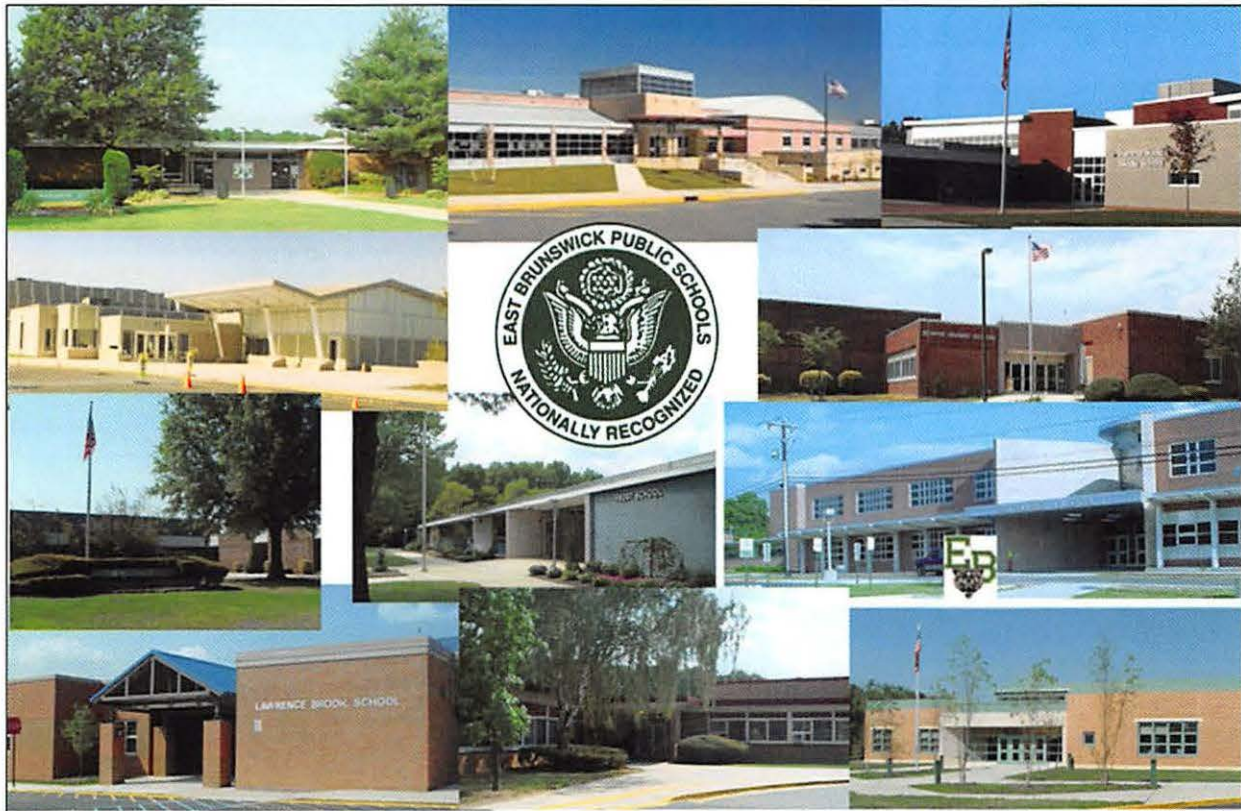


EAST BRUNSWICK PUBLIC SCHOOLS



Excellence in Academics, Athletics, and the Arts

*Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2015*

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
Fiscal Year Ended June 30, 2015

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 18, 2015

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

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

The Comprehensive Annual Financial Report for the East Brunswick School District (District) for the fiscal year ended June 30, 2015 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 2014-2015 with an average daily enrollment of 8,261 students, or 10 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>
2014-2015	8,261.0	(0.12%)
2013-2014	8,271.0	0.71%
2012-2013	8,213.0	(0.96%)
2011-2012	8,293.0	(2.39%)
2010-2011	8,496.0	(2.45%)

During fiscal year 2013-2014, the District engaged Statistical Forecasting, LLC to provide school enrollment projections, District boundary analysis, geocoding, and mapping services. The goal was 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 also reviewed historic and current residential development trends, including proposed development and redevelopment. It also assessed 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. The study, which was completed in August 2014, projects a year-to-year decline in enrollment.

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

October 15. It is the ASSA against which the accuracy of the demographer's projected enrollments should be measured.

<i>October 15 Enrollment</i>			
<u>Fiscal Year</u>	<u>Actual</u>	<u>Projected</u>	<u>Variance</u>
2016-2017	7,855*	7,760	95
2015-2016	8,107	7,916	191
2014-2015	8,399	8,085	314

**District straight-line projection based on 10/15/2015 enrollment.*

Demographic studies are an imperfect science and cannot account for unknown variables. This is evident in the variances between the above actual and projected enrollments. Nevertheless, the year-to-year variances are shrinking, and there is a clear indication that enrollment is declining as was predicted. By 2018-2019, enrollment is estimated to be 7,616 students. Certainly, time will reveal the accuracy of that projection.

2. ECONOMIC CONDITION AND OUTLOOK: The Township of East Brunswick's total labor force decreased 3.89% to 25,726 in 2014 from 26,768 in 2013, as reported by the New Jersey Department of Labor and Workforce Development. The employment rate for 2014 was 95.0% as compared with 93.6% in 2013, and the unemployment rate for 2014 decreased to 5.0% from 6.4% in 2013.

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, 2015 totaled \$23,421,856.00. The construction value and permits issued for the entire 2014 calendar year respectively totaled \$54,232,954.00 and 3,361 as compared to \$56,126,335.00 and 3,197 for the 2013 calendar year. This represents an increase of 164 permits and a decrease in construction value of \$1,893,381.00.

Certificates of occupancy (COs) issued for new residential units were reported to be 54 for the calendar year 2014, as compared with 11 for the calendar year 2013.

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. Construction value remains relatively stable while the number of permits have

increased. These factors are indicative of the continuing investment being made in East Brunswick's residential and commercial properties.

After a slow economic recovery period, the employment and unemployment rates have respectively increased and decreased each at 1.4% for the period ending with this report. These modest rate changes affect the general economic viability of the community, and are reflective of a wider, positive change that has been reported statewide 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: The District has been aggressive in pursuing the maximum level of State grant funds for all qualifying projects since State's school facilities grants were reinstated in 2008. To date, East Brunswick has been successful in receiving grant approvals on all qualifying projects and for the maximum qualifying amount. The grant funds have benefitted East Brunswick taxpayers by reducing the local financial obligation for the projects. In fact, over \$3.1 million in State grant funds – a full 40% of estimated project costs – have funded security vestibules at all eleven school locations and the following projects currently in process: 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; and, roof replacement at Frost Elementary School.

In recognition of the limitations on financial resources to support capital projects, the District established a revolving fund of lease-purchase financing through which capital projects are funded. Such short-term debt having a payback of no more than five years has enabled the District to plan ahead in meeting many school facility needs. In addition, the District has received Safety Grants from the New Jersey Schools Insurance Group. Those grants focus on District safety and security through physical improvements. In addition, the District has been fortunate to supplement its capital reserve fund to further the capital plan.

The projects undertaken in the planning stage, in-process or completed during the past year include parking expansion and traffic flow improvements at Irwin Elementary School; media center renovations at Churchill Junior High School; cafeteria renovations, main gymnasium renovations, media center renovations, and tennis court renovations at East Brunswick High School; the support operations facility; and, the District network operations center and administration building improvements. In addition, a significant technology investment has occurred with the introduction of Chromebook carts throughout the District, as well as improvements in wireless technology.

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.

Last year, the District reported that Sunera, LLC conducted an assessment of the Information Technology Department. While the report is confidential due to sensitive security discussions contained therein, the District has been committed to implementing the recommendations and providing students with the tools needed to augment their educational experiences. The issues to be addressed are varied and improvement will take time and financial resources, but a continued steadfast approach will ensure progress in this area.

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

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

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

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget 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, 2015.

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

7. OTHER INFORMATION:

A) Independent Audit - State statutes require an annual audit to be performed by independent certified public accountants or registered municipal accountants. The accounting firm of 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.

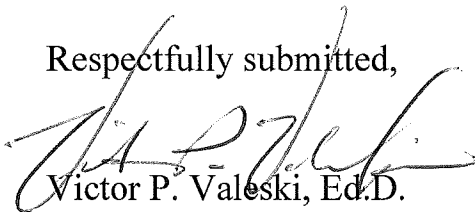
B) Awards – The International Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2014. In order to be awarded this certificate, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States and applicable legal requirements. This is the second year in a row the District has received this award.


This Certificate is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Programs' requirements and we are submitting it to ASBO to determine its eligibility for the fiscal year 2014-2015 award.

C) Continued Excellence in Academics, Athletics and the Arts - During the 2014-2015 school year, the District continued to advance its reputation for excellence through a variety of accomplishments and achievements. See the accomplishments and achievements section for a number of those successes.

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

Respectfully submitted,


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


Bernardo Giuliana
School Business Administrator/
Board Secretary

The District is proud to report the many successes and accomplishments that our students have achieved. The 2014-2015 school year achievements are listed below.

For Excellence In Academics...

- East Brunswick is the only district in the state to have 11 *Blue Ribbon Schools*. The schools are: Bowne-Munro, Central, Chittick, Frost, Irwin, Lawrence Brook, Memorial and Warnsdorfer Elementary Schools, Hammarskjold 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.*
- East Brunswick High School placed 130 among the top 500 high schools in the country on *Newsweek's America's Best High School's List for 2014*.
- In the annual *Inside New Jersey* ranking of “*Top Performing Public High Schools*” for 2014, East Brunswick High School was 47th among 371 high schools statewide and scored in the top 13% of all high schools in New Jersey.
- Seventeen EBHS students were named *Finalists in the 2015 National Merit Scholarship Program*.
- One EBHS senior was selected for the *Presidential Scholars Program*. He is one of 8 in the state and one of only 140 in the nation to be selected.
- Sixty-six students received recognition for the 2016 *National Merit Scholarship program*.
- In January, 133 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.
- Ninety-four EBHS students were newly inducted into *Mu Alpha Theta, the National High School Mathematics Honor Society*.
- Forty-one EBHS students were newly inducted into *Tri-M Music Honor Society*.
- Based on the 2014-2015 *New Jersey School Performance Report*, EBHS was ranked high in academic performance and college readiness when compared to other schools across the State and high when compared to its peers. EBHS’s graduation and post-secondary performance is very high when compared to schools across the state as well when compared to its peers.
- One Hammarskjold Middle School student qualified for the *2015 National Geography Olympiad, National History Bee and National History Bowl*.
- One EBHS student was selected to attend the *2015 Governor’s School of Engineering and Technology*, and two EBHS students were selected to attend the *2015 Governor’s School in the Sciences*.
- The EBHS Academic Team ranked 50th in the world and 2nd in New Jersey for the 2014-2015 school year.
- One 4th grader placed in the top 8 in New Jersey in the *Security Industry and Financial Markets Association Foundation's InvestWrite Competition*. (Teachers, Jeffrey Bressler and Wendy D'Andrea)

For Excellence In Academics - Continued

- At the *New Jersey FBLA Spring Leadership Conference* one collaborative EBHS group won 1st place honors in their event, *Banking and Financial Development*. One EBHS student placed first in the category Impromptu Speaking. (Advisor, Nicole Kenney)
- Twenty-two EBHS students were individually recognized for their exemplary written work and oral presentation and the entire delegation was recognized with the *Outstanding Large School* award at the *2015 Rutgers Model Congress Conference*. (Advisors, Marc Mondry and Michael Wildermuth)
- The EBHS Advanced Placement Institute for Political and Legal Education (AP IPLE) team came in first in the state at the *New Jersey We the People: 2015 The Citizen and the Constitution Competition* and 9th in the nation..
- Three EBHS teams of 8 students each placed 1st in State in *New Jersey Science League Team Competition*, Biology II, Chemistry I and Physics I categories with four individual students placing 1st in their respective categories. (Teachers, Jamie Kinard and Deborah Cretsinger)
- At the *NJ Science Olympiad* the team from Hammarskjold Middle School came in 2nd place overall, the Churchill Junior High team came in 5th place and the EBHS team came in 7th.
- Forty-eight EBHS students participated in the nationally recognized *Rutgers Waksman Scholars Program*; they focused on the DNA sequence analysis of genes from *Landoltia punctata*, a tiny aquatic plant known as duckweed, and had their research published on the National Center for Biotechnology Information (NCBI) database.
- In the *New Jersey Math League Competition*, 4 EBHS students were top scorers. As a school they placed 16th in the state.
- Six students from EBHS, scored in the top 5% on their respective exams, thus qualifying them to take the *American Invitational Mathematics Examination (AIME)*. (Teachers, Cheryl Canonaco and Julianne Nell)
- Nine EBHS students have qualified to attend the prestigious *American Regions Mathematics League (AMRL) Competition*.
- One EBHS student qualified for the *2015 USA Math Olympiad*.
- Twenty-five 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 3. Complete 10 community service hours.
- The Coding Club and AP Computer Science Class of EBHS finished 37th out of 3,000 in *Carnegie Mellon University's Computer Science Challenge* in their first year competing.
- Advanced Placement Test results for 2015: In total 1,259 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 1660; that is 163 points higher than the state average.
- Over 92.5% of the graduating class will go on to post-secondary educational experiences.

For Excellence In Academics - Continued

- Thirteen seniors received *high honors status*.
- The EBHS Class of 2015 can boast *310 Presidential Awards for Academic Excellence*.
- At the *Community Programs Department's Yearly Celebration of Lifelong Learning*, 26 adults were among those recognized for having achieved citizenship.

For Excellence In Athletics...

- Season Summaries

	Fall	Winter	Spring	Overall
Record	66-60-4	83-33-3	107-64	256-187-4
Winning %	52%	72%	63%	62%
Division Record	58-26-3	40-20-6	72-28	148-81-6

- Team Champions

Conference	Division
Girls Soccer	Girl Soccer
Girls Swimming	Girls Swimming
Boys Volleyball	Boys Volleyball
Girls Golf	
Cheerleading	

- At the *GMC tournament* the Varsity Cheerleaders won the *Red Division Game Day Competition* and came in second in the Routine Division. (Coach, Caitlin LeBlon)
- One student athlete was named *GMC Individual Bowling Champion*. (Coach, Douglas Spishock)
- One EBHS junior was named *Best GMC basketball player* by *NJ.com*.
- One student athlete came in first in the *NJSIAA Boys Tennis tournament* and was also a *GMC Singles Champion*. (Coach, Allison Clay)
- One EBHS student athlete was named the *Home News Tribune's 2015 Girls Golfer of the Year*, one of 10 student-athletes that the Greater Middlesex Conference selected to its *2015 All-GMC girls golf team*. (Coach, Bo Henning)
- The Spring Track Girls 4 X 400 meter team won the *GMC Championship* in their event. (Coach, Jeff Sundberg)
- Two student athletes won GMC Individual titles in Spring Track; one for shot put and one in the 200 meter.
- One student athlete was named individual first place champion at the regional and state levels in the pole vault at the *NJSIAA Central Jersey Group IV Sectionals* and at the *State Group IV Sectionals*.
- 100% of the 150 student athletes from the Class of 2015 are going onto higher education.
- Fourteen graduating student athletes were signed by colleges, 3 by Division 1 schools, 2 by Division II schools and 9 by Division III schools.

For Excellence In the Arts...

- East Brunswick High School reported an enrollment of 81% in the arts while the state average for students enrolled in at least one arts course is 47.3%.
- Congratulations to student musicians selected for *Honors, Regional, All-State*, and *All Eastern Ensembles*:
 - All Eastern Orchestra (5)
 - All Eastern Symphonic Band (3)
 - All Eastern Chorus (2)
 - All State HS Chorus (2)
 - All State HS Orchestra (3)
 - All State Intermediate Orchestra (3)
 - All State HS Symphonic Band (5)
 - All State Wind Ensemble (4)
 - New Jersey Honors Jazz Choir (1)
 - CJMEA Elementary Honors Band (15)
 - CJMEA Elementary Honors Orchestra (29)
 - CJMEA Elementary Honors Chorus (6)
 - CJMEA Intermediate Regional Chamber Orchestra (5)
 - CJMEA Intermediate Regional Chorus (20)
 - CJMEA Intermediate Regional Jazz Band (2)
 - CJMEA Intermediate Regional String Orchestra (17)
 - CJMEA Intermediate Regional Symphonic Band (3)
 - CJMEA Intermediate Regional Wind Ensemble (1)
 - CJMEA HS Region Chorus (15)
 - CJMEA HS Region Orchestra (17)
 - CJMEA HS Region Percussion Ensemble (2)
 - CJMEA HS Region Symphonic Band (5)
 - CJMEA HS Region Wind Ensemble (3)
- One EBHS Marching Band color guard member was selected to participate in the prestigious *Macy's Great American Marching Band*.
- An EBHS senior was chosen as a winner of the *2015 Miss New Jersey Teen USA Pageant*.
- EBHS junior was selected to participate in the prestigious *National Association for Music Education (NAfME) National Honors Orchestra* which performed at the *Grand Ole Opry House*.
- An EBHS senior was chosen by *New Jersey Music Educator Association* as a finalist in the *NJMEA Young Composer's Competition*. (Teacher, Marjorie LoPresti)
- One EBHS cellist was chosen for the prestigious *National Youth Orchestra of the United States of America* which performed at Carnegie Hall. (Teacher, Dr. Arvin Gopal)
- One EBHS senior won a scholarship for her entry in the *NAfME Student Composers Competition*.
- One EBHS senior was chosen to participate in the *2015 Manhattan School of Music Pre-College Concerto Competition*.

For Excellence In the Arts - Continued

- The EBHS Concert Choir (Director, Jennifer Sengin) earned a *Superior Rating in Sight Reading and a Superior Rating in Performance* at the *2015 American Choral Directors Association High School Choral Festival*.
- The EBHS Concert Choir (Director, Jennifer Sengin) earned a *Gold rating* as an ensemble at the *2015 Roxbury Choral Invitational*. Three individual performers received *Excellence ratings* in the solo division.
- The EBHS Bella Voce (Director, Jennifer Sengin) earned an *Outstanding Rating in Sight Reading and a Superior Rating in Performance* at the *2015 American Choral Directors Association High School Choral Festival*.
- The works of three EBHS students were among more than 100 compositions from school districts throughout New Jersey's 12th Congressional District entered into the *2015 Congressional Art Competition*. One was selected to receive 1st place honors in *Computer Generated Art*; one received 1st place in *Painting* and one took 1st place in *Mixed Media*.
- One EBHS student was recognized as a *NJDOE State Board of Education Young Audiences Arts Champion*.
- The works of three students from Central Elementary School were selected for *The Middlesex County Youth Art Month Exhibit* (Teacher, Sueann Brewer). The work of one Central School artist was chosen to be displayed at the Trenton State House Annex as part of the *NJ State Youth Art Month Show*.
- The works of four Bowne-Munro Elementary School students were selected from hundreds of statewide entries in the *New Jersey Agricultural Society Farm-City Poster Contest* to be displayed at the Rutgers EcoComplex. Additionally two of these artists were named overall grand prize winners for their grade level. (Teacher, Lisa Gombas)
- One EBHS senior artist received *four Gold Key Awards, one Silver Key Award* and one Honorable Mention in the *Northern NJ Region Scholastic Art and Writing Competition* (Teacher, Annagrace Kasten)

Staff Accomplishments...

- Coach Greg Rutz was named *GMC Boys Volleyball Coach of the Year*.
- Coach Jeff Sundberg was named *GMC Girls Swimming Coach of the Year*.
- Memorial teacher, Emilie Taylor, placed third in the *Sally Ride - Deloitte 2014 – 2015 Competition* and received the *Award for Teaching Innovation in STEM*.
- Multimedia Technology Specialist, John McMenamin, won a *2015 School Communication Award* from *New Jersey School Public Relations* for producing the video, *Welcome to East Brunswick*.
- The East Brunswick Board of Education was named a *2015 Employer Support Freedom Award* Nominee.
- Board member, Holly Howard, was recognized by the *Middlesex County School Boards Association* for 20 years of service to education.
- Scott Kominkiewicz, Supervisor of Community Programs, was chosen by the *New Jersey School-Aged Childcare Coalition* to be the *Afterschool Ambassador for Middlesex County*.

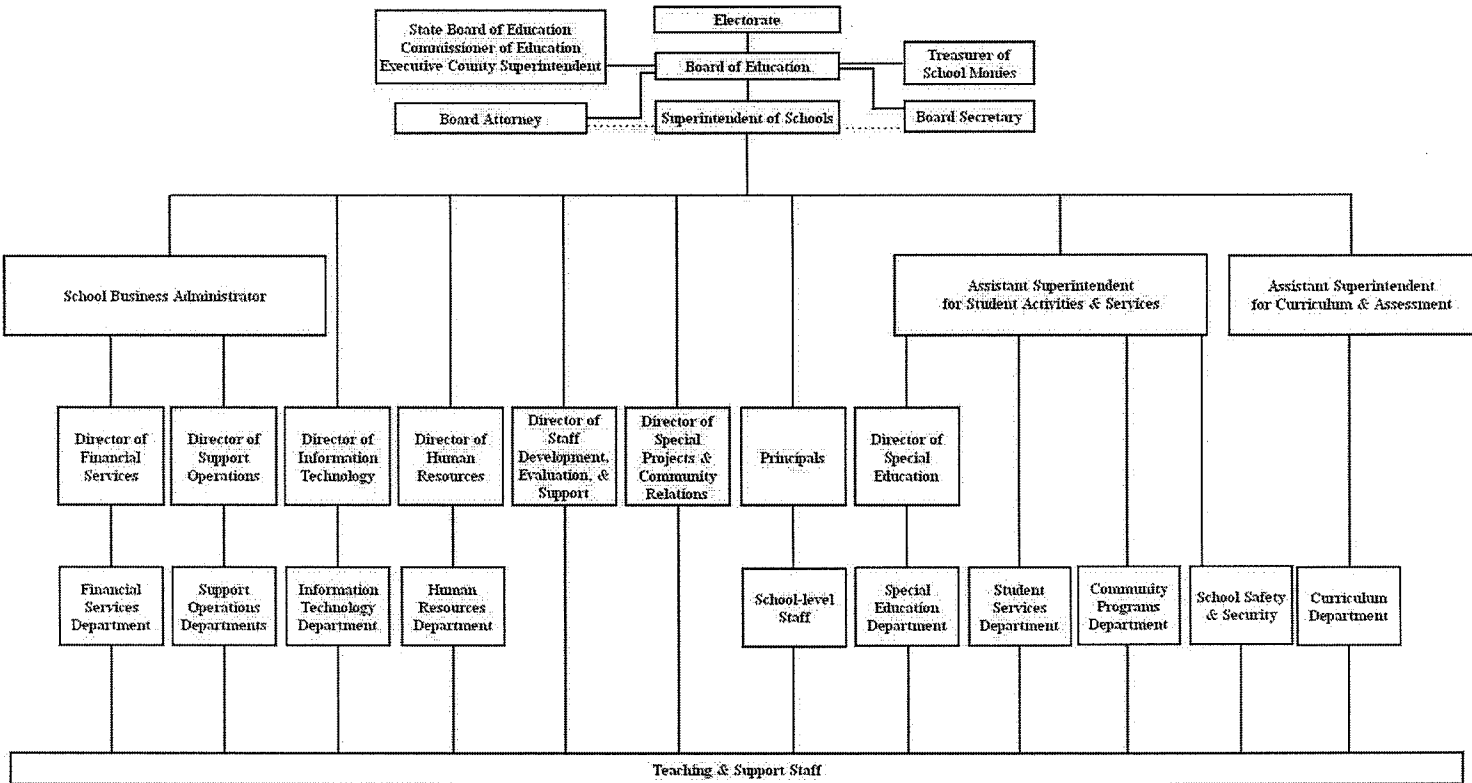
Staff Accomplishments - Continued

- Music Teacher Marjorie LoPresti was named a *New Jersey Music Educators Association (NJMEA) Master Music Teacher for 2015*.
- *The Certificate of Excellence in Financial Reporting* was awarded by the *Association of School Business Officials (ASBO) International* to the East Brunswick Public Schools for the second consecutive year.
- Five former staff members were inducted onto the *Wall of Honor*. They are: Dr. Jo Ann Magistro, Dr. Paul Kimmel, Barbara Maier, Gladys Sroczyński and Murray A. Chittick.

For Excellence in Service to the Community...

- District-wide, \$3,565 was collected for cancer research during a staff denim day in October. All proceeds went to the *Rutgers Cancer Institute of New Jersey Foundation's Breast Cancer and Pediatric Cancer Research Fund*. That makes \$26,519 raised since 2007.
- In recognition of Veteran's Day, staff donated \$2,955 for *G.I. Go Fund*.
- At the EBHS National Honor Society's (Advisors, Leslie Anderson and Bruce Singer) Fall Blood Drive, 151 pints of blood were donated by students and staff. At the Spring Blood Drive 178 pints were collected. Additionally, the students also collected hygiene products for homeless veterans.
- On the November 22 district-wide Denim day our staff raised over \$2600.00 for the *East Brunswick Education Foundation*.
- Through the Annual Gift Drive at EBHS over 1250 gifts were purchased by staff and students. (facilitated by Pat Peters and Audrey Nelson)
- In total, our educational community collected 12,300 pounds of food for *MCFOODS*, 6000 of which was collected by the East Brunswick High School Football team.
- 985 elementary students took part in the *East Brunswick Education Foundation's Reading Rocks Campaign* and raised over \$12,000 for the foundation to put toward grants.
- Approximately 200 senior citizens attended the annual Senior - Senior Prom at EBHS sponsored by many student organizations with support from the following staff members: Audrey Domond, Kim Giambrone, Kerri McQuade.
- A total of \$4,085 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.
- A total of \$3,098 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 13th.
- Hammarskjold Middle School raised over \$20,300 for the *American Cancer Society* at their 6th Annual Relay Field Day.

1110. ORGANIZATIONAL CHART



This organizational structure is effective September 12, 2014.

East Brunswick Public Schools
East Brunswick, New Jersey

Roster of Officials

June 30, 2015

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Brad Cohen, M.D., President.....	2016
Holly Howard, Vice President.....	2016
Susanna Chiu.....	2017
Vicki Becker.....	2015
Laurie Lachs.....	2017
Kevin McEvoy.....	2015
Curt Philipczak.....	2016
Meredith Shaw.....	2015
Todd Simmens.....	2017

Other Officials

Victor Valeski, Ed.D., Superintendent

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

Clarke Caton Hintz
100 Barrack Street
Trenton, New Jersey 08608

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

Van Cleef Engineering Associates, LLC
32 Brower Lane
Hillsborough, NJ 08844

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
O’Gorman & Young, Inc.
707 State Road, Route 206
Princeton, New Jersey 08542

Official Depository

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

Association of School Business Officials International

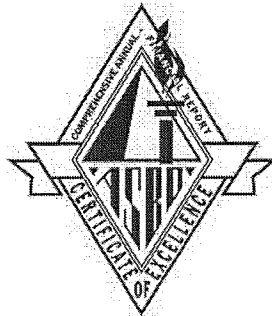


*The Certificate of Excellence in Financial Reporting Award
is presented to*

East Brunswick Public Schools

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

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, 2015, 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 from 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.

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5 Bartles Corner Road
Flemington, NJ 08822
908.782.7300

60 West Broad Street
Suite 102
Bethlehem, PA 18018
484.821.5735

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 above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter-Change in Accounting Principle

As discussed in Note 1.R. to the financial statements, during the fiscal year ended June 30, 2015, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*. As discussed in Note 18, as of July 1, 2014 the District's net position was restated to reflect the impact of this change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of the District's proportionate share of the net pension liability-PERS, schedule of District contributions, schedule of the State's proportionate share of the net pension liability associated with the District-TPAF and budgetary comparison information as identified 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 15-08, *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*

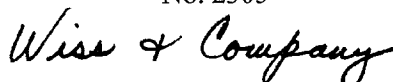
In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and 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 18, 2015
Iselin, New Jersey

Required Supplementary Information
Part I

Management's Discussion and Analysis

East Brunswick Public Schools

Management's Discussion and Analysis Year Ended June 30, 2015 (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, 2015. 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 Community Programs are reported here.

The government-wide financial statements can be found on pages 30 – 31 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 32 – 34 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 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 35 – 37 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 38 – 39 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 40 - 80 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 81-125 of this report.

Financial Highlights

Key financial highlights for 2014-2015 are as follows:

In total, net position totaled \$105,165,280, which represents a 22.0% decrease from 2014. This is primarily due to the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*, which resulted in a restatement of beginning net position of (\$36,898,016).

Governmental activities general revenues and transfers accounted for \$171,730,314 in revenue or 98% 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 \$3,626,550 or 2% of total governmental activity revenue of \$174,956,864.

Among major funds, the General Fund had \$148,718,345 in revenue and \$147,344,894 in expenditures. The General Fund's fund balance is \$21,140,175 as of June 30, 2015, an increase of \$2,826,833 from the June 30, 2014 balance.

Notification was received that the two June 2015 state aid payments to the district in the total amount of \$1,714,644 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, 2015 and 2014:

	Net Position					
	June 30, 2015			June 30, 2014		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 38,805,418	\$3,035,734	\$ 41,841,152	\$ 28,331,228	\$2,320,249	\$ 30,651,477
Capital assets	216,096,562	528,779	216,625,341	210,047,114	170,296	210,217,410
Total assets	254,901,980	3,564,513	258,466,493	238,378,342	2,490,545	240,868,887
Deferred outflows of resources	9,119,025		9,119,025	6,586,305		6,586,305
Liabilities:						
Current liabilities	17,980,489	822,789	18,803,278	11,391,633	400,135	11,791,768
Net pension liability	36,164,490		36,164,490			
Long-term liabilities	104,941,508	355,755	105,297,263	100,659,824	97,326	100,757,150
Total liabilities	159,086,487	1,178,544	160,265,031	112,051,457	497,461	112,548,918
Deferred inflow of resources	2,155,207		2,155,207			
Net position:						
Net investment in capital assets	118,166,184	186,262	118,352,446	115,774,538	170,296	115,944,834
Restricted	18,700,525		18,700,525	13,811,105		13,811,105
Unrestricted (deficit)	(34,087,398)	2,199,707	(31,887,691)	3,327,547	1,822,788	5,150,335
Total net position	\$102,779,311	\$2,385,969	\$105,165,280	\$132,913,190	\$1,993,084	\$134,906,274

The District's combined net position was \$105,165,280 on June 30, 2015. This is a decrease of \$29,740,994 from the previous year, which is mainly due to the \$36,898,016 restatement of beginning net position which resulted from the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*.

Current and other assets increased in large part due to increase in restricted cash held for capital leases and lease purchase obligations.

Capital assets increased as a result of the addition of capital assets and construction in progress exceeding depreciation expense in the current year.

Long-term liabilities increased as result of new capital leases issued in the amount of \$7,850,000, plus a new lease purchase obligation in the amount of \$5,800,000. This was offset by principal payments made in the total amount of \$3,310,000, \$277,729 in unamortized bond premiums and \$3,632,671 in lease purchase obligations and capital lease payments.

Current liabilities increased due to an increase in accounts payable as a result of the timing when certain bills are paid and an increase in current portion of long-term obligations due to the issuance of new capital leases.

The net pension liability recorded as of June 30, 2015 is the result of the current year implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*.

There was an increase in restricted net position of approximately \$4,889,420, which resulted largely from a net increase in the capital reserve of approximately \$350,000, as well as an increase in excess surplus to be used toward subsequent years' expenditures in the amount of \$2,370,000 and an increase capital projects fund balance of approximately \$2,170,000 as a result of new SDA grants received.

There was an overall increase of approximately \$393,000 in net position reported in connection with the District's business-type activities. The Food Service program received an increase of approximately \$10,000 in federal revenue while Community Programs benefited from an increase of approximately \$290,000 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 years ended June 30, 2015 and 2014:

Changes in Net Position

	June 30, 2015			June 30, 2014		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for Services	\$ 358,579	\$ 4,916,192	\$ 5,274,771	\$ 306,837	\$ 4,585,340	\$ 4,892,177
Operating Grants and Contributions	3,267,971	793,844	4,061,815	2,815,490	784,488	3,599,978
General Revenues:						
Property Taxes	124,216,506		124,216,506	121,368,715		121,368,715
Grants and Entitlements	46,511,588		46,511,588	30,310,680		30,310,680
Miscellaneous	602,220	1,062	603,282	494,634	955	495,589
Total Revenues	174,956,864	5,711,098	180,667,962	155,296,356	5,370,783	160,667,139
Expenses:						
Instruction	95,904,180		95,904,180	84,218,184		84,218,184
Support Services	66,799,508		66,799,508	61,512,060		61,512,060
Charter school	2,056,054		2,056,054	1,721,288		1,721,288
Interest and other charges	3,832,985		3,832,985	4,183,089		4,183,089
Business-type activities		4,918,213	4,918,213		4,422,387	4,422,387
Total Expense	168,592,727	4,918,213	173,510,940	151,634,621	4,422,387	156,057,008
Change in Net Position	6,364,137	792,885	7,157,022	3,661,735	948,396	4,610,131
Transfers	400,000	(400,000)		200,000	(200,000)	
Change in net position after transfers	6,764,137	392,885	7,157,022	3,861,735	748,396	4,610,131
Net Position-beginning	132,913,190	1,993,084	134,906,274	129,051,455	1,244,688	130,296,143
Restatement	(36,898,016)		(36,898,016)			
Net Position-ending	\$ 102,779,311	\$ 2,385,969	\$ 105,165,280	\$ 132,913,190	\$ 1,993,084	\$ 134,906,274

Governmental Activities

Property taxes made up 71.0% of total revenue for the fiscal year 2015. Federal, state and local grants and tuition and miscellaneous revenue accounted for the remainder. The total cost of all programs and services was \$168,592,727. Instruction accounted for 56.9% 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 less than expenses by \$23,944, mostly as a result of various start-up costs in having Aramark manage the food service operations of the district for the first time in the 2014-15 school year. Charges for services, which consist of the amount paid by students and other patrons for daily food service and catering, represent 70.9% of total revenue.

Community Programs revenues exceeded expenses by \$816,829. A \$400,000 transfer to the General Fund brought the net increase in net position to \$416,829.

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, 2015 as well as the amount and percentage of increases or decreases in relation to the prior year.

Revenue	Amount	Percent of Total	Increase from 2014	Percent of Increase
Local Sources	\$ 125,393,736	77.84%	\$ 3,023,643	2.47%
State Sources	32,775,963	20.34%	2,485,215	8.20%
Federal Sources	2,935,861	1.82%	300,346	11.40%
Total	\$ 161,105,560	100.00%	\$ 5,809,204	3.74%

The increase in local source revenue is attributable to the increase in the local tax levy.

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, as well as an increase in state source revenue recognized in the capital projects fund for various SDA projects in progress during the year.

The increase in federal source revenue is mainly attributable to an increase in Title I funds utilized in the current year by the District.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2015 and the increases and decreases related to the prior year:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase from 2014</u>	<u>Percent of Increase</u>
Current Expense:				
Instruction	\$ 59,740,127	35.70%	\$ 1,358,536	2.33%
Undistributed expenditures	82,353,190	49.21%	1,318,474	1.63%
Capital Outlay	12,547,621	7.50%	7,985,410	175.03%
Charter School	2,056,054	1.23%	334,766	19.45%
Debt Service	10,638,371	6.36%	81,851	0.78%
Total	<u>\$ 167,335,363</u>	<u>100.00%</u>	<u>11,079,037</u>	<u>7.09%</u>

The increase in capital outlay is the result of the District undertaking several additional projects in the current year as compared with the prior year. The increase in charter school is a direct result of an increase in the number of students attending charter schools. Instruction and Undistributed expenditures increased only slightly as a result of the District's efforts to continue to control costs.

General Fund

The fund balance increased by approximately \$2,827,000 during the 2015 fiscal year as a result of continued strong operational performance by the District as well as the timing of when expenditures were incurred on capital projects funded in the general fund, which led to an increased in year-end encumbrances of approximately \$1,835,000 from the prior year. As of June 30, 2015, the District has unassigned fund balance of \$1,280,719, which represents a decrease of \$64,626 from the 2014 fiscal year.

Special Revenue Fund

Expenditures incurred in the Special Revenue Fund increased by approximately \$2,078,000 mostly as a result of an increase in capital expenditures funded through lease purchase agreements for various construction projects. Federal revenues increased by approximately \$302,000 as a result of additional Title I revenue and carryover funds.

Capital Projects Fund

As of June 30, 2015, the District's Capital Project's Fund Balance increased by approximately \$2,170,000 as a result of four SDA grants received by the district and the transfer of local share funding to offset the costs of these new projects.

Debt Service Fund

Expenditures in the Debt Service Fund decreased as a result of a reduction in required principal and interest on bonds due in the current year as compared with the prior year.

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 2015, 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.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2015, the District had capital assets of \$273,637,866, which includes school facilities, land, buildings, equipment and vehicles and construction in progress.

The following provides a summary of the capital assets held by the District at June 30, 2015 and 2014:

	Capital Assets			
	2015		2014	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Non-Depreciable Assets:				
Land	\$ 1,019,208		\$ 1,019,208	
Construction in Progress	6,380,566		2,070,991	
Depreciable Assets:				
Buildings and Improvements	256,244,461	\$ 782,541	249,051,750	\$ 322,328
Machinery and Equipment	9,181,953	29,137	8,193,838	29,137
Totals	<u>\$ 272,826,188</u>	<u>\$ 811,678</u>	<u>\$ 260,335,787</u>	<u>\$ 351,465</u>

Overall capital assets increased \$12,950,614 from fiscal year 2014 to fiscal year 2015 mainly due to the increase in construction attributable to the Bowne Munro Elementary School roof replacement, Irwin Elementary School windows, maintenance/transportation facility, high school science room renovations, Frost Elementary School roof replacement and the high school media center improvements.

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, 2015 and 2014:

	2015		2014	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Bonds payable (net)	\$ 88,556,707		\$ 92,144,436	
Obligations under capital leases	11,518,383		5,845,897	
Lease purchase obligations payable	11,085,388	\$ 342,517	6,740,545	
Compensated absences	3,025,646	94,154	3,033,730	\$ 97,326
Total long-term liabilities	<u>\$ 114,186,124</u>	<u>\$ 436,671</u>	<u>107,764,608</u>	<u>\$ 97,326</u>

During fiscal year 2015, the District's governmental-type long-term liabilities increased by \$6,421,516. The increase is a result of issuance of new capital leases and a lease purchase obligation offset by the debt retirements.

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. In June 2013 and notwithstanding the steps taken to reduce costs where possible, the Board of Education authorized an independent evaluation of the program to assist it in identifying options for improving the program including additional expense-reducing steps, as well as revenue-generating opportunities, to ensure that students are well served. As a result of the report, the Board engaged the employee bargaining unit in "impact bargaining" in an effort to arrive at mutual agreement on labor costs and to enable retention of the affected employees as District employees. Having arrived at agreement with the bargaining unit, the Board awarded a contract to Aramark K-12 Education (Aramark), a well-established leader in the food service industry. Aramark's responsibility is to operate and manage the District's Child Nutrition Enterprise Program with the District's employees while ensuring improved food quality and selection, efficiency, profitability, through a self-sustaining program. In the first year of the District's partnership with Aramark, there have been substantial improvements in food quality, sales, client satisfaction (students and parents), and employee morale. There is no doubt that unanticipated startup costs associated with servicing or replacing aged equipment and equipping kitchens to once again actively cook meals have affected the bottom line, as did the substantial training time necessary to "re-tool" employees into a new program. Those expenses were not only necessary, but have resulted in a highly improved program achieving the intended objectives.

Local property taxes provide approximately 78% 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 application in 2012-2013, it proposed increasing its enrollment and expanding grade levels, as well as extending its charter. The application underwent review by the New Jersey Department of Education Office of Charter Schools, after which the Commissioner of Education denied the expansion. Since then, the charter school has annually requested approval to expand grade levels and the number of students per grade. In fact, the Commissioner of Education granted a portion of the requested expansion for the 2015-2016 school year. 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 six years, the charter school's existence has required the cumulative appropriation of \$10,891,563 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 fiscal year 2016, the local funding share is 86.86% of the District's fiscal year 2016 General Fund budget. More and more, this suburban community's local funds must be diverted to support a charter school for which there is no educational need.

Requests for Information

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

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2015.

East Brunswick Public Schools

Statement of Net Position

June 30, 2015

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 17,181,203	\$ 2,744,294	\$ 19,925,497
Accounts receivable	9,418,852	188,986	9,607,838
Internal balances	(100,558)	100,558	-
Inventory		1,896	1,896
Restricted assets:			
Cash and cash equivalents	12,305,921		12,305,921
Capital assets, non-depreciable	7,399,774		7,399,774
Capital assets, depreciable, net	208,696,788	528,779	209,225,567
Total assets	<u>254,901,980</u>	<u>3,564,513</u>	<u>258,466,493</u>
Deferred Outflows of Resources			
Deferred loss on defeasance of debt	6,245,634		6,245,634
Pension deferrals	2,873,391		2,873,391
Total deferred outflows of resources	<u>9,119,025</u>		<u>9,119,025</u>
Total assets and deferred outflows of resources	<u>264,021,005</u>	<u>3,564,513</u>	<u>267,585,518</u>
Liabilities			
Accounts payable and accrued expenses	7,761,016	375,488	8,136,504
Accrued interest payable	833,920		833,920
Intergovernmental payable	10,824		10,824
Unearned revenue	130,113	366,385	496,498
Net pension liability	36,164,490		36,164,490
Current portion of long-term obligations	9,244,616	80,916	9,325,532
Noncurrent portion of long-term obligations	104,941,508	355,755	105,297,263
Total liabilities	<u>159,086,487</u>	<u>1,178,544</u>	<u>160,265,031</u>
Deferred Inflow of Resources			
Pension deferrals	<u>2,155,207</u>		<u>2,155,207</u>
Net Position			
Net investment in capital assets	118,166,184	186,262	118,352,446
Restricted for:			
Capital Reserve	6,303,883		6,303,883
Excess Surplus	7,897,137		7,897,137
Capital Projects	4,499,505		4,499,505
Unrestricted	<u>(34,087,398)</u>	<u>2,199,707</u>	<u>(31,887,691)</u>
Total net position	<u>\$ 102,779,311</u>	<u>\$ 2,385,969</u>	<u>\$ 105,165,280</u>

See accompanying notes to basic financial statements.

East Brunswick Public Schools

Statement of Activities

Year ended June 30, 2015

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	\$ 68,615,626	\$ 358,579	\$ 993,107	\$ (67,263,940)		\$ (67,263,940)
Special Education Instruction	21,564,452		1,777,336	(19,787,116)		(19,787,116)
Other Instruction	5,724,102			(5,724,102)		(5,724,102)
Support Services						
Tuition	2,583,902			(2,583,902)		(2,583,902)
Student and Instruction Related Services	26,533,976		497,528	(26,036,448)		(26,036,448)
School Administration	7,732,508			(7,732,508)		(7,732,508)
General and Business Administrative Services	7,562,626			(7,562,626)		(7,562,626)
Plant Operation and Maintenance	14,699,178			(14,699,178)		(14,699,178)
Pupil Transportation	7,687,318			(7,687,318)		(7,687,318)
Interest and other charges	3,832,985			(3,832,985)		(3,832,985)
Transfer of funds to charter schools	2,056,054			(2,056,054)		(2,056,054)
Total governmental activities	<u>168,592,727</u>	<u>358,579</u>	<u>3,267,971</u>	<u>(164,966,177)</u>		<u>(164,966,177)</u>
Business-type activities						
Food service	2,754,647	1,936,567	793,844		\$ (24,236)	(24,236)
Community Education	2,163,566	2,979,625			816,059	816,059
Total business-type activities	<u>4,918,213</u>	<u>4,916,192</u>	<u>793,844</u>		<u>791,823</u>	<u>791,823</u>
Total primary government	<u>\$ 173,510,940</u>	<u>\$ 5,274,771</u>	<u>\$ 4,061,815</u>	<u>(164,966,177)</u>	<u>791,823</u>	<u>(164,174,354)</u>
General revenues and transfers:						
Taxes:						
Property taxes, levied for general purposes				116,518,219		116,518,219
Property taxes, levied for debt service				7,698,287		7,698,287
Federal sources				146,456		146,456
State sources—unrestricted				46,365,132		46,365,132
Investment income				13,327	1,062	14,389
Miscellaneous				588,893		588,893
Transfers				400,000	(400,000)	
Total general revenues and transfers				<u>171,730,314</u>	<u>(398,938)</u>	<u>171,331,376</u>
Change in net position				6,764,137	392,885	7,157,022
Net Position—beginning (as restated)				96,015,174	1,993,084	98,008,258
Net Position—ending				<u>\$ 102,779,311</u>	<u>\$ 2,385,969</u>	<u>\$ 105,165,280</u>

See accompanying notes to basic financial statements.

Fund Financial Statements

Governmental Funds

East Brunswick Public Schools
Governmental Funds

Balance Sheet

June 30, 2015

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 17,022,003		\$ 159,193	\$ 7	\$ 17,181,203
Accounts receivable:					
State	993,567	\$ 51,907	1,290,752		2,336,226
Federal	19,607	759,595			779,202
Other	498,979	5,804,445			6,303,424
Interfund	1,918,018				1,918,018
Restricted assets:					
Cash and cash equivalents	6,303,883	2,882,800	3,119,238		12,305,921
Total assets	<u>\$ 26,756,057</u>	<u>\$ 9,498,747</u>	<u>\$ 4,569,183</u>	<u>\$ 7</u>	<u>\$ 40,823,994</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 5,134,039	\$ 419,979	\$ 69,323		\$ 5,623,341
Accrued expenses	368,687	48,300			416,987
Intergovernmental payables:					
State		10,824			10,824
Interfunds payable	100,558	1,918,018			2,018,576
Unearned revenue	12,598	117,160	355		130,113
Total liabilities	<u>5,615,882</u>	<u>2,514,281</u>	<u>69,678</u>		<u>8,199,841</u>
Fund balances:					
Restricted for:					
Capital reserve	6,303,883				6,303,883
Excess Surplus - current year	4,350,000				4,350,000
Excess Surplus - designated for subsequent year's expenditures	3,547,137				3,547,137
Capital projects			4,499,505		4,499,505
Debt service				\$ 7	7
Assigned to:					
Designated for subsequent years expenditures	802,863	6,984,466			7,787,329
Designated for subsequent years expenditures - ARRA SEMI	33,956				33,956
Other purposes	4,821,617				4,821,617
Unassigned:					
General fund	1,280,719				1,280,719
Total fund balances	<u>21,140,175</u>	<u>6,984,466</u>	<u>4,499,505</u>	<u>7</u>	<u>32,624,153</u>
Total liabilities and fund balances	<u>\$ 26,756,057</u>	<u>\$ 9,498,747</u>	<u>\$ 4,569,183</u>	<u>\$ 7</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 \$272,826,188 and the accumulated depreciation is \$56,729,626.	216,096,562
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.	(833,920)
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.	(114,186,124)
Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the new bonds.	6,245,634
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds	718,184
Accrued pension contributions for the June 30, 2015 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position	(1,720,688)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(36,164,490)
Net position of governmental activities	<u>\$ 102,779,311</u>

East Brunswick Public Schools
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2015

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 116,518,219			\$ 7,698,287	\$ 124,216,506
Tuition from individuals	35,396				35,396
Tuition from other LEA's	323,183				323,183
Investment income	13,327				13,327
Miscellaneous	588,893	\$ 216,431			805,324
Total local sources	<u>117,479,018</u>	<u>216,431</u>		<u>7,698,287</u>	<u>125,393,736</u>
State sources	31,092,871	262,135	\$ 1,000,998	419,959	32,775,963
Federal sources	146,456	2,789,405			2,935,861
Total revenues	<u>148,718,345</u>	<u>3,267,971</u>	<u>1,000,998</u>	<u>8,118,246</u>	<u>161,105,560</u>
Expenditures					
Instruction:					
Regular instruction	40,873,302	1,736,043			42,609,345
Special education instruction	11,847,872	1,777,336			13,625,208
Other special instruction	3,505,574				3,505,574
Support services:					
Tuition	2,583,902				2,583,902
Student and instruction related services	16,409,640	681,367			17,091,007
School administration services	4,679,531				4,679,531
Other administrative services	5,089,572				5,089,572
Plant operations and maintenance	11,496,169				11,496,169
Pupil transportation	6,579,452				6,579,452
Employee benefits and on-behalf TPAF social security and pension contributions	34,833,557				34,833,557
Capital outlay	5,159,556	4,480,424	2,907,641		12,547,621
Debt Service:					
Principal	2,177,514			4,765,157	6,942,671
Interest	53,199			3,642,501	3,695,700
Transfer of funds to charter schools	2,056,054				2,056,054
Total expenditures	<u>147,344,894</u>	<u>8,675,170</u>	<u>2,907,641</u>	<u>8,407,658</u>	<u>167,335,363</u>
Excess/(Deficiency) of revenues					
Over (under) expenditures	1,373,451	(5,407,199)	(1,906,643)	(289,412)	(6,229,803)
Other financing sources (uses):					
Capital lease proceeds		2,894,232	4,955,768		7,850,000
Lease purchase obligation proceeds		5,800,000			5,800,000
Transfers in	2,612,489		1,159,107		3,771,596
Transfers (out)	(1,159,107)	(174,564)	(2,037,925)		(3,371,596)
Total other financing sources (uses)	<u>1,453,382</u>	<u>8,519,668</u>	<u>4,076,950</u>	<u>-</u>	<u>14,050,000</u>
Net change in fund balances	2,826,833	3,112,469	2,170,307	(289,412)	7,820,197
Fund balances, July 1	18,313,342	3,871,997	2,329,198	289,419	24,803,956
Fund balances, June 30	<u>\$ 21,140,175</u>	<u>\$ 6,984,466</u>	<u>\$ 4,499,505</u>	<u>\$ 7</u>	<u>\$ 32,624,153</u>

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

East Brunswick Public Schools
Governmental Funds

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

Year ended June 30, 2015

Total net change in fund balances - governmental funds (from B-2) **\$ 7,820,197**

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	\$ (6,440,953)	
	Capital Asset Additions	<u>12,490,401</u>	
			6,049,448

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	(7,850,000)	
	Lease Purchase Obligations	<u>(5,800,000)</u>	
			(13,650,000)

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	3,310,000	
	Lease Purchase Obligations	1,455,157	
	Obligations Under Capital Leases	<u>2,177,514</u>	
			6,942,671

Governmental funds report the effect of premiums and similar items when the debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This represents the current year amortization related to the premium on bonds.

277,729

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

(340,671)

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.

(74,343)

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

8,084

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

	Pension expense	<u>(268,978)</u>	
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Change in net position of governmental activities (A-2)

\$ 6,764,137

See accompanying notes to basic financial statements.

Proprietary Funds

East Brunswick Public Schools
Proprietary Funds

Statement of Net Position

June 30, 2015

	<u>Major Enterprise Funds</u>		<u>Total</u>
	<u>Food Service</u>	<u>Community Programs</u>	
Assets			
Current assets:			
Cash and cash equivalents	\$ 682,780	\$ 2,061,514	\$ 2,744,294
Accounts receivable:			
State	4,991		4,991
Federal	115,934		115,934
Other	10,183	57,878	68,061
Interfund receivable	71,340	29,218	100,558
Inventory	1,896		1,896
Total current assets	<u>887,124</u>	<u>2,148,610</u>	<u>3,035,734</u>
Noncurrent assets:			
Capital assets:			
Equipment	782,541	29,137	811,678
Accumulated depreciation	(271,095)	(11,804)	(282,899)
Total capital assets, net	<u>511,446</u>	<u>17,333</u>	<u>528,779</u>
Total assets	<u>1,398,570</u>	<u>2,165,943</u>	<u>3,564,513</u>
Liabilities			
Current liabilities:			
Accounts payable	279,523	64,977	344,500
Accrued salaries payable	17,609	13,379	30,988
Unearned revenue	117,624	248,761	366,385
Current portion of purchase agreement payable	80,916		80,916
Total current liabilities	<u>495,672</u>	<u>327,117</u>	<u>822,789</u>
Noncurrent liabilities:			
Compensated absences	67,024	27,130	94,154
Purchase agreement payable, net of current portion	261,601		261,601
Total noncurrent liabilities	<u>328,625</u>	<u>27,130</u>	<u>355,755</u>
Total liabilities	<u>824,297</u>	<u>354,247</u>	<u>1,178,544</u>
Net Position			
Net investment in capital assets	168,929	17,333	186,262
Unrestricted	405,344	1,794,363	2,199,707
Total net position	<u>\$ 574,273</u>	<u>\$ 1,811,696</u>	<u>\$ 2,385,969</u>

East Brunswick Public Schools
Proprietary Funds

Statement of Revenues, Expenses and Changes in Fund Net Position

Year ended June 30, 2015

	<u>Major Enterprise Funds</u>		<u>Total</u>
	<u>Food Service</u>	<u>Community Programs</u>	
Operating revenues:			
Local sources:			
Daily sales reimbursable programs	\$ 1,234,196		\$ 1,234,196
Daily sales non-reimbursable programs	702,371		702,371
Registration fees		\$ 2,979,625	2,979,625
Total operating revenues	<u>1,936,567</u>	<u>2,979,625</u>	<u>4,916,192</u>
Operating expenditures:			
Salaries	1,004,952	1,662,710	2,667,662
Employee benefits	322,237	268,441	590,678
Purchased professional services	26,412		26,412
Other purchased services	110,539	158,332	268,871
Management fee	124,859		124,859
Supplies and materials	186,459	68,761	255,220
Registrations/Training/Travel		1,732	1,732
Depreciation	98,960	2,770	101,730
Cost of sales	865,838		865,838
Miscellaneous	14,391	820	15,211
Total operating expenses	<u>2,754,647</u>	<u>2,163,566</u>	<u>4,918,213</u>
Operating (loss) income	(818,080)	816,059	(2,021)
Nonoperating revenues:			
State sources:			
State school lunch program	23,995		23,995
Federal sources:			
School breakfast program	31,925		31,925
National school lunch program	589,050		589,050
Food donation program	148,874		148,874
Interest income	292	770	1,062
Total nonoperating revenues	<u>794,136</u>	<u>770</u>	<u>794,906</u>
Other financing (uses):			
Transfers to other funds		(400,000)	(400,000)
Total other financing (uses)	-	(400,000)	(400,000)
Change in net position	(23,944)	416,829	392,885
Total net position-beginning	598,217	1,394,867	1,993,084
Total net position-ending	<u>\$ 574,273</u>	<u>\$ 1,811,696</u>	<u>\$ 2,385,969</u>

See accompanying notes to basic financial statements.

East Brunswick Public Schools
Proprietary Funds

Statement of Cash Flows
Year ended June 30, 2015

	Major Enterprise Funds		Total
	Food Service	Community Programs	
Cash flows from operating activities			
Receipts from customers	\$ 1,944,124	\$ 3,124,714	\$ 5,068,838
Payments to employees	(998,234)	(1,697,877)	(2,696,111)
Payments for employee benefits	(322,237)	(268,441)	(590,678)
Payments to suppliers	(1,057,558)	(220,361)	(1,277,919)
Net cash (used in) provided by operating activities	(433,905)	938,035	504,130
Cash flows from noncapital financing activities			
Cash received from state and federal sources	721,329		721,329
Due from other funds	(71,340)	(29,218)	(100,558)
Transfers to other funds		(400,000)	(400,000)
Net cash provided by (used in) noncapital financing activities	649,989	(429,218)	220,771
Cash flows from capital and related financing activities			
Purchase of capital assets	(460,213)		(460,213)
Issuance of purchase agreement payable	404,578		404,578
Payments of purchase agreement payable	(62,061)		(62,061)
Net cash (used in) capital and related financing activities	(117,696)	-	(117,696)
Cash flows from investing activities			
Interest received	292	770	1,062
Net cash provided by investing activities	292	770	1,062
Net increase in cash and cash equivalents	98,680	509,587	608,267
Cash and cash equivalents, beginning of year	584,100	1,551,927	2,136,027
Cash and cash equivalents, end of year	<u>\$ 682,780</u>	<u>\$ 2,061,514</u>	<u>\$ 2,744,294</u>
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:			
Operating (loss) income	\$ (818,080)	\$ 816,059	\$ (2,021)
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:			
Depreciation	98,960	2,770	101,730
Change in assets and liabilities:			
(Increase) decrease in other accounts receivable	(4,912)	38,272	33,360
Decrease in inventory	32,495		32,495
Increase in accounts payable	238,445	9,284	247,729
Increase (decrease) in accrued expenses	10,228	(35,505)	(25,277)
Increase in unearned revenue	12,469	106,817	119,286
(Decrease) increase in compensated absences	(3,510)	338	(3,172)
Net cash (used in) provided by operating activities	<u>\$ (433,905)</u>	<u>\$ 938,035</u>	<u>\$ 504,130</u>

Noncash noncapital financing activities:

The District received \$140,433 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2015.

See accompanying notes to basic financial statements.

Fiduciary Funds

East Brunswick Public Schools
Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2015

	Unemployment Compensation Trust Fund	Agency Fund
Assets		
Cash and cash equivalents	\$ 781,779	\$ 1,207,921
Total assets	781,779	\$ 1,207,921
Liabilities		
Accounts Payable	11,950	
Payroll deductions payable		\$ 598,098
Due to student groups		609,823
Total liabilities	11,950	\$ 1,207,921
Net Position		
Held in trust for unemployment claims	\$ 769,829	
Held in trust for deferred benefits		

See accompanying notes to basic financial statements.

East Brunswick Public Schools
Fiduciary Funds

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2015

	Deferred Benefit Trust Fund	Unemployment Compensation Trust Fund
Additions		
Interest income	\$ 21	\$ 332
Employee contributions		146,464
Total additions	<u>21</u>	<u>146,796</u>
Deductions		
Unemployment payments		178,667
Deferred benefit payments	88,245	
Total deductions	<u>88,245</u>	<u>178,667</u>
Change in net position	(88,224)	(31,871)
Net position-beginning	88,224	801,700
Net position-ending	<u>\$ -</u>	<u>\$ 769,829</u>

See accompanying notes to basic financial statements.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

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 2014-15 fiscal year of 8,261 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, 2015

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, 2015

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 two programs, the Food Service Fund and the Community Program Fund. 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, 2015

1. Summary of Significant Accounting Policies (continued)

Community Program Enterprise Fund: The 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, 2015

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 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, 2015 and were not significant.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

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, 2015, the District had inventories in the Food Service Enterprise Fund of \$1,896.

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, 2015

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, 2015, a liability existed for compensated absences in the government-wide financial statements in the amount of \$3,025,646 and a liability in the amount of \$94,154 for compensated absences in the proprietary fund types.

I. Unearned Revenue

Unearned revenue in the general fund, food service enterprise fund and the 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, 2015

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 are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

K. Deferred Loss on Refunding of Debt

Deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. As of June 30, 2015, the District has recorded an unamortized balance of \$6,245,634 as a deferred outflow of resources.

L. 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 assets to what is now referred to as the statement of net position and the term "net assets" was changed to "net position" throughout the financial statements. Net position represents the difference between assets, deferred inflows of resources, deferred outflows of resources and liabilities in the Government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net positions are reported as restricted in the Government-wide and fund financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

M. Deferred Outflows/Inflows of Resources

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

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

N. Fund Balances

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

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

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

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

Of the \$21,140,175 of fund balances in the General Fund, \$4,821,617 of outstanding encumbrances has been assigned to other purposes, \$802,863 has been classified as assigned to fund balance designated for subsequent years expenditures, \$33,956 has been classified as assigned to fund balance designated for subsequent years expenditures – ARRA SEMI, \$6,303,883 has been restricted for capital reserve, \$4,350,000 has been restricted for excess surplus – current year, \$3,547,137 has been restricted for excess surplus – designated for subsequent years expenditures and \$1,280,719 is classified as unassigned.

All of the \$6,984,466 special revenue fund balance at June 30, 2015, is assigned as designated for subsequent years expenditures.

The \$4,499,505 Capital Projects fund balance at June 30, 2015 is restricted for capital projects. The District has contractual commitments in the amount of \$5,596,956 at June 30, 2015 to vendors related to ongoing construction projects that is reported as part of the restricted capital projects fund balance.

Of the \$7 Debt Service fund balance at June 30, 2015, \$4, in accordance with NJSA 7F-41c(2), is anticipated as revenue in the 2015-2016 adopted budget.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

O. Management Estimates

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

P. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey social security and post-retirement medical pension contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension contributions in the government-wide financial statements have been increased by \$13,851,304 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

Q. Calculation of Excess Surplus

The designation for restricted fund balance -- excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 was \$7,897,137. Of this amount, \$3,547,137 has been appropriated in the 2015/16 budget and the remaining \$4,350,000 is required to be appropriated in the 2016/17 budget.

R. GASB Pronouncements

GASBs Implemented in the 2015 Fiscal Year

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* (“GASB No. 68”). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. This Statement replaces the requirement of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*,

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68* (“GASB 71”). The objective of this Statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68 concerning the transition provisions related to certain pension contributions made to defined benefit pension plans prior to the implementation of that Statement by employers and nonemployer contributing entities. The requirements of this Statement will eliminate the source of a potential understatement of restated beginning net position and expense in the first year of implementation of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

1. Summary of Significant Accounting Policies (continued)

S. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2015 through December 18, 2015, the date that the financial statements are issued and the effects of those that provide additional pertinent information about conditions that existed at the balance sheet date, have been recognized in the accompanying financial statements.

2. Reconciliation of Government-Wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the Government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable and related 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 \$114,186,124 difference are as follows:

Bonds payable	\$ 83,465,000
Unamortized premium on bonds	5,091,707
Capital lease obligations	11,518,383
Lease purchase obligations	11,085,388
Compensated absences	<u>3,025,646</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 114,186,124</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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

3. Deposits and Investments (continued)

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

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected 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, 2015 the carrying amount of the District's deposits was \$34,221,118 and

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

3. Deposits and Investments (continued)

the bank balance was \$34,955,951. Of the bank balance, \$1,250,000 of the District's cash deposits on June 30, 2015 was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$32,325,620 (GUDPA that we have calculated in the past less agency bank balances). \$1,380,331 held in the District agency accounts are not covered by GUDPA.

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

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, 2015.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

4. Capital Reserve Account

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

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual 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, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$ 5,954,770
Increases:	
Interest earnings	1,397
Transfer unexpended project balances	2,530,992
Transfer unexpended project balances	1,840,124
Transfer unexpended project balances	83,308
Transfer unexpended project balances	14,758
Transfer unexpended project balances	5,848,673
Transfer unexpended project balances	1,159,107
	<u>17,433,129</u>
Decreases:	
Board approved withdrawal – various dates	<u>(11,129,246)</u>
Ending balance, June 30, 2015	<u><u>\$ 6,303,883</u></u>

The June 30, 2015 LRFP balance of local support costs of uncompleted capital projects exceeded the June 30, 2015 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, 2015

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, 2015:

	Beginning Balance	Increases	Transfers	Ending Balance
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 1,019,208			\$ 1,019,208
Construction in Progress	2,070,991	\$ 11,498,253	\$ (7,188,678)	6,380,566
Total Capital Assets not being Depreciated	3,090,199	11,498,253	(7,188,678)	7,399,774
Capital Assets, being Depreciated:				
Building and Improvements	249,051,750	7,719	7,184,992	256,244,461
Machinery and Equipment	8,193,838	984,429	3,686	9,181,953
Total Capital Assets, being Depreciated	257,245,588	992,148	7,188,678	265,426,414
Less: Accumulated Depreciation	(50,288,673)	(6,440,953)		(56,729,626)
Total Capital Assets, being Depreciated, Net	206,956,915	(5,448,805)	7,188,678	208,696,788
Governmental Activities Capital Assets, Net	\$ 210,047,114	\$ 6,049,448	\$ -	\$ 216,096,562
Business-Type Activities:				
Total Capital Assets, being Depreciated:				
Building and building improvements	\$ 322,328	\$ 460,213		\$ 782,541
Machinery and Equipment	29,137			29,137
Total Capital Assets, being Depreciated	351,465	460,213	-	811,678
Less: Accumulated Depreciation	(181,169)	(101,730)		(282,899)
Total Business-Type Activities Capital Assets, Net	\$ 170,296	\$ 358,483	\$ -	\$ 528,779

Total depreciation expense for the fiscal year ended June 30, 2015 for governmental activities was \$6,440,953 and for business-type activities was \$101,730.

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

Regular instruction	\$ 2,621,855
Special education instruction	838,391
Other instruction	215,706
Student and instruction related services	1,051,650
School administration services	287,943
General and other administration services	313,173
Plant operation and maintenance	707,386
Pupil transportation	404,849
Total depreciation expense – governmental activities	\$ 6,440,953

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

6. Long-Term Liabilities

During the fiscal year ended June 30, 2015, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Serial Bonds Payable	\$ 86,775,000		\$ 3,310,000	\$ 83,465,000	\$ 3,880,000
Unamortized premium on bonds	5,369,436		277,729	5,091,707	277,729
Obligations under captial leases	5,845,897	\$ 7,850,000	2,177,514	11,518,383	3,495,960
Lease purchase obligation payable	6,740,545	5,800,000	1,455,157	11,085,388	1,517,543
Compensated absences payable	3,033,730	250,757	258,841	3,025,646	73,384
Total governmental activity long-term liabilities	\$ 107,764,608	\$ 13,900,757	\$ 7,479,241	\$ 114,186,124	\$ 9,244,616
Business-Type Activities					
Lease purchase obligation payable		\$ 404,578	\$ 62,061	\$ 342,517	\$ 80,916
Compensated absences payable	\$ 97,326	12,558	15,730	94,154	-
Total Business-Type activity long-term liabilities	\$ 97,326	\$ 417,136	\$ 77,791	\$ 436,671	\$ 80,916

The District expects to liquidate the obligations under capital leases with payments made from the District's general fund and the bonds payable and governmental activities 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, the food service enterprise fund and the community program enterprise fund. The District expects to liquidate the business-type activities lease purchase obligation payable with payments made from the food service enterprise fund.

A. Bonds Payable

Bonds are authorized in accordance with State law or by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

2005 Issue

On March 8, 2005, the District issued \$81,386,000 School Bonds. The remaining outstanding Bonds of \$2,540,000 mature in November 2015. The Bonds bear an interest rate of 4.25%.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

6. Long-Term Liabilities (continued)

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 remaining outstanding Bonds are not subject to redemption prior to their stated maturities.

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 \$905,000 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 \$295,000 to \$880,000. The Bonds bear interest rates ranging from 4.00% to 4.50%.

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, 2015, there were bonds authorized but not issued of \$3,996,480.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

6. Long-Term Liabilities (continued)

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 \$140,000 to \$6,755,000. The Bonds bear interest rates ranging from 2.00% 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, 2015, \$58,921,000 of defeased debt remains outstanding. The difference between the re-acquisition 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.

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

Year ending June 30,	Principal	Interest	Total
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	4,045,000	2,754,750	6,799,750
2020	4,065,000	2,579,475	6,644,475
2021 - 2025	19,515,000	9,952,625	29,467,625
2026 - 2030	19,360,000	6,324,100	25,684,100
2031 - 2035	20,645,000	2,878,359	23,523,359
2036 - 2040	4,025,000	553,731	4,578,731
	<u>\$ 83,465,000</u>	<u>\$ 34,211,890</u>	<u>\$ 117,676,890</u>

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

6. Long-Term Liabilities (continued)

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.

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 two years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2015 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 693,000
2017	<u>693,000</u>
Total Minimum Lease Payments	\$ 1,386,000
Less: Amount representing interest	<u>(85,637)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 1,300,363</u>

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

6. Long-Term Liabilities (continued)

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.

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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

6. Long-Term Liabilities (continued)

Future Minimum Lease Payments - Future minimum lease payments for the next five years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2015 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 1,050,000
2017	1,050,000
2018	1,050,000
2019	1,050,000
2020	<u>239,519</u>
Total Minimum Lease Payments	\$ 4,439,519
Less: Amount representing interest	<u>(454,494)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 3,985,025</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.

2015 Agreement

In May 2015, the Board of Education (the Lessee) entered into a lease purchase agreement with the Township of East Brunswick (the Lessor) to finance district-wide building improvements and renovations. 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 May 18, 2015.

Under the lease, the Board is required to pay basic rent due on each August 1, which commences on August 1, 2016 and will conclude on August 1, 2020. The lease carries an interest rate of 0.578%. The total principal amount of the lease was \$5,800,000.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

6. Long-Term Liabilities (continued)

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, 2015 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ -
2017	1,193,524
2018	1,186,819
2019	1,180,114
2020	1,173,410
Thereafter	<u>1,166,705</u>
Total Minimum Lease Payments	\$ 5,900,572
Less: Amount representing interest	<u>(100,572)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 5,800,000</u>

C. Capital Lease Obligations – Governmental Fund

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 was due on July 9, 2014.

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 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, 2015

6. Long-Term Liabilities (continued)

The District entered into a Capital Lease Obligation on January 28, 2014 for various equipment in the amount of \$89,513, which is due in five annual installments and for which final payment is due on January 28, 2018. Interest is at 2.24%.

The District entered into a Capital Lease Obligation on June 25, 2014 for technology equipment in the amount of \$2,000,000, which is due in two annual installments and for which final payment is due on August 15, 2015. Interest is at 0.78%.

The District entered into a Capital Lease Obligation on July 15, 2014 for facilities in the amount of \$7,200,000, which is due in annual installments and for which final payment is due on July 15, 2019. Interest is at 1.51%.

The District entered into a Capital Lease Obligation on February 26, 2015 for transportation equipment in the amount of \$650,000, which is due in annual installments and for which final payment is due on August 15, 2018. Interest is at 1.21%.

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, 2015 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 3,651,533
2017	2,621,222
2018	2,522,580
2019	1,637,171
2020	1,506,068
Total Minimum Lease Payments	\$ 11,938,574
Less: Amount representing interest	(420,191)
Present Value of Net Minimum Lease Payments	<u>\$ 11,518,383</u>

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

7. Pension Plans

Description of Systems

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

Teachers' Pension and Annuity Fund

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

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 $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

7. Pension Plans (continued)

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 $1/60^{\text{th}}$ of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

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

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS 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, 2015, the State of New Jersey contributed \$8,027,313 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 \$4,467,760 during the year ended June 30, 2015 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, 2015, 2014 and 2013 was \$1,590,486, \$1,454,684 and \$1,589,566, respectively, equal to the required contributions for each year.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

7. Pension Plans (continued)

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

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

Public Employee's Retirement System (PERS)

At June 30, 2015, the District reported a liability of \$36,164,490 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2013, which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was 0.1931581586 percent, which was an increase of 0.0000959910 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized full accrual pension expense of \$1,861,346 in the government-wide financial statements. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 1,137,206	
Net difference between projected and actual earnings on pension plan investments		\$ 2,155,207
Changes in proportion and differences between District contributions and proportionate share of contributions	15,497	
District contributions subsequent to the measurement date	1,720,688	
	<u>\$ 2,873,391</u>	<u>\$ 2,155,207</u>

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

7. Pension Plans (continued)

\$1,720,688 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (326,908)
2017	(326,908)
2018	(326,908)
2019	(326,907)
2020	211,894
Thereafter	93,233
	<u>\$ (1,002,504)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.01%
Salary increases	
2012-2021	2.15 - 4.40%
	based on age
Thereafter	3.15 - 5.40%
	based on age
Investment rate of return	7.90%

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

7. Pension Plans (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds / Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	<u>100.00%</u>	

Discount rate

The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

7. Pension Plans (continued)

to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the District's proportionate share of the net pension liability as of June 30, 2014 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39 percent) or 1-percentage-point higher (6.39 percent) than the current rate:

	At 1% Decrease (4.39%)	At Current Discount Rate (5.39%)	At 1% Increase (6.39%)
District's proportionate share of the net pension liability	\$45,496,160	\$ 36,164,490	\$28,328,262

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information

Collective balances at June 30, 2014 are as follows:

Collective deferred outflows of resources	\$ 1,452,705,538
Collective deferred inflows of resources	\$ 2,146,719,012
Collective net pension liability - Local Group	\$ 18,722,735,003
District's Proportion	0.1931581586%

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

7. Pension Plans (continued)

Collective pension expense for the Local Group for the measurement period ended June 30, 2014 is \$968,532,408.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2013 (the beginning of the measurement period ended June 30, 2014) is 6.44 years.

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2014 was \$315,068,546. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2014, the State's proportionate share of the TPAF net pension liability associated with the District was 0.5894999659 percent, which was a decrease of 0.0143945769 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$16,953,646 for contributions incurred by the State.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

7. Pension Plans (continued)

Actuarial assumptions

The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Salary increases	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%

Mortality Rates

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

7. Pension Plans (continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Fund / Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
	100.00%	

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

7. Pension Plans (continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. This single blended discount rate was based on the long-term rate of return on pension plan investments of 7.90%, and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2015 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (3.68 percent) or 1-percentage-point higher (5.68 percent) than the current rate:

	At 1% Decrease (3.68%)	At Current Discount Rate (4.68%)	At 1% Increase (5.68%)
State's proportionate share of the net pension liability associated with the District	\$378,944,698	\$ 315,068,546	\$261,940,297

Pension plan fiduciary net position

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

7. Pension Plans (continued)

Additional Information

Collective balances at June 30, 2014 are as follows:

Collective deferred outflows of resources	\$	2,389,959,068
Collective deferred inflows of resources	\$	1,846,540,800
Collective net pension liability - Local Group	\$	53,813,067,539
State's proportionate share associated with the District		0.5894999659%

Collective pension expense for the plan for the measurement period ended June 30, 2014 is \$2,906,835,786.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2013 (the beginning of the measurement period ended June 30, 2014) is 8.5 years.

8. 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 may be obtained by writing to Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

Funding Policy

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

8. Post-Retirement Benefits (continued)

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, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. 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 benefits 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 employer paid 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 \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

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, 2015, 2014, and 2013 were \$4,924,971, \$4,088,937, and \$4,412,284, 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.

9. Interfund Receivables and Payables

The total interfund accounts receivable and payable for the District at June 30, 2015 amounted to \$2,018,576 analyzed as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 1,918,018	\$ 100,558
Special Revenue Fund		1,918,018
Food Service Enterprise Fund	71,340	
Community Programs Enterprise Fund	29,218	
	\$ 2,018,576	\$2,018,576

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. The interfund receivable in the Enterprise Funds represents a reclassification of expenditures to the General Fund.

All interfunds are expected to be liquidated within one year.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

10. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2015 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.

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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

12. Risk Management (continued)

New Jersey Unemployment Compensation Insurance: The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The 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
2014-2015	\$ 801,700	\$ -	\$ 146,464	\$ 332	\$ 178,667	\$ 769,829
2013-2014	817,028	3,840	136,412	391	155,971	801,700
2012-2013	604,794	274,462	133,810	426	196,464	817,028

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. The Trust was fully liquidated during the year ended June 30, 2015.

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, 2015 the District transferred \$9,185,907 (net) to the capital outlay accounts. The transfers were made from the capital reserve account to supplement capital projects previously approved by the voters in the budget certified for taxes pursuant to N.J.A.C. 6A:23A-8.4.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

16. Transfers – Reconciliation

The following represents a reconciliation of transfers made during the 2015 fiscal year:

	<u>In</u>	<u>Out</u>
General Fund	\$2,612,489	\$1,159,107
Special Revenue Fund		174,564
Capital Projects Fund	1,159,107	2,037,925
Community Programs Fund		400,000
	<u>\$3,771,596</u>	<u>\$3,771,596</u>

The transfer from the community programs fund to the general fund represents funds reimbursed to the general fund for shared expenses. The transfer from the general fund to the capital projects fund represents the local share portion of projects in which the District is also receiving grants from the New Jersey Schools Development Authority. The transfer from the capital projects fund to the general fund represents reimbursements of expenditures incurred in the general fund in the prior year for projects funded by lease purchase agreements in the current year, as well as the return of funds transferred from the general fund in the prior year to fund the local share of capital projects until the related lease purchase agreements were funded in the current year. The transfer from the special revenue fund to the general fund represents reimbursements of expenditures incurred in the general fund in the prior year for projects funded by lease purchase agreements in the current year.

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. The unexpended proceeds from lease purchase obligations have been classified as restricted assets (cash and cash equivalents) as they are restricted for use for capital projects as identified in the lease purchase agreements.

18. Change in Accounting Principle / Restatement

Effective in the fiscal year ended June 30, 2015, the District implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2015

18. Change in Accounting Principle / Restatement (continued)

The implementation of the Statements required a restatement of prior year net position in the government-wide financial statements.

	Governmental Activities
Beginning Net Position - June 30, 2014	<u>\$ 132,913,190</u>
Adjustments:	
Recognition of Net Pension Liability	(36,898,016)
Deferred outflow for PERS FY2015 Pension Payment	1,592,368
Accounts Payable for PERS FY2015 Pension Payment	<u>(1,592,368)</u>
Adjustment	<u>(36,898,016)</u>
Beginning Net Position - June 30, 2014 (as restated)	<u>\$ 96,015,174</u>

Required Supplementary Information
Part II

East Brunswick Public Schools
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Public Employee's Retirement System

Last Ten Fiscal Years*

	Year Ended June 30, 2015
District's proportion of the net pension liability (asset) - Local Group	0.1931581586%
District's proportionate share of the net pension liability (asset)	\$ 36,164,490
District's covered-employee payroll	\$ 13,368,140
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	270.53%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	52.08%

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

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

East Brunswick Public Schools
 Schedule of District Contributions
 Public Employee's Retirement System

Last Ten Fiscal Years

	Year Ended June 30, 2015
Contractually required contribution	\$ 1,720,688
Contributions in relation to the contractually required contribution	(1,720,688)
Contribution deficiency (excess)	\$ -
 District's covered-employee payroll	\$ 13,368,140
 Contributions as a percentage of covered-employee payroll	12.87%

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

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

Last Ten Fiscal Years*

	Year Ended June 30, 2015
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.5894999659%
District's proportionate share of the net pension liability (asset)	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 315,068,546
Total proportionate share of the net pension liability (asset) associated with the District	\$ 315,068,546
Plan fiduciary net position as a percentage of the total pension liability	33.64%

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

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

East Brunswick Public Schools

Notes to Required Supplementary Information
Year Ended June 30, 2015

1. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014.

2. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014.

Required Supplementary Information
Part III

Budgetary Comparison

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 116,518,219		\$ 116,518,219	\$ 116,518,219	
Tuition (from individuals)	35,000		35,000	35,396	\$ 396
Tuition (other LEAS)	55,000		55,000	323,183	268,183
Investment income	20,000		20,000	13,327	(6,673)
Miscellaneous	378,525		378,525	588,893	210,368
Total revenues - local sources	117,006,744		117,006,744	117,479,018	472,274
State sources:					
Extraordinary aid	500,000		500,000	743,389	243,389
Special education categorical aid	5,085,994		5,085,994	5,085,994	
Equalization aid	11,844,263		11,844,263	11,844,263	
Security aid	151,656		151,656	151,656	
Transportation aid	596,256		596,256	596,256	
Non-public school transportation aid				31,795	31,795
PARCC Readiness Aid	83,350		83,350	83,350	
Per Pupil Growth Aid	83,350		83,350	83,350	
Additional Adjustment Aid	1		1	1	
On-behalf TPAF pension contributions (non-budgeted)				8,027,313	8,027,313
Reimbursed TPAF social security contributions (non-budgeted)				-4,467,760	4,467,760
Total - state sources	18,344,870		18,344,870	31,115,127	12,770,257
Federal sources:					
Medicaid initiative	49,837		49,837	146,456	96,619
Total - federal sources	49,837		49,837	146,456	96,619
Total revenues	135,401,451		135,401,451	148,740,601	13,339,150
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool	150,282	\$ (20,940)	129,342	129,342	
Kindergarten	1,758,087	229,289	1,987,376	1,987,376	
Grades 1-5	13,013,184	(888,532)	12,124,652	12,124,652	
Grades 6-8	10,501,313		10,501,313	10,439,900	61,413
Grades 9-12	14,547,415	(114,898)	14,432,517	13,945,345	487,172
Home instruction - regular programs:					
Salaries of teachers	26,100		26,100	18,853	7,247
Purchased professional-educational services	37,500		37,500	33,075	4,425
Undistributed instruction - regular programs:					
Other salaries for instruction	21,208	20,135	41,343	41,343	
Purchased professional-educational services	158,854	1,203	160,057	155,572	4,485
Purchased technical services	211,248	6,485	217,733	166,069	51,664
Other purchased services	1,517,124	(59,953)	1,457,171	1,295,013	162,158
General supplies	1,517,497	2,476	1,519,973	1,411,620	108,353
Textbooks	209,239	(11,505)	197,734	165,874	31,860
Other objects	9,103	590	9,693	6,262	3,431
Total instruction - regular programs	43,678,154	(835,650)	42,842,504	41,920,296	922,208

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

Year ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures					
Special education:					
Learning and/or language disabilities:					
Salaries of teachers	\$ 324,547	\$ (24,170)	\$ 300,377	\$ 282,209	\$ 18,168
Other salaries for instruction	123,429	57,753	181,182	181,182	
Other purchased services	200		200	39	161
General supplies	900	(102)	798	791	7
Total learning and/or language disabilities	449,076	33,481	482,557	464,221	18,336
Behavioral disabilities:					
Salaries of teachers	59,940	8,431	68,371	68,371	
Other salaries for instruction	21,208	19,864	41,072	41,072	
General supplies	2,000	351	2,351	2,105	246
Total behavioral disabilities	83,148	28,646	111,794	111,548	246
Multiple disabilities:					
Salaries of teachers	337,824	(18,288)	319,536	315,394	4,142
Other salaries for instruction	140,417		140,417	136,054	4,363
Other purchased services	450		450	365	85
General supplies	5,500	(2,500)	3,000	2,466	534
Textbooks	2,100	(2,100)	-	-	
Total multiple disabilities	486,291	(22,888)	463,403	454,279	9,124
Resource room/center:					
Salaries of teachers	7,109,047	(159,124)	6,949,923	6,949,923	
Other salaries for instruction	975,268	73,632	1,048,900	1,048,900	
Other purchased services	1,200		1,200	1,165	35
General supplies	17,785	982	18,767	14,948	3,819
Textbooks	2,106	(1,100)	1,006	839	167
Total resource room/center	8,105,406	(85,610)	8,019,796	8,015,775	4,021
Autism:					
Salaries of teachers	831,967	137,077	969,044	969,044	
Other salaries for instruction	444,346	512,442	956,788	956,788	
Other purchased services	500	(500)			
General supplies	14,721	22	14,743	7,354	7,389
Total autism	1,291,534	649,041	1,940,575	1,933,186	7,389
Preschool disabilities - part time:					
Salaries of teachers	30,594	16,943	47,537	47,537	
Other salaries for instruction	102,770	(5,361)	97,409	97,409	
Supplies and materials	400	-	400	397	3
Total preschool disabilities - part time	133,764	11,582	145,346	145,343	3

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	<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):					
Special education (continued):					
Preschool disabilities - full time:					
Salaries of teachers	\$ 242,136	\$ 24,044	\$ 266,180	\$ 266,180	
Other salaries for instruction	322,450	47,383	369,833	369,833	
Supplies and materials	700	(22)	678	505	\$ 173
Total preschool disabilities - full time	<u>565,286</u>	<u>71,405</u>	<u>636,691</u>	<u>636,518</u>	<u>173</u>
Home instruction - special education:					
Salaries of teachers	22,000	16,095	22,000	17,640	4,360
Purchased professional - educational services	70,000		70,000	69,362	638
Total home instruction - special education	<u>92,000</u>	<u>16,095</u>	<u>92,000</u>	<u>87,002</u>	<u>4,998</u>
Total special education	<u>11,206,505</u>	<u>701,752</u>	<u>11,892,162</u>	<u>11,847,872</u>	<u>44,290</u>
Basic skills/remedial - instruction:					
Salaries of teachers	1,937,789		1,937,789	1,825,189	112,600
Other purchased services	300	(300)			
General supplies	17,130	(773)	16,357	5,956	10,401
Total basic skills/remedial - instruction	<u>1,955,219</u>	<u>(1,073)</u>	<u>1,954,146</u>	<u>1,831,145</u>	<u>123,001</u>
Bilingual education - instruction:					
Salaries of teachers	539,701	84,546	624,247	624,247	
Other purchased services	187	59	246	246	
General supplies	4,072	(287)	3,785	3,313	472
Total bilingual education - instruction	<u>543,960</u>	<u>84,318</u>	<u>628,278</u>	<u>627,806</u>	<u>472</u>
School - sponsored cocurricular activities:					
Salaries	279,679	4,046	283,725	283,725	
Purchased services	14,985	20,329	35,314	35,314	
Supplies and materials	200		200		200
Other objects	5,000		5,000	3,788	1,212
Total school sponsored cocurricular activities	<u>299,864</u>	<u>24,375</u>	<u>324,239</u>	<u>322,827</u>	<u>1,412</u>
School - sponsored athletics - instruction:					
Salaries	580,416		580,416	580,276	140
Purchased services	48,381	(3,173)	45,208	40,757	4,451
Supplies and materials	41,173	3,467	44,640	44,640	
Other objects	4,650	(1,150)	3,500	3,500	
Transfers to cover deficit (agency funds)	53,704	5,335	59,039	59,039	
Total school - sponsored athletics - instruction	<u>728,324</u>	<u>4,479</u>	<u>732,803</u>	<u>728,212</u>	<u>4,591</u>
Total instruction	<u>58,412,026</u>	<u>(21,799)</u>	<u>58,374,132</u>	<u>57,278,158</u>	<u>1,095,974</u>

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	<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		\$ 15,547		\$ 15,547
Tuition to other LEAs w/in the state - special	1,353,729	\$ (2,515)	1,351,214	\$ 1,141,169	210,045
Tuition to CSSD and regional day schools	192,831	2,515	195,346	195,346	
Tuition to private schools disabled - within state	1,852,289	11,449	1,863,738	1,193,337	670,401
Tuition - state facilities	54,050		54,050	54,050	
Tuition - other	55,100		55,100	-	55,100
Total instruction	3,523,546	11,449	3,534,995	2,583,902	951,093
Attendance and social work services:					
Salaries	114,081	51,302	165,383	165,383	
Other purchased services	852		852	785	67
Supplies and materials	535		535	-	535
Total attendance and social work services	115,468	51,302	166,770	166,168	602
Health services:					
Salaries	1,196,471	42,055	1,238,526	1,238,526	
Purchased professional and technical services	90,782	5,310	96,092	63,592	32,500
Other purchased services	6,152	385	6,537	5,465	1,072
Supplies and materials	20,349	(609)	19,740	13,233	6,507
Total health services	1,313,754	47,141	1,360,895	1,320,816	40,079
Other support services - students - speech, OT, PT & related services					
Salaries	1,516,343	111,901	1,628,244	1,628,244	
Purchased professional educational services	808,026	22,491	830,517	789,375	41,142
Supplies and materials	5,300	4,449	9,749	9,333	416
Total other support services - students - speech, OT, PT & Related services	2,329,669	138,841	2,468,510	2,426,952	41,558
Other support services - students - extraordinary:					
Salaries	1,132,602	(135,428)	997,174	991,535	5,639
Purchased professional - educational services	1,429,322	(119,243)	1,310,079	1,094,637	215,442
Supplies and materials	3,200	20,465	23,665	22,623	1,042
Other objects	6,500	(3,518)	2,982	406	2,576
Total other support services - students - extraordinary	2,571,624	(237,724)	2,333,900	2,109,201	224,699

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	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	\$ 2,735,737	\$ (76,101)	\$ 2,659,636	\$ 2,659,636	
Salaries of secretarial and clerical assistants	377,060	(48,024)	329,036	329,036	
Other purchased professional - technical services	26,321		26,321	19,945	\$ 6,376
Other purchased services	12,844	(80)	12,764	11,322	1,442
Supplies and materials	19,290	(96)	19,194	10,462	8,732
Other objects	690		690	520	170
Total guidance	3,171,942	(124,301)	3,047,641	3,030,921	16,720
Child study teams:					
Salaries of other professional staff	2,294,174	(41,098)	2,253,076	2,253,076	
Salaries of secretarial and clerical assistants	321,274	16,623	337,897	337,897	
Purchased professional - educational services	12,000	99,522	111,522	111,522	
Other purchased professional & tech services		9,189	9,189	9,189	
Miscellaneous purchased services	12,975	(520)	12,455	6,988	5,467
Supplies and materials	62,784	(19,505)	43,279	40,049	3,230
Total child study teams	2,703,207	64,211	2,767,418	2,758,721	8,697
Improvement of instructional services:					
Salaries of supervisors of instruction	613,859	18,961	632,820	632,820	
Salaries of other professional staff	181,896		181,896	181,896	
Salaries of secretarial and clerical assistants	229,423	(17,569)	211,854	211,854	
Other salaries	62,945		62,945	62,640	305
Salaries of Facilitators, Math & Literacy coaches	638,335	46,042	684,377	684,377	
Other purchased professional & tech services	31,722	(2,224)	29,498	29,230	268
Other purchased services	50,528	1,597	52,125	31,675	20,450
Supplies and materials	28,285	(2,564)	25,721	13,113	12,608
Other objects	13,100	380	13,480	13,071	409
Total improvement of instructional services	1,850,093	44,623	1,894,716	1,860,676	34,040
Educational media services/school library:					
Salaries	1,065,398	28,614	1,094,012	1,094,012	
Purchased professional - technical services	35,000		35,000	30,372	4,628
Other purchased services	5,082	450	5,532	4,572	960
Supplies and materials	170,068	(7,984)	162,084	145,218	16,866
Other objects	175		175	175	
Total educational media services / school library	1,275,723	21,080	1,296,803	1,274,349	22,454
Instructional staff training services:					
Salaries of supervisors of instruction	1,053,714	14,685	1,068,399	1,068,399	
Salaries of other professional staff	37,800	(37,800)			
Salaries of secretarial and clerical assistants	357,613	(10,874)	346,739	343,131	3,608
Purchased professional - educational services	14,833		14,833	14,449	384
Other purchased services	46,925	880	47,805	29,650	18,155
Supplies and materials	4,458	929	5,387	5,387	
Other objects	-	820	820	820	
Total instructional staff training services	1,515,343	(31,360)	1,483,983	1,461,836	22,147

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	<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 (continued):					
Support services-general administration					
Salaries	\$ 688,121	\$ 11,568	\$ 699,689	\$ 699,689	
Legal services	209,250	77,010	286,260	286,260	
Audit fees	71,500	68,084	139,584	82,584	\$ 57,000
Other purchased professional services	15,350	(4,896)	10,454	3,924	6,530
Purchased technical services	6,600		6,600	5,108	1,492
Communications/telephone	310,991	18,593	329,584	316,667	12,917
BOE other purchased services	10,500		10,500	5,031	5,469
Miscellaneous purchased services	33,300	995	34,295	20,401	13,894
General supplies	16,460	5,491	21,951	16,548	5,403
BOE in-house training/meeting supplies	2,000		2,000	281	1,719
Judgments		64,428	64,428	64,331	97
Miscellaneous expenditures	15,923	(1,534)	14,389	11,618	2,771
BOE membership dues/fees	35,500		35,500	34,694	806
Total support services-general administration	<u>1,415,495</u>	<u>239,739</u>	<u>1,655,234</u>	<u>1,547,136</u>	<u>108,098</u>
Support services-school administration:					
Salaries of principals / assistant principals	2,313,359	9,314	2,322,673	2,322,673	
Salaries of other professional staff	808,999	(15,492)	793,507	793,507	
Salaries of secretarial and clerical assistants	1,462,235	(3,987)	1,458,248	1,458,248	
Other purchased services	59,479	4,642	64,121	49,425	14,696
Supplies and materials	45,688	(1,537)	44,151	34,073	10,078
Other objects	24,400	(1,200)	23,200	21,605	1,595
Total support services-school administration	<u>4,714,160</u>	<u>(8,260)</u>	<u>4,705,900</u>	<u>4,679,531</u>	<u>26,369</u>
Central services:					
Salaries	1,572,630	(58,518)	1,514,112	1,512,602	1,510
Purchased professional services	54,000	40,486	94,486	88,082	6,404
Purchased technical services	20,000		20,000	19,980	20
Miscellaneous purchased services	54,946	13,005	67,951	64,247	3,704
Supplies and materials	29,120	(5,947)	23,173	17,817	5,356
Interest on lease purchase agreements	386,636		386,636	41,397	345,239
Miscellaneous expenditures	6,500	(849)	5,651	4,861	790
Total central services	<u>2,123,832</u>	<u>(11,823)</u>	<u>2,112,009</u>	<u>1,748,986</u>	<u>363,023</u>
Administrative information technology:					
Salaries	1,393,410	(32,430)	1,360,980	1,360,980	
Purchased professional services	27,451	(9,503)	17,948		17,948
Purchased technical services	250,797		250,797	224,844	25,953
Other purchased services	33,375	161,961	195,336	183,614	11,722
Supplies and materials	62,189	9,335	71,524	69,530	1,994
Other objects	760		760	200	560
Total administrative information technology	<u>1,767,982</u>	<u>129,363</u>	<u>1,897,345</u>	<u>1,839,168</u>	<u>58,177</u>
Required maintenance for school facilities:					
Salaries	926,519	34,741	961,260	960,038	1,222
Cleaning, repair and maintenance services	525,295	(90,266)	435,029	386,491	48,538
General supplies	328,000	37,141	365,141	265,560	99,581
Other objects	300		300	8	292
Total required maintenance for school facilities	<u>1,780,114</u>	<u>(18,384)</u>	<u>1,761,730</u>	<u>1,612,097</u>	<u>149,633</u>

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

Year ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Custodial services:					
Salaries	\$ 1,387,774	\$ (15,788)	\$ 1,371,986	\$ 1,371,986	
Salaries of non-instructional aides	436,460	31,870	468,330	468,330	
Purchased professional and technical services	71,500	(10,527)	60,973	42,284	\$ 18,689
Cleaning, repair and maintenance services	3,059,805	(15,472)	3,044,333	3,044,330	3
Rentals of land and buildings	21,000	21,000	42,000	42,000	
Other purchased property services	71,508	7,527	79,035	71,188	7,847
Insurance	715,378	46,000	761,378	761,336	42
Miscellaneous purchased services	400	1,237	1,637	1,236	401
General supplies	178,036	41,716	219,752	216,080	3,672
Energy (electricity)	2,216,011		2,216,011	1,825,008	391,003
Energy (natural gas)	982,098		982,098	530,215	451,883
Other objects	11,300	2,040	13,340	6,952	6,388
Total custodial services	9,151,270	109,603	9,260,873	8,380,945	879,928
Care and upkeep of grounds:					
Salaries	529,082	(72,754)	456,328	456,328	
Cleaning, repair and maintenance services	153,080	(11,766)	141,314	52,834	88,480
General supplies	125,032	35,166	160,198	158,790	1,408
Other objects	27,214	300	27,514	27,476	38
Total care and upkeep of grounds	834,408	(49,054)	785,354	695,428	89,926
Security:					
Salaries	661,111	116,261	777,372	777,372	
Purchased professional and technical services	33,065		33,065		33,065
Cleaning, Repair, and Maintenance Services	118,712	2,259	120,971	94,971	26,000
General supplies	12,294	9,810	22,104	16,361	5,743
Other objects	15,535		15,535	14,935	600
Total security	840,717	128,330	969,047	903,639	65,408
Student transportation services:					
Salaries - Non-instructional Aides	59,916	48,914	108,830	108,830	
Salaries for pupil transportation:					
Between home and school - regular	1,142,000	(86,694)	1,055,306	1,054,229	1,077
Other Purchased professional and technical services	3,000		3,000	700	2,300
Cleaning, Repair, and Maintenance Services	263,040	141,248	404,288	403,538	750
Rental payments - School Buses	9,000		9,000	4,238	4,762
Lease Purchase Payments - School Buses	211,605		211,605	211,600	5
Contracted services:					
Aid in lieu of payments	159,120	(6,248)	152,872	102,873	49,999
Vendors - between home and school	1,605,856	(100,000)	1,505,856	1,391,440	114,416
Vendors - other than between home and school	369,196	33,353	402,549	349,621	52,928
Vendors - Special Ed	988,193		988,193	923,946	64,247
Vendors - between home and school - regional	200,000		200,000	100	199,900
ESCs & CTAs - Special Ed	2,548,308	(35,000)	2,513,308	1,976,295	537,013
Miscellaneous purchased services - transportation	137,643	(46,200)	91,443	79,997	11,446
General supplies	2,100	19,274	21,374	20,026	1,348
Transportation Supplies	327,598		327,598	161,469	166,129
Other objects	3,625		3,625	2,150	1,475
Total student transportation services	8,030,200	(31,353)	7,998,847	6,791,052	1,207,795

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Unallocated benefits:					
Social security contributions	\$ 1,500,000	\$ 37,609	\$ 1,537,609	\$ 1,537,609	
Other retirement contributions - PERS	1,866,259	(37,609)	1,828,650	1,618,979	\$ 209,671
Unemployment compensation insurance	430,000		430,000		430,000
Worker's compensation	439,650		439,650	434,101	5,549
Health benefits	19,996,764	(14,746)	19,982,018	18,163,680	1,818,338
Tuition reimbursement	197,000	(20,389)	176,611	113,850	62,761
Other employee benefits	543,724	8,830	552,554	470,265	82,289
Total unallocated benefits	<u>24,973,397</u>	<u>(26,305)</u>	<u>24,947,092</u>	<u>22,338,484</u>	<u>2,608,608</u>
On-behalf TPAF pension contributions (non-budgeted)				8,027,313	(8,027,313)
Reimbursed TPAF social security (non-budgeted)				4,467,760	(4,467,760)
Total undistributed expenditures	<u>76,001,944</u>	<u>447,118</u>	<u>76,449,062</u>	<u>82,025,081</u>	<u>(5,576,019)</u>
Total current expenditures	<u>134,413,970</u>	<u>425,319</u>	<u>134,823,194</u>	<u>139,303,239</u>	<u>(4,480,045)</u>
Capital outlay:					
Equipment:					
Regular programs - instruction:					
Grades 9-12		4,745	4,745	4,745	
Undistributed instruction:					
Students - extraordinary		5,530	5,530	5,529	1
General Administration	7,000		7,000		7,000
Central services		2,696	2,696	2,696	
Administration information technology		19,190	19,190	19,190	
Required maintenance for school facilities		7,719	7,719	7,719	
Security	-	46,509	46,509	46,509	
Total equipment	<u>7,000</u>	<u>86,389</u>	<u>93,389</u>	<u>86,388</u>	<u>7,001</u>
Facilities acquisition and construction services:					
Salaries	96,094		96,094	95,670	424
Architectural/engineering services	85,050	442,156	527,206	288,387	238,819
Other Purch Prof & Tech services		294,866	294,866	159,936	134,930
Construction services	145,000	8,365,230	8,510,230	4,124,371	4,385,859
Supplies and materials	60,000	(56,000)	4,000	4,000	
Lease purchase agreements - principal	2,798,831		2,798,831	826,045	1,972,786
Infrastructure		52,366	52,366	52,366	
Other objects		900	900	900	
Assessment for Debt Service on SDA Funding	347,538		347,538	347,538	
Total facilities acquisition and construction services	<u>3,532,513</u>	<u>9,099,518</u>	<u>12,632,031</u>	<u>5,899,213</u>	<u>6,732,818</u>
Total expenditures - capital outlay	<u>3,539,513</u>	<u>9,185,907</u>	<u>12,725,420</u>	<u>5,985,601</u>	<u>6,739,819</u>
Transfer of funds to charter schools	<u>2,327,968</u>		<u>2,327,968</u>	<u>2,056,054</u>	<u>271,914</u>
Total expenditures	<u>140,281,451</u>	<u>9,595,131</u>	<u>149,876,582</u>	<u>147,344,894</u>	<u>2,531,688</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(4,880,000)</u>	<u>(9,595,131)</u>	<u>(14,475,131)</u>	<u>1,395,707</u>	<u>15,870,838</u>

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other financing sources (uses):					
Transfers out (capital reserve transfer to capital projects fund)		\$ (1,159,107)	\$ (1,159,107)	\$ (1,159,107)	
Transfers in from other funds	\$ 400,000		400,000	2,612,489	\$ 2,212,489
Total other financing sources (uses)	<u>400,000</u>	<u>(1,159,107)</u>	<u>(759,107)</u>	<u>1,453,382</u>	<u>2,212,489</u>
(Deficiency) excess of revenues (under) over expenditures and other financing sources (uses)	(4,480,000)	\$ (10,754,238)	(15,234,238)	2,849,089	\$ 18,083,327
Fund balances, July 1	20,005,730		20,005,730	20,005,730	
Fund balances, June 30	<u>\$ 15,525,730</u>	<u>\$ (10,754,238)</u>	<u>\$ 4,771,492</u>	<u>\$ 22,854,819</u>	<u>\$ 18,083,327</u>
Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources					
Budgeted fund balance	\$ (4,480,000)		\$ (4,480,000)	\$ 5,486,066	\$ 9,966,066
Budgeted fund balance - capital reserve		\$ (7,768,148)	(7,768,148)	349,113	8,117,261
Adjustment for prior year encumbrances		(2,986,090)	(2,986,090)	(2,986,090)	
Total	<u>\$ (4,480,000)</u>	<u>\$ (10,754,238)</u>	<u>\$ (15,234,238)</u>	<u>\$ 2,849,089</u>	<u>\$ 18,083,327</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital Reserve				\$ 6,303,883	
Excess Surplus				4,350,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				3,547,137	
Assigned Fund Balance:					
Year-end Encumbrances				4,821,617	
Designated for Subsequent Year's Expenditures				802,863	
Designated for Subsequent Year's Expenditures - ARRA SEMI				33,956	
Unassigned Fund Balance				<u>2,995,363</u>	
				22,854,819	
Reconciliation to Government Funds Statements GAAP:					
Last state aid payments not recognized on GAAP basis				(1,714,644)	
Fund balance per Government Funds (GAAP) (B-1)				<u>\$ 21,140,175</u>	

East Brunswick Public Schools
Special Revenue Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Federal sources	\$ 2,320,000	\$ 830,533	\$ 3,150,533	\$ 2,789,405	\$ (361,128)
State sources	139,000	176,887	315,887	262,135	(53,752)
Other sources	75,000	4,118,894	4,193,894	214,539	(3,979,355)
Total revenues	2,534,000	5,126,314	7,660,314	3,266,079	(4,394,235)
Expenditures:					
Current expenditures:					
Instruction:					
Salaries of teachers	449,720	399,125	848,845	609,356	239,489
Purchased professional educational services	65,000	51,464	116,464	104,204	12,260
Other purchased services	1,626,254	197,063	1,823,317	1,798,577	24,740
Supplies and materials	73,120	2,007,193	2,080,313	996,950	1,083,363
General Supplies	1,317	765	2,082	2,082	
Textbooks	598	(148)	450	318	132
Total instruction	2,216,009	2,655,462	4,871,471	3,511,487	1,359,984
Support services:					
Salaries of teachers	42,781	84,176	126,957	103,147	23,810
Personal services - employee benefits	128,674	118,340	247,014	209,560	37,454
Purchased professional technical services	42,320	41,829	84,149	51,726	32,423
Purchased professional educational services	74,000	30,739	104,739	94,035	10,704
Other purchased services	10,307	26,573	36,880	23,557	13,323
Contract services - transportation		3,833	3,833	3,833	
Supplies and materials	6,055	315,444	321,499	195,509	125,990
Total support services	304,137	620,934	925,071	681,367	243,704
Capital outlay:					
Facilities acquisition and construction services:					
Instructional equipment	13,854	281,581	295,435	166,891	128,544
Non-instructional equipment		54,580	54,580	49,353	5,227
Regular education - school buses		491,892	491,892	491,892	
Capital lease payments				7	(7)
Architectural/engineering services		229,187	229,187	55,492	173,695
Other purchased professional / technical services		62,676	62,676	59,052	3,624
Construction services		9,361,918	9,361,918	3,602,839	5,759,079
Infrastructure		62,316	62,316	54,898	7,418
Total facilities acquisition and construction services	13,854	10,544,150	10,558,004	4,480,424	6,077,580
Total expenditures	2,534,000	13,820,546	16,354,546	8,673,278	7,681,268
Excess / (Deficiency) of revenues over / (under) expenditures	-	(8,694,232)	(8,694,232)	(5,407,199)	3,287,033
Other financing sources / (uses):					
Capital lease proceeds		2,894,232	2,894,232	2,894,232	
Lease purchase obligation proceeds			5,800,000	5,800,000	
Transfer out		-	-	(174,564)	174,564
Total other financing sources	-	2,894,232	8,694,232	8,519,668	174,564
Net change in fund balance	-	(5,800,000)	-	3,112,469	3,461,597
Fund Balance, July 1	3,871,997		3,871,997	3,871,997	
Fund Balance, June 30	\$ 3,871,997	\$ (5,800,000)	\$ 3,871,997	\$ 6,984,466	\$ 3,461,597

East Brunswick Public Schools
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2015

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the Budgetary Comparison Schedule (C-1, C-2)	\$148,740,601	\$ 3,266,079
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 (net of cancellations)		6,000
Current year		(4,108)
State aid payments from prior year recognized in prior year for budgetary purposes, and recognized for GAAP purposes in the current fiscal year.	1,692,388	
State aid payments recognized for budgetary purposes, not recognized for GAAP purposes	(1,714,644)	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (B-2)	\$ 148,718,345	\$ 3,267,971
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule (C-1, C-2)	\$ 147,344,894	\$ 8,673,278
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 (net of cancellations)		6,000
Current year		(4,108)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 147,344,894	\$ 8,675,170

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, 2015

	Title I Part A	Title II Part A	Title III Part A	Title III Immigrant	I.D.E.I.A.			Adult Basic Education
					Regular	Preschool	Inclusive Schools Climate Initiative	
Revenues:								
Federal sources	\$ 550,814	\$ 102,211	\$ 47,684	\$ 67,913	\$ 1,840,319	\$ 45,055	\$ 1,578	\$ 133,831
State sources								
Other sources								
Total revenues	\$ 550,814	\$ 102,211	\$ 47,684	\$ 67,913	\$ 1,840,319	\$ 45,055	\$ 1,578	\$ 133,831
Expenditures:								
Instruction:								
Salaries	\$ 353,987	\$ 79,113	\$ 25,497	\$ 46,217				\$ 104,542
Purchased professional/educational services								
Other purchased services					\$ 1,761,705	\$ 14,787		
Supplies and materials	38,050		12,710				\$ 844	6,052
General supplies								
Textbooks								318
Total instruction	392,037	79,113	38,207	46,217	1,761,705	14,787	844	110,912
Support services:								
Salaries	15,054	4,736	683	1,581	33,170	1,072		2,650
Personal services-employee benefits	143,723	9,614	2,686	5,115	23,784	769		19,760
Purchased professional/technical services		1,639			21,660	28,427		
Purchased professional/educational services								
Other purchased services		1,291	6,108	15,000			84	509
Contracted services - transportation								
Supplies and materials		5,818					650	
Total support services	158,777	23,098	9,477	21,696	78,614	30,268	734	22,919
Capital outlay:								
Facilities acquisition and construction services								
Instructional equipment								
Non - instructional equipment								
School Buses-Regular								
Lease purchase principal payments								
Architectural / Engineering services								
Other purchased professional / technical services								
Construction services								
Infrastructure								
Total facilities acquisition and construction services								
Total expenditures	550,814	102,211	47,684	67,913	1,840,319	45,055	1,578	133,831
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	-	-	-
Other financing sources:								
Capital lease proceeds								
Lease purchase obligation proceeds								
Transfers out								
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, 2015

	NJ Nonpublic Auxiliary Services, Ch. 192					NJ Nonpublic Handicapped Services, Ch. 193				
	Bridging the Device Gap	NJ Achievement Coaches Content	English as a Second Language	Transportation	Basic Skills Remedial	Home Instruction	Supplemental Instruction	Examination and Classification	Corrective Speech	
Revenues:										
Federal sources										
State sources	\$ 8,999	\$ 51,064	\$ 6,304	\$ 3,833	\$ 57,455	\$ 843	\$ 15,537	\$ 25,396	\$ 17,227	
Other sources										
Total revenues	<u>\$ 8,999</u>	<u>\$ 51,064</u>	<u>\$ 6,304</u>	<u>\$ 3,833</u>	<u>\$ 57,455</u>	<u>\$ 843</u>	<u>\$ 15,537</u>	<u>\$ 25,396</u>	<u>\$ 17,227</u>	
Expenditures:										
Instruction:										
Salaries										
Purchased professional/educational services			\$ 6,304		\$ 57,455	\$ 843	\$ 15,537			
Other purchased services										
Supplies and materials	\$ 8,999									
General supplies										
Textbooks										
Total instruction	<u>8,999</u>		<u>6,304</u>		<u>57,455</u>	<u>843</u>	<u>15,537</u>			
Support services:										
Salaries		\$ 44,201								
Personal services-employee benefits		4,109								
Purchased professional/technical services										
Purchased professional/educational services								\$ 25,396	\$ 17,227	
Other purchased services										
Contracted services - transportation				\$ 3,833						
Supplies and materials		2,754								
Total support services		<u>51,064</u>		<u>3,833</u>				<u>25,396</u>	<u>17,227</u>	
Capital outlay:										
Facilities acquisition and construction services										
Instructional equipment										
Non - instructional equipment										
School Buses-Regular										
Lease purchase principal payments										
Architectural / Engineering services										
Other purchased professional / technical services										
Construction services										
Infrastructure										
Total facilities acquisition and construction services										
Total expenditures	<u>8,999</u>	<u>51,064</u>	<u>6,304</u>	<u>3,833</u>	<u>57,455</u>	<u>843</u>	<u>15,537</u>	<u>25,396</u>	<u>17,227</u>	
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	-	-	-	-	
Other financing sources:										
Capital lease proceeds										
Lease purchase obligation proceeds										
Transfers out										
Total other financing sources										
Net changes in fund balance	-	-	-	-	-	-	-	-	-	
Fund balance, July 1	-	-	-	-	-	-	-	-	-	
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2015

	Nonpublic Textbook Aid	Nonpublic Nursing	Nonpublic Technology Services	East Brunswick Education Fund	PTA Grants	Other Local	2008-2009 Lease Agreement Bancorp	2009-2010 Lease Agreement Bancorp	2012-2013 Lease Agreement Bancorp
Revenues:									
Federal sources									
State sources	\$ 24,065	\$ 39,467	\$ 11,945						
Other sources				\$ 95,115	\$ 37,234	\$ 81,129			\$ 16
Total revenues	\$ 24,065	\$ 39,467	\$ 11,945	\$ 95,115	\$ 37,234	\$ 81,129	\$ -	\$ -	\$ 16
Expenditures:									
Instruction:									
Salaries									
Purchased professional/educational services	\$ 24,065								
Other purchased services				\$ 21,450	\$ 635				
Supplies and materials				50,204	29,215	\$ 10,965			\$ 4,700
General supplies				2,082					
Textbooks									
Total instruction	24,065			73,736	29,850	10,965			4,700
Support services:									
Salaries									
Personal services-employee benefits									
Purchased professional/technical services									
Purchased professional/educational services		\$ 39,467	\$ 11,945						
Other purchased services						565			
Contracted services - transportation									
Supplies and materials					1,549	899	\$ 59,477	\$ 27,136	
Total support services		39,467	11,945		1,549	1,464	59,477	27,136	
Capital outlay:									
Facilities acquisition and construction services									
Instructional equipment				21,379	5,835	5,999			\$ 19,422
Non - instructional equipment									49,353
School Buses-Regular									
Lease purchase principal payments									
Architectural / Engineering services							426		
Other purchased professional / technical services									
Construction services						62,701			
Infrastructure									48,798
Total facilities acquisition and construction services				21,379	5,835	68,700	426		117,573
Total expenditures	24,065	39,467	11,945	95,115	37,234	81,129	59,903	27,136	122,273
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	-	(59,903)	(27,136)	(122,257)
Other financing sources:									
Capital lease proceeds									
Lease purchase obligation proceeds									
Transfers out									
Total other financing sources									
Net changes in fund balance	-	-	-	-	-	-	(59,903)	(27,136)	(122,257)
Fund balance, July 1	-	-	-	-	-	-	59,903	27,136	122,494
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 237

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2015

	2012-2013 Lease Agreement Bank of America	2013-2014 Lease Agreement First Hope Bank	2013-2014 Lease Agreement TD Bank, N.A.	2014-2015 Lease Agreement TD Bank, N.A.	2014-2015 Lease Agreement Bank of America	2014-2015 Lease Agreement Township of East Brunswick	Other Lease Agreements	Totals
Revenues:								
Federal sources								\$ 2,789,405
State sources								262,135
Other sources	\$ 528	\$ 2	\$ 341	\$ 174				214,539
Total revenues	<u>\$ 528</u>	<u>\$ 2</u>	<u>\$ 341</u>	<u>\$ 174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,266,079</u>
Expenditures:								
Instruction:								
Salaries								\$ 609,356
Purchased professional/educational services								104,204
Other purchased services								1,798,577
Supplies and materials			\$ 835,211					996,950
General supplies								2,082
Textbooks								318
Total instruction			<u>835,211</u>					<u>3,511,487</u>
Support services:								
Salaries								103,147
Personal services-employee benefits								209,560
Purchased professional/technical services								51,726
Purchased professional/educational services								94,035
Other purchased services								23,557
Contracted services - transportation								3,833
Supplies and materials			52,072				\$ 45,154	195,509
Total support services			<u>52,072</u>				<u>45,154</u>	<u>681,367</u>
Capital outlay:								
Facilities acquisition and construction services								
Instructional equipment			80,699		\$ 33,557			166,891
Non - instructional equipment								49,353
School Buses-Regular						491,892		491,892
Lease purchase principal payments		\$ 7						7
Architectural / Engineering services	\$ 37,594			\$ 17,472				55,492
Other purchased professional / technical services	23,826			35,226				59,052
Construction services	1,512,588		24,714	1,998,115		\$ 4,721		3,602,839
Infrastructure			6,100					54,898
Total facilities acquisition and construction services	<u>1,574,008</u>	<u>7</u>	<u>111,513</u>	<u>2,050,813</u>	<u>525,449</u>	<u>4,721</u>		<u>4,480,424</u>
Total expenditures	<u>1,574,008</u>	<u>7</u>	<u>998,796</u>	<u>2,050,813</u>	<u>525,449</u>	<u>4,721</u>	<u>45,154</u>	<u>8,673,278</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>(1,573,480)</u>	<u>(5)</u>	<u>(998,455)</u>	<u>(2,050,639)</u>	<u>(525,449)</u>	<u>(4,721)</u>	<u>(45,154)</u>	<u>(5,407,199)</u>
Other financing sources:								
Capital lease proceeds				\$ 2,244,232	\$ 650,000			2,894,232
Lease purchase obligation proceeds						5,800,000		5,800,000
Transfers out				(174,564)				(174,564)
Total other financing sources				<u>2,069,668</u>	<u>650,000</u>	<u>5,800,000</u>		<u>8,519,668</u>
Net changes in fund balance	<u>(1,573,480)</u>	<u>(5)</u>	<u>(998,455)</u>	<u>19,029</u>	<u>124,551</u>	<u>5,795,279</u>	<u>(45,154)</u>	<u>3,112,469</u>
Fund balance, July 1	1,617,305	5	2,000,000	-			45,154	3,871,997
Fund balance, June 30	<u>\$ 43,825</u>	<u>\$ -</u>	<u>\$ 1,001,545</u>	<u>\$ 19,029</u>	<u>\$ 124,551</u>	<u>\$ 5,795,279</u>	<u>\$ -</u>	<u>\$ 6,984,466</u>

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, 2015

Revenues and other financing sources	
State sources - SDA grant	\$ 1,998,324
Lease purchase	4,955,768
Transfer from capital reserve	\$ 1,159,107
Transfer (to) capital reserve	<u>(2,037,925)</u>
Net capital reserve transfers	<u>(878,818)</u>
Total Revenues and other financing sources	6,075,274
Expenditures and other financing uses	
Other professional services	114,045
Purchased professional and technical services	37,269
Construction services	2,630,133
Other objects	35,834
Equipment purchases	<u>90,360</u>
Total expenditures	2,907,641
Excess of revenues and other financing sources over expenditures and other financing uses	<u>3,167,633</u>
Fund Balance, July 1	<u>3,366,633</u>
Fund Balance, June 30	<u>\$ 6,534,266</u>
Reconciliation of Fund Balance:	
Fund Balance, budgetary basis	\$ 6,534,266
GAAP basis revenues not recognized	<u>(2,034,761)</u>
Fund Balance, June 30 - GAAP basis	<u>\$ 4,499,505</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, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 5,353,783	\$ 1,998,324	\$ 7,352,107	\$ 7,352,107
Bond proceeds	13,960,000		13,960,000	13,960,000
Lease purchase		4,955,768	4,955,768	4,955,768
Transfer from special revenue fund				
Transfer from (to) capital reserve	3,459,124	(681,017)	2,778,107	2,778,107
Transfer from capital outlay	730,000		730,000	730,000
Miscellaneous	3,996,480		3,996,480	3,996,480
Total Revenues	<u>27,499,387</u>	<u>6,273,075</u>	<u>33,772,462</u>	<u>33,772,462</u>
Expenditures and other financing uses				
Legal	36,966		36,966	36,966
Other professional services	2,669,479	114,045	2,783,524	2,783,524
Purchased professional and technical services	291,362	37,269	328,631	328,631
Construction services	21,096,896	2,630,133	23,727,029	23,727,029
Other objects	38,051	35,834	73,885	73,885
Transfer to capital reserve		197,801	197,801	197,801
Equipment purchases		90,360	90,360	90,360
Total expenditures	<u>24,132,754</u>	<u>3,105,442</u>	<u>27,238,196</u>	<u>27,238,196</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,366,633</u>	<u>\$ 3,167,633</u>	<u>\$ 6,534,266</u>	<u>\$ 6,534,266</u>

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, 2015

	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
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	67,868		67,868	67,868
Construction services	508,794		508,794	508,794
Other objects		\$ 35,834	35,834	35,834
Transfer to capital reserve				
Equipment purchases		90,360	90,360	90,360
Total expenditures	<u>576,662</u>	<u>126,194</u>	<u>702,856</u>	<u>702,856</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 153,338</u>	<u>\$ (126,194)</u>	<u>\$ 27,144</u>	<u>\$ 27,144</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	96.28%			
Original target completion date	2008			
Revised target completion date	2016			

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, 2015

	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				
Miscellaneous	3,996,480		3,996,480	3,996,480
Total Revenues	<u>23,814,000</u>	<u>-</u>	<u>23,814,000</u>	<u>23,814,000</u>
Expenditures and other financing uses				
Legal	36,966		36,966	36,966
Other professional services	2,474,912	\$ 10,159	2,485,071	2,485,071
Purchased professional and technical services	223,494	11,791	235,285	235,285
Construction services	20,588,102	366,130	20,954,232	20,954,232
Other objects	38,051		38,051	38,051
Transfer to capital reserve				
Equipment purchases				
Total expenditures	<u>23,361,525</u>	<u>388,080</u>	<u>23,749,605</u>	<u>23,749,605</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 452,475</u>	<u>\$ (388,080)</u>	<u>\$ 64,395</u>	<u>\$ 64,395</u>
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	99.73%			
Original target completion date	2012			
Revised target completion date	2016			

East Brunswick Public Schools
Capital Projects Fund

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

Browne Munro School Security and Communications Systems Upgrade - Project No. 930

From Inception and for the year ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 96,779		\$ 96,779	\$ 96,779
Bond proceeds				
Lease purchase		\$ 145,169	145,169	145,169
Transfer from special revenue fund				
Transfer from (to) capital reserve	145,169	(145,169)		
Transfer from capital outlay				
Miscellaneous				
Total Revenues	<u>241,948</u>	<u>-</u>	<u>241,948</u>	<u>241,948</u>
Expenditures and other financing uses				
Legal				
Other professional services	29,683	10,376	40,059	40,059
Purchased professional and technical services		4,532	4,532	4,532
Construction services				
Other objects				
Transfer to capital reserve				
Transfers				
Total expenditures	<u>29,683</u>	<u>14,908</u>	<u>44,591</u>	<u>44,591</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 212,265</u>	<u>\$ (14,908)</u>	<u>\$ 197,357</u>	<u>\$ 197,357</u>
Additional project information				
Project number	930			
Grant date	June 10, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 241,948			
Additional Authorized Cost				
Revised Authorized Cost	241,948			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	18.43%			
Original target completion date	2015			
Revised target completion date	2016			

East Brunswick Public Schools
Capital Projects Fund

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

Central School Security and Communications Systems Upgrade - Project No. 931

From Inception and for the year ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 54,113		\$ 54,113	\$ 54,113
Bond proceeds				
Lease purchase		\$ 91,587	91,587	91,587
Transfer from special revenue fund				
Transfer from (to) capital reserve	90,887	(90,887)		
Transfer from capital outlay				
Miscellaneous				
Total Revenues	<u>145,000</u>	<u>700</u>	<u>145,700</u>	<u>145,700</u>
Expenditures and other financing uses				
Legal				
Other professional services	10,929	2,410	13,339	13,339
Purchased professional and technical services				
Construction services		116,409	116,409	116,409
Other objects				
Transfer to capital reserve				
Equipment purchases				
Total expenditures	<u>10,929</u>	<u>118,819</u>	<u>129,748</u>	<u>129,748</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 134,071</u>	<u>\$ (118,119)</u>	<u>\$ 15,952</u>	<u>\$ 15,952</u>
Additional project information				
Project number	931			
Grant date	June 10, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 135,283			
Additional Authorized Cost	10,417			
Revised Authorized Cost	145,700			
Percentage Increase over Original				
Authorized Cost	7.70%			
Percentage completion	89.05%			
Original target completion date	2015			
Revised target completion date	2016			

East Brunswick Public Schools
Capital Projects Fund

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

Chittick School Security and Communications Systems Upgrade - Project No. 933

From Inception and for the year ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 58,280		\$ 58,280	\$ 58,280
Bond proceeds				
Lease purchase		\$ 87,419	87,419	87,419
Transfer from special revenue fund				
Transfer from (to) capital reserve	87,419	(87,419)		
Transfer from capital outlay				
Miscellaneous				
Total Revenues	<u>145,699</u>	<u>-</u>	<u>145,699</u>	<u>145,699</u>
Expenditures and other financing uses				
Legal				
Other professional services	9,853	1,937	11,790	11,790
Purchased professional and technical services				
Construction services		117,532	117,532	117,532
Other objects				
Transfer to capital reserve				
Equipment purchases				
Total expenditures	<u>9,853</u>	<u>119,469</u>	<u>129,322</u>	<u>129,322</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 135,846</u>	<u>\$ (119,469)</u>	<u>\$ 16,377</u>	<u>\$ 16,377</u>
Additional project information				
Project number	933			
Grant date	June 10, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 145,699			
Additional Authorized Cost	-			
Revised Authorized Cost	145,699			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	88.76%			
Original target completion date	2015			
Revised target completion date	2016			

East Brunswick Public Schools
Capital Projects Fund

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

Churchill School Security and Communications Systems Upgrade - Project No. 934

From Inception and for the year ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 50,424		\$ 50,424	\$ 50,424
Bond proceeds				
Lease purchase		\$ 116,376	116,376	116,376
Transfer from special revenue fund				
Transfer from (to) capital reserve	116,376	(116,376)		
Transfer from capital outlay				
Miscellaneous				
Total Revenues	<u>166,800</u>	<u>-</u>	<u>166,800</u>	<u>166,800</u>
Expenditures and other financing uses				
Legal				
Other professional services	9,013	1,660	10,673	10,673
Purchased professional and technical services				
Construction services		139,892	139,892	139,892
Other objects				
Transfer to capital reserve				
Equipment purchases				
Total expenditures	<u>9,013</u>	<u>141,552</u>	<u>150,565</u>	<u>150,565</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 157,787</u>	<u>\$ (141,552)</u>	<u>\$ 16,235</u>	<u>\$ 16,235</u>
Additional project information				
Project number	934			
Grant date	June 10, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 126,060			
Additional Authorized Cost	40,740			
Revised Authorized Cost	166,800			
Percentage Increase over Original				
Authorized Cost	32.32%			
Percentage completion	90.27%			
Original target completion date	2015			
Revised target completion date	2016			

East Brunswick Public Schools
Capital Projects Fund

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

East Brunswick High School Security and Communications Systems Upgrade - Project No. 936

From Inception and for the year ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 47,958		\$ 47,958	\$ 47,958
Bond proceeds				
Lease purchase		\$ 101,842	101,842	101,842
Transfer from special revenue fund				
Transfer from (to) capital reserve	101,842	(101,842)		
Transfer from capital outlay				
Miscellaneous				
Total Revenues	<u>149,800</u>	<u>-</u>	<u>149,800</u>	<u>149,800</u>
Expenditures and other financing uses				
Legal				
Other professional services	9,010	1,695	10,705	10,705
Purchased professional and technical services				
Construction services		137,197	137,197	137,197
Other objects				
Transfer to capital reserve				
Equipment purchases				
Total expenditures	<u>9,010</u>	<u>138,892</u>	<u>147,902</u>	<u>147,902</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 140,790</u>	<u>\$ (138,892)</u>	<u>\$ 1,898</u>	<u>\$ 1,898</u>
Additional project information				
Project number	936			
Grant date	June 10, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 119,894			
Additional Authorized Cost	29,906			
Revised Authorized Cost	149,800			
Percentage Increase over Original				
Authorized Cost	24.94%			
Percentage completion	98.73%			
Original target completion date	2015			
Revised target completion date	2016			

East Brunswick Public Schools
Capital Projects Fund

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

Frost Elementary School Roof Replacement - Project No. 938

From Inception and for the year ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 571,784		\$ 571,784	\$ 571,784
Bond proceeds				
Lease purchase		\$ 857,676	857,676	857,676
Transfer from special revenue fund				
Transfer from (to) capital reserve	857,676	(857,676)		
Transfer from capital outlay				
Miscellaneous				
Total Revenues	<u>1,429,460</u>	<u>-</u>	<u>1,429,460</u>	<u>1,429,460</u>
Expenditures and other financing uses				
Legal				
Other professional services	84,640	13,746	98,386	98,386
Purchased professional and technical services				
Construction services		1,066,786	1,066,786	1,066,786
Other objects				
Transfer to capital reserve				
Equipment purchases				
Total expenditures	<u>84,640</u>	<u>1,080,532</u>	<u>1,165,172</u>	<u>1,165,172</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,344,820</u>	<u>\$ (1,080,532)</u>	<u>\$ 264,288</u>	<u>\$ 264,288</u>
Additional project information				
Project number	938			
Grant date	June 10, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 1,429,460			
Additional Authorized Cost	-			
Revised Authorized Cost	1,429,460			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	100.00%			
Original target completion date	2015			
Revised target completion date	2015			

East Brunswick Public Schools
Capital Projects Fund

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

Frost School Security and Communications Systems Upgrade - Project No. 939

From Inception and for the year ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 56,632		\$ 56,632	\$ 56,632
Bond proceeds				
Lease purchase		\$ 84,948	84,948	84,948
Transfer from special revenue fund				
Transfer from (to) capital reserve	84,948	(84,948)		
Transfer from capital outlay				
Miscellaneous				
Total Revenues	<u>141,580</u>	<u>-</u>	<u>141,580</u>	<u>141,580</u>
Expenditures and other financing uses				
Legal				
Other professional services	9,893	1,720	11,613	11,613
Purchased professional and technical services				
Construction services		90,176	90,176	90,176
Other objects				
Transfer to capital reserve				
Equipment purchases				
Total expenditures	<u>9,893</u>	<u>91,896</u>	<u>101,789</u>	<u>101,789</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 131,687</u>	<u>\$ (91,896)</u>	<u>\$ 39,791</u>	<u>\$ 39,791</u>
Additional project information				
Project number	939			
Grant date	June 10, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 141,580			
Additional Authorized Cost	-			
Revised Authorized Cost	141,580			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	71.90%			
Original target completion date	2015			
Revised target completion date	2016			

East Brunswick Public Schools
Capital Projects Fund

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

Hammar skjold School Security and Communications Systems Upgrade - Project No. 940

From Inception and for the year ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 65,617		\$ 65,617	\$ 65,617
Bond proceeds				
Lease purchase		\$ 137,983	137,983	137,983
Transfer from special revenue fund				
Transfer from (to) capital reserve	137,983	(137,983)		
Transfer from capital outlay				
Miscellaneous				
Total Revenues	<u>203,600</u>	<u>-</u>	<u>203,600</u>	<u>203,600</u>
Expenditures and other financing uses				
Legal				
Other professional services	11,805	1,639	13,444	13,444
Purchased professional and technical services				
Construction services		172,288	172,288	172,288
Other objects				
Transfer to capital reserve				
Equipment purchases				
Total expenditures	<u>11,805</u>	<u>173,927</u>	<u>185,732</u>	<u>185,732</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 191,795</u>	<u>\$ (173,927)</u>	<u>\$ 17,868</u>	<u>\$ 17,868</u>
Additional project information				
Project number	940			
Grant date	June 10, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 164,042			
Additional Authorized Cost	39,558			
Revised Authorized Cost	203,600			
Percentage Increase over Original				
Authorized Cost	24.11%			
Percentage completion	91.22%			
Original target completion date	2015			
Revised target completion date	2016			

East Brunswick Public Schools
Capital Projects Fund

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

Lawrence Brook School Security and Communications Systems Upgrade - Project No. 942

From Inception and for the year ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 57,044		\$ 57,044	\$ 57,044
Bond proceeds				
Lease purchase		\$ 112,756	112,756	112,756
Transfer from special revenue fund				
Transfer from (to) capital reserve	112,756	(112,756)		
Transfer from capital outlay				
Miscellaneous				
Total Revenues	<u>169,800</u>	<u>-</u>	<u>169,800</u>	<u>169,800</u>
Expenditures and other financing uses				
Legal				
Other professional services	9,854	1,635	11,489	11,489
Purchased professional and technical services				
Construction services		141,870	141,870	141,870
Other objects				
Transfer to capital reserve				
Equipment purchases				
Total expenditures	<u>9,854</u>	<u>143,505</u>	<u>153,359</u>	<u>153,359</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 159,946</u>	<u>\$ (143,505)</u>	<u>\$ 16,441</u>	<u>\$ 16,441</u>
Additional project information				
Project number	942			
Grant date	June 10, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$	142,609		
Additional Authorized Cost		27,191		
Revised Authorized Cost		169,800		
Percentage Increase over Original				
Authorized Cost	19.07%			
Percentage completion	90.32%			
Original target completion date	2015			
Revised target completion date	2016			

East Brunswick Public Schools
Capital Projects Fund

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

Lawrence Brook School Security and Communications Systems Upgrade - Project No. 943

From Inception and for the year ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 56,632		\$ 56,632	\$ 56,632
Bond proceeds				
Lease purchase		\$ 105,068	105,068	105,068
Transfer from special revenue fund				
Transfer from (to) capital reserve	105,068	(105,068)		
Transfer from capital outlay				
Miscellaneous				
Total Revenues	<u>161,700</u>	<u>-</u>	<u>161,700</u>	<u>161,700</u>
Expenditures and other financing uses				
Legal				
Other professional services	9,887	1,737	11,624	11,624
Purchased professional and technical services				
Construction services		133,677	133,677	133,677
Other objects				
Transfer to capital reserve				
Equipment purchases				
Total expenditures	<u>9,887</u>	<u>135,414</u>	<u>145,301</u>	<u>145,301</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 151,813</u>	<u>\$ (135,414)</u>	<u>\$ 16,399</u>	<u>\$ 16,399</u>
Additional project information				
Project number	943			
Grant date	June 10, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 141,580			
Additional Authorized Cost	20,120			
Revised Authorized Cost	161,700			
Percentage Increase over Original				
Authorized Cost	14.21%			
Percentage completion	89.86%			
Original target completion date	2015			
Revised target completion date	2016			

East Brunswick Public Schools
Capital Projects Fund

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

Chittick Elementary School HVAC and Electrical Upgrades - Project No. 932

From Inception and for the year ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant		\$ 795,614	\$ 795,614	\$ 795,614
Bond proceeds				
Lease purchase		1,193,422	1,193,422	1,193,422
Transfer from special revenue fund				
Transfer from capital reserve		887,710	887,710	887,710
Transfer from capital outlay				
Miscellaneous				
Total Revenues	-	2,876,746	2,876,746	2,876,746
Expenditures and other financing uses				
Legal				
Other professional services		34,548	34,548	34,548
Purchased professional and technical services		10,128	10,128	10,128
Construction services		76,048	76,048	76,048
Other objects				
Transfer to capital reserve		98,526	98,526	98,526
Equipment purchases				
Total expenditures	-	219,250	219,250	219,250
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 2,657,496	\$ 2,657,496	\$ 2,657,496
Additional project information				
Project number	932			
Grant date	October 23, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$	1,989,036		
Additional Authorized Cost		887,710		
Revised Authorized Cost		2,876,746		
Percentage Increase over Original				
Authorized Cost	44.63%			
Percentage completion	7.62%			
Original target completion date	2016			
Revised target completion date	2016			

East Brunswick Public Schools
Capital Projects Fund

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

East Brunswick High School Gymnasium HVAC Upgrades - Project No. 935

From Inception and for the year ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant		\$ 304,609	\$ 304,609	\$ 304,609
Bond proceeds				
Lease purchase		456,914	456,914	456,914
Transfer from special revenue fund				
Transfer from capital reserve				
Transfer from capital outlay				
Miscellaneous				
Total Revenues	-	761,523	761,523	761,523
Expenditures and other financing uses				
Legal				
Other professional services				
Purchased professional and technical services				
Construction services				
Other objects				
Transfer to capital reserve				
Equipment purchases				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	\$ 761,523	\$ 761,523	\$ 761,523
Additional project information				
Project number		935		
Grant date		October 23, 2014		
Bond authorization date		NA		
Bonds Authorized		NA		
Bonds Issued		NA		
Original Authorized Cost	\$	761,523		
Additional Authorized Cost		-		
Revised Authorized Cost		761,523		
Percentage Increase over Original				
Authorized Cost		0.00%		
Percentage completion		0.00%		
Original target completion date		2016		
Revised target completion date		2016		

East Brunswick Public Schools
Capital Projects Fund

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

East Brunswick High School Gym Bleacher Replacement - Project No. 937

From Inception and for the year ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant		\$ 50,640	\$ 50,640	\$ 50,640
Bond proceeds				
Lease purchase		123,937	123,937	123,937
Transfer from special revenue fund				
Transfer from capital reserve				
Transfer from capital outlay				
Miscellaneous				
Total Revenues	-	174,577	174,577	174,577
Expenditures and other financing uses				
Legal				
Other professional services				
Purchased professional and technical services				
Construction services				
Other objects				
Transfer to capital reserve				
Equipment purchases				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	\$ 174,577	\$ 174,577	\$ 174,577
Additional project information				
Project number	937			
Grant date	October 23, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$	126,600		
Additional Authorized Cost		47,977		
Revised Authorized Cost		174,577		
Percentage Increase over Original				
Authorized Cost	37.90%			
Percentage completion	0.00%			
Original target completion date	2016			
Revised target completion date	2016			

East Brunswick Public Schools
Capital Projects Fund

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

Irwin Elementary School HVAC and Electrical Upgrades - Project No. 941

From Inception and for the year ended June 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant		\$ 847,461	\$ 847,461	\$ 847,461
Bond proceeds				
Lease purchase		1,340,671	1,340,671	1,340,671
Transfer from special revenue fund				
Transfer from capital reserve		271,397	271,397	271,397
Transfer from capital outlay				
Miscellaneous				
Total Revenues	-	2,459,529	2,459,529	2,459,529
Expenditures and other financing uses				
Legal				
Other professional services		30,783	30,783	30,783
Purchased professional and technical services		10,818	10,818	10,818
Construction services		72,128	72,128	72,128
Other objects				
Transfer to capital reserve		99,275	99,275	99,275
Equipment purchases				
Total expenditures	-	213,004	213,004	213,004
Excess (deficiency) of revenues over (under) expenditures	-	\$ 2,246,525	\$ 2,246,525	\$ 2,246,525
Additional project information				
Project number	941			
Grant date	October 23, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$	2,118,653		
Additional Authorized Cost		340,876		
Revised Authorized Cost		2,459,529		
Percentage Increase over Original				
Authorized Cost	16.09%			
Percentage completion	8.66%			
Original target completion date	2016			
Revised target completion date	2016			

East Brunswick Public Schools
Capital Projects Fund

Summary Schedule of Project Expenditures
(Budgetary Basis)

From Inception and for the year ended June 30, 2015

Issue/Project Title	District Project Number	Original Date	Revised Appropriations	Expenditures to Date		Transfers Out	Unexpended Balance
				Prior Years	Current Year		
Security Systems 06/07	922	N/A	\$ 730,000	\$ 576,662	\$ 126,194		\$ 27,144
Memorial Elementary School Replacement 09/10	924	1/4/2010	23,814,000	23,361,525	388,080		64,395
Browne Munro School Security 13/14	930	6/10/2014	241,948	29,683	14,908		197,357
Central School Security and Communications Systems Upgrade 13/14	931	6/10/2014	145,700	10,929	118,819		15,952
Chittick School Security and Communications Systems Upgrade 13/14	933	6/10/2014	145,699	9,853	119,469		16,377
Churchill School Security And Communications Systems Upgrades 13/14	934	6/10/2014	166,800	9,013	141,552		16,235
East Brunswick High School Security and Communications Systems Upgrades 13/14	936	6/10/2014	149,800	9,010	138,892		1,898
Frost Elementary School Roof Replacement 13/14	938	6/10/2014	1,429,460	84,640	1,080,532		264,288
Frost School Security and Communications Systems Upgrades 13/14	939	6/10/2014	141,580	9,893	91,896		39,791
Hammaraskjold School Security Systems Upgrades 13/14	940	6/10/2014	203,600	11,805	173,927		17,868
Lawrence Brook School Security and Communications Systems Upgrades 13/14	942	6/10/2014	169,800	9,854	143,505		16,441
Warnsdorfer School Security Communications Systems Upgrades 13/14	943	6/10/2014	161,700	9,887	135,414		16,399
Chittick Elementary School HVAC and Electrical Upgrades 14/15	932	10/23/2014	2,876,746		120,724	\$ 98,526	2,657,496
East Brunswick High School Gymnasium HVAC Upgrades 14/15	935	10/23/2014	761,523				761,523
East Brunswick High School Gym Bleacher Replacement 14/15	937	10/23/2014	174,577				174,577
Irwin Elementary School HVAC and Electrical Upgrades 14/15	941	10/23/2014	2,459,529		113,729	99,275	2,246,525
Grand Total			\$ 33,772,462	\$ 24,132,754	\$ 2,907,641	\$ 197,801	\$ 6,534,266

Fiduciary Funds

East Brunswick Public Schools
Trust and Agency Funds

Combining Statement of Fiduciary Net Position

June 30, 2015

	Trust			Agency		
	Deferred Benefit Trust Fund	Unemployment Compensation Trust Fund	Total Trust	Student Activity	Payroll	Total Agency
Assets						
Cash and cash equivalents	\$ -	\$ 781,779	\$ 781,779	\$ 609,823	\$ 598,098	\$ 1,207,921
Total assets	<u>-</u>	<u>781,779</u>	<u>781,779</u>	<u>\$ 609,823</u>	<u>\$ 598,098</u>	<u>\$ 1,207,921</u>
Liabilities						
Accounts payable		11,950	11,950			
Payroll deductions payable					\$ 598,098	\$ 598,098
Due to student groups				\$ 609,823		609,823
Total liabilities		<u>11,950</u>	<u>11,950</u>	<u>\$ 609,823</u>	<u>\$ 598,098</u>	<u>\$ 1,207,921</u>
Net Position						
Held in trust for unemployment claims		769,829	769,829			
Total net position	<u>\$ -</u>	<u>\$ 781,779</u>	<u>\$ 781,779</u>			

East Brunswick Public Schools
Student Activity Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2015

	Balance July 1, 2014	Cash Receipts	Cash Disbursements	Balance June 30, 2015
Elementary Schools:				
Bowne-Munro	\$ 5,806	\$ 13,280	\$ 14,119	\$ 4,967
Central	7,005	18,758	15,724	10,039
Irwin	716	11,618	12,209	125
Lawrence Brook	2,777	15,719	14,978	3,518
Memorial	1,145	16,299	14,447	2,997
Murray A. Chittick	11,335	22,756	22,671	11,420
Robert Frost	5,969	18,550	18,626	5,893
Warnsdorfer	18,299	36,392	33,988	20,703
Total elementary schools	<u>53,052</u>	<u>153,372</u>	<u>146,762</u>	<u>59,662</u>
Middle Schools:				
Churchill	148,261	216,421	245,398	119,284
Hammarskjold	47,113	115,614	106,002	56,725
Total middle schools	<u>195,374</u>	<u>332,035</u>	<u>351,400</u>	<u>176,009</u>
High Schools:				
East Brunswick High School	344,062	970,964	940,874	374,152
E.B.H.S. Athletic Fund	-	91,264	91,264	-
Total high schools	<u>344,062</u>	<u>1,062,228</u>	<u>1,032,138</u>	<u>374,152</u>
Total all schools	<u><u>\$ 592,488</u></u>	<u><u>\$ 1,547,635</u></u>	<u><u>\$ 1,530,300</u></u>	<u><u>\$ 609,823</u></u>

East Brunswick Public Schools
Payroll Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2015

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2015</u>
Assets				
Cash and equivalents	\$ 580,727	\$ 93,040,344	\$ 93,022,973	\$ 598,098
Total assets	<u>\$ 580,727</u>	<u>\$ 93,040,344</u>	<u>\$ 93,022,973</u>	<u>\$ 598,098</u>
Liabilities				
Payroll deductions and withholdings	\$ 580,727	\$ 93,040,344	\$ 93,022,973	\$ 598,098
Total liabilities	<u>\$ 580,727</u>	<u>\$ 93,040,344</u>	<u>\$ 93,022,973</u>	<u>\$ 598,098</u>

Long-Term Debt

East Brunswick Public Schools
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2014	Retired	Balance June 30, 2015
			Date	Amount				
School Bonds	3/8/2005	\$ 81,386,000	11/1/2015	\$ 2,540,000	4.250%	\$ 4,715,000	\$ 2,175,000	\$ 2,540,000
School Refunding Bonds	3/15/2007	10,825,000	5/1/2016	905,000	5.000%	8,075,000	900,000	7,175,000
			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	5/15/2016	295,000	4.000%	13,560,000	100,000	13,460,000
			5/15/2017	310,000	4.000%			
			5/15/2018	325,000	4.000%			
			5/15/2019	340,000	4.000%			
			5/15/2020	355,000	4.000%			
			5/15/2021	370,000	4.000%			
			5/15/2022	390,000	4.000%			
			5/15/2023	410,000	4.000%			
			5/15/2024	425,000	4.000%			
			5/15/2025	445,000	4.000%			
			5/15/2026	465,000	4.000%			
			5/15/2027	490,000	4.000%			
			5/15/2028	510,000	4.000%			
			5/15/2029	535,000	4.000%			
			5/15/2030	560,000	4.250%			
			5/15/2031	585,000	4.250%			
			5/15/2032	615,000	4.250%			
			5/15/2033	640,000	4.250%			
			5/15/2034	670,000	4.250%			
			5/15/2035	700,000	4.250%			
			5/15/2036	735,000	4.375%			
			5/15/2037	770,000	4.375%			
			5/15/2038	800,000	4.375%			
5/15/2039	840,000	4.500%						
5/15/2040	880,000	4.500%						
2012 Refunding of 2005 School Bonds	11/20/2012	60,560,000	11/1/2015	140,000	2.000%	60,425,000	135,000	60,290,000
			11/1/2016	2,665,000	3.000%			
			11/1/2017	2,640,000	3.000%			
			11/1/2018	2,620,000	4.000%			
			11/1/2019	2,635,000	5.000%			
			11/1/2020	3,020,000	5.000%			
			11/1/2021	3,045,000	5.000%			
			11/1/2022	3,075,000	5.000%			
			11/1/2023	3,110,000	5.000%			
			11/1/2024	3,105,000	3.000%			
			11/1/2025	3,425,000	3.000%			
			11/1/2026	3,380,000	3.000%			
			11/1/2027	3,350,000	4.000%			
			11/1/2028	3,340,000	4.000%			
			11/1/2029	3,305,000	3.000%			
11/1/2030	3,615,000	3.000%						
11/1/2031	3,560,000	3.000%						
11/1/2032	3,505,000	3.125%						
11/1/2034	6,755,000	4.000%						
						<u>60,425,000</u>	<u>135,000</u>	<u>60,290,000</u>
						<u>\$ 86,775,000</u>	<u>\$ 3,310,000</u>	<u>\$ 83,465,000</u>

East Brunswick Public Schools
Long-Term Debt

Schedule of Lease Purchase Obligations Payable

Year ended June 30, 2015

	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Current Retired</u>	<u>Balance June 30, 2015</u>
Capital Improvement Projects:						
Construction of Various Schools						
Lease with East Brunswick Township	4.360%	\$ 9,000,000	\$ 1,910,094		\$ 609,731	\$ 1,300,363
Additions and Renovations to High School - Lease with East Brunswick Township	4.230%	14,320,000	4,830,451		845,426	3,985,025
Capital Improvement Projects - Lease with East Brunswick Township	0.5780%	5,800,000		\$ 5,800,000		5,800,000
			<u>\$ 6,740,545</u>	<u>\$ 5,800,000</u>	<u>\$ 1,455,157</u>	<u>\$ 11,085,388</u>

East Brunswick Public Schools
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local sources:					
Local tax levy	\$ 7,698,287		\$ 7,698,287	\$ 7,698,287	
State sources:					
Debt service aid type II	419,959		419,959	419,959	
Total revenues	<u>8,118,246</u>		<u>8,118,246</u>	<u>8,118,246</u>	
Expenditures:					
Principal	4,765,157		4,765,157	4,765,157	
Interest	3,642,504		3,642,504	3,642,501	\$ 3
Total expenditures	<u>8,407,661</u>		<u>8,407,661</u>	<u>8,407,658</u>	<u>3</u>
(Deficiency) of revenues (under) expenditures	<u>(289,415)</u>		<u>(289,415)</u>	<u>(289,412)</u>	<u>(3)</u>
Net change in fund balances	(289,415)		(289,415)	(289,412)	(3)
Fund balance, July 1	289,419		289,419	289,419	
Fund balance, June 30	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 7</u>	<u>\$ 3</u>

East Brunswick Public Schools
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year Ended June 30, 2015

<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, 2014</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance June 30, 2015</u>
2010-2011 TD Equipment Lease - Buses	7/9/2010	5 Years	\$ 361,500	3.310 %	\$ 75,985		\$ 75,985	
2011-12 KSB Equipment Lease - Buses	8/1/2011	5 Years	120,500	3.725	47,980		23,551	\$ 24,429
2012-13 US Bancorp Government Lease - Various Equipment	7/18/2012	5 Years	481,500	1.139	288,277		94,834	193,443
2012-13 Bank of America Lease - Various Construction	6/19/2013	4 Years	4,225,000	1.230	3,365,642		826,045	2,539,597
2013-2014 First Hope Bank Lease	11/24/2013	5 Years	89,513	2.243	68,013		16,442	51,571
2013-2014 JPMorgan Chase Bank Lease	6/25/2014	2 Years	2,000,000	0.780	2,000,000		1,002,806	997,194
2014-2015 TD Equipment Lease	7/15/2014	5 Years	7,200,000	1.514		\$ 7,200,000		7,200,000
2014-2015 Bank of America Lease	2/26/2015	42 Months	650,000	1.212		650,000	137,851	512,149
					<u>\$ 5,845,897</u>	<u>\$ 7,850,000</u>	<u>\$ 2,177,514</u>	<u>\$ 11,518,383</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,									
	2006	2007	2008	2009	2010	2011	2012	2013 Restated	2014	2015
Governmental activities										
Net investment in capital assets	\$ 44,993,912	\$ 70,499,208	\$ 72,866,718	\$ 86,461,666	\$ 90,778,110	\$ 83,801,596	\$ 100,224,934	\$ 114,047,274	\$ 115,774,538	\$ 118,166,184
Restricted	6,552,455	16,371,563	18,892,433	7,169,912	11,594,973	23,296,846	22,469,548	14,836,012	13,811,105	18,700,525
Unrestricted (deficit)	2,827,885	1,733,149	1,849,947	1,770,518	1,526,272	769,348	(2,552,220)	168,169	3,327,547	(34,087,398)
Total governmental activities net position	\$ 54,374,252	\$ 88,603,920	\$ 93,609,098	\$ 95,402,096	\$ 103,899,355	\$ 107,867,790	\$ 120,142,263	\$ 129,051,455	\$ 132,913,190	\$ 102,779,311
Business-type activities										
Net investment in capital assets	\$ 144,577	\$ 159,695	\$ 164,119	\$ 210,710	\$ 206,220	\$ 285,615	\$ 247,811	\$ 201,309	\$ 170,296	\$ 186,262
Unrestricted (deficit)	409,431	421,655	413,764	501,154	340,556	270,875	470,686	1,043,379	1,822,788	2,199,707
Total business-type activities net position	\$ 554,007	\$ 581,350	\$ 577,883	\$ 711,864	\$ 546,776	\$ 556,490	\$ 718,497	\$ 1,244,688	\$ 1,993,084	\$ 2,385,969
Government-wide										
Net investment in capital assets	\$ 45,138,489	\$ 70,658,904	\$ 73,030,837	\$ 86,672,376	\$ 90,984,330	\$ 84,087,211	\$ 100,472,745	\$ 114,248,583	\$ 115,944,834	\$ 118,352,446
Restricted	6,552,455	16,371,563	18,892,433	7,169,912	11,594,973	23,296,846	22,469,548	14,836,012	13,811,105	18,700,525
Unrestricted (deficit)	1,877,265	2,154,804	2,263,711	2,271,672	1,866,828	1,040,223	(2,081,534)	1,211,548	5,150,335	(31,887,691)
Total district net position	\$ 53,568,208	\$ 89,185,270	\$ 94,186,981	\$ 96,113,959	\$ 104,446,131	\$ 108,424,280	\$ 120,860,760	\$ 130,296,143	\$ 134,906,274	\$ 105,165,280

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.

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

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

(accrual basis of accounting)
Unaudited

	Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction										
Regular	\$ 48,203,380	\$ 50,681,033	\$ 57,705,173	\$ 59,100,982	\$ 57,817,859	\$ 56,358,268	\$ 60,237,148	\$ 61,577,016	\$ 61,222,122	\$ 68,615,626
Special Education	11,844,714	12,470,045	12,629,815	13,046,829	12,903,642	12,957,610	14,203,357	16,765,399	18,002,997	21,564,452
Other Special Education	6,786,530	6,445,046	3,548,481	3,383,252	4,423,965	4,256,967	4,854,386	5,098,557	4,993,065	5,724,102
Support services:										
Tuition	5,691,056	6,155,305	6,632,965	5,768,671	6,832,491	6,266,150	4,697,912	4,015,981	3,585,012	2,583,902
Student & Instruction Related Services	19,213,998	20,347,826	21,821,101	21,437,378	19,635,924	15,004,755	17,549,487	22,618,275	23,070,531	26,533,976
School Administrative Services	5,602,830	5,934,646	6,697,842	6,937,981	7,028,984	6,818,701	7,158,663	7,071,530	6,916,828	7,732,528
General and Business Administrative Services	5,789,599	5,739,338	5,686,675	5,903,282	6,158,466	9,199,308	8,520,561	6,143,549	6,655,280	7,562,626
Plant Operations and Maintenance	10,135,783	11,895,444	15,474,047	14,920,747	14,702,662	14,971,472	11,495,597	11,686,068	13,791,457	14,699,178
Pupil Transportation	9,462,472	10,093,494	10,646,274	9,814,283	9,802,207	8,899,046	7,556,037	7,564,334	7,492,952	7,687,318
Special Schools	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	1,721,288	2,056,054
Interest and other charges	4,990,441	5,210,927	4,788,458	4,738,656	4,336,393	4,680,945	4,492,314	4,014,883	4,183,089	3,832,985
Total governmental activities	128,024,459	135,275,644	145,912,038	145,094,301	143,776,415	140,229,411	141,912,168	147,771,566	151,634,621	168,592,727
Business-type activities:										
Food service	2,650,684	2,851,668	2,984,123	2,902,032	2,463,097	2,537,836	2,545,286	2,590,808	2,566,676	2,754,647
ETTC Program	342,134	325,113	300,013	307,824	289,885	295,590	245,245			
Community Programs	422,431	461,418	534,156	1,298,423	1,402,177	1,730,273	1,724,445	1,888,113	1,855,711	2,163,566
Total business-type activities expense	3,415,250	3,638,199	3,818,292	4,508,279	4,155,159	4,563,699	4,514,976	4,478,921	4,422,387	4,918,213
Total district expenses	131,439,709	138,913,843	149,730,330	149,602,580	147,931,574	144,793,110	146,427,144	152,250,487	156,057,008	173,510,940
Program Revenues										
Governmental activities:										
Charges for services										
Instruction	64,101	43,640	52,600	34,904	78,449	162,291	311,056	346,709	306,837	358,579
Operating grants and contributions	3,610,352	2,628,449	2,158,208	209,349	2,224,838	6,395,117	3,392,303	3,561,312	2,815,490	3,267,971
Total governmental activities program revenues	3,674,454	2,672,089	2,210,808	244,253	2,303,287	6,557,408	3,703,359	3,908,021	3,122,327	3,626,550
Business-type activities:										
Charges for services										
Food service	2,143,465	2,111,808	2,094,372	2,147,958	2,002,810	1,935,376	2,006,262	1,940,913	1,895,886	1,936,567
ETTC Program	313,200	242,971	249,794	245,649	274,573	420,712	284,852			
Community Programs	440,219	531,593	550,573	1,544,496	1,530,473	2,036,964	2,030,824	2,398,119	2,689,454	2,979,625
Operating grants and contributions	359,233	399,552	449,521	497,605	580,391	579,205	649,303	732,776	784,488	793,844
Total business type activities program revenues	3,256,116	3,285,924	3,344,260	4,435,708	4,388,247	4,972,257	4,971,241	5,071,808	5,369,828	5,710,036
Total district program revenues	6,930,570	5,958,012	5,555,068	4,679,961	6,691,534	11,529,665	8,674,600	8,979,829	8,492,155	9,336,586
Net (Expense) / Revenue										
Governmental activities	(124,350,006)	(132,603,555)	(143,701,230)	(144,850,048)	(141,473,128)	(133,672,003)	(138,208,809)	(143,863,545)	(148,512,294)	(164,966,177)
Business-type activities	(159,133)	(352,276)	(474,032)	(72,571)	233,088	408,558	456,265	592,887	947,441	791,823
Total government-wide net expense	\$ (124,509,139)	\$ (132,955,831)	\$ (144,175,262)	\$ (144,922,619)	\$ (141,240,040)	\$ (133,263,445)	\$ (137,752,544)	\$ (143,270,658)	\$ (147,564,853)	\$ (164,174,354)

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

(accrual basis of accounting)
Unaudited

	Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 92,817,580	\$ 98,543,803	\$ 105,704,289	\$ 106,086,288	\$ 106,086,288	\$ 106,788,787	\$ 108,271,963	\$ 110,437,402	\$ 113,246,150	\$ 116,518,219
Taxes levied for debt service	6,269,481	6,386,428	7,344,256	8,651,094	7,809,410	8,602,137	8,406,922	8,383,979	8,122,565	7,698,287
Grants and contributions	27,680,423	33,133,117	36,264,114	32,329,338	34,658,361	22,057,827	28,249,227	31,656,765	30,310,681	46,511,588
Investment earnings	2,819,913	3,364,699	855,104	432,502	113,024	32,816		20,548	14,985	13,327
Miscellaneous income	1,984,517	1,138,677	1,154,218	(994,489)	903,614	1,744,262	5,570,134	647,814	479,648	588,893
Transfers	(177,142)	(359,541)	(448,230)	(339,748)	400,000	424,553	(14,964)	100,000	200,000	400,000
Total governmental activities	131,394,771	142,207,182	150,873,751	146,164,985	149,970,697	139,650,382	150,483,282	151,246,508	152,374,029	171,730,314
Business-type activities:										
Investment earnings	17,812	20,077	22,335	13,128	1,824	1,156	876	875	955	1,062
Miscellaneous							(27,353)	64,634		
Transfers	112,667	359,541	448,230	193,423	(400,000)	(400,000)	(267,781)	(100,000)	(200,000)	(400,000)
Total business-type activities	130,479	379,618	470,565	206,552	(398,176)	(398,844)	(294,258)	(34,491)	(199,045)	(398,938)
Total government-wide	131,525,251	142,586,800	151,344,316	146,371,537	149,572,521	139,251,538	150,189,024	151,212,017	152,174,984	171,331,376
Change in Net Position										
Governmental activities	7,044,766	9,603,627	7,172,521	1,314,937	8,497,569	5,978,379	12,274,473	7,382,963	3,861,735	6,764,137
Business-type activities	(28,654)	27,343	(3,467)	133,981	(165,088)	9,714	162,007	558,396	748,396	392,885
Total district	\$ 7,016,111	\$ 9,630,970	\$ 7,169,054	\$ 1,448,918	\$ 8,332,481	\$ 5,988,093	\$ 12,436,480	\$ 7,941,359	\$ 4,610,131	\$ 7,157,022

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,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 6,655,251	\$ 7,938,692	\$ 11,439,853	\$ 9,818,204	\$ 7,906,176					
Unreserved	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	\$ 11,481,907	\$ 14,201,020
Assigned to						2,424,836	7,445,100	2,323,488	5,486,090	5,658,436
Unassigned						1,780,284	1,499,532	1,439,161	1,345,345	1,280,719
Total general fund	<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>	<u>\$ 18,313,342</u>	<u>\$ 21,140,175</u>
All Other Governmental Funds										
Reserved	\$ 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		9,237,554	7,374,680	631,478	18,301,111					
Debt service fund	819,917	1,543,233	725,059	157,502	46,841					
Restricted for:										
Capital projects fund						\$ 16,639,816	\$ 6,275,902	\$ 1,525,699	\$ 2,329,198	\$ 4,499,505
Debt service fund						108,444	95,024	296,665	289,419	7
Assigned to:										
Special revenue fund						338,644	91,220	4,875,751	3,871,997	6,984,466
Capital projects fund										
Debt service fund										
Total all other governmental funds	<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>	<u>\$ 6,490,614</u>	<u>\$ 11,483,978</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,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax Levy	\$ 99,087,061	\$ 104,930,231	\$ 113,048,545	\$ 114,737,382	\$ 113,895,698	\$ 115,390,924	\$ 116,678,885	\$ 118,821,381	\$ 121,368,715	\$ 124,216,506
Tuition Charges	64,101	43,640	52,600	34,904	78,449	162,291	311,056	346,709	306,837	358,579
Miscellaneous	4,804,430	4,503,375	4,500,757	2,165,724	2,580,085	3,595,241	601,337	914,856	694,541	818,651
State Sources	28,547,421	32,890,362	33,513,345	29,781,346	31,138,147	24,595,645	27,776,857	31,715,955	30,290,748	32,775,963
Federal Sources	2,998,977	2,871,204	2,750,769	2,813,562	5,745,052	3,857,299	3,453,938	3,210,294	2,635,515	2,935,861
Total revenue	135,501,991	145,238,812	153,866,016	149,532,919	153,437,431	147,601,400	148,822,073	153,009,195	155,296,356	161,105,560
Expenditures										
Instruction										
Regular Instruction	37,493,770	38,714,353	42,853,159	45,417,776	43,844,668	43,154,030	42,612,785	42,875,279	42,331,154	42,609,345
Special Education Instruction	9,039,671	9,277,018	9,410,531	9,840,464	9,630,116	9,628,331	9,695,591	11,729,002	12,641,912	13,623,208
Other Instruction	5,179,356	4,794,755	2,643,989	2,551,790	3,301,649	3,163,198	3,357,934	3,502,369	3,408,525	3,505,574
Support Services:										
Tuition	4,328,974	4,579,204	4,942,252	4,377,299	5,099,156	4,656,149	4,697,912	4,015,981	3,585,012	2,583,902
Student and Instruction Related Services	14,663,774	15,137,648	16,259,000	16,168,967	14,654,484	11,152,274	11,775,157	16,258,531	16,556,932	17,091,007
School Administration Services	4,275,978	4,425,370	4,990,592	5,232,915	5,245,800	4,721,103	4,929,749	4,809,718	4,679,406	4,679,531
Business Administration Services	4,539,292	4,382,622	4,379,376	4,588,725	4,596,124	6,835,673	6,837,269	4,450,189	4,852,209	5,089,572
Plant Operations and maintenance	7,735,446	9,250,571	9,784,556	10,492,528	11,016,147	11,167,779	10,846,462	10,704,702	11,335,943	11,496,169
Pupil transportation	7,221,587	7,904,302	7,932,587	7,838,887	7,626,405	6,972,249	6,727,402	7,179,167	6,564,578	6,579,452
Employee Benefits	26,644,835	30,597,181	33,323,931	30,301,813	31,297,289	29,689,813	30,928,665	34,005,911	33,460,636	34,833,557
Special Schools	231,746	210,891	202,857	24,330	84,431	70,417				
Charter Schools	18,786	19,062	8,953	9,984	20,691	721,423	1,146,507	1,215,974	1,721,288	2,056,054
Capital Outlay	14,482,617	62,557,404	38,726,462	15,264,412	12,252,448	9,118,270	16,229,966	12,406,577	4,562,211	12,547,621
Debt Service:										
Principal	3,342,328	4,550,082	4,624,670	5,171,169	4,094,473	4,240,233	4,292,974	4,517,976	6,675,699	6,942,671
Interest and other charges	5,427,185	4,717,272	4,744,208	4,541,551	4,325,584	4,743,426	4,554,572	4,401,548	3,880,821	3,695,700
Total expenditures	144,625,345	201,117,735	184,827,123	161,822,610	157,089,465	150,034,369	158,632,945	162,072,924	156,256,326	167,335,363
Excess (Deficiency) of revenues over (under) expenditures	(9,123,354)	(55,878,923)	(30,961,107)	(12,289,692)	(3,652,034)	(2,432,969)	(9,810,872)	(7,063,729)	(959,970)	(6,229,803)
Other Financing sources (uses)										
Capital leases	378,233									
Bond proceeds					13,960,000			6,106,500	2,089,513	7,850,000
Cancellation of prior year's receivables			(37,282)	(943,379)						
Lease purchase proceeds	800,000	2,673,305	2,500,000	2,690,000	750,000					5,800,000
Transfer out to escrow agent		397,195			(127,519)					
Insurance recoveries - Memorial School				607,195			5,500,000			
Memorial School fire loss				(1,350,977)	(156,121)	(76,740)				
Accrued interest										
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	95,704	1,357,000	69,055	598,998	3,787,416	438,200	272,730	100,000	2,728,534	3,771,596
Transfers Out	(272,846)	(1,716,541)	(517,285)	(790,766)	(1,240,841)	(13,647)	(72,027)		(2,528,534)	(3,371,596)
Total other financing sources (uses)	1,001,090	2,710,939	2,014,488	811,071	16,972,933	347,813	5,700,703	6,569,061	2,289,513	14,050,000
Net change in fund balances	\$ (8,122,263)	\$ (53,167,964)	\$ (28,946,619)	\$ (11,478,621)	\$ 13,320,901	\$ (2,085,156)	\$ (4,110,169)	\$ (494,668)	\$ 1,329,543	\$ 7,820,197
Debt service as a percentage of noncapital expenditures	6.74%	6.69%	6.41%	6.63%	5.81%	6.38%	6.21%	5.96%	6.96%	6.87%
Source: CAFR Schedule B-2										
Note: Noncapital expenditures are total expenditures less capital outlay.										

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rentals	Miscellaneous	Annual Totals
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
2014	14,985	306,837	146,365	333,284	801,471
2015	13,327	358,579	146,556	442,337	960,799

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
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
2014	14,019,200	1,484,263,200	2,191,300	285,010,100	85,197,400	19,733,100	1,890,414,300	2,044,733	1,892,459,033	6.49	26.19	7,218,076,747
2015	12,763,300	1,485,430,500	2,582,800	287,524,800	85,132,900	19,733,100	1,893,167,400	2,143,448	1,895,310,848	6.65	26.64	7,106,484,234

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	
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
2014	6.071	0.418	6.489	1.948	1.391	0.019	0.114	9.961
2015	6.228	0.425	6.653	2.009	1.385	0.019	0.113	10.179

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	2015			2006		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Brunswick Square Mall	\$ 38,106,000	1	2.01%	\$ 34,744,000	1	1.72%
Mid State Mall	15,460,000	2	0.82%	19,470,900	4	0.96%
Tower II	14,375,000	3	0.76%	23,700,000	3	1.17%
Tower I	13,039,400	4	0.69%	24,694,400	2	1.22%
East Brunswick VF, LLC	9,500,000	5	0.50%	9,630,000	7	0.48%
L.P.E. Partners	9,038,400	6	0.48%	7,404,400	9	0.37%
Wyndmoor Apartments	7,769,400	7	0.41%	10,400,000	6	0.51%
East Coast Cranbury	6,000,000	8	0.32%			
Toll JM EB, LLC	5,977,600	9	0.32%			
Belmont Associates (K Mart)	5,880,600	10	0.31%			
Harary Group				6,040,000	10	0.30%
Tower Center Hotel				13,500,000	5	0.67%
Sam's Club				8,115,000	8	0.40%
Total	<u>\$ 125,146,400</u>		<u>6.60%</u>	<u>\$ 157,698,700</u>		<u>7.80%</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	
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%	
2014	113,246,150	113,246,150	100.00%	
2015	116,518,219	116,518,219	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			
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	*	2,176
2013	90,085,000	5,726,746	8,135,882	103,947,628	*	2,166
2014	86,775,000	5,845,897	6,740,545	99,361,442	*	2,059
2015	83,465,000	11,518,383	11,085,388	106,068,771	*	2,188

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 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

General Bonded Debt Outstanding					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
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%	1,921
2013	90,085,000		90,085,000	4.74%	1,877
2014	86,775,000		86,775,000	4.59%	1,798
2015	83,465,000		83,465,000	4.41%	1,722

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

a See Exhibit J-6 for property tax data.

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

East Brunswick Public Schools
 Ratios of Overlapping Governmental Activities Debt
 As of June 30, 2015

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 12/31/14)	\$ 91,440,884	100.000%	\$ 91,440,884
Other debt			
Middlesex County as of 05/30/15	561,605,091	3.450%	19,375,375
Middlesex County Utility Authority as of 12/31/14	176,309,502	4.352%	<u>7,672,502</u>
Subtotal, overlapping debt			118,488,761
East Brunswick Public Schools Direct Debt			<u>106,068,771</u>
Total direct and overlapping debt			<u><u>\$ 224,557,532</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 2015

	Equalized valuation basis	
	2015	\$ 7,106,484,234
	2014	7,218,076,747
	2013	<u>7,201,737,779</u>
	[A]	<u>\$ 21,526,298,760</u>
Average equalized valuation of taxable property	[A/3]	\$ 7,175,432,920
Debt limit (4 % of average equalization value)		\$ 287,017,317
Net bonded school debt	[C]	<u>83,465,000</u>
Legal debt margin	[B-C]	<u>\$ 203,552,317</u>

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 252,857,942	\$ 283,363,243	\$ 304,838,589	\$ 319,929,780	\$ 326,882,878	\$ 326,309,991	\$ 318,290,884	\$ 306,089,007	\$ 292,553,065	\$ 287,017,317
Total net debt applicable to limit	<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>	<u>86,775,000</u>	<u>83,465,000</u>
Legal debt margin	<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>	<u>\$ 205,778,065</u>	<u>\$ 203,552,317</u>
Total net debt applicable to the limit as a percentage of debt limit	36.99%	32.22%	29.12%	26.95%	29.87%	29.00%	28.79%	29.43%	29.66%	29.08%

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

a Limit set by NJSIA 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

Year	Population **	Personal Income (thousands of dollars)	Per Capita Personal Income **	Unemployment Rate
2006	47,540	-	\$ 44,806	3.5%
2007	46,969	-	47,386	3.1%
2008	46,894	-	49,007	4.1%
2009	47,055	-	47,235	7.6%
2010	47,280	-	47,598	7.1%
2011	47,554	-	50,267	7.2%
2012	47,689	-	51,730	7.4%
2013	47,998	-	52,291	6.4%
2014	48,268	-	*	5.0%
2015	48,474	-	*	*

Source: NJ Department of Labor and Workforce Development

* Information for the noted years was not available.

** Prior year estimates revised.

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

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

Unaudited

Employer	2015 *			2006		
	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%	2,750 - 2,999	3	0.00%
Novo Nordisk	4,500 - 4,579	2	0.00%	n/a	n/a	0.00%
Wakefern Food Corporation	3,500 - 3,749	3	0.00%	n/a	n/a	0.00%
J.F.K. Medical Center	3,000 - 3,369	4	0.00%	2,500 - 2,749	9	0.00%
Bristol-Myers Squibb	3,000 - 3,249	5	0.00%	3,500 - 3,749	1	0.00%
St. Peter's Healthcare System	2,750 - 2,999	6	0.00%	2,750 - 2,999	4	0.00%
Silverline Building Products	2,250 - 2,299	7	0.00%	2,750 - 2,999	5	0.00%
Johnson & Johnson	2,000 - 2,249	8	0.00%	2,750 - 2,999	6	0.00%
Raritan Bay Medical Center	2,000 - 2,249	9	0.00%	2,250 - 2,499	10	0.00%
Home Depot	1,750 - 1,999	10	0.00%	n/a	n/a	0.00%
Telcorida Technology				2,750 - 2,999	7	0.00%
Merrill Lynch & Company				3,000 - 3,249	2	0.00%
Prudential Insurance Company				2,750 - 2,999	8	0.00%

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.

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

Unaudited

<u>Function/Program</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>2014*</u>	<u>2015</u>
Instruction										
Regular	566.0	571.7	605.5	615.0	612.3	529.7	503.7	500.2	504.7	510.2
Special education	215.5	209.0	228.5	220.0	224.0	206.5	206.5	216.5	224.5	230.5
Support Services:										
Student & instruction related services	260.4	232.7	240.9	234.5	201.4	201.2	198.2	199.7	204.2	205.7
General administrative services	8.0	8.0	8.9	8.9	8.9	7.9	7.9	7.9	7.9	7.9
School administrative services	61.9	60.9	67.5	67.5	65.6	60.6	60.6	60.6	60.6	60.6
Business administrative services	23.0	23.5	27.5	27.9	27.9	22.9	22.9	22.9	22.9	22.9
Information Technology	18.0	15.0	17.0	19.0	21.0	18.0	18.0	19.0	19.0	19.0
Plant operations and maintenance	164.5	152.8	166.9	168.7	169.8	152.8	152.8	157.8	157.8	157.8
Pupil transportation	15.5	16.0	28.6	33.6	38.2	37.3	37.3	37.3	37.3	37.3
Food Service	46.6	42.4	44.5	45.5	37.5	36.4	38.6	36.4	42.0	37.8
Adult and Community Programs	4.0	4.0	4.0	4.0	4.5	5.2	5.1	6.6	5.5	6.2
ETTC	3.0	2.5	2.5	2.5	2.0	2.0	2.0	-	-	-
Total	<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>	<u>1,286.3</u>	<u>1,295.9</u>

* Prior year reclassification

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				
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	-1.58%	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	3.18%	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	5.99%	672	11.1	10	11	12	8,212.62	7,859.09	-0.97%	95.70%
2014	8,439	141,137,595	16,724	0.05%	661.5	12.1	11	12	13	8,270.77	7,926.72	0.71%	95.84%
2015	8,399	144,149,371	17,163	2.62%	690	*	*	*	*	8,261.29	7,904.34	-0.11%	95.68%

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.

East Brunswick Public Schools
School Building Information
Last Ten Fiscal Years

	Unaudited									
	2006	2007	2008	2009	2010	2011	2012	2013	2014 *	2015
<u>District Building</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	32,738	32,738
Capacity (students)	242	242	242	242	242	242	242	242	270	270
Enrollment	299	295	312	297	286	256	238	237	213	215
Central (1949)										
Square Feet	40,067	73,266	73,266	73,266	73,266	73,266	73,266	73,266	78,283	78,283
Capacity (students)	452	552	552	552	552	552	552	552	532	532
Enrollment	441	429	444	443	449	428	424	407	426	438
Chittick (1969)										
Square Feet	49,127	49,127	49,127	49,127	49,127	49,127	49,127	49,127	52,241	52,241
Capacity (students)	383	383	383	383	383	383	383	383	550	550
Enrollment	560	603	501	495	489	494	515	462	453	417
Frost (1965)										
Square Feet	49,971	49,971	49,971	49,971	49,971	49,971	49,971	49,971	52,230	52,230
Capacity (students)	438	438	438	438	438	438	438	438	455	455
Enrollment	528	538	479	504	502	491	457	429	423	427
Irwin (1957)										
Square Feet	43,033	43,033	43,033	43,033	43,033	43,033	43,033	43,033	43,279	43,279
Capacity (students)	376	376	376	376	376	376	376	376	478	478
Enrollment	536	517	424	441	436	409	417	459	459	468
Lawrence Brook (1959)										
Square Feet	37,004	67,267	67,267	67,267	67,267	67,267	67,267	67,267	77,218	77,218
Capacity (students)	465	532	532	532	532	532	532	532	520	520
Enrollment	451	447	521	572	547	524	513	432	426	405
Memorial (2012)										
Square Feet	30,759	30,759	30,759	30,759	30,759	30,759	30,759	78,000	82,821	82,821
Capacity (students)	446	446	446	446	446	446	446	650	565	565
Enrollment	378	384	389	377	356	348	337	489	499	507
Warnsdorfer (1968)										
Square Feet	49,971	49,971	49,971	49,971	49,971	49,971	49,971	49,971	55,708	55,708
Capacity (students)	479	479	479	479	479	479	479	479	488	488
Enrollment	588	551	531	500	462	461	429	415	443	476
Total Elementary Schools										
Square Feet	331,947	395,409	395,409	395,409	395,409	395,409	395,409	442,650	474,518	474,518
Capacity (students)	3,281	3,448	3,448	3,448	3,448	3,448	3,448	3,652	3,858	3,858
Enrollment	3,781	3,764	3,601	3,629	3,527	3,411	3,330	3,330	3,342	3,353

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

	Unaudited									
	2006	2007	2008	2009	2010	2011	2012	2013	2014 *	2015
<u>Middle School</u>										
Hammarskjold (2009)										
Square Feet	116,862	116,862	116,862	254,580	254,580	254,580	254,580	254,580	271,520	271,520
Capacity (students)	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,518	1,518
Enrollment	1,468	1,409	1,414	1,441	1,452	1,388	1,298	1,323	1,357	1,311
<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	260,332	260,332
Capacity (students)	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,432	1,432
Enrollment	1,501	1,534	1,506	1,461	1,466	1,469	1,462	1,415	1,315	1,372
<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	360,422	360,422
Capacity (students)	1,582	1,582	1,582	1,582	1,582	1,582	1,582	1,582	2,724	2,724
Enrollment	2,297	2,254	2,176	2,284	2,310	2,234	2,208	2,186	2,225	2,165
<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, 2015

- Elementary = 8
- Middle School = 1
- Junior High School = 1
- High School = 1
- Other = 1

Source: District records, ASSA, LRFPP

* Square footage and capacity for each building have been updated to reflect the results of a District-Wide Capacity Study that was performed.

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

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

Unaudited

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
East Brunswick High School	\$ 415,952	\$ 418,330	\$ 350,196	\$ 363,539	\$ 357,072	\$ 410,530	\$ 714,920	\$ 533,832	\$ 568,212	\$ 525,549
Churchill Junior High School	300,543	302,159	287,404	295,625	273,595	302,575	535,537	426,848	494,977	441,724
Hammarskjold School	313,353	315,145	339,632	351,406	323,944	343,687	72,810	242,166	230,222	206,420
Bowne-Munro School	37,782	37,998	42,023	42,089	40,757	47,494	95,882	66,159	61,425	56,305
Central School	90,344	90,861	96,169	97,621	93,848	104,944	20,954	153,963	80,487	76,238
Irwin School	49,947	50,232	56,485	57,479	57,905	77,816	122,496	87,549	82,598	75,765
Lawrence Brook School	89,115	89,625	88,295	90,433	84,485	93,577	19,238	139,809	75,300	65,812
Memorial School	95,581	96,128	105,383	43,033	39,151	42,919	88,410	67,486	59,367	55,020
Chittick School	60,290	60,634	64,484	67,793	65,862	67,929	105,673	106,422	95,834	85,025
Frost School	60,277	60,622	65,592	65,695	62,304	69,193	122,373	102,292	105,829	89,017
Warnsdorfer School	64,291	64,659	65,592	65,695	62,304	70,227	106,286	103,639	95,898	86,660
Total School Facilities	1,577,475	1,586,393	1,561,255	1,540,408	1,461,226	1,630,891	2,004,579	2,030,165	1,950,149	1,763,535
Other Facilities	34,622	34,819	39,378	39,440	37,051	39,686	44,732	60,340	65,349	58,997
Grand Total	\$ 1,612,097	\$ 1,621,212	\$ 1,600,633	\$ 1,579,848	\$ 1,498,278	\$ 1,670,577	\$ 2,049,311	\$ 2,090,505	\$ 2,015,498	\$ 1,822,532

Source: M1

East Brunswick Public Schools
Insurance Schedule
For the Fiscal Year Ended June 30, 2015

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>MULTI-PERIL PACKAGE POLICY</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG POLICY NO. P-135AF ANNUAL PREMIUM: \$559,577		
<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-135F ANNUAL PREMIUM: \$172,018		
Wrongful Acts Liability - Each Occurrence	11,000,000	15,000
Annual Aggregate	11,000,000	
<u>CATASTROPHIC POLICY</u>		
FIREMAN'S FUND POLICY NO. SHX000124422172 ANNUAL PREMIUM: \$39,079		
Limit of Insurance (Group Aggregate)	50,000,000	
<u>PROPERTY INSURANCE</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG POLICY NO. P135AF ANNUAL PREMIUM: Included		
Blanket Building - Contents Coverage	402,141,377	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, 2015

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>		
AIG POLICY NO. PLS27782177 ANNUAL PREMIUM: \$8,554		
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-135AF ESTIMATED DEPOSIT PREMIUM: \$423,695		
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: \$19,592		
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		

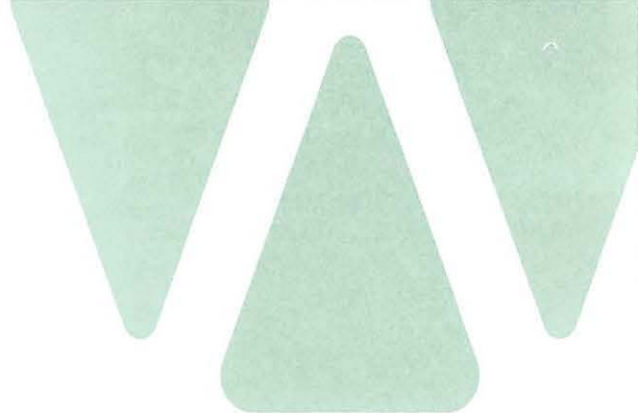
East Brunswick Public Schools
Insurance Schedule
For the Fiscal Year Ended June 30, 2015

Unaudited

	Coverage	Deductible
<u>STUDENT ACCIDENT INSURANCE</u>		
BOLLINGER		
POLICY NO. P836		
ANNUAL PREMIUM: \$48,098	\$	5,000,000
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

Source: District Records

Single Audit Section



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

Independent Auditors' Report

Honorable President and Members
of the Board of Education
East Brunswick Public Schools
East Brunswick, New Jersey
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, 2015, 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 18, 2015.

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.

wiss.com

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New York, NY 10122
212.594.8155

5 Bartles Corner Road
Flemington, NJ 08822
908.782.7300

60 West Broad Street
Suite 102
Bethlehem, PA 18018
484.821.5735

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.

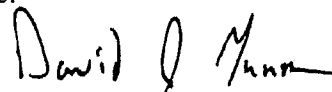
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 18, 2015
Iselin, New Jersey

Report on Compliance For Each Major Federal and State Program and
Report on Internal Control Over Compliance Required by OMB A-133 and
New Jersey OMB 15-08

Independent Auditors' Report

Honorable President and Members
of the Board of Education
East Brunswick Public Schools
East Brunswick, New Jersey
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, 2015. 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

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15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB Circular 15-08 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

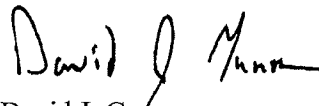
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the 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 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 15-08. Accordingly, this report is not suitable for any other purpose.



David J. Gannon
Licensed Public School Accountant
No. 2305



WISS & COMPANY, LLP

December 18, 2015
Iselin, New Jersey

East Brunswick Public Schools

Schedule of Expenditures of Federal Awards

Year ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance June 30, 2014			Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2015		
				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	7/1/14-6/30/15	\$ 112,500					\$ 92,893	\$ (112,500)				\$ (19,607)	
Medical Assistance Program (SEMI) - ARRA	93.778	7/1/14-6/30/15	33,956					33,956	(33,956)					
Medicaid Aid	93.778	7/1/12-6/30/13	138,244		\$ (54,328)			54,328						
Total General Fund					(54,328)			181,177	(146,456)				(19,607)	
U.S. Department of Education-Passed-Through State Department of Education														
No Child Left Behind (NCLB):														
Title I, Part A - 14/15	84.010A	7/1/14-6/30/15	527,625					398,522	(509,491)				(110,969)	
Title I, Part A - 13/14	84.010A	7/1/13-6/30/14	247,172		(35,788)			77,111	(41,323)					
Title II, Part A - 14/15	84.367A	7/1/14-6/30/15	151,587					22,311	(75,961)				(53,650)	
Title II, Part A - 13/14	84.367A	7/1/13-6/30/14	147,926		(13,116)			39,366	(26,250)					
Title III - 14/15	84.365A	7/1/14-6/30/15	59,609				(21,552)	43,105	(26,131)				(4,578)	
Title III - 13/14	84.365A	7/1/13-6/30/14	51,767		(1,030)		21,552	1,031	(21,553)					
Title III Immigrant - 14/15	84.365	7/1/14-6/30/15	67,591					4,630	(36,590)				(31,960)	
Title III Immigrant - 13/14	84.365	7/1/13-6/30/14	35,355		(902)			32,225	(31,323)					
IDEA Part B, Basic Regular 14/15	84.027A	7/1/14-6/30/15	1,863,786					1,372,559	(1,839,861)				(467,302)	
IDEA Part B, Basic Regular 13/14	84.027A	7/1/13-6/30/14	1,810,788					458	(458)					
IDEA Part B, Basic Regular 12/13	84.027A	9/1/12-8/31/13	2,022,130		(9,951)			9,951						
IDEA Part B, Basic Regular 11/12	84.027A	9/1/11-8/31/12	1,897,959		(424,385)			424,385						
IDEA Preschool - 14/15	84.173	7/1/14-6/30/15	61,510					10,476	(45,055)				(34,579)	
IDEA Preschool - 13/14	84.173	7/1/13-6/30/14	60,673		(55,660)			55,660						
IDEA Preschool - 12/13	84.173	9/1/12-8/31/13	75,123		(340)			340						
IDEA Inclusive Schools Climate - 14/15	84.027A	7/1/14-6/30/15	2,200						(1,578)				(1,578)	
Adult Basic Education	84.002A	7/1/14-6/30/15	150,490					78,853	(133,831)				(54,978)	
Adult Basic Education	84.002A	7/1/13-6/30/14	243,012		(100,880)			100,974			(94)			
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		(1,217)			21,840			(20,623)			
Total Special Revenue Fund and U.S. Department of Education - Passed-Through State Department of Education					(643,269)			2,693,797	(2,789,405)		(20,717)		(759,594)	

Schedule of Expenditures of Federal Awards

Year ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance June 30, 2014			Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2015		
				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	7/01/14-6/30/15	\$ 589,050					\$ 473,116	\$ (589,050)				\$ (115,934)	
National School Lunch Program	10.555	7/01/13-6/30/14	582,070	\$	(43,592)			43,592						
National School Breakfast Program	10.553	7/01/14-6/30/15	31,925					31,925	(31,925)					
National School Breakfast Program	10.553	7/01/13-6/30/14	18,354		(1,717)			1,717						
Food Donation Program (NC)	10.555	7/01/14-6/30/15	140,433					140,433	(138,537)			\$ 1,896		
Food Donation Program (NC)	10.555	7/01/13-6/30/14	169,865	10,337					(10,337)					
Total Enterprise Fund and Total U.S. Department of Agriculture--Passed-Through State Department of Education				10,337	(45,309)			690,783	(769,849)			1,896	(115,934)	
Total Federal Awards				\$ 10,337	\$ (742,906)	\$ -	\$ -	\$ 3,565,757	\$ (3,705,710)	\$ -	\$ (20,717)	\$ 1,896	\$ (895,135)	\$ -

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, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2014			Carrvover/Walkover	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Balance June 30, 2015			Memo	
				Unearned Revenue	(Accounts Receivable)	Due to Grantor						Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education																
<i>General Fund:</i>																
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	\$ 11,844,263					\$ 10,706,194	\$ (11,844,263)						\$ (1,138,069)	\$ (11,844,263)
Equalization Aid	14-495-034-5120-078	7/1/13-6/30/14	11,844,263	\$ (1,133,889)				1,133,889								
Special Education Categorical Aid	15-495-034-5120-089	7/1/14-6/30/15	5,085,994					4,597,301	(5,085,994)						(488,693)	(5,085,994)
Special Education Categorical Aid	14-495-034-5120-089	7/1/13-6/30/14	5,085,994	(486,899)				486,899								
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	596,256					538,964	(596,256)						(57,292)	(596,256)
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	596,256	(57,082)				57,082								
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	151,656					137,084	(151,656)						(14,572)	(151,656)
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	151,656	(14,518)				14,518								
Additional Adjustment Aid	Not Available	7/1/14-6/30/15	1					1	(1)							(1)
PARCC Readiness Aid	495-034-5120-098	7/1/14-6/30/15	83,350					75,341	(83,350)						(8,009)	(83,350)
Per Pupil Growth Aid	495-034-5120-097	7/1/14-6/30/15	83,350					75,341	(83,350)						(8,009)	(83,350)
Nonpublic School Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	31,795						(31,795)				\$ (31,795)			(31,795)
Nonpublic School Transportation Aid	15-495-034-5120-014	7/1/13-6/30/14	40,048	(40,048)				40,048								
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	743,389						(743,389)					(743,389)		(743,389)
Extraordinary Aid	14-100-034-5120-473	7/1/13-6/30/14	868,527	(868,527)				868,527								
On-Behalf TPAF Pension and Medical Contributions	495-034-5095-001/006/007	7/1/14-6/30/15	8,027,313					8,027,313	(8,027,313)							(8,027,313)
TPAF Social Security Reimbursements	15-100-034-5095-003	7/1/14-6/30/15	4,467,760					4,249,377	(4,467,760)					(218,383)		(4,467,760)
TPAF Social Security Reimbursements	14-100-034-5095-003	7/1/13-6/30/14	4,482,808	(218,791)				218,791								
Homeless Students Tuition	Not Available	7/1/13-6/30/14	26,293	(26,293)				26,293								
Total General Fund				(2,846,047)				31,252,963	(31,115,127)				(993,567)		(1,714,644)	(31,115,127)
<i>Special Revenue Fund:</i>																
<i>N.J. Nonpublic Aid:</i>																
<i>Auxiliary Services:</i>																
English as a Second Language	15-100-034-5120-067	7/1/14-6/30/15	6,304					6,304	(6,304)							(6,304)
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	61,900					61,900	(57,455)				\$ 4,445			(57,455)
Home Instruction	15-100-034-5120-069	7/1/14-6/30/15	843						(843)				(843)			(843)
Home Instruction	14-100-034-5120-069	7/1/13-6/30/14	838	(838)				838								
Transportation	15-100-034-5120-068	7/1/14-6/30/15	3,833					3,833	(3,833)							(3,833)
<i>Handicapped Services:</i>																
Supplemental Instruction	15-100-034-5120-066	7/1/14-6/30/15	15,537					15,537	(15,537)							(15,537)
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	27,916					27,916	(25,396)					2,520		(25,396)
Examination and Classification	14-100-034-5120-066	7/1/13-6/30/14	18,951			2,234				(2,234)						
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	17,227					17,227	(17,227)							(17,227)
Corrective Speech	14-100-034-5120-066	7/1/13-6/30/14	21,092			11,718				(11,718)						
Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	25,203					25,203	(24,065)					1,138		(24,065)
Textbook Aid	14-100-034-5120-064	7/1/13-6/30/14	33,238			16,783				(16,783)						
Nursing Services	15-100-034-5120-070	7/1/14-6/30/15	40,597					40,597	(39,467)					1,130		(39,467)
Nursing Services	14-100-034-5120-070	7/1/13-6/30/14	36,362			13,655				(13,655)						
Technology Services	15-100-034-5120-373	7/1/14-6/30/15	13,536					13,536	(11,945)					1,591		(11,945)
Technology Services	14-100-034-5120-373	7/1/13-6/30/14	9,420			3,105				(3,105)						
Bridging the Device Gap	N/A	11/1/14-6/30/15	9,000					8,999	(8,999)							(8,999)
NJ Achievement Coaches Content Development	15E00127	2/1/15-8/31/15	81,853						(51,064)					(51,064)		(51,064)
Total Special Revenue Fund				(838)		47,495		221,890	(262,135)	(47,495)			(51,907)	10,824		(262,135)

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2014			Carrvover/ Walkover	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Balance June 30, 2015			Memo		
				Unearned Revenue	(Accounts Receivable)	Due to Grantor						Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Total Expenditures	
State Department of Education																	
<i>Capital Projects Fund:</i>																	
Memorial School Replacement	SP-1170-120-09-0QAZ	Open	\$ 4,238,520	\$	(211,926)							\$	(211,926)		\$	(4,238,520)	
Bovme Munro Security Vestibule	1170-060-14-G1VB	Open	96,779		(11,873)			\$	(5,963)				(17,836)			(17,836)	
Central Security Vestibule	1170-070-14-G1VC	Open	54,113		(4,372)				(47,527)				(51,899)			(51,899)	
Chittick Security Vestibule	1170-125-14-G1VG	Open	58,280		(3,941)				(47,788)				(51,729)			(51,729)	
CJHS Security Vestibule	1170-055-014-G1UZ	Open	50,424		(3,605)				(46,819)				(50,424)			(50,424)	
EBHS Security Vestibule	1170-050-14-G1UY	Open	47,958		(3,604)				(44,354)				(47,958)			(47,958)	
Frost Roof Replacement	1170-130-14G1VH	Open	571,784		(33,856)				(432,213)				(466,069)			(466,069)	
Frost Security Vestibule	1170-130-14-G1VI	Open	56,632		(3,957)				(36,759)				(40,716)			(40,716)	
Hammerskjold Security Vestibule	1170-056-14-G1VA	Open	65,617		(4,722)				(60,895)				(65,617)			(65,617)	
Lawrence Brook Security Vestibule	1170-100-14-G1VE	Open	57,044		(3,942)				(53,102)				(57,044)			(57,044)	
Wormsdorfer Security Vestibule	1170-138-14-G1VJ	Open	56,632		(3,956)				(52,676)				(56,632)			(56,632)	
Chittick HVAC and Electrical Upgrades	1170-125-14-G1VF	Open	795,614						(87,700)				(87,700)			(87,700)	
EBHS Gymnasium HVAC Upgrades	1170-030-14-G3HW	Open	304,609														
EBHS Gym Bleacher Replacement	1170-050-14-G3LE	Open	50,640														
Irwin HVAC and Electrical Upgrades	1170-090-14-G1VD	Open	847,461						(85,202)				(85,202)			(85,202)	
Total Capital Projects Fund					(289,754)				(1,000,998)				(1,290,752)			(5,317,346)	
<i>Debt Service Fund:</i>																	
Debt Service Aid	15-495-034-5120-017	7/1/14-6/30/15	419,959					\$	419,959	(419,959)						(419,959)	
Total Debt Service Fund									419,959	(419,959)						(419,959)	
<i>Enterprise Fund:</i>																	
National School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	23,995						19,004	(23,995)			(4,991)			(23,995)	
National School Lunch Program	14-100-010-3350-023	7/1/13-6/30/14	23,168		(3,101)				3,101								
Total Enterprise Fund					(3,101)				22,105	(23,995)			(4,991)			(23,995)	
Total State Awards				\$	-	\$ (3,139,740)	\$ 47,495	\$ -	\$ 31,916,917	\$ (32,822,214)	\$ (47,495)	\$ -	\$ -	\$ (2,341,217)	\$ 10,824	\$ (1,714,644)	\$ (37,138,562)
State Financial Assistance Not Subject to Single Audit Determination:																	
On-Behalf TPAF Pension and Medical Contributions	495-034-5095-001/006/007	7/1/14-6/30/15	8,027,313					\$	8,027,313	(8,027,313)						\$	(8,027,313)
Total State Financial Assistance Subject to Single Audit Determination				\$	-	\$ (3,139,740)	\$ 47,495	\$ -	\$ 23,889,604	\$ (24,794,901)	\$ (47,495)	\$ -	\$ -	\$ (2,341,217)	\$ 10,824	\$ (1,714,644)	\$ (29,111,249)

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.

East Brunswick Public Schools

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

Year ended June 30, 2015

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* and New Jersey OMB Circular 15-08. 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, 2015

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:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$22,256 for the general fund and \$1,892 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 2015 fiscal year was \$8,027,313.

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	\$ 146,456	\$31,092,871	\$31,239,327
Special Revenue Fund	2,789,405	262,135	3,051,540
Capital Projects Fund		1,000,998	1,000,998
Debt Service Fund		419,959	419,959
Enterprise Fund – Food Service Fund	769,849	23,995	793,844
Total financial award revenues	<u>\$ 3,705,710</u>	<u>\$32,799,958</u>	<u>\$36,505,668</u>

East Brunswick Public Schools

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

Year ended June 30, 2015

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.

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, 2015.

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 15-08 because the contributions are made by the State directly and do not have any compliance related requirements.

East Brunswick Public Schools

Schedule of Findings and Questioned Costs

Year ended June 30, 2015

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:

CFDA Number(s)	Name of Federal Program or Cluster
84.010A	Title I Part A
10.555	Food Donation Program
10.555	National School Lunch Program
10.553	National School Breakfast Program

East Brunswick Public Schools
Schedule of Findings and Questioned Costs
Year ended June 30, 2015

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, 2015

**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 15-08.

East Brunswick Public Schools
Summary Schedule of Prior Audit Findings
Year ended June 30, 2015

Not Applicable.