

EAST BRUNSWICK PUBLIC SCHOOLS



Excellence in Academics, Athletics, and the Arts

*Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2016*

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, 2016

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

November 22, 2016

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, 2016 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 Federal Uniform Guidance and New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the 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 2015-2016 with an average daily enrollment of 8,108 students, or 153 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>
2015-2016	8,108.0	(1.85%)
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%)

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.

October 15 Enrollment

<u>Fiscal Year</u>	<u>Actual*</u>	<u>Straight-line Projection**</u>	<u>Demographer Projection</u>
2017-2018	N/A	7,665	7,820
2016-2017	7,951	7,855	7,898
2015-2016	8,107	N/A	8,052
2014-2015	8,399	N/A	8,085

**Actual enrollment is as reported to the New Jersey Department of Education as of the ASSA snapshot date. The 2016-2017 enrollment has not yet been finalized as of this letter date.*

***District straight-line projection is based on prior year enrollment as of ASSA snapshot date.*

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.

Recently, the Board approved engaging the consultant to update its enrollment projections to ascertain more accurate data. In addition, the consultant will analyze elementary school boundaries to assist the Board in determining the best student balance among the District's eight elementary schools.

2. ECONOMIC CONDITION AND OUTLOOK: The Township of East Brunswick's total labor force increased 1.90% to 26,214 in 2015 from 25,726 in 2014, as reported by the New Jersey Department of Labor and Workforce Development. The employment rate for 2015 was 95.8% as compared with 95.0% in 2014, and the unemployment rate for 2015 decreased to 4.2% from 5.0% in 2014.

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 July 20, 2016 totaled \$32,715,096.00. The construction value and permits issued for the entire 2015 calendar year respectively totaled \$52,518,442.00 and 2,673 as compared to \$54,232,954.00 and 3,361 for the 2014 calendar year. This represents a decrease of 688 permits and a decrease in construction value of \$1,714,512.00.

Certificates of occupancy (COs) issued for new residential units were reported to be 32 for the calendar year 2015, as compared with 54 for the calendar year 2014.

The demand for new housing remains low and has declined by 40.7% in comparison to last year. However, 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. While construction permit issuances have declined by 40.7%, the modest three-percent decline in construction values is 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 0.8% 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, a myriad of infrastructure improvements and building upgrades that have been completed throughout the District, and the currently in-process HVAC improvements and electrical distribution system upgrades at Chittick Elementary School and Irwin 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 air conditioning and sidewalk improvements at Bowne-Munro Elementary School; HVAC and electrical upgrades, a storage addition, and window and exterior door replacements at Chittick Elementary School; air conditioning the main gymnasium, and north annex window and exterior door replacements at Churchill Junior High School; HVAC and electrical upgrades, parking expansion and traffic flow improvements, a storage addition, and window and exterior door replacements at Frost Elementary School; HVAC and electrical upgrades, parking expansion and traffic flow improvements, and a storage addition at Irwin Elementary School; health suite relocation and improvements, guidance suite renovations, main gymnasium renovations, and roadway improvements at East Brunswick High School; roadway improvements at Lawrence Brook Elementary School; the support operations facility; HVAC and electrical upgrades, parking expansion and traffic flow improvements, a storage addition, and window and exterior door replacements at Warnsdorfer Elementary School; and, the District network operations center and administration building improvements. In addition, a significant technology investment has occurred with the continued infusion of Chromebook carts throughout the District, the expansion of the District-owned fiber-optic network across the township, a complete transition in network operating and email systems, 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.

Two years ago, 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. Much has been accomplished with marked improvements having been implemented, but much work remains ahead. 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, 2016.

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 Federal Uniform Guidance and New Jersey's OMB Circular 15-08. 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, 2015. 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 third 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 2015-2016 award.

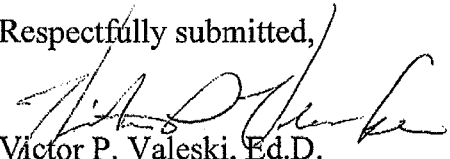
In addition, the Certificate of Achievement for Excellence in Financial Reporting has been awarded to East Brunswick Public Schools by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR). The GFOA is a nonprofit professional association serving approximately 17,500 government finance professionals with office in Chicago, IL and Washington, D.C. This is the first year the District has received this prestigious award.

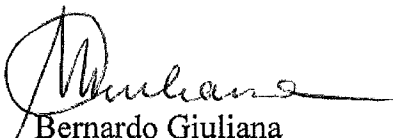
The CAFR has been judged by an impartial panel to meet the high standards of the program including demonstrating a constructive “spirit of full disclosure” to clearly communicate its financial story and motivate potential users and user groups to read the CAFR. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. The 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 the GFOA to determine its eligibility for the fiscal year 2015-2016 certificate.

C) Continued Excellence in Academics, Athletics and the Arts - During the 2015-2016 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 2015-2016 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 (HMS), Churchill Junior High School (CJHS) and East Brunswick High School (EBHS).
- “EBHS is without a doubt one of the finest schools in the nation. It is a school that has a very strong academic program, supported by ample financial resources and guided by excellent leadership.” *Quote taken from the Middle States Association of Colleges and Schools Accreditation for Growth Validation Team.*
- Seven hundred and seventy-two seniors graduated in June 2016 of which 93% will be going on to post-secondary educational experiences.
- 8 EBHS students were selected as semifinalists in the 2016 National Merit Scholarship Competition and went on to be selected as finalists.
- East Brunswick High School has earned accreditation from the Middle States Association Commissions of Elementary and Secondary Schools.
- At the Regional Level of the National Science Olympiad:
 - One HMS Team placed 1st in Green Generation and 2nd in Bottle Rocket and Experimental Design. Hammarskjold ranked 4th overall and medaled in 8 events.
 - One CJHS team took 1st place in Anatomy and Physiology with medals in Fossils and Chemistry Lab.
 - One EBHS Team had a 1st place finish in Disease Detectives and overall medaled in 2 additional events as well.
 - All three schools competed at the state level at Middlesex County College.
- At the State level of the National Science Olympiad, One CJHS team placed 1st in Invasive Species and one CJHS team placed 2nd in Reach for the Stars.
- The EBHS IPLE team, also known as the Institute for Political and Legal Education, placed 1st in the state again for the 27th out of 28 times in the We the People: The Citizen and the Constitution competition held at Rutgers University. The team then placed 10th in the nation at the National Competition held last spring in Washington, DC.
- Two EBHS scholars, who were among the top 50 and top 150 students, respectively, in the nation at the Chemistry Olympiad this year.
- Thirteen EBHS students came away with individual awards in the North American Invitational Model United Nations (NAIMUN) Competition:
 - 10 Plenary awards
 - 1 Merit (Distinguished) award
 - 4 Excellence (Outstanding) awards
 - 2 Distinguished (Best) awards
- The EBHS International Studies / Model UN team won the Best Large School Delegation award at the Rutgers University Model UN (RUMUN) Competition last fall. Over sixty students contributed to this achievement.

For Excellence In Academics - Continued

- EBHS students won an Award of Excellence at the National High School Model UN (NHSMUN) Competition in Manhattan last winter. Over sixty students contributed to this achievement.
- EBHS team named Best Large Delegation at Rutgers Model Congress 2016.
- The Mock trial team placed first in the county and advanced to the New Jersey Regional Semifinal last spring.
- Three Hammarskjold Middle school students won Scholastic Arts and Writing Awards for the Northeast Writing Region. Two students won Gold Key awards and one was recognized with an Honorable Mention.
- EBHS Video Students won Middlesex County's Don't Drive Dangerously PSA Contest.
- EBHS Academic A Team was ranked #1 in NJ and qualified for High School National Championship Tournament (HSNCT) where they placed 13th in the nation from a field of 272. Best ranking in the history of EBHS.
- Forty-two new members were inducted into the EBHS French Honor Society.
- Fifty new members were inducted into the EBHS Spanish Honor Society.
- Eighteen East Brunswick High School students participated in the nationally recognized Rutgers Waksman Scholars Program and have had their research published on the National Center for Biotechnology Information (NCBI) database.
- Four students from East Brunswick High School qualified to take the American Invitational Mathematics Examination (AIME), the second of the two qualifying tests used to determine qualification for the United States team for the IMO.
- Eight East Brunswick High School students qualified to attend the prestigious American Regions Mathematics League Competition at Penn State.
- One East Brunswick High School junior was selected to attend the Governor's School of Engineering and Technology, a unique summer residential programs for academically talented students.
- East Brunswick High School's FBLA club received three first place awards in the following categories: Public Speaking I, Global Business, E- business. All qualified to move on to the national competition.
- Two East Brunswick High School teams participating in the 2016 New Jersey Science League, placed first in the state in Physics I and Chemistry II; and one student also had the highest individual scores in the state among all students competing in Chemistry I.
- One EBHS senior was named a Central Jersey's 2016 Academic All-Stars.

For Excellence in Athletics...

- One EBHS athlete was crowned Girl's 2015 Tennis GMC champion for the 3rd time. She also finished in the top 8 in the state tournament.
- The EBHS Boys Bowling team was crowned 2016 GMC champions. They are also Central Jersey Group 4 Champions.
- One EBHS student is the GMC champion in the 400 meter run.

For Excellence in Athletics - Continued

- For the 3rd year in a row the EBHS Girls swim team won the GMC championship, the Boys team took 2nd place. At the GMC tournament in wrestling, East Brunswick had three 2nd place finishers.
 - One wrestler placed 6th in the state at 120 lbs. weight class.
- EBHS Girls Basketball team were the 2016 GMC Champions with a season record of 22-4.
- One EBHS tennis player is a 3 time Boys GMC First Singles Champion. He also placed in the top 8 in the bracket for 2016.
- EBHS Boys Golf are GMC Red Division Champions for the third year in a row.
- EBHS Girls Golf team won the GMC Championship for the fourth year in a row.
- EBHS Boys Volleyball team are the GMC Red Division Champions.
- EBHS JV Baseball team are GMC Champions.
- EBHS Varsity Baseball team are GMCT Champions
- The EBHS Softball team is the Central Jersey Group 4 sectional champion.
- The EBHS Boys Volleyball team is the Central Jersey sectional champion.

For Excellence in the Arts...

- Congratulations to student musicians selected for Honors, Regional and All-State Ensembles:
 - One EBHS student was named 2016 NJMEA Governor's Award in Arts Education recipient at the HS All State Concert.
 - HS All State Symphonic Band (3)
 - HS All State Wind Ensemble (2)
 - HS All State Orchestra (6)
 - HS All State Chorus (1)
 - HS All State Women's Chorus (2)
 - All State Intermediate Orchestra (6)
 - NJAJE Region II Junior High School Jazz Ensemble (2)
 - CJMEA Intermediate Regional Chamber Orchestra (5)
 - CJMEA Intermediate Regional Chorus (15)
 - CJMEA Intermediate Regional String Orchestra (17)
 - CJMEA Intermediate Regional Symphonic Band (1)
 - CJMEA Regional Chorus (7)
 - CJMEA Regional Orchestra (9)
 - CJMEA Regional Wind Ensemble (5)
 - CJMEA Regional Wind Ensemble (1)
 - CJMEA Regional Jazz Band (1)
 - CJMEA Elementary Honors Orchestra (58)
 - CJMEA Elementary Honors Band (11)
- One EBHS Marching Band color guard member was selected to participate in the prestigious Macy's Great American Marching Band.
- One 10th grade trumpet player was accepted to the 2016 New Jersey Association of Jazz Education (NJAJE) Region II High School Jazz Ensemble.

For Excellence in the Arts – continued

- One Warnsdorfer student was the Middlesex County Improvement Art Contest winner.
- Forty-Seven new members were inducted into the Tri-Music Honor Society.
- Two CJHS students had their art work (paintings) chosen for the Middlesex County Youth Art Month (YAM) exhibit at Middlesex County College.

Staff Accomplishments...

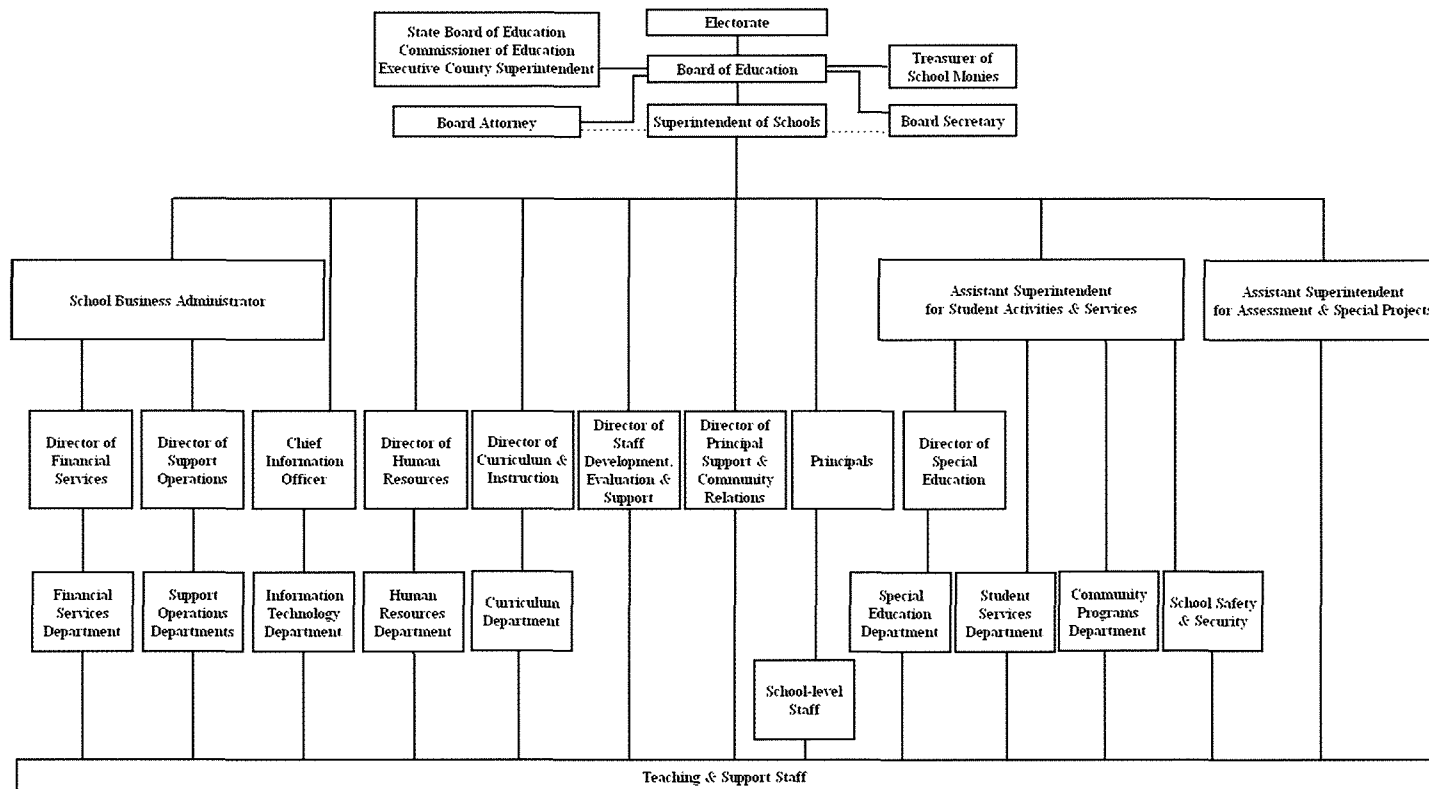
- Lawrence Brook School was awarded a Gardening Grant from the NJ Agricultural Society.
- EBHS Coach Spishock was named GMC Boys Bowling Coach of the Year.
- EBHS Assistant Principal Glen Pazinko received the 2015 NJSIAA Sports Award for Wrestling.
- EBHS Music Teacher Marjorie LoPresti is the recipient of the TIME – Technology Institute for Music Educators 2016 Teacher of the Year Award.
- Dr. Daniel Moran, Supervisor of Social Studies/Media is the recipient of the 2015 New Jersey Association of School Librarians Administrator of the Year Award.
- EBHS Coach Keith Lane was named 2016 Home News Tribune Girls Basketball Coach of the Year.
- Hammarskjold Middle School teacher, Melissa Novak, was honored as the winner of the Barnes & Noble “My Favorite Teacher Contest” by the East Brunswick Barnes & Noble at Brunswick Square Mall.
- *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 third consecutive year.
- *The Certificate of Achievement for Excellence in Financial Reporting* was awarded by the *Government Finance Officers Association of the United States and Canada (GFOA)* to the East Brunswick Public Schools for the first year.

For Excellence in Service to the Community...

- District-Wide Denim Days
 - October 2015 - \$3,560 was raised by our Staff and donated locally to the Rutgers Cancer Institute Foundation.
 - Jeans for Troops raised \$3,254 and was donated to the GI Go Fund.
 - National Go Red Day raised \$3,630 and was sponsored by the American Heart Association. Donations will go towards awareness, research and community programs.
 - Autism Awareness denim day raised \$3,683. The money collected was donated to Autism Central NJ, Central PTA, and the EBEF.
 - Two district-wide denim days raised a total of \$4,900 for the East Brunswick Education Foundation.

For Excellence in Service to the Community – continued

- The East Brunswick High School Girls' Volleyball Program hosted their annual "Pink Out" Volleyball Tournament Fundraiser on October 15th to benefit Susan G. Koman Breast Cancer Awareness and raised \$3,200. In addition, the EBHS staff and students raised \$600 for this worthy cause.
- Hammarskjold Middle School raised \$25,000 for the American Cancer Society at their 7th Annual Relay Field Day.
- In total, our educational community collected 12,250 pounds of food for MCFOODS.



This organizational structure is effective July 1, 2015.

East Brunswick Public Schools
East Brunswick, New Jersey

Roster of Officials

June 30, 2016

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Todd Simmens, President	2017
Vicki Becker, Vice President.....	2018
Susanna Chiu	2017
Brad Cohen, M.D.....	2016
Holly Howard.....	2016
Laurie Lachs.....	2017
Curt Philipezak.....	2016
Barbara Reiss	2016
Meredith Shaw	2018

Other Officials

Victor Valeski, Ed.D., Superintendent

Bernardo J. Giuliani, School Business Administrator/Board Secretary

Louis Figueroa, Assistant Superintendent of Student Activities and Services

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

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
354 Eisenhower Parkway
Livingston, NJ 07039

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, 2015.**

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



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**East Brunswick Public Schools
New Jersey**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

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, 2016, 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.

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, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of the District's proportionate share of the net pension liability-PERS, schedule of District contributions-PERS, 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.

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 introductory section, combining and individual fund financial statements, long-term debt schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and are also not a required part of the basic financial statements.

The combining and individual fund financial statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate 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 combining and individual fund financial statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2016 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 and compliance.



David J. Gannon
Licensed Public School Accountant
No. 2305



WISS & COMPANY, LLP

November 22, 2016
Livingston, 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, 2016

(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, 2016. 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 four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

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

Governmental Activities — All of the District's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities, construction and facilities improvements, 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 31 – 32 of this report.

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

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

The basic governmental fund financial statements can be found on pages 33 – 35 of this report.

Proprietary funds. The District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods or services be financed through user charges. The enterprise fund reports the operations of the food service and community education programs. Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 36 – 38 of this report.

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

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

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

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 41 - 77 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 78-121 of this report.

Financial Highlights

Key financial highlights for 2015-2016 are as follows:

In total, net position at June 30, 2016 was \$111,952,407 which represents a 6.5% increase from 2015. This is primarily due to principal payments on long-term debt in the amount of \$8,893,503, offset by the increase in the net pension liability, net of related deferrals, of \$1,768,945.

Governmental activities general revenues and transfers accounted for \$180,673,680 in revenue or 96.9% 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 \$5,762,570 or 3.1% of total governmental activity revenue of \$186,436,250.

Among major funds, the General Fund had \$154,511,048 in revenue and \$156,776,107 in expenditures. The General Fund's fund balance is \$19,375,116 as of June 30, 2016, a decrease of \$1,765,059 from the June 30, 2015 balance.

Notification was received that the two June 2016 state aid payments to the district in the total amount of \$1,705,281 would be delayed until the next school year. While, the State of New Jersey has taken action to withhold the final June payment each year since 2003, it expanded the withholding to both June payments in the 2009-2010 fiscal year, in order to avert a budget shortfall at the state level.

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, 2016 and 2015:

	Net Position					
	June 30, 2016			June 30, 2015		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 30,622,674	\$ 3,161,222	\$ 33,783,896	\$ 38,805,418	\$ 3,035,734	\$ 41,841,152
Capital assets	224,214,362	705,395	224,919,757	216,096,562	528,779	216,625,341
Total assets	254,837,036	3,866,617	258,703,653	254,901,980	3,564,513	258,466,493
Deferred outflows of resources	14,680,700		14,680,700	9,119,025		9,119,025
Liabilities:						
Current liabilities	18,571,171	883,603	19,454,774	17,980,489	822,789	18,803,278
Net pension liability	44,927,962		44,927,962	36,164,490		36,164,490
Long-term liabilities	96,050,964	275,891	96,326,855	104,941,508	355,755	105,297,263
Total liabilities	159,550,097	1,159,494	160,709,591	159,086,487	1,178,544	160,265,031
Deferred inflow of resources	722,355		722,355	2,155,207		2,155,207
Net position:						
Net investment in capital assets	130,190,096	440,722	130,630,818	118,166,184	186,262	118,352,446
Restricted	17,502,827		17,502,827	18,700,525		18,700,525
Unrestricted (deficit)	(38,447,639)	2,266,401	(36,181,238)	(34,087,398)	2,199,707	(31,887,691)
Total net position	\$109,245,284	\$2,707,123	\$111,952,407	\$102,779,311	\$2,385,969	\$105,165,280

Current and other assets decreased in large part due to a decrease 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 decreased as result of principal payments made in the total amount of \$8,893,503 for bonds payable, capital leases and lease purchase obligations, combined.

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 additional lease purchase obligation principal payment which will be paid in the 2016-2017 fiscal year on the 2015 lease purchase obligation.

The net pension liability and related deferrals (net) increased as a result of changes in allocation as determined by the State of New Jersey Division of Pensions and Benefits as well as the result of actual investment performance during the year as compared with anticipated investment performance.

There was a decrease in restricted net position of \$1,197,698, which resulted largely from a decrease in the capital projects fund balance of \$2,580,350 as a result of the activity on those projects in the current year. This decrease in restricted net position was offset by an increase in the capital reserve of \$579,789 as well as an increase in overall excess surplus of \$802,863.

There was an overall increase of approximately \$321,000 in net position reported in connection with the District's business-type activities. The Food Service program received an increase of approximately \$64,000 in federal revenue while Community Programs benefited from an increase of approximately \$130,000 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, 2016 and 2015:

Changes in Net Position

	June 30, 2016			June 30, 2015		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for Services	\$ 475,978	\$ 5,091,227	\$ 5,567,205	\$ 358,579	\$ 4,916,192	\$ 5,274,771
Operating Grants and Contributions	3,610,352	857,304	4,467,656	3,267,971	793,844	4,061,815
Capital Grants and Contributions	1,676,240		1,676,240			
General Revenues:						
Property Taxes	127,939,093		127,939,093	124,216,506		124,216,506
Grants and Entitlements	51,579,165		51,579,165	46,511,588		46,511,588
Miscellaneous	655,422	1,160	656,582	602,220	1,062	603,282
Total Revenues	185,936,250	5,949,691	191,885,941	174,956,864	5,711,098	180,667,962
Expenses:						
Instruction	102,572,451		102,572,451	95,904,180		95,904,180
Support Services	71,563,488		71,563,488	66,799,508		66,799,508
Charter school	2,253,355		2,253,355	2,056,054		2,056,054
Interest and other charges	3,580,983		3,580,983	3,832,985		3,832,985
Business-type activities		5,128,537	5,128,537		4,918,213	4,918,213
Total Expense	179,970,277	5,128,537	185,098,814	168,592,727	4,918,213	173,510,940
Change in Net Position	5,965,973	821,154	6,787,127	6,364,137	792,885	7,157,022
Transfers	500,000	(500,000)		400,000	(400,000)	
Change in net position after transfers	6,465,973	321,154	6,787,127	6,764,137	392,885	7,157,022
Net Position-beginning	102,779,311	2,385,969	105,165,280	96,015,174	1,993,084	98,008,258
Net Position-ending	\$ 109,245,284	\$ 2,707,123	\$ 111,952,407	\$ 102,779,311	\$ 2,385,969	\$ 105,165,280

Governmental Activities

Property taxes made up 68% of total revenue for the fiscal year 2016. Federal, state and local grants and tuition and miscellaneous revenue accounted for the remainder. The total cost of all programs and services was \$179,970,277. Instruction accounted for 57% of total expenditures.

Business-Type Activities

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

Food service revenue, which included no subsidy from the general fund, was greater than expenses by \$157,926. Charges for services, which consist of the amount paid by students and other patrons for daily food service and catering, represent 69.8% of total revenue.

Community Programs revenues exceeded expenses by \$663,228. A \$500,000 transfer to the General Fund brought the net increase in net position to \$163,228.

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, 2016 as well as the amount and percentage of increases in relation to the prior year.

Revenue	Amount	Percent of Total	Increase from 2015	Percent of Increase
Local Sources	\$ 129,258,408	76.65%	\$ 3,864,672	3.08%
State Sources	36,100,049	21.41%	3,324,086	10.14%
Federal Sources	3,275,464	1.94%	339,603	11.57%
Total	\$ 168,633,921	100.00%	\$ 7,528,361	4.67%

The increase in local source revenue is attributable to the increase in the local tax levy of \$3,722,587.

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 in the amount of \$2,582,164, as well as an increase in state source revenue recognized in the capital projects fund of \$675,242 for various SDA projects in progress during the year.

The increase in federal source revenue is mainly attributable to an increase in Title I, Title II, Title III and IDEA 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, 2016 and the increases related to the prior year:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase from 2015</u>	<u>Percent of Increase</u>
Current Expense:				
Instruction	\$ 60,982,925	34.18%	\$ 1,242,798	2.08%
Support services	87,483,360	49.05%	5,130,170	6.23%
Capital Outlay	15,196,326	8.52%	2,648,705	21.11%
Charter School	2,253,355	1.26%	197,301	9.60%
Debt Service	12,478,157	6.99%	1,839,786	17.29%
Total	<u>\$ 178,394,123</u>	<u>100.00%</u>	<u>11,058,760</u>	<u>6.61%</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, as adjusted for on-behalf expenditures related to TPAF pension costs assumed by the State, increased only slightly as a result of the District's efforts to continue to control costs. The increase in debt service expenditures is the result of required principal and interest payments from capital leases, lease purchase obligations and bonds payable.

General Fund

The fund balance decreased by \$1,765,059 during the 2015-2016 fiscal year as a result of expenditures incurred on capital projects which were encumbered at the prior year-end. The year-end encumbrances decreased from the prior year by \$2,509,496. As of June 30, 2016, the District has unassigned fund balance of \$1,453,597, which represents an increase of \$172,878 from the prior year.

Special Revenue Fund

The fund balance in the Special Revenue Fund decreased by \$4,064,449 mostly as a result of expenditures in the current year from the \$5,800,000 lease purchase obligation in the prior year.

Capital Projects Fund

As of June 30, 2016, the District's Capital Project's Fund Balance decreased by \$2,580,350 as a result of expenditures incurred for existing ongoing projects.

Debt Service Fund

Expenditures in the Debt Service Fund increased as a result of an increase 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 2015-2016 fiscal year, the District amended its General Fund budget as needed. The District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. The School Business Administrator, Superintendent of Schools, and Board of Education, must approve transfers from one program to another. Transfers were required due to:

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

Capital Assets and Debt Administration

Capital Assets

At the end of the 2015-2016 fiscal year, the District had capital assets of \$288,728,664, 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, 2016 and 2015:

	2016		2015	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Non-Depreciable Assets:				
Land	\$ 1,019,208		\$ 1,019,208	
Construction in Progress	16,166,240		6,380,566	
Depreciable Assets:				
Buildings and Improvements	260,105,806	\$ 698,782	256,244,461	\$ 408,170
Machinery and Equipment	10,326,107	412,521	9,181,953	403,508
Totals	\$ 287,617,361	\$ 1,111,303	\$ 272,826,188	\$ 811,678

Overall capital assets increased \$15,090,798 from the 2014-2015 fiscal year to the 2015-2016 fiscal year mainly due to the increase in construction attributable to the Chittick Elementary School HVAC and electrical upgrades, Irwin Elementary School HVAC and electrical upgrades, maintenance/transportation facility, high school gym renovations, district-wide security system upgrades and various other improvements throughout the District.

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

Debt Administration

The District's long-term liabilities are as follows for the governmental and business-type activities at June 30, 2016 and 2015:

	2016		2015	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Bonds payable (net)	\$ 84,398,978		\$ 88,556,707	
Obligations under capital leases	8,882,423		11,518,383	
Lease purchase obligations payable	9,567,845	\$ 264,673	11,085,388	\$ 342,517
Compensated absences	2,849,909	92,885	3,025,646	94,154
Total long-term liabilities	\$ 105,699,155	\$ 357,558	114,186,124	\$ 436,671

During fiscal year 2016, the District's governmental-type long-term liabilities decreased by \$8,486,969. The decrease is a result of debt retirements, offset by the issuance of a new \$860,000 capital lease.

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 second year of the District's partnership with Aramark, the improvements compounded in all aspects of operations from food quality to sales to student and parent satisfaction and, finally, in employee morale. The year-end financial position is highly positive, enabling the Board to have declared a salary bonus to be enjoyed by the department's non-managerial employees in recognition of their efforts toward success.

Local property taxes provide approximately 85% of the funding to support the district's General Fund operations. While the General Fund tax levy (the amount to be raised by taxes) increases are capped at two percent annually, the actual property tax impact to most property owners is greater. This has resulted from property valuations that are not reflective of current values. In fact, East Brunswick's overall taxable property values are recorded at approximately 26% 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. In addition, a concerted effort must be put forth to improve the Township's business and industrial tax base, which will alleviate the residential property owners tax burden.

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 seven years, the charter school's existence has required the cumulative appropriation of \$13,469,540 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 2017, the local funding share is 85.83% of the District's fiscal year 2017 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, 2016.

East Brunswick Public Schools

Statement of Net Position

June 30, 2016

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 18,596,893	\$ 2,997,181	\$ 21,594,074
Accounts receivable	4,322,727	161,133	4,483,860
Inventory		2,908	2,908
Restricted assets:			
Cash and cash equivalents	7,703,054		7,703,054
Capital assets, non-depreciable	17,185,448		17,185,448
Capital assets, depreciable, net	207,028,914	705,395	207,734,309
Total assets	<u>254,837,036</u>	<u>3,866,617</u>	<u>258,703,653</u>
Deferred Outflows of Resources			
Deferred loss on defeasance of debt	5,904,963		5,904,963
Pension deferrals	8,775,737		8,775,737
Total deferred outflows of resources	<u>14,680,700</u>		<u>14,680,700</u>
Total assets and deferred outflows of resources	<u>269,517,736</u>	<u>3,866,617</u>	<u>273,384,353</u>
Liabilities			
Accounts payable and accrued expenses	8,062,735	373,293	8,436,028
Accrued interest payable	767,307		767,307
Intergovernmental payable	2,689		2,689
Unearned revenue	90,249	428,643	518,892
Net pension liability	44,927,962		44,927,962
Current portion of long-term obligations	9,648,191	81,667	9,729,858
Noncurrent portion of long-term obligations	96,050,964	275,891	96,326,855
Total liabilities	<u>159,550,097</u>	<u>1,159,494</u>	<u>160,709,591</u>
Deferred Inflow of Resources			
Pension deferrals	<u>722,355</u>		<u>722,355</u>
Net Position			
Net investment in capital assets	130,190,096	440,722	130,630,818
Restricted for:			
Capital Reserve	6,883,672		6,883,672
Excess Surplus	8,700,000		8,700,000
Capital Projects	1,919,155		1,919,155
Unrestricted	(38,447,639)	2,266,401	(36,181,238)
Total net position	<u>\$ 109,245,284</u>	<u>\$ 2,707,123</u>	<u>\$ 111,952,407</u>

East Brunswick Public Schools

Statement of Activities

Year ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities							
Instruction							
Regular Instruction	\$ 72,875,349	\$ 475,978	\$ 1,111,979	\$ 670,974	\$ (70,616,418)		\$ (70,616,418)
Special Education Instruction	23,574,092		1,766,972	221,401	(21,585,719)		(21,585,719)
Other Instruction	6,123,010			55,649	(6,067,361)		(6,067,361)
Support Services							
Tuition	2,423,489				(2,423,489)		(2,423,489)
Student and Instruction Related Services	28,307,168		731,401	274,349	(27,301,418)		(27,301,418)
School Administration	8,390,585			75,695	(8,314,890)		(8,314,890)
General and Business Administrative Services	8,633,111			88,886	(8,544,225)		(8,544,225)
Plant Operation and Maintenance	15,438,680			179,425	(15,259,255)		(15,259,255)
Pupil Transportation	8,370,455			109,861	(8,260,594)		(8,260,594)
Interest and other charges	3,580,983				(3,580,983)		(3,580,983)
Transfer of funds to charter schools	2,253,355				(2,253,355)		(2,253,355)
Total governmental activities	179,970,277	475,978	3,610,352	1,676,240	(174,207,707)		(174,207,707)
Business-type activities							
Food service	2,680,889	1,981,236	857,304			\$ 157,651	157,651
Community Education	2,447,648	3,109,991				662,343	662,343
Total business-type activities	5,128,537	5,091,227	857,304			819,994	819,994
Total primary government	\$ 185,098,814	\$ 5,567,205	\$ 4,467,656	\$ 1,676,240	(174,207,707)	819,994	(173,387,713)
General revenues and transfers:							
Taxes:							
Property taxes, levied for general purposes					119,532,427		119,532,427
Property taxes, levied for debt service					8,406,666		8,406,666
Federal sources					116,469		116,469
State sources—unrestricted					51,462,696		51,462,696
Investment income					17,394	1,160	18,554
Miscellaneous					638,028		638,028
Transfers					500,000	(500,000)	-
Total general revenues and transfers					180,673,680	(498,840)	180,174,840
Change in net position					6,465,973	321,154	6,787,127
Net Position—beginning					102,779,311	2,385,969	105,165,280
Net Position—ending					\$ 109,245,284	\$ 2,707,123	\$ 111,952,407

See accompanying notes to basic financial statements.

Fund Financial Statements

Governmental Funds

East Brunswick Public Schools
Governmental Funds

Balance Sheet

June 30, 2016

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 16,271,811	\$ 2,315,419		\$ 9,663	\$ 18,596,893
Accounts receivable:					
State	1,043,695	21,261	\$ 2,336,616		3,401,572
Federal	38,066	738,033			776,099
Other	145,056				145,056
Interfund	251,796				251,796
Restricted assets:					
Cash and cash equivalents	6,883,672	738,338	81,044		7,703,054
Total assets	<u>\$ 24,634,096</u>	<u>\$ 3,813,051</u>	<u>\$ 2,417,660</u>	<u>\$ 9,663</u>	<u>\$ 30,874,470</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 4,793,871	\$ 770,011	\$ 246,196		\$ 5,810,078
Accrued expenses	438,526	57,181			495,707
Intergovernmental payables:					
State		2,689			2,689
Interfunds payable			251,796		251,796
Unearned revenue	26,583	63,153	513		90,249
Total liabilities	<u>5,258,980</u>	<u>893,034</u>	<u>498,505</u>		<u>6,650,519</u>
Fund balances:					
Restricted for:					
Capital reserve	6,883,672				6,883,672
Excess Surplus - current year	4,350,000				4,350,000
Excess Surplus - designated for subsequent year's expenditures	4,350,000				4,350,000
Capital projects			1,919,155		1,919,155
Debt service				\$ 9,663	9,663
Assigned to:					
Designated for subsequent years expenditures		2,920,017			2,920,017
Designated for subsequent years expenditures - SEMI	25,726				25,726
Other purposes	2,312,121				2,312,121
Unassigned:					
General fund	1,453,597				1,453,597
Total fund balances	<u>19,375,116</u>	<u>2,920,017</u>	<u>1,919,155</u>	<u>9,663</u>	<u>24,223,951</u>
Total liabilities and fund balances	<u>\$ 24,634,096</u>	<u>\$ 3,813,051</u>	<u>\$ 2,417,660</u>	<u>\$ 9,663</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 \$287,617,361 and the accumulated depreciation is \$63,402,999. 224,214,362

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. (767,307)

Long-term liabilities, including bonds payable, lease purchase obligations, capital leases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds. (105,699,155)

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. 5,904,963

Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds. 8,053,382

Accrued pension contributions for the June 30, 2016 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. (1,756,950)

Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds. (44,927,962)

Net position of governmental activities \$ 109,245,284

East Brunswick Public Schools
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2016

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 119,532,427			\$ 8,406,666	\$ 127,939,093
Tuition from individuals	46,351				46,351
Tuition from other LEA's	429,627				429,627
Investment income	17,394				17,394
Rents and royalties	113,618				113,618
Miscellaneous	514,754	\$ 187,915		9,656	712,325
Total local sources	120,654,171	187,915		8,416,322	129,258,408
State sources	33,740,408	263,442	\$ 1,676,240	419,959	36,100,049
Federal sources	116,469	3,158,995			3,275,464
Total revenues	154,511,048	3,610,352	1,676,240	8,836,281	168,633,921
Expenditures					
Instruction:					
Regular instruction	41,452,683	1,708,676			43,161,359
Special education instruction	12,474,917	1,766,972			14,241,889
Other special instruction	3,579,677				3,579,677
Support services:					
Tuition	2,423,489				2,423,489
Student and instruction related services	16,765,499	882,376			17,647,875
School administration services	4,869,160				4,869,160
Other administrative services	5,717,736				5,717,736
Plant operations and maintenance	11,541,729				11,541,729
Pupil transportation	7,066,950				7,066,950
Employee benefits and on-behalf TPAF social security and pension contributions	38,216,421				38,216,421
Capital outlay	6,762,959	4,176,777	4,256,590		15,196,326
Debt Service:					
Principal	3,495,960			5,397,543	8,893,503
Interest	155,572			3,429,082	3,584,654
Charter schools	2,253,355				2,253,355
Total expenditures	156,776,107	8,534,801	4,256,590	8,826,625	178,394,123
	(2,265,059)	(4,924,449)	(2,580,350)	9,656	(9,760,202)
Other financing sources:					
Capital lease issuance		860,000			860,000
Transfers in	500,000				500,000
Total other financing sources	500,000	860,000	-	-	1,360,000
Net change in fund balances	(1,765,059)	(4,064,449)	(2,580,350)	9,656	(8,400,202)
Fund balances, July 1	21,140,175	6,984,466	4,499,505	7	32,624,153
Fund balances, June 30	\$ 19,375,116	\$ 2,920,017	\$ 1,919,155	\$ 9,663	\$ 24,223,951

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, 2016

Total net change in fund balances - governmental funds (from B-2) **\$ (8,400,202)**

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	\$ (6,673,373)	
Capital Asset Additions	<u>14,791,173</u>	8,117,800

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		(860,000)
----------------	--	-----------

Repayments of bond principal, lease purchase principal and capital lease 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	3,880,000	
Lease Purchase Obligations	1,517,543	
Obligations Under Capital Leases	<u>3,495,960</u>	8,893,503

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

(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.

66,613

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 (+).

175,737

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>(1,464,536)</u>
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Change in net position of governmental activities (A-2)

\$ 6,465,973

Proprietary Funds

East Brunswick Public Schools
Proprietary Funds

Statement of Net Position

June 30, 2016

	Major Enterprise Funds		
	Food Service	Community Programs	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 640,113	\$ 2,357,068	\$ 2,997,181
Accounts receivable:			
State	3,915		3,915
Federal	110,251		110,251
Other	8,525	38,442	46,967
Inventory	2,908		2,908
Total current assets	<u>765,712</u>	<u>2,395,510</u>	<u>3,161,222</u>
Noncurrent assets:			
Capital assets:			
Equipment	1,079,728	31,575	1,111,303
Accumulated depreciation	(391,771)	(14,137)	(405,908)
Total capital assets, net	<u>687,957</u>	<u>17,438</u>	<u>705,395</u>
Total assets	<u>1,453,669</u>	<u>2,412,948</u>	<u>3,866,617</u>
Liabilities			
Current liabilities:			
Accounts payable	246,053	102,039	348,092
Accrued salaries payable	3,568	21,633	25,201
Unearned revenue	129,282	299,361	428,643
Current portion of purchase agreement payable	81,667		81,667
Total current liabilities	<u>460,570</u>	<u>423,033</u>	<u>883,603</u>
Noncurrent liabilities:			
Compensated absences	77,894	14,991	92,885
Purchase agreement payable, net of current portion	183,006		183,006
Total noncurrent liabilities	<u>260,900</u>	<u>14,991</u>	<u>275,891</u>
Total liabilities	<u>721,470</u>	<u>438,024</u>	<u>1,159,494</u>
Net Position			
Net investment in capital assets	423,284	17,438	440,722
Unrestricted	308,915	1,957,486	2,266,401
Total net position	<u>\$ 732,199</u>	<u>\$ 1,974,924</u>	<u>\$ 2,707,123</u>

East Brunswick Public Schools
Proprietary Funds

Statement of Revenues, Expenses and Changes in Fund Net Position

Year ended June 30, 2016

	Major Enterprise Funds		Total
	Food Service	Community Programs	
Operating revenues:			
Local sources:			
Daily sales reimbursable programs	\$ 1,263,801		\$ 1,263,801
Daily sales non-reimbursable programs	717,435		717,435
Registration fees		\$ 3,109,991	3,109,991
Total operating revenues	1,981,236	3,109,991	5,091,227
Operating expenditures:			
Salaries	958,146	1,862,531	2,820,677
Employee benefits	279,445	284,614	564,059
Purchased professional services	20,798	511	21,309
Other purchased services	88,605	211,078	299,683
Management fee	129,340		129,340
Supplies and materials	169,858	78,774	248,632
Registrations/Training/Travel		6,377	6,377
Depreciation	120,676	2,333	123,009
Cost of sales - program	692,984		692,984
Cost of sales - non-program	201,640		201,640
Miscellaneous	19,397	1,430	20,827
Total operating expenses	2,680,889	2,447,648	5,128,537
Operating (loss) income	(699,653)	662,343	(37,310)
Nonoperating revenues:			
State sources:			
State school lunch program	23,813		23,813
Federal sources:			
School breakfast program	42,360		42,360
National school lunch program	625,248		625,248
Food donation program	165,883		165,883
Interest income	275	885	1,160
Total nonoperating revenues	857,579	885	858,464
Income before transfers	157,926	663,228	821,154
Transfers out		(500,000)	(500,000)
Change in net position	157,926	163,228	321,154
Total net position-beginning	574,273	1,811,696	2,385,969
Total net position-ending	\$ 732,199	\$ 1,974,924	\$ 2,707,123

East Brunswick Public Schools
Proprietary Funds

Statement of Cash Flows
Year ended June 30, 2016

	Major Enterprise Funds		Total
	Food Service	Community Programs	
Cash flows from operating activities			
Receipts from customers	\$ 1,993,540	\$ 3,180,027	\$ 5,173,567
Payments to employees	(961,317)	(1,866,416)	(2,827,733)
Payments for employee benefits	(279,445)	(284,614)	(564,059)
Payments to suppliers	(1,357,104)	(261,108)	(1,618,212)
Net cash (used in) provided by operating activities	<u>(604,326)</u>	<u>767,889</u>	<u>163,563</u>
Cash flows from noncapital financing activities			
Cash received from state and federal sources	865,075		865,075
Due from other funds	71,340	29,218	100,558
Transfers to other funds		(500,000)	(500,000)
Net cash provided by (used in) noncapital financing activities	<u>936,415</u>	<u>(470,782)</u>	<u>465,633</u>
Cash flows from capital and related financing activities			
Purchase of capital assets	(297,187)	(2,438)	(299,625)
Issuance of purchase agreement payable	3,782		3,782
Payments of purchase agreement payable	(81,626)		(81,626)
Net cash (used in) capital and related financing activities	<u>(375,031)</u>	<u>(2,438)</u>	<u>(377,469)</u>
Cash flows from investing activities			
Interest received	275	885	1,160
Net cash provided by investing activities	<u>275</u>	<u>885</u>	<u>1,160</u>
Net (decrease) increase in cash and cash equivalents	(42,667)	295,554	252,887
Cash and cash equivalents, beginning of year	<u>682,780</u>	<u>2,061,514</u>	<u>2,744,294</u>
Cash and cash equivalents, end of year	<u>\$ 640,113</u>	<u>\$ 2,357,068</u>	<u>\$ 2,997,181</u>
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:			
Operating (loss) income	\$ (699,653)	\$ 662,343	\$ (37,310)
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:			
Depreciation	120,676	2,333	123,009
Change in assets and liabilities:			
Decrease in other accounts receivable	1,658	19,436	21,094
Increase in inventory	(1,012)		(1,012)
(Decrease) increase in accounts payable	(33,470)	37,062	3,592
(Decrease) increase in accrued expenses	(14,041)	8,254	(5,787)
Increase in unearned revenue	10,646	50,600	61,246
Increase (decrease) in compensated absences	10,870	(12,139)	(1,269)
Net cash (used in) provided by operating activities	<u>\$ (604,326)</u>	<u>\$ 767,889</u>	<u>\$ 163,563</u>

Noncash noncapital financing activities:

The District received \$166,895 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2016.

Fiduciary Funds

East Brunswick Public Schools
Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2016

	Unemployment Compensation Trust Fund	Agency Fund
Assets		
Cash and cash equivalents	\$ 765,084	\$ 1,104,873
Total assets	765,084	\$ 1,104,873
Liabilities		
Accounts payable	7,042	
Payroll deductions payable		\$ 610,492
Due to student groups		494,381
Total liabilities	7,042	\$ 1,104,873
Net Position		
Held in trust for unemployment claims	\$ 758,042	

East Brunswick Public Schools
Fiduciary Fund

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2016

	Unemployment Compensation Trust Fund
Additions	
Interest income	\$ 375
Board contributions	15,057
Employee contributions	137,305
Total additions	152,737
Deductions	
Unemployment payments	164,524
Total deductions	164,524
Change in net position	(11,787)
Net position-beginning	769,829
Net position-ending	\$ 758,042

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

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 2015-16 fiscal year of 8,108 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 control over all activities related to the East Brunswick Public Schools in East Brunswick Township, New Jersey. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

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

The government-wide financial statements (i.e., the statement of net position and the statement of 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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements

The statement of activities demonstrates the degree to which the direct expenses of a given function or 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.

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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

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

Special Revenue Fund: The District maintains one special revenue fund, which includes the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes, other than debt service or capital projects.

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.

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 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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

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

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.

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

D. Budgets/Budgetary Control

Ad Valorem (Property) taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount 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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

D. Budgets/Budgetary Control (continued)

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, 2016 and were not significant.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States with the exception of the legally mandated revenue recognition of the last state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Open encumbrances at year-end are reappropriated in the subsequent year's budget. Unencumbered appropriations lapse at fiscal year-end.

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, 2016, the District had inventories in the Food Service Enterprise Fund of \$2,908.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

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.

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, 2016, a liability existed for compensated absences in the government-wide financial statements in the amount of \$2,849,909 and a liability in the amount of \$92,885 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, 2016

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 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, 2016, the District has recorded an unamortized balance of \$5,904,963 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.

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

M. Deferred Outflows/Inflows of Resources (continued)

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

N. Fund Balances (continued)

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

Of the \$19,375,116 of fund balances in the General Fund, \$2,312,121 of outstanding encumbrances has been assigned to other purposes, \$25,726 has been classified as assigned to fund balance designated for subsequent years expenditures – SEMI, \$6,883,672 has been restricted for capital reserve, \$4,350,000 has been restricted for excess surplus – current year, \$4,350,000 has been restricted for excess surplus – designated for subsequent years expenditures and \$1,453,597 is classified as unassigned.

All of the \$2,920,017 special revenue fund balance at June 30, 2016, is assigned as designated for subsequent years expenditures.

The \$1,919,155 Capital Projects fund balance at June 30, 2016 is restricted for capital projects. The District has contractual commitments in the amount of \$1,524,287 at June 30, 2016 to vendors related to ongoing construction projects that is reported as part of the restricted capital projects fund balance.

Of the \$9,663 Debt Service fund balance at June 30, 2016, \$7, in accordance with N.J.S.A. 7F-41c(2), is anticipated as revenue in the 2016-2017 adopted budget.

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 \$17,302,329 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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

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, 2016 was \$8,700,000. Of this amount, \$4,350,000 has been appropriated in the 2016/17 budget and the remaining \$4,350,000 is required to be appropriated in the 2017/18 budget.

R. GASB Pronouncements

Recently Issued and Adopted Accounting Principles

GASB Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"). The objective of this Statement is to provide guidance for applying fair value for certain assets and liabilities and disclosures related to all fair value measurements. The requirements of this Statement mandate the use of valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. The District has adopted GASB 72 during the year ended June 30, 2016.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Recently Issued Accounting Pronouncements

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local government employers about financial support for OPEB that is provided by other entities. The Statement will become effective for the District in the 2018 fiscal year. Management has not yet determined the impact of this Statement on the financial statements.

GASB Statement No. 77, *Tax Abatement Disclosures* ("GASB 77"). This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The Statement will become effective for the District in the 2017 fiscal year. Management has not yet determined the impact of this Statement on financial statement note disclosures.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

S. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2016 through November 22, 2016, 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 unamortized premiums, capital leases and compensated absences, are not due and payable in the current period and therefore are not reported in the funds. The details of this \$105,699,155 difference are as follows:

Bonds payable	\$ 79,585,000
Unamortized premium on bonds	4,813,978
Capital lease obligations	8,882,423
Lease purchase obligations	9,567,845
Compensated absences	<u>2,849,909</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 105,699,155</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.

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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

3. Deposits and Investments (continued)

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, 2016 the carrying amount of the District's deposits was \$31,167,085 and the bank balance was \$31,738,725. Of the bank balance, \$641,699 of the District's cash deposits on June 30, 2016 was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$30,274,574. \$822,452 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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

3. Deposits and Investments (continued)

Investments

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

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

The District did not have any funds held as investments during or at the year ended June 30, 2016.

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, 2015 to June 30, 2016 fiscal year is as follows:

Beginning balance, July 1, 2015	\$ 6,303,883
Increases:	
Interest earnings	2,328
Board approved deposit - June 2016 resolution	3,957,149
Return of unexpended capital outlay	216,198
	<hr/> 4,175,675
Decreases:	
Board approved withdrawal – various dates	<hr/> (3,595,886)
Ending balance, June 30, 2016	<hr/> <hr/> \$ 6,883,672

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

4. Capital Reserve Account (continued)

The June 30, 2016 LRFP balance of local support costs of uncompleted capital projects exceeded the June 30, 2016 capital reserve balance. The withdrawals from the capital reserve were for DOE approved facilities projects.

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, 2016:

	Beginning Balance	Increases	Transfers	Ending Balance
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 1,019,208			\$ 1,019,208
Construction in Progress	6,380,566	\$ 13,701,954	\$ (3,916,280)	16,166,240
Total Capital Assets not being Depreciated	7,399,774	13,701,954	(3,916,280)	17,185,448
Capital Assets, being Depreciated:				
Building and Improvements	256,244,461		3,861,345	260,105,806
Machinery and Equipment	9,181,953	1,089,219	54,935	10,326,107
Total Capital Assets, being Depreciated	265,426,414	1,089,219	3,916,280	270,431,913
Less Accumulated Depreciation:				
Building and Improvements	(51,620,438)	(5,632,288)		(57,252,726)
Machinery and Equipment	(5,109,188)	(1,041,085)		(6,150,273)
Total Accumulated Depreciation	(56,729,626)	(6,673,373)		(63,402,999)
Total Capital Assets, being Depreciated, Net	208,696,788	(5,584,154)	3,916,280	207,028,914
Governmental Activities Capital Assets, Net	\$ 216,096,562	\$ 8,117,800	\$ -	\$ 224,214,362
Business-Type Activities:				
Total Capital Assets, being Depreciated:				
Building and building improvements	\$ 408,170	\$ 290,612		\$ 698,782
Machinery and Equipment	403,508	9,013		412,521
Total Capital Assets, being Depreciated	811,678	299,625		1,111,303
Less Accumulated Depreciation:				
Building and Improvements	(63,412)	(91,150)		(154,562)
Machinery and Equipment	(219,487)	(31,859)		(251,346)
Total Accumulated Depreciation	(282,899)	(123,009)		(405,908)
Total Business-Type Activities Capital Assets, Net	\$ 528,779	\$ 176,616	\$ -	\$ 705,395

Total depreciation expense for the fiscal year ended June 30, 2016 for governmental activities was \$6,673,373 and for business-type activities was \$123,009.

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

Regular instruction	\$ 2,671,257
Special education instruction	881,430
Other instruction	221,546
Student and instruction related services	1,092,227
School administration services	301,352
General and other administration services	353,871
Plant operation and maintenance	714,317
Pupil transportation	437,373
Total depreciation expense – governmental activities	\$ 6,673,373

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

6. Long-Term Liabilities

During the fiscal year ended June 30, 2016, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Serial Bonds Payable	\$ 83,465,000		\$ 3,880,000	\$ 79,585,000	\$ 3,880,000
Unamortized premium on bonds	5,091,707		277,729	4,813,978	277,729
Obligations under capital leases	11,518,383	\$ 860,000	3,495,960	8,882,423	2,671,986
Lease purchase obligation payable	11,085,388		1,517,543	9,567,845	2,742,603
Compensated absences payable	3,025,646	93,872	269,609	2,849,909	75,873
Sub-total	114,186,124	953,872	9,440,841	105,699,155	9,648,191
Net pension liability	36,164,490	8,763,472		44,927,962	
Total governmental activity long-term liabilities	<u>\$ 150,350,614</u>	<u>\$ 9,717,344</u>	<u>\$ 9,440,841</u>	<u>\$ 150,627,117</u>	<u>\$ 9,648,191</u>
Business-Type Activities:					
Lease purchase obligation payable	\$ 342,517	\$ 3,782	\$ 81,626	\$ 264,673	\$ 81,667
Compensated absences payable	94,154	13,722	14,991	92,885	-
Total Business-Type activity long-term liabilities	<u>\$ 436,671</u>	<u>\$ 17,504</u>	<u>\$ 96,617</u>	<u>\$ 357,558</u>	<u>\$ 81,667</u>

The District expects to liquidate the obligations under capital leases and the net pension liability 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 matured in November 2015.

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

6. Long-Term Liabilities

During the fiscal year ended June 30, 2016, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Serial Bonds Payable	\$ 83,465,000		\$ 3,880,000	\$ 79,585,000	\$ 3,880,000
Unamortized premium on bonds	5,091,707		277,729	4,813,978	277,729
Obligations under capital leases	11,518,383	\$ 860,000	3,495,960	8,882,423	2,671,986
Lease purchase obligation payable	11,085,388		1,517,543	9,567,845	2,742,603
Compensated absences payable	3,025,646	93,872	269,609	2,849,909	75,873
Sub-total	114,186,124	953,872	9,440,841	105,699,155	9,648,191
Net pension liability	36,164,490	8,763,472		44,927,962	
Total governmental activity long-term liabilities	<u>\$ 150,350,614</u>	<u>\$ 9,717,344</u>	<u>\$ 9,440,841</u>	<u>\$ 150,627,117</u>	<u>\$ 9,648,191</u>
Business-Type Activities:					
Lease purchase obligation payable	\$ 342,517	\$ 3,782	\$ 81,626	\$ 264,673	\$ 81,667
Compensated absences payable	94,154	13,722	14,991	92,885	-
Total Business-Type activity long-term liabilities	<u>\$ 436,671</u>	<u>\$ 17,504</u>	<u>\$ 96,617</u>	<u>\$ 357,558</u>	<u>\$ 81,667</u>

The District expects to liquidate the obligations under capital leases and the net pension liability 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 matured in November 2015.

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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

6. Long-Term Liabilities (continued)

A. Bonds Payable (continued)

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 \$310,000 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, 2016, there were bonds authorized but not issued of \$3,996,480.

2012 Issue

On November 20, 2012, the District issued \$60,560,000 Refunding School Bonds. The remaining outstanding Bonds mature annually through November 2034 in amounts ranging from \$2,620,000 to \$6,755,000. The Bonds bear interest rates ranging from 3.00% to 5.00%.

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

6. Long-Term Liabilities (continued)

A. Bonds Payable (continued)

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

Year ending June 30,	Principal	Interest	Total
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	4,455,000	2,380,900	6,835,900
2022 - 2026	18,950,000	9,104,700	28,054,700
2027 - 2031	19,670,000	5,646,550	25,316,550
2032 - 2036	17,180,000	2,201,178	19,381,178
2037 - 2040	3,290,000	375,487	3,665,487
	<u>\$ 79,585,000</u>	<u>\$ 31,008,265</u>	<u>\$ 110,593,265</u>

B. Lease Purchase Obligations Payable

1996 Agreement

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

Project Construction Fund	<u>\$ 8,841,945</u>
---------------------------	---------------------

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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

6. Long-Term Liabilities (continued)

B. Lease Purchase Obligations Payable (continued)

Future Minimum Lease Payments - Future minimum lease payments for next year under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2016 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 693,000
Less: Amount representing interest	<u>(28,949)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 664,051</u>

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, 2016

6. Long-Term Liabilities (continued)

B. Lease Purchase Obligations Payable (continued)

Future Minimum Lease Payments - Future minimum lease payments for the next four years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2016 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 1,050,000
2018	1,050,000
2019	1,050,000
2020	239,519
Total Minimum Lease Payments	3,389,519
Less: Amount representing interest	(285,725)
Present Value of Net Minimum Lease Payments	<u>\$ 3,103,794</u>

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

6. Long-Term Liabilities (continued)

B. Lease Purchase Obligations Payable (continued)

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.

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, 2016 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 1,193,524
2018	1,186,819
2019	1,180,114
2020	1,173,410
2021	1,166,705
Total Minimum Lease Payments	5,900,572
Less: Amount representing interest	(100,572)
Present Value of Net Minimum Lease Payments	<u>\$ 5,800,000</u>

East Brunswick Public Schools
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

6. Long-Term Liabilities (continued)

C. Capital Lease Obligations – Governmental Fund

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 was due on August 1, 2015.

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 1.139%.

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 1.230%.

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 2.243%.

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 annual installments and for which final payment was due on August 15, 2015.

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 1.514%.

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 1.212%.

The District entered into a Capital Lease Obligation on August 1, 2015 for transportation equipment in the amount of \$860,000, which is due in annual installments and for which final payment is due on August 1, 2020. Interest is at 1.671%.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

6. Long-Term Liabilities (continued)

C. Capital Lease Obligations – Governmental Fund (continued)

Future Minimum Lease Payments - Future minimum lease payments for the next five years under the capital lease obligations along with the present value of the minimum lease payments as of June 30, 2016 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 2,802,008
2018	2,703,366
2019	1,817,957
2020	1,686,855
2021	180,786
Total Minimum Lease Payments	9,190,972
Less: Amount representing interest	(308,549)
Present Value of Net Minimum Lease Payments	<u>\$ 8,882,423</u>

7. Pension Plans

Description of Systems

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

7. Pension Plans (continued)

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 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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

7. Pension Plans (continued)

Public Employee's Retirement System (continued)

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 annually through July 2018 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, 2016, the State of New Jersey contributed \$10,609,477 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 \$4,452,110 during the year ended June 30, 2016 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, 2016, 2015 and 2014 was \$1,720,688, \$1,590,486 and \$1,454,684, respectively, equal to the required contributions for each year.

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

7. Pension Plans (continued)

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

Public Employee's Retirement System (PERS)

At June 30, 2016, the District reported a liability of \$44,927,962 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2014, which was rolled forward to June 30, 2015. 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, 2015, the District's proportion was 0.2001424156 percent, which was an increase of 0.0069842570 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized full accrual pension expense of \$3,185,224 in the government-wide financial statements. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,071,823	
Changes of assumptions	4,824,904	
Net difference between projected and actual earnings on pension plan investments		\$ 722,355
Changes in proportion and differences between District contributions and proportionate share of contributions	1,122,060	
District contributions subsequent to the measurement date	1,756,950	
	<u>\$ 8,775,737</u>	<u>\$ 722,355</u>

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

7. Pension Plans (continued)

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

\$1,756,950 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:	
2017	\$ 1,184,312
2018	1,184,312
2019	1,184,312
2020	1,723,113
2021	<u>1,020,383</u>
	<u>\$ 6,296,432</u>

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

Inflation rate	3.04%
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, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

7. Pension Plans (continued)

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expecting future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds / Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

7. Pension Plans (continued)

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

Discount rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. 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 3.80% as of June 30, 2015 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 actuarially determined 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 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, 2015 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 (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

	At 1% Decrease (3.90%)	At Current Discount Rate (4.90%)	At 1% Increase (5.90%)
District's proportionate share of the net pension liability	\$55,839,960	\$ 44,927,962	\$35,779,422

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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

7. Pension Plans (continued)

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

Additional Information

Collective balances of the Local Group at June 30, 2015 are as follows:

Deferred outflows of resources	\$	3,578,755,666
Deferred inflows of resources	\$	993,410,455
Net pension liability	\$	22,447,996,119
District's Proportion		0.2001424156%

Collective pension expense for the Local Group for the measurement period ended June 30, 2015 is \$1,481,308,816.

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, 2014 (the beginning of the measurement period ended June 30, 2015) is 5.72 years and 6.44 years for the measurement period ended June 30, 2014.

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, 2015 was \$362,685,882. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. 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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

7. Pension Plans (continued)

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

determined. At June 30, 2015, the State's proportionate share of the TPAF net pension liability associated with the District was 0.5738312934 percent, which was a decrease of 0.0156686725 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$22,145,239 for contributions incurred by the State.

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, 2014 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, 2016

7. Pension Plans (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Market Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. 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 3.80% as of June 30, 2015 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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

7. Pension Plans (continued)

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

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, 2016 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 (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

	At 1% Decrease (3.13%)	At Current Discount Rate (4.13%)	At 1% Increase (5.13%)
State's proportionate share of the net pension liability associated with the District	\$431,038,614	\$ 362,685,882	\$303,795,913

Pension plan fiduciary net position

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

Additional Information

Collective balances of the Local Group at June 30, 2015 are as follows:

Deferred outflows of resources	\$ 7,522,890,856
Deferred inflows of resources	\$ 623,365,110
Net pension liability	\$ 63,204,270,305
State's proportionate share associated with the District	0.5738312934%

Collective pension expense for the Local Group for the plan for the measurement period ended June 30, 2015 is \$3,854,529,453.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

7. Pension Plans (continued)

Additional Information (continued)

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, 2014 (the beginning of the measurement period ended June 30, 2015) is 8.3 years and 8.5 years for the measurement period ended June 30, 2014.

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, c. 384 and P.L. 1990, c. 6 required Teachers' Pension and Annuity Fund (TPAF) and the 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, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the state contributed \$1.25 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 premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in fiscal year 2015.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

8. Post-Retirement Benefits (continued)

Funding Policy (continued)

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, 2016, 2015, and 2014 were \$5,766,567, \$4,924,971, and \$4,088,937, 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, 2016 amounted to \$251,796 analyzed as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 251,796	
Capital Projects Fund		\$ 251,796
	<u>\$ 251,796</u>	<u>\$ 251,796</u>

The interfund receivable in the General Fund due from the Capital Projects Fund represents cash loaned from the General Fund to reduce a pooled cash deficit.

All interfunds are expected to be liquidated within one year.

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, 2016 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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

11. Deferred Compensation

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

The plan administrators are as follows:

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

12. Risk Management

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

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

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

Fiscal Year	Beginning Balance	Board Contribution	Employee Contribution	Interest	Deductions	Ending Balance
2015-2016	\$ 769,829	\$ 15,057	\$ 137,305	\$ 375	\$ 164,524	\$ 758,042
2014-2015	801,700	-	146,464	332	178,667	769,829
2013-2014	817,028	3,840	136,412	391	155,971	801,700

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

13. 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.

14. Transfers to Capital Outlay

During the year ending June 30, 2016, the District transferred \$8,608,021 (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.

15. Transfers – Reconciliation

The following represents a reconciliation of transfers made during the 2016 fiscal year:

	In	Out
General Fund	\$ 500,000	
Community Programs Enterprise Fund		\$ 500,000
	\$ 500,000	\$ 500,000

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

16. 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.

17. Net Position - Net Investment in Capital Assets

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$130,190,096 indicated as part of the Governmental Activities net position is calculated as follows:

Capital assets, net of depreciation	\$ 224,214,362
Bonds payable (used to build or acquire capital assets)	(79,585,000)
Deferred loss on defeasance of debt	5,904,963
Unamortized deferred premium	(4,813,978)
Lease purchase obligations	(9,567,845)
Capital leases	(8,882,423)
Designated for subsequent years expenditures - Special Revenue Fund (unused capital lease proceeds)	2,920,017
Total net investment in capital assets	\$ 130,190,096

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

18. Subsequent Event

In August 2016, 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, technology equipment and transportation and maintenance vehicles. 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 June 9, 2016.

Under the lease, the Board is required to pay basic rent due on each August 1, which commences on August 1, 2017 and will conclude on August 1, 2021. The lease carries an interest rate of 0.84%. The total principal amount of the lease was \$6,200,000.

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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
District's proportion of the net pension liability (asset) - Local Group	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.1930621676%	0.1931581586%	0.2001424156%
District's proportionate share of the net pension liability (asset)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 36,898,016	\$ 36,164,490	\$ 44,927,962
District's covered-employee payroll	\$ 12,424,985	\$ 12,543,911	\$ 13,326,674	\$ 14,726,213	\$ 14,427,632	\$ 13,907,475	\$ 13,261,244	\$ 13,047,120	\$ 13,447,670	\$ 13,368,140
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	282.81%	268.93%	336.08%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	N/A	N/A	N/A	N/A	N/A	N/A	N/A	48.72%	52.08%	47.93%

N/A - Information not available

Note to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.39% as of June 30, 2014 to 4.90% as of June 30, 2015.

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

Last Ten Fiscal Years

	Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Contractually required contribution	\$ 787,338	\$ 1,034,653	\$ 1,139,483	\$ 1,663,034	\$ 1,514,573	\$ 1,589,566	\$ 1,454,684	\$ 1,590,486	\$ 1,720,688	\$ 1,756,950
Contributions in relation to the contractually required contribution	(787,338)	(1,034,653)	(1,139,483)	(1,663,034)	(1,514,573)	(1,589,566)	(1,454,684)	(1,590,486)	(1,720,688)	(1,756,950)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 12,543,911	\$ 13,326,674	\$ 14,726,213	\$ 14,427,632	\$ 13,907,475	\$ 13,261,244	\$ 13,047,120	\$ 13,447,670	\$ 13,368,140	\$ 13,252,553
Contributions as a percentage of covered-employee payroll	6.28%	7.76%	7.74%	11.53%	10.89%	11.99%	11.15%	11.83%	12.87%	13.26%

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,		
	2014	2015	2016
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.6038945428%	0.5894999659%	0.5738312934%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 305,203,552	\$ 315,068,546	\$ 362,685,882
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 305,203,552</u>	<u>\$ 315,068,546</u>	<u>\$ 362,685,882</u>
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%

* 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.

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

Notes to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.68% as of June 30, 2014 to 4.13% as of June 30, 2015.

Required Supplementary Information
Part III

Budgetary Comparison

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 119,532,427		\$ 119,532,427	\$ 119,532,427	
Tuition (from individuals)	35,000		35,000	46,351	\$ 11,351
Tuition (other LEAS)	55,000		55,000	429,627	374,627
Investment income	15,000		15,000	17,394	2,394
Rents and royalties	80,000		80,000	113,618	33,618
Miscellaneous	341,725		341,725	514,754	173,029
Total revenues - local sources	120,059,152		120,059,152	120,654,171	595,019
State sources:					
Extraordinary aid	500,000		500,000	793,478	293,478
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				31,110	31,110
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)				10,609,477	10,609,477
Reimbursed TPAF social security contributions (non-budgeted)				4,452,110	4,452,110
Total - state sources	18,344,870		18,344,870	33,731,045	15,386,175
Federal sources:					
Medicaid initiative	69,901		69,901	116,469	46,568
Total - federal sources	69,901		69,901	116,469	46,568
Total revenues	138,473,923		138,473,923	154,501,685	16,027,762
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool	207,428	\$ (63,034)	144,394	121,967	22,427
Kindergarten	1,978,170	(22,199)	1,955,971	1,955,971	
Grades 1-5	13,039,340	(487,946)	12,551,394	12,504,650	46,744
Grades 6-8	10,887,596	(398,995)	10,488,601	10,478,255	10,346
Grades 9-12	14,062,867	354,191	14,417,058	14,417,058	
Home instruction - regular programs:					
Salaries of teachers	26,622		26,622	14,679	11,943
Purchased professional-educational services	35,000		35,000	29,102	5,898
Undistributed instruction - regular programs:					
Other salaries for instruction	21,208		21,208	57	21,151
Purchased professional-educational services	166,236		166,236	157,399	8,837
Purchased technical services	189,175	(28,430)	160,745	138,890	21,855
Other purchased services	1,446,109	(322,267)	1,123,842	992,070	131,772
General supplies	1,656,236	(52,461)	1,603,775	1,498,545	105,230
Textbooks	115,533	60,488	176,021	173,511	2,510
Other objects	9,093	(875)	8,218	5,924	2,294
Total instruction - regular programs	43,840,613	(961,528)	42,879,085	42,488,078	391,007

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

Year ended June 30, 2016

	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	\$ 379,925	\$ (66,500)	\$ 313,425	\$ 273,484	\$ 39,941
Other salaries for instruction	191,539		191,539	184,710	6,829
Other purchased services	100	(100)			
General supplies	1,000		1,000	975	25
Total learning and/or language disabilities	572,564	(66,600)	505,964	459,169	46,795
Behavioral disabilities:					
Salaries of teachers	114,407	2,858	117,265	117,265	
Other salaries for instruction	54,429	78,320	132,749	132,749	
General supplies	2,750	244	2,994	2,310	684
Total behavioral disabilities	171,586	81,422	253,008	252,324	684
Multiple disabilities:					
Salaries of teachers	391,208	(65,392)	325,816	325,816	
Other salaries for instruction	143,225	92,090	235,315	235,315	
Other purchased services	250	78	328	328	
General supplies	5,300	(500)	4,800	3,918	882
Textbooks	2,000	(1,988)	12		12
Total multiple disabilities	541,983	24,288	566,271	565,377	894
Resource room/center:					
Salaries of teachers	6,974,590	71,718	7,046,308	7,046,308	
Other salaries for instruction	1,148,534	(13,230)	1,135,304	1,099,460	35,844
Other purchased services	1,200	69	1,269	1,269	
General supplies	17,735	451	18,186	15,137	3,049
Textbooks	1,506	(1,035)	471	470	1
Total resource room/center	8,143,565	57,973	8,201,538	8,162,644	38,894
Autism:					
Salaries of teachers	1,009,124	43,243	1,052,367	1,052,367	
Other salaries for instruction	913,768	120,229	1,033,997	1,033,997	
Other purchased services	500	(207)	293		293
General supplies	14,066	(2,199)	11,867	7,970	3,897
Total autism	1,937,458	161,066	2,098,524	2,094,334	4,190
Preschool disabilities - part time:					
Salaries of teachers	31,203	8,918	40,121	40,121	
Other salaries for instruction	94,009	58,864	152,873	152,873	
Supplies and materials	400	32	432	432	
Total preschool disabilities - part time	125,612	67,814	193,426	193,426	

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2016

	<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	\$ 301,307	\$ (21,000)	\$ 280,307	\$ 278,919	\$ 1,388
Other salaries for instruction	349,508	(12,000)	337,508	336,766	742
Supplies and materials	1,100	568	1,668	1,641	27
Total preschool disabilities - full time	<u>651,915</u>	<u>(32,432)</u>	<u>619,483</u>	<u>617,326</u>	<u>2,157</u>
Home instruction - special education:					
Salaries of teachers	22,440	8,741	31,181	31,181	
Purchased professional - educational services	79,500	19,636	99,136	99,136	
Total home instruction - special education	<u>101,940</u>	<u>28,377</u>	<u>130,317</u>	<u>130,317</u>	
Total special education	<u>12,246,623</u>	<u>321,908</u>	<u>12,568,531</u>	<u>12,474,917</u>	<u>93,614</u>
Basic skills/remedial - instruction:					
Salaries of teachers	2,083,631		2,083,631	1,821,281	262,350
Other purchased services	300	2,347	2,647	785	1,862
General supplies	15,571	(1,261)	14,310	12,313	1,997
Total basic skills/remedial - instruction	<u>2,099,502</u>	<u>1,086</u>	<u>2,100,588</u>	<u>1,834,379</u>	<u>266,209</u>
Bilingual education - instruction:					
Salaries of teachers	614,517	30,287	644,804	644,804	
Other purchased services	600	8	608	401	207
General supplies	3,959		3,959	3,384	575
Total bilingual education - instruction	<u>619,076</u>	<u>30,295</u>	<u>649,371</u>	<u>648,589</u>	<u>782</u>
School - sponsored cocurricular activities:					
Salaries	285,273	5,211	290,484	290,484	
Purchased services	33,750	1,873	35,623	35,608	15
Supplies and materials	1,680	(1,500)	180		180
Other objects	5,000		5,000	3,813	1,187
Total school sponsored cocurricular activities	<u>325,703</u>	<u>5,584</u>	<u>331,287</u>	<u>329,905</u>	<u>1,382</u>
School - sponsored athletics - instruction:					
Salaries	597,497	36,623	634,120	634,120	
Purchased services	48,600	2,955	51,555	39,251	12,304
Supplies and materials	31,802	2,405	34,207	34,207	
Other objects	4,650	40	4,690	4,690	
Transfers to cover deficit (agency funds)	54,588	1,433	56,021	56,021	
Total school - sponsored athletics - instruction	<u>737,137</u>	<u>43,456</u>	<u>780,593</u>	<u>768,289</u>	<u>12,304</u>
Total instruction	<u>59,868,654</u>	<u>(559,199)</u>	<u>59,309,455</u>	<u>58,544,157</u>	<u>765,298</u>

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2016

	<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	\$ 5,487	\$ 21,034	\$ 5,487	\$ 15,547
Tuition to other LEAs w/in the state - special	1,527,311	(94,994)	1,432,317	1,289,484	142,833
Tuition to CSSD and regional day schools	215,115		215,115	189,187	25,928
Tuition to private schools disabled - within state	1,202,308	(140,000)	1,062,308	910,056	152,252
Tuition - state facilities	29,275		29,275	29,275	
Tuition - other	45,900	(18,603)	27,297		27,297
Total instruction	3,035,456	(248,110)	2,787,346	2,423,489	363,857
Attendance and social work services:					
Salaries	101,810		101,810	95,428	6,382
Other purchased services	852		852	838	14
Supplies and materials	510	64	574	411	163
Total attendance and social work services	103,172	64	103,236	96,677	6,559
Health services:					
Salaries	1,172,468	43,895	1,216,363	1,216,363	
Purchased professional and technical services	85,782	7,225	93,007	67,261	25,746
Other purchased services	6,252	(182)	6,070	3,638	2,432
Supplies and materials	25,404	(34)	25,370	13,619	11,751
Total health services	1,289,906	50,904	1,340,810	1,300,881	39,929
Other support services - students - speech, OT, PT & related services					
Salaries	1,719,243		1,719,243	1,566,529	152,714
Purchased professional educational services	753,526	198,237	951,763	951,763	
Supplies and materials	6,750	7,081	13,831	13,693	138
Total other support services - students - speech, OT, PT & Related services	2,479,519	205,318	2,684,837	2,531,985	152,852
Other support services - students - extraordinary:					
Salaries	1,074,700		1,074,700	920,350	154,350
Purchased professional - educational services	1,177,171	(65,975)	1,111,196	1,083,622	27,574
Supplies and materials	6,200	10,133	16,333	15,615	718
Other objects	1,500	(600)	900	332	568
Total other support services - students - extraordinary	2,259,571	(56,442)	2,203,129	2,019,919	183,210

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Guidance:					
Salaries of other professional staff	\$ 3,002,280		\$ 3,002,280	\$ 2,997,107	\$ 5,173
Salaries of secretarial and clerical assistants	420,351		420,351	415,858	4,493
Other salaries		\$ 63,393	63,393	63,393	
Unused vacation payments to terminated/retired staff - normal retirements		16,805	16,805	16,805	
Other purchased professional - technical services	26,321		26,321	21,470	4,851
Other purchased services	15,744	1,990	17,734	14,322	3,412
Supplies and materials	20,994	(100)	20,894	17,097	3,797
Other objects	2,540		2,540	1,968	572
Total guidance	3,488,230	82,088	3,570,318	3,548,020	22,298
Child study teams:					
Salaries of other professional staff	2,323,934	196	2,324,130	2,324,130	
Salaries of secretarial and clerical assistants	345,734	3,142	348,876	348,876	
Unused vacation payments to terminated/retired staff - normal retirements		23,134	23,134	23,134	
Purchased professional - educational services	44,000	82,306	126,306	126,306	
Other purchased professional & tech services	9,200		9,200	9,189	11
Miscellaneous purchased services	14,975	(5)	14,970	8,159	6,811
Supplies and materials	16,085	(3,246)	12,839	12,171	668
Total child study teams	2,753,928	105,527	2,859,455	2,851,965	7,490
Improvement of instructional services:					
Salaries of supervisors of instruction	628,245		628,245	610,454	17,791
Salaries of other professional staff	167,208		167,208	132,293	34,915
Salaries of secretarial and clerical assistants	236,076		236,076	138,212	97,864
Other salaries	64,198	(63,393)	805	805	
Salaries of Facilitators, Math & Literacy coaches	651,312		651,312	650,271	1,041
Unused vacation payments to terminated/retired staff - normal retirements		42,279	42,279	42,279	
Other purchased professional & tech services	31,922		31,922	31,822	100
Other purchased services	46,528	2,519	49,047	30,888	18,159
Supplies and materials	21,896	6,144	28,040	24,825	3,215
Other objects	11,500		11,500	10,183	1,317
Total improvement of instructional services	1,858,885	(12,451)	1,846,434	1,671,227	175,207
Educational media services/school library:					
Salaries	1,102,806		1,102,806	1,088,799	14,007
Purchased professional - technical services	36,290	(1,984)	34,306	30,196	4,110
Other purchased services	5,082	288	5,370	3,325	2,045
Supplies and materials	154,910	14,243	169,153	156,354	12,799
Other objects	175		175	175	
Total educational media services / school library	1,299,263	12,547	1,311,810	1,278,849	32,961
Instructional staff training services:					
Salaries of supervisors of instruction	1,066,121		1,066,121	1,042,215	23,906
Salaries of other professional staff	37,800		37,800	37,800	
Salaries of secretarial and clerical assistants	359,188	2,075	361,263	361,263	
Purchased professional - educational services	13,233	(2,400)	10,833	10,750	83
Other purchased services	44,925	4,940	49,865	45,003	4,862
Supplies and materials	9,458	(465)	8,993	5,925	3,068
Other objects	820		820	820	
Total instructional staff training services	1,530,725	4,970	1,535,695	1,465,976	69,719

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Support services-general administration					
Salaries	\$ 725,261	\$ 9,718	\$ 734,979	\$ 734,979	
Legal services	262,920		262,920	218,975	\$ 43,945
Audit fees	71,500	56,000	127,500	57,000	70,500
Other purchased professional services	15,000	(2,438)	12,562	6,845	5,717
Purchased technical services	6,600	9,105	15,705	15,705	
Communications/telephone	381,827	886	382,713	366,664	16,049
BOE other purchased services	10,500		10,500	4,991	5,509
Miscellaneous purchased services	33,400	294,978	328,378	318,599	9,779
General supplies	16,460	(126)	16,334	7,274	9,060
BOE in-house training/meeting supplies	2,000		2,000	1,250	750
Miscellaneous expenditures	16,348	(1,626)	14,722	11,544	3,178
BOE membership dues/fees	36,210		36,210	34,733	1,477
Total support services-general administration	1,578,026	366,497	1,944,523	1,778,559	165,964
Support services-school administration:					
Salaries of principals / assistant principals	2,376,228	1,194	2,377,422	2,377,422	
Salaries of other professional staff	829,311	6,071	835,382	835,382	
Salaries of secretarial and clerical assistants	1,436,474	53,247	1,489,721	1,489,721	
Unused vacation payments to terminated/retired staff - normal retirements		58,118	58,118	58,118	
Purchased professional and technical services		1,650	1,650	1,650	
Other purchased services	59,204	7,993	67,197	45,744	21,453
Supplies and materials	43,548	(57)	43,491	38,553	4,938
Other objects	24,400	(1,220)	23,180	22,570	610
Total support services-school administration	4,769,165	126,996	4,896,161	4,869,160	27,001
Central services:					
Salaries	1,647,818		1,647,818	1,629,073	18,745
Unused vacation payments to terminated/retired staff - normal retirements		1,478	1,478	1,478	
Purchased professional services	56,200	(6,575)	49,625	49,412	213
Purchased technical services	37,600	826	38,426	37,483	943
Miscellaneous purchased services	52,846	934	53,780	39,674	14,106
Supplies and materials	29,120	(1,379)	27,741	20,846	6,895
Interest on lease purchase agreements	368,002	(227,661)	140,341	138,889	1,452
Miscellaneous expenditures	6,500	4	6,504	5,774	730
Total central services	2,198,086	(232,373)	1,965,713	1,922,629	43,084
Administrative information technology:					
Salaries	1,385,421		1,385,421	1,376,714	8,707
Unused vacation payments to terminated/retired staff - normal retirements		1,829	1,829	1,829	
Purchased technical services	86,413	255,252	341,665	138,699	202,966
Other purchased services	294,052	312,799	606,851	589,534	17,317
Supplies and materials	64,189	(9,644)	54,545	54,152	393
Other objects	760	(523)	237	200	37
Total administrative information technology	1,830,835	559,713	2,390,548	2,161,128	229,420
Required maintenance for school facilities:					
Salaries	961,710	29,278	990,988	990,988	
Unused vacation payments to terminated/retired staff - normal retirements		29,602	29,602	29,602	
Cleaning, repair and maintenance services	499,186	(8,093)	491,093	462,712	28,381
General supplies	350,432	8,433	358,865	295,167	63,698
Other objects	1,000		1,000	1,000	
Total required maintenance for school facilities	1,812,328	59,220	1,871,548	1,778,469	93,079

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Custodial services:					
Salaries	\$ 1,363,106		\$ 1,363,106	\$ 1,268,295	\$ 94,811
Salaries of non-instructional aides	462,760	\$ 20,723	483,483	483,483	
Unused vacation payments to terminated/retired staff - normal retirements		17,206	17,206	17,206	
Purchased professional and technical services	71,500	66,985	138,485	85,240	53,245
Cleaning, repair and maintenance services	3,050,325	131,349	3,181,674	3,178,525	3,149
Rentals of land and buildings	21,000	(10,500)	10,500	10,500	
Other purchased property services	83,508	(10,023)	73,485	63,150	10,335
Insurance	780,382	(221,875)	558,507	557,932	575
Miscellaneous purchased services	1,000	7,673	8,673	8,548	125
General supplies	214,342	71,606	285,948	285,068	880
Energy (electricity)	2,216,011	(81,777)	2,134,234	1,741,210	393,024
Energy (natural gas)	982,098		982,098	425,785	556,313
Other objects	10,800		10,800	2,354	8,446
Total custodial services	9,256,832	(8,633)	9,248,199	8,127,296	1,120,903
Care and upkeep of grounds:					
Salaries	478,940		478,940	341,073	137,867
Unused vacation payments to terminated/retired staff - normal retirements		17,876	17,876	17,876	
Cleaning, repair and maintenance services	203,480	(109,321)	94,159	82,697	11,462
General supplies	125,032	(8,595)	116,437	105,652	10,785
Other objects	27,654	400	28,054	27,055	999
Total care and upkeep of grounds	835,106	(99,640)	735,466	574,353	161,113
Security:					
Salaries	731,581	240,756	972,337	972,337	
Purchased professional and technical services	33,065	31,500	64,565	42,621	21,944
Cleaning, Repair, and Maintenance Services	138,381	(13,068)	125,313	104,719	20,594
General supplies	13,569	49,569	63,138	7,705	55,433
Other objects	15,535		15,535	14,734	801
Total security	932,131	308,757	1,240,888	1,142,116	98,772
Student transportation services:					
Salaries - Non-instructional Aides	76,272	24,830	101,102	101,102	
Salaries for pupil transportation:					
Between home and school - regular	1,155,502	8,277	1,163,779	1,163,779	
Unused vacation payments to terminated/retired staff - normal retirements		805	805	805	
Other Purchased professional and technical services	3,000	15,922	18,922	18,325	597
Cleaning, Repair, and Maintenance Services	263,040	158,580	421,620	421,620	
Rental payments - School Buses	9,000	(118)	8,882	3,375	5,507
Lease Purchase Payments - School Buses	258,081	(10,369)	247,712	156,316	91,396
Contracted services:					
Aid in lieu of payments	159,120		159,120	88,542	70,578
Vendors - between home and school	1,605,856	(285)	1,605,571	1,488,313	117,258
Vendors - other than between home and school	380,283	55,626	435,909	369,702	66,207
Vendors - Special Ed	988,193	1,258	989,451	989,451	
Vendors - between home and school - regional	200,000	(88,311)	111,689	25,878	85,811
ESCs & CTSA's - Special Ed	2,548,308	(107,561)	2,440,747	2,179,187	261,560
Miscellaneous purchased services - transportation	87,358	2,683	90,041	87,169	2,872
General supplies	2,100		2,100	797	1,303
Transportation Supplies	327,598		327,598	126,630	200,968
Other objects	3,625		3,625	2,275	1,350
Total student transportation services	8,067,336	61,337	8,128,673	7,223,266	905,407

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2016

	<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):					
Unallocated benefits:					
Social security contributions	\$ 1,500,000	\$ 113,094	\$ 1,613,094	\$ 1,613,094	
Other retirement contributions - PERS	1,881,364	(63,248)	1,818,116	1,713,740	\$ 104,376
Unemployment compensation insurance	480,000	(319,882)	160,118		160,118
Worker's compensation	558,385		558,385	558,034	351
Health benefits	20,431,244	(770,400)	19,660,844	18,876,954	783,890
Tuition reimbursement	197,000	(2,002)	194,998	108,426	86,572
Other employee benefits	580,154	(321,725)	258,429	20,273	238,156
Unused sick payments to terminated/retired staff - normal retirements		264,313	264,313	264,313	
Total unallocated benefits	<u>25,628,147</u>	<u>(1,099,850)</u>	<u>24,528,297</u>	<u>23,154,834</u>	<u>1,373,463</u>
On-behalf TPAF pension contributions (non-budgeted)				10,609,477	(10,609,477)
Reimbursed TPAF social security (non-budgeted)				4,452,110	(4,452,110)
Total undistributed expenditures	<u>77,006,647</u>	<u>186,439</u>	<u>77,193,086</u>	<u>86,982,385</u>	<u>(9,789,299)</u>
Total current expenditures	<u>136,875,301</u>	<u>(372,760)</u>	<u>136,502,541</u>	<u>145,526,542</u>	<u>(9,024,001)</u>
Capital outlay:					
Equipment:					
Regular programs - instruction:					
Grades 9-12		3,103	3,103	3,103	
Undistributed instruction:					
Students - extraordinary		8,262	8,262	8,261	1
Support services - instructional staff		6,656	6,656	6,656	
General administration	7,000		7,000	5,417	1,583
Central services		2,567	2,567	2,567	
Security		57,000	57,000		57,000
School-sponsored athletics		3,836	3,836	3,836	
Total equipment	<u>7,000</u>	<u>81,424</u>	<u>88,424</u>	<u>29,840</u>	<u>58,584</u>
Facilities acquisition and construction services:					
Salaries	97,583		97,583	32,215	65,368
Unused vacation payments to terminated/retired staff - normal retirements		12,081	12,081	12,081	
Architectural/engineering services	85,050	1,460,277	1,545,327	847,149	698,178
Other Purch Prof & Tech services		39,453	39,453	26,652	12,801
Construction services	145,000	6,585,208	6,730,208	5,467,484	1,262,724
Supplies and materials	60,000	(11,200)	48,800		48,800
Lease purchase agreements - principal	3,343,252	440,778	3,784,030	2,233,251	1,550,779
Assessment for Debt Service on SDA Funding	347,538		347,538	347,538	
Total facilities acquisition and construction services	<u>4,078,423</u>	<u>8,526,597</u>	<u>12,605,020</u>	<u>8,966,370</u>	<u>3,638,650</u>
Total expenditures - capital outlay	<u>4,085,423</u>	<u>8,608,021</u>	<u>12,693,444</u>	<u>8,996,210</u>	<u>3,697,234</u>
Charter schools	<u>2,363,199</u>		<u>2,363,199</u>	<u>2,253,355</u>	<u>109,844</u>
Total expenditures	<u>143,323,923</u>	<u>8,235,261</u>	<u>151,559,184</u>	<u>156,776,107</u>	<u>(5,216,923)</u>
(Deficiency) excess of revenues (under) over expenditures	(4,850,000)	(8,235,261)	(13,085,261)	(2,274,422)	10,810,839

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other financing sources:					
Transfers in	\$ 500,000		\$ 500,000	\$ 500,000	
Total other financing sources	<u>500,000</u>		<u>500,000</u>	<u>500,000</u>	
(Deficiency) excess of revenues (under) over expenditures and other financing sources	(4,350,000)	\$ (8,235,261)	(12,585,261)	(1,774,422)	\$ 10,810,839
Fund balances, July 1	22,854,819		22,854,819	22,854,819	
Fund balances, June 30	<u>\$ 18,504,819</u>	<u>\$ (8,235,261)</u>	<u>\$ 10,269,558</u>	<u>\$ 21,080,397</u>	<u>\$ 10,810,839</u>
Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources					
Budgeted fund balance	\$ (4,350,000)		\$ (4,350,000)	\$ 2,467,406	\$ 6,817,406
Budgeted fund balance - capital reserve		\$ (3,379,688)	(3,379,688)	579,789	3,959,477
Budgeted fund balance - prior year SEMI ARRA cost reconciliation		(33,956)	(33,956)		33,956
Adjustment for prior year encumbrances		(4,821,617)	(4,821,617)	(4,821,617)	
Total	<u>\$ (4,350,000)</u>	<u>\$ (8,235,261)</u>	<u>\$ (12,585,261)</u>	<u>\$ (1,774,422)</u>	<u>\$ 10,810,839</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital Reserve				\$ 6,883,672	
Excess Surplus - Current Year				4,350,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				4,350,000	
Assigned Fund Balance:					
Year-end Encumbrances				2,312,121	
Designated for Subsequent Year's Expenditures - SEMI				25,726	
Unassigned Fund Balance				<u>3,158,878</u>	
				21,080,397	
Reconciliation to Government Funds Statements GAAP:					
Last state aid payments not recognized on GAAP basis				(1,705,281)	
Fund balance per Government Funds (GAAP) (B-1)				<u>\$ 19,375,116</u>	

East Brunswick Public Schools
Special Revenue Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Federal sources	\$ 2,320,000	\$ 1,094,559	\$ 3,414,559	\$ 3,170,218	\$ (244,341)
State sources	139,000	177,862	316,862	270,498	(46,364)
Other sources	75,000	7,162,710	7,237,710	185,104	(7,052,606)
Total revenues	2,534,000	8,435,131	10,969,131	3,625,820	(7,343,311)
Expenditures:					
Current expenditures:					
Instruction:					
Salaries of teachers	441,137	426,730	867,867	735,545	132,322
Purchased professional technical services		1,800	1,800		1,800
Purchased professional educational services	65,000	47,474	112,474	112,002	472
Other purchased services	1,573,144	232,122	1,805,266	1,803,105	2,161
Supplies and materials	71,592	825,194	896,786	820,491	76,295
Textbooks	530	(80)	450	172	278
Other objects		4,107	4,107	1,522	2,585
Total instruction	2,151,403	1,537,347	3,688,750	3,472,837	215,913
Support services:					
Salaries of teachers	43,651	87,181	130,832	102,821	28,011
Personal services - employee benefits	130,292	146,918	277,210	256,554	20,656
Purchased professional technical services	110,776	145,485	256,261	217,379	38,882
Purchased professional educational services	74,000	14,894	88,894	86,905	1,989
Other purchased services	4,455	32,526	36,981	25,435	11,546
Contract services - transportation		7,630	7,630	7,630	
Supplies and materials	16,106	235,047	251,153	203,931	47,222
Other objects		435	435		435
Total support services	379,280	670,116	1,049,396	900,655	148,741
Capital outlay:					
Facilities acquisition and construction services:					
Instructional equipment	3,317	1,048,844	1,052,161	833,241	218,920
Architectural/engineering services		90,169	90,169	77,751	12,418
Construction services		5,722,515	5,722,515	3,039,645	2,682,870
Infrastructure		226,140	226,140	226,140	
Total facilities acquisition and construction services	3,317	7,087,668	7,090,985	4,176,777	2,914,208
Total expenditures	2,534,000	9,295,131	11,829,131	8,550,269	3,278,862
(Deficiency) of revenues (under) expenditures	-	(860,000)	(860,000)	(4,924,449)	(4,064,449)
Other financing sources:					
Capital lease proceeds		860,000	860,000	860,000	
Total other financing sources	-	860,000	860,000	860,000	-
Net change in fund balance	-	-	-	(4,064,449)	(4,064,449)
Fund Balance, July 1	6,984,466		6,984,466	6,984,466	
Fund Balance, June 30	\$ 6,984,466	\$ -	\$ 6,984,466	\$ 2,920,017	\$ (4,064,449)

East Brunswick Public Schools
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2016

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the Budgetary Comparison Schedule (C-1, C-2)	\$ 154,501,685	\$ 3,625,820
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)		3,108
Current year		(18,576)
State aid payments from prior year recognized in prior year for budgetary purposes, and recognized for GAAP purposes in the current fiscal year.	1,714,644	
State aid payments recognized for budgetary purposes, not recognized for GAAP purposes	(1,705,281)	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (B-2)	\$ 154,511,048	\$ 3,610,352
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule (C-1, C-2)	\$ 156,776,107	\$ 8,550,269
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)		3,108
Current year		(18,576)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 156,776,107	\$ 8,534,801

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, 2016

	Title I Part A	Title II Part A	Title III Part A	Title III Immigrant	I.D.E.I.A.		Inclusive Schools Climate Initiative	Adult Basic Education
					Regular	Preschool		
Revenues:								
Federal sources	\$ 661,720	\$ 173,998	\$ 94,959	\$ 60,317	\$ 1,933,621	\$ 77,033	\$ 1,663	\$ 150,537
State sources								
Other sources								
Total revenues	\$ 661,720	\$ 173,998	\$ 94,959	\$ 60,317	\$ 1,933,621	\$ 77,033	\$ 1,663	\$ 150,537
Expenditures:								
Instruction:								
Salaries	\$ 430,498	\$ 114,566	\$ 56,269	\$ 19,131				\$ 115,081
Purchased professional/educational services								
Other purchased services					\$ 1,757,967	\$ 7,342	\$ 217	
Supplies and materials	19,505		29,448	17,987			1,446	13,439
Textbooks								172
Other objects			1,522					
Total instruction	450,003	114,566	87,239	37,118	1,757,967	7,342	1,663	128,692
Support services:								
Salaries	18,231	4,623	589	1,031	32,709	1,055		2,843
Personal services-employee benefits	193,486	13,183	5,173	2,258	19,215	619		18,820
Purchased professional/technical services		25,632			123,730	68,017		
Purchased professional/educational services								
Other purchased services			1,958	19,910				67
Contracted services - transportation								
Supplies and materials		15,994						115
Total support services	211,717	59,432	7,720	23,199	175,654	69,691	-	21,845
Capital outlay:								
Facilities acquisition and construction services								
Instructional equipment								
Lease purchase principal payments								
Architectural / Engineering services								
Construction services								
Infrastructure								
Total facilities acquisition and construction services								
Total expenditures	661,720	173,998	94,959	60,317	1,933,621	77,033	1,663	150,537
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	-	-	-
Other financing sources:								
Capital lease proceeds								
Total other financing sources	-	-	-	-	-	-	-	-
Net changes in fund balance	-	-	-	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2016

	Federal Emergency Management Agency	NJ Achievement Coaches Content	NJ Nonpublic Auxiliary Services, Ch. 192			NJ Nonpublic Handicapped Services, Ch. 193			
			English as a Second Language	Transportation	Compensatory Education	Supplemental Instruction	Examination and Classification	Corrective Speech	
Revenues:									
Federal sources	\$ 16,370								
State sources		\$ 53,814	\$ 10,956	\$ 7,630	\$ 61,337	\$ 16,485	\$ 24,368	\$ 16,386	
Other sources									
Total revenues	\$ 16,370	\$ 53,814	\$ 10,956	\$ 7,630	\$ 61,337	\$ 16,485	\$ 24,368	\$ 16,386	
Expenditures:									
Instruction:									
Salaries									
Purchased professional/educational services			\$ 10,956		\$ 61,337	\$ 16,485			
Other purchased services									
Supplies and materials									
Textbooks									
Other objects									
Total instruction			10,956		61,337	16,485			
Support services:									
Salaries		\$ 40,590							
Personal services—employee benefits		3,749							
Purchased professional/technical services									
Purchased professional/educational services							\$ 24,368	\$ 16,386	
Other purchased services									
Contracted services - transportation				\$ 7,630					
Supplies and materials	\$ 16,370	9,475							
Total support services	16,370	53,814		7,630			24,368	16,386	
Capital outlay:									
Facilities acquisition and construction services									
Instructional equipment									
Lease purchase principal payments									
Architectural / Engineering services									
Construction services									
Infrastructure									
Total facilities acquisition and construction services									
Total expenditures	16,370	53,814	10,956	7,630	61,337	16,485	24,368	16,386	
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	-	-	-	
Other financing sources:									
Capital lease proceeds									
Total other financing sources	-	-	-	-	-	-	-	-	
Net changes in fund balance	-	-	-	-	-	-	-	-	
Fund balance, July 1	-	-	-	-	-	-	-	-	
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2016

	Nonpublic Textbook Aid	Nonpublic Nursing	Nonpublic Technology Services	Nonpublic Security	East Brunswick Education Fund	PTA Grants	Other Local	2012-2013 Lease Agreement Bancorp
Revenues:								
Federal sources								
State sources	\$ 23,224	\$ 35,522	\$ 10,629	\$ 10,147				
Other sources					\$ 75,879	\$ 44,144	\$ 64,540	
Total revenues	\$ 23,224	\$ 35,522	\$ 10,629	\$ 10,147	\$ 75,879	\$ 44,144	\$ 64,540	\$ -
Expenditures:								
Instruction:								
Salaries								
Purchased professional/educational services	\$ 23,224							
Other purchased services					\$ 33,773	\$ 2,100	\$ 1,706	
Supplies and materials					38,441	30,976	14,140	
Textbooks								
Other objects								
Total instruction	23,224				72,214	33,076	15,846	
Support services:								
Salaries						600	550	
Personal services-employee benefits						51		
Purchased professional/technical services								
Purchased professional/educational services		\$ 35,522	\$ 10,629					
Other purchased services								
Contracted services - transportation								
Supplies and materials				\$ 10,147		1,058	2,756	
Total support services		35,522	10,629	10,147		1,709	3,306	
Capital outlay:								
Facilities acquisition and construction services								
Instructional equipment					3,665	9,359		
Lease purchase principal payments								\$ 237
Architectural / Engineering services								
Construction services							45,388	
Infrastructure								
Total facilities acquisition and construction services					3,665	9,359	45,388	237
Total expenditures	23,224	35,522	10,629	10,147	75,879	44,144	64,540	237
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	-	-	(237)
Other financing sources:								
Capital lease proceeds								
Total other financing sources	-	-	-	-	-	-	-	-
Net changes in fund balance	-	-	-	-	-	-	-	(237)
Fund balance, July 1	-	-	-	-	-	-	-	237
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2016

	2012-2013 Lease Agreement Bank of America	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	2015-2016 Lease Agreement Lease Agreement Bancorp	Totals
Revenues:							
Federal sources							\$ 3,170,218
State sources							270,498
Other sources	\$ 66	\$ 57	\$ 72	\$ 38		\$ 308	185,104
Total revenues	<u>\$ 66</u>	<u>\$ 57</u>	<u>\$ 72</u>	<u>\$ 38</u>	<u>\$ -</u>	<u>\$ 308</u>	<u>\$ 3,625,820</u>
Expenditures:							
Instruction:							
Salaries							\$ 735,545
Purchased professional/educational services							112,002
Other purchased services							1,803,105
Supplies and materials		\$ 655,109					820,491
Textbooks							172
Other objects							1,522
Total instruction		<u>655,109</u>					<u>3,472,837</u>
Support services:							
Salaries							102,821
Personal services-employee benefits							256,554
Purchased professional/technical services							217,379
Purchased professional/educational services							86,905
Other purchased services						\$ 3,500	25,435
Contracted services - transportation							7,630
Supplies and materials		39,879			\$ 89,284	18,853	203,931
Total support services		<u>39,879</u>			<u>89,284</u>	<u>22,353</u>	<u>900,655</u>
Capital outlay:							
Facilities acquisition and construction services							
Instructional equipment		73,789		\$ 89,363		657,065	833,241
Lease purchase principal payments	\$ 1,370	398					2,005
Architectural / Engineering services					77,751		77,751
Construction services	42,521		\$ 15,312		2,934,419		3,037,640
Infrastructure		226,140					226,140
Total facilities acquisition and construction services	<u>43,891</u>	<u>300,327</u>	<u>15,312</u>	<u>89,363</u>	<u>3,012,170</u>	<u>657,065</u>	<u>4,176,777</u>
Total expenditures	<u>43,891</u>	<u>995,315</u>	<u>15,312</u>	<u>89,363</u>	<u>3,101,454</u>	<u>679,418</u>	<u>8,550,269</u>
Excess/(deficiency) of revenues over/(under) expenditures	(43,825)	(995,258)	(15,240)	(89,325)	(3,101,454)	(679,110)	(4,924,449)
Other financing sources:							
Capital lease proceeds						860,000	860,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>860,000</u>	<u>860,000</u>
Net changes in fund balance	<u>(43,825)</u>	<u>(995,258)</u>	<u>(15,240)</u>	<u>(89,325)</u>	<u>(3,101,454)</u>	<u>180,890</u>	<u>(4,064,449)</u>
Fund balance, July 1	43,825	1,001,545	19,029	124,551	5,795,279	-	6,984,466
Fund balance, June 30	<u>\$ -</u>	<u>\$ 6,287</u>	<u>\$ 3,789</u>	<u>\$ 35,226</u>	<u>\$ 2,693,825</u>	<u>\$ 180,890</u>	<u>\$ 2,920,017</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, 2016

Revenues and other financing sources	
State sources - SDA grant	\$ (105,715)
Total Revenues and other financing sources	<u>(105,715)</u>
Expenditures and other financing uses	
Other professional services	46,488
Purchased professional and technical services	36,334
Construction services	<u>4,173,768</u>
Total expenditures	<u>4,256,590</u>
(Deficiency) of revenues and other financing sources (under) expenditures and other financing uses	<u>(4,362,305)</u>
Fund Balance, July 1	<u>6,534,266</u>
Fund Balance, June 30	<u>\$ 2,171,961</u>
<u>Reconciliation of Fund Balance:</u>	
Fund Balance, budgetary basis	\$ 2,171,961
GAAP basis revenues not recognized	<u>(252,806)</u>
Fund Balance, June 30 - GAAP basis	<u>\$ 1,919,155</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, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 7,352,107	\$ (105,715)	\$ 7,246,392	\$ 7,246,392
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	2,778,107		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>33,772,462</u>	<u>(105,715)</u>	<u>33,666,747</u>	<u>33,666,747</u>
Expenditures and other financing uses				
Legal	36,966		36,966	36,966
Other professional services	2,783,524	46,488	2,830,012	2,830,012
Purchased professional and technical services	328,631	36,334	364,965	364,965
Construction services	23,727,029	4,173,768	27,900,797	27,900,797
Other objects	73,885		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>27,238,196</u>	<u>4,256,590</u>	<u>31,494,786</u>	<u>31,494,786</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 6,534,266</u>	<u>\$ (4,362,305)</u>	<u>\$ 2,171,961</u>	<u>\$ 2,171,961</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, 2016

	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>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>702,856</u>		<u>702,856</u>	<u>702,856</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 27,144</u>	<u>\$ -</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		2017		

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, 2016

	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>23,814,000</u>	<u>23,814,000</u>
Expenditures and other financing uses				
Legal	36,966		36,966	36,966
Other professional services	2,485,071		2,485,071	2,485,071
Purchased professional and technical services	235,285	\$ 2,721	238,006	238,006
Construction services	20,954,232		20,954,232	20,954,232
Other objects	38,051		38,051	38,051
Transfer to capital reserve				
Equipment purchases				
Total expenditures	<u>23,749,605</u>	<u>2,721</u>	<u>23,752,326</u>	<u>23,752,326</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 64,395</u>	<u>\$ (2,721)</u>	<u>\$ 61,674</u>	<u>\$ 61,674</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	99.74%			
Original target completion date	2012			
Revised target completion date	2017			

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, 2016

	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				
Transfer from capital outlay				
Miscellaneous				
Total Revenues	<u>241,948</u>		<u>241,948</u>	<u>241,948</u>
Expenditures and other financing uses				
Legal				
Other professional services	40,059	\$ 16,004	56,063	56,063
Purchased professional and technical services	4,532		4,532	4,532
Construction services		9,928	9,928	9,928
Other objects				
Transfer to capital reserve				
Transfers				
Total expenditures	<u>44,591</u>	<u>25,932</u>	<u>70,523</u>	<u>70,523</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 197,357</u>	<u>\$ (25,932)</u>	<u>\$ 171,425</u>	<u>\$ 171,425</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	29.15%			
Original target completion date	2015			
Revised target completion date	2017			

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, 2016

	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				
Transfer from capital outlay				
Miscellaneous				
Total Revenues	<u>145,700</u>		<u>145,700</u>	<u>145,700</u>
Expenditures and other financing uses				
Legal				
Other professional services	13,339	\$ 119	13,458	13,458
Purchased professional and technical services				
Construction services	116,409		116,409	116,409
Other objects				
Transfer to capital reserve				
Equipment purchases				
Total expenditures	<u>129,748</u>	<u>119</u>	<u>129,867</u>	<u>129,867</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 15,952</u>	<u>\$ (119)</u>	<u>\$ 15,833</u>	<u>\$ 15,833</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	89.13%			
Original target completion date	2015			
Revised target completion date	2017			

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, 2016

	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				
Transfer from capital outlay				
Miscellaneous				
Total Revenues	<u>145,699</u>		<u>145,699</u>	<u>145,699</u>
Expenditures and other financing uses				
Legal				
Other professional services	11,790		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>129,322</u>		<u>129,322</u>	<u>129,322</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 16,377</u>	<u>\$ -</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		2017		

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, 2016

	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				
Transfer from capital outlay				
Miscellaneous				
Total Revenues	<u>166,800</u>		<u>166,800</u>	<u>166,800</u>
Expenditures and other financing uses				
Legal				
Other professional services	10,673		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>150,565</u>		<u>150,565</u>	<u>150,565</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 16,235</u>	<u>\$ -</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	2017			

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, 2016

	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				
Transfer from capital outlay				
Miscellaneous				
Total Revenues	<u>149,800</u>		<u>149,800</u>	<u>149,800</u>
Expenditures and other financing uses				
Legal				
Other professional services	10,705	\$ 17	10,722	10,722
Purchased professional and technical services				
Construction services	137,197		137,197	137,197
Other objects				
Transfer to capital reserve				
Equipment purchases				
Total expenditures	<u>147,902</u>	<u>17</u>	<u>147,919</u>	<u>147,919</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,898</u>	<u>\$ (17)</u>	<u>\$ 1,881</u>	<u>\$ 1,881</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	98.74%			
Original target completion date	2015			
Revised target completion date	2017			

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, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 571,784	\$ (105,715)	\$ 466,069	\$ 466,069
Bond proceeds				
Lease purchase	857,676		857,676	857,676
Transfer from special revenue fund				
Transfer from (to) capital reserve				
Transfer from capital outlay				
Miscellaneous				
Total Revenues	<u>1,429,460</u>	<u>(105,715)</u>	<u>1,323,745</u>	<u>1,323,745</u>
Expenditures and other financing uses				
Legal				
Other professional services	98,386		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>1,165,172</u>		<u>1,165,172</u>	<u>1,165,172</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 264,288</u>	<u>\$ (105,715)</u>	<u>\$ 158,573</u>	<u>\$ 158,573</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	(105,715)			
Revised Authorized Cost	1,323,745			
Percentage Increase over Original				
Authorized Cost	-7.40%			
Percentage completion	100.00%			
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 School Security and Communications Systems Upgrade - Project No. 939

From Inception and for the year ended June 30, 2016

	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				
Transfer from capital outlay				
Miscellaneous				
Total Revenues	<u>141,580</u>		<u>141,580</u>	<u>141,580</u>
Expenditures and other financing uses				
Legal				
Other professional services	11,613		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>101,789</u>		<u>101,789</u>	<u>101,789</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 39,791</u>	<u>\$ -</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	2017			

East Brunswick Public Schools
Capital Projects Fund

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

Hammarkjold School Security and Communications Systems Upgrade - Project No. 940

From Inception and for the year ended June 30, 2016

	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				
Transfer from capital outlay				
Miscellaneous				
Total Revenues	<u>203,600</u>		<u>203,600</u>	<u>203,600</u>
Expenditures and other financing uses				
Legal				
Other professional services	13,444		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>185,732</u>		<u>185,732</u>	<u>185,732</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 17,868</u>	<u>\$ -</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	2017			

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, 2016

	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				
Transfer from capital outlay				
Miscellaneous				
Total Revenues	<u>169,800</u>		<u>169,800</u>	<u>169,800</u>
Expenditures and other financing uses				
Legal				
Other professional services	11,489		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>153,359</u>		<u>153,359</u>	<u>153,359</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 16,441</u>	<u>\$ -</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	2017			

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, 2016

	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				
Transfer from capital outlay				
Miscellaneous				
Total Revenues	<u>161,700</u>		<u>161,700</u>	<u>161,700</u>
Expenditures and other financing uses				
Legal				
Other professional services	11,624		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>145,301</u>		<u>145,301</u>	<u>145,301</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 16,399</u>	<u>\$ -</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	2017			

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, 2016

	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	<u>2,876,746</u>		<u>2,876,746</u>	<u>2,876,746</u>
Expenditures and other financing uses				
Legal				
Other professional services	34,548	\$ 14,949	49,497	49,497
Purchased professional and technical services	10,128	13,836	23,964	23,964
Construction services	76,048	1,756,274	1,832,322	1,832,322
Other objects				
Transfer to capital reserve	98,526		98,526	98,526
Equipment purchases				
Total expenditures	<u>219,250</u>	<u>1,785,059</u>	<u>2,004,309</u>	<u>2,004,309</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,657,496</u>	<u>\$ (1,785,059)</u>	<u>\$ 872,437</u>	<u>\$ 872,437</u>
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	69.67%			
Original target completion date	2016			
Revised target completion date	2017			

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, 2016

	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	<u>761,523</u>		<u>761,523</u>	<u>761,523</u>
Expenditures and other financing uses				
Legal				
Other professional services				
Purchased professional and technical services				
Construction services		\$ 755,226	755,226	755,226
Other objects				
Transfer to capital reserve				
Equipment purchases				
Total expenditures		<u>755,226</u>	<u>755,226</u>	<u>755,226</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 761,523</u>	<u>\$ (755,226)</u>	<u>\$ 6,297</u>	<u>\$ 6,297</u>
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	99.17%			
Original target completion date	2016			
Revised target completion date	2017			

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, 2016

	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	<u>174,577</u>		<u>174,577</u>	<u>174,577</u>
Expenditures and other financing uses				
Legal				
Other professional services				
Purchased professional and technical services				
Construction services		\$ 174,577	174,577	174,577
Other objects				
Transfer to capital reserve				
Equipment purchases				
Total expenditures		<u>174,577</u>	<u>174,577</u>	<u>174,577</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 174,577</u>	<u>\$ (174,577)</u>	<u>\$ -</u>	<u>\$ -</u>
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	100.00%			
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, 2016

	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	<u>2,459,529</u>		<u>2,459,529</u>	<u>2,459,529</u>
Expenditures and other financing uses				
Legal				
Other professional services	30,783	\$ 15,399	46,182	46,182
Purchased professional and technical services	10,818	19,777	30,595	30,595
Construction services	72,128	1,477,763	1,549,891	1,549,891
Other objects				
Transfer to capital reserve	99,275		99,275	99,275
Equipment purchases				
Total expenditures	<u>213,004</u>	<u>1,512,939</u>	<u>1,725,943</u>	<u>1,725,943</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,246,525</u>	<u>\$ (1,512,939)</u>	<u>\$ 733,586</u>	<u>\$ 733,586</u>
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	70.17%			
Original target completion date	2016			
Revised target completion date	2017			

East Brunswick Public Schools
Capital Projects Fund

Summary Schedule of Project Expenditures
(Budgetary Basis)

From Inception and for the year ended June 30, 2016

Issue/Project Title	District Project Number	Original Date	Revised Appropriations	Expenditures to Date		Transfers Out	Unexpended Balance
				Prior Years	Current Year	Prior Years	
Security Systems 06/07	922	N/A	\$ 730,000	\$ 702,856			\$ 27,144
Memorial Elementary School Replacement 09/10	924	1/4/2010	23,814,000	23,749,605	\$ 2,721		61,674
Browne Munro School Security 13/14	930	6/10/2014	241,948	44,591	25,932		171,425
Central School Security and Communications Systems Upgrade 13/14	931	6/10/2014	145,700	129,748	119		15,833
Chittick School Security and Communications Systems Upgrade 13/14	933	6/10/2014	145,699	129,322			16,377
Churchill School Security And Communications Systems Upgrades 13/14	934	6/10/2014	166,800	150,565			16,235
East Brunswick High School Security and Communications Systems Upgrades 13/14	936	6/10/2014	149,800	147,902	17		1,881
Frost Elementary School Roof Replacement 13/14	938	6/10/2014	1,323,745	1,165,172			158,573
Frost School Security and Communications Systems Upgrades 13/14	939	6/10/2014	141,580	101,789			39,791
Hammarskjold School Security Systems Upgrades 13/14	940	6/10/2014	203,600	185,732			17,868
Lawrence Brook School Security and Communications Systems Upgrades 13/14	942	6/10/2014	169,800	153,359			16,441
Warnsdorfer School Security Communications Systems Upgrades 13/14	943	6/10/2014	161,700	145,301			16,399
Chittick Elementary School HVAC and Electrical Upgrades 14/15	932	10/23/2014	2,876,746	120,724	1,785,059	\$ 98,526	872,437
East Brunswick High School Gymnasium HVAC Upgrades 14/15	935	10/23/2014	761,523		755,226		6,297
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	1,512,939	99,275	733,586
Grand Total			\$ 33,666,747	\$ 27,040,395	\$ 4,256,590	\$ 197,801	\$ 2,171,961

Fiduciary Funds

East Brunswick Public Schools
Trust and Agency Funds

Combining Statement of Fiduciary Net Position

June 30, 2016

	Agency			
	Unemployment Compensation Trust Fund	Student Activity	Payroll	Total Agency
Assets				
Cash and cash equivalents	\$ 765,084	\$ 494,381	\$ 610,492	\$ 1,104,873
Total assets	765,084	\$ 494,381	\$ 610,492	\$ 1,104,873
Liabilities				
Accounts payable	7,042			
Payroll deductions payable			\$ 610,492	\$ 610,492
Due to student groups		\$ 494,381		494,381
Total liabilities	7,042	\$ 494,381	\$ 610,492	\$ 1,104,873
Net Position				
Held in trust for unemployment claims	758,042			
Total net position	\$ 758,042			

East Brunswick Public Schools
Student Activity Agency Fund

Statement of Changes in Assets and Liabilities

Year ended June 30, 2016

	Balance July 1, 2015	Cash Receipts	Cash Disbursements	Balance June 30, 2016
Elementary Schools:				
Bowne-Munro	\$ 4,967	\$ 7,450	\$ 8,284	\$ 4,133
Central	10,039	8,637	11,750	6,926
Irwin	125	12,580	12,691	14
Lawrence Brook	3,518	12,827	13,919	2,426
Memorial	2,997	14,858	15,262	2,593
Murray A. Chittick	11,420	6,120	5,379	12,161
Robert Frost	5,893	11,173	11,848	5,218
Warnsdorfer	20,703	20,561	23,132	18,132
Total elementary schools	<u>59,662</u>	<u>94,206</u>	<u>102,265</u>	<u>51,603</u>
Middle Schools:				
Churchill	119,284	63,884	86,989	96,179
Hammarskjold	56,725	71,448	102,544	25,629
Total middle schools	<u>176,009</u>	<u>135,332</u>	<u>189,533</u>	<u>121,808</u>
High Schools:				
East Brunswick High School	374,152	549,342	602,524	320,970
E.B.H.S. Athletic Fund	-	97,351	97,351	-
Total high schools	<u>374,152</u>	<u>646,693</u>	<u>699,875</u>	<u>320,970</u>
Total all schools	<u>\$ 609,823</u>	<u>\$ 876,231</u>	<u>\$ 991,673</u>	<u>\$ 494,381</u>

East Brunswick Public Schools
Payroll Agency Fund

Statement of Changes in Assets and Liabilities

Year ended June 30, 2016

	Balance July 1, 2015	Cash Receipts	Cash Disbursements	Balance June 30, 2016
Assets				
Cash and equivalents	\$ 598,098	\$ 95,295,242	\$ 95,282,848	\$ 610,492
Total assets	<u>\$ 598,098</u>	<u>\$ 95,295,242</u>	<u>\$ 95,282,848</u>	<u>\$ 610,492</u>
Liabilities				
Payroll deductions and withholdings	\$ 598,098	\$ 95,295,242	\$ 95,282,848	\$ 610,492
Total liabilities	<u>\$ 598,098</u>	<u>\$ 95,295,242</u>	<u>\$ 95,282,848</u>	<u>\$ 610,492</u>

Long-Term Debt

East Brunswick Public Schools
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2016

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2015	Retired	Balance June 30, 2016
			Date	Amount				
School Bonds	3/8/2005	\$ 81,386,000				\$ 2,540,000	\$ 2,540,000	
School Refunding Bonds	3/15/2007	10,825,000	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%	7,175,000	905,000	\$ 6,270,000
School Bonds	5/12/2010	13,960,000	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%	13,460,000	295,000	13,165,000			
2012 Refunding of 2005 School Bonds	11/20/2012	60,560,000	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%	60,290,000	140,000	60,150,000			
						<u>\$ 83,465,000</u>	<u>\$ 3,880,000</u>	<u>\$ 79,585,000</u>

East Brunswick Public Schools
Long-Term Debt

Schedule of Lease Purchase Obligations Payable

Year ended June 30, 2016

	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2015</u>	<u>Current Retired</u>	<u>Balance June 30, 2016</u>
Capital Improvement Projects:					
Construction of Various Schools					
Lease with East Brunswick Township	4.360%	\$ 9,000,000	\$ 1,300,363	\$ 636,312	\$ 664,051
Additions and Renovations to High School - Lease with East Brunswick Township					
	4.230%	14,320,000	3,985,025	881,231	3,103,794
Capital Improvement Projects - Lease with East Brunswick Township					
	0.5780%	5,800,000	5,800,000		5,800,000
			<u>\$ 11,085,388</u>	<u>\$ 1,517,543</u>	<u>\$ 9,567,845</u>

East Brunswick Public Schools
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local sources:					
Local tax levy	\$ 8,406,666		\$ 8,406,666	\$ 8,406,666	
Miscellaneous				9,656	\$ 9,656
State sources:					
Debt service aid type II	<u>419,959</u>		<u>419,959</u>	<u>419,959</u>	
Total revenues	<u>8,826,625</u>		<u>8,826,625</u>	<u>8,836,281</u>	<u>9,656</u>
Expenditures:					
Principal	5,397,543		5,397,543	5,397,543	
Interest	<u>3,429,086</u>		<u>3,429,086</u>	<u>3,429,082</u>	4
Total expenditures	<u>8,826,629</u>		<u>8,826,629</u>	<u>8,826,625</u>	<u>4</u>
(Deficiency) / excess of revenues (under) / over expenditures	<u>(4)</u>		<u>(4)</u>	<u>9,656</u>	<u>9,660</u>
Net change in fund balances	(4)		(4)	9,656	9,660
Fund balance, July 1	<u>7</u>		<u>7</u>	<u>7</u>	
Fund balance, June 30	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 9,663</u>	<u>\$ 9,660</u>

East Brunswick Public Schools
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year Ended June 30, 2016

<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, 2015</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance June 30, 2016</u>
2011-12 KSB Equipment Lease - Buses	8/1/2011	5 Years	\$ 120,500	3.725 %	\$ 24,429		\$ 24,429	
2012-13 US Bancorp Government Lease - Various Equipment	7/18/2012	5 Years	481,500	1.139	193,443		96,087	\$ 97,356
2012-13 Bank of America Lease - Various Construction	6/19/2013	5 Years	4,225,000	1.230	2,539,597		836,205	1,703,392
2013-2014 First Hope Bank Lease	1/28/2014	5 Years	89,513	2.243	51,571		16,811	34,760
2013-2014 JPMorgan Chase Bank Lease	6/25/2014	2 Years	2,000,000	0.780	997,194		997,194	
2014-2015 TD Equipment Lease	7/15/2014	5 Years	7,200,000	1.514	7,200,000		1,397,046	5,802,954
2014-2015 Bank of America Lease	2/26/2015	42 Months	650,000	1.212	512,149		128,188	383,961
2015-16 US Bancorp Government Lease - Various Equipment	8/1/2015	5 Years	860,000	1.671		\$ 860,000		860,000
					<u>\$ 11,518,383</u>	<u>\$ 860,000</u>	<u>\$ 3,495,960</u>	<u>\$ 8,882,423</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,									
	2007	2008	2009	2010	2011	2012	2013 Restated	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$ 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	\$ 130,190,096
Restricted	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	17,502,827
Unrestricted (deficit)	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)	(38,447,639)
Total governmental activities net position	\$ 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	\$ 109,245,284
Business-type activities										
Net investment in capital assets	\$ 159,695	\$ 164,119	\$ 210,710	\$ 206,220	\$ 285,615	\$ 247,811	\$ 201,309	\$ 170,296	\$ 186,262	\$ 440,722
Unrestricted (deficit)	421,655	413,764	501,154	340,556	270,875	470,686	1,043,379	1,822,788	2,199,707	2,266,401
Total business-type activities net position	\$ 581,350	\$ 577,883	\$ 711,864	\$ 546,776	\$ 556,490	\$ 718,497	\$ 1,244,688	\$ 1,993,084	\$ 2,385,969	\$ 2,707,123
Government-wide										
Net investment in capital assets	\$ 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	\$ 130,630,818
Restricted	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	17,502,827
Unrestricted (deficit)	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)	(36,181,238)
Total district net position	\$ 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	\$ 111,952,407

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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 72,875,349
Special Education	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	23,574,092
Other Special Education	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	6,123,010
Support services:										
Tuition	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	2,423,489
Student & Instruction Related Services	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	28,307,168
School Administrative Services	5,934,646	6,697,842	6,937,981	7,028,984	6,818,701	7,158,663	7,071,530	6,916,828	7,732,508	8,390,585
General and Business Administrative Services	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	8,653,111
Plant Operations and Maintenance	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	15,438,680
Pupil Transportation	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	8,370,455
Special Schools	283,477	272,254	32,257	113,131	94,766					
Charter Schools	19,062	8,953	9,984	20,691	721,423	1,146,507	1,215,974	1,721,288	2,056,054	2,253,355
Interest and other charges	5,210,927	4,788,458	4,738,656	4,336,393	4,680,945	4,492,514	4,014,883	4,183,089	3,832,985	3,580,983
Total governmental activities	<u>135,275,644</u>	<u>145,912,038</u>	<u>145,094,301</u>	<u>143,776,415</u>	<u>140,229,411</u>	<u>141,912,168</u>	<u>147,771,566</u>	<u>151,634,621</u>	<u>168,592,727</u>	<u>179,970,277</u>
Business-type activities:										
Food service	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	2,680,889
ETTC Program	325,113	300,013	307,824	289,885	295,590	245,245				
Community Programs	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	2,447,648
Total business-type activities expense	<u>3,638,199</u>	<u>3,818,292</u>	<u>4,508,279</u>	<u>4,155,159</u>	<u>4,563,699</u>	<u>4,514,976</u>	<u>4,478,921</u>	<u>4,422,387</u>	<u>4,918,213</u>	<u>5,128,537</u>
Total district expenses	<u>138,913,843</u>	<u>149,730,330</u>	<u>149,602,580</u>	<u>147,931,574</u>	<u>144,793,110</u>	<u>146,427,144</u>	<u>152,250,487</u>	<u>156,057,008</u>	<u>173,510,940</u>	<u>185,098,814</u>
Program Revenues										
Governmental activities:										
Charges for services										
Instruction	43,640	52,600	34,904	78,449	162,291	311,056	346,709	306,837	358,579	475,978
Operating grants and contributions	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	3,610,352
Capital grants and contributions										1,676,240
Total governmental activities program revenues	<u>2,672,089</u>	<u>2,210,808</u>	<u>244,253</u>	<u>2,303,287</u>	<u>6,557,408</u>	<u>3,703,359</u>	<u>3,908,021</u>	<u>3,122,327</u>	<u>3,626,550</u>	<u>5,762,570</u>
Business-type activities:										
Charges for services										
Food service	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	1,981,236
ETTC Program	242,971	249,794	245,649	274,573	420,712	284,852				
Community Programs	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	3,109,991
Operating grants and contributions	399,552	449,521	497,605	580,391	579,205	649,303	732,776	784,488	793,844	857,304
Total business-type activities program revenues	<u>3,285,924</u>	<u>3,344,260</u>	<u>4,435,708</u>	<u>4,388,247</u>	<u>4,972,257</u>	<u>4,971,241</u>	<u>5,071,808</u>	<u>5,369,828</u>	<u>5,710,036</u>	<u>5,948,531</u>
Total district program revenues	<u>5,958,012</u>	<u>5,555,068</u>	<u>4,679,961</u>	<u>6,691,534</u>	<u>11,529,665</u>	<u>8,674,600</u>	<u>8,979,829</u>	<u>8,492,155</u>	<u>9,336,586</u>	<u>11,711,101</u>
Net (Expense) / Revenue										
Governmental activities	(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)	(174,207,707)
Business-type activities	(352,276)	(474,032)	(72,571)	233,088	408,558	456,265	592,887	947,441	791,823	819,994
Total government-wide net expense	<u>\$ (132,955,831)</u>	<u>\$ (144,175,262)</u>	<u>\$ (144,922,619)</u>	<u>\$ (141,240,040)</u>	<u>\$ (133,263,445)</u>	<u>\$ (137,752,544)</u>	<u>\$ (143,270,658)</u>	<u>\$ (147,564,853)</u>	<u>\$ (164,174,354)</u>	<u>\$ (173,387,713)</u>

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

(accrual basis of accounting)
Unaudited

	Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 119,532,427
Taxes levied for debt service	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	8,406,666
Grants and contributions	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	51,579,165
Investment earnings	3,364,699	855,104	432,502	113,024	32,816		20,548	14,985	13,327	17,394
Miscellaneous income	1,138,677	1,154,218	(994,489)	903,614	1,744,262	5,570,134	647,814	479,648	588,893	638,028
Transfers	(359,541)	(448,230)	(339,748)	400,000	424,553	(14,964)	100,000	200,000	400,000	500,000
Total governmental activities	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	180,673,680
Business-type activities:										
Investment earnings	20,077	22,335	13,128	1,824	1,156	876	875	955	1,062	1,160
Miscellaneous						(27,353)	64,634			
Transfers	359,541	448,230	193,423	(400,000)	(400,000)	(267,781)	(100,000)	(200,000)	(400,000)	(500,000)
Total business-type activities	379,618	470,565	206,552	(398,176)	(398,844)	(294,258)	(34,491)	(199,045)	(398,938)	(498,840)
Total government-wide	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	180,174,840
Change in Net Position										
Governmental activities	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	6,465,973
Business-type activities	27,343	(3,467)	133,981	(165,088)	9,714	162,007	558,396	748,396	392,885	321,154
Total district	\$ 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	\$ 6,787,127

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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 7,938,692	\$ 11,439,853	\$ 9,818,204	\$ 7,906,176						
Unreserved	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	\$ 15,583,672
Assigned to					2,424,836	7,445,100	2,323,488	5,486,090	5,658,436	2,337,847
Unassigned					1,780,284	1,499,532	1,439,161	1,345,345	1,280,719	1,453,597
Total general fund	<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>	<u>\$ 19,375,116</u>
All Other Governmental Funds										
Reserved	\$ 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	1,543,233	725,059	157,502	46,841						
Restricted for:					\$ 16,639,816	\$ 6,275,902	\$ 1,525,699	\$ 2,329,198	\$ 4,499,505	\$ 1,919,155
Capital projects fund										
Debt service fund					108,444	95,024	296,665	289,419	7	9,663
Assigned to:										
Special revenue fund					338,644	91,220	4,875,751	3,871,997	6,984,466	2,920,017
Total all other governmental funds	<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>	<u>\$ 4,848,835</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

	Year ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax Levy	\$ 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	\$ 127,939,093
Tuition Charges	43,640	52,600	34,904	78,449	162,291	311,056	346,709	306,837	358,579	475,978
Miscellaneous	4,503,375	4,500,757	2,165,724	2,580,085	3,595,241	601,337	914,856	694,541	818,651	843,337
State Sources	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	36,100,049
Federal Sources	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	3,275,464
Total revenue	145,238,812	153,866,016	149,532,919	153,437,431	147,601,400	148,822,073	155,009,195	155,296,356	161,105,560	168,633,921
Expenditures										
Instruction										
Regular Instruction	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	43,161,359
Special Education Instruction	9,277,018	9,410,531	9,840,464	9,630,116	9,628,331	9,695,591	11,729,002	12,641,912	13,625,208	14,241,889
Other Instruction	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	3,579,677
Support Services:										
Tuition	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	2,423,489
Student and Instruction Related Services	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	17,647,875
School Administration Services	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	4,869,160
Business Administration Services	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	5,717,736
Plant Operations and maintenance	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	11,541,729
Pupil transportation	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	7,066,950
Employee Benefits	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	38,216,421
Special Schools	210,891	202,857	24,330	84,431	70,417					
Charter Schools	19,062	8,953	9,984	20,691	721,423	1,146,507	1,215,974	1,721,288	2,056,054	2,253,355
Capital Outlay	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	15,196,326
Debt Service:										
Principal	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	8,893,503
Interest and other charges	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	3,584,654
Total expenditures	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	178,394,123
Excess (Deficiency) of revenues over (under) expenditures	(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)	(9,760,202)
Other Financing sources (uses)										
Capital leases							6,106,500	2,089,513	7,850,000	860,000
Bond proceeds				13,960,000						
Cancellation of prior year's receivables		(37,282)	(943,379)							
Lease purchase proceeds	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)					
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	1,357,000	69,055	598,998	3,787,416	438,200	272,730	100,000	2,728,534	3,771,596	500,000
Transfers Out	(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)	2,710,959	2,014,488	811,071	16,972,935	347,813	5,700,703	6,569,061	2,289,513	14,050,000	1,360,000
Net change in fund balances	\$ (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	\$ (8,400,202)
Debt service as a percentage of noncapital expenditures	6.69%	6.41%	6.63%	5.81%	6.38%	6.21%	5.96%	6.96%	6.87%	7.65%

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
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
2016	17,394	475,978	113,618	514,754	1,121,744

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
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
2016	13,442,700	1,489,679,700	2,568,400	286,964,750	83,421,100	19,733,100	1,895,809,750	2,077,187	1,897,886,937	6.80	26.22	7,230,395,690

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	
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
2016	6.362	0.439	6.801	2.139	1.358	0.020	0.113	10.431

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	2016			2007		
	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%	\$ 30,852,400	1	1.53%
Mid State Mall	15,460,000	2	0.81%	19,647,600	4	0.97%
Tower II	14,375,000	3	0.76%	20,700,000	3	1.03%
Tower I	13,039,400	4	0.69%	21,694,400	2	1.08%
East Brunswick VF, LLC	9,500,000	5	0.50%	9,630,000	6	0.48%
L.P.E. Partners	9,038,400	6	0.48%	9,038,400	7	0.45%
Wyndmoor Apartments	7,769,400	7	0.41%	9,000,000	8	0.45%
East Coast Cranbury	6,000,000	8	0.32%			
Toll JM EB, LLC	5,977,600	9	0.31%	8,093,000	9	0.40%
Belmont Associates (K Mart)	5,880,600	10	0.31%			
CVEB				8,055,600	10	0.40%
Tower Center Hotel				13,500,000	5	0.67%
Total	\$ 125,146,400		6.59%	\$ 150,211,400		7.45%

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	
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%	
2016	119,532,427	119,532,427	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	Unamortized Premium on Bonds	Capital Leases	Lease Purchase Obligations				
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	*	2,170	
2013	90,085,000	5,647,165	5,726,746	8,135,882	109,594,793	*	2,274	
2014	86,775,000	5,369,436	5,845,897	6,740,545	104,730,878	*	2,161	
2015	83,465,000	5,091,707	11,518,383	11,085,388	111,160,478	*	2,280	
2016	79,585,000	4,813,978	8,882,423	9,567,845	102,849,246	*	2,100	

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	Unamortized Premium on Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2007	\$ 91,306,000	\$ -	\$ 1,543,233	\$ 89,762,767	4.45%	\$ 1,911
2008	88,766,000	-	725,059	88,040,941	4.36%	1,877
2009	86,226,000	-	157,502	86,068,498	4.26%	1,829
2010	97,646,000	-	46,841	97,599,159	4.85%	2,064
2011	94,636,000	-	108,444	94,527,556	4.82%	1,988
2012	91,626,000	-	95,024	91,530,976	4.74%	1,914
2013	90,085,000	5,647,165	296,665	95,435,500	5.02%	1,980
2014	86,775,000	5,369,436	289,419	91,855,017	4.86%	1,896
2015	83,465,000	5,091,707	7	88,556,700	4.68%	1,817
2016	79,585,000	4,813,978	9,663	84,389,315	4.45%	1,723

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, 2016

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 12/31/15)	\$ 92,484,144	100.000%	\$ 92,484,144
Other debt			
Middlesex County as of 12/31/15	530,689,269	7.330%	38,899,523
Middlesex County Utility Authority as of 2/23/16	154,687,000	4.111%	<u>6,359,084</u>
Subtotal, overlapping debt			137,742,751
East Brunswick Public Schools Direct Debt			<u>102,849,246</u>
Total direct and overlapping debt			<u><u>\$ 240,591,997</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 2016

Equalized valuation basis	
2016	\$ 7,230,395,690
2015	7,106,484,234
2014	<u>7,218,076,747</u>
[A]	<u>\$ 21,554,956,671</u>
Average equalized valuation of taxable property	[A/3] \$ 7,184,985,557
Debt limit (4 % of average equalization value)	\$ 287,399,422
Net bonded school debt	[C] 84,389,315
Legal debt margin	[B-C] <u>\$ 203,010,107</u>

	June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 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	\$ 287,399,422
Total net debt applicable to limit	<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>95,435,500</u>	<u>91,855,017</u>	<u>88,556,700</u>	<u>84,389,315</u>
Legal debt margin	<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>\$ 210,653,507</u>	<u>\$ 200,698,048</u>	<u>\$ 198,460,617</u>	<u>\$ 203,010,107</u>
Total net debt applicable to the limit as a percentage of debt limit	32.22%	29.12%	26.95%	29.87%	29.00%	28.79%	31.18%	31.40%	30.85%	29.36%

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

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

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

Unaudited

Year	Population **	Personal Income (thousands of dollars)	Per Capita Personal Income **	Unemployment Rate
2007	46,969	-	\$ 46,519	3.1%
2008	46,894	-	48,248	4.1%
2009	47,055	-	45,829	7.6%
2010	47,280	-	46,572	7.1%
2011	47,553	-	48,883	7.2%
2012	47,815	-	50,261	7.4%
2013	48,202	-	50,267	6.4%
2014	48,459	-	52,486	5.0%
2015	48,749		*	4.2%
2016	48,976		*	*

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	2016 *			2007*		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Robert Wood Johnson University Hospital	5,000 - 5,249	1	0.00%	2,750 - 2,999	8	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	2	0.00%
Silverline Building Products	2,250 - 2,299	7	0.00%	2,750 - 2,999	3	0.00%
Johnson & Johnson	2,000 - 2,249	8	0.00%	2,750 - 2,999	4	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	5	0.00%
Merrill Lynch & Company				2,750 - 2,999	6	0.00%
Prudential Insurance Company				2,750 - 2,999	7	0.00%

Source: Middlesex County Department of Economic Development

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

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

Unaudited

<u>Function/Program</u>	<u>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>	<u>2016</u>
Instruction										
Regular	571.7	605.5	615.0	612.3	529.7	503.7	500.2	504.7	510.2	516.2
Special education	209.0	228.5	220.0	224.0	206.5	206.5	216.5	224.5	230.5	238.5
Support Services:										
Student & instruction related services	232.7	240.9	234.5	201.4	201.2	198.2	199.7	204.2	205.7	206.7
General administrative services	8.0	8.9	8.9	8.9	7.9	7.9	7.9	7.9	7.9	7.9
School administrative services	60.9	67.5	67.5	65.6	60.6	60.6	60.6	60.6	60.6	60.6
Business administrative services	23.5	27.5	27.9	27.9	22.9	22.9	22.9	22.9	22.9	23.9
Information Technology	15.0	17.0	19.0	21.0	18.0	18.0	19.0	19.0	19.0	19.0
Plant operations and maintenance	152.8	166.9	168.7	169.8	152.8	152.8	157.8	157.8	157.8	157.8
Pupil transportation	16.0	28.6	33.6	38.2	37.3	37.3	37.3	37.3	37.3	37.3
Food Service	42.4	44.5	45.5	37.5	36.4	38.6	36.4	42.0	37.8	40.1
Adult and Community Programs	4.0	4.0	4.0	4.5	5.2	5.1	6.6	5.5	6.2	6.2
ETTC	2.5	2.5	2.5	2.0	2.0	2.0	-	-	-	-
Total	<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>	<u>1,314.2</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				
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	10.0	11.0	12.0	8,212.62	7,859.09	-0.97%	95.70%
2014	8,439	141,137,595	16,724	0.05%	661.5	12.1	11.0	12.0	13.0	8,270.77	7,926.72	0.71%	95.84%
2015	8,399	144,149,371	17,163	2.62%	690	11.8	11.0	12.0	13.0	8,261.29	7,904.34	-0.11%	95.68%
2016	8,259	150,719,640	18,249	6.33%	717	*	*	*	*	8,107.92	7,769.14	-1.86%	95.82%

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

	2007	2008	2009	2010	2011	2012	2013	2014 *	2015	2016
District Building										
Elementary										
Bowne-Munro (1952)										
Square Feet	32,015	32,015	32,015	32,015	32,015	32,015	32,015	32,738	32,738	32,738
Capacity (students)	242	242	242	242	242	242	242	270	270	270
Enrollment	295	312	297	286	256	238	237	213	215	205
Central (1949)										
Square Feet	73,266	73,266	73,266	73,266	73,266	73,266	73,266	78,283	78,283	78,283
Capacity (students)	552	552	552	552	552	552	552	532	532	532
Enrollment	429	444	443	449	428	424	407	426	438	418
Chittick (1969)										
Square Feet	49,127	49,127	49,127	49,127	49,127	49,127	49,127	52,241	52,241	52,241
Capacity (students)	383	383	383	383	383	383	383	550	550	550
Enrollment	603	501	495	489	494	515	462	453	417	397
Frost (1965)										
Square Feet	49,971	49,971	49,971	49,971	49,971	49,971	49,971	52,230	52,230	52,230
Capacity (students)	438	438	438	438	438	438	438	455	455	455
Enrollment	538	479	504	502	491	457	429	423	427	442
Irwin (1957)										
Square Feet	43,033	43,033	43,033	43,033	43,033	43,033	43,033	43,279	43,279	43,279
Capacity (students)	376	376	376	376	376	376	376	478	478	478
Enrollment	517	424	441	436	409	417	459	459	468	464
Lawrence Brook (1959)										
Square Feet	67,267	67,267	67,267	67,267	67,267	67,267	67,267	77,218	77,218	77,218
Capacity (students)	532	532	532	532	532	532	532	520	520	520
Enrollment	447	521	572	547	524	513	432	426	405	406
Memorial (2012)										
Square Feet	30,759	30,759	30,759	30,759	30,759	30,759	78,000	82,821	82,821	82,821
Capacity (students)	446	446	446	446	446	446	650	565	565	565
Enrollment	384	389	377	356	348	337	489	499	507	494
Warnsdorfer (1968)										
Square Feet	49,971	49,971	49,971	49,971	49,971	49,971	49,971	55,708	55,708	55,708
Capacity (students)	479	479	479	479	479	479	479	488	488	488
Enrollment	551	531	500	462	461	429	415	443	476	472
Total Elementary Schools										
Square Feet	395,409	395,409	395,409	395,409	395,409	395,409	442,650	474,518	474,518	474,518
Capacity (students)	3,448	3,448	3,448	3,448	3,448	3,448	3,652	3,858	3,858	3,858
Enrollment	3,764	3,601	3,629	3,527	3,411	3,330	3,330	3,342	3,353	3,298

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

Unaudited

	<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>	<u>2016</u>
<u>Middle School</u>										
Hammarskjold (2009)										
Square Feet	116,862	116,862	254,580	254,580	254,580	254,580	254,580	271,520	271,520	271,520
Capacity (students)	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,518	1,518	1,518
Enrollment	1,409	1,414	1,441	1,452	1,388	1,298	1,323	1,357	1,311	1,294
<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	260,332	260,332	260,332
Capacity (students)	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,432	1,432	1,432
Enrollment	1,534	1,506	1,461	1,466	1,469	1,462	1,415	1,315	1,372	1,374
<u>High School</u>										
East Brunswick High (1958)										
Square Feet	257,727	257,727	257,727	257,727	257,727	257,727	257,727	360,422	360,422	360,422
Capacity (students)	1,582	1,582	1,582	1,582	1,582	1,582	1,582	2,724	2,724	2,724
Enrollment	2,254	2,176	2,284	2,310	2,234	2,208	2,186	2,225	2,165	2,101
<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, 2016

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

Source: District records, ASSA, LRFP

* 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	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
East Brunswick High School	\$ 459,471	\$ 415,952	\$ 418,330	\$ 350,196	\$ 363,539	\$ 357,072	\$ 410,530	\$ 714,920	\$ 533,832	\$ 568,212
Churchill Junior High School	329,563	300,543	302,159	287,404	295,625	273,595	302,575	535,537	426,848	494,977
Hammarkjold School	348,852	313,353	315,145	339,632	351,406	323,944	343,687	72,810	242,166	230,222
Bowne-Munro School	41,444	37,782	37,998	42,023	42,089	40,757	47,494	95,882	66,159	61,425
Central School	100,193	90,344	90,861	96,169	97,621	93,848	104,944	20,954	153,963	80,487
Irwin School	54,788	49,947	50,232	56,485	57,479	57,905	77,816	122,496	87,549	82,598
Lawrence Brook School	97,753	89,115	89,625	88,295	90,433	84,485	93,577	19,238	139,809	75,300
Memorial School	105,652	95,581	96,128	105,383	43,033	39,151	42,919	88,410	67,486	59,367
Chittick School	66,134	60,290	60,634	64,484	67,793	65,862	67,929	105,673	106,422	95,834
Frost School	66,120	60,277	60,622	65,592	65,695	62,304	69,193	122,373	102,292	105,829
Warnsdorfer School	70,523	64,291	64,659	65,592	65,695	62,304	70,227	106,286	103,639	95,898
Total School Facilities	1,740,493	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
Other Facilities	37,976	34,622	34,819	39,378	39,440	37,051	39,686	44,732	60,340	65,349
Grand Total	\$ 1,778,469	\$ 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

Source: M1

East Brunswick Public Schools
Insurance Schedule
For the Fiscal Year Ended June 30, 2016

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>MULTI-PERIL PACKAGE POLICY</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG		
POLICY NO. P-135G		
ANNUAL PREMIUM: \$589,606		
<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 / NJSIG		
POLICY NO. E-135G		
ANNUAL PREMIUM: \$214,128		
Wrongful Acts Liability - Each Occurrence	11,000,000	15,000
Annual Aggregate	11,000,000	
<u>CATASTROPHIC POLICY</u>		
FIREMAN'S FUND		
POLICY NO. SHX0005798702		
ANNUAL PREMIUM: \$41,826		
Limit of Insurance (Group Aggregate)	50,000,000	
<u>PROPERTY INSURANCE</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG		
POLICY NO. P135G		
ANNUAL PREMIUM: Included		
Blanket Building - Contents Coverage	436,384,228	10,000
Extra Expense	50,000,000	10,000
Flood & Earthquake	75,000,000	10,000
EDP	2,100,000	1,000
Energy Systems - Property Damage	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, 2016

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>AUTOMOBILE POLICY AND GARAGE KEEPERS</u>		
INCLUDED IN MULTI-PERIL PACKAGE POLICY BY EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG		
Bodily Injury and Property Damage	\$ 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: \$8,630		
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-135G ESTIMATED DEPOSIT PREMIUM: \$548,486		
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. 64775774 ANNUAL PREMIUM: \$27,405		
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, 2016

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>STUDENT ACCIDENT INSURANCE</u>		
BOLLINGER POLICY NO. P836 ANNUAL PREMIUM: \$78,351	\$ 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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 22, 2016.

Internal Control Over Financial Reporting

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

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

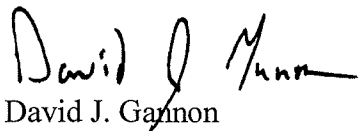
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free 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

November 22, 2016
Livingston, New Jersey

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

Independent Auditors' Report

Honorable President and Members
of the Board of Education
East Brunswick Public Schools
East Brunswick, New Jersey
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 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, 2016. 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its 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 our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance 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 of 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, 2016.

Report on Internal Control Over Compliance

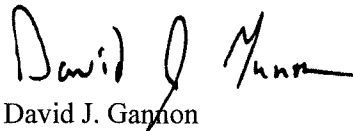
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the 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 the Uniform Guidance 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 the Uniform Guidance 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

November 22, 2016
Livingston, New Jersey

East Brunswick Public Schools

Schedule of Expenditures of Federal Awards

Year ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Award Identification Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2015	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2016			
					From	To							(Accounts Receivable)	Unearned Revenue	Due to Grantor	
General Fund:																
U.S. Department of Health and Human Services																
–Passed-Through State Department of Education																
Medicaid Aid	93.778	1605NJ5MAP	N/A	\$ 116,469	7/1/2015	6/30/2016			\$ 78,403	\$ (116,469)			\$ (38,066)			
Medicaid Aid	93.778	1605NJ5MAP	N/A	112,500	7/1/2014	6/30/2015	\$ (19,607)		19,607							
Total General Fund							(19,607)		98,010	(116,469)			(38,066)			
U.S. Department of Education–Passed-Through State Department of Education																
No Child Left Behind (NCLB):																
Title I, Part A - 15/16	84.010A	S010A150030	N/A	705,879	7/1/2015	6/30/2016			516,350	(661,720)			(145,370)			
Title I, Part A - 14/15	84.010A	S010A150030	N/A	527,625	7/1/2014	6/30/2015	(110,969)		110,969							
Title II, Part A - 15/16	84.367A	S367A150029	N/A	289,440	7/1/2015	6/30/2016			50,772	(173,998)			(123,226)			
Title II, Part A - 14/15	84.367A	S367A150029	N/A	151,587	7/1/2014	6/30/2015	(53,650)		53,650							
Title III - 15/16	84.365A	S365A150030	N/A	100,423	7/1/2015	6/30/2016			69,335	(94,959)			(25,624)			
Title III - 14/15	84.365A	S365A150030	N/A	59,609	7/1/2014	6/30/2015	(4,578)		4,578							
Title III Immigrant - 15/16	84.365	S365A150030	N/A	90,257	7/1/2015	6/30/2016			39,661	(60,317)			(20,656)			
Title III Immigrant - 14/15	84.365	S365A150030	N/A	67,591	7/1/2014	6/30/2015	(31,960)		31,960							
IDEA Part B, Basic Regular 15/16	84.027A	S027A150100	N/A	1,937,665	7/1/2015	6/30/2016			1,640,184	(1,933,621)			(293,437)			
IDEA Part B, Basic Regular 14/15	84.027A	S027A150100	N/A	1,863,786	7/1/2014	6/30/2015	(467,302)		467,302							
IDEA Preschool - 15/16	84.173	S173A150114	N/A	62,425	7/1/2015	6/30/2016			28,395	(77,033)			(48,638)			
IDEA Preschool - 14/15	84.173	S173A150114	N/A	61,510	7/1/2014	6/30/2015	(34,579)		34,579							
IDEA Inclusive Schools Climate - 15/16	84.027A	S027A150100	N/A	2,500	7/1/2015	6/30/2016				(1,663)			(1,663)			
IDEA Inclusive Schools Climate - 14/15	84.027A	S027A150100	N/A	2,220	7/1/2014	6/30/2015	(1,578)		1,578							
Adult Basic Education	84.002A	N/A	N/A	169,680	7/1/2015	6/30/2016			59,894	(150,537)			(90,643)			
Adult Basic Education	84.002A	N/A	N/A	150,490	7/1/2014	6/30/2015	(54,978)		54,978							
U.S. Department of Homeland Security																
Passed-through State Department of Education																
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	N/A	171,918	10/28/2012	6/30/2016			16,370	(16,370)						
Total Special Revenue Fund and U.S. Department of Education - Passed-Through State Department of Education							(759,594)	-	3,180,555	(3,170,218)	-	-	(749,257)	-		

Schedule of Expenditures of Federal Awards

Year ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Award Identification Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June at June 30, 2015	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2016				
					From	To							(Accounts Receivable)	Unearned Revenue	Due to Grantor		
U.S. Department of Agriculture--Passed-Through State Department of Education																	
Enterprise Fund:																	
National School Lunch Program	10.555	16161NJ304N1099	N/A	\$ 625,248	7/1/2015	6/30/2016			\$ 517,772	\$ (625,248)			\$ (107,476)				
National School Lunch Program	10.555	16161NJ304N1099	N/A	589,050	7/1/2014	6/30/2015	\$ (108,081)		108,081								
National School Breakfast Program	10.553	16161NJ304N1099	N/A	42,360	7/1/2015	6/30/2016			39,585	(42,360)			(2,775)				
National School Breakfast Program	10.553	16161NJ304N1099	N/A	31,925	7/1/2014	6/30/2015	(7,853)		7,853								
Food Donation Program (NC)	10.555	16161NJ304N1099	N/A	166,895	7/1/2015	6/30/2016			166,895	(163,987)			\$ 2,908				
Food Donation Program (NC)	10.555	16161NJ304N1099	N/A	140,433	7/1/2014	6/30/2016	1,896			(1,896)							
Total Enterprise Fund and Total U.S. Department of Agriculture--Passed-Through State Department of Education							(114,038)		840,186	(833,491)			(110,251)	2,908			
Total Federal Awards							\$ (893,239)	\$ -	\$ 4,118,751	\$ (4,120,178)	\$ -	\$ -	\$ (897,574)	\$ 2,908	\$ -		

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, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period		Award Amount	Balance June 30, 2015			Carryover/Walkover	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Balance June 30, 2016			Memo	
		From	To		Unearned Revenue	(Accounts Receivable)	Due to Grantor						Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education																	
<i>General Fund:</i>																	
Equalization Aid	16-495-034-5120-078	7/1/2015	6/30/2016	\$ 11,844,263				\$ 10,712,408	\$ (11,844,263)						\$ (1,131,855)	\$ (11,844,263)	
Equalization Aid	15-495-034-5120-078	7/1/2014	6/30/2015	11,844,263		\$ (1,138,069)		1,138,069									
Special Education Categorical Aid	16-495-034-5120-089	7/1/2015	6/30/2016	5,085,994				4,599,969	(5,085,994)						(486,025)	(5,085,994)	
Special Education Categorical Aid	15-495-034-5120-089	7/1/2014	6/30/2015	5,085,994		(488,693)		488,693									
Transportation Aid	16-495-034-5120-014	7/1/2015	6/30/2016	596,256				539,277	(596,256)						(56,979)	(596,256)	
Transportation Aid	15-495-034-5120-014	7/1/2014	6/30/2015	596,256		(57,292)		57,292									
Security Aid	16-495-034-5120-084	7/1/2015	6/30/2016	151,656				137,164	(151,656)						(14,492)	(151,656)	
Security Aid	15-495-034-5120-084	7/1/2014	6/30/2015	151,656		(14,572)		14,572									
Additional Adjustment Aid	16-495-034-5120-085	7/1/2015	6/30/2016	1				1	(1)							(1)	
PARCC Readiness Aid	16-495-034-5120-098	7/1/2015	6/30/2016	83,350				75,385	(83,350)						(7,965)	(83,350)	
PARCC Readiness Aid	15-495-034-5120-098	7/1/2014	6/30/2015	83,350		(8,009)		8,009									
Per Pupil Growth Aid	16-495-034-5120-097	7/1/2015	6/30/2016	83,350				75,385	(83,350)						(7,965)	(83,350)	
Per Pupil Growth Aid	15-495-034-5120-097	7/1/2014	6/30/2015	83,350		(8,009)		8,009									
Nonpublic School Transportation Aid	16-495-034-5120-014	7/1/2015	6/30/2016	31,110					(31,110)				\$ (31,110)			(31,110)	
Nonpublic School Transportation Aid	15-495-034-5120-014	7/1/2014	6/30/2015	31,795		(31,795)		31,795								(31,110)	
Extraordinary Aid	16-100-034-5120-473	7/1/2015	6/30/2016	793,478					(793,478)					(793,478)		(793,478)	
Extraordinary Aid	15-100-034-5120-473	7/1/2014	6/30/2015	743,389		(743,389)		743,389								(793,478)	
On-Behalf TPAF Pension and Medical Contributions	495-034-5094-001/002/004	7/1/2015	6/30/2016	10,609,477				10,609,477	(10,609,477)							(10,609,477)	
TPAF Social Security Reimbursements	16-495-034-5094-003	7/1/2015	6/30/2016	4,452,110				4,233,003	(4,452,110)					(219,107)		(4,452,110)	
TPAF Social Security Reimbursements	15-495-034-5094-003	7/1/2014	6/30/2015	4,467,760		(218,383)		218,383								(4,452,110)	
Total General Fund						(2,708,211)		33,690,280	(33,731,045)				(1,043,695)		(1,705,281)	(33,731,045)	
<i>Special Revenue Fund:</i>																	
N.J. Nonpublic Aid:																	
Auxiliary Services:																	
English as a Second Language	16-100-034-5120-067	7/1/2015	6/30/2016	10,956				10,956	(10,956)								(10,956)
Compensatory Education	16-100-034-5120-067	7/1/2015	6/30/2016	61,337				61,337	(61,337)								(61,337)
Compensatory Education	15-100-034-5120-067	7/1/2014	6/30/2015	61,900		\$ 4,445				\$ (4,445)							
Home Instruction	15-100-034-5120-067	7/1/2014	6/30/2015	843		(843)		843									
Transportation	16-100-034-5120-068	7/1/2015	6/30/2016	7,630				7,630	(7,630)								(7,630)
Handicapped Services:																	
Supplemental Instruction	16-100-034-5120-066	7/1/2015	6/30/2016	16,485				16,485	(16,485)								(16,485)
Examination and Classification	16-100-034-5120-066	7/1/2015	6/30/2016	24,368				24,368	(24,368)								(24,368)
Examination and Classification	15-100-034-5120-066	7/1/2014	6/30/2015	27,916			2,520			(2,520)							
Corrective Speech	16-100-034-5120-066	7/1/2015	6/30/2016	16,386				16,386	(16,386)								(16,386)
Textbook Aid	16-100-034-5120-064	7/1/2015	6/30/2016	23,696				23,696	(23,224)				\$ 472				(23,224)
Textbook Aid	15-100-034-5120-064	7/1/2014	6/30/2015	25,203			1,138			(1,138)							
Nursing Services	16-100-034-5120-070	7/1/2015	6/30/2016	37,350				37,350	(35,522)					1,828			(35,522)
Nursing Services	15-100-034-5120-070	7/1/2014	6/30/2015	40,597			1,130			(1,130)							
Technology Services	16-100-034-5120-373	7/1/2015	6/30/2016	10,790				10,790	(10,629)						161		(10,629)
Technology Services	15-100-034-5120-373	7/1/2014	6/30/2015	13,536			1,591			(1,591)							
Security	16-100-034-5120-509	7/1/2015	6/30/2016	10,375				10,375	(10,147)						228		(10,147)
NJ Achievement Coaches Content Development	15E00127	2/1/2015	8/31/2015	81,853		(51,064)		73,814	(22,750)								(22,750)
NJ Achievement Coaches Content Development	16E00126	3/1/2016	11/30/2016	66,700				2,747	(31,064)					(28,317)			(31,064)
Total Special Revenue Fund						(51,907)	10,824	296,777	(270,498)	(10,824)			(28,317)	2,689		(270,498)	

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period		Award Amount	Balance June 30, 2015				Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Balance June 30, 2016			Memo														
		From	To		Unearned Revenue	(Accounts Receivable)	Due to Grantor	Carryover/Walkover					Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures													
State Department of Education																														
<i>Capital Projects Fund:</i>																														
Memorial School Replacement	SP-1170-120-09-0QAZ	12/30/2009	Completion	\$ 4,238,520	\$	(211,926)							\$	(211,926)		\$	(4,238,520)													
Bowne Munro Security Vestibule	1170-060-14-G1VB	6/10/2014	Completion	96,779		(17,836)			\$	(10,373)				(28,209)			(28,209)													
Central Security Vestibule	1170-070-14-G1VC	6/10/2014	Completion	54,113		(51,899)				(48)				(51,947)			(51,947)													
Chittick Security Vestibule	1170-125-14-G1VG	6/10/2014	Completion	58,280		(51,729)								(51,729)			(51,729)													
CJHS Security Vestibule	1170-055-014-G1UZ	6/10/2014	Completion	50,424		(50,424)								(50,424)			(50,424)													
EBHS Security Vestibule	1170-050-14-G1UY	6/10/2014	Completion	47,958		(47,958)								(47,958)			(47,958)													
Frost Roof Replacement	1170-130-14-G1VH	6/10/2014	Completion	571,784		(466,069)		\$	466,069								(466,069)													
Frost Security Vestibule	1170-130-14-G1VI	6/10/2014	Completion	56,632		(40,716)								(40,716)			(40,716)													
Hammarskjold Security Vestibule	1170-056-14-G1VA	6/10/2014	Completion	65,617		(65,617)								(65,617)			(65,617)													
Lawrence Brook Security Vestibule	1170-100-14-G1VE	6/10/2014	Completion	57,044		(57,044)								(57,044)			(57,044)													
Warnsdorfer Security Vestibule	1170-138-14-G1VJ	6/10/2014	Completion	56,632		(56,632)								(56,632)			(56,632)													
Chittick HVAC and Electrical Upgrades	1170-125-14-G1VF	10/23/2014	Completion	795,614		(87,700)			79,561	(707,914)				(716,053)			(795,614)													
EBHS Gymnasium HVAC Upgrades	1170-050-14-G3HW	10/23/2014	Completion	304,609						(302,090)				(302,090)			(302,090)													
EBHS Gym Bleacher Replacement	1170-050-14-G3LE	10/23/2014	Completion	50,640						(50,640)				(50,640)			(50,640)													
Irvin HVAC and Electrical Upgrades	1170-090-14-G1VD	10/23/2014	Completion	847,461		(85,202)			84,746	(605,175)				(605,631)			(690,377)													
Total Capital Projects Fund						(1,290,752)			630,376	(1,676,240)				(2,336,616)			(6,993,586)													
<i>Debt Service Fund:</i>																														
Debt Service Aid	16-495-034-5120-075	7/1/2015	6/30/2016	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	16-100-010-3350-023	7/1/2015	6/30/2016	23,813					19,898	(23,813)				(3,915)			(23,813)													
National School Lunch Program	15-100-010-3350-023	7/1/2014	6/30/2015	23,995		(4,991)			4,991								(4,991)													
Total Enterprise Fund						(4,991)			24,889	(23,813)				(3,915)			(23,813)													
Total State Awards					\$	-	\$	(4,055,861)	\$	10,824	\$	-	\$	35,062,281	\$	(36,121,555)	\$	(10,824)	\$	-	\$	-	\$	(3,412,543)	\$	2,689	\$	(1,705,281)	\$	(41,438,901)
State Financial Assistance Not Subject to Single Audit Determination:																														
On-Behalf TPAF Pension and Medical Contributions	495-034-5094-001/002/004	7/1/2015	6/30/2016	10,609,477					\$	10,609,477	\$	(10,609,477)																	\$	(10,609,477)
Total State Financial Assistance Subject to Single Audit Determination					\$	-	\$	(4,055,861)	\$	10,824	\$	-	\$	24,452,804	\$	(25,512,078)	\$	(10,824)	\$	-	\$	-	\$	(3,412,543)	\$	2,689	\$	(1,705,281)	\$	(30,829,424)

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, 2016

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 on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented, or used in the preparation of, the basic financial statements.

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 state deferral and recording of the last state aid payments in the subsequent year. The special revenue fund is presented in the

East Brunswick Public Schools

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

Year ended June 30, 2016

3. Relationship to Basic Financial Statements (continued)

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 \$9,363 for the general fund and \$15,468 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 2016 fiscal year was \$10,609,477.

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	\$ 116,469	\$33,740,408	\$33,856,877
Special Revenue Fund	3,158,995	263,442	3,422,437
Capital Projects Fund		1,676,240	1,676,240
Debt Service Fund		419,959	419,959
Enterprise Fund – Food Service Fund	833,491	23,813	857,304
Total financial award revenues	<u>\$ 4,108,955</u>	<u>\$36,123,862</u>	<u>\$40,232,817</u>

The adjustment to reconcile from budgetary basis accounts receivable to GAAP basis accounts receivable is \$18,280 for the special revenue fund. This is a result of recognizing encumbrances as expenditures on the budgetary basis but not the GAAP basis.

4. Relationship to Federal and State Financial Reports

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

East Brunswick Public Schools

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

Year ended June 30, 2016

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, 2016.

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 (continued)

Year ended June 30, 2016

Part I - Summary of Auditors' Results (continued)

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Are any material weaknesses identified? Yes X No

Are any significant deficiencies identified? Yes X None Reported

Is any noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major federal programs:

Are any material weaknesses identified? Yes X No

Are any significant deficiencies identified? Yes X None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of major programs:

CFDA Number(s)	FAIN Number	Name of Federal Program or Cluster
10.555	16161NJ304N1099	Food Donation Program
10.555	16161NJ304N1099	National School Lunch Program
10.553	16161NJ304N1099	National School Breakfast Program

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

East Brunswick Public Schools

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2016

Part I - Summary of Auditors' Results (continued)

State Awards

Internal control over major state programs:

Are any material weaknesses identified? _____ Yes ✓ No

Are any significant deficiencies identified? _____ Yes ✓ None Reported

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

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

Identification of major programs:

GMIS/Program Number	Name of State Program or Cluster
State Aid Cluster:	
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness
495-034-5120-085	Additional Adjustment Aid

Dollar threshold used to distinguish between Type A and Type B programs: _____ \$765,362

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

East Brunswick Public Schools
Schedule of Findings and Questioned Costs

Year ended June 30, 2016

Part II - Schedule of Financial Statement Findings

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

East Brunswick Public Schools

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2016

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

No compliance or internal control findings noted that are required to be reported in accordance with 2 CFR 200 Section 516(a) and New Jersey State OMB Circular 15-08.

East Brunswick Public Schools
Summary Schedule of Prior Year Audit Findings

Year ended June 30, 2016

None.