds				
Lease purchase	750,000		750,000	750,000
Transfer from special revenue fund				
Transfer from capital reserve				
Transfer from capital outlay				
Reallocated from completed projects				
Miscellaneous			-	-
Total Revenues	<u>1,022,923</u>	<u>-</u>	<u>1,022,923</u>	<u>1,022,923</u>
Expenditures and other financing uses				
Legal				
Other professional services	103,051		103,051	103,052
Purchased professional and technical services				
Construction services	579,256		579,256	579,256
Other objects	615		615	(329,463)
Transfers	67,078		67,078	670,078
Total expenditures	<u>750,000</u>	<u>-</u>	<u>750,000</u>	<u>1,022,923</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 272,923</u>	<u>\$ -</u>	<u>\$ 272,923</u>	<u>\$ -</u>
Additional project information				
Project number	925			
Grant date	June 4, 2010			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 1,123,649			
Additional Authorized Cost	(100,726)			
Revised Authorized Cost	1,022,923			
Percentage Increase over Original				
Authorized Cost	-8.96%			
Percentage completion	100%			
Original target completion date	2011			
Revised target completion date	2012			

East Brunswick Public Schools
Capital Projects Fund

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

East Brunswick High School Security System - Project No. 926

From Inception and for the year ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 156,000		\$ 156,000	\$ 156,000
Bond proceeds				
Lease purchase				
Transfer from special revenue fund	100,000		100,000	100,000
Transfer from capital reserve	143,991		143,991	143,991
Transfer from capital outlay	158,009		158,009	158,009
Reallocated from completed projects				
Miscellaneous				
Total Revenues	<u>558,000</u>	<u>-</u>	<u>558,000</u>	<u>558,000</u>
Expenditures and other financing uses				
Legal				
Other professional services	75,519		75,519	75,519
Purchased professional and technical services				
Construction services	480,030		480,030	480,030
Other objects				
Transfers	2,451		2,451	2,451
Total expenditures	<u>558,000</u>	<u>-</u>	<u>558,000</u>	<u>558,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information				
Project number	926			
Grant date	June 4, 2010			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 538,900			
Additional Authorized Cost	19,100			
Revised Authorized Cost	558,000			
Percentage Increase over Original				
Authorized Cost	3.54%			
Percentage completion	100%			
Original target completion date	2011			
Revised target completion date	2012			

East Brunswick Public Schools
Capital Projects Fund

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

Churchill Junior High School Security System - Project No. 927

From Inception and for the year ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 156,000		\$ 156,000	\$ 156,000
Bond proceeds				
Lease purchase				
Transfer from special revenue fund	100,000		100,000	100,000
Transfer from capital reserve	134,000		134,000	134,000
Transfer from capital outlay	129,775		129,775	129,775
Reallocated from completed projects				
Miscellaneous				
Total Revenues	<u>519,775</u>	<u>-</u>	<u>519,775</u>	<u>519,775</u>
Expenditures and other financing uses				
Legal				
Other professional services	64,607		64,607	64,607
Purchased professional and technical services				
Construction services	452,670		452,670	452,670
Other objects				
Transfers	2,498		2,498	2,498
Total expenditures	<u>519,775</u>	<u>-</u>	<u>519,775</u>	<u>519,775</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information				
Project number	927			
Grant date	June 4, 2010			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 500,675			
Additional Authorized Cost	19,100			
Revised Authorized Cost	519,775			
Percentage Increase over Original				
Authorized Cost	3.81%			
Percentage completion	100%			
Original target completion date	2011			
Revised target completion date	2012			

East Brunswick Public Schools
Capital Projects Fund

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

Warnsdorfer PA/Fire Alarm/Clock - Project No. 928

From Inception and for the year ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 71,087		\$ 71,087	\$ 71,087
Bond proceeds				
Lease purchase				
Transfer from special revenue fund	177,718		177,718	177,718
Transfer from capital reserve				
Transfer from capital outlay				
Reallocated from completed projects				
Miscellaneous				
Total Revenues	<u>248,805</u>	<u>-</u>	<u>248,805</u>	<u>248,805</u>
Expenditures and other financing uses				
Legal				
Other professional services	38,718		38,718	38,718
Purchased professional and technical services				
Construction services	139,000		139,000	139,000
Other objects				71,087
Transfers				
Total expenditures	<u>177,718</u>	<u>-</u>	<u>177,718</u>	<u>248,805</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 71,087</u>	<u>\$ -</u>	<u>\$ 71,087</u>	<u>\$ -</u>
Additional project information				
Project number	928			
Grant date	June 4, 2010			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 404,318			
Additional Authorized Cost	(155,513)			
Revised Authorized Cost	248,805			
Percentage Increase over Original				
Authorized Cost	-38.46%			
Percentage completion	100%			
Original target completion date	2010			
Revised target completion date	2010			

East Brunswick Public Schools
Capital Projects Fund

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

High School Auditorium Renovations - Project No. 929

From Inception and for the year ended June 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 344,400		\$ 344,400	\$ 344,400
Bond proceeds				
Lease purchase				
Transfer from special revenue fund	863,123		863,123	863,123
Transfer from capital reserve				
Transfer from capital outlay				
Reallocated from completed projects				
Miscellaneous				
Total Revenues	<u>1,207,523</u>	<u>-</u>	<u>1,207,523</u>	<u>1,207,523</u>
Expenditures and other financing uses				
Legal				
Other professional services	69,239		69,239	69,239
Purchased professional and technical services				
Construction services	793,884		793,884	793,884
Other objects				344,400
Transfers				
Total expenditures	<u>863,123</u>	<u>-</u>	<u>863,123</u>	<u>1,207,523</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 344,400</u>	<u>\$ -</u>	<u>\$ 344,400</u>	<u>\$ -</u>
Additional project information				
Project number	929			
Grant date	June 4, 2010			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 1,207,523			
Additional Authorized Cost	-			
Revised Authorized Cost	1,207,523			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	100%			
Original target completion date	2010			
Revised target completion date	2011			

East Brunswick Public Schools
Capital Projects Fund

Summary Schedule of Project Expenditures
(Budgetary Basis)

From Inception and for the year ended June 30, 2013

Issue/Project Title	District Project Number	Original Date	Revised Appropriations	Expenditures to Date		Unexpended Balance
				Prior Years	Current Year	
Hammarskjold 04/05	912	8/25/2004	\$ 66,574,686	\$ 66,574,686		
Security Systems 06/07	922	N/A	730,000	596,405	\$ (19,744)	\$ 153,339
Memorial Elementary School Replacement 09/10	924	1/24/2010	23,814,000	18,360,103	4,769,947	683,950
Chittick School Roof Replacement 09/10	925	6/4/2010	1,022,923	750,000		272,923
High School Security System 09/10	926	6/4/2010	558,000	558,000		
Churchill Junior High School Security System 09/10	927	6/4/2010	519,775	519,775		
Warnsdorfer PA/Fire Alarm/Clock 09/10	928	6/4/2010	248,805	177,718		71,087
High School Auditorium Renovations 09/10	929	6/4/2010	1,207,523	863,123		344,400
Grand Total			\$ 94,675,712	\$ 88,399,810	\$ 4,750,203	\$ 1,525,699

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Fiduciary Funds

East Brunswick Public Schools
Trust and Agency Funds

Combining Statement of Fiduciary Net Position

June 30, 2013

	Trust			Agency			
	Deferred Benefit Trust Fund	Unemployment Compensation Trust Fund	Total Trust	Student Activity	Payroll	Other Agency	Total Agency
Assets							
Cash and cash equivalents	\$ 88,180	\$ 833,787	\$ 921,967	\$ 560,049	\$ 554,992	\$ 5,097	\$ 1,120,138
Other accounts receivable						50	50
Total assets	<u>88,180</u>	<u>833,787</u>	<u>921,967</u>	<u>\$ 560,049</u>	<u>\$ 554,992</u>	<u>\$ 5,147</u>	<u>\$ 1,120,188</u>
Liabilities							
Accounts payable		16,759	16,759			\$ 5,147	\$ 5,147
Payroll deductions payable					\$ 554,992		554,992
Due to student groups				\$ 560,049			560,049
Total liabilities		<u>16,759</u>	<u>16,759</u>	<u>\$ 560,049</u>	<u>\$ 554,992</u>	<u>\$ 5,147</u>	<u>\$ 1,120,188</u>
Net Position							
Held in trust for							
unemployment claims		817,028	817,028				
Held in trust for deferred benefits	88,180		88,180				
Total net position	<u>\$ 88,180</u>	<u>\$ 817,028</u>	<u>\$ 905,208</u>				

East Brunswick Public Schools
Trust Funds

Combining Statement of Changes in Fiduciary Net Position

Year ended June 30, 2013

	Deferred Benefit Trust Fund	Unemployment Compensation Trust Fund	Totals
Additions:			
Interest income	\$ 66	\$ 426	\$ 492
Board contributions		274,462	274,462
Employee contributions		133,810	133,810
Total additions	66	408,698	408,764
Deductions:			
Transfer to qualified benefit plan	8,230		8,230
Unemployment payments		196,464	196,464
Total deductions	8,230	196,464	204,694
Change in net position	(8,164)	212,234	204,070
Net position, beginning	96,344	604,794	701,138
Net position, ending	\$ 88,180	\$ 817,028	\$ 905,208

East Brunswick Public Schools
Student Activity Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2013

	Balance July 1, 2012	Cash Receipts	Cash Disbursements	Balance June 30, 2013
Elementary Schools:				
Bowne-Munro	\$ 6,171	\$ 7,575	\$ 8,658	\$ 5,088
Central	7,861	9,314	9,498	7,677
Irwin	544	9,586	9,795	335
Lawrence Brook	6,321	16,572	17,632	5,261
Memorial	1,016	15,950	14,224	2,742
Murray A. Chittick	13,176	10,081	11,520	11,737
Robert Frost	6,106	12,110	11,949	6,267
Warnsdorfer	14,775	15,993	13,303	17,465
Total elementary schools	<u>55,970</u>	<u>97,181</u>	<u>96,579</u>	<u>56,572</u>
Middle Schools:				
Churchill	141,531	74,300	86,384	129,447
Hammarskjold	44,372	58,706	59,146	43,932
Total middle schools	<u>185,903</u>	<u>133,006</u>	<u>145,530</u>	<u>173,379</u>
High Schools:				
East Brunswick High School	290,665	529,448	491,114	328,999
E.B.H.S. Athletic Fund	33	93,843	92,777	1,099
Total high schools	<u>290,698</u>	<u>623,291</u>	<u>583,891</u>	<u>330,098</u>
Total all schools	<u><u>\$ 532,571</u></u>	<u><u>\$ 853,478</u></u>	<u><u>\$ 826,000</u></u>	<u><u>\$ 560,049</u></u>

East Brunswick Public Schools
Payroll Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2013

	<u>Balance July 1, 2012</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2013</u>
Assets				
Cash and equivalents	\$ 537,206	\$ 87,195,231	\$ 87,177,445	\$ 554,992
Total assets	<u>\$ 537,206</u>	<u>\$ 87,195,231</u>	<u>\$ 87,177,445</u>	<u>\$ 554,992</u>
Liabilities				
Payroll deductions and withholdings	\$ 537,206	\$ 87,195,231	\$ 87,177,445	\$ 554,992
Total liabilities	<u>\$ 537,206</u>	<u>\$ 87,195,231</u>	<u>\$ 87,177,445</u>	<u>\$ 554,992</u>

East Brunswick Public Schools
Other Agency Fund

Schedule of Additions and Deletions

Year ended June 30, 2013

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Assets				
Cash and cash equivalents	\$ 5,730	\$ 5,491	\$ 6,124	\$ 5,097
Other accounts receivable		50		50
Total assets	\$ 5,730	\$ 5,541	\$ 6,124	\$ 5,147
Liabilities				
Accounts payable	\$ 5,730	\$ 5,541	\$ 6,124	\$ 5,147
Total liabilities	\$ 5,730	\$ 5,541	\$ 6,124	\$ 5,147

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Long-Term Debt

East Brunswick Public Schools
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2013

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2012	Issued	Retired	Balance June 30, 2013
			Date	Amount					
School Bonds	3/8/2005	\$ 81,386,000	11/1/2013	\$ 2,175,000	4.250%	\$ 67,986,000		\$ 61,096,000	\$ 6,890,000
			11/1/2014	2,175,000	4.250%				
			11/1/2015	2,540,000	4.250%				
School Refunding Bonds	3/15/2007	10,825,000	5/1/2014	900,000	5.000%	9,880,000		905,000	8,975,000
			5/1/2015	900,000	5.000%				
			5/1/2016	905,000	5.000%				
			5/1/2017	905,000	5.000%				
			5/1/2018	1,085,000	4.000%				
			5/1/2019	1,085,000	4.000%				
			5/1/2020	1,075,000	4.000%				
			5/1/2021	1,065,000	4.000%				
			5/1/2022	1,055,000	4.000%				
			School Bonds	5/12/2010	13,960,000				
5/15/15	100,000	4.000%							
5/15/16	295,000	4.000%							
5/15/17	310,000	4.000%							
5/15/18	325,000	4.000%							
5/15/19	340,000	4.000%							
5/15/20	355,000	4.000%							
5/15/21	370,000	4.000%							
5/15/22	390,000	4.000%							
5/15/23	410,000	4.000%							
5/15/24	425,000	4.000%							
5/15/25	445,000	4.000%							
5/15/26	465,000	4.000%							
5/15/27	490,000	4.000%							
5/15/28	510,000	4.000%							
5/15/29	535,000	4.000%							
5/15/30	560,000	4.250%							
5/15/31	585,000	4.250%							
5/15/32	615,000	4.250%							
5/15/33	640,000	4.250%							
5/15/34	670,000	4.250%							
5/15/35	700,000	4.250%							
5/15/36	735,000	4.375%							
5/15/37	770,000	4.375%							
5/15/38	800,000	4.375%							
5/15/39	840,000	4.500%							
5/15/40	880,000	4.500%							
2012 Refunding of 2005 School Bonds	11/20/2012	60,560,000	11/1/13	135,000	0.350%				
			11/1/14	135,000	0.650%				
			11/1/15	140,000	2.000%				
			11/1/16	2,665,000	3.000%				
			11/1/17	2,640,000	3.000%				
			11/1/18	2,620,000	4.000%				
			11/1/19	2,635,000	5.000%				
			11/1/20	3,020,000	5.000%				
			11/1/21	3,045,000	5.000%				
			11/1/22	3,075,000	5.000%				
			11/1/23	3,110,000	5.000%				
			11/1/24	3,105,000	3.000%				
			11/1/25	3,425,000	3.000%				
			11/1/26	3,380,000	3.000%				
11/1/27	3,350,000	4.000%							
11/1/28	3,340,000	4.000%							
11/1/29	3,305,000	3.000%							
11/1/30	3,615,000	3.000%							
11/1/31	3,560,000	3.000%							
11/1/32	3,505,000	3.125%							
11/1/34	6,755,000	4.000%							
						<u>\$ 60,560,000</u>			<u>60,560,000</u>
						<u>\$ 91,626,000</u>	<u>\$ 60,560,000</u>	<u>\$ 62,101,000</u>	<u>\$ 90,085,000</u>

East Brunswick Public Schools
Long-Term Debt

Schedule of Lease Purchase Obligations Payable

Year ended June 30, 2013

	Interest Rate	Amount of Original Issue	Balance July 1, 2012	Current Retired	Balance June 30, 2013
Capital Improvement Projects:					
Construction of Various Schools					
Lease with East Brunswick Township	4.360%	\$ 9,000,000	\$ 3,054,209	\$ 559,854	\$ 2,494,355
Additions and Renovations to High School - Lease with East Brunswick Township					
	4.230%	14,320,000	6,419,649	778,122	5,641,527
			<u>\$ 9,473,858</u>	<u>\$ 1,337,976</u>	<u>\$ 8,135,882</u>

East Brunswick Public Schools
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local sources:					
Local tax levy	\$ 8,383,979		\$ 8,383,979	\$ 8,383,979	
State sources:					
Debt service aid type II	419,959		419,959	419,959	
Total revenues	<u>8,803,938</u>		<u>8,803,938</u>	<u>8,803,938</u>	
Expenditures:					
Principal	4,517,977		4,517,977	4,517,976	\$ 1
Interest	4,373,735		4,373,735	4,084,321	289,414
Cost of issuance				317,227	(317,227)
Total expenditures	<u>8,891,712</u>		<u>8,891,712</u>	<u>8,919,524</u>	<u>(27,812)</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(87,774)</u>		<u>(87,774)</u>	<u>(115,586)</u>	<u>27,812</u>
Other financing sources (uses):					
Refunding bonds issued				60,560,000	60,560,000
Premium of bonds issued				5,832,318	5,832,318
Payment to refunding bond escrow agent				(66,075,091)	(66,075,091)
Total other financing sources (uses):				<u>317,227</u>	<u>317,227</u>
Net change in fund balances	(87,774)		(87,774)	201,641	289,415
Fund balance, July 1	95,024		95,024	95,024	
Fund balance, June 30	<u>\$ 7,250</u>	<u>\$ -</u>	<u>\$ 7,250</u>	<u>\$ 296,665</u>	<u>\$ 289,415</u>

East Brunswick Public Schools
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year Ended June 30, 2013

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance June 30, 2013</u>
2008-09 TD Equipment Lease	8/14/2008	5 Years	\$ 2,690,000	3.22 %	\$ 603,193		\$ 603,193	
2006-08 Chase Equipment Leasing	3/11/2008	5 Years	2,850,000	Various	589,010		589,010	
2009-10 Ford Motor Credit	8/10/2008	5 Years	55,757	7.30	23,003		11,096	\$ 11,907
2009-10 TD Chittick Roof Project	2/1/2010	5 Years	750,000	3.09	304,353		183,364	120,989
2009-10 TD Equipment Lease - School Buses	8/1/2009	5 Years	325,000	3.22	132,056		64,928	67,128
2010-11 TD Equipment Lease - School Buses/Instruments/Loader	7/9/2010	5 Years	361,500	3.31	220,732		71,195	149,537
2010-11 TD Equipment Lease - Technology Equipment	7/23/2010	2 Years	1,400,000	2.66	709,188		709,188	
2011-12 KSB Equipment Lease - Buses	8/1/2011	5 Years	120,500	3.73	92,575		21,890	70,685
2012-13 US Bancorp Lease - Technology	7/18/2012	2 Years	1,400,000	1.01		\$ 1,400,000	700,000	700,000
2012-13 US Bancorp Government Lease - Various Equipment	7/18/2012	5 Years	481,500	1.14		481,500	100,000	381,500
2012-13 Bank of America Lease - Various Construction	6/19/2013	4 Years	4,225,000	1.23		4,225,000		4,225,000
					<u>\$ 2,674,110</u>	<u>\$ 6,106,500</u>	<u>\$ 3,053,864</u>	<u>\$ 5,726,746</u>

**Statistical Section
(Unaudited)**

**Statistical Section
Unaudited**

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

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 comprehensive annual financial reports (CAFR) for the relevant year.*

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

(accrual basis of accounting)
Unaudited

	June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 32,308,286	\$ 36,823,877	\$ 44,993,912	\$ 70,499,208	\$ 72,866,718	\$ 86,461,666	\$ 90,778,110	\$ 83,801,596	\$ 100,224,934	\$ 112,521,044
Restricted	3,161,264	8,806,957	6,552,455	16,371,563	18,892,433	7,169,912	11,594,973	23,296,846	22,469,548	14,836,012
Unrestricted (deficit)	3,593,079	2,698,653	2,827,885	1,733,149	1,849,947	1,770,518	1,526,272	769,348	(2,552,220)	168,169
Total governmental activities net position	\$ 39,062,630	\$ 48,329,487	\$ 54,374,252	\$ 88,603,920	\$ 93,609,098	\$ 95,402,096	\$ 103,899,355	\$ 107,867,790	\$ 120,142,263	\$ 127,525,225
Business-type activities										
Net investment in capital assets	\$ 116,206	\$ 119,699	\$ 144,577	\$ 159,695	\$ 164,119	\$ 210,710	\$ 206,220	\$ 285,615	\$ 247,811	\$ 233,514
Unrestricted (deficit)	407,048	462,963	409,431	421,655	413,764	501,154	340,556	270,875	470,686	1,043,379
Total business-type activities net position	\$ 523,254	\$ 582,661	\$ 554,007	\$ 581,350	\$ 577,883	\$ 711,864	\$ 546,776	\$ 556,490	\$ 718,497	\$ 1,276,893
Government-wide										
Net investment in capital assets	\$ 32,424,492	\$ 36,943,576	\$ 45,138,489	\$ 70,658,904	\$ 73,030,837	\$ 86,672,376	\$ 90,984,330	\$ 84,087,211	\$ 100,472,745	\$ 112,754,558
Restricted	3,161,264	8,806,957	6,552,455	16,371,563	18,892,433	7,169,912	11,594,973	23,296,846	22,469,548	14,836,012
Unrestricted (deficit)	4,000,127	3,161,615	1,877,265	2,154,804	2,263,711	2,271,672	1,866,828	1,040,223	(2,081,534)	1,211,548
Total district net position	\$ 39,585,884	\$ 48,912,148	\$ 53,568,208	\$ 89,185,270	\$ 94,186,981	\$ 96,113,959	\$ 104,446,131	\$ 108,424,280	\$ 120,860,760	\$ 128,802,118

Source: CAFR Schedule A-1 and District records.

GASB 63 was implemented in the 2013 fiscal year, which required the reclassification of balances previously reported as net assets to net position.

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

(accrual basis of accounting)
Unaudited

	Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities										
Instruction										
Regular	\$ 43,111,466	\$ 46,338,123	\$ 48,203,380	\$ 50,681,033	\$ 57,705,173	\$ 59,100,982	\$ 57,817,859	\$ 56,358,268	\$ 60,237,148	\$ 61,577,016
Special Education	12,139,103	11,039,852	11,844,714	12,470,045	12,629,815	13,046,829	12,903,642	12,957,610	14,203,357	16,765,399
Other Special Education	4,373,743	6,171,735	6,786,530	6,445,046	3,548,481	3,383,252	4,423,965	4,256,967	4,854,386	5,098,557
Support services:										
Tuition	4,905,459	4,765,539	5,691,056	6,155,305	6,632,965	5,768,671	6,832,491	6,266,150	4,697,912	4,015,981
Student & Instruction Related Services	17,586,710	18,788,435	19,213,998	20,347,826	21,821,101	21,437,378	19,635,924	15,004,755	17,549,487	22,618,275
School Administrative Services	4,948,918	5,287,535	5,602,830	5,934,646	6,697,842	6,937,981	7,028,984	6,818,701	7,158,663	7,071,530
General and BusinessAdministrative Services	4,039,656	4,378,253	5,789,599	5,739,338	5,686,675	5,903,282	6,158,466	9,199,308	8,520,561	6,143,549
Plant Operations and Maintenance	9,518,076	10,314,539	10,135,783	11,895,444	15,474,047	14,920,747	14,702,662	14,971,472	11,495,597	11,686,068
Pupil Transportation	8,697,119	8,168,154	9,462,472	10,093,494	10,646,274	9,814,283	9,802,207	8,899,046	7,556,037	7,564,334
Special Schools	262,143	285,368	303,658	283,477	272,254	32,257	113,131	94,766		
Charter Schools			0	19,062	8,953	9,984	20,691	721,423	1,146,507	1,215,974
Interest and other charges	1,672,310	2,662,048	4,990,441	5,210,927	4,788,458	4,738,656	4,336,393	4,680,945	4,492,514	4,014,883
Total governmental activities	111,254,702	118,199,581	128,024,459	135,275,644	145,912,038	145,094,301	143,776,415	140,229,411	141,912,168	147,771,566
Business-type activities:										
Food service	2,319,380	2,586,246	2,650,684	2,851,668	2,984,123	2,902,032	2,463,097	2,537,836	2,545,286	2,590,808
ETTC Program	303,122	263,410	342,134	325,113	300,013	307,824	289,885	295,590	245,245	
Adult and Community Program	254,588	335,650	422,431	461,418	534,156	1,298,423	1,402,177	1,730,273	1,724,445	1,888,113
Total business-type activities expense	2,877,090	3,185,306	3,415,250	3,638,199	3,818,292	4,508,279	4,155,159	4,563,699	4,514,976	4,478,921
Total district expenses	114,131,792	121,384,887	131,439,709	138,913,843	149,730,330	149,602,580	147,931,574	144,793,110	146,427,144	152,250,487
Program Revenues										
Governmental activities:										
Charges for services										
Instruction	3,792	35,644	64,101	43,640	52,600	34,904	78,449	162,291	311,056	346,709
Operating grants and contributions	3,585,592	4,252,838	3,610,352	2,628,449	2,158,208	209,349	2,224,838	6,395,117	3,392,303	3,561,312
Total governmental activities program revenues	3,589,383	4,288,482	3,674,454	2,672,089	2,210,808	244,253	2,303,287	6,557,408	3,703,359	3,908,021
Business-type activities:										
Charges for services										
Food service	1,950,699	2,042,075	2,143,465	2,111,808	2,094,372	2,147,958	2,002,810	1,935,376	2,006,262	1,940,913
ETTC Program	231,942	240,163	313,200	242,971	249,794	245,649	274,573	420,712	284,852	
Adult and Community Program	382,778	434,043	440,219	531,593	550,573	1,544,496	1,530,473	2,036,964	2,030,824	2,398,119
Operating grants and contributions	328,140	341,612	359,233	399,552	449,521	497,605	580,391	579,205	649,303	732,776
Total business type activities program revenues	2,893,559	3,057,892	3,256,116	3,285,924	3,344,260	4,435,708	4,388,247	4,972,257	4,971,241	5,071,808
Total district program revenues	6,482,942	7,346,374	6,930,570	5,958,012	5,555,068	4,679,961	6,691,534	11,529,665	8,674,600	8,979,829
Net (Expense) / Revenue										
Governmental activities	(107,665,319)	(113,911,098)	(124,350,006)	(132,603,555)	(143,701,230)	(144,850,048)	(141,473,128)	(133,672,003)	(138,208,809)	(143,863,545)
Business-type activities	16,469	(127,415)	(159,133)	(352,276)	(474,032)	(72,571)	233,088	408,558	456,265	592,887
Total government-wide net expense	\$ (107,648,850)	\$ (114,038,513)	\$ (124,509,139)	\$ (132,955,831)	\$ (144,175,262)	\$ (144,922,619)	\$ (141,240,040)	\$ (133,263,445)	\$ (137,752,544)	\$ (143,270,658)

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

(accrual basis of accounting)
Unaudited

	Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 84,199,214	\$ 90,622,879	\$ 92,817,580	\$ 98,543,803	\$ 105,704,289	\$ 106,086,288	\$ 106,086,288	\$ 106,788,787	\$ 108,271,963	\$ 110,437,402
Taxes levied for debt service	2,532,633	2,417,568	6,269,481	6,386,428	7,344,256	8,651,094	7,809,410	8,602,137	8,406,922	8,383,979
Grants and contributions	26,706,498	28,962,531	27,680,423	33,133,117	36,264,114	32,329,338	34,658,361	22,057,827	28,249,227	31,656,765
Payments in lieu of taxes										
Investment earnings	265,649		2,819,913	3,364,699	855,104	432,502	113,024	32,816		20,548
Miscellaneous income	181,932	1,174,978	1,984,517	1,138,677	1,154,218	(994,489)	903,614	1,744,262	5,570,134	647,814
Transfers	(190,363)		(177,142)	(339,341)	(448,230)	(339,748)	400,000	424,553	(14,964)	100,000
Total governmental activities	113,695,563	123,177,956	131,394,771	142,207,182	150,873,751	146,164,985	149,970,697	139,650,382	150,483,282	151,246,508
Business-type activities:										
Investment earnings	7,966	10,464	17,812	20,077	22,335	13,128	1,824	1,156	876	875
Miscellaneous									(27,353)	64,634
Transfers	167,531	206,707	112,667	359,541	448,230	193,423	(400,000)	(400,000)	(267,781)	(100,000)
Total business-type activities	175,497	217,171	130,479	379,618	470,565	206,552	(398,176)	(398,844)	(294,258)	(34,491)
Total government-wide	113,871,060	123,395,126	131,525,251	142,586,800	151,344,316	146,371,537	149,572,521	139,251,538	150,189,024	151,212,017
Change in Net Position										
Governmental activities	6,030,244	9,266,857	7,044,766	9,603,627	7,172,521	1,314,937	8,497,569	5,978,379	12,274,473	7,382,963
Business-type activities	191,966	89,756	(28,654)	27,343	(3,467)	133,981	(165,088)	9,714	162,007	558,396
Total district	\$ 6,222,210	\$ 9,356,613	\$ 7,016,111	\$ 9,630,970	\$ 7,169,054	\$ 1,448,918	\$ 8,332,481	\$ 5,988,093	\$ 12,436,480	\$ 7,941,359

Source: CAFR Schedules A-2 and District records

GASB 63 was implemented in the 2013 fiscal year, which required the reclassification of balances previously reported as net assets to net position.

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

(modified accrual basis of accounting)
Unaudited

	June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 1,721,905	\$ 5,823,191	\$ 6,655,251	\$ 7,938,692	\$ 11,439,853	\$ 9,818,204	\$ 7,906,176			
Unreserved	3,625,348	2,698,747	3,710,804	4,028,809	3,465,104	3,446,187	3,269,166			
Restricted for								\$ 7,002,885	\$ 8,562,302	\$ 13,013,648
Assigned to								2,424,836	7,445,100	2,323,488
Unassigned								1,780,284	1,499,532	1,439,161
Total general fund	<u>\$ 5,347,253</u>	<u>\$ 8,521,938</u>	<u>\$ 10,366,055</u>	<u>\$ 11,967,501</u>	<u>\$ 14,904,957</u>	<u>\$ 13,264,391</u>	<u>\$ 11,175,342</u>	<u>\$ 11,208,005</u>	<u>\$ 17,506,934</u>	<u>\$ 16,776,297</u>
All Other Governmental Funds										
Reserved	\$ 2,157,561	\$ 111,529,950	\$ 101,533,422	\$ 36,614,135	\$ 5,694,005	\$ 3,221,962	\$ 2,538,494			
Unreserved, reported in:										
Special revenue fund				141,060	1,948,257	1,793,774	328,220			
Capital projects fund				9,237,534	7,374,680	631,478	18,301,111			
Debt service fund	2	779,571	819,917	1,543,233	725,059	157,502	46,841			
Restricted for:								\$ 16,639,816	\$ 6,275,902	\$ 1,525,699
Capital projects fund								108,444	95,024	296,665
Debt service fund										
Assigned to:								338,644	91,220	4,875,751
Special revenue fund										
Capital projects fund										
Debt service fund										
Total all other governmental funds	<u>\$ 2,157,563</u>	<u>\$ 112,309,521</u>	<u>\$ 102,353,339</u>	<u>\$ 47,535,982</u>	<u>\$ 15,742,001</u>	<u>\$ 5,804,716</u>	<u>\$ 21,214,666</u>	<u>\$ 17,086,904</u>	<u>\$ 6,462,146</u>	<u>\$ 6,698,115</u>

Source: CAFR Schedule B-1 and District records.

GASB # 54 was implemented in the 2011 fiscal year, which required the presentation of fund balances to be reported in different classifications from those presented in prior years (See footnote 1 in the basic financial statements). Prior years have not been restated above.

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

(modified accrual basis of accounting)
Unaudited

	June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Tax Levy	\$ 86,731,847	\$ 93,040,447	\$ 99,087,061	\$ 104,930,231	\$ 113,048,545	\$ 114,737,382	\$ 113,895,698	\$ 115,390,924	\$ 116,678,885	\$ 118,821,381
Tuition Charges	3,792	35,644	64,101	43,640	52,600	34,904	78,449	162,291	311,056	346,709
Miscellaneous	447,582	1,376,306	4,804,430	4,503,375	4,500,757	2,165,724	2,580,085	3,595,241	601,337	914,856
State Sources	27,350,940	55,171,825	28,547,421	32,890,362	33,513,345	29,781,346	31,138,147	24,595,645	27,776,857	31,715,955
Federal Sources	2,941,150	3,412,109	2,998,977	2,871,204	2,750,769	2,813,562	5,745,052	3,857,299	3,453,938	3,210,294
Total revenue	117,475,309	153,036,331	135,501,991	145,238,812	153,866,016	149,532,919	153,437,431	147,601,400	148,822,073	155,009,195
Expenditures										
Instruction										
Regular Instruction	33,785,799	36,446,885	37,493,770	38,714,353	42,853,159	45,417,776	43,844,668	43,154,030	42,612,785	42,875,279
Special Education Instruction	9,513,230	8,683,308	9,039,671	9,277,018	9,410,531	9,840,464	9,630,116	9,628,331	9,695,591	11,729,002
Other Instruction	3,427,636	4,854,330	5,179,356	4,794,755	2,643,989	2,551,790	3,301,649	3,163,198	3,357,934	3,502,369
Support Services:										
Tuition	3,844,334	3,748,297	4,328,974	4,579,204	4,942,252	4,377,299	5,099,156	4,656,149	4,697,912	4,015,981
Student and Instruction Related Services	13,782,437	14,777,895	14,663,774	15,137,648	16,259,000	16,168,967	14,654,484	11,152,274	11,775,157	16,258,531
School Administration Services	3,878,392	4,158,869	4,258,978	4,425,370	4,990,592	5,232,915	5,245,800	4,721,103	4,929,749	4,809,718
Business Administration Services	4,030,041	4,278,104	4,539,292	4,382,622	4,379,376	4,588,725	4,596,124	6,835,673	6,837,269	4,450,189
Plant Operations and maintenance	7,459,171	8,112,819	7,735,446	9,250,571	9,784,556	10,492,528	11,016,147	11,167,779	10,846,462	10,704,702
Pupil transportation	6,815,799	6,424,597	7,221,587	7,904,302	7,932,587	7,838,887	7,626,405	6,972,249	6,727,402	7,179,167
Employee Benefits	21,871,558	23,260,418	26,644,835	30,597,181	33,323,931	30,301,813	31,297,289	29,689,813	30,928,665	34,003,911
Special Schools	205,437	224,454	231,746	210,891	202,857	24,330	84,431	70,417		
Charter Schools	4,038	4,709	18,786	19,062	8,953	9,984	20,691	721,423	1,146,507	1,215,974
Capital Outlay	8,825,032	7,844,005	14,482,617	62,357,404	38,726,462	15,264,412	12,252,448	9,118,270	16,229,966	12,406,577
Debt Service:										
Principal	1,452,021	1,491,332	3,342,328	4,550,082	4,624,670	5,171,169	4,094,473	4,240,233	4,292,974	4,517,976
Interest and other charges	1,574,679	1,510,625	5,427,185	4,717,272	4,744,208	4,541,551	4,325,584	4,743,426	4,554,572	4,401,548
Total expenditures	120,469,603	125,820,647	144,625,345	201,117,735	184,827,123	161,822,610	157,089,465	150,034,369	158,632,945	162,072,924
Excess (Deficiency) of revenues over (under) expenditures	(2,994,294)	27,215,685	(9,123,354)	(55,878,923)	(30,961,107)	(12,289,692)	(3,652,034)	(2,432,969)	(9,810,872)	(7,063,729)
Other Financing sources (uses)										
Capital leases		30,972	378,233							6,106,500
Bond proceeds		81,386,000					13,960,000			
Cancellation of prior years' receivables	(16,590)	(36,644)			(37,282)	(943,379)				
Lease purchase proceeds			800,000	2,673,305	2,500,000	2,690,000	750,000			
Transfer out to escrow agent				397,195			(127,519)			
Interlocal service agreements - Township		3,874,811								
Insurance recoveries - Memorial School						607,195			5,500,000	
Memorial School fire loss						(1,350,977)	(156,121)	(76,740)		
Accrued interest		138,647								
Refunding bonds issued										60,560,000
Premium on bonds issued										5,832,318
Payment to refunding bond escrow agent										(66,075,091)
Insurance proceeds										45,334
Transfers in	422,168	1,710,908	95,704	1,357,000	69,055	598,998	3,787,416	438,200	272,730	100,000
Transfers Out	(391,904)	(993,737)	(272,846)	(1,716,541)	(517,285)	(790,766)	(1,240,841)	(13,647)	(72,027)	
Total other financing sources (uses)	(186,325)	86,110,958	1,001,090	2,710,959	2,014,488	811,071	16,972,933	347,813	5,700,703	6,569,061
Net change in fund balances	\$ (3,180,619)	\$ 113,326,643	\$ (8,122,263)	\$ (53,167,964)	\$ (28,946,619)	\$ (11,478,621)	\$ 13,320,901	\$ (2,083,156)	\$ (4,110,169)	\$ (494,668)
Debt service as a percentage of noncapital expenditures	2.71%	2.54%	6.74%	6.69%	6.41%	6.63%	5.81%	6.38%	6.21%	5.96%

Source: CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

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	Miscellaneous	Annual Totals
2004	\$ 265,586	\$ 3,792	\$ 56,141	\$ 30,813	\$ 356,332
2005	398,999	35,644	75,892	85,848	596,383
2006	2,819,913	64,101		1,984,517	4,868,531
2007	1,034,096	43,640	101,545	345,291	1,524,571
2008	855,104	52,600	101,446	224,285	1,233,435
2009	432,502	34,904	109,661	387,682	964,749
2010	113,024	78,449	82,301	428,775	702,549
2011	32,816	162,291	110,300	405,503	710,908
2012	25,178	311,056	102,968	2,047,637	2,486,839
2013	20,548	346,709	162,047	440,433	969,737

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	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Ratio to True Value %	Aggregate True Value
2004	\$ 18,710,900	\$ 1,481,859,100	\$ 2,866,400	\$ 385,686,700	\$ 110,709,900	\$ 33,814,700	\$ 2,033,647,700	\$ 5,137,447	\$ 2,038,785,147	4.41	36.90	\$ 5,511,240,379
2005	17,435,400	1,498,193,000	2,898,700	364,725,700	102,999,500	33,814,700	2,020,067,000	4,724,877	2,024,791,877	4.75	31.62	6,389,849,779
2006	17,124,700	1,505,091,200	2,854,000	362,714,600	100,762,600	33,814,700	2,022,361,800	4,111,796	2,026,473,596	5.03	28.41	7,118,485,744
2007	18,878,000	1,515,720,500	2,842,300	349,214,100	96,603,700	32,110,300	2,015,368,900	3,720,999	2,019,089,899	5.40	26.23	7,683,449,867
2008	17,546,800	1,525,964,300	3,012,800	342,894,700	95,344,300	32,988,700	2,017,751,600	3,641,776	2,021,393,376	5.64	25.06	8,051,682,362
2009	17,766,700	1,528,947,400	3,012,800	339,965,000	94,814,900	35,525,900	2,020,032,700	3,585,743	2,023,618,443	5.65	24.48	8,251,767,565
2010	14,551,600	1,535,083,900	2,896,600	337,851,900	94,190,800	28,025,900	2,012,600,700	3,275,529	2,015,876,229	5.69	24.54	8,201,306,846
2011	14,084,400	1,517,338,100	2,846,900	309,543,500	93,318,800	24,317,200	1,961,448,900	3,056,266	1,964,505,166	5.91	25.16	7,795,901,828
2012	13,483,800	1,498,633,500	2,787,000	303,218,900	91,231,200	21,457,100	1,930,811,500	3,075,073	1,933,886,573	6.09	25.67	7,521,665,368
2013	12,615,800	1,487,937,400	2,788,000	289,821,200	87,643,100	19,733,100	1,900,538,600	2,654,186	1,903,192,786	6.31	26.39	7,201,737,779

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	
2004	\$ 4.280	\$ 0.130	\$ 4.410	\$ 1.110	\$ 0.890	\$ 0.020	\$ 0.080	\$ 6.510
2005	4.630	0.120	4.750	1.190	0.900	0.020	0.100	6.960
2006	4.720	0.310	5.030	1.270	0.960	0.020	0.090	7.370
2007	5.078	0.320	5.398	1.402	0.975	0.020	0.115	7.910
2008	5.240	0.395	5.635	1.495	1.020	0.020	0.120	8.290
2009	5.242	0.407	5.649	1.692	1.086	0.020	0.123	8.570
2010	5.281	0.407	5.688	1.715	1.131	0.019	0.082	8.635
2011	5.474	0.433	5.907	1.843	1.208	0.020	0.119	9.097
2012	5.655	0.434	6.089	1.811	1.255	0.019	0.116	9.290
2013	5.877	0.434	6.311	1.842	1.316	0.019	0.112	9.600

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	2013			2004		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Brunswick Square Mall	\$ 30,266,800	1	1.57%	\$ 42,310,300	1	2.11%
Mid State Mall	15,460,000	2	0.80%	19,470,900	4	0.97%
Tower II	15,159,200	3	0.78%	30,700,000	2	1.53%
Tower I	12,374,400	4	0.64%	30,700,000	3	1.53%
East Brunswick VF, LLC	9,500,000	5	0.49%	9,630,000	7	0.48%
L.P.E. Partners	9,038,400	6	0.47%	7,404,400	9	0.37%
Wyndmoor Apartments	7,769,400	7	0.40%	10,400,000	6	0.52%
East Coast Cranbury	6,000,000	8	0.31%			
Toll JM EB, LLC	5,977,600	9	0.31%			
Belmont Associates (K Mart)	5,880,600	10	0.30%	6,080,600	10	0.30%
Tower Center Hotel				17,500,000	5	0.87%
Sam's Club				8,115,000	8	0.40%
Total	<u>\$ 117,426,400</u>		<u>6.07%</u>	<u>\$ 182,311,200</u>		<u>9.08%</u>

Source: District CAFR & Municipal Tax Assessor

East Brunswick Public Schools
 General Fund 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	
2004	\$ 86,731,847	\$ 86,731,847	100.00%	
2005	93,040,447	93,040,447	100.00%	
2006	99,087,061	99,087,061	100.00%	
2007	104,930,231	104,930,231	100.00%	
2008	105,704,289	105,704,289	100.00%	
2009	106,086,288	106,086,288	100.00%	
2010	106,086,288	106,086,288	100.00%	
2011	106,788,787	106,788,787	100.00%	
2012	108,271,963	108,271,963	100.00%	
2013	110,437,402	110,437,402	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 voted upon or certified prior to the end of the school year.

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	Capital Leases	Lease Purchase Obligations			
2004	\$ 15,030,000		\$ 22,376,305	\$ 37,406,305	*	\$ 784
2005	95,881,000	\$ 19,500.27	23,794,784	119,695,284	*	2,513
2006	93,536,000	388,170	23,947,328	117,871,497	*	2,479
2007	91,306,000	2,697,468	18,912,374	112,915,842	*	2,404
2008	88,766,000	7,296,412	16,172,705	112,235,117	*	2,393
2009	86,226,000	8,111,436	13,541,536	107,878,972	*	2,293
2010	97,646,000	5,442,744	11,987,065	115,075,809	*	2,434
2011	94,636,000	4,713,955	10,756,832	110,106,787	*	2,315
2012	91,626,000	2,674,110	9,473,858	103,773,968	*	2,172
2013	90,085,000	5,726,746	8,135,882	103,947,628	*	2,171

Source: District CAFR Schedules I-1, I-2 and I-4

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

- ^a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- * District personal income information is 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 Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2004	\$ 15,030,000		\$ 15,030,000	0.74%	\$ 315
2005	95,881,000		95,881,000	4.75%	2,013
2006	93,536,000		93,536,000	4.63%	1,968
2007	91,306,000		91,306,000	4.53%	1,944
2008	88,766,000		88,766,000	4.40%	1,893
2009	86,226,000		86,226,000	4.27%	1,832
2010	97,646,000		97,646,000	4.85%	2,065
2011	94,636,000		94,636,000	4.82%	1,990
2012	91,626,000		91,626,000	4.75%	1,918
2013	90,085,000		90,085,000	4.74%	1,881

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

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

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

East Brunswick Public Schools
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2013

Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
East Brunswick Township (as of 12/31/12)	\$ 94,803,662	100.000%	\$ 94,803,662
Other debt			
Middlesex County as of 12/31/12	659,071,901	7.500%	49,431,892
Middlesex County Utility Authority as of 01/01/13	209,865,586	4.315%	<u>9,056,359</u>
Subtotal, overlapping debt			153,291,913
East Brunswick Public Schools Direct Debt			<u>103,947,628</u>
Total direct and overlapping debt			<u><u>\$ 257,239,541</u></u>

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 2013

	Equalized valuation basis	
	2012	\$ 7,316,451,307
	2011	7,641,016,362
	2010	7,999,207,870
	[A]	<u>\$ 22,956,675,539</u>
Average equalized valuation of taxable property	[A/3]	\$ 7,652,225,180
Debt limit (4 % of average equalization value)		\$ 306,089,007
Net bonded school debt	[C]	<u>90,085,000</u>
Legal debt margin	[B-C]	<u>\$ 216,004,007</u>

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 230,912,252	\$ 295,432,100	\$ 252,857,942	\$ 283,363,243	\$ 304,838,589	\$ 319,929,780	\$ 326,882,878	\$ 326,309,991	\$ 318,290,884	\$ 306,089,007
Total net debt applicable to limit	<u>15,030,000</u>	<u>95,881,000</u>	<u>93,536,000</u>	<u>91,306,000</u>	<u>88,766,000</u>	<u>86,226,000</u>	<u>97,646,000</u>	<u>94,636,000</u>	<u>91,626,000</u>	<u>90,085,000</u>
Legal debt margin	<u>\$ 215,882,252</u>	<u>\$ 199,551,100</u>	<u>\$ 159,321,942</u>	<u>\$ 192,057,243</u>	<u>\$ 216,072,589</u>	<u>\$ 233,703,780</u>	<u>\$ 229,236,878</u>	<u>\$ 231,673,991</u>	<u>\$ 226,664,884</u>	<u>\$ 216,004,007</u>
Total net debt applicable to the limit as a percentage of debt limit	6.51%	32.45%	36.99%	32.22%	29.12%	26.95%	29.87%	29.00%	28.79%	29.43%

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

• Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

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

Unaudited

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2004	47,693	-	\$ 39,659	3.4%
2005	47,637	-	40,826	3.2%
2006	47,540	-	44,204	3.5%
2007	46,969	-	46,991	3.1%
2008	46,894	-	49,464	4.1%
2009	47,055	-	46,912	7.6%
2010	47,280	-	48,256	7.1%
2011	47,565	-	49,203	7.2%
2012	47,774	-	*	7.4%
2013	47,890	-	*	*

Source: NJ Department of Labor and Workforce Development

* Information for the noted years was not available.

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	2013 *			2004		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Robert Wood Johnson Hospital	5,000 - 5,249	1	0.00%	n/a	n/a	n/a
Novo Nordisk	4,500 - 4,579	2	0.00%	n/a	n/a	n/a
Wakefern Food Corporation	3,500 - 3,749	3	0.00%	n/a	n/a	n/a
J.F.K. Medical Center	3,000-3,369	4	0.00%	n/a	n/a	n/a
Bristol-Myers Squibb	3,000 - 3,249	5	0.00%	n/a	n/a	n/a
St. Peter's Healthcare System	2,750 - 2,999	6	0.00%	n/a	n/a	n/a
Silverline Building Products	2,250 - 2,299	7	0.00%	n/a	n/a	n/a
Johnson & Johnson	2,000 - 2,249	8	0.00%	n/a	n/a	n/a
Raritan Bay Medical Center	2,000 - 2,249	9	0.00%	n/a	n/a	n/a
Home Depot / United Parcel Service	1,750-1,999	10	0.00%	n/a	n/a	n/a

Source: Middlesex County Department of Economic Development

* Note: Top ten employers by number of employees was not available at the district 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. Information for the year 2004 was not available (n/a).

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

		Unaudited									
<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	
Instruction											
Regular	497.5	546.5	566.0	571.7	605.5	615.0	612.3	595.2	569.2	565.7	
Special education	207.7	219.5	215.5	209.0	228.5	220.0	224.0	206.5	206.5	216.5	
Support Services:											
Student & instruction related services	234.6	255.9	260.4	232.7	240.9	234.5	201.4	135.7	132.7	134.2	
General administrative services	10.0	7.0	8.0	8.0	8.9	8.9	8.9	7.9	7.9	7.9	
School administrative services	55.9	61.9	61.9	60.9	67.5	67.5	65.6	60.6	60.6	60.6	
Business administrative services	22.0	23.0	23.0	23.5	27.5	27.9	27.9	22.9	22.9	22.9	
Information Technology	18.0	21.0	18.0	15.0	17.0	19.0	21.0	18.0	18.0	19.0	
Plant operations and maintenance	168.6	166.5	164.5	152.8	166.9	168.7	169.8	152.8	152.8	157.8	
Pupil transportation	8.5	8.5	15.5	16.0	28.6	33.6	38.2	37.3	37.3	37.3	
Food Service	44.4	47.3	46.6	42.4	44.5	45.5	37.5	36.4	38.6	36.4	
Adult and Community Programs	4.0	4.0	4.0	4.0	4.0	4.0	4.5	5.2	5.1	6.6	
ETTC	3.0	3.0	3.0	2.5	2.5	2.5	2.0	2.0	2.0		
Total	<u>1,274.2</u>	<u>1,364.1</u>	<u>1,386.4</u>	<u>1,338.5</u>	<u>1,442.3</u>	<u>1,447.1</u>	<u>1,413.1</u>	<u>1,280.5</u>	<u>1,253.6</u>	<u>1,264.9</u>	

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	Middle School	Junior High School	High School				
2004	8,958	\$ 108,832,212	\$ 12,149	2.61%	705	13.6	12.3	11.4	13	8,986.68	8,622.75	2.64%	95.95%
2005	9,035	115,198,110	12,750	4.95%	766	12.9	12.5	10.4	12.8	9,096.13	8,719.82	1.22%	95.86%
2006	9,047	121,354,429	13,414	5.20%	782	12.3	11.5	11.6	12.3	9,277.69	9,020.44	2.00%	97.23%
2007	9,067	128,270,342	14,147	5.47%	781	12.4	11.6	11.9	12.3	8,971.55	8,608.08	-3.30%	95.95%
2008	8,846	135,469,684	15,314	8.25%	720	11.8	12.5	12.2	11.9	8,781.66	8,480.19	-2.12%	96.57%
2009	8,876	136,731,783	15,405	0.59%	706	10.9	10.6	10.7	11.9	8,809.58	8,381.17	0.32%	95.14%
2010	8,783	136,416,960	15,532	0.83%	715	11.5	10.4	10.9	12	8,709.20	8,364.48	-1.14%	96.04%
2011	8,631	131,932,439	15,286	-0.77%	696	11.8	10.3	11	11.8	8,495.63	8,142.89	-2.45%	95.85%
2012	8,468	133,555,433	15,772	1.54%	687	11.4	10.4	11.4	11.9	8,292.92	7,983.85	-2.39%	96.27%
2013	8,420	140,746,823	16,716	9.35%	672	*	*	*	*	8,212.62	7,859.09	-0.97%	95.70%

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).

* Information not available for the years noted.

** Information for years 2004-2011 has been revised to reflect comparatively with pupil/teacher ratios reported within the NJ School Performance Report for 2012

East Brunswick Public Schools
School Building Information
Last Ten Fiscal Years

	Unaudited									
<u>District Building</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>Elementary</u>										
Bowne-Munro (1952)										
Square Feet	32,015	32,015	32,015	32,015	32,015	32,015	32,015	32,015	32,015	32,015
Capacity (students)	242	242	242	242	242	242	242	242	242	242
Enrollment	320	310	299	295	312	297	286	256	238	237
Central (1949)										
Square Feet	40,067	40,067	40,067	73,266	73,266	73,266	73,266	73,266	73,266	73,266
Capacity (students)	452	452	452	552	552	552	552	552	552	552
Enrollment	463	468	441	429	444	443	449	428	424	407
Chittick (1969)										
Square Feet	49,127	49,127	49,127	49,127	49,127	49,127	49,127	49,127	49,127	49,127
Capacity (students)	383	383	383	383	383	383	383	383	383	383
Enrollment	574	539	560	603	501	495	489	494	515	462
Frost (1965)										
Square Feet	49,971	49,971	49,971	49,971	49,971	49,971	49,971	49,971	49,971	49,971
Capacity (students)	438	438	438	438	438	438	438	438	438	438
Enrollment	570	557	528	538	479	504	502	491	457	429
Irwin (1957)										
Square Feet	43,033	43,033	43,033	43,033	43,033	43,033	43,033	43,033	43,033	43,033
Capacity (students)	376	376	376	376	376	376	376	376	376	376
Enrollment	507	525	536	517	424	441	436	409	417	459
Lawrence Brook (1959)										
Square Feet	37,004	37,004	37,004	67,267	67,267	67,267	67,267	67,267	67,267	67,267
Capacity (students)	465	465	465	532	532	532	532	532	532	532
Enrollment	461	459	451	447	521	572	547	524	513	432
Memorial (2012)										
Square Feet	30,759	30,759	30,759	30,759	30,759	30,759	30,759	30,759	30,759	78,000
Capacity (students)	446	446	446	446	446	446	446	446	446	650
Enrollment	377	375	378	384	389	377	356	348	337	489
Warnsdorfer (1968)										
Square Feet	49,971	49,971	49,971	49,971	49,971	49,971	49,971	49,971	49,971	49,971
Capacity (students)	479	479	479	479	479	479	479	479	479	479
Enrollment	558	569	588	551	531	500	462	461	429	415
Total Elementary Schools										
Square Feet	331,947	331,947	331,947	395,409	395,409	395,409	395,409	395,409	395,409	442,650
Capacity (students)	3,281	3,281	3,281	3,448	3,448	3,448	3,448	3,448	3,448	3,652
Enrollment	3,830	3,802	3,781	3,764	3,601	3,629	3,527	3,411	3,330	3,330

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

	Unaudited									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>Middle School</u>										
Hamarskjold (2009)										
Square Feet	116,862	116,862	116,862	116,862	116,862	254,580	254,580	254,580	254,580	254,580
Capacity (students)	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288
Enrollment	1,474	1,504	1,468	1,409	1,414	1,441	1,452	1,388	1,298	1,323
<u>Junior High School</u>										
Churchill Jr. High (1962)										
Square Feet	205,549	205,549	205,549	205,549	205,549	205,549	205,549	205,549	205,549	205,549
Capacity (students)	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325
Enrollment	1,541	1,484	1,501	1,534	1,506	1,461	1,466	1,469	1,462	1,415
<u>High School</u>										
East Brunswick High (1958)										
Square Feet	257,727	257,727	257,727	257,727	257,727	257,727	257,727	257,727	257,727	257,727
Capacity (students)	1,582	1,582	1,582	1,582	1,582	1,582	1,582	1,582	1,582	1,582
Enrollment	2,113	2,245	2,297	2,254	2,176	2,284	2,310	2,234	2,208	2,186
<u>Other</u>										
Administration Building										
Square Feet	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000

Number of Schools at June 30, 2013
 Elementary = 8
 Middle School = 1
 Junior High School = 1
 High School = 1
 Other = 1

Source: District records, ASSA, LRFP

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of 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	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
East Brunswick High School	\$ 350,196	\$ 363,539	\$ 357,072	\$ 410,530	\$ 714,920	\$ 533,832	\$ 568,212	\$ 525,549	\$ 565,886	\$ 520,355
Churchill Junior High School	287,404	295,625	273,595	302,575	535,537	426,848	494,977	441,724	468,456	474,606
Hammarckjold School	339,632	351,406	323,944	343,687	72,810	242,166	230,222	206,420	219,617	198,029
Bowne-Munro School	42,023	42,089	40,757	47,494	95,882	66,159	61,425	56,305	61,519	53,535
Central School	96,169	97,621	93,848	104,944	20,954	153,963	80,487	76,238	75,151	65,858
Irwin School	56,485	57,479	57,905	77,816	122,496	87,549	82,598	75,765	84,647	70,066
Lawrence Brook School	88,295	90,433	84,485	93,577	19,238	139,809	75,300	65,812	72,728	67,546
Memorial School	105,383	43,033	39,151	42,919	88,410	67,486	59,367	55,020	58,100	52,737
Chittick School	64,484	67,793	65,862	67,929	105,673	106,422	95,834	85,025	95,403	80,004
Frost School	65,592	65,695	62,304	69,193	122,373	102,292	105,829	89,017	93,710	80,850
Warnsdorfer School	65,592	65,695	62,304	70,227	106,286	103,639	95,898	86,660	94,496	81,691
Total School Facilities	1,561,255	1,540,408	1,461,226	1,630,891	2,004,579	2,030,165	1,950,149	1,763,535	1,889,713	1,745,277
Other Facilities	39,378	39,440	37,051	39,686	44,732	60,340	65,349	58,997	62,880	55,152
Grand Total	\$ 1,600,633	\$ 1,579,848	\$ 1,498,278	\$ 1,670,577	\$ 2,049,311	\$ 2,090,505	\$ 2,015,498	\$ 1,822,532	\$ 1,952,593	\$ 1,800,429

Source: M1

East Brunswick Public Schools
Insurance Schedule
For the Fiscal Year Ended June 30, 2013

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>MULTI-PERIL PACKAGE POLICY</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG POLICY NO. P-135AD ANNUAL PREMIUM: \$503,621.26		
<u>Section II - Commercial General Liability</u>		
Bodily Injury, Property Damage and Personal Injury	\$ 11,000,000	
Medical Expense	10,000	
Aggregate Child Molestation/Sexual Abuse	11,000,000	
Employee Benefits Legal Liability	11,000,000	
<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 / NJSBAIG POLICY NO. E-135D ANNUAL PREMIUM: \$128,537.44		
Wrongful Acts Liability - Each Occurrence	11,000,000	15,000
Annual Aggregate	11,000,000	
<u>CATASTROPHIC POLICY</u>		
FIREMAN'S FUND POLICY NO. SHX00048604037 ANNUAL PREMIUM: \$38,722		
Limit of Insurance (Group Aggregate)	50,000,000	
<u>PROPERTY INSURANCE</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG POLICY NO. P135AB ANNUAL PREMIUM: Included		
Blanket Building - Contents Coverage	400,000,000	10,000
Extra Expense	50,000,000	10,000
Flood & Earthquake	25,000,000	25,000
EDP	2,100,000	1,000
Energy Systems - Property Damage	100,000,000	10,000
Energy Systems - Extra Expense	10,000,000	10,000

East Brunswick Public Schools
Insurance Schedule
For the Fiscal Year Ended June 30, 2013

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 / NJSBAIG		
Bodily Injury and Property Damage	\$ 11,000,000	
Uninsured Motorist Coverage	1,000,000	
Comprehensive	Replacement	\$ 1,000
Collision	Replacement	1,000
<u>ENVIRONMENTAL IMPAIRMENT</u>		
CHUBB GROUP POLICY NO. 37254099 ANNUAL PREMIUM: \$8,625		
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-135AD ESTIMATED DEPOSIT PREMIUM: \$450,673.48		
A. Worker's Compensation Insurance Under New Jersey State Laws		
B. Employer's Liability		
Bodily Injury - Each Accident	2,000,000	
Bodily Injury By Disease - Each Employee	2,000,000	
CHUBB INSURANCE POLICY NO. 99061516 ANNUAL PREMIUM: \$19,083		
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 / NJSBAIG		

East Brunswick Public Schools
Insurance Schedule
For the Fiscal Year Ended June 30, 2013

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>STUDENT ACCIDENT INSURANCE</u>		
McCLOSKEY INSURANCE / NJSBAIG POLICY NO. P836 ANNUAL PREMIUM: \$42,589		
Supplemental to primary family policy - full excess		
 <u>BONDS</u>		
SELECTIVE POLICY NO. B1005809 ANNUAL PREMIUM: \$1,800		
L. Mason Neely, Treasurer	\$	750,000
SELECTIVE INSURANCE POLICY NO. B1005007 ANNUAL PREMIUM: \$280		
Bernardo J. Giuliani, Business Administrator / Board Secretary		100,000

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
County of Middlesex

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, the 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, in the County of Middlesex, New Jersey (the "District") as of and for the year ended June 30, 2013, 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 2, 2013.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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.

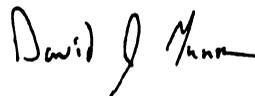
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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



David J. Gannon
Licensed Public School Accountant
No. 2305



WISS & COMPANY, LLP

December 2, 2013
Iselin, New Jersey



Report on Compliance For Each Major Federal and State Program and Report on Internal Control Over Compliance

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the East Brunswick Public Schools, in the County of Middlesex, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2013. 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.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on an audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the compliance requirements referred to previously that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

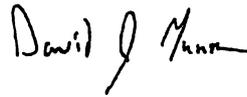
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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 OMB Circular A-133 and New Jersey OMB Circular 04-04. Accordingly, this report is not suitable for any other purposes.



David J. Gannon
Licensed Public School Accountant
No. 2305



WISS & COMPANY, LLP

December 2, 2013
Iselin, New Jersey

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Schedule of Expenditures of Federal Awards

Year ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance June 30, 2012			Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2013		
				Unearned Revenue	(Accounts Receivable)	Due to Grantor						Unearned Revenue	(Accounts Receivable)	Due to Grantor
General Fund:														
U.S. Department of Health and Human Services														
—Passed-Through State Department of Education														
Medicaid Aid	93.778	7/1/11-6/30/12	\$ 81,962		\$ (8,158)		\$ 8,158							
Medicaid Aid	93.778	7/1/12-6/30/13	83,916				83,916	\$ (83,916)						
U.S. Department of Education—Passed-Through State Department of Education														
Education Job Funds	84.410A	7/1/12-9/30/13	700,731					(1,745)					\$ (1,745)	
Total General Fund					<u>(8,158)</u>		<u>92,074</u>	<u>(85,661)</u>					<u>(1,745)</u>	
U.S. Department of Education—Passed-Through State Department of Education														
No Child Left Behind (NCLB):														
Title I, Part A - 10/11	84.010A	9/1/10-8/31/11	267,517		(4,434)		4,434							
Title I, Part A - 11/12	84.010A	9/1/11-8/31/12	321,681		(62,688)		55,266						(7,422)	
Title I, Part A - 12/13	84.010A	9/1/12-8/31/13	291,190				238,178	(282,406)					(44,228)	
Title II, Part A - 09/10	84.367A	9/1/09-8/31/10	180,115		(455)		455							
Title II, Part A - 10/11	84.367A	9/1/10-8/31/11	184,291		(25,271)		25,271							
Title II, Part A - 11/12	84.367A	9/1/11-8/31/12	168,446		(21,070)		21,001						(69)	
Title II, Part A - 12/13	84.367A	9/1/12-8/31/13	182,888				164,998	(182,888)					(17,890)	
Title II, Part D - 10/11	84.318	9/1/10-8/31/12	615				481	(481)						
Title III - 11/12	84.365A	9/1/11-8/31/12	47,720		(1,189)		1,189							
Title III - 12/13	84.365A	9/1/12-8/31/13	44,382				56,896	(57,043)					(147)	
Title III Immigrant - 12/13	84.365	9/1/12-8/31/13	67,669				37,847	(40,908)					(3,061)	
IDEA Part B, Basic Regular 10/11	84.027A	9/1/10-8/31/11	1,906,454		(42,456)		42,456							
IDEA Part B, Basic Regular 11/12	84.027A	9/1/11-8/31/12	1,897,959		(260,698)		232,912						(27,786)	
IDEA Part B, Basic Regular 12/13	84.027A	9/1/12-8/31/13	2,022,130				1,468,045	(1,985,798)					(517,753)	
IDEA Preschool - 10/11	84.173	9/1/10-8/31/12	67,043				10,772	(10,772)						
IDEA Preschool - 11/12	84.173	9/1/11-8/31/12	65,571	\$ 325			59,010	(67,546)					(8,211)	
IDEA Preschool - 12/13	84.173	9/1/12-8/31/13	75,123				1,192	(64,723)					(63,531)	
Adult Basic Education	84.002A	7/1/11-8/31/12	154,200		(32,681)		32,681							
Adult Basic Education	84.002A	7/1/12-8/31/13	153,284				97,120	(148,371)					(51,251)	
Race to the Top	84.416	7/1/12-11/30/15	25,619				14,659	(14,659)						
U.S. Department of Homeland Security														
Passed-through State Department of Education														
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	10/28/12-8/31/13	155,548											(53,690)
Total Special Revenue Fund and U.S. Department of Education - Passed-Through State Department of Education														
				325	(450,942)	-	-	2,666,721	(3,011,143)	-	-	-	(795,039)	-

Schedule of Expenditures of Federal Awards

Year ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance June 30, 2012			Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2013		
				Unearned Revenue	(Accounts Receivable)	Due to Grantor						Unearned Revenue	(Accounts Receivable)	Due to Grantor
U.S. Department of Agriculture-Passed-Through State Department of Education														
Enterprise Fund:														
National School Lunch Program	10.555	7/01/12-6/30/13	\$ 541,554					\$ 503,339	\$ (541,554)				\$ (38,215)	
National School Lunch Program	10.555	7/01/11-6/30/12	493,969	\$	(31,427)			31,427						
National School Breakfast Program	10.553	7/01/12-6/30/13	18,737					16,964	(18,737)				(1,773)	
National School Breakfast Program	10.553	7/01/11-6/30/12	7,351		(669)			669						
Food Donation Program (NC)	10.555	7/01/12-6/30/13	147,807					147,807	(147,807)					
Total Enterprise Fund and Total U.S. Department of Agriculture-Passed-Through State Department of Education					(32,096)			700,206	(708,098)				(39,988)	
Total Federal Awards				\$ 325	\$ (491,196)	\$ -	\$ -	\$ 3,459,001	\$ (3,804,902)	\$ -	\$ -	\$ -	\$ (836,772)	\$ -

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.

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2013

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2012			Carryover/Walkover	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Balance June 30, 2013			Memo		
				Unearned Revenue	(Accounts Receivable)	Due to Grantor						Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education																	
General Fund:																	
Equalization Aid	13-495-034-5120-078	7/1/12-6/30/13	\$ 11,913,311					\$ 10,782,462	\$ (11,913,311)						\$ (1,130,849)	\$ (1,913,311)	
Equalization Aid	13-495-034-5120-078	7/1/11-6/30/12	11,692,995	\$ (1,105,848)				1,105,848									
Special Education Categorical Aid	13-495-034-5120-089	7/1/12-6/30/13	5,044,500					4,565,660	(5,044,500)						(478,840)	(5,044,500)	
Special Education Categorical Aid	12-495-034-5120-089	7/1/11-6/30/12	4,780,787		(452,136)			452,136									
Transportation Aid	13-495-034-5120-014	7/1/12-6/30/13	142,435					128,915	(142,435)						(13,520)	(142,435)	
Security Aid	13-495-034-5120-034	7/1/12-6/30/13	577,924					523,066	(577,924)						(54,858)	(577,924)	
Nonpublic School Transportation Aid	12-495-034-5120-014	7/1/11-6/30/12	35,443		(35,443)			35,443									
Nonpublic School Transportation Aid	13-495-034-5120-014	7/1/12-6/30/13	36,329						(36,329)				\$ (36,329)			(36,329)	
Extraordinary Aid	12-100-034-5120-473	7/1/11-6/30/12	1,065,311		(1,065,311)			1,065,311									
Extraordinary Aid	13-100-034-5120-473	7/1/12-6/30/13	962,388						(962,388)							(962,388)	
TPAF Social Security Reimbursements	12-100-034-5093-002	7/1/11-6/30/12	4,279,962		(209,468)			209,468									
TPAF Social Security Reimbursements	13-100-034-5093-002	7/1/12-6/30/13	4,279,962					4,067,370	(4,279,962)						(212,592)	(4,279,962)	
Total General Fund					(2,868,206)			22,935,679	(22,956,849)					(1,211,309)	(1,678,067)	(2,956,849)	
Special Revenue Fund:																	
N.J. Nonpublic Aid:																	
Auxiliary Services:																	
English as a Second Language	13-100-034-5120-067	7/1/12-6/30/13	10,231					10,231	(853)					\$ 9,378		(853)	
English as a Second Language	12-100-034-5120-067	7/1/11-6/30/12	12,931			\$ 10,345				\$ (10,345)							
Compensatory Education	13-100-034-5120-067	7/1/12-6/30/13	38,460					38,460	(11,705)						26,755	(11,705)	
Compensatory Education	12-100-034-5120-067	7/1/11-6/30/12	46,493			22,824				(22,824)							
Home Instruction	12-100-034-5120-069	7/1/11-6/30/12	9,900		(9,900)			9,900									
Transportation	13-100-034-5120-068	7/1/12-6/30/13	9,680					9,680	(9,680)							(9,680)	
Handicapped Services:																	
Supplemental Instruction	13-100-034-5120-066	7/1/12-6/30/13	13,183					13,183	(9,714)						3,469	(9,714)	
Supplemental Instruction	12-100-034-5120-066	7/1/11-6/30/12	18,240			7,016				(7,016)							
Examination and Classification	13-100-034-5120-066	7/1/12-6/30/13	28,194					28,194	(24,364)						3,830	(24,364)	
Examination and Classification	11-100-034-5120-066	7/1/11-6/30/12	29,785			8,530				(8,530)							
Corrective Speech	13-100-034-5120-066	7/1/12-6/30/13	28,123					28,123	(20,311)						7,812	(20,311)	
Corrective Speech	11-100-034-5120-066	7/1/11-6/30/12	31,594			7,109				(7,109)							
Textbook Aid	13-100-034-5120-064	7/1/12-6/30/13	25,733					25,733	(24,087)						1,646	(24,087)	
Nursing Services	12-100-034-5120-070	7/1/11-6/30/12	35,678			559				(559)							
Nursing Services	13-100-034-5120-070	7/1/12-6/30/13	35,717					35,717	(35,702)						15	(35,702)	
Technology Services	13-100-034-5120-373	7/1/12-6/30/13	9,499					9,499	(8,435)						1,064	(8,435)	
Total Special Revenue Fund					(9,900)	56,383		208,720	(144,851)	(56,383)				53,969		(144,851)	
Capital Projects Fund:																	
Memorial School Replacement	SP-1170-120-09-QQAZ	Open	4,238,520		(3,814,668)			2,966,964						(847,704)		(3,390,816)	
EBHS Security System	SP-1170-050-09-0ZAY	Open	156,000		(156,000)			156,000								(156,000)	
Churchill Security System	SP-1170-055-09-0ZAZ	Open	156,000		(156,000)			156,000								(156,000)	
Total Capital Projects Fund					(4,126,668)			3,278,964						(847,704)		(1,702,816)	
Debt Service Fund:																	
Debt Service Aid	13-495-034-5120-017	7/1/12-6/30/13	419,959					419,959	(419,959)							(419,959)	
Total Debt Service Fund								419,959	(419,959)							(419,959)	
Enterprise Fund:																	
National School Lunch Program	13-100-010-3350-023	7/1/12-6/30/13	24,678					21,594	(24,678)						(3,084)	(24,678)	
National School Lunch Program	12-100-010-3350-023	7/1/11-6/30/12	23,516		(1,474)			1,474									
Total Enterprise Fund					(1,474)			23,068	(24,678)					(3,084)		(24,678)	
Total State Awards					\$ -	\$ (7,006,248)	\$ 56,383	\$ -	\$ 26,866,390	\$ (23,546,337)	\$ (56,383)	\$ -	\$ -	\$ (2,062,097)	\$ 53,969	\$ (1,678,067)	\$ (27,249,153)

NC - Non-cash expenditures

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

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East Brunswick Public Schools

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

Year ended June 30, 2013

1. General

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal and state award programs of the East Brunswick Public Schools (District). 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 Accounting

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in the preparation of, the basic financial statements.

3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements and 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.

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 NJSA 18A:22-44.2. For GAAP purposes those payments are not recognized until the subsequent year due to the

East Brunswick Public Schools

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

Year ended June 30, 2013

3. Relationship to Basic Financial Statements (continued)

state deferral and recording of the last state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$120,083 for the general fund and \$113,490 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.

Additionally, as discussed further in footnote 5, the State of New Jersey makes contributions on-behalf of the District for TPAF post-retirement medical and pension contributions. The total amount of these contributions during the 2013 fiscal year was \$8,314,379.

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	\$ 85,661	\$31,151,145	\$31,236,806
Special Revenue Fund	3,124,633	144,851	3,269,484
Debt Service Fund		419,959	419,959
Enterprise Fund – Food Service Fund	708,098	24,678	732,776
Total financial award revenues	<u>\$ 3,918,392</u>	<u>\$31,740,633</u>	<u>\$35,659,025</u>

4. Relationship to Federal and State Financial Reports

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

East Brunswick Public Schools

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

Year ended June 30, 2013

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, 2013.

The State of New Jersey also makes TPAF post-retirement medical and pension contribution expenditures on behalf of the District. These expenditures are not subject to New Jersey OMB Circular 04-04 because the contributions are made by the State directly and do not have any compliance related requirements, and therefore have not been included on the Schedule of State Awards, as directed by the funding agency.

East Brunswick Public Schools

Schedule of Findings and Questioned Costs

Year ended June 30, 2013

Part I – Summary of Auditors Results

Financial Statement Section

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____ Yes	_____ <u>X</u> _____	None Reported
Noncompliance material to basic financial statements noted?	_____ Yes	_____ <u>X</u> _____	No

Federal Awards Section

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$300,000</u>		
Auditee qualified as low-risk auditee?	<u>X</u> _____	Yes _____	No
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>		
Internal control over major programs:			
Material weakness(es) identified?	_____ Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____ Yes	_____ <u>X</u> _____	None Reported
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (Section 510(a))?	_____ Yes	_____ <u>X</u> _____	No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027 , 84.173	IDEA Part B, Basic & Preschool Cluster

East Brunswick Public Schools

Schedule of Findings and Questioned Costs

Year ended June 30, 2013

Part I – Summary of Auditors Results (continued)

State Awards Section

Dollar threshold used to distinguished between Type A and Type B programs: \$706,390

Auditee qualified as low-risk auditee? X Yes No

Type of auditor’s report on compliance for major programs: Unmodified

Internal control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None Reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 04-04? Yes X No

Identification of major programs:

GMIS/Program Number	Name of State Program or Cluster
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid

East Brunswick Public Schools
Schedule of Findings and Questioned Costs

Year ended June 30, 2013

Part II - Financial Statement Findings

No financial statement 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, 2013

**Part III - Federal and State Award Findings
and Questioned Costs**

No federal or state award findings and questioned costs noted that are required to be reported in accordance with OMB Circular A-133 or New Jersey OMB Circular 04-04.

East Brunswick Public Schools

Summary Schedule of Prior Audit Findings

Year ended June 30, 2013

Not Applicable.