

# EAST BRUNSWICK PUBLIC SCHOOLS

*Excellence in Academics, Athletics, and the Art*



*Comprehensive Annual Financial Report  
For The Fiscal Year Ended June 30, 2018*

*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, 2018

Prepared by

Bernardo Giuliana

East Brunswick Public Schools  
Department of Financial Service



## Table of Contents

	<u>Page</u>
<b>INTRODUCTORY SECTION – Other Information</b>	
Letter of Transmittal	1
Accomplishments and Achievements	11
Organizational Chart	15
Roster of Officials	16
Independent Auditor and Advisors	17
Certificate of Excellence	18
Certificate of Achievement	19
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report	20
<b>Required Supplementary Information – Part I</b>	
Management's Discussion and Analysis	23
<b>Basic Financial Statements</b>	
Government-wide Financial Statements:	
A-1 Statement of Net Position	32
A-2 Statement of Activities	33
Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	34
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	35
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	36
Proprietary Funds:	
B-4 Statement of Net Position	37
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	38
B-6 Statement of Cash Flows	39
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	40
B-8 Statement of Changes in Fiduciary Net Position	41
Notes to the Basic Financial Statements	42

## Table of Contents (continued)

	<b>Page</b>
<b>FINANCIAL SECTION (continued)</b>	
<b>Required Supplementary Information – Part II</b>	
Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employee’s Retirement System (PERS)	83
L-2 Schedule of District Pension Contributions – Public Employee’s Retirement System (PERS)	84
L-3 Schedule of the State’s Proportionate Share of the Net Pension Liability Associated with the District – Teacher’s Pension and Annuity Fund (TPAF)	85
Schedules Related to Accounting and Reporting for OPEB (GASB 75)	
M-1 Schedule of the State’s Proportionate Share of the Net OPEB Liability Associated with the District and Changes in the Total OPEB Liability and Related Ratios (PERS and TPAF)	86
Notes to Required Supplementary Information	87
<b>Required Supplementary Information – Part III</b>	
Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule – Budgetary Basis	88
C-1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Budgetary Basis – Not Applicable	N/A
C-1b Budgetary Comparison Schedule - Community Development Block Grant - Budgetary Basis – Not Applicable	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund – Budgetary Basis	97
<b>Note to Required Supplementary Information</b>	
C-3 Budget to GAAP Reconciliation	98
<b>Supplementary Information</b>	
D School Based Budget Schedules – Not Applicable	N/A
Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	99
E-2 Schedule of Preschool Education Aid Expenditures – Budgetary Basis – Not Applicable	N/A



## Table of Contents (continued)

	<u>Page</u>
<b>FINANCIAL SECTION (continued)</b>	
<b>Supplementary Information (continued)</b>	
Capital Projects Fund:	
F-1 Summary Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis	103
F-1(a)- Schedules of Project Revenues, Expenditures, Project Balance (p) And Project Status – Budgetary Basis – Budgetary Basis	104
F-2 Summary Schedule of Project Expenditures	120
Proprietary Fund:	
G-1 Combining Statement of Net Position – Not Applicable	N/A
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Not Applicable	N/A
G-3 Combining Statement of Cash Flows – Not Applicable	N/A
Internal Service Fund:	
G-4 Statement of Net Position – Not Applicable	N/A
G-5 Statement of Revenues, Expenses and Changes in Fund Net Position – Not Applicable	N/A
G-6 Statement of Cash Flows – Not Applicable	N/A
Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	121
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
H-3 Statement of Cash Receipts and Cash Disbursements – Student Activity Agency Fund	122
H-4 Statement of Cash Receipts and Cash Disbursements – Payroll Agency Fund	123
Long-Term Debt:	
I-1 Schedule of Serial Bonds Payable	124
I-2 Schedule of Lease Purchase Obligations Payable	125
I-3 Budgetary Comparison Schedule – Debt Service Fund	126
I-4 Schedule of Obligations Under Capital Leases	127

## Table of Contents (continued)

	<u>Page</u>
<b>STATISTICAL SECTION– OTHER INFORMATION (Unaudited)</b>	
<b>Financial Trends Information/Schedules</b>	
J-1	Net Position by Component 128
J-2	Changes in Net Position 129
J-3	Fund Balances, Governmental Funds 131
J-4	Changes in Fund Balances – Governmental Funds 132
J-5	General Fund Other Local Revenue by Source 133
<b>Revenue Capacity Information</b>	
J-6	Assessed Value and Actual Value of Taxable Property 134
J-7	Direct and Overlapping Property Tax Rates 135
J-8	Principal Property Tax Payers 136
J-9	Property Tax Levies and Collections 137
<b>Debt Capacity Information</b>	
J-10	Ratios of Outstanding Debt by Type 138
J-11	Ratios of Net General Bonded Debt Outstanding 139
J-12	Ratios of Overlapping Governmental Activities Debt 140
J-13	Legal Debt Margin Information 141
<b>Demographic and Economic Information</b>	
J-14	Demographic and Economic Statistics 142
J-15	Principal Employers 143
<b>Operating Information</b>	
J-16	Full-Time Equivalent District Employees by Function/Program 144
J-17	Operating Statistics 145
J-18	School Building Information 146
J-19	Schedule of Required Maintenance for School Facilities 148
J-20	Insurance Schedule 149



## Table of Contents (continued)

	<u>Page</u>
<b>SINGLE AUDIT SECTION</b>	
K-1 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	152
K-2 Report on Compliance For Each Major Federal and State Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB 15-08	154
K-3 Schedule A – Schedule of Expenditures of Federal Awards – Supplementary Information	157
K-4 Schedule B – Schedule of Expenditures of State Financial Assistance – Supplementary Information	159
K-5 Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance	161
K-6 Schedule of Findings and Questioned Costs – Part I – Summary of Auditors’ Results	164
K-7 Schedule of Findings and Questioned Costs – Parts II and III – Schedule of Financial Statement Findings and Federal Award and State Financial Assistance Findings and Questioned Costs	166
K-8 Summary Schedule of Prior Year Audit Findings	169

# **Introductory Section**



# East Brunswick Public Schools

---

760 Route 18  
East Brunswick, New Jersey 08816

February 21, 2019

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, 2018 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 (designed to complement Management's Discussion and Analysis and should be read in conjunction with it), the District's organizational chart and a list of principal officials. The 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 and is unaudited. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, Title 2 U.S. Code of Federal Regulations (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, "*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*". Information related to this single audit, including the auditors' report on internal control over compliance and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

## 1. REPORTING ENTITY AND ITS SERVICES:

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

The District 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 2017-2018 with an average daily enrollment of 8,049 students, or 55 students more 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>	<u>Average Daily Enrollment</u> <u>Student Enrollment</u>	<u>Percent Change</u>
2017-2018	8,049.0	0.01%
2016-2017	7,994.0	(1.41%)
2015-2016	8,108.0	(1.85%)
2014-2015	8,261.0	(0.11%)
2013-2014	8,271.0	0.71%

*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.*

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, projected a year-to-year decline in enrollment. However, demographic studies are an imperfect science and cannot account for unknown variables. Additionally, the demographic data becomes "soft" or less accurate with each successive year following the study date due to the many ever-changing variables of the study's basis.

In 2017, as the District began to experience an upturn in enrollment, the Demographer was engaged to update its school enrollment projections and to also reflect the impact of housing growth. The tables below reflect the 2014 and 2017 District-wide enrollment projections.



*Demographer Projections*

<u>Fiscal Year</u>	<u>2014</u>	<u>2017 Report</u>	<u>2017 Report</u>
	<u>Report</u>	<u>Baseline</u>	<u>Adjusted for Housing Growth</u>
2017-2018	7,679	7,824	7,916
2018-2019	7,616	7,773	7,943
2019-2020	7,489	7,708	7,875
2020-2021	7,418	7,654	8,011
2021-2022	7,374	7,598	7,921

*On-Roll Enrollment+*

<u>Fiscal Year</u>	<u>Actual<sup>^</sup></u>	<u>Straight-line Projection*</u>	<u>Demographer Projection</u>
2014-2015	8,399	N/A	8,085
2015-2016	8,259	N/A	8,052
2016-2017	8,089	7,855	7,898
2017-2018	8,167	7,801	7,916
2018-2019	8,183	7,929	7,943

+ On-roll enrollment does not include out-of-district placements.

<sup>^</sup> Actual enrollment is as reported to the New Jersey Department of Education as of the annual 10/15 ASSA snapshot date.

\* District straight-line projection is based on the prior year enrollment snapshot taken during the budget development process where each grade level's enrollment is advanced to the next succeeding grade.

While the 2017 demographic update and the straight-line projection more closely align with each other, the actual enrollment is significantly higher. Delving further into the details of where the variance is occurring, the District has found elementary school enrollments (Grades K through 5) to be exceeding projections. In fact, elementary school enrollments have experienced steady growth since exceeded the District's straight-line projection by 264 students as of February 7, 2019.

*2018-2019 Elementary School Enrollment*

<u>As of</u>	<u>Actual<sup>^</sup></u>	<u>Straight-line Projection</u>	<u>Demographer Projection</u>
09/18/2018	3,535	3,379+	3,293*
11/01/2018	3,562		
12/13/2018	3,596		
01/09/2019	3,620		
01/28/2019	3,631		
02/07/2019	3,643		

<sup>^</sup> Actual elementary enrollment is per the District's Student Information System.

+ The 2018-2019 straight-line projection was based upon an actual Grades K-5 enrollment of 3,489 as of March 16, 2018.

\* The Demographer Projection is per the 2017 update.

This growth at the elementary school level has been inexplicable. It has strained the school capacities to the extent that class sizes have reached maximum limits in many instances and there are no classrooms in any of the elementary schools through which to add class sections to reduce class sizes. As a result, the District is assessing alternatives to provide short-term relief to class sizes for the 2019-2020 school year.

The District operates eleven schools as detailed in the following chart.

<b>School</b>	<b>Year Built</b>	<b>Grades</b>
Bowne-Munro Elementary School	1952	K to 5th
Central Elementary School	1949	K to 5th
Chittick Elementary School	1969	K to 5th
Frost Elementary School	1965	K to 5th
Irwin Elementary School	1957	K to 5th
Lawrence Brook Elementary School	1959	K to 5th
Memorial Elementary School	2012	K to 5th
Warnsdorfer Elementary School	1968	K to 5th
Hammarskjold Middle School	2009	6th & 7th
Churchill Junior High School	1962	8th & 9th
East Brunswick High School	1958	10th to 12th

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 nine years, the charter school's existence has required the cumulative appropriation of \$19,227,078 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 2019, the local funding share is 85.28% of the District's fiscal year 2019 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.

Additionally, the Township of East Brunswick is pursuing significant redevelopment plans, which will include upscale or specialty food markets; medium- and high-end restaurants; shuttle bus service; bike paths; a concert venue; special needs and/or senior housing; universal Wi-Fi; a community use building for recreational purposes; a hotel; and, 600 to 800 residential units located above 80,000 to 120,000 square feet of retail and up to 80,000 square feet of office space. The impact of those plans upon the school district are currently unknown and must be examined. The demographic consultant has again been engaged to perform a comprehensive assessment to ascertain the causes of the unexpected enrollment growth and the outlook over the next several years. This data will be integral to planning for the future.

## **2. ECONOMIC CONDITION AND OUTLOOK:**

The Township of East Brunswick's total labor force decreased 0.18% to 26,466 in 2017 from 26,513 in 2016, as reported by the New Jersey Department of Labor and Workforce Development. The employment rate for 2017 was 96.5% as compared with 96.3% in 2016, and the unemployment rate for 2017 decreased to 3.5% from 3.7% in 2016.

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 September 30, 2018 totaled \$53,384,955. The construction value and permits issued for the entire 2017 calendar year respectively totaled \$65,078,071 and 3,168, respectively, as compared to \$61,960,552 and 2,916 for the 2016 calendar year. This represents an increase of 252 permits and an increase in construction value of \$3,117,519.

Certificates of occupancy (COs) issued for new residential units were reported to be 22 for the calendar year 2017, as compared with 15 for the calendar year 2016.

There was an uptick in the demand for new housing as it has increased 46.6% from 2016 to 2017 in comparison to last year. (Between 2015 and 2016, the demand declined by 53.1%.) In addition, re-sale housing in East Brunswick continues to be reflective of the ongoing desire of individuals to establish their residency where the excellent public schools are the primary factor in that decision. Construction permit issuances have increased by 8.6%, along with a 5% increase in construction values, both of which are indicative of the continuing investment being made in East Brunswick's residential and commercial properties.

East Brunswick's employment and unemployment rates reflect a continually improved economic outlook for the community. As reported above, the respective increase and decrease of the employment and unemployment rates 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. While the State has not continued the grant program, the District is poised to avail itself of such funding opportunities when and if they again become available.

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

The projects undertaken in the planning stage, in-process or completed during the past year include security improvements, air conditioning the multi-purpose room, and carbon monoxide detectors at Bowne-Munro Elementary School; security improvements, flex lab renovation, window replacements, property irrigation with self-supporting well, and carbon monoxide detectors at Central Elementary School; security improvements, water main replacement, window and exterior door replacements, multi-purpose room and kitchen renovations, perimeter fencing, fire alarm system replacement, property irrigation with self-supporting well, HVAC upgrades to corridors, and carbon monoxide detectors at Chittick Elementary School; security improvements, window and exterior door replacements, HVAC and electrical upgrades, roof replacement, and carbon monoxide detectors at Churchill Junior High School; security improvements, air conditioning second-floor classrooms, and carbon monoxide detectors at East Brunswick High School; security improvements, flex lab renovation, roof-top unit replacements, parking expansion and traffic flow improvements, window and exterior door replacements, multi-purpose room and kitchen renovations, property irrigation with self-supporting well, HVAC upgrades to corridors, and carbon monoxide detectors at Frost Elementary School; security improvements, roof-top unit replacements, and carbon monoxide detectors at Hammarskjold Middle School; security improvements, flex lab renovation, multi-purpose room and kitchen renovations, fire alarm system replacement, HVAC upgrades to corridors, and carbon monoxide detectors at Irwin Elementary School; security improvements, property irrigation with self-supporting well, and carbon monoxide detectors at Lawrence Brook Elementary School; security improvements, emergency generator to support the facility as a



shelter, property irrigation with self-supporting well, and carbon monoxide detectors at Memorial Elementary School; security improvements, flex lab renovation, roof replacement, roof-top unit replacements, parking expansion and traffic flow improvements, window and exterior door replacements, property irrigation with self-supporting well, HVAC upgrades to corridors, and carbon monoxide detectors at Warnsdorfer Elementary School; warehouse air conditioning at the Support Operations Facility; and, the District network operations center and administration building improvements. The District is commencing an Energy Savings Improvement Program (ESIP) whereby facility improvements would be self-funded through reductions in utility costs.

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 everyday life. Technology is not stagnant; it is ever emerging with advancements released nearly every day. The District continues to invest in technology and is looking ahead to the 2020 fiscal year as it researches and plans the implementation of a learning management system (LMS) to support teaching and learning. An LMS will require a significant investment while budget constraints limit the level of investment in technology. This District must find innovative ways to overcome the funding challenges if it is to continue providing appropriate technology for the classroom and to support the District's "business" operations. Doing so is an obligation and requires commitment to that end in our continuing support of student learning.

Four years ago, Sunera, LLC was engaged to assess the Information Technology Department. While the report is confidential due to sensitive security discussions contained therein, the District has been committed to implementing the recommendations and providing students with the tools needed to augment their educational experiences. The issues 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.

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

#### **4. INTERNAL CONTROL:**

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal

control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

#### **5. BUDGETARY CONTROLS:**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. The Board of Education of East Brunswick Public Schools has the legal level of budgetary control, which is made at the line-item level. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are accounted for in the capital projects fund when applicable. The final budget amount, as amended for the fiscal year, is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as reported as assigned fund balance at June 30, 2018.

#### **6. ACCOUNTING SYSTEM AND REPORTS:**

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

## **7. OTHER INFORMATION:**

- A) Independent Audit** - State statutes require an annual audit to be performed by independent certified public accountants or registered municipal accountants. The accounting firm of 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 Amendments of 1986, the Federal Uniform Guidance and New Jersey's OMB Circular 15-08. The auditors' report on the basic financial statements, required supplementary information and other supplementary information are included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.
- B) Awards** – The International Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2017. 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 fifth 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 2017-2018 award.

In addition, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to East Brunswick Public Schools for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2017. This was the third consecutive year that the district has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Programs' requirements and we are submitting it to the GFOA to determine its eligibility for the fiscal year 2017-2018 certificate.

- C) Continued Excellence in Academics, Athletics and the Arts** - During the 2017-2018 school year, the District continued to advance its reputation for excellence through a variety of accomplishments and achievements. See the accomplishments and achievements section for a number of those successes.

**8. ACKNOWLEDGMENTS:**

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

Respectfully submitted,



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



Bernardo Giuliana, SFO  
School Business Administrator/  
Board Secretary



## East Brunswick Public Schools

### Accomplishments and Achievements

Year ended June 30, 2018

The District is proud to report the many successes and accomplishments that our students have achieved. The 2017-2018 school year achievements are listed below:

#### **For Excellence in Academics...**

- East Brunswick is the only district in the state to have 11 Blue Ribbon Schools. The schools are: Bowne-Munro, Central, Chittick, Frost, Irwin, Lawrence Brook, Memorial and Warnsdorfer Elementary Schools, Hammarskjold Middle School, Churchill Junior High School and East Brunswick High School.
- Over 95% of graduates going on to college.
- EBHS/MCC Pathways Program - 894 College Level Courses amassing 2815 College Credits.
- Sixteen EBHS students were National Merit Scholarship Finalists.
- Thirteen EBHS seniors graduated with "Highest Honors."
- Nine Presidential Scholar Candidates.
- Thirty-seven National Merit Scholarship commended students.
- 166 new members inducted into the National Honor Society - 281 total members.
- 325 Presidential Awards for Academic Excellence.
- Seven EBHS students placed 1st in the Central Jersey Math League Competition.
- East Brunswick Public Schools German program has been designated a German Center for Excellence by the American Association of Teachers of German.
- One EBHS senior received the German Outstanding High School Senior Award by the American Association of Teachers of German.
- The following students earned the distinction of the New Jersey State Seal of Biliteracy:
  - Mandarin - 6 students
  - French - 21 students
  - German - 9 students
  - Italian - 6 students
  - Portuguese - 1 student
  - Russian - 1 student
  - Spanish - 48 students

## **For Excellence in Academics - Continued**

- EBHS First Robotics Club received a First Place finish in the HAVOC First Robotics Competition in Horsham, PA.
- At the New Jersey Science Olympiad Regional Competition:
  - One CJHS Team placed first
  - Five CJHS Teams placed second
  - One CJHS Team placed third
- At the New Jersey Science Olympiad State Competition, two CJHS Teams received 1st place in their categories.
- Seven CJHS students received 1st place recognition in Biology 1 by the New Jersey Science League.
- Eight EBHS students received 1st place recognition in Physics C by the New Jersey Science League.
- Three EBHS Juniors were selected to attend the 2018 NJ Governor School of Engineering.
- Seventeen 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.
- One EBHS student was a top 20 finalist in the USA at the 16th Annual USA Bio Olympiad, and nominated by peers to do the closing remarks.
- One EBHS student was named MyCentralJersey.com Academic All Star.
- In the FBLA State Leadership Competition: One EBHS student placed first in Impromptu Speaking; one EBHS student placed first in Introduction to Parliamentary Procedure; two EBHS students placed first in Management Information Systems; one EBHS Student placed first Public Speaking; one EBHS student placed first in Word Processing and three EBHS students placed fourth in Emerging Business. Ten additional EBHS students placed in the top 5 in their categories.
- Three EBHS Juniors placed first in Toys that Teach Competition.
- One EBHS Senior placed first in Manners Matter event at the NJ FCCLA State Leadership Conference.
- Math Team won first place in the AMT NJ 40th Annual Contest.
- At the 36th Annual William Paterson University Foreign Language Poetry Recitation Contest three EBHS students received 1st place awards. The categories are: Novice Mandarin, Novice German and Intermediate German.
- The EBHS IPLE team, also known as the Institute for Political and Legal Education, placed 1st in the state again for the 30<sup>th</sup> out of 31 times in the We the People: The Citizen and the Constitution Competition.
- Placed Outstanding Large School at Rutgers University Model United Nations.
- One EBHS student received the 1st place 3D (Don't Drive Dangerously) PSA Award from Middlesex County.

### **For Excellence in Athletics...**

- One EBHS wrestler accomplished 100 career wins.
- One EBHS Athlete was a sectional qualifier in all four Gymnastics events.
- One EBHS Athlete was named to the First Team All-State for Soccer by NJ.com.
- Two EBHS Athletes were named to the First Team All-State for Bowling by NJ.com.
- One EBHS Athlete achieved 100 career points in Girls Lacrosse.
- One EBHS Athlete was selected to the NJ Football Coaches Association Super 100 All-State Football Team.
- One baseball player threw a perfect game.
- Red Division Championships
  - Girls Soccer
  - Girls Volleyball
  - Girls Swimming
  - Boys Swimming
  - Boys Bowling
  - Baseball
  - Girls Basketball
  - Girls Golf
- GMC Championships
  - Girls Soccer
  - Girls Volleyball
  - Girls Swimming
  - Boys Winter Track-Relays
  - Girls Bowling
  - Boys Golf
- Sectional Champions
  - Boys Bowling (Group 4 Champs)
  - Boys Golf
- 85 All-Red Division Student Athletes.
- 56 All GMC Student Athletes.
- Ten Individual GMC Champions.
- Seven Sectional Champions.
- 18 Student Athletes committed to playing their sport in college.

### **For Excellence in the Arts...**

- Congratulations to student musicians selected for Honors, Regional and All-State Ensembles:
  - 2018 CJMEA High School Region II Honor Choir (12)
  - 2018 CJMEA High School Region II Symphonic Band (1)

### **For Excellence in the Arts - Continued**

- 2018 CJMEA High School Region II Orchestra (7)
- 2018 CJMEA High School Wind Ensemble (1)
- 2018 CJMEA High School Symphonic Band (3)
- 2018 CJMEA High School Orchestra (4)
- 2018 NJMEA All-State Symphonic Band (2)
- 2018 NJMEA All-State Wind Ensemble (1)
- 2018 NJMEA All-State Orchestra (2)
- Chamber Orchestra won Best Overall Orchestra at Rutgers String Day.
- EBHS Orchestra won first place in their division at the Boston Heritage Festival.
- Bella Voce received Superior and Outstanding ratings while Concert Choir received Superior and Exemplary ratings at the American Choral Directors Association festival.
- Marching Band continued top performances with excellent ratings including performances at both MetLife Stadium and Rutgers University.
- EBHS Jazz Ensemble made it to the NJAJE State Finals.
- Three students selected to the NJMEA All-State Symphonic Band and Wind Ensemble.
- DRAMA CLUB: Still Life with Iris and Cinderella performed to a packed house and were met with rave reviews.
- Student artwork was displayed and presented at Art Galleries across the State.

### **Staff Accomplishments...**

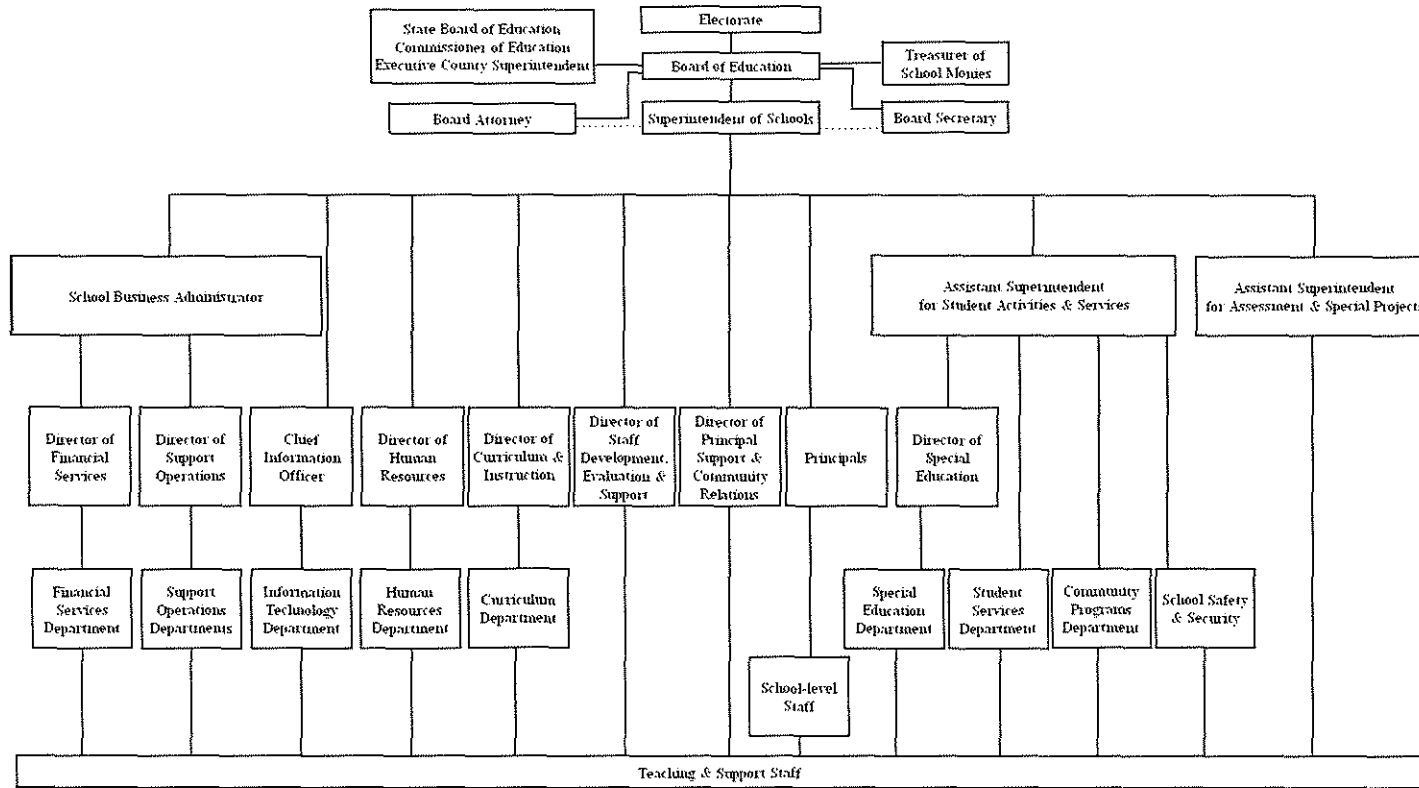
- Irwin Music Teacher, Michele Moore was named 2017 New Jersey Music Educator of the Year.
- CJHS French Teacher, Claire Rodrigues, received a Certificate of Recognition as an Outstanding Educator Award from the University of Chicago.
- Warnsdorfer Physical Education Teacher, Erik Myer was named 2018 Elementary Physical Education Teacher of the Year by New Jersey Association for Health, Physical Education, Recreation and Dance.
- *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 fifth 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 third year.

### **For Excellence in Service to the Community...**

- District staff collected \$3,400 for Autism Awareness.
- District Staff collected \$3,195 for Breast Cancer Research and Pediatric Cancer Research for the Rutgers University Foundation.



# ORGANIZATIONAL CHART



This organizational structure is effective July 1, 2015.

East Brunswick Public Schools  
East Brunswick, New Jersey

Roster of Officials

June 30, 2018

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Todd Simmens, President .....	2020
Vicki Becker, Vice President.....	2018
Susanna Chiu.....	2020
Mark Csizmar.....	2018
Liwu Hong.....	2019
Laurie Lachs.....	2020
Barbara Reiss.....	2018
Chad Seyler.....	2019
Meredith Shaw.....	2018

**Other Officials**

Victor Valeski, Ed.D., Superintendent

Bernardo J. Giuliana, School Business Administrator/Board Secretary

Louis Figueroa, Assistant Superintendent of Student Activities and Services

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

L. Mason Neely, Treasurer

East Brunswick Public Schools  
East Brunswick, New Jersey

Independent Auditors and Advisors

**Architects**

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

**Official Depository**

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



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

## East Brunswick Public Schools

for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2017.

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



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.' The signature is written in a cursive style.

Charles E. Peterson, Jr., SFO, RSBA, MBA  
President

A handwritten signature in black ink, reading 'John D. Musso'. The signature is written in a cursive style.

John D. Musso, CAE  
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, 2017**

*Christopher P. Morvill*

Executive Director/CEO

# **Financial Section**

## 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 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, 2018, 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, 2018, 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 pension contributions-PERS, schedule of the State's proportionate share of the net pension liability associated with the District-TPAF, schedule of the State's proportionate share of the net OPEB liability associated with the District and changes in the total OPEB liability and related ratios- PERS and 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 accompanying supplementary information such as the combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

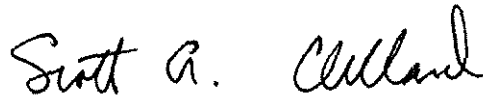
The combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare 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, 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 February 21, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Scott A. Clelland

Licensed Public School Accountant

No. 1049

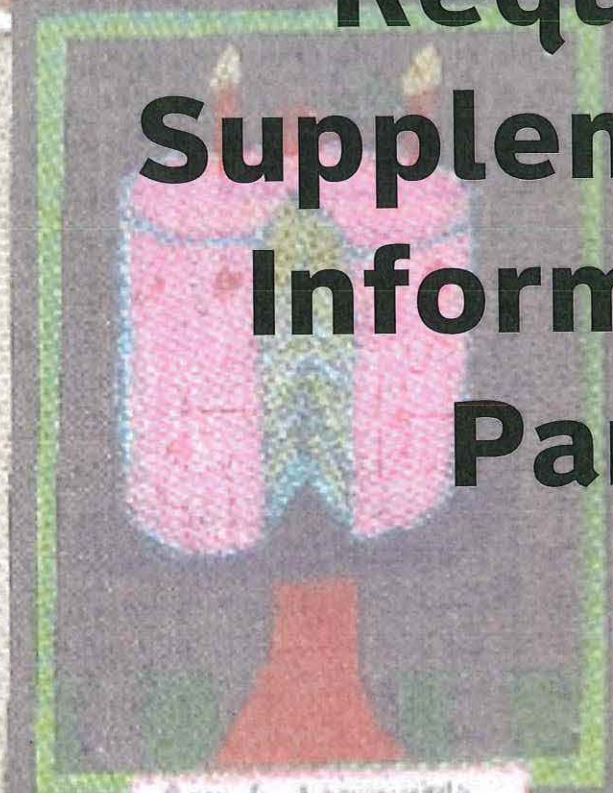


WISS & COMPANY, LLP

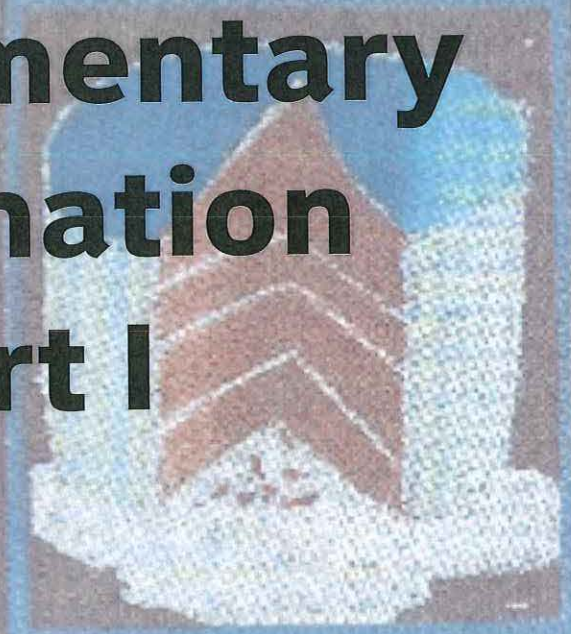
February 21, 2019  
Livingston, New Jersey



# Required Supplementary Information Part I



Beate Lyndhøeg  
Café i Oslo  
1940



Arvid G. Lund  
Café i Oslo  
1940



# **Management's Discussion and Analysis**





# East Brunswick Public Schools

## Management's Discussion and Analysis Year Ended June 30, 2018

The discussion and analysis of East Brunswick Public School's (the "District") financial performance provides an overview of the District's financial performance during the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements and notes, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34, *Basic Financial Statements-Management's Discussion and Analysis for State and Local Governments*. Certain comparative information between the current year and the prior fiscal year is presented in the MD&A, as required by GASB Statement No. 34.

### Overview of the Financial Statements

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

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

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

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

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

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

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

The government-wide financial statements can be found on pages 32 – 33 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 34 – 36 of this report.

**Proprietary funds.** The District maintains two proprietary fund types, three enterprise funds and one internal service 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, community education and JMPAC programs. The self-insurance internal service fund is used to record the activity of the District's medical benefits. Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 37 – 39 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 the trust fund to account for an unemployment compensation fund.

The basic fiduciary fund financial statements can be found on pages 40 – 41 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 42 - 82 of this report.

**Other information.** The required supplementary information related to pensions and other postemployment benefits and the individual and combining statements referred to earlier in connection with the governmental and enterprise funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 83-127 of this report.

### **Financial Highlights**

Key financial highlights for 2017-2018 are as follows:

In total, net position at June 30, 2018 was \$123,032,010 which represents a 7.4% increase from 2017. This is primarily due to principal payments on long-term debt in the amount of \$4,120,000, and the decrease in the net pension liability, net of related deferrals, of \$13,399,178.

Governmental activities general revenues and transfers accounted for \$193,965,116 in revenue or 97.7% of all governmental activities revenue and transfers. Program specific revenue in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$4,481,432 or 2.3% of total governmental activities revenues and transfers of \$198,446,548.

Among major funds, the General Fund had \$165,885,516 in revenues and \$164,154,250 in expenditures. The General Fund's fund balance is \$23,427,694 as of June 30, 2018, an increase of \$2,895,703 from the June 30, 2017 balance.

Notification was received that the two June 2018 state aid payments to the district in the total amount of \$1,755,781 would be delayed until the next school year. While, the State of New Jersey has taken action to withhold the final June payment each year since 2003, it expanded the withholding to both June payments in the 2009-2010 fiscal year, in order to avert a budget shortfall at the state level.

The District implemented GASB Statement No. 75 (GASB 75), Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, during the 2018 fiscal year resulting in the recording of revenue and expense in the amount of \$19,600,824.

### 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, 2018 and 2017:

	Net Position					
	June 30, 2018			June 30, 2017		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>						
Current and other assets	\$ 39,397,831	\$ 3,429,526	\$ 42,827,357	\$ 31,929,526	\$ 3,076,520	\$ 35,006,046
Capital assets	226,902,593	603,838	227,506,431	227,047,439	670,188	227,717,627
Total assets	<u>266,300,424</u>	<u>4,033,364</u>	<u>270,333,788</u>	<u>258,976,965</u>	<u>3,746,708</u>	<u>262,723,673</u>
Deferred outflows of resources	<u>18,338,053</u>		<u>18,338,053</u>	<u>23,803,282</u>		<u>23,803,282</u>
<b>Liabilities:</b>						
Current liabilities	20,764,662	1,040,636	21,805,298	19,956,978	842,545	20,799,523
Net pension liability	45,174,276		45,174,276	58,573,454		58,573,454
Long-term liabilities	88,499,405	130,104	88,629,509	91,959,924	207,602	92,167,526
Total liabilities	<u>154,438,343</u>	<u>1,170,740</u>	<u>155,609,083</u>	<u>170,490,356</u>	<u>1,050,147</u>	<u>171,540,503</u>
Deferred inflow of resources	<u>10,030,748</u>		<u>10,030,748</u>	<u>386,616</u>		<u>386,616</u>
<b>Net position:</b>						
Net investment in capital assets	142,447,803	502,498	142,950,301	136,473,915	487,181	136,961,096
Restricted	19,147,535		19,147,535	16,384,637		16,384,637
Unrestricted (deficit)	(41,425,952)	2,360,126	(39,065,826)	(40,955,477)	2,209,380	(38,746,097)
Total net position	<u>\$120,169,386</u>	<u>\$2,862,624</u>	<u>\$123,032,010</u>	<u>\$111,903,075</u>	<u>\$2,696,561</u>	<u>\$114,599,636</u>

Current and other assets increased in large part due to an increase in various receivable balances.

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

Long-term liabilities decreased as result of principal payments made in the total amount of \$10,088,687 for bonds payable, capital leases and lease purchase obligations, combined, offset by new lease purchase obligations of \$6,900,000.

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 2018-2019 fiscal year on the new \$1,100,000 lease purchase obligation that was issued in the 2017-2018 fiscal year. In addition, the District recorded an IBNR liability for the accrued medical benefits which have not yet been billed to the District's self-insurance internal service fund as of June 30, 2018.

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

There was an increase in restricted net position of \$2,762,898, which resulted largely from an increase in the capital reserve of \$3,080,938.

There was an overall increase of \$166,063 in net position reported in connection with the District's business-type activities. The Food Service program generated an increase in net position of \$113,433, due to continued efficiencies in the operational performance. The Community Programs program generated an increase in net position of \$554,278 prior to the \$554,278 transfer to the General Fund and the Jo Ann Magistro Performing Arts Center ("JMPAC") generated an increase in net position of \$402,630 prior to the \$350,000 transfer to the General Fund.

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, 2018 and 2017:

### Changes in Net Position

	Year ended June 30, 2018			Year ended June 30, 2017		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,042,113	\$ 6,215,113	\$ 7,257,226	\$ 868,256	\$ 5,654,605	\$ 6,522,861
Operating Grants and Contributions	3,439,319	1,017,532	4,456,851	3,477,402	911,506	4,388,908
Capital Grants and Contributions	-	-	-	226,053	-	226,053
General Revenues:						
Property Taxes	132,424,676	-	132,424,676	130,177,338	-	130,177,338
Grants and Entitlements	72,722,934	-	72,722,934	65,567,501	-	65,567,501
Miscellaneous	1,637,926	9,760	1,647,686	619,412	1,831	621,243
Total Revenues	211,266,968	7,242,405	218,509,373	200,935,962	6,567,942	207,503,904
Expenses:						
Instruction	115,147,569	-	115,147,569	112,079,060	-	112,079,060
Support Services	85,678,186	-	85,678,186	83,695,179	-	83,695,179
Interest and other charges	3,079,180	-	3,079,180	3,272,398	-	3,272,398
Business-type activities	-	6,172,064	6,172,064	-	5,810,038	5,810,038
Total Expenses	203,904,935	6,172,064	210,076,999	199,046,637	5,810,038	204,856,675
Change in Net Position	7,362,033	1,070,341	8,432,374	1,889,325	757,904	2,647,229
Transfers	904,278	(904,278)	-	768,466	(768,466)	-
Change in net position after transfers	8,266,311	166,063	8,432,374	2,657,791	(10,562)	2,647,229
Net Position-beginning	111,903,075	2,696,561	114,599,636	109,245,284	2,707,123	111,952,407
Net Position-ending	\$ 120,169,386	\$ 2,862,624	\$ 123,032,010	\$ 111,903,075	\$ 2,696,561	\$ 114,599,636

### Governmental Activities

Property taxes made up 67% of total revenue for the fiscal year 2018. Federal, state and local grants and tuition and miscellaneous revenue accounted for the remainder. The total cost of all programs and services was \$203,904,935. Instruction accounted for 56% of total expenses.

Overall total revenues and expenses increased due to the implementation of GASB 75, which required the District to record state revenues and correlating expenses, which were contributions made on behalf of the District by the State for post-retirement medical benefits

### 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 \$113,433. Charges for services, which consist of the amount paid by students and other patrons for daily food service and catering, represent 67.4% of total revenue.

Community Programs revenues exceeded expenses by \$554,278. A \$554,278 transfer to the General Fund brought the change in net position to \$0.

The Jo Ann Magistro Performing Arts Center revenues exceeded expenses by \$402,630. A \$350,000 transfer to the General Fund brought the change in net position to a net increase of \$52,630.

### Financial Analysis of the District's Funds

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

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

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2018 as well as the amount and percentage of increases and decreases in relation to the prior year:

Revenue	Amount	Percent of Total	Increase (Decrease) from 2017	Percent of Increase (Decrease)
Local Sources	\$ 134,241,412	75.70%	\$ 2,459,824	1.87%
State Sources	40,010,830	22.56%	3,193,941	8.68%
Federal Sources	3,076,939	1.74%	(38,619)	-1.24%
Total	\$ 177,329,181	100.00%	\$ 5,615,146	3.27%

The increase in local source revenue is mainly attributable to the increase in the local tax levy of \$2,247,338.

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 \$2,507,355 as well as an increase of \$516,075 in Extraordinary Aid funds.

The decrease in federal source revenue is mainly attributable to a decrease in grant activity.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2018, as well as the amount and percentage of increases and decreases in relation to the prior year:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2017</u>	<u>Percent of Increase (Decrease)</u>
Instruction	\$ 65,396,032	36.45%	\$ 1,796,627	2.83%
Support services	93,828,815	52.30%	1,876,648	2.04%
Capital Outlay	7,063,947	3.94%	(1,917,249)	-21.35%
Debt Service	13,143,112	7.32%	486,206	3.84%
Total	<u>\$ 179,431,906</u>	<u>100.00%</u>	<u>2,242,232</u>	<u>1.27%</u>

The decrease in capital outlay is the result of the District undertaking less projects in the current year as compared with the prior year. Instruction 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. Support service expenditures increased as a result of increased costs for student and other support related services. 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 increased by \$2,895,703 during the 2017-2018 fiscal year as a result of continued strong operational performance by the District as well as the timing of when expenditures were incurred on capital items funded in the general fund. As of June 30, 2018, the District has unassigned fund balance of \$2,307,316, which represents an increase of \$566,276 from the prior year.

#### Special Revenue Fund

The fund balance in the Special Revenue Fund increased by \$3,013,889 mainly as a result of the \$6,900,000 lease purchase obligations issuance that took place in the 2017-2018 fiscal year.

#### Capital Projects Fund

As of June 30, 2018, the District's Capital Project's Fund Balance decreased by \$318,040 as a result of expenditures incurred for existing ongoing projects and transfer of unexpended funds returned to the general fund.

#### Debt Service Fund

As of June 30, 2018, the District's Debt Service Fund Balance increased by \$24,703 as a result of decreased bond interest expenditures due to the prior year bond refunding, as well as the payoff of one of the outstanding bonds in full in the prior year. No new bonds were issued in the current 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 2017-2018 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 2017-2018 fiscal year, the District had capital assets of \$304,445,550, 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, 2018 and 2017:

	Capital Assets			
	2018		2017	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Non-Depreciable Assets:				
Land	\$ 1,019,208		\$ 1,019,208	
Construction in Progress	11,124,172		14,810,224	
Depreciable Assets:				
Buildings and Improvements	277,250,047	\$ 700,560	270,253,479	\$ 698,782
Machinery and Equipment	13,826,960	524,603	10,533,331	499,602
Totals	<u>\$ 303,220,387</u>	<u>\$ 1,225,163</u>	<u>\$ 296,616,242</u>	<u>\$ 1,198,384</u>

Overall capital assets increased \$6,630,924 from the 2016-2017 fiscal year to the 2017-2018 fiscal year mainly due to the increase in construction attributable to the Irwin Elementary School parking improvements, district-wide security system upgrades, Chittick, Frost, Irwin and Warnsdorfer Elementary Schools, East Brunswick High School security improvements and health suite renovations, storage addition planning, 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, 2018 and 2017:

	2018		2017	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Bonds payable (net)	\$ 75,918,520		\$ 80,316,249	
Net pension liability	45,174,276		58,573,454	
Obligations under capital leases	3,599,203		6,210,437	
Lease purchase obligations payable	16,567,789	\$ 101,340	13,025,242	\$ 183,007
Compensated absences	2,894,421	110,431	2,947,967	111,288
Total long-term liabilities	<u>\$ 144,154,209</u>	<u>\$ 211,771</u>	<u>161,073,349</u>	<u>\$ 294,295</u>

During fiscal year 2018, the District's governmental-type long-term liabilities decreased by \$16,919,140. The decrease is a result of debt retirements, offset by the issuance of new capital lease purchase obligations of \$6,900,000. The District's credit rating has not recently changed and is currently at a Aa2 rating. Additional information on the District's long-term liabilities can be found in Note 6 to the basic financial statements.

## Current Concerns and Factors Bearing on the District's Future

The East Brunswick Public School District is in excellent financial position. It has maintained a legally acceptable fund balance position. The District regularly seeks cost-savings and cost containment opportunities, which accrue to the annual budget in controlling costs. In addition, the District's Community Programs



Enterprise 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. However, there is a limit to the extent that increases can be enjoyed. While the Community Programs Enterprise Operation will continue as a “going concern”, the amount annually transferrable to the General Fund budget has reached a leveling-off point, which will remain as such unless and until additional program sections can be instituted. Further program expansion can only occur with the availability of unused classroom space for which there currently is none. In 2017, as the District began to experience an upturn in enrollment, the Demographer was engaged to update its school enrollment projections and to also reflect the impact of housing growth. The tables below reflect the 2014 and 2017 District-wide enrollment projections.

Delving further into the details of where the variance is occurring, the District has found elementary school enrollments (Grades K through 5) to be exceeding projections. In fact, elementary school enrollments have experienced steady growth since exceeded the District’s straight-line projection by 264 students as of February 7, 2019.

2018-2019 Elementary School Enrollment

<i>As of</i>	<i>Actual<sup>^</sup></i>	<i>Straight-line Projection</i>	<i>Demographer Projection</i>
09/18/2018	3,535	3,379+	3,293*
11/01/2018	3,562		
12/13/2018	3,596		
01/09/2019	3,620		
01/28/2019	3,631		
02/07/2019	3,643		

<sup>^</sup> Actual elementary enrollment is per the District’s Student Information System.

+ The 2018-2019 straight-line projection was based upon an actual Grades K-5 enrollment of 3,489 as of March 16, 2018.

\* The Demographer Projection is per the 2017 update.

This growth at the elementary school level has been inexplicable. It has strained the school capacities to the extent that class sizes have reached maximum limits in many instances and there are no classrooms in any of the elementary schools through which to add class sections to reduce class sizes. Although the Early Learning Academy, a function of the Community Programs Enterprise, utilizes classrooms throughout the District every day throughout the school year, it cannot vacate those classrooms. To do so would directly and adversely affect the General Fund budget since the Community Programs Enterprise provides a nearly \$1 million revenue stream to the General Fund. The District is assessing alternatives to provide short-term relief to class sizes for the 2019-2020 school year, as well as seeking facilities that would enable the expansion of the Early Learning Academy.

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 subsequent years 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. For the fiscal years 2016, 2017, and 2018, the year-end financial position was highly positive, enabling the Board to have declared a salary bonus enjoyed by the department's non-managerial employees in recognition of their efforts toward success.

For the fiscal year ending June 30, 2018, local property taxes provided 84.27% 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 24.36% of true value as amended by the New Jersey Tax Court on January 31, 2019. The Township of East Brunswick has suffered many tax appeals where major commercial property owners have successfully appealed valuations, thus resulting in property tax reductions to those property owners. The reduction in those property tax assessments merely redistributes the burden to the remaining property taxpayers in East Brunswick. While East Brunswick residents have been supportive of their schools and appreciate the quality education that is provided to students, the Township must undergo a property revaluation if it is to stabilize the impact of property tax increases for all property taxpayers. In addition, a concerted effort must be put forth to improve the Township's business and industrial tax base, which will alleviate the residential property owners tax burden. This effort may currently be in process as the Township of East Brunswick is pursuing significant redevelopment plans, which will include upscale or specialty food markets; medium- and high-end restaurants; shuttle bus service; bike paths; a concert venue; special needs and/or senior housing; universal Wi-Fi; a community use building for recreational purposes; a hotel; and, 600 to 800 residential units above 80,000 to 120,000 square feet of retail and up to 80,000 square feet of office space.

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 nine years, the charter school's existence has required the cumulative appropriation of \$19,227,078 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 2019, the local funding share is 85.28% of the District's fiscal year 2019 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 J. 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, 2018.**

## East Brunswick Public Schools

## Statement of Net Position

June 30, 2018

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 19,417,752	\$ 3,240,602	\$ 22,658,354
Accounts receivable	3,935,436	187,712	4,123,148
Inventory		1,212	1,212
Restricted assets:			
Cash and cash equivalents	9,655,206		9,655,206
Cash held with fiscal agent	589,437		589,437
Accounts receivable	5,800,000		5,800,000
Capital assets, non-depreciable	12,143,380		12,143,380
Capital assets, depreciable, net	214,759,213	603,838	215,363,051
Total assets	<u>266,300,424</u>	<u>4,033,364</u>	<u>270,333,788</u>
<b>Deferred Outflows of Resources</b>			
Deferred loss on refunding of debt	5,303,738		5,303,738
Pension deferrals	13,034,315		13,034,315
Total deferred outflows of resources	<u>18,338,053</u>		<u>18,338,053</u>
Total assets and deferred outflows of resources	<u>284,638,477</u>	<u>4,033,364</u>	<u>288,671,841</u>
<b>Liabilities</b>			
Accounts payable and accrued expenses	8,307,041	386,664	8,693,705
Accrued interest payable	623,317		623,317
Accrued liability for insurance claims	1,188,000		1,188,000
Intergovernmental payable	31,844		31,844
Unearned revenue	133,932	572,305	706,237
Net pension liability	45,174,276		45,174,276
Current portion of long-term obligations	10,480,528	81,667	10,562,195
Noncurrent portion of long-term obligations	88,499,405	130,104	88,629,509
Total liabilities	<u>154,438,343</u>	<u>1,170,740</u>	<u>155,609,083</u>
<b>Deferred Inflow of Resources</b>			
Pension deferrals	<u>10,030,748</u>		<u>10,030,748</u>
<b>Net Position</b>			
Net investment in capital assets	142,447,803	502,498	142,950,301
Restricted for:			
Capital Reserve	9,655,206		9,655,206
Excess Surplus	8,700,000		8,700,000
Capital Projects	792,329		792,329
Unrestricted (deficit)	<u>(41,425,952)</u>	<u>2,360,126</u>	<u>(39,065,826)</u>
Total net position	<u>\$ 120,169,386</u>	<u>\$ 2,862,624</u>	<u>\$ 123,032,010</u>



## East Brunswick Public Schools

## Statement of Activities

Year ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities</b>						
Instruction						
Regular Instruction	\$ 82,512,817	\$ 1,042,113	\$ 957,988	\$ (80,512,716)		\$ (80,512,716)
Special Education Instruction	25,112,417		1,713,578	(23,398,839)		(23,398,839)
Other Instruction	7,522,335			(7,522,335)		(7,522,335)
Support Services						
Tuition	5,142,794			(5,142,794)		(5,142,794)
Student and Instruction Related Services	32,243,803		767,753	(31,476,050)		(31,476,050)
School Administration	9,438,744			(9,438,744)		(9,438,744)
General and Business Administrative Services	9,798,590			(9,798,590)		(9,798,590)
Plant Operation and Maintenance	18,667,797			(18,667,797)		(18,667,797)
Pupil Transportation	10,386,458			(10,386,458)		(10,386,458)
Interest and other charges	3,079,180			(3,079,180)		(3,079,180)
Total governmental activities	203,904,935	1,042,113	3,439,319	(199,423,503)		(199,423,503)
<b>Business-type activities</b>						
Food service	3,010,836	2,102,393	1,017,532		\$ 109,089	109,089
Community Education	2,833,842	3,383,839			549,997	549,997
JMPAC	327,386	728,881			401,495	401,495
Total business-type activities	6,172,064	6,215,113	1,017,532		1,060,581	1,060,581
Total primary government	\$ 210,076,999	\$ 7,257,226	\$ 4,456,851	(199,423,503)	1,060,581	(198,362,922)
<b>General revenues and transfers:</b>						
Taxes:						
Property taxes, levied for general purposes				124,769,255		124,769,255
Property taxes, levied for debt service				7,655,421		7,655,421
Federal sources				108,190		108,190
State sources—unrestricted				72,614,744		72,614,744
Investment income				64,177	6,812	70,989
Miscellaneous				1,573,749	2,948	1,576,697
Transfers				904,278	(904,278)	-
Total general revenues and transfers				207,689,814	(894,518)	206,795,296
Change in net position				8,266,311	166,063	8,432,374
Net Position—beginning				111,903,075	2,696,561	114,599,636
Net Position—ending				\$ 120,169,386	\$ 2,862,624	\$ 123,032,010

See accompanying notes to basic financial statements.





# Fund Financial Statements

mutko  
de  
Elementary





# **Governmental Funds**

East Brunswick Public Schools  
Governmental Funds

Balance Sheet

June 30, 2018

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Assets</b>					
Cash and cash equivalents	\$ 15,881,144	\$ 589,461	\$ 251,788	\$ 89,193	\$ 16,811,586
Accounts receivable:					
State	1,897,352	3,634	540,541		2,441,527
Federal		992,789			992,789
Other	501,120				501,120
Restricted assets:					
Cash and cash equivalents	9,655,206				9,655,206
Accounts receivable		5,800,000			5,800,000
<b>Total assets</b>	<u>\$ 27,934,822</u>	<u>\$ 7,385,884</u>	<u>\$ 792,329</u>	<u>\$ 89,193</u>	<u>\$ 36,202,228</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 4,053,535	\$ 906,170			\$ 4,959,705
Accrued expenses	434,730	5,817			440,547
Intergovernmental payables:					
State		31,844			31,844
Unearned revenue	18,863	115,069			133,932
<b>Total liabilities</b>	<u>4,507,128</u>	<u>1,058,900</u>			<u>5,566,028</u>
<b>Fund balances:</b>					
Restricted for:					
Capital reserve	9,655,206				9,655,206
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			\$ 792,329		792,329
Debt service				\$ 89,193	89,193
Assigned to:					
Designated for subsequent years expenditures		6,326,984			6,326,984
Other purposes	2,765,172				2,765,172
Unassigned:					
General fund	2,307,316				2,307,316
<b>Total fund balances</b>	<u>23,427,694</u>	<u>6,326,984</u>	<u>792,329</u>	<u>89,193</u>	<u>30,636,200</u>
<b>Total liabilities and fund balances</b>	<u>\$ 27,934,822</u>	<u>\$ 7,385,884</u>	<u>\$ 792,329</u>	<u>\$ 89,193</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 \$303,220,387 and the accumulated depreciation is \$76,317,794. \$ 226,902,593

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. (623,317)

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. (98,979,933)

Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the bonds. 5,303,738

Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds. 3,003,567

Accrued pension contributions for the June 30, 2018 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. (1,915,677)

Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds. (45,174,276)

Internal service funds are used by the District to charge the costs of the self-insurance program to the individual fund. The activities of this fund are included in the Statement of Activities. 1,016,491

Net position of governmental activities \$ 120,169,386

East Brunswick Public Schools  
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2018

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 124,769,255			\$ 7,655,421	\$ 132,424,676
Tuition from individuals	122,100				122,100
Tuition from other LEA's	920,013				920,013
Investment income	64,177				64,177
Rents and royalties	102,758				102,758
Miscellaneous	393,937	\$ 213,751			607,688
Total local sources	126,372,240	213,751		7,655,421	134,241,412
State sources	39,405,086	256,819		348,925	40,010,830
Federal sources	108,190	2,968,749			3,076,939
Total revenues	165,885,516	3,439,319		8,004,346	177,329,181
<b>Expenditures</b>					
Instruction:					
Regular instruction	43,196,540	1,739,582			44,936,122
Special education instruction	12,193,827	1,713,578			13,907,405
Other special instruction	4,020,042				4,020,042
Support services:					
Tuition	2,532,463				2,532,463
Student and instruction related services	17,635,994	844,128			18,480,122
School administration services	5,001,742				5,001,742
Other administrative services	6,071,897				6,071,897
Plant operations and maintenance	13,167,655				13,167,655
Pupil transportation	8,378,473				8,378,473
Employee benefits and on-behalf TPAF social security and pension, medical and disability contributions	40,118,595				40,118,595
Capital outlay	4,035,805	3,028,142	\$ 118,444		7,182,391
Debt Service:					
Principal	5,011,396			5,077,453	10,088,849
Interest	179,490			2,874,773	3,054,263
Charter schools	2,610,331				2,610,331
Total expenditures	164,154,250	7,325,430	118,444	7,952,226	179,550,350
Excess (deficiency) of revenues over (under) expenditures	1,731,266	(3,886,111)	(118,444)	52,120	(2,221,169)
Other financing sources (uses):					
Lease purchase issuance		6,900,000			6,900,000
Transfers in	1,753,874				1,753,874
Transfers (out)	(589,437)		(199,596)		(789,033)
Total other financing sources (uses)	1,164,437	6,900,000	(199,596)	-	7,864,841
Net change in fund balances	2,895,703	3,013,889	(318,040)	52,120	5,643,672
Fund balances, July 1	20,531,991	3,313,095	1,110,369	37,073	24,992,528
Fund balances, June 30	\$ 23,427,694	\$ 6,326,984	\$ 792,329	\$ 89,193	\$ 30,636,200

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, 2018

<b>Total net change in fund balances - governmental funds (from B-2)</b>		<b>\$ 5,643,672</b>
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 depreciation expense exceeded capital asset additions in the period.		
Depreciation Expense	\$ (6,963,006)	
Capital Asset Additions	<u>6,818,160</u>	(144,846)
The issuance of long-term debt for general purposes provides current financial resources to governmental funds, however has no effect on net position.		
Lease Purchase Obligations		(6,900,000)
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	4,120,000	
Lease Purchase Obligations	3,357,453	
Obligations Under Capital Leases	<u>2,611,234</u>	10,088,687
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.		
		(361,571)
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.		
		58,925
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 (+).		
		53,546
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		(1,466,322)
The internal service fund is used by the District to charge the costs of the self-insurance program to the individual fund. The assets and liabilities of the internal service fund are included with governmental activities.		
		<u>1,016,491</u>
<b>Change in net position of governmental activities (A-2)</b>		<b>\$ <u>8,266,311</u></b>



# Proprietary Funds



East Brunswick Public Schools  
Proprietary Funds

Statement of Net Position

June 30, 2018

	Major Enterprise Funds			Total	Major Internal Service Fund
	Food Service	Community Programs	JMPAC		Self-Insured Health Benefits
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 815,354	\$ 2,028,299	\$ 396,949	\$ 3,240,602	\$ 2,606,166
Accounts receivable:					
State	1,796			1,796	
Federal	52,082			52,082	
Other	8,603	12,340	112,891	133,834	
Inventory	1,212			1,212	
Restricted assets:					
Cash held by fiscal agent					589,437
Total current assets	<u>879,047</u>	<u>2,040,639</u>	<u>509,840</u>	<u>3,429,526</u>	<u>3,195,603</u>
Noncurrent assets:					
Capital assets:					
Depreciable:					
Equipment	1,164,347		60,816	1,225,163	
Accumulated depreciation	<u>(599,148)</u>		<u>(22,177)</u>	<u>(621,325)</u>	
Total capital assets, net	<u>565,199</u>		<u>38,639</u>	<u>603,838</u>	
Total assets	<u>1,444,246</u>	<u>2,040,639</u>	<u>548,479</u>	<u>4,033,364</u>	<u>3,195,603</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	194,448	128,552	810	323,810	991,112
Accrued salaries payable	12,942	34,115	15,797	62,854	
Unearned revenue	144,183	363,257	64,865	572,305	
Accrued liability - IBNR					1,188,000
Current portion of purchase agreement payable	<u>81,667</u>			<u>81,667</u>	
Total current liabilities	<u>433,240</u>	<u>525,924</u>	<u>81,472</u>	<u>1,040,636</u>	<u>2,179,112</u>
Noncurrent liabilities:					
Compensated absences	78,338	31,722	371	110,431	
Purchase agreement payable, net of current portion	<u>19,673</u>			<u>19,673</u>	
Total noncurrent liabilities	<u>98,011</u>	<u>31,722</u>	<u>371</u>	<u>130,104</u>	
Total liabilities	<u>531,251</u>	<u>557,646</u>	<u>81,843</u>	<u>1,170,740</u>	<u>2,179,112</u>
<b>Net Position</b>					
Net investment in capital assets	463,859		38,639	502,498	
Unrestricted	<u>449,136</u>	<u>1,482,993</u>	<u>427,997</u>	<u>2,360,126</u>	<u>1,016,491</u>
Total net position	<u>\$ 912,995</u>	<u>\$ 1,482,993</u>	<u>\$ 466,636</u>	<u>\$ 2,862,624</u>	<u>\$ 1,016,491</u>

See accompanying notes to basic financial statements.

East Brunswick Public Schools  
Proprietary Funds

Statement of Revenues, Expenses and Changes in Fund Net Position

Year ended June 30, 2018

	Major Enterprise Funds			Total	Major Internal
	Food Service	Community Programs	JMPAC		Service Fund Self-Insured Health Benefits
Operating revenues:					
Local sources:					
Services provided by other funds					\$ 21,427,704
Daily sales reimbursable programs	\$ 1,348,061			\$ 1,348,061	
Daily sales non-reimbursable programs	754,332			754,332	
Rental			\$ 720,908	720,908	
Special functions			7,973	7,973	
Registration fees		\$ 3,383,839		3,383,839	
Total operating revenues	2,102,393	3,383,839	728,881	6,215,113	21,427,704
Operating expenses:					
Salaries	1,000,723	2,120,830	248,204	3,369,757	
Employee benefits	341,079	367,727	24,518	733,324	20,350,650
Purchased professional services	25,460			25,460	
Other purchased services	86,716	235,806	9,397	331,919	
Management fee	146,324			146,324	
Supplies and materials	210,265	108,272	37,416	355,953	
Registrations/Training/Travel		189		189	
Depreciation	121,322		7,767	129,089	
Indirect cost	30,878			30,878	
Cost of sales - reimbursable programs	831,259			831,259	
Cost of sales - non-reimbursable programs	199,894			199,894	
Miscellaneous	16,916	1,018	84	18,018	
Total operating expenses	3,010,836	2,833,842	327,386	6,172,064	20,350,650
Operating (loss) income	(908,443)	549,997	401,495	43,049	1,077,054
Nonoperating revenues:					
State sources:					
State school lunch program	28,615			28,615	
Federal sources:					
School breakfast program	111,697			111,697	
National school lunch program	695,235			695,235	
Food donation program	181,985			181,985	
Interest income	1,396	4,281	1,135	6,812	
Other nonoperating revenues	2,948			2,948	
Total nonoperating revenues	1,021,876	4,281	1,135	1,027,292	
Income before transfers	113,433	554,278	402,630	1,070,341	1,077,054
Transfers in					589,437
Transfers out		(554,278)	(350,000)	(904,278)	(650,000)
Total transfers		(554,278)	(350,000)	(904,278)	(60,563)
Change in net position	113,433	-	52,630	166,063	1,016,491
Total net position-beginning	799,562	1,482,993	414,006	2,696,561	-
Total net position-ending	\$ 912,995	\$ 1,482,993	\$ 466,636	\$ 2,862,624	\$ 1,016,491



East Brunswick Public Schools  
Proprietary Funds

Statement of Cash Flows

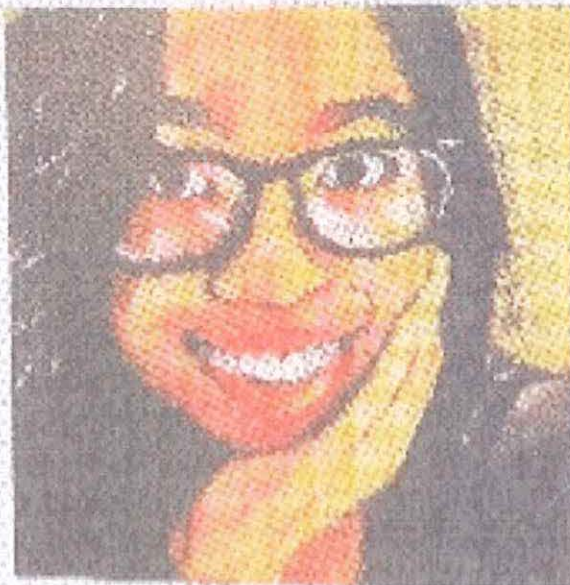
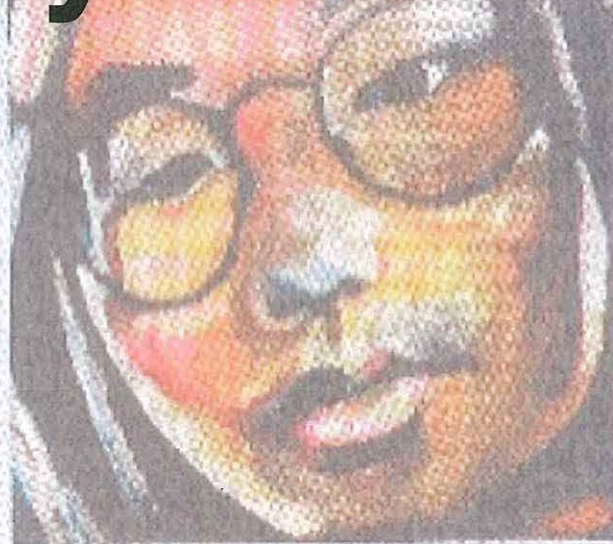
Year ended June 30, 2018

	Major Enterprise Funds			Total	Major Internal
	Food Service	Community Programs	JMPAC		Service Fund Self-Insured Health Benefits
<b>Cash flows from operating activities</b>					
Receipts for services provided to other funds					\$ 21,427,704
Receipts from customers	\$ 2,113,327	\$ 3,473,228	\$ 707,581	\$ 6,294,136	
Payments to employees	(991,541)	(2,124,540)	(234,467)	(3,350,548)	
Payments for employee benefits	(341,079)	(367,727)	(24,518)	(733,324)	(18,760,975)
Payments to suppliers	(1,499,344)	(348,043)	(53,084)	(1,900,471)	
Net cash (used in) provided by operating activities	(718,637)	632,918	395,512	309,793	2,666,729
<b>Cash flows from noncapital financing activities</b>					
Cash received from state and federal sources	1,017,558			1,017,558	
Transfers to other funds		(554,278)	(350,000)	(904,278)	(60,563)
Net cash provided by (used in) noncapital financing activities	1,017,558	(554,278)	(350,000)	113,280	(60,563)
<b>Cash flows from capital and related financing activities</b>					
Purchase of capital assets	(64,439)		(5,370)	(69,809)	
Payments of purchase agreement payable	(81,667)			(81,667)	
Proceeds on sale of capital assets	9,779		240	10,019	
Net cash (used in) capital and related financing activities	(136,327)		(5,130)	(141,457)	
<b>Cash flows from investing activities</b>					
Interest received	1,396	4,281	1,135	6,812	
Net cash provided by investing activities	1,396	4,281	1,135	6,812	
Net increase in cash and cash equivalents	163,990	82,921	41,517	288,428	2,606,166
Cash and cash equivalents, beginning of year	651,364	1,945,378	355,432	2,952,174	-
Cash and cash equivalents, end of year	<u>\$ 815,354</u>	<u>\$ 2,028,299</u>	<u>\$ 396,949</u>	<u>\$ 3,240,602</u>	<u>\$ 2,606,166</u>
<b>Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:</b>					
Operating (loss) income	\$ (908,443)	\$ 549,997	\$ 401,495	\$ 43,049	\$ 1,077,054
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:					
Depreciation	121,322		7,767	129,089	
Change in assets and liabilities:					
Decrease (increase) in other accounts receivable	(1,009)	7,577	(71,748)	(65,180)	
Decrease in inventory	288			288	
Increase (decrease) in accounts payable	48,080	(2,758)	(6,187)	39,135	991,112
Increase (decrease) in accrued expenses	9,976	(3,589)	13,679	20,066	598,563
Increase (decrease) in unearned revenue	11,943	81,812	50,448	144,203	
(Decrease) increase in compensated absences	(794)	(121)	58	(857)	
Net cash (used in) provided by operating activities	<u>\$ (718,637)</u>	<u>\$ 632,918</u>	<u>\$ 395,512</u>	<u>\$ 309,793</u>	<u>\$ 2,666,729</u>

**Noncash noncapital financing activities:**

The District received \$181,697 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2018.

# Fiduciary Funds



OIL PAINTING

DRAWING & PAINTING

CHURCHILL JR. HIGH

MR. AMME

East Brunswick Public Schools  
Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2018

	<b>Unemployment Compensation Trust Fund</b>	<b>Agency Fund</b>
	<u>                    </u>	<u>                    </u>
<b>Assets</b>		
Cash and cash equivalents	\$ 757,508	\$ 1,210,617
Total assets	<u>757,508</u>	<u>\$ 1,210,617</u>
<b>Liabilities</b>		
Accounts payable	4,300	
Payroll deductions payable		\$ 655,685
Due to student groups		554,932
Total liabilities	<u>4,300</u>	<u>\$ 1,210,617</u>
<b>Net Position</b>		
Held in trust for unemployment claims	<u>\$ 753,208</u>	

East Brunswick Public Schools  
Fiduciary Fund

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2018

	<b>Unemployment Compensation Trust Fund</b>
<b>Additions</b>	
Interest income	\$ 1,264
Board contributions	17,291
Employee contributions	145,831
Total additions	164,386
<b>Deductions</b>	
Unemployment payments	130,931
Total deductions	130,931
Change in net position	33,455
Net position-beginning	719,753
Net position-ending	\$ 753,208

*See accompanying notes to basic financial statements.*



# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

### 1. Summary of Significant Accounting Policies

The financial statements of the East Brunswick Public Schools (the "District") have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

#### A. Reporting Entity

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

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

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

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

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

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

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

### 1. Summary of Significant Accounting Policies (continued)

#### B. Government-wide and Fund Financial Statements

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

Separate financial statements are provided for governmental funds, 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, net pension liability and capital leases, are recorded only when payment is due.

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

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, 2018

### 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. The revenue sources are derived from federal, state and local grant funds and lease purchase obligations and the fund accounts for the activities of these restricted sources.

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

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

The District's Proprietary Fund is comprised of three enterprise fund programs, the Food Service Fund the Community Program Fund and the Jo Ann Magistro Performing Arts Center ("JMPAC") Fund and the Self-Insurance Internal Service Fund. All are considered major proprietary fund programs.

The District reports the following enterprise funds:

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

*Community 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.

*JMPAC Enterprise Fund:* The JMPAC fund accounts for financial activity related to rental activities at the District owned performing arts center.

The District reports the following internal service fund:

*Self-Insurance Fund:* The self-insurance fund is used to record the activity of the District's medical benefits.



# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

### 1. Summary of Significant Accounting Policies (continued)

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

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 unemployment compensation trust fund is accounted for using the accrual basis of accounting. The unemployment compensation fund is used to account for contributions from employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims.

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

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

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

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

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

### 1. Summary of Significant Accounting Policies (continued)

#### D. Budgets/Budgetary Control

Ad Valorem (Property) taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." The County Board of Taxation is responsible for the assessment of properties and the Township Tax Collector is responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the Middlesex County office of the DOE for approval. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referred in N.J.A.C. 6A:23. The 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, 2018 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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

**1. Summary of Significant Accounting Policies (continued)**

**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, 2018, the District had inventories in the Food Service Enterprise Fund of \$1,212.

**G. Capital Assets**

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

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

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

**H. Compensated Absences**

A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. The District uses the “vesting method” for estimating its accrued sick and vacation leave liability. District employees are granted vacation and sick leave in varying amounts under the District’s personnel policies.

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

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

### **1. Summary of Significant Accounting Policies (continued)**

As of June 30, 2018, a liability existed for compensated absences in the government-wide financial statements in the amount of \$2,894,421 and a liability in the amount of \$110,431 for compensated absences in the proprietary fund types.

#### **I. Unearned Revenue**

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

#### **J. Long-Term Obligations**

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

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

#### **K. Deferred Loss on Refunding of Debt**

Deferred loss on refunding arising from the issuance of refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. As of June 30, 2018, the District has recorded an unamortized balance of \$5,303,738 as a deferred outflow of resources and the amortization expense for the year ended June 30, 2018 was \$361,571.

#### **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

## East Brunswick Public Schools

### Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

#### 1. Summary of Significant Accounting Policies (continued)

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 unamortized loss on refunding of debt and deferred amounts related to pensions. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net 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



# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

### 1. Summary of Significant Accounting Policies (continued)

#### N. Fund Balances (continued)

the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.

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

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

Of the \$23,427,694 of fund balances in the General Fund, \$2,765,172 of outstanding encumbrances has been assigned to other purposes, \$9,655,206 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 \$2,307,316 is classified as unassigned.

All of the \$6,326,984 special revenue fund balance at June 30, 2018, is assigned as designated for subsequent years expenditures.

The \$792,329 Capital Projects fund balance at June 30, 2018 is restricted for capital projects. The District has contractual commitments in the amount of \$234,300 at June 30, 2018 to vendors related to ongoing construction projects that is reported as part of the restricted capital projects fund balance.

Of the \$89,193 Debt Service fund balance at June 30, 2018, \$37,073, in accordance with N.J.S.A. 7F-41c(2), is anticipated as revenue in the 2018-2019 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.

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

### 1. Summary of Significant Accounting Policies (continued)

#### 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 \$19,136,035 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

#### Q. Calculation of Excess Surplus

The designation for restricted fund balance -- excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2018 was \$8,700,000. Of this amount, \$4,350,000 has been appropriated in the 2018/19 budget and the remaining \$4,350,000 is required to be appropriated in the 2019/20 budget.

#### R. GASB Pronouncements

##### GASBs Pronouncements Implemented in the 2018 Fiscal Year

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statement 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2017. The District has adopted GASB No. 75 during the year ended June 30, 2018, which resulted in the recording of full accrual revenues and expenses and additional disclosures in the notes to the basic financial statements.

In March, 2017, GASB issued Statement No. 85, *Omnibus 2017*. This Statement establishes accounting and financial reporting requirements for blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The requirements of this Statement are effective for periods beginning after June 15, 2017. The District has adopted GASB Statement No. 85 during the year ended June 30, 2018, which did not have a significant impact on the financial statements.

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

### 1. Summary of Significant Accounting Policies (continued)

#### R. GASB Pronouncements (continued)

##### Recently Issued and Adopted Accounting Principles

The GASB issued Statement No. 84, *Fiduciary Activities* in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2018. Management has not determined the impact of the statement on the financial statements.

The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after December 15, 2019. Management has not determined the impact of the statement on the financial statements.

#### S. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2018 through February 21, 2019, the date that the financial statements were available for issuance and the effects of those that provide additional pertinent information about conditions that existed at the balance sheet date, have been recognized in the accompanying financial statements. The following occurred subsequent to June 30, 2018. On December 20, 2018, the District approved the issuance of School Energy Savings Obligation Refunding Bonds and in January 2019 issued \$8,135,000 of such bonds.

### 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 \$98,979,933 difference are as follows:

Bonds payable	\$ 71,660,000
Unamortized premium on bonds	4,258,520
Capital lease obligations	3,599,203
Lease purchase obligations	16,567,789
Compensated absences	<u>2,894,421</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 98,979,933</u>

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

### 3. Deposits and Investments

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

#### Deposits

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

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

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

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

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

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

Operating cash accounts are held in the District's name by several commercial banking institutions. At June 30, 2018, the carrying amount of the District's deposits was \$34,281,685 and the bank balance was \$37,792,613. Of the bank balance, \$250,000 of the District's cash deposits on June 30, 2018 was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$31,772,675. \$1,189,010 held in the District

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

### 3. Deposits and Investments (continued)

agency accounts are not covered by GUDPA. The District also has \$589,437 of cash held by fiscal agents on its behalf which is not covered by the FDIC or GUDPA.

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

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

#### Investments

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

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

The District did not have any funds held as investments during or at the year ended June 30, 2018.

### 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



East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

**4. Capital Reserve Account (continued)**

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, 2017 to June 30, 2018 fiscal year is as follows:

Beginning balance, July 1, 2017	\$ 6,574,268
Increases:	
Interest earnings	8,908
Board approved deposit - June 2018 resolution	5,272,070
Return of unexpended capital projects fund	199,596
Return of unexpended capital outlay	215,791
	<u>12,270,633</u>
Decreases:	
Board approved withdrawal – various dates	<u>(2,615,427)</u>
Ending balance, June 30, 2018	<u>\$ 9,655,206</u>

The June 30, 2018 LRFP balance of local support costs of uncompleted capital projects exceeded the June 30, 2018 capital reserve balance. The withdrawals from the capital reserve were for DOE approved facilities projects.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

**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, 2018:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities:</b>					
Capital Assets, not being Depreciated:					
Land	\$ 1,019,208				\$ 1,019,208
Construction in Progress	14,810,224	\$ 5,692,841		\$ (9,378,893)	11,124,172
Total Capital Assets not being Depreciated	<u>15,829,432</u>	<u>5,692,841</u>		<u>(9,378,893)</u>	<u>12,143,380</u>
Capital Assets, being Depreciated:					
Building and Improvements	270,253,479	5,017		6,991,551	277,250,047
Machinery and Equipment	10,533,331	1,120,302	\$ (214,015)	2,387,342	13,826,960
Total Capital Assets, being Depreciated	<u>280,786,810</u>	<u>1,125,319</u>	<u>(214,015)</u>	<u>9,378,893</u>	<u>291,077,007</u>
Less Accumulated Depreciation:					
Building and Improvements	(63,029,818)	(6,034,734)			(69,064,552)
Machinery and Equipment	(6,538,985)	(928,272)	214,015		(7,253,242)
Total Accumulated Depreciation	<u>(69,568,803)</u>	<u>(6,963,006)</u>	<u>214,015</u>		<u>(76,317,794)</u>
Total Capital Assets, being Depreciated, Net	<u>211,218,007</u>	<u>(5,837,687)</u>	<u>-</u>	<u>9,378,893</u>	<u>214,759,213</u>
Governmental Activities Capital Assets, Net	<u>\$ 227,047,439</u>	<u>\$ (144,846)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,902,593</u>
<b>Business-Type Activities:</b>					
Total Capital Assets, being Depreciated:					
Building and building improvements	\$ 698,782	\$ 5,370	\$ (3,592)		\$ 700,560
Machinery and Equipment	499,602	64,439	(39,438)		524,603
Total Capital Assets, being Depreciated	<u>1,198,384</u>	<u>69,809</u>	<u>(43,030)</u>		<u>1,225,163</u>
Less Accumulated Depreciation:					
Building and Improvements	(251,085)	(96,799)	3,592		(344,292)
Machinery and Equipment	(277,111)	(32,290)	32,368		(277,033)
Total Accumulated Depreciation	<u>(528,196)</u>	<u>(129,089)</u>	<u>35,960</u>		<u>(621,325)</u>
Total Business-Type Activities Capital Assets, Net	<u>\$ 670,188</u>	<u>\$ (59,280)</u>	<u>\$ (7,070)</u>	<u>\$ -</u>	<u>\$ 603,838</u>

Total depreciation expense for the fiscal year ended June 30, 2018 for governmental activities was \$6,963,006 and for business-type activities was \$129,089.

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

Regular instruction	\$ 2,745,312
Special education instruction	849,723
Other instruction	245,619
Student and instruction related services	1,129,331
School administration services	305,599
General and other administration services	370,984
Plant operation and maintenance	804,525
Pupil transportation	511,913
Total depreciation expense – governmental activities	<u>\$ 6,963,006</u>

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

**6. Long-Term Liabilities**

During the fiscal year ended June 30, 2018, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Serial Bonds Payable	\$ 75,780,000		\$ 4,120,000	\$ 71,660,000	\$ 4,080,000
Unamortized premium on bonds	4,536,249		277,729	4,258,520	277,729
Obligations under capital leases	6,210,437		2,611,234	3,599,203	1,762,958
Lease purchase obligation payable	13,025,242	\$ 6,900,000	3,357,453	16,567,789	4,218,002
Compensated absences payable	2,947,967	266,477	320,023	2,894,421	141,839
Sub-total	102,499,895	7,166,477	10,686,439	98,979,933	10,480,528
Net pension liability	58,573,454		13,399,178	45,174,276	
Total governmental activities long-term liabilities	<u>\$ 161,073,349</u>	<u>\$ 7,166,477</u>	<u>\$ 24,085,617</u>	<u>\$ 144,154,209</u>	<u>\$ 10,480,528</u>
<b>Business-Type Activities:</b>					
Purchase agreement payable	\$ 183,007		\$ 81,667	\$ 101,340	\$ 81,667
Compensated absences payable	111,288	\$ 16,687	17,544	110,431	
Total Business-Type activities long-term liabilities	<u>\$ 294,295</u>	<u>\$ 16,687</u>	<u>\$ 99,211</u>	<u>\$ 211,771</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, the community program enterprise fund and the JMPAC 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.

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 \$340,000 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

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

### 6. Long-Term Liabilities (continued)

#### A. Bonds Payable (continued)

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, 2018, there were bonds authorized but not issued of \$3,996,480 from a 2009 authorization.

#### 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%. As of June 30, 2018, the amount of defeased bonds still outstanding is \$53,841,000.

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.

#### 2017 Issue

On February 28, 2017, the District issued \$5,515,000 Refunding School Bonds at an interest rate of 1.722% to advance refund \$5,365,000 of 2007 School Bonds. As of June 30, 2018, the amount of defeased bonds outstanding is \$4,280,000. The 2017 Refunding School Bonds mature in amounts ranging from \$1,020,000 to \$1,120,000 through May 2022.

#### Bonds and Notes Authorized but not Issued

At June 30, 2018, there are bonds and notes authorized but not issued in the amount of \$3,996,480.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

**6. Long-Term Liabilities (continued)**

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

Year ending June 30,	Principal	Interest	Total
2019	\$ 4,080,000	\$ 2,657,338	\$ 6,737,338
2020	4,080,000	2,506,176	6,586,176
2021	4,445,000	2,331,832	6,776,832
2022	4,445,000	2,147,239	6,602,239
2023	3,485,000	1,961,075	5,446,075
2024-2028	18,705,000	7,659,049	26,364,049
2029-2033	20,260,000	4,270,822	24,530,822
2034-2038	10,430,000	1,148,095	11,578,095
2039-2040	1,720,000	117,000	1,837,000
	<u>\$ 71,660,000</u>	<u>\$ 24,798,626</u>	<u>\$ 96,458,626</u>

**B. Lease Purchase Obligations Payable**

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 concludes on October 1, 2019. The lease carries an interest rate of 4.23%. The total principal amount of the lease was \$14,320,000.

Future Minimum Lease Payments - Future minimum lease payments for the next two years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2018 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 1,050,000
2020	239,519
Total Minimum Lease Payments	<u>1,289,519</u>
Less: Amount representing interest	(61,730)
Present Value of Net Minimum Lease Payments	<u>\$ 1,227,789</u>



# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

### 6. Long-Term Liabilities (continued)

#### B. Lease Purchase Obligations Payable (continued)

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

#### 2015 Agreement

In May 2015, the Board of Education (the Lessee) entered into a lease purchase agreement with the Township of East Brunswick (the Lessor) to finance district-wide building improvements and renovations. Approval was obtained from the Commissioner of Education and the State of New Jersey Local Finance Board. The building is located on land owned by the Board of Education that has been leased to the Township of East Brunswick, pursuant to a ground lease agreement dated May 18, 2015.

Under the lease, the Board is required to pay basic rent due on each August 1, which concludes 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 three years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2018 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 1,199,672
2020	1,160,000
2021	1,160,000
Total Minimum Lease Payments	3,519,672
Less: Amount representing interest	(39,672)
Present Value of Net Minimum Lease Payments	<u>\$ 3,480,000</u>

#### 2017 Agreement

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, technology equipment, classroom furnishings and transportation and maintenance vehicles. In exchange, the Board of Education will permit use of its facilities for and by the Township of East Brunswick as specified in the agreement. Approval was obtained from the Commissioner of Education and the State of New Jersey Local Finance Board.

Under the lease, the Board is required to pay basic rent due on each August 1, which concludes

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

**6. Long-Term Liabilities (continued)**

**B. Lease Purchase Obligations Payable (continued)**

on August 1, 2021. The lease carries an interest rate of 0.84%. The total principal amount of the lease was \$6,200,000.

Future Minimum Lease Payments - Future minimum lease payments for the next four years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2018 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 1,896,544
2020	640,000
2021	1,240,000
2022	1,240,000
Total Minimum Lease Payments	5,016,544
Less: Amount representing interest	(56,544)
Present Value of Net Minimum Lease Payments	\$ 4,960,000

2017 Agreement

In September 2017, the Board of Education (the Lessee) entered into a lease purchase agreement with the Township of East Brunswick (the Lessor) to finance district-wide building improvements, technology equipment, classroom furnishings and transportation and maintenance vehicles. In exchange, the Board of Education will permit use of its facilities for and by the Township of East Brunswick as specified in the agreement. Approval was obtained from the Commissioner of Education and the State of New Jersey Local Finance Board.

Under the lease, the Board is required to pay basic rent due on each October 1, which commences on October 1, 2018 and will conclude on October 1, 2022. The lease carries an interest rate of 1.852%. The total principal amount of the lease was \$1,100,000.

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, 2018 are:

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

**6. Long-Term Liabilities (continued)**

**B. Lease Purchase Obligations Payable (continued)**

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 236,298
2020	220,000
2021	220,000
2022	220,000
2023	220,000
Total Minimum Lease Payments	1,116,298
Less: Amount representing interest	(16,298)
Present Value of Net Minimum Lease Payments	\$ 1,100,000

2018 Agreement

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

Under the lease, the Board is required to pay basic rent due on each July 1, which commences on July 1, 2019 and will conclude on July 1, 2023. The lease carries an interest rate of 1.852%. 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, 2018 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 1,267,416
2020	1,160,000
2021	1,160,000
2022	1,160,000
2023	1,160,000
Total Minimum Lease Payments	5,907,416
Less: Amount representing interest	(107,416)
Present Value of Net Minimum Lease Payments	\$ 5,800,000

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

**6. Long-Term Liabilities (continued)**

**C. Capital Lease Obligations – Governmental Activities**

The District entered into a Capital Lease Obligation on June 19, 2013 for various construction in the amount of \$4,225,000, and the final payment was made on June 19, 2018.

The District entered into a Capital Lease Obligation on January 28, 2014 for various equipment in the amount of \$89,513, and the final payment was made on January 28, 2018.

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 rate 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 rate 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 rate is at 1.671%.

Future Minimum Lease Payments - Future minimum lease payments for the next three years under the capital lease obligations along with the present value of the minimum lease payments as of June 30, 2017 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 1,817,957
2020	1,686,855
2021	180,786
Total Minimum Lease Payments	3,685,598
Less: Amount representing interest	(86,395)
Present Value of Net Minimum Lease Payments	<u>\$ 3,599,203</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

## East Brunswick Public Schools

### Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

#### **7. Pension Plans (continued)**

Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New

Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.

#### **Teachers' Pension and Annuity Fund**

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively, with an annual benefit generally determined to be 1/55<sup>th</sup> 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<sup>th</sup> 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<sup>th</sup> 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<sup>th</sup> 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, 2018

### 7. Pension Plans (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 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, 2018, the State of New Jersey contributed \$14,989,693 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 \$4,534,726 during the year ended June 30, 2018 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, 2018, 2017 and 2016 was \$1,797,767, \$1,756,950, and \$1,720,688 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, 2018

**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, 2018, the District reported a liability of \$45,174,276 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2016, which was rolled forward to June 30, 2017. 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, 2017, the District's proportion was 0.1940609018 percent, which was a decrease of 0.0036998077 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized full accrual pension expense of \$3,264,089 in the government-wide financial statements. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,063,698	
Changes of assumptions	9,101,060	\$ 9,067,694
Net difference between projected and actual earnings on pension plan investments	307,606	
Changes in proportion and differences between District contributions and proportionate share of contributions	646,274	963,054
District contributions subsequent to the measurement date	1,915,677	
	\$ 13,034,315	\$ 10,030,748

\$1,915,677 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:

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

**7. Pension Plans (continued)**

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

<b>Year ended June 30:</b>	
2019	\$ 1,090,636
2020	1,629,435
2021	926,706
2022	(1,525,434)
2023	(1,033,453)
	\$ 1,087,890

*Actuarial Assumptions*

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation rate	2.25%
Salary increases	
through 2026	1.65 - 4.15%
	based on age
Thereafter	2.65 - 5.15%
	based on age
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

*Mortality Rates*

Pre-retirement mortality rates were based on the RP-2000 Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

### 7. Pension Plans (continued)

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

former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

#### *Long-Term Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/Venture capital	8.25%	13.08%
	100.00%	

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

**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 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 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 contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, 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, 2017 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00 percent) or 1-percentage-point higher (6.00 percent) than the current rate:

	<b>At 1% Decrease (4.00%)</b>	<b>At Current Discount Rate (5.00%)</b>	<b>At 1% Increase (6.00%)</b>
District's proportionate share of the net pension liability	\$ 56,041,755	\$ 45,174,276	\$ 36,120,319

*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, 2018

**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, 2017 are as follows:

Deferred outflows of resources	\$ 6,424,455,842
Deferred inflows of resources	\$ 5,700,625,981
Net pension liability	\$ 23,278,401,588
District's Proportion	0.1940609018%

Collective pension expense for the Local Group for the measurement period ended June 30, 2017 is \$1,694,305,613.

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, 2017, 2016, 2015 and 2014 is 5.48, 5.57, 5.72, and 6.44 years, respectively.

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

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

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2017 was \$407,563,154. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined.

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

### 7. Pension Plans (continued)

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

At June 30, 2017, the State's proportionate share of the TPAF net pension liability associated with the District was 0.6044813962 percent, which was a decrease of 0.0003992975 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$28,233,912 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	2.25%
Salary increases	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.00%

#### *Mortality Rates*

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

#### *Long-Term Expected Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage by adding expected inflation.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

**7. Pension Plans (continued)**

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

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%
	<u>100.00%</u>	

*Discount Rate*

The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 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 contribution rate in the most recent fiscal year. The State contributed 40% of the 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 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

**7. Pension Plans (continued)**

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

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, 2017 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 (3.25 percent) or 1-percentage-point higher (5.25 percent) than the current rate:

	<b>At 1% Decrease (3.25%)</b>	<b>At Current Discount Rate (4.25%)</b>	<b>At 1% Increase (5.25%)</b>
State's proportionate share of the net pension liability associated with the District	\$ 484,197,811	\$ 407,563,154	\$ 344,431,190

*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, 2017 are as follows:

Deferred outflows of resources	\$ 14,251,854,934
Deferred inflows of resources	\$ 11,807,238,433
Net pension liability	\$ 67,423,605,859

State's proportionate share associated with the District      0.6044813962%

Collective pension expense for the Local Group for the plan for the measurement period ended June 30, 2017 is \$4,682,493,081.

## East Brunswick Public Schools

### Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

#### 7. Pension Plans (continued)

##### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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, 2017, 2016, 2015 and 2014 is 8.3, 8.3, 8.3, and 8.5 years, respectively.

#### 8. Post-Retirement Benefits

##### *Plan description and benefits provided*

The School District contributes to the New Jersey State Health Benefits Program (the "SHBP"), a 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.

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, 2018, 2017 and 2016 were \$5,876,126, \$5,665,302 and \$5,766,567 respectively, which equaled the required contributions for each year.

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions 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. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994. As the employer contributions for local government education employers are legally required to be funded by the State, this constitutes a special funding situation as defined by GASB Statement No. 75 (GASB 75) and the State is treated as a non-employer contributing entity.

The State is also responsible for the cost attributable P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service.



East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

**8. Post-Retirement Benefits (continued)**

The School Employees Health Benefits Program (SEHBP) 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 provides OPEB benefits through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

*Total OPEB Liability*

The net OPEB liability from New Jersey's plan is \$53,639,841,858.

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2017:

	Total OPEB Liability
Beginning Total OPEB Liability, June 30, 2016	\$ 341,602,391
Changes for the year:	
Service cost	13,993,198
Interest cost	10,034,571
Changes of assumptions	(42,093,447)
Member contributions	269,919
Gross benefit payments	(7,330,264)
Net change in total OPEB liability	(25,126,023)
Ending Total OPEB Liability, June 30, 2017	\$ 316,476,368

*Employees covered by benefit terms*

The following employees were covered by the benefit terms:

Local Education	June 30, 2017
Active Plan Members	223,747
Inactive Plan Members or Beneficiaries Currently Receiving Benefit	142,331
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	366,078

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

**8. Post-Retirement Benefits (continued)**

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. The State's proportionate share of the net OPEB liability associated with the District as of June 30, 2017 was \$316,476,368. Additional information can be obtained from the State of New Jersey's comprehensive annual financial report.

*Actuarial assumptions and other inputs*

The total OPEB liability in the June 30, 2018 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

	TPAF	PERS
Inflation rate	2.50%	2.50%
Salary increase through 2026	1.55 - 4.55%	2.15 - 4.15%
	based on years of service	based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15%
	based on years of service	based on age

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the actual experience studies for the periods July 1, 2012 – June 30, 2015 and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

*Discount Rate*

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

*Mortality Rates*

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female Mortality table for males or females, as appropriate, with adjustments for mortality improvements based on MP- 2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

**8. Post-Retirement Benefits (continued)**

*Health Care Trend Assumptions*

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

*The following represents sensitivity of the State's proportionate share of the net OPEB liability associated with the District to changes in the discount rate and healthcare cost trend rate.*

The following presents the State's proportionate share of the net OPEB liability associated with the District as of June 30, 2017 calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	At 1% decrease (2.58%)	At current discount rate (3.58%)	At 1% increase (4.58%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 375,680,281	\$ 316,476,368	\$ 269,515,261

The following presents the State's proportionate share of the net OPEB liability associated with the District as of June 30, 2017 calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	At 1% decrease	Healthcare Cost Trend Rates	At 1% increase
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 260,271,219	\$ 316,476,368	\$ 391,116,145

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

For the year ended June 30, 2018, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$19,600,824 for OPEB expenses incurred by the State.

## East Brunswick Public Schools

### Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

#### 8. Post-Retirement Benefits (continued)

Collective balances of the Education Group at June 30, 2017 are as follows:

Deferred outflows of resources	\$	99,843,255
Deferred inflows of resources	\$	6,443,612,287
Collective OPEB Expense	\$	3,348,490,523
District's Proportion		0.59%

#### *Special Funding Situation*

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

#### 9. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2018 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

#### 10. Deferred 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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

**10. Deferred Compensation (continued)**

The plan administrators are as follows:

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

**11. Risk Management**

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

**Property and Liability Insurance:** The District maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this 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
2017-2018	\$ 719,753	\$ 17,291	\$ 145,831	\$ 1,264	\$ 130,931	\$ 753,208
2016-2017	758,042	16,571	144,053	370	199,283	719,753
2015-2016	769,829	15,057	137,305	375	164,524	758,042

**Self-Insurance:** The District is self-insured for medical, prescription and dental benefits and has established an internal service fund to account for its self-insurance activities. At June 30, 2018, the accrued liability for unpaid medical, prescription and dental claims of \$1,188,000 has been recorded in the internal service fund financial statements for Incurred But Not Reported Claims (IBNR), which is subject to modification and/or assessment of existing or additional claims. The medical, prescription and dental benefits IBNR liability has been calculated by an actuary contracted by the District's claims administrator. The actuary utilized a 10% margin to estimate the liabilities. The change in the IBNR for the year ended June 30, 2018 is as follows:



East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

**11. Risk Management (continued)**

Fiscal Year	Beginning Balance	Current Year Claims and Estimates	Claim Payments	Ending Balance
2017-2018	\$ -	\$ 21,538,650	\$ 20,350,650	\$ 1,188,000

**12. Economic Dependency**

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

**13. Transfers to Capital Outlay**

During the year ending June 30, 2018, the District transferred \$2,615,427 (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.

**14. Transfers – Reconciliation**

The following represents a reconciliation of transfers made during the 2018 fiscal year:

	<u>In</u>	<u>Out</u>
General Fund	\$ 1,753,874	\$ 589,437
Capital Projects Fund		199,596
Community Programs Enterprise Fund		554,278
JMPAC Enterprise Fund		350,000
Internal Service Fund	589,437	650,000
	<u>\$ 2,343,311</u>	<u>\$ 2,343,311</u>

The transfers from the community programs enterprise fund and the JMPAC enterprise fund to the general fund represents a return on investment transferred to the general fund. The transfer from the capital projects fund to the general fund represents a return of excess funds on completed projects. The transfers between the general fund and the internal service fund represent the transfer of funds to set up the internal service fund for expenditures previously paid out of the general fund.

**15. 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 (accounts receivable) as they are restricted for use for capital projects as identified in the lease purchase agreements.

## East Brunswick Public Schools

### Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

#### 16. Net Position - Net Investment in Capital Assets

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$142,447,803 indicated as part of the Governmental Activities net position is calculated as follows:

Capital assets, net of depreciation	\$ 226,902,593
Bonds payable (used to build or acquire capital assets)	(71,660,000)
Deferred loss on refunding of debt	5,303,738
Unamortized deferred premium	(4,258,520)
Lease purchase obligations	(16,567,789)
Capital lease obligations	(3,599,203)
Designated for subsequent years expenditures - Special Revenue Fund (unused capital lease proceeds)	6,326,984
Total net investment in capital assets	<u>\$ 142,447,803</u>

#### 17. Tax Abatements

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

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

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

## East Brunswick Public Schools

### Notes to the Basic Financial Statements (continued)

Year ended June 30, 2018

#### **17. Tax Abatements (continued)**

The Township of East Brunswick recognized revenue of \$942,027 from the annual service charge in lieu of payment of taxes in 2017 and taxes in 2017 that otherwise would have been due on these long-term tax exemptions amounted to \$2,121,513, based upon the assessed valuations of the long-term tax exemptions properties. A portion of the \$1,179,486 abatement would have been allocated to the District.

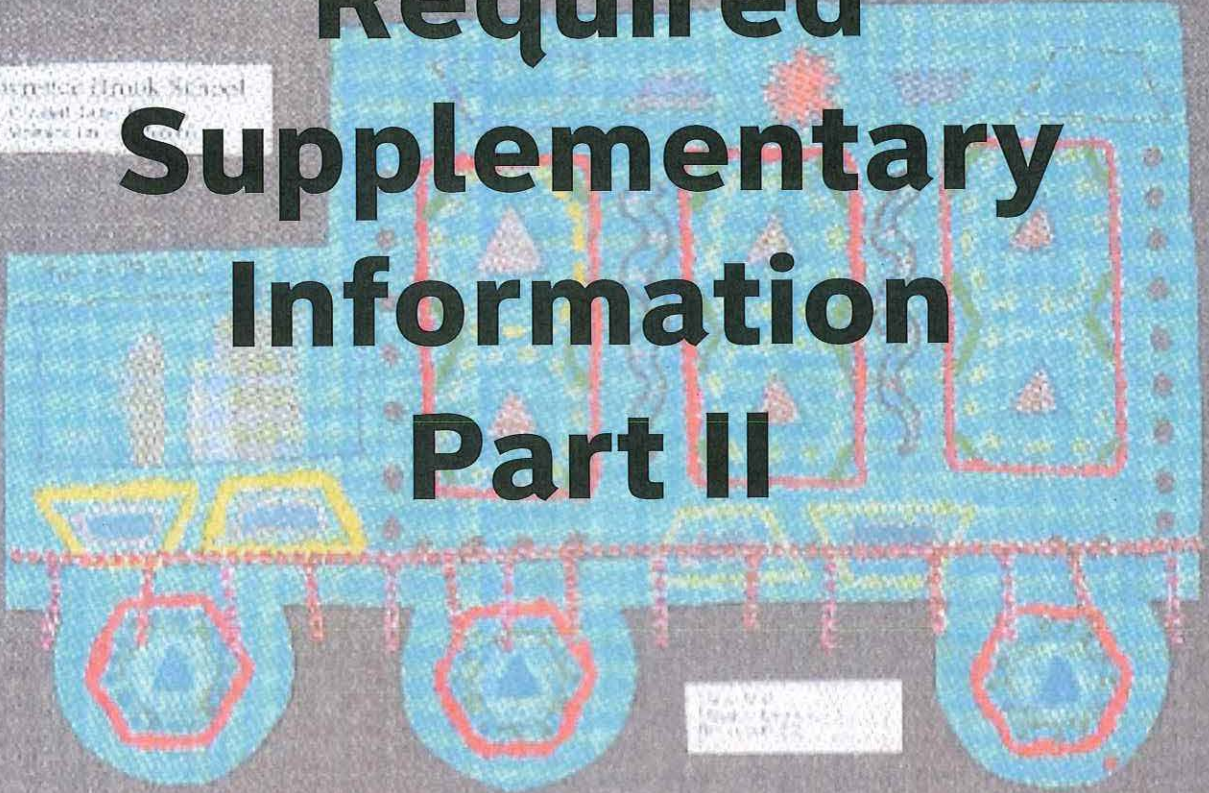


Lawrence Brook School

# Required

# Supplementary Information Part II

Lawrence Brook School  
City of Lowell  
01850



Lawrence Brook School  
City of Lowell  
01850

Pakistani Truck Art by Grade 3

Lawrence Brook School  
City of Lowell  
01850



Lawrence Brook School  
City of Lowell  
01850

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

Last Ten Fiscal Years

	Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Measurement date	N/A	N/A	N/A	N/A	N/A	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017
District's proportion of the net pension liability (asset) - Local Group	N/A	N/A	N/A	N/A	N/A	0.1930621676%	0.1931581586%	0.2001424156%	0.1977688257%	0.1940609018%
District's proportionate share of the net pension liability (asset)	N/A	N/A	N/A	N/A	N/A	\$ 36,898,016	\$ 36,164,490	\$ 44,927,962	\$ 58,573,454	\$ 45,174,276
District's covered payroll	\$ 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	\$ 13,301,469
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	N/A	N/A	N/A	N/A	N/A	282.81%	268.93%	336.08%	441.98%	339.62%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	N/A	N/A	N/A	N/A	N/A	48.72%	52.08%	47.93%	40.14%	40.14%

N/A - Information not available



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

Last Ten Fiscal Years

	Year Ended June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Contractually required contribution	\$ 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	\$ 1,797,767
Contributions in relation to the contractually required contribution	(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)	(1,797,767)
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 payroll	\$ 14,726,213	\$ 14,427,632	\$ 13,907,475	\$ 13,261,244	\$ 13,047,120	\$ 13,447,670	\$ 13,368,140	\$ 13,252,553	\$ 13,301,469	\$ 13,711,055
Contributions as a percentage of covered payroll	7.03%	7.90%	11.96%	11.42%	12.18%	10.82%	11.90%	12.98%	13.21%	13.11%

See accompanying notes to required supplementary information.



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

Last Ten Fiscal Years\*

	2014	2015	Year Ended June 30, 2016	2017	2018
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.6038945428%	0.5894999659%	0.5738312934%	0.6048806937%	0.6044813962%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 305,203,552	\$ 315,068,546	\$ 362,685,882	\$ 475,837,667	\$ 407,563,154
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 305,203,552</u>	<u>\$ 315,068,546</u>	<u>\$ 362,685,882</u>	<u>\$ 475,837,667</u>	<u>\$ 407,563,154</u>
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%	22.33%	22.33%

\* 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.

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

Last Ten Fiscal Years\*

	Year Ended June 30,	
	2017	2018
State's proportion of the net OPEB liability (asset) associated with the District	0.59%	0.59%
District's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 341,602,391	\$ 316,476,368
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 341,602,391</u>	<u>\$ 316,476,368</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
	<u>2017**</u>	<u>2018</u>
<b>Total OPEB Liability</b>		
Changes for the year:		
Service cost		\$ 13,993,198
Interest cost		10,034,571
Changes of assumptions		(42,093,447)
Member contributions		269,919
Gross benefit payments		<u>(7,330,264)</u>
Net change in total OPEB liability		(25,126,023)
Total OPEB liability - beginning		<u>341,602,391</u>
Total OPEB liability - ending		<u>\$ 316,476,368</u>
Covered-employee payroll		<u>\$ 76,607,296</u>
Total OPEB liability as a percentage of covered-employee payroll		<u>413.12%</u>

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

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

\*\* information not available.

East Brunswick Public Schools  
Notes to Required Supplementary Information  
Year ended June 30, 2018

PUBLIC EMPLOYEES' RETIREMENT SYSTEM – PENSION

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.98% as of June 30, 2016 to 5.00% as of June 30, 2017.

TEACHERS PENSION AND ANNUITY FUND - PENSION

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.22% as of June 30, 2016 to 4.25% as of June 30, 2017.

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

Benefit Changes

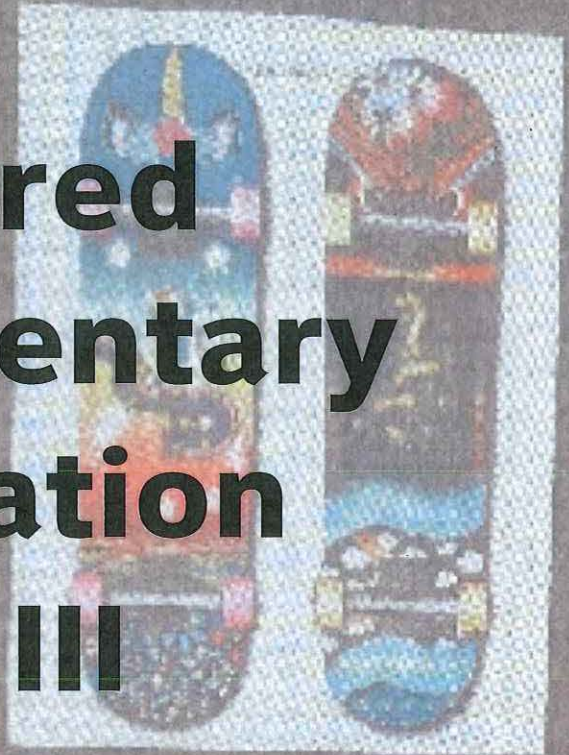
There were none.

Changes of Assumptions

The discount rate changed from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.



# Required Supplementary Information Part III





# Budgetary Comparison



East Brunswick Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues</b>					
<b>Local sources:</b>					
Local tax levy	\$ 124,769,255		\$ 124,769,255	\$ 124,769,255	
Tuition (from individuals)	50,000		50,000	122,100	\$ 72,100
Tuition (other LEAS)	490,200		490,200	920,013	429,813
Investment income	16,000		16,000	55,269	39,269
Interest earned on capital reserve				8,908	8,908
Rents and royalties	80,000		80,000	102,758	22,758
Miscellaneous	375,049		375,049	393,937	18,888
<b>Total revenues - local sources</b>	<b>125,780,504</b>		<b>125,780,504</b>	<b>126,372,240</b>	<b>591,736</b>
<b>State sources:</b>					
Extraordinary aid	500,000		500,000	1,613,635	1,113,635
Special education categorical aid	5,152,548	\$ 203,438	5,355,986	5,355,986	
Equalization aid	11,737,848		11,737,848	11,737,848	
Security aid	176,418		176,418	176,418	
Transportation aid	679,647		679,647	679,647	
Additional Non-public school transportation aid				56,865	56,865
PARCC Readiness aid	83,350		83,350	83,350	
Per Pupil Growth aid	83,350		83,350	83,350	
Professional Learning Community aid	82,110		82,110	82,110	
Lead Testing for Schools Aid				31,298	31,298
Additional Adjustment aid	1		1	1	
On-Behalf TPAF - Pension					
Contribution (non-budgeted)				9,097,877	9,097,877
On-Behalf TPAF - Post-Retirement					
Medical (non-budgeted)				5,876,126	5,876,126
On-Behalf TPAF - Long-Term Disability					
Insurance (non-budgeted)				15,690	15,690
Reimbursed TPAF social security contributions (non-budgeted)				4,534,726	4,534,726
<b>Total - state sources</b>	<b>18,495,272</b>	<b>203,438</b>	<b>18,698,710</b>	<b>39,424,927</b>	<b>20,726,217</b>
<b>Federal sources:</b>					
Medical assistance	77,953		77,953	108,190	30,237
<b>Total - federal sources</b>	<b>77,953</b>	<b>-</b>	<b>77,953</b>	<b>108,190</b>	<b>30,237</b>
<b>Total revenues</b>	<b>144,353,729</b>	<b>203,438</b>	<b>144,557,167</b>	<b>165,905,357</b>	<b>21,348,190</b>
<b>Expenditures</b>					
<b>Current expenditures:</b>					
<b>Instruction - regular programs:</b>					
<b>Salaries of teachers:</b>					
Preschool	335,833		335,833	335,186	647
Kindergarten	1,971,353		1,971,353	1,885,957	85,396
Grades 1-5	13,159,367		13,159,367	12,856,619	302,748
Grades 6-8	10,583,425	(160,864)	10,422,561	10,283,777	138,784
Grades 9-12	15,260,389	(430,497)	14,829,892	14,829,892	
<b>Home instruction - regular programs:</b>					
Salaries of teachers	26,622		26,622	11,226	15,396
Purchased professional-educational services	35,000	16,656	51,656	51,656	
<b>Undistributed instruction - regular programs:</b>					
Other salaries for instruction	197,016	111,558	308,574	308,574	
Purchased professional-educational services	164,692	36,138	200,830	190,664	10,166
Purchased technical services	146,658	(91,067)	55,591	50,091	5,500
Other purchased services	1,140,267	686,498	1,826,765	1,744,026	82,739
General supplies	1,488,631	(163,438)	1,325,193	1,190,638	134,555
Textbooks	234,504	(16,189)	218,315	201,239	17,076
Other objects	7,558	1,343	8,901	7,164	1,737
<b>Total instruction - regular programs</b>	<b>44,751,315</b>	<b>(9,862)</b>	<b>44,741,453</b>	<b>43,946,709</b>	<b>794,744</b>



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

Year ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures					
Special education:					
Learning and/or language disabilities:					
Salaries of teachers	\$ 395,622	\$ (30,810)	\$ 364,812	\$ 274,464	\$ 90,348
Other salaries for instruction	241,628	(6,657)	234,971	214,316	20,655
Other purchased services	100	(61)	39	39	
General supplies	2,600		2,600	2,489	111
Total learning and/or language disabilities	639,950	(37,528)	602,422	491,308	111,114
Behavioral disabilities:					
Salaries of teachers	187,239	16,314	203,553	203,553	
Other salaries for instruction	121,121	21,154	142,275	142,275	
Other purchased services		39	39	39	
General supplies	4,024		4,024	1,916	2,108
Total behavioral disabilities	312,384	37,507	349,891	347,783	2,108
Multiple disabilities:					
Salaries of teachers	338,796		338,796	308,321	30,475
Other salaries for instruction	169,526		169,526	153,725	15,801
Other purchased services	350	(15)	335	167	168
General supplies	6,800	288	7,088	6,260	828
Total multiple disabilities	515,472	273	515,745	468,473	47,272
Resource room/center:					
Salaries of teachers	7,616,396	(116,161)	7,500,235	7,500,235	
Other salaries for instruction	994,747	124,899	1,119,646	1,119,646	
Other purchased services	1,400	(375)	1,025	955	70
General supplies	20,325	1,113	21,438	20,128	1,310
Textbooks	1,500	(307)	1,193	865	328
Total resource room/center	8,634,368	9,169	8,643,537	8,641,829	1,708
Autism:					
Salaries of teachers	987,790		987,790	982,965	4,825
Other salaries for instruction	721,052	(8,737)	712,315	515,550	196,765
Other purchased services	200	(161)	39	39	
General supplies	13,350		13,350	11,694	1,656
Total autism	1,722,392	(8,898)	1,713,494	1,510,209	203,285
Preschool disabilities - part time:					
Salaries of teachers	42,857		42,857	37,454	5,403
Other salaries for instruction	38,070		38,070	32,453	5,617
General supplies	5,100		5,100	5,066	34
Total preschool disabilities - part time	86,027		86,027	74,973	11,054

East Brunswick Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Special education (continued):					
Preschool disabilities - full time:					
Salaries of teachers	\$ 242,027		\$ 242,027	\$ 214,443	\$ 27,584
Other salaries for instruction	352,305		352,305	330,066	22,239
General supplies	700		700	677	23
Total preschool disabilities - full time	<u>595,032</u>		<u>595,032</u>	<u>545,186</u>	<u>49,846</u>
Home instruction - special education:					
Salaries of teachers	22,440		22,440	14,507	7,933
Purchased professional - educational services	75,000	\$ 24,559	99,559	99,559	
Total home instruction - special education	<u>97,440</u>	<u>24,559</u>	<u>121,999</u>	<u>114,066</u>	<u>7,933</u>
Total special education	<u>12,603,065</u>	<u>25,082</u>	<u>12,628,147</u>	<u>12,193,827</u>	<u>434,320</u>
Basic skills/remedial - instruction:					
Salaries of teachers	2,220,230	(20,429)	2,199,801	2,088,259	111,542
Other purchased services	100	(61)	39		39
Purchased technical services	4,200		4,200		4,200
General supplies	14,100	(93)	14,007	9,638	4,369
Total basic skills/remedial - instruction	<u>2,238,630</u>	<u>(20,583)</u>	<u>2,218,047</u>	<u>2,097,897</u>	<u>120,150</u>
Bilingual education - instruction:					
Salaries of teachers	749,906	14,463	764,369	764,369	
Other purchased services	300		300		300
General supplies	4,859		4,859	3,818	1,041
Total bilingual education - instruction	<u>755,065</u>	<u>14,463</u>	<u>769,528</u>	<u>768,187</u>	<u>1,341</u>
School - sponsored cocurricular activities:					
Salaries	330,431		330,431	329,620	811
Purchased services	51,250	10,600	61,850	51,850	10,000
Supplies and materials	6,680	652	7,332	7,254	78
Other objects	5,500	2,871	8,371	7,343	1,028
Total school-sponsored cocurricular activities	<u>393,861</u>	<u>14,123</u>	<u>407,984</u>	<u>396,067</u>	<u>11,917</u>
School - sponsored athletics - instruction:					
Salaries	722,377	(116,873)	605,504	605,504	
Purchased services	51,100	7,058	58,158	40,484	17,674
Supplies and materials	59,095	(1,000)	58,095	57,556	539
Other objects	5,000		5,000	3,500	1,500
Transfers to cover deficit (agency funds)	63,868		63,868	52,334	11,534
Total school - sponsored athletics - instruction	<u>901,440</u>	<u>(110,815)</u>	<u>790,625</u>	<u>759,378</u>	<u>31,247</u>
Total instruction	<u>61,643,376</u>	<u>(87,592)</u>	<u>61,555,784</u>	<u>60,162,065</u>	<u>1,393,719</u>

East Brunswick Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs w/in the state - regular	\$ 15,547		\$ 15,547	\$ 11,982	\$ 3,565
Tuition to other LEAs w/in the state - special	1,323,597	\$ (20,568)	1,303,029	1,194,013	109,016
Tuition to CSSD and regional day schools	153,439		153,439	150,525	2,914
Tuition to private schools disabled - within state	1,661,372	(106,000)	1,555,372	1,074,443	480,929
Tuition to Priv. Sch. Disabled & Other LEAs-Spl.		101,500	101,500	101,500	
Tuition - state facilities	45,900		45,900		45,900
Total instruction	3,199,855	(25,068)	3,174,787	2,532,463	642,324
Attendance and social work services:					
Salaries	200,173		200,173	189,819	10,354
Other purchased services	3,352	4,701	8,053	4,694	3,359
Supplies and materials	535	448	983	696	287
Total attendance and social work services	204,060	5,149	209,209	195,209	14,000
Health services:					
Salaries	1,101,234	12,716	1,113,950	1,113,950	
Purchased professional and technical services	87,582	(7,319)	80,263	73,609	6,654
Other purchased services	6,452	(2,635)	3,817	3,709	108
Supplies and materials	26,879	9,292	36,171	35,865	306
Total health services	1,222,147	12,054	1,234,201	1,227,133	7,068
Other support services - students - speech, OT, PT & related services:					
Salaries	1,660,934	(125,798)	1,535,136	1,438,155	96,981
Purchased professional educational services	934,000	(2,125)	931,875	845,127	86,748
Supplies and materials	11,065	(431)	10,634	9,075	1,559
Total other support services - students - speech, OT, PT & related services	2,605,999	(128,354)	2,477,645	2,292,357	185,288
Other support services - students - extraordinary:					
Salaries	1,644,475		1,644,475	1,573,933	70,542
Purchased professional - educational services	1,461,054	(11,804)	1,449,250	1,186,349	262,901
Supplies and materials	18,400	(110)	18,290	14,072	4,218
Other objects	1,000	191	1,191	1,191	
Total other support services - students - extraordinary	3,124,929	(11,723)	3,113,206	2,775,545	337,661

East Brunswick Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Guidance:					
Salaries of other professional staff	\$ 3,155,520	\$ 41,555	\$ 3,197,075	\$ 3,197,075	
Salaries of secretarial and clerical assistants	289,953	(4,085)	285,868	285,868	
Other salaries	64,986	(64,986)			
Unused vacation payments to terminated/retired staff - normal retirements		45,983	45,983	45,983	
Other purchased professional - technical services	26,960	154,244	181,204	104,740	\$ 76,464
Other purchased services	18,294	(2,370)	15,924	14,833	1,091
Supplies and materials	20,774	(279)	20,495	11,569	8,926
Other objects	2,525	(1,750)	775	775	
Total guidance	3,579,012	168,312	3,747,324	3,660,843	86,481
Child study teams:					
Salaries of other professional staff	2,413,041	(30,611)	2,382,430	2,368,063	14,367
Salaries of secretarial and clerical assistants	318,327	30,611	348,938	348,938	
Unused vacation payments to terminated/retired staff - normal retirements		10,170	10,170	10,170	
Purchased professional - educational services	60,000		60,000	40,066	19,934
Other purchased professional & tech services	20,283	10,152	30,435	30,435	
Miscellaneous purchased services	13,100	72	13,172	8,559	4,613
Supplies and materials	11,100	670	11,770	11,380	390
Total child study teams	2,835,851	21,064	2,856,915	2,817,611	39,304
Improvement of instructional services:					
Salaries of supervisors of instruction	1,617,277	(73,302)	1,543,975	1,471,232	72,743
Salaries of other professional staff	159,307	(13,601)	145,706	145,706	
Salaries of secretarial and clerical assistants	411,314	(5,347)	405,967	405,967	
Other salaries		65,833	65,833	65,833	
Salaries of Facilitators, Math & Literacy coaches	751,762	(1,245)	750,517	750,517	
Unused vacation payments to terminated/retired staff - normal retirements		47,877	47,877	47,877	
Purchased professional - educational services	47,840	(35,669)	12,171	4,267	7,904
Other purchased professional & tech services	45,575	10,000	55,575	43,273	12,302
Other purchased services	50,228	(12,833)	37,395	24,606	12,789
Supplies and materials	38,880	634	39,514	27,558	11,956
Other objects	11,750	1,868	13,618	12,436	1,182
Total improvement of instructional services	3,133,933	(15,785)	3,118,148	2,999,272	118,876
Educational media services/school library:					
Salaries	1,127,813		1,127,813	1,125,478	2,335
Purchased professional - technical services	39,500	(655)	38,845	34,124	4,721
Other purchased services	4,520	208	4,728	4,601	127
Supplies and materials	145,744	(3,661)	142,083	132,602	9,481
Other objects	175		175	175	
Total educational media services / school library	1,317,752	(4,108)	1,313,644	1,296,980	16,664
Instructional staff training services:					
Salaries of supervisors of instruction	152,760	45,040	197,800	197,800	
Salaries of other professional staff	37,800	(37,016)	784	784	
Salaries of secretarial and clerical assistants	5,375	10,454	15,829	15,829	
Purchased professional - educational services	20,000	93,125	113,125	111,145	1,980
Other purchased services	34,050	1,823	35,873	35,873	
Supplies and materials	10,000	(100)	9,900	8,793	1,107
Other objects		820	820	820	
Total instructional staff training services	259,985	114,146	374,131	371,044	3,087

East Brunswick Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Support services-general administration:					
Salaries	\$ 800,701	\$ 16,684	\$ 817,385	\$ 817,385	
Legal services	264,320	5,134	269,454	269,454	
Audit fees	71,500	72,934	144,434	74,434	\$ 70,000
Other purchased professional services	15,000	(3,934)	11,066	7,545	3,521
Purchased technical services	13,800	1,836	15,636	15,636	
Communications/telephone	432,384	(9,851)	422,533	377,391	45,142
BOE other purchased services	10,500		10,500	5,742	4,758
Miscellaneous purchased services	346,603	6,376	352,979	344,127	8,852
General supplies	17,260	666	17,926	11,570	6,356
BOE in-house training/meeting supplies	1,500		1,500	164	1,336
Miscellaneous expenditures	16,148	(1,499)	14,649	12,321	2,328
BOE membership dues/fees	37,000		37,000	34,733	2,267
Total support services-general administration	2,026,716	88,346	2,115,062	1,970,502	144,560
Support services-school administration:					
Salaries of principals / assistant principals	2,504,545	42,401	2,546,946	2,546,946	
Salaries of other professional staff	872,235	(1,356)	870,879	719,266	151,613
Salaries of secretarial and clerical assistants	1,572,068		1,572,068	1,538,730	33,338
Salaries - other	15,506		15,506	15,506	
Unused vacation payments to terminated/retired staff - normal retirements		42,990	42,990	42,990	
Purchased professional and technical services	1,650		1,650	1,650	
Other purchased services	65,398	980	66,378	64,535	1,843
Supplies and materials	40,946	12,265	53,211	49,919	3,292
Other objects	24,900	(820)	24,080	22,200	1,880
Total support services-school administration	5,097,248	96,460	5,193,708	5,001,742	191,966
Central services:					
Salaries	1,765,722		1,765,722	1,650,620	115,102
Unused vacation payments to terminated/retired staff - normal retirements		15,286	15,286	15,286	
Purchased professional services	56,200	22,591	78,791	68,174	10,617
Purchased technical services	57,410	(10,030)	47,380	35,636	11,744
Miscellaneous purchased services	41,344	5,760	47,104	44,414	2,690
Supplies and materials	28,707	(4,044)	24,663	12,680	11,983
Interest on lease purchase agreements	139,659		139,659	139,658	1
Miscellaneous expenditures	6,500	1,392	7,892	7,366	526
Total central services	2,095,542	30,955	2,126,497	1,973,834	152,663
Administrative information technology:					
Salaries	1,510,892		1,510,892	1,434,936	75,956
Unused vacation payments to terminated/retired staff - normal retirements		7,269	7,269	7,269	
Purchased technical services	201,319	285,073	486,392	404,646	81,746
Other purchased services	639,120	49,716	688,836	679,045	9,791
Supplies and materials	67,351	(1,466)	65,885	65,757	128
Other objects	2,500		2,500	200	2,300
Total administrative information technology	2,421,182	340,592	2,761,774	2,591,853	169,921
Required maintenance for school facilities:					
Salaries	1,017,421	(61,280)	956,141	796,589	159,552
Unused vacation payments to terminated/retired staff - normal retirements		11,186	11,186	11,186	
Cleaning, repair and maintenance services	431,990	149	432,139	414,124	18,015
Lead testing of drinking water		26,056	26,056	23,680	2,376
General supplies	349,832	(11,003)	338,829	269,138	69,691
Other objects	145,754	5,723	151,477	93,785	57,692
Total required maintenance for school facilities	1,944,997	(29,169)	1,915,828	1,608,502	307,326

East Brunswick Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Custodial services:					
Salaries	\$ 1,257,846	\$ 100,899	\$ 1,358,745	\$ 1,358,745	
Salaries of non-instructional aides	496,466	8,412	504,878	504,878	
Unused vacation payments to terminated/retired staff - normal retirements		2,588	2,588	2,588	
Purchased professional and technical services	50,200	37,238	87,438	41,531	\$ 45,907
Cleaning, repair and maintenance services	3,279,433	521	3,279,954	3,255,335	24,619
Other purchased property services	69,000		69,000	62,586	6,414
Insurance	652,991	(2,669)	650,322	536,634	113,688
Miscellaneous purchased services	500	13,842	14,342	14,242	100
General supplies	169,942	59,613	229,555	229,555	
Energy (electricity)	1,970,825	169,387	2,140,212	1,840,434	299,778
Energy (natural gas)	948,014		948,014	545,549	402,465
Other objects	10,800	(4,392)	6,408	6,161	247
<b>Total custodial services</b>	<b>8,906,017</b>	<b>385,439</b>	<b>9,291,456</b>	<b>8,398,238</b>	<b>893,218</b>
Care and upkeep of grounds:					
Salaries	372,796	8,453	381,249	381,249	
Cleaning, repair and maintenance services	545,180	(16,916)	528,264	390,393	137,871
General supplies	112,232	35,214	147,446	142,190	5,256
Other objects	19,533	(340)	19,193	19,167	26
<b>Total care and upkeep of grounds</b>	<b>1,049,741</b>	<b>26,411</b>	<b>1,076,152</b>	<b>932,999</b>	<b>143,153</b>
Security:					
Salaries	1,562,391	433,872	1,996,263	1,996,263	
Purchased professional and technical services	115,000		115,000	85,354	29,646
Cleaning, Repair, and Maintenance Services	91,601	115,454	207,055	196,169	10,886
General supplies	46,725	8,963	55,688	38,287	17,401
Other objects	19,810	(3,291)	16,519	678	15,841
<b>Total security</b>	<b>1,835,527</b>	<b>554,998</b>	<b>2,390,525</b>	<b>2,316,751</b>	<b>73,774</b>
Student transportation services:					
Salaries - Non-instructional Aides	160,911		160,911	141,425	19,486
Salaries for pupil transportation:					
Between home and school - regular	1,350,306	347,155	1,697,461	1,598,619	98,842
Unused vacation payments to terminated/retired staff - normal retirements		7,892	7,892	7,892	
Other Purchased professional and technical services	27,147	(115)	27,032	16,945	10,087
Cleaning, Repair, and Maintenance Services	427,013	(11,140)	415,873	361,661	54,212
Rental payments - School Buses	11,500	(11,500)			
Lease Purchase Payments - School Buses	471,330		471,330	246,695	224,635
Contracted services:					
Aid in lieu of payments	199,784	(64,834)	134,950	134,800	150
Vendors - between home and school	1,588,301	71,000	1,659,301	1,659,301	
Vendors - other than between home and school	516,650	29,392	546,042	538,598	7,444
Vendors - Special Ed	1,279,534	(98,141)	1,181,393	1,165,111	16,282
Vendors - between home and school - regional ESCs	62,146	(62,146)			
ESCs & CTSA's - Special Ed	2,215,785	292,553	2,508,338	2,508,338	
Miscellaneous purchased services - transportation	82,100	1,692	83,792	83,135	657
General supplies	1,500	(881)	619	619	
Transportation Supplies	332,338	(85,617)	246,721	155,912	90,809
Other objects	3,425	(535)	2,890	2,250	640
<b>Total student transportation services</b>	<b>8,729,770</b>	<b>414,775</b>	<b>9,144,545</b>	<b>8,621,301</b>	<b>523,244</b>



East Brunswick Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
<b>Current expenditures (continued):</b>					
Unallocated benefits:					
Social security contributions	\$ 1,600,000	\$ 140,523	\$ 1,740,523	\$ 1,740,523	
TPAF contributions - regular		1,061	1,061	1,061	
Other retirement contributions - PERS	1,954,944	(131,349)	1,823,595	1,821,603	\$ 1,992
Unemployment compensation insurance	70,000		70,000		70,000
Worker's compensation	551,298		551,298	542,486	8,812
Health benefits	20,320,444	(2,067,181)	18,253,263	16,060,700	2,192,563
Tuition reimbursement	195,500	1,470	196,970	125,653	71,317
Other employee benefits	465,436	(433,722)	31,714	26,826	4,888
Unused sick payments to terminated/retired staff - normal retirements		275,324	275,324	275,324	
Total unallocated benefits	<u>25,157,622</u>	<u>(2,213,874)</u>	<u>22,943,748</u>	<u>20,594,176</u>	<u>2,349,572</u>
On-behalf payments:					
TPAF - Pension Contribution (non-budgeted)				9,097,877	(9,097,877)
TPAF - Post-Retirement Medical (non-budgeted)				5,876,126	(5,876,126)
TPAF - Long-Term Disability Insurance (non-budgeted)				15,690	(15,690)
Reimbursed TPAF social security contributions (non-budgeted)				4,534,726	(4,534,726)
Total on-behalf payments				<u>19,524,419</u>	<u>(19,524,419)</u>
Total undistributed expenditures	<u>80,747,885</u>	<u>(169,380)</u>	<u>80,578,505</u>	<u>93,702,774</u>	<u>(13,124,269)</u>
Total current expenditures	<u>142,391,261</u>	<u>(256,972)</u>	<u>142,134,289</u>	<u>153,864,839</u>	<u>(11,730,550)</u>
<b>Capital outlay:</b>					
Equipment:					
Regular programs - instruction:					
Grades 9-12	32,731	9,668	42,399	38,330	4,069
Undistributed instruction:					
General administration	7,000	(904)	6,096	2,337	3,759
Required maintenance for school facilities		64,693	64,693	5,017	59,676
Care and upkeep of grounds		4,778	4,778	3	4,775
Total equipment	<u>39,731</u>	<u>78,235</u>	<u>117,966</u>	<u>45,687</u>	<u>72,279</u>
Facilities acquisition and construction services:					
Salaries	14,622		14,622	12,196	2,426
Architectural/engineering services	85,050	1,495,286	1,580,336	814,649	765,687
Other Purch Prof & Tech services		319,452	319,452	123,005	196,447
Construction services	60,000	4,102,150	4,162,150	2,687,522	1,474,628
Supplies and materials	60,000	(34,747)	25,253	5,208	20,045
Lease purchase agreements - principal	4,110,020	(163,467)	3,946,553	3,643,275	303,278
Assessment for Debt Service on SDA Funding	347,538		347,538	347,538	
Total facilities acquisition and construction services	<u>4,677,230</u>	<u>5,718,674</u>	<u>10,395,904</u>	<u>7,633,393</u>	<u>2,762,511</u>
Total expenditures - capital outlay	<u>4,716,961</u>	<u>5,796,909</u>	<u>10,513,870</u>	<u>7,679,080</u>	<u>2,834,790</u>
<b>Special schools:</b>					
Summer school - instruction:					
Salaries of teachers	64,946		64,946		64,946
Other salaries for instruction	14,493		14,493		14,493
Total summer school - instruction	<u>79,439</u>		<u>79,439</u>		<u>79,439</u>
Total special schools	<u>79,439</u>		<u>79,439</u>		<u>79,439</u>
Charter schools	<u>2,709,534</u>	<u>(9,617)</u>	<u>2,699,917</u>	<u>2,610,331</u>	<u>89,586</u>
Total expenditures	<u>149,897,195</u>	<u>5,530,320</u>	<u>155,427,515</u>	<u>164,154,250</u>	<u>(8,726,735)</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(5,543,466)</u>	<u>(5,326,882)</u>	<u>(10,870,348)</u>	<u>1,751,107</u>	<u>12,621,455</u>

East Brunswick Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other financing sources (uses):					
Transfers in	\$ 1,193,466		\$ 1,193,466	\$ 1,554,278	\$ 360,812
Transfers in - Capital Projects Fund		\$ 199,596	199,596	199,596	
Transfers out - Internal Service Fund		(589,437)	(589,437)	(589,437)	
Total other financing sources (uses)	<u>1,193,466</u>	<u>(389,841)</u>	<u>803,625</u>	<u>1,164,437</u>	<u>360,812</u>
(Deficiency) excess of revenues (under) over expenditures and other financing sources (uses)	(4,350,000)	(5,716,723)	(10,066,723)	2,915,544	12,982,267
Fund balances, July 1	22,267,931		22,267,931	22,267,931	
Fund balances, June 30	<u>\$ 17,917,931</u>	<u>\$ (5,716,723)</u>	<u>\$ 12,201,208</u>	<u>\$ 25,183,475</u>	<u>\$ 12,982,267</u>
<b>Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)</b>					
Budgeted fund balance	\$ (4,350,000)	\$ 415,387	\$ (3,934,613)	\$ 3,660,693	\$ 7,595,306
Budgeted fund balance - capital reserve		(2,615,427)	(2,615,427)	2,771,534	5,386,961
Adjustment for prior year encumbrances		(3,516,683)	(3,516,683)	(3,516,683)	
Total	<u>\$ (4,350,000)</u>	<u>\$ (5,716,723)</u>	<u>\$ (10,066,723)</u>	<u>\$ 2,915,544</u>	<u>\$ 12,982,267</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital Reserve				\$ 9,655,206	
Excess Surplus - Current Year				4,350,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				4,350,000	
Assigned Fund Balance:					
Year-end Encumbrances				2,765,172	
Unassigned Fund Balance				<u>4,063,097</u>	
				25,183,475	
Reconciliation to Governmental Funds Statements (GAAP):					
Last state aid payments not recognized on GAAP basis				(1,755,781)	
Fund balance per Governmental Funds (GAAP) (B-1)				<u>\$ 23,427,694</u>	

East Brunswick Public Schools  
Special Revenue Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues:</b>					
Federal sources	\$ 2,341,000	\$ 794,990	\$ 3,135,990	\$ 2,968,749	\$ (167,241)
State sources	190,000	98,663	288,663	256,819	(31,844)
Other sources	75,000	3,562,634	3,637,634	253,374	(3,384,260)
<b>Total revenues</b>	<b>2,606,000</b>	<b>4,456,287</b>	<b>7,062,287</b>	<b>3,478,942</b>	<b>(3,583,345)</b>
<b>Expenditures:</b>					
<b>Current expenditures:</b>					
<b>Instruction:</b>					
Salaries	463,772	179,947	643,719	578,746	64,973
Purchased professional technical services		9,000	9,000	9,000	
Purchased professional educational services	102,000	30,398	132,398	111,484	20,914
Other purchased services	1,398,612	367,148	1,765,760	1,758,117	7,643
Supplies and materials	95,638	1,026,889	1,122,527	997,565	124,962
Textbooks	308	131	439	311	128
<b>Total instruction</b>	<b>2,060,330</b>	<b>1,613,513</b>	<b>3,673,843</b>	<b>3,455,223</b>	<b>218,620</b>
<b>Support services:</b>					
Salaries	137,935	81,726	219,661	183,126	36,535
Personal services - employee benefits	207,679	77,042	284,721	271,613	13,108
Purchased professional technical services	72,049	74,508	146,557	127,005	19,552
Purchased professional educational services	80,000	32,594	112,594	103,596	8,998
Other purchased services	18,263	13,713	31,976	19,464	12,512
Contract services - transportation	8,000	2,296	10,296	10,296	
Supplies and materials	7,216	514,514	521,730	129,028	392,702
<b>Total support services</b>	<b>531,142</b>	<b>796,393</b>	<b>1,327,535</b>	<b>844,128</b>	<b>483,407</b>
<b>Capital outlay:</b>					
<b>Facilities acquisition and construction services:</b>					
Instructional equipment	14,528	910,937	925,465	295,164	630,301
Regular education - school buses		1,258,573	1,258,573	658,573	600,000
Purchased professional technical services		44,832	44,832	5,720	39,112
Architectural/engineering services		34,566	34,566	24,714	9,852
Other purchased professional / technical services		13,464	13,464	11,274	2,190
Construction services		6,551,264	6,551,264	1,944,363	4,606,901
Infrastructure		132,745	132,745	125,894	6,851
<b>Total facilities acquisition and construction services</b>	<b>14,528</b>	<b>8,946,381</b>	<b>8,960,909</b>	<b>3,065,702</b>	<b>5,895,207</b>
<b>Total expenditures</b>	<b>2,606,000</b>	<b>11,356,287</b>	<b>13,962,287</b>	<b>7,365,053</b>	<b>6,597,234</b>
(Deficiency) excess of revenues (under) over expenditures	-	(6,900,000)	(6,900,000)	(3,886,111)	3,013,889
<b>Other financing sources:</b>					
Lease purchase obligation proceeds		6,900,000	6,900,000	6,900,000	
<b>Total other financing sources</b>	<b>-</b>	<b>6,900,000</b>	<b>6,900,000</b>	<b>6,900,000</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,013,889</b>	<b>3,013,889</b>
<b>Fund Balance, July 1</b>	<b>3,313,095</b>		<b>3,313,095</b>	<b>3,313,095</b>	
<b>Fund Balance, June 30</b>	<b>\$ 3,313,095</b>	<b>\$ -</b>	<b>\$ 3,313,095</b>	<b>\$ 6,326,984</b>	<b>\$ 3,013,889</b>

East Brunswick Public Schools  
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2018

	General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the Budgetary Comparison Schedule (C-1, C-2)	\$ 165,905,357	\$ 3,478,942
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. Current year		(39,623)
State aid payments from prior year recognized in prior year for budgetary purposes, and recognized for GAAP purposes in the current fiscal year.	1,735,940	
State aid payments recognized for budgetary purposes, not recognized for GAAP purposes	(1,755,781)	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (B-2)	\$ 165,885,516	\$ 3,439,319
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule (C-1, C-2)	\$ 164,154,250	\$ 7,365,053
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. Current year		(39,623)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 164,154,250	\$ 7,325,430



# 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, 2018

	Title I Part A	Title II Part A	Title III Part A	Title III Immigrant	Title IV Part A	I.D.E.A.		Adult Basic Education
						Regular	Preschool	
<b>Revenues:</b>								
Federal sources	\$ 665,445	\$ 151,697	\$ 57,728	\$ 22,721	\$ 9,628	\$ 1,829,011	\$ 63,558	\$ 168,961
State sources								
Other sources								
<b>Total revenues</b>	<b>\$ 665,445</b>	<b>\$ 151,697</b>	<b>\$ 57,728</b>	<b>\$ 22,721</b>	<b>\$ 9,628</b>	<b>\$ 1,829,011</b>	<b>\$ 63,558</b>	<b>\$ 168,961</b>
<b>Expenditures:</b>								
<b>Instruction:</b>								
Salaries	\$ 408,109		\$ 27,777	\$ 8,400				\$ 133,857
Purchased professional/technical services					\$ 9,000			
Purchased professional/educational services						\$ 1,708,578	\$ 5,000	
Other purchased services								
Supplies and materials	35,810		14,591	12,887	436			2,136
Textbooks								311
<b>Total instruction</b>	<b>443,919</b>		<b>42,368</b>	<b>21,287</b>	<b>9,436</b>	<b>1,708,578</b>	<b>5,000</b>	<b>136,304</b>
<b>Support services:</b>								
Salaries	17,109	\$ 121,627	5,979	550	117	32,922	1,127	3,695
Personal services-employee benefits	204,245	12,752	3,225	884	75	20,745	710	28,925
Purchased professional/technical services		800	2,718			66,766	56,721	
Purchased professional/educational services								
Other purchased services		15,783	2,977					4
Contracted services - transportation								
Supplies and materials	172	735	461					33
<b>Total support services</b>	<b>221,526</b>	<b>151,697</b>	<b>15,360</b>	<b>1,434</b>	<b>192</b>	<b>120,433</b>	<b>58,558</b>	<b>32,657</b>
<b>Capital outlay:</b>								
Facilities acquisition and construction services								
Instructional equipment								
School Buses-Regular								
Purchased professional/technical services								
Architectural / Engineering services								
Other purchased professional / technical services								
Construction services								
Infrastructure								
<b>Total facilities acquisition and construction services</b>								
<b>Total expenditures</b>	<b>665,445</b>	<b>151,697</b>	<b>57,728</b>	<b>22,721</b>	<b>9,628</b>	<b>1,829,011</b>	<b>63,558</b>	<b>168,961</b>
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	-	-	-
<b>Other financing sources:</b>								
Lease purchase obligation								
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balance, July 1								
<b>Fund balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

East Brunswick Public Schools  
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures  
Budgetary Basis  
Year ended June 30, 2018

	NJ Nonpublic Auxiliary Services, Ch. 192				NJ Nonpublic Handicapped Services, Ch. 193			
	English as a Second Language	Transportation	Compensatory Education	Home Instruction	Supplemental Instruction	Examination and Classification	Corrective Speech	
Revenues:								
Federal sources								
State sources	\$ 6,323	\$ 10,296	\$ 61,123	\$ 3,634	\$ 17,445	\$ 23,117	\$ 23,659	
Other sources								
Total revenues	<u>\$ 6,323</u>	<u>\$ 10,296</u>	<u>\$ 61,123</u>	<u>\$ 3,634</u>	<u>\$ 17,445</u>	<u>\$ 23,117</u>	<u>\$ 23,659</u>	
Expenditures:								
Instruction:								
Salaries								
Purchased professional/technical services								
Purchased professional/educational services	\$ 6,323		\$ 61,123	\$ 3,634	\$ 17,445			
Other purchased services								
Supplies and materials								
Textbooks								
Total instruction	<u>6,323</u>		<u>61,123</u>	<u>3,634</u>	<u>17,445</u>			
Support services:								
Salaries								
Personal services—employee benefits								
Purchased professional/technical services						\$ 23,117	\$ 23,659	
Purchased professional/educational services								
Other purchased services								
Contracted services - transportation		\$ 10,296						
Supplies and materials								
Total support services		<u>10,296</u>				<u>23,117</u>	<u>23,659</u>	
Capital outlay:								
Facilities acquisition and construction services								
Instructional equipment								
School Buses-Regular								
Purchased professional/technical services								
Architectural / Engineering services								
Other purchased professional / technical services								
Construction services								
Infrastructure								
Total facilities acquisition and construction services								
Total expenditures	<u>6,323</u>	<u>10,296</u>	<u>61,123</u>	<u>3,634</u>	<u>17,445</u>	<u>23,117</u>	<u>23,659</u>	
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	-	-	
Other financing sources:								
Lease purchase obligation								
Total other financing sources	-	-	-	-	-	-	-	
Net changes in fund balance	-	-	-	-	-	-	-	
Fund balance, July 1	-	-	-	-	-	-	-	
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

East Brunswick Public Schools  
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures  
Budgetary Basis  
Year ended June 30, 2018

	Nonpublic Textbook Aid	Nonpublic Nursing	Nonpublic Technology Services	Nonpublic Security	East Brunswick Education Fund	PTA Grants	Other Local
<b>Revenues:</b>							
Federal sources							
State sources	\$ 22,959	\$ 41,293	\$ 15,527	\$ 31,443			
Other sources					\$ 150,885	\$ 45,691	\$ 55,362
<b>Total revenues</b>	<b>\$ 22,959</b>	<b>\$ 41,293</b>	<b>\$ 15,527</b>	<b>\$ 31,443</b>	<b>\$ 150,885</b>	<b>\$ 45,691</b>	<b>\$ 55,362</b>
<b>Expenditures:</b>							
<b>Instruction:</b>							
Salaries							\$ 603
Purchased professional/technical services							
Purchased professional/educational services	\$ 22,959						
Other purchased services					\$ 24,978		
Supplies and materials					94,437	\$ 22,623	15,406
Textbooks							
<b>Total instruction</b>	<b>22,959</b>				<b>119,415</b>	<b>22,623</b>	<b>16,009</b>
<b>Support services:</b>							
Salaries							
Personal services-employee benefits							52
Purchased professional/technical services							
Purchased professional/educational services		\$ 41,293	\$ 15,527				
Other purchased services							700
Contracted services - transportation							
Supplies and materials				\$ 31,443	3,795	9,902	1,041
<b>Total support services</b>		<b>41,293</b>	<b>15,527</b>	<b>31,443</b>	<b>3,795</b>	<b>9,902</b>	<b>1,793</b>
<b>Capital outlay:</b>							
<b>Facilities acquisition and construction services</b>							
Instructional equipment					27,675	13,166	
School Buses-Regular							
Purchased professional/technical services							
Architectural / Engineering services							
Other purchased professional / technical services							
Construction services							37,560
Infrastructure							
<b>Total facilities acquisition and construction services</b>					<b>27,675</b>	<b>13,166</b>	<b>37,560</b>
<b>Total expenditures</b>	<b>22,959</b>	<b>41,293</b>	<b>15,527</b>	<b>31,443</b>	<b>150,885</b>	<b>45,691</b>	<b>55,362</b>
<b>Excess/(deficiency) of revenues over/(under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other financing sources:</b>							
Lease purchase obligation							
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balance, July 1							
<b>Fund balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

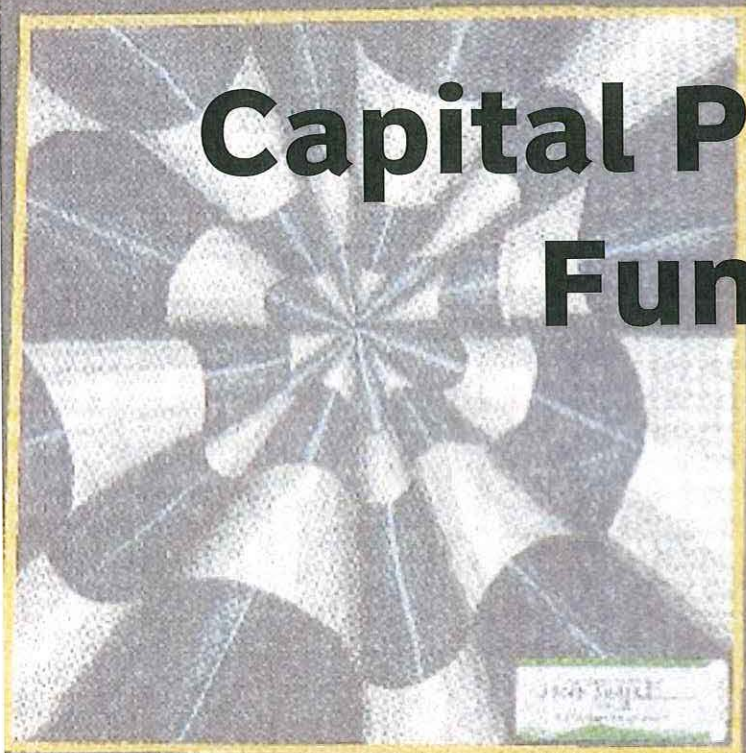
East Brunswick Public Schools  
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures  
Budgetary Basis  
Year ended June 30, 2018

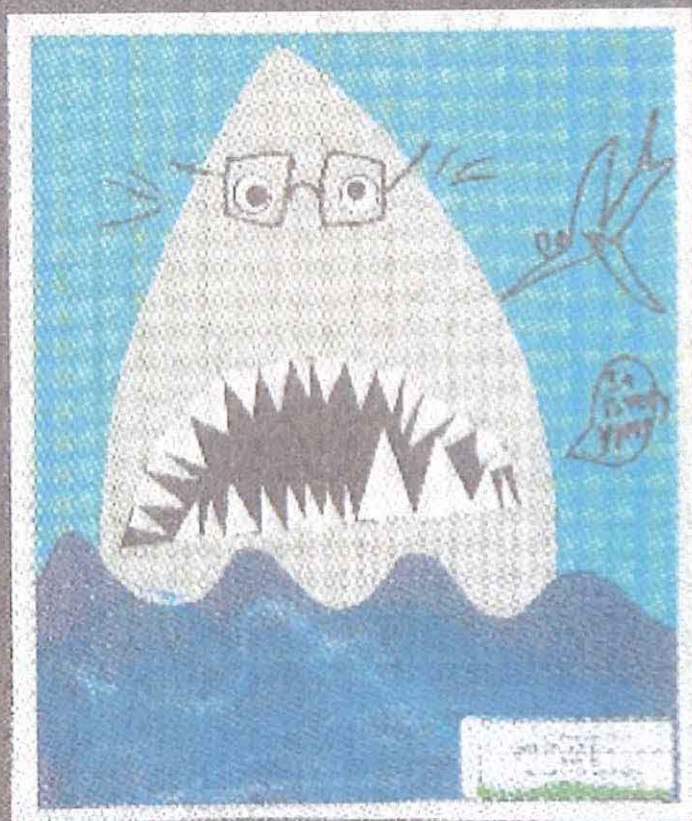
	2014-2015 Lease Agreement TD Bank, N.A.	2014-2015 Lease Agreement Bank of America	2014-2015 Lease Agreement Township of East Brunswick	2015-2016 Lease Agreement Bancorp	2016-2017 Lease Agreement Township of East Brunswick	2017-2018 Lease Agreement Township of East Brunswick	2018-2019 Lease Agreement Township of East Brunswick	Totals
<b>Revenues:</b>								
Federal sources								\$ 2,968,749
State sources								256,819
Other sources		\$ 116		\$ 1,320				253,374
Total revenues	\$ -	\$ 116	\$ -	\$ 1,320	\$ -	\$ -	\$ -	\$ 3,478,942
<b>Expenditures:</b>								
<b>Instruction:</b>								
Salaries								\$ 578,746
Purchased professional/technical services								9,000
Purchased professional/educational services								111,484
Other purchased services					\$ 19,561			1,758,117
Supplies and materials					799,239			997,565
Textbooks								311
Total instruction					818,800			3,455,223
<b>Support services:</b>								
Salaries								183,126
Personal services-employee benefits								271,613
Purchased professional/technical services								127,005
Purchased professional/educational services								103,596
Other purchased services								19,464
Contracted services - transportation								10,296
Supplies and materials					3,358	\$ 78,088		129,028
Total support services					3,358	78,088		844,128
<b>Capital outlay:</b>								
<b>Facilities acquisition and construction services</b>								
Instructional equipment	\$ 35,188			\$ 168,925	48,331	1,879		295,164
School Buses-Regular						658,573		658,573
Purchased professional/technical services			\$ 5,720					5,720
Architectural / Engineering services			24,714					24,714
Other purchased professional / technical services			8,484		2,790			11,274
Construction services		161	221,215	2,190	904,255		\$ 778,982	1,944,363
Infrastructure					125,894			125,894
Total facilities acquisition and construction services		35,349	260,133	171,115	1,081,270	660,452	778,982	3,065,702
Total expenditures	-	35,349	260,133	171,115	1,903,428	738,540	778,982	7,365,053
Excess/(deficiency) of revenues over/(under) expenditures	-	(35,233)	(260,133)	(169,795)	(1,903,428)	(738,540)	(778,982)	(3,886,111)
<b>Other financing sources:</b>								
Lease purchase obligation						1,100,000	5,800,000	6,900,000
Total other financing sources	-	-	-	-	-	1,100,000	5,800,000	6,900,000
Net changes in fund balance	-	(35,233)	(260,133)	(169,795)	(1,903,428)	361,460	5,021,018	3,013,889
Fund balance, July 1	\$ 3,540	35,233	560,947	169,795	2,543,580	-	-	3,313,095
Fund balance, June 30	\$ 3,540	\$ -	\$ 300,814	\$ -	\$ 640,152	\$ 361,460	\$ 5,021,018	\$ 6,326,984



# Capital Projects Fund



Irwin Elementary School



East Brunswick Public Schools  
Capital Projects Fund

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

(Budgetary Basis)

Year ended June 30, 2018

<b>Revenues</b>	
State sources - SDA grant	\$ (16,002)
Total Revenues and other financing sources	<u>(16,002)</u>
 <b>Expenditures</b>	
Other professional services	54
Construction services	<u>118,390</u>
Total expenditures	<u>118,444</u>
Deficiency of revenues under expenditures	(134,446)
 <b>Other Financing Uses</b>	
Transfers out	<u>(199,596)</u>
 Net change in fund balance	 (334,042)
 Fund Balance, July 1	 <u>1,126,371</u>
Fund Balance, June 30	<u>\$ 792,329</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, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - SDA grant	\$ 7,185,001	\$ (16,002)	\$ 7,168,999	\$ 7,168,999
Bond proceeds	13,960,000		13,960,000	13,960,000
Lease purchase	4,831,831		4,831,831	4,831,831
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
<b>Total Revenues</b>	<b>33,481,419</b>	<b>(16,002)</b>	<b>33,465,417</b>	<b>33,465,417</b>
<b>Expenditures and other financing uses</b>				
Legal	36,966		36,966	36,966
Other professional services	2,840,104	54	2,840,158	2,840,158
Purchased professional and technical services	380,286		380,286	380,286
Construction services	28,735,646	118,390	28,854,036	28,854,036
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
<b>Total expenditures</b>	<b>32,355,048</b>	<b>118,444</b>	<b>32,473,492</b>	<b>32,473,492</b>
<b>Other Financing Uses</b>				
Transfers out		(199,596)	(199,596)	(199,596)
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ 1,126,371</b>	<b>\$ (334,042)</b>	<b>\$ 792,329</b>	<b>\$ 792,329</b>

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, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
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				
<b>Total Revenues</b>	<u>730,000</u>		<u>730,000</u>	<u>730,000</u>
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services				
Purchased professional and technical services	67,868		67,868	67,868
Construction services	508,794	\$ 27,144	535,938	535,938
Other objects	35,834		35,834	35,834
Transfer to capital reserve				
Equipment purchases	90,360		90,360	90,360
<b>Total expenditures</b>	<u>702,856</u>	<u>27,144</u>	<u>730,000</u>	<u>730,000</u>
<b>Other Financing Uses</b>				
Transfers out	-	-	-	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 27,144</u>	<u>\$ (27,144)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information</b>				
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			
<b>Percentage Increase over Original</b>				
Authorized Cost	0.00%			
Percentage completion	100.00%			
Original target completion date	2008			
Revised target completion date	2018			

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, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
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
<b>Total Revenues</b>	<b>23,814,000</b>		<b>23,814,000</b>	<b>23,814,000</b>
<b>Expenditures and other financing uses</b>				
Legal	36,966		36,966	36,966
Other professional services	2,485,071		2,485,071	2,485,071
Purchased professional and technical services	238,006		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				
<b>Total expenditures</b>	<b>23,752,326</b>		<b>23,752,326</b>	<b>23,752,326</b>
<b>Other Financing Uses</b>				
Transfers out	-	-	-	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ 61,674</b>	<b>\$ -</b>	<b>\$ 61,674</b>	<b>\$ 61,674</b>
<b>Additional project information</b>				
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			
<b>Percentage Increase over Original</b>				
Authorized Cost	0.00%			
Percentage completion	99.74%			
Original target completion date	2012			
Revised target completion date	2019			

East Brunswick Public Schools  
Capital Projects Fund

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

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

From Inception and for the year ended June 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - SDA grant	\$ 96,779	\$ (13,483)	\$ 83,296	\$ 83,296
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				
<b>Total Revenues</b>	<u>241,948</u>	<u>(13,483)</u>	<u>228,465</u>	<u>228,465</u>
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services	56,798		56,798	56,798
Purchased professional and technical services	4,532		4,532	4,532
Construction services	146,910		146,910	146,910
Other objects				
Transfer to capital reserve				
Transfers				
<b>Total expenditures</b>	<u>208,240</u>		<u>208,240</u>	<u>208,240</u>
<b>Other Financing Uses</b>				
Transfers out		(20,225)	(20,225)	(20,225)
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 33,708</u>	<u>\$ (33,708)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information</b>				
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	(33,708)			
Revised Authorized Cost	208,240			
<b>Percentage Increase over Original</b>				
Authorized Cost	-13.93%			
Percentage completion	91.15%			
Original target completion date	2015			
Revised target completion date	2018			

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, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
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				
<b>Total Revenues</b>	<u>145,700</u>		<u>145,700</u>	<u>145,700</u>
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services	13,555		13,555	13,555
Purchased professional and technical services				
Construction services	132,000		132,000	132,000
Other objects				
Transfer to capital reserve				
Equipment purchases				
<b>Total expenditures</b>	<u>145,555</u>		<u>145,555</u>	<u>145,555</u>
<b>Other Financing Uses</b>				
Transfers out		\$ (145)	(145)	(145)
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 145</u>	<u>\$ (145)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information</b>				
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	10,272			
Revised Authorized Cost	145,555			
Percentage Increase over Original				
Authorized Cost	7.59%			
Percentage completion	100%			
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, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - SDA grant	\$ 57,916		\$ 57,916	\$ 57,916
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				
<b>Total Revenues</b>	<u>145,335</u>		<u>145,335</u>	<u>145,335</u>
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services	11,790		11,790	11,790
Purchased professional and technical services				
Construction services	133,000		133,000	133,000
Other objects				
Transfer to capital reserve				
Equipment purchases				
<b>Total expenditures</b>	<u>144,790</u>		<u>144,790</u>	<u>144,790</u>
<b>Other Financing Uses</b>				
Transfers out		\$ (545)	(545)	(545)
<b>Excess (deficiency) of revenues over (under) expenditures</b>				
	<u>\$ 545</u>	<u>\$ (545)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information</b>				
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	(909)			
Revised Authorized Cost	144,790			
<b>Percentage Increase over Original</b>				
Authorized Cost	-0.62%			
Percentage completion	100%			
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, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
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				
<b>Total Revenues</b>	<u>166,800</u>		<u>166,800</u>	<u>166,800</u>
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services	10,673		10,673	10,673
Purchased professional and technical services				
Construction services	156,000		156,000	156,000
Other objects				
Transfer to capital reserve				
Equipment purchases				
<b>Total expenditures</b>	<u>166,673</u>		<u>166,673</u>	<u>166,673</u>
<b>Other Financing Uses</b>				
Transfers out		\$ (127)	(127)	(127)
<b>Excess (deficiency) of revenues over (under) expenditures</b>				
	<u>\$ 127</u>	<u>\$ (127)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information</b>				
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	40,613			
Revised Authorized Cost	166,673			
<b>Percentage Increase over Original</b>				
Authorized Cost	32.22%			
Percentage completion	100%			
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, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
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				
<b>Total Revenues</b>	<u>149,800</u>		<u>149,800</u>	<u>149,800</u>
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services	10,722		10,722	10,722
Purchased professional and technical services				
Construction services	139,000		139,000	139,000
Other objects				
Transfer to capital reserve				
Equipment purchases				
<b>Total expenditures</b>	<u>149,722</u>		<u>149,722</u>	<u>149,722</u>
<b>Other Financing Uses</b>				
Transfers out		\$ (78)	(78)	(78)
<b>Excess (deficiency) of revenues over (under) expenditures</b>				
	<u>\$ 78</u>	<u>\$ (78)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information</b>				
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		29,828		
Revised Authorized Cost		149,722		
<b>Percentage Increase over Original</b>				
Authorized Cost		24.88%		
Percentage completion		100%		
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, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - SDA grant	\$ 466,069		\$ 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				
<b>Total Revenues</b>	<u>1,323,745</u>		<u>1,323,745</u>	<u>1,323,745</u>
<b>Expenditures and other financing uses</b>				
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				
<b>Total expenditures</b>	<u>1,165,172</u>		<u>1,165,172</u>	<u>1,165,172</u>
<b>Other Financing Uses</b>				
Transfers out		\$ (158,573)	(158,573)	(158,573)
<b>Excess (deficiency) of revenues over (under) expenditures</b>				
	<u>\$ 158,573</u>	<u>\$ (158,573)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information</b>				
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	(264,288)			
Revised Authorized Cost	1,165,172			
<b>Percentage Increase over Original</b>				
Authorized Cost	-18.49%			
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, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - SDA grant	\$ 46,245		\$ 46,245	\$ 46,245
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				
<b>Total Revenues</b>	<u>131,193</u>		<u>131,193</u>	<u>131,193</u>
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services	11,613		11,613	11,613
Purchased professional and technical services				
Construction services	104,000		104,000	104,000
Other objects				
Transfer to capital reserve				
Equipment purchases				
<b>Total expenditures</b>	<u>115,613</u>		<u>115,613</u>	<u>115,613</u>
<b>Other Financing Uses</b>				
Transfers out		\$ (15,580)	(15,580)	(15,580)
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 15,580</u>	<u>\$ (15,580)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information</b>				
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	(25,967)			
Revised Authorized Cost	115,613			
<b>Percentage Increase over Original</b>				
Authorized Cost	-18.34%			
Percentage completion	100%			
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)

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

From Inception and for the year ended June 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
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				
<b>Total Revenues</b>	<u>203,600</u>		<u>203,600</u>	<u>203,600</u>
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services	13,444		13,444	13,444
Purchased professional and technical services				
Construction services	190,000		190,000	190,000
Other objects				
Transfer to capital reserve				
Equipment purchases				
<b>Total expenditures</b>	<u>203,444</u>		<u>203,444</u>	<u>203,444</u>
<b>Other Financing Uses</b>				
Transfers out		\$ (156)	(156)	(156)
<b>Excess (deficiency) of revenues over (under) expenditures</b>				
	<u>\$ 156</u>	<u>\$ (156)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information</b>				
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	39,402			
Revised Authorized Cost	203,444			
<b>Percentage Increase over Original</b>				
Authorized Cost	24.02%			
Percentage completion	100%			
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 Upgrades - Project No. 942

From Inception and for the year ended June 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
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				
<b>Total Revenues</b>	<u>169,800</u>		<u>169,800</u>	<u>169,800</u>
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services	11,489		11,489	11,489
Purchased professional and technical services				
Construction services	158,000		158,000	158,000
Other objects				
Transfer to capital reserve				
Equipment purchases				
<b>Total expenditures</b>	<u>169,489</u>		<u>169,489</u>	<u>169,489</u>
<b>Other Financing Uses</b>				
Transfers out		\$ (311)	(311)	(311)
<b>Excess (deficiency) of revenues over (under) expenditures</b>				
	<u>\$ 311</u>	<u>\$ (311)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information</b>				
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	26,880			
Revised Authorized Cost	169,489			
<b>Percentage Increase over Original</b>				
Authorized Cost	18.85%			
Percentage completion	100%			
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)

Warnsdorfer School Security and Communications Systems Upgrade - Project No. 943

From Inception and for the year ended June 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
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				
<b>Total Revenues</b>	<u>161,700</u>		<u>161,700</u>	<u>161,700</u>
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services	11,622		11,622	11,622
Purchased professional and technical services				
Construction services	150,000		150,000	150,000
Other objects				
Transfer to capital reserve				
Equipment purchases				
<b>Total expenditures</b>	<u>161,622</u>		<u>161,622</u>	<u>161,622</u>
<b>Other Financing Uses</b>				
Transfers out		\$ (78)	(78)	(78)
<b>Excess (deficiency) of revenues over (under) expenditures</b>				
	<u>\$ 78</u>	<u>\$ (78)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information</b>				
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	20,044			
Revised Authorized Cost	161,624			
<b>Percentage Increase over Original</b>				
Authorized Cost	14.16%			
Percentage completion	100%			
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, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
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				
<b>Total Revenues</b>	<u>2,876,746</u>		<u>2,876,746</u>	<u>2,876,746</u>
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services	54,122	\$ 18	54,140	54,140
Purchased professional and technical services	36,120		36,120	36,120
Construction services	2,136,408	52,256	2,188,664	2,188,664
Other objects				
Transfer to capital reserve	98,526		98,526	98,526
Equipment purchases				
<b>Total expenditures</b>	<u>2,325,176</u>	<u>52,274</u>	<u>2,377,450</u>	<u>2,377,450</u>
<b>Other Financing Uses</b>				
Transfers out				
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 551,570</u>	<u>\$ (52,274)</u>	<u>\$ 499,296</u>	<u>\$ 499,296</u>
<b>Additional project information</b>				
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	82.64%			
Original target completion date	2016			
Revised target completion date	2019			

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, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - SDA grant	\$ 304,609	\$ (2,519)	\$ 302,090	\$ 302,090
Bond proceeds				
Lease purchase	456,914		456,914	456,914
Transfer from special revenue fund				
Transfer from capital reserve				
Transfer from capital outlay				
Miscellaneous				
<b>Total Revenues</b>	<u>761,523</u>	<u>(2,519)</u>	<u>759,004</u>	<u>759,004</u>
<b>Expenditures and other financing uses</b>				
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				
<b>Total expenditures</b>	<u>755,226</u>		<u>755,226</u>	<u>755,226</u>
<b>Other Financing Uses</b>				
Transfers out		(3,778)	(3,778)	(3,778)
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 6,297</u>	<u>\$ (6,297)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information</b>				
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	(6,297)			
Revised Authorized Cost	755,226			
<b>Percentage Increase over Original</b>				
Authorized Cost	-0.83%			
Percentage completion	100%			
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)

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

From Inception and for the year ended June 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
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				
<b>Total Revenues</b>	<u>2,459,529</u>		<u>2,459,529</u>	<u>2,459,529</u>
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services	50,819	\$ 36	50,855	50,855
Purchased professional and technical services	33,760		33,760	33,760
Construction services	2,005,290	38,990	2,044,280	2,044,280
Other objects				
Transfer to capital reserve	99,275		99,275	99,275
Equipment purchases				
<b>Total expenditures</b>	<u>2,189,144</u>	<u>39,026</u>	<u>2,228,170</u>	<u>2,228,170</u>
<b>Other Financing Uses</b>				
Transfers out				
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 270,385</u>	<u>\$ (39,026)</u>	<u>\$ 231,359</u>	<u>\$ 231,359</u>
<b>Additional project information</b>				
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			
<b>Percentage Increase over Original</b>				
Authorized Cost	16.09%			
Percentage completion	90.59%			
Original target completion date	2016			
Revised target completion date	2019			

East Brunswick Public Schools  
Capital Projects Fund

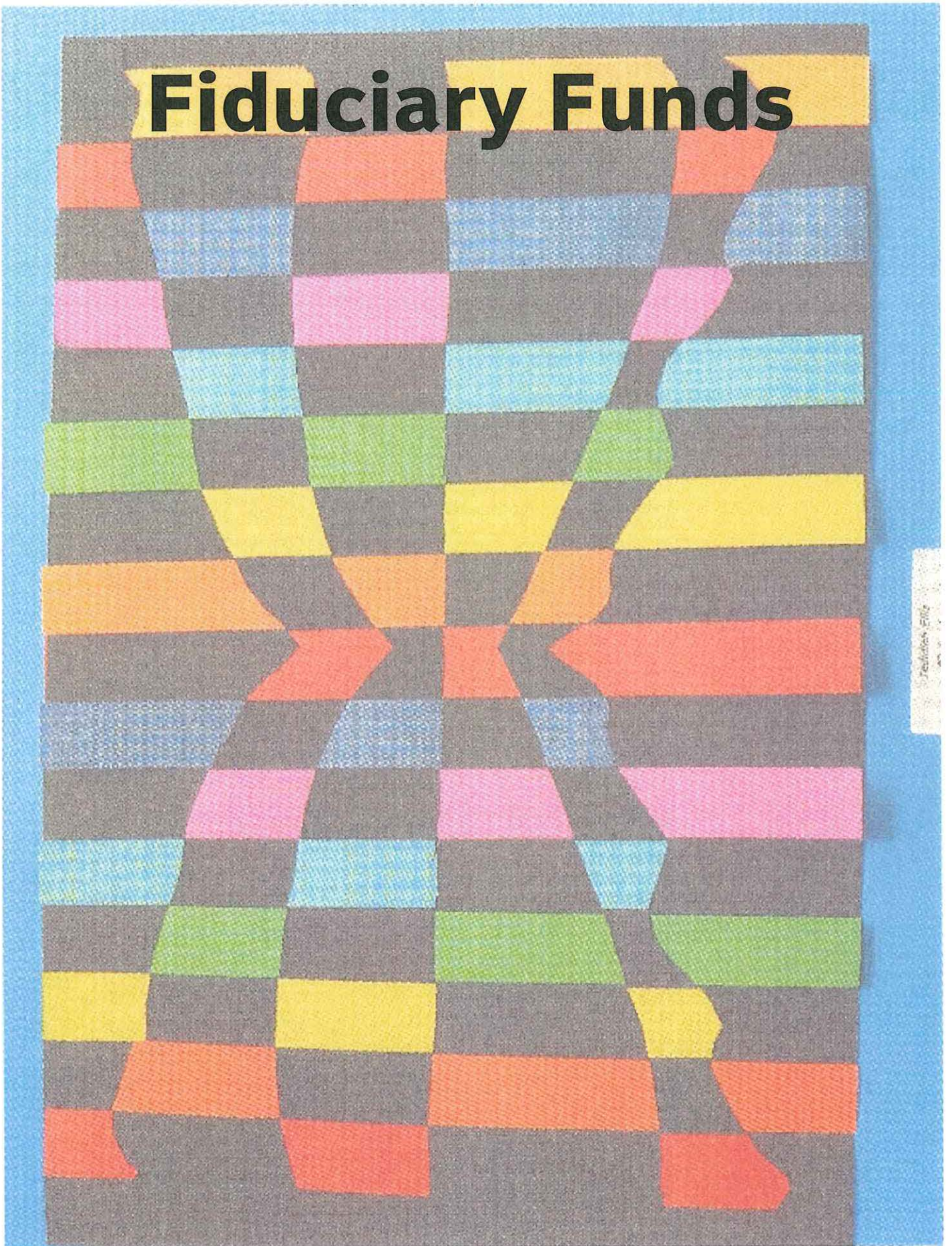
Summary Schedule of Project Expenditures  
(Budgetary Basis)

From Inception and for the year ended June 30, 2018

Issue/Project Title	District Project Number	Original Date	Revised Appropriations	Expenditures to Date		Transfers Out		Unexpended Balance
				Prior Years	Current Year	Prior Years	Current Year	
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	23,752,326				\$ 61,674
Bowne Munro School Security 13/14	930	6/10/2014	228,465	208,240		\$ 20,225		
Central School Security and Communications Systems Upgrade 13/14	931	6/10/2014	145,700	145,555			145	
Chittick School Security and Communications Systems Upgrade 13/14	933	6/10/2014	145,335	144,790			545	
Churchill School Security And Communications Systems Upgrades 13/14	934	6/10/2014	166,800	166,673			127	
East Brunswick High School Security and Communications Systems Upgrades 13/14	936	6/10/2014	149,800	149,722			78	
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	131,193	115,613			15,580	
Hammarskjöld School Security and Communications Systems Upgrades 13/14	940	6/10/2014	203,600	203,444			156	
Lawrence Brook School Security and Communications Systems Upgrades 13/14	942	6/10/2014	169,800	169,489			311	
Warnsdorfer School Security and Communications Systems Upgrades 13/14	943	6/10/2014	161,700	161,622			78	
Chittick Elementary School HVAC and Electrical Upgrades 14/15	932	10/23/2014	2,876,746	2,226,650	52,274	\$ 98,526		499,296
East Brunswick High School Gymnasium HVAC Upgrades 14/15	935	10/23/2014	759,004	755,226			3,778	
Irwin Elementary School HVAC and Electrical Upgrades 14/15	941	10/23/2014	2,459,529	2,089,869	39,026	99,275		231,359
<b>Grand Total</b>			<b>\$ 33,465,417</b>	<b>\$ 32,157,247</b>	<b>\$ 118,444</b>	<b>\$ 197,801</b>	<b>\$ 199,596</b>	<b>\$ 792,329</b>



# Fiduciary Funds



Fiduciary Funds



East Brunswick Public Schools  
Trust and Agency Funds

Combining Statement of Fiduciary Net Position

June 30, 2018

	Agency		
	Student Activity	Payroll	Total Agency
<b>Assets</b>			
Cash and cash equivalents	\$ 554,932	\$ 655,685	\$ 1,210,617
Total assets	\$ 554,932	\$ 655,685	\$ 1,210,617
<b>Liabilities</b>			
Accounts payable			
Payroll deductions payable		\$ 655,685	\$ 655,685
Due to student groups	\$ 554,932		554,932
Total liabilities	\$ 554,932	\$ 655,685	\$ 1,210,617

East Brunswick Public Schools  
Student Activity Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2018

	<u>Balance</u> <u>July</u> <u>1, 2017</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June</u> <u>30, 2018</u>
Elementary Schools:				
Bowne-Munro	\$ 4,121	\$ 5,613	\$ 4,856	\$ 4,878
Central	9,192	13,951	14,578	8,565
Irwin	99	14,837	13,783	1,153
Lawrence Brook	1,652	10,351	8,334	3,669
Memorial	1,781	7,024	6,440	2,365
Murray A. Chittick	11,445	10,436	10,964	10,917
Robert Frost	4,737	13,248	12,738	5,247
Warnsdorfer	18,227	19,576	17,413	20,390
Total elementary schools	<u>51,254</u>	<u>95,036</u>	<u>89,106</u>	<u>57,184</u>
Middle Schools:				
Churchill	88,465	105,264	96,103	97,626
Hammarskjold	26,610	52,569	50,356	28,823
Total middle schools	<u>115,075</u>	<u>157,833</u>	<u>146,459</u>	<u>126,449</u>
High Schools:				
East Brunswick High School	341,181	601,341	572,840	369,682
E.B.H.S. Athletic Fund	1,578	100,943	100,904	1,617
Total high schools	<u>342,759</u>	<u>702,284</u>	<u>673,744</u>	<u>371,299</u>
Total all schools	<u>\$ 509,088</u>	<u>\$ 955,153</u>	<u>\$ 909,309</u>	<u>\$ 554,932</u>

East Brunswick Public Schools  
Payroll Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2018

	<u>Balance July 1, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2018</u>
<b>Assets</b>				
Cash and equivalents	\$ 628,586	\$ 97,833,015	\$ 97,805,916	\$ 655,685
Total assets	<u>\$ 628,586</u>	<u>\$ 97,833,015</u>	<u>\$ 97,805,916</u>	<u>\$ 655,685</u>
<b>Liabilities</b>				
Payroll deductions and withholdings	\$ 628,586	\$ 97,833,015	\$ 97,805,916	\$ 655,685
Total liabilities	<u>\$ 628,586</u>	<u>\$ 97,833,015</u>	<u>\$ 97,805,916</u>	<u>\$ 655,685</u>



# Long-Term Debt





East Brunswick Public Schools  
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2018

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2017	Retired	Balance June 30, 2018
			Date	Amount				
School Bonds	5/12/2010	\$ 13,960,000	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%						
						\$ 12,855,000	\$ 325,000	\$ 12,530,000
2012 Refunding of 2005 School Bonds	11/20/2012	60,560,000	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%						
						57,485,000	2,640,000	54,845,000
2017 Refunding of 2007 School Bonds	2/28/2017	5,515,000	5/1/2019	1,120,000	1.722%			
			5/1/2020	1,090,000	1.722%			
			5/1/2021	1,055,000	1.722%			
			5/1/2022	1,020,000	1.722%			
						<u>\$ 75,780,000</u>	<u>\$ 4,120,000</u>	<u>\$ 71,660,000</u>

East Brunswick Public Schools  
Long-Term Debt

Schedule of Lease Purchase Obligations Payable

Year ended June 30, 2018

	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Current Retired</u>	<u>Balance June 30, 2018</u>
Capital Improvement Projects - Additions and Renovations to High School - Lease with East Brunswick Township	4.230%	\$ 14,320,000	\$ 2,185,242		\$ 957,453	\$ 1,227,789
Capital Improvement Projects - Lease with East Brunswick Township	0.5780%	5,800,000	4,640,000		1,160,000	3,480,000
Capital Improvement Projects - 2016 Lease with East Brunswick Township	0.8400%	6,200,000	6,200,000		1,240,000	4,960,000
Capital Improvement Projects - 2017 Lease with East Brunswick Township	1.8520%	1,100,000		\$ 1,100,000		1,100,000
Capital Improvement Projects - 2018 Lease with East Brunswick Township	1.8520%	5,800,000		5,800,000		5,800,000
			<u>\$ 13,025,242</u>	<u>\$ 6,900,000</u>	<u>\$ 3,357,453</u>	<u>\$ 16,567,789</u>



East Brunswick Public Schools  
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local sources:					
Local tax levy	\$ 7,655,421		\$ 7,655,421	\$ 7,655,421	
State sources:					
Debt service aid type II	348,925		348,925	348,925	
Total revenues	<u>8,004,346</u>		<u>8,004,346</u>	<u>8,004,346</u>	
Expenditures:					
Principal on debt	4,050,000	\$ 70,000	4,120,000	4,120,000	
Interest on debt	2,914,002	(70,000)	2,844,002	2,782,226	\$ 61,776
Principal on lease purchase obligation	957,453		957,453	957,453	
Interest on lease purchase obligation	92,547		92,547	92,547	
Total expenditures	<u>8,014,002</u>	<u>-</u>	<u>8,014,002</u>	<u>7,952,226</u>	<u>61,776</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(9,656)</u>		<u>(9,656)</u>	<u>52,120</u>	<u>61,776</u>
Net change in fund balances	(9,656)		(9,656)	52,120	61,776
Fund balance, July 1	37,073		37,073	37,073	
Fund balance, June 30	<u>\$ 27,417</u>	<u>\$ -</u>	<u>\$ 27,417</u>	<u>\$ 89,193</u>	<u>\$ 61,776</u>

East Brunswick Public Schools  
Long-Term Debt  
Schedule of Obligations Under Capital Leases

Year Ended June 30, 2018

<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, 2017</u>	<u>Retired</u>	<u>Balance June 30, 2018</u>
2012-13 Bank of America Lease - Various Construction	6/19/2013	5 Years	\$ 4,225,000	1.230 %	\$ 856,902	\$ 856,902	
2013-2014 First Hope Bank Lease	1/28/2014	5 Years	89,513	2.243	17,572	17,572	
2014-2015 TD Equipment Lease	7/15/2014	5 Years	7,200,000	1.514	4,384,754	1,439,675	\$ 2,945,079
2014-2015 Bank of America Lease	2/26/2015	42 Months	650,000	1.212	257,513	127,981	129,532
2015-16 US Bancorp Government Lease - Various Equipment	8/1/2015	5 Years	860,000	1.671	693,696	169,104	524,592
					<u>\$ 6,210,437</u>	<u>\$ 2,611,234</u>	<u>\$ 3,599,203</u>

# **Statistical Section (Unaudited)**

**Statistical Section**  
**Unaudited**

**Contents**

**Financial Trends**

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

**Revenue Capacity**

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

**Debt Capacity**

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

**Demographic and Economic Information**

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

**Operating Information**

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

*Sources: Unless otherwise noted, the information in these schedules is derived from the 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,									
	2009	2010	2011	2012	2013 Restated	2014	2015	2016	2017	2018
<b>Governmental activities</b>										
Net investment in capital assets	\$ 86,461,666	\$ 90,778,110	\$ 83,801,596	\$ 100,224,934	\$ 114,047,274	\$ 115,774,538	\$ 118,166,184	\$ 130,190,096	\$ 136,473,915	\$ 142,447,803
Restricted	7,169,912	11,594,973	23,296,846	22,469,548	14,836,012	13,811,105	18,700,525	17,502,827	16,384,637	19,147,535
Unrestricted (deficit)	1,770,518	1,526,272	769,348	(2,552,220)	168,169	3,327,547	(34,087,398)	(38,447,639)	(40,955,477)	(41,425,952)
<b>Total governmental activities net position</b>	<b>\$ 95,402,096</b>	<b>\$ 103,899,355</b>	<b>\$ 107,867,790</b>	<b>\$ 120,142,263</b>	<b>\$ 129,051,455</b>	<b>\$ 132,913,190</b>	<b>\$ 102,779,311</b>	<b>\$ 109,245,284</b>	<b>\$ 111,903,075</b>	<b>\$ 120,169,386</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 210,710	\$ 206,220	\$ 285,615	\$ 247,811	\$ 201,309	\$ 170,296	\$ 186,262	\$ 440,722	\$ 487,181	\$ 502,498
Unrestricted	501,154	340,556	270,875	470,686	1,043,379	1,822,788	2,199,707	2,266,401	2,209,380	2,360,126
<b>Total business-type activities net position</b>	<b>\$ 711,864</b>	<b>\$ 546,776</b>	<b>\$ 556,490</b>	<b>\$ 718,497</b>	<b>\$ 1,244,688</b>	<b>\$ 1,993,084</b>	<b>\$ 2,385,969</b>	<b>\$ 2,707,123</b>	<b>\$ 2,696,561</b>	<b>\$ 2,862,624</b>
<b>Government-wide</b>										
Net investment in capital assets	\$ 86,672,376	\$ 90,984,330	\$ 84,087,211	\$ 100,472,745	\$ 114,248,583	\$ 115,944,834	\$ 118,352,446	\$ 130,630,818	\$ 136,961,096	\$ 142,950,301
Restricted	7,169,912	11,594,973	23,296,846	22,469,548	14,836,012	13,811,105	18,700,525	17,502,827	16,384,637	19,147,535
Unrestricted (deficit)	2,271,672	1,866,828	1,040,223	(2,081,534)	1,211,548	5,150,335	(31,887,691)	(36,181,238)	(38,746,097)	(39,065,826)
<b>Total government-wide net position</b>	<b>\$ 96,113,959</b>	<b>\$ 104,446,131</b>	<b>\$ 108,424,280</b>	<b>\$ 120,860,760</b>	<b>\$ 130,296,143</b>	<b>\$ 134,906,274</b>	<b>\$ 105,165,280</b>	<b>\$ 111,952,407</b>	<b>\$ 114,599,636</b>	<b>\$ 123,032,010</b>

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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction										
Regular	\$ 59,100,982	\$ 57,817,859	\$ 56,358,268	\$ 60,237,148	\$ 61,577,016	\$ 61,222,122	\$ 68,615,626	\$ 72,875,349	\$ 80,070,187	\$ 82,512,817
Special Education	13,046,829	12,903,642	12,957,610	14,203,357	16,785,399	18,002,997	21,564,452	23,574,092	24,666,833	25,112,417
Other Special Education	3,383,252	4,423,965	4,256,967	4,854,386	5,098,557	4,993,065	5,724,102	6,123,010	7,312,040	7,522,335
Support services:										
Tuition	5,768,671	6,832,491	6,266,150	4,697,912	4,015,981	3,585,012	2,583,902	2,423,489	2,627,104	2,532,463
Student & Instruction Related Services	21,437,378	19,635,924	15,004,755	17,549,487	22,618,275	23,070,531	26,533,976	28,307,168	33,274,760	32,243,803
School Administrative Services	6,937,981	7,028,984	6,818,701	7,158,663	7,071,530	6,916,828	7,732,508	8,390,585	8,954,594	9,438,744
General and Business Administrative Services	5,903,282	6,158,466	9,199,308	8,520,561	6,143,549	6,655,280	7,562,626	8,633,111	9,509,700	9,798,590
Plant Operations and Maintenance	14,920,747	14,702,662	14,971,472	11,495,597	11,688,068	13,791,457	14,699,178	15,438,680	17,248,552	18,667,797
Pupil Transportation	9,814,283	9,802,207	8,899,046	7,556,037	7,564,334	7,492,952	7,687,318	8,370,455	9,725,990	10,388,458
Special Schools	32,257	113,131	94,766							
Charter Schools*	9,984	20,691	721,423	1,146,507	1,215,974	1,721,288	2,056,054	2,253,355	2,354,479	2,610,331
Interest and other charges	4,738,656	4,336,393	4,680,945	4,492,514	4,014,883	4,183,089	3,832,985	3,580,983	3,272,398	3,079,180
Total governmental activities	145,094,301	143,776,415	140,229,411	141,912,168	147,771,566	151,634,621	168,592,727	179,970,277	199,046,637	203,904,935
Business-type activities:										
Food service	2,902,032	2,463,097	2,537,836	2,545,286	2,590,808	2,566,676	2,754,647	2,680,889	2,934,130	3,010,836
ETTC Program	307,824	289,885	295,590	245,245						
Community Programs	1,298,423	1,402,177	1,730,273	1,724,445	1,888,113	1,855,711	2,163,566	2,447,648	2,641,014	2,833,842
JMPAC Program**									234,894	327,386
Total business-type activities expense	4,508,279	4,155,159	4,563,699	4,514,976	4,478,921	4,422,387	4,918,213	5,128,537	5,810,038	6,172,064
Total district expenses	149,602,580	147,931,574	144,793,110	146,427,144	152,250,487	156,057,008	173,510,940	185,098,814	204,856,675	210,076,999
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services										
Instruction	34,904	78,449	162,291	311,056	346,709	306,837	358,579	475,978	868,256	1,042,113
Operating grants and contributions	209,349	2,224,838	6,395,117	3,392,303	3,561,312	2,815,490	3,267,971	3,610,352	3,477,402	3,439,319
Capital grants and contributions								1,676,240	226,053	
Total governmental activities program revenues	244,253	2,303,287	6,557,408	3,703,359	3,908,021	3,122,327	3,626,550	5,762,570	4,571,711	4,481,432
Business-type activities:										
Charges for services:										
Food service	2,147,958	2,002,810	1,935,376	2,006,262	1,940,913	1,895,886	1,936,567	1,981,236	2,089,646	2,102,393
ETTC Program	245,649	274,573	420,712	284,652					601,910	728,881
Community Programs	1,544,496	1,530,473	2,036,964	2,030,824	2,398,119	2,689,454	2,979,625	3,109,991	2,963,049	3,383,839
JMPAC Program**									601,910	728,881
Operating grants and contributions	497,605	580,391	579,205	649,303	732,776	784,488	793,844	857,304	911,506	1,017,532
Total business-type activities program revenues	4,435,708	4,388,247	4,972,257	4,971,241	5,071,808	5,369,828	5,710,036	5,948,531	6,586,111	7,232,645
Total district program revenues	4,679,961	6,691,534	11,529,665	8,674,600	8,979,829	8,492,155	9,336,586	11,711,101	11,137,822	11,714,077
<b>Net (Expense) / Revenue</b>										
Governmental activities	(144,850,048)	(141,473,128)	(133,672,003)	(138,208,809)	(143,863,545)	(148,512,294)	(164,866,177)	(174,207,707)	(194,474,926)	(199,423,503)
Business-type activities	(72,571)	233,088	408,556	456,265	592,887	947,441	791,823	819,994	756,073	1,060,581
Total government-wide net expense	(144,922,619)	(141,240,040)	(133,263,445)	(137,752,544)	(143,270,658)	(147,564,853)	(164,174,354)	(173,387,713)	(193,718,853)	(198,362,922)



East Brunswick Public Schools  
Changes in Net Position  
Last Ten Fiscal Years  
  
(accrual basis of accounting)  
Unaudited

	Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Property taxes levied for general purposes, net	\$ 106,086,288	\$ 106,086,288	\$ 106,788,787	\$ 108,271,963	\$ 110,437,402	\$ 113,246,150	\$ 116,518,219	\$ 119,532,427	\$ 121,923,075	\$ 124,769,255
Taxes levied for debt service	8,651,094	7,809,410	8,602,137	8,406,922	8,383,979	8,122,565	7,698,287	8,406,666	8,254,263	7,655,421
Grants and contributions	32,329,338	34,658,361	22,057,827	28,249,227	31,656,765	30,310,681	46,511,588	51,579,165	65,567,501	72,722,934
Investment earnings	432,502	113,024	32,816		20,548	14,985	13,327	17,394	18,216	64,177
Miscellaneous income	(994,489)	903,614	1,744,262	5,570,134	647,814	479,648	588,893	638,028	601,196	1,573,749
Transfers	(339,748)	400,000	424,553	(14,964)	100,000	200,000	400,000	500,000	788,466	904,278
<b>Total governmental activities</b>	<b>146,184,965</b>	<b>149,970,697</b>	<b>139,650,382</b>	<b>150,483,282</b>	<b>151,246,508</b>	<b>152,374,029</b>	<b>171,730,314</b>	<b>180,673,660</b>	<b>197,132,717</b>	<b>207,689,814</b>
<b>Business-type activities:</b>										
Investment earnings	13,128	1,824	1,156	876	875	955	1,062	1,160	1,831	6,812
Miscellaneous				(27,353)	64,634					2,948
Transfers	193,423	(400,000)	(400,000)	(267,781)	(100,000)	(200,000)	(400,000)	(500,000)	(768,466)	(904,278)
<b>Total business-type activities</b>	<b>206,552</b>	<b>(398,176)</b>	<b>(398,844)</b>	<b>(294,258)</b>	<b>(34,491)</b>	<b>(199,045)</b>	<b>(398,938)</b>	<b>(498,840)</b>	<b>(766,635)</b>	<b>(894,518)</b>
<b>Total government-wide</b>	<b>146,371,537</b>	<b>149,572,521</b>	<b>139,251,538</b>	<b>150,189,024</b>	<b>151,212,017</b>	<b>152,174,984</b>	<b>171,331,376</b>	<b>180,174,840</b>	<b>196,366,082</b>	<b>206,795,296</b>
<b>Change in Net Position</b>										
Governmental activities	1,314,937	8,497,569	5,978,379	12,274,473	7,382,963	3,861,735	6,764,137	6,465,973	2,657,791	8,266,311
Business-type activities	133,981	(165,088)	9,714	162,007	558,396	748,396	392,885	321,154	(10,562)	166,063
<b>Total district</b>	<b>\$ 1,448,918</b>	<b>\$ 8,332,481</b>	<b>\$ 5,988,093</b>	<b>\$ 12,436,480</b>	<b>\$ 7,941,359</b>	<b>\$ 4,610,131</b>	<b>\$ 7,157,022</b>	<b>\$ 6,787,127</b>	<b>\$ 2,647,229</b>	<b>\$ 8,432,374</b>

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.

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

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

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

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

(modified accrual basis of accounting)  
Unaudited

	June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 9,818,204	\$ 7,906,176								
Unreserved	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	\$ 15,274,268	\$ 18,355,206
Assigned to			2,424,836	7,445,100	2,323,488	5,486,090	5,658,436	2,337,847	3,516,683	2,765,172
Unassigned			1,780,284	1,499,532	1,439,161	1,345,345	1,280,719	1,453,597	1,741,040	2,307,316
Total general fund	<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>	<u>\$ 20,531,991</u>	<u>\$ 23,427,694</u>
All Other Governmental Funds										
Reserved	\$ 3,221,962	\$ 2,538,494								
Unreserved, reported in:										
Special revenue fund	1,793,774	328,220								
Capital projects fund	631,478	18,301,111								
Debt service fund	157,502	46,841								
Restricted for:										
Capital projects fund			\$ 16,639,816	\$ 6,275,902	\$ 1,525,699	\$ 2,329,198	\$ 4,499,505	\$ 1,919,155	\$ 1,110,369	\$ 792,329
Debt service fund			108,444	95,024	296,665	289,419	7	9,663	37,073	89,193
Assigned to:										
Special revenue fund			338,644	91,220	4,875,751	3,871,997	6,984,466	2,920,017	3,313,095	6,326,984
Total all other governmental funds	<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>	<u>\$ 4,460,537</u>	<u>\$ 7,208,506</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

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

(modified accrual basis of accounting)  
Unaudited

	Year ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Tax Levy	\$114,737,382	\$ 113,895,698	\$ 115,390,924	\$116,678,885	\$ 118,821,381	\$ 121,368,715	\$ 124,216,506	\$ 127,939,093	\$ 130,177,338	\$ 132,424,676
Tuition Charges	34,904	78,449	162,291	311,056	346,709	306,837	358,579	475,978	868,256	1,042,113
Miscellaneous	2,165,724	2,580,085	3,595,241	601,337	914,856	694,541	818,651	843,337	763,753	774,623
State Sources	29,781,346	31,138,147	24,595,645	27,776,857	31,715,955	30,290,748	32,775,963	36,100,049	37,042,942	40,010,830
Federal Sources	2,813,562	5,745,052	3,857,299	3,453,938	3,210,294	2,635,515	2,935,861	3,275,464	3,115,558	3,076,939
<b>Total revenue</b>	<b>149,532,919</b>	<b>153,437,431</b>	<b>147,801,400</b>	<b>148,822,073</b>	<b>155,009,195</b>	<b>155,296,356</b>	<b>161,105,560</b>	<b>168,633,921</b>	<b>171,967,847</b>	<b>177,329,181</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	45,417,776	43,844,668	43,154,030	42,612,785	42,875,279	42,331,154	42,609,345	43,161,359	43,480,565	44,936,122
Special Education Instruction	9,840,464	9,630,116	9,628,331	9,695,591	11,729,002	12,641,912	13,625,208	14,241,889	13,824,988	13,907,405
Other Instruction	2,551,790	3,301,649	3,163,198	3,357,934	3,502,369	3,408,625	3,505,574	3,579,677	3,935,738	4,020,042
<b>Support Services:</b>										
Tuition	4,377,299	5,099,156	4,656,149	4,697,912	4,015,981	3,585,012	2,583,902	2,423,489	2,627,104	2,532,463
Student and Instruction Related Services	16,168,967	14,654,484	11,152,274	11,775,157	16,258,531	16,556,932	17,091,007	17,647,875	19,461,012	18,480,122
School Administration Services	5,232,915	5,245,800	4,721,103	4,929,749	4,809,718	4,679,406	4,679,531	4,869,160	4,760,481	5,001,742
Business Administration Services	4,588,725	4,596,124	6,835,673	6,837,269	4,450,189	4,852,209	5,089,572	5,717,736	5,860,112	6,071,897
Plant Operations and maintenance	10,492,528	11,016,147	11,167,779	10,846,462	10,704,702	11,335,943	11,496,169	11,541,729	12,138,367	13,167,655
Pupil transportation	7,838,887	7,626,405	6,972,249	6,727,402	7,179,167	6,564,578	6,579,452	7,066,950	8,032,512	8,378,473
Employee Benefits	30,301,813	31,297,289	29,689,813	30,928,665	34,005,911	33,460,636	34,833,557	38,216,421	39,076,214	40,118,595
Special Schools	24,330	84,431	70,417							
Charter Schools	9,984	20,691	721,423	1,146,507	1,215,974	1,721,288	2,056,054	2,253,355	2,354,479	2,610,331
Capital Outlay	15,264,412	12,252,448	9,118,270	16,229,966	12,406,577	4,562,211	12,547,621	15,196,326	10,016,035	7,182,391
<b>Debt Service:</b>										
Principal	5,171,169	4,094,473	4,240,233	4,292,974	4,517,976	6,675,699	6,942,671	8,893,503	9,369,352	10,088,849
Interest and other charges	4,541,551	4,325,584	4,743,426	4,554,572	4,401,548	3,880,821	3,695,700	3,584,654	3,287,554	3,054,263
<b>Total expenditures</b>	<b>161,822,610</b>	<b>157,089,465</b>	<b>150,034,369</b>	<b>158,632,945</b>	<b>162,072,924</b>	<b>156,256,326</b>	<b>167,335,363</b>	<b>178,394,123</b>	<b>178,224,513</b>	<b>179,550,350</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>(12,289,692)</b>	<b>(3,652,034)</b>	<b>(2,432,969)</b>	<b>(9,810,872)</b>	<b>(7,063,729)</b>	<b>(959,970)</b>	<b>(6,229,803)</b>	<b>(9,760,202)</b>	<b>(6,256,666)</b>	<b>(2,221,169)</b>
<b>Other Financing sources (uses)</b>										
Capital leases					6,106,500	2,089,513	7,850,000	860,000		
Bond issuance		13,960,000								
Cancellation of prior year's receivables	(943,379)									
Lease purchase issuance	2,690,000	750,000					5,800,000		6,200,000	6,900,000
Transfer out to escrow agent		(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				5,515,000	
Premium on bonds issued					5,832,318					
Payment to refunding bond escrow agent					(66,075,091)				(5,472,984)	
Insurance proceeds					45,334					
Non-Federal Cost Share Reimb. Program proceeds									14,761	
Transfers in	598,998	3,787,416	438,200	272,730	100,000	2,728,534	3,771,596	500,000	768,466	1,753,874
Transfers Out	(790,766)	(1,240,841)	(13,647)	(72,027)		(2,528,534)	(3,371,596)			(789,033)
<b>Total other financing sources (uses)</b>	<b>811,071</b>	<b>16,972,935</b>	<b>347,813</b>	<b>5,700,703</b>	<b>6,569,061</b>	<b>2,289,513</b>	<b>14,050,000</b>	<b>1,360,000</b>	<b>7,025,243</b>	<b>7,864,841</b>
<b>Net change in fund balances</b>	<b>\$ (11,478,621)</b>	<b>\$ 13,320,901</b>	<b>\$ (2,085,156)</b>	<b>\$ (4,110,169)</b>	<b>\$ (494,668)</b>	<b>\$ 1,329,543</b>	<b>\$ 7,820,197</b>	<b>\$ (8,400,202)</b>	<b>\$ 768,577</b>	<b>\$ 5,643,672</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>6.63%</b>	<b>5.81%</b>	<b>6.38%</b>	<b>6.21%</b>	<b>5.96%</b>	<b>6.96%</b>	<b>6.87%</b>	<b>7.63%</b>	<b>7.50%</b>	<b>7.32%</b>

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
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
2017	18,216	868,256	108,755	471,373	1,466,600
2018	64,177	1,042,113	102,758	393,937	1,602,985

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 <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Ratio to True Value %	Aggregate True Value
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
2017	14,646,300	1,492,830,200	2,471,500	286,380,850	84,933,800	19,733,100	1,900,995,750	2,031,934	1,903,027,684	6.90	25.34	7,501,956,393
2018	14,581,900	1,495,898,800	2,394,300	281,670,250	84,108,700	19,733,100	1,898,387,050	2,146,634	1,900,533,684	7.03	24.36	7,793,050,287

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

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephonic, Telegraph and Messenger System Companies

<sup>b</sup> 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 <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	East Brunswick Township	Middlesex County	Municipal Open Space	Middlesex County Open Space	
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
2017	6.482	0.418	6.900	2.211	1.406	0.019	0.115	10.651
2018	6.631	0.395	7.026	2.218	1.447	0.019	0.119	10.829

Source: District Records and Municipal Tax Collector

<sup>a</sup> The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

<sup>b</sup> 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	2018			2009		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Brunswick Square Mall	\$ 26,196,900	1	1.38%	\$ 30,852,400	1	1.53%
Mid State Mall	15,460,000	2	0.81%	19,647,600	2	0.97%
Tower II	15,159,000	3	0.80%	19,256,100	3	0.95%
Tower I	13,039,400	4	0.69%	19,050,500	4	0.94%
East Brunswick UE, LLC	8,568,800	5	0.45%			
L.P.E. Partners	7,813,800	6	0.41%			
Wyndmoor Apartments	7,500,000	7	0.39%			
Summerhill Square LLC	7,377,100	8	0.39%			
East Coast Cranbury Crossing	5,100,000	9	0.27%			
3 Tower Center Blvd., LLC	5,032,000	10	0.26%			
East Brunswick VF, LLC				9,000,000	8	0.45%
Sam's Club				9,630,000	6	0.48%
Toll JM EB, LLC				9,038,400	7	0.45%
Belmont Associates (K Mart)				8,456,600	9	0.42%
CVEB				8,093,000	10	0.40%
Tower Center Hotel				13,500,000	5	0.67%
<b>Total</b>	<b>\$ 111,247,000</b>		<b>5.85%</b>	<b>\$ 146,524,600</b>		<b>7.25%</b>

Source: District CAFR & Municipal Tax Assessor

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

Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
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	127,939,093	127,939,093	100.00%	
2017	130,177,338	130,177,338	100.00%	
2018	132,424,676	132,424,676	100.00%	

Source: District records including the Certificate and Report of School Taxes (A4F form)

**Note:** School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount certified prior to the end of the school year.

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

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

Unaudited

Governmental Activities							
Fiscal Year Ended June 30,	General Obligation Bonds	Unamortized Premium on Bonds	Capital Leases	Lease Purchase Obligations	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
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	*	2,318
2012	91,626,000		2,674,110	9,473,858	103,773,968	*	2,172
2013	90,085,000	\$ 5,647,165	5,726,746	8,135,882	109,594,793	*	2,276
2014	86,775,000	5,369,436	5,845,897	6,740,545	104,730,878	*	2,166
2015	83,465,000	5,091,707	11,518,383	11,085,388	111,160,478	*	2,288
2016	79,585,000	4,813,978	8,882,423	9,567,845	102,849,246	*	2,109
2017	75,780,000	4,536,249	6,210,437	13,025,242	99,551,928	*	2,040
2018	71,660,000	4,258,520	3,599,203	16,567,789	96,085,512	*	1,967

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.

<sup>a</sup> 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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property		Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions <sup>c</sup>	Net General Bonded Debt Outstanding			
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%	1,990	
2012	91,626,000	95,024	91,530,976	4.74%	1,916	
2013	90,085,000	296,665	89,788,335	4.72%	1,864	
2014	86,775,000	289,419	86,485,581	4.57%	1,789	
2015	83,465,000	7	83,464,993	4.41%	1,718	
2016	79,585,000	9,663	79,575,337	4.20%	1,631	
2017	75,780,000	37,073	75,742,927	3.98%	1,552	
2018	71,660,000	89,193	71,570,807	3.77%	1,465	

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

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

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

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

East Brunswick Public Schools  
 Ratios of Overlapping Governmental Activities Debt  
 As of June 30, 2018

Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
East Brunswick Township (as of 12/31/17)	\$ 88,833,822	100.000%	\$ 88,833,822
<b>Other debt</b>			
Middlesex County as of 12/31/17	476,938,580	7.023%	33,494,442
Middlesex County Utility Authority as of 12/31/17	85,355,645	4.049%	<u>3,455,740</u>
Subtotal, overlapping debt			125,784,004
<b>East Brunswick Public Schools Direct Debt</b>			<u>91,826,992</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 217,610,996</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.

<sup>a</sup> 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 2018

	Equalized valuation basis	
	2018	\$ 7,793,050,287
	2017	7,501,956,393
	2016	7,230,395,690
	[A]	<u>\$ 22,525,402,370</u>
Average equalized valuation of taxable property	[A/3]	<u>\$ 7,508,467,457</u>
Debt limit (4 % of average equalization value)		\$ 300,338,698
Net bonded school debt	[C]	<u>75,567,287</u>
Legal debt margin	[B-C]	<u>\$ 224,771,411</u>

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 319,929,780	\$ 326,882,878	\$ 326,309,991	\$ 318,290,884	\$ 306,089,007	\$ 292,553,065	\$ 287,017,317	\$ 287,399,422	\$ 291,184,484	\$ 300,338,698
Total net debt applicable to limit *	<u>86,226,000</u>	<u>101,642,480</u>	<u>98,632,480</u>	<u>95,622,480</u>	<u>99,431,980</u>	<u>95,851,497</u>	<u>92,553,180</u>	<u>88,385,795</u>	<u>84,275,656</u>	<u>75,567,287</u>
Legal debt margin	<u>\$ 233,703,780</u>	<u>\$ 225,240,398</u>	<u>\$ 227,677,511</u>	<u>\$ 222,668,404</u>	<u>\$ 206,657,027</u>	<u>\$ 196,701,568</u>	<u>\$ 194,464,137</u>	<u>\$ 199,013,627</u>	<u>\$ 206,908,828</u>	<u>\$ 224,771,411</u>
Total net debt applicable to the limit as a percentage of debt limit	26.95%	31.09%	30.23%	30.04%	32.48%	32.76%	32.25%	30.75%	29.36%	25.16%

Includes bonds and notes authorized but not issued in \* the amount of \$3,996,480.

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
2009	47,055	-	\$ 46,018	7.6%
2010	47,280	-	47,250	7.1%
2011	47,504	-	50,553	7.2%
2012	47,773	-	52,949	7.4%
2013	48,162	-	50,777	6.4%
2014	48,345	-	52,071	5.0%
2015	48,582	-	54,097	4.2%
2016	48,776	-	55,980	3.7%
2017	48,811	-	*	3.5%
2018	48,840	-	*	*

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	2018 *			2009*		
	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%	5,000 - 5,249	1	0.00%
Novo Nordisk	4,500 - 4,579	2	0.00%	2,750 - 2,999	4	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	8	0.00%
Bristol-Myers Squibb	3,000 - 3,249	5	0.00%	3,500 - 3,749	2	0.00%
St. Peter's Healthcare System	2,750 - 2,999	6	0.00%	2,750 - 2,999	6	0.00%
Silverline Building Products	2,250 - 2,299	7	0.00%	2,250 - 2,299	9	0.00%
Johnson & Johnson	2,000 - 2,249	8	0.00%	2,000 - 2,249	10	0.00%
Raritan Bay Medical Center	2,000 - 2,249	9	0.00%	n/a	n/a	0.00%
Home Depot	1,750 - 1,999	10	0.00%	n/a	n/a	0.00%
Telcorida Technology				2,500 - 2,749	7	0.00%
Merrill Lynch & Company				2,750 - 2,999	3	0.00%
Prudential Insurance Company				2,750 - 2,999	5	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>2009</u>	<u>2010</u>	<u>2011*</u>	<u>2012*</u>	<u>2013*</u>	<u>2014*</u>	<u>2015</u>	<u>2016</u>	<u>2017*</u>	<u>2018</u>
Instruction										
Regular	615.0	612.3	529.7	503.7	500.2	504.7	510.2	516.2	605.8	562.5
Special education	220.0	224.0	206.5	206.5	216.5	224.5	230.5	238.5	268.3	257.1
Support Services:										
Student & instruction related services	234.5	201.4	201.2	198.2	199.7	204.2	205.7	206.7	214.3	235.0
General administrative services	8.9	8.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	9.0
School administrative services	67.5	65.6	60.6	60.6	60.6	60.6	60.6	60.6	56.4	57.2
Business administrative services	27.9	27.9	22.9	22.9	22.9	22.9	22.9	23.9	25.7	25.7
Information Technology	19.0	21.0	18.0	18.0	19.0	19.0	19.0	19.0	20.0	21.0
Plant operations and maintenance	168.7	169.8	152.8	152.8	157.8	157.8	157.8	157.8	144.5	121.0
Pupil transportation	33.6	38.2	37.3	37.3	37.3	37.3	37.3	37.3	39.5	45.1
Food Service	45.5	37.5	36.4	38.6	36.4	42.0	37.8	40.1	34.3	37.9
Adult and Community Programs	4.0	4.5	5.2	5.1	6.6	5.5	6.2	6.2	6.4	6.7
JMPAC	-	-	-	-	-	-	-	-	0.9	0.9
ETTC	2.5	2.0	2.0	2.0	-	-	-	-	-	-
Total	<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>	<u>1,424.0</u>	<u>1,379.0</u>

\* Prior year reclassification

Source: District Personnel Records

East Brunswick Public Schools  
Operating Statistics  
Last Ten Fiscal Years

Unaudited

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Junior High School	High School				
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	12.0	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	11.0	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%	662	12.1	11.0	12.0	13.0	8,270.77	7,926.72	0.71%	95.84%
2015	8,399	144,149,371	17,163	2.62%	690	11.8	11.0	12.0	13.0	8,261.29	7,904.34	-0.11%	95.68%
2016	8,259	150,719,640	18,249	6.33%	717	10.4	10.0	11.0	12.0	8,107.92	7,769.14	-1.86%	95.82%
2017	8,089	155,551,572	19,230	5.37%	722	10.4	10.0	11.0	12.0	7,993.63	7,647.36	-1.41%	95.67%
2018	8,167	159,224,847	19,497	1.39%	723	10.1	11.0	11.0	12.0	8,048.68	7,654.10	0.69%	95.10%

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

Note: Enrollment based on annual October district count.

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

East Brunswick Public Schools  
School Building Information  
Last Ten Fiscal Years

Unaudited

<u>District Building</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>2017</u>	<u>2018</u>
<b>Elementary</b>										
Bowne-Munro (1952)										
Square Feet	32,015	32,015	32,015	32,015	32,015	32,738	32,738	32,738	32,738	32,738
Capacity (students)	242	242	242	242	242	270	270	270	270	270
Enrollment	297	286	256	238	237	213	215	205	209	224
Central (1949)										
Square Feet	73,266	73,266	73,266	73,266	73,266	78,283	78,283	78,283	78,283	78,283
Capacity (students)	552	552	552	552	552	532	532	532	532	532
Enrollment	443	449	428	424	407	426	438	418	416	399
Chittick (1969)										
Square Feet	49,127	49,127	49,127	49,127	49,127	52,241	52,241	52,241	52,241	53,058
Capacity (students)	383	383	383	383	383	550	550	550	550	550
Enrollment	495	489	494	515	462	453	417	397	414	437
Frost (1965)										
Square Feet	49,971	49,971	49,971	49,971	49,971	52,230	52,230	52,230	52,230	52,545
Capacity (students)	438	438	438	438	438	455	455	455	455	455
Enrollment	504	502	491	457	429	423	427	442	444	463
Irwin (1957)										
Square Feet	43,033	43,033	43,033	43,033	43,033	43,279	43,279	43,279	43,279	43,986
Capacity (students)	376	376	376	376	376	478	478	478	478	478
Enrollment	441	436	409	417	459	459	468	464	440	449
Lawrence Brook (1959)										
Square Feet	67,267	67,267	67,267	67,267	67,267	77,218	77,218	77,218	77,218	77,218
Capacity (students)	532	532	532	532	532	520	520	520	520	520
Enrollment	572	547	524	513	432	426	405	406	446	439
Memorial (2012)										
Square Feet	30,759	30,759	30,759	30,759	78,000	82,821	82,821	82,821	82,821	82,821
Capacity (students)	446	446	446	446	650	565	565	565	565	565
Enrollment	377	356	348	337	489	499	507	494	493	537
Warnsdorfer (1968)										
Square Feet	49,971	49,971	49,971	49,971	49,971	55,708	55,708	55,708	55,708	55,708
Capacity (students)	479	479	479	479	479	488	488	488	488	488
Enrollment	500	462	461	429	415	443	476	472	462	461
<b>Total Elementary Schools</b>										
Square Feet	395,409	395,409	395,409	395,409	442,650	474,518	474,518	474,518	474,518	476,357
Capacity (students)	3,448	3,448	3,448	3,448	3,652	3,858	3,858	3,858	3,858	3,858
Enrollment	3,629	3,527	3,411	3,330	3,330	3,342	3,353	3,298	3,324	3,409

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

	Unaudited									
	2009	2010	2011	2012	2013	2014 *	2015	2016	2017	2018
<b><u>Middle School</u></b>										
Hamarskjold (2009)										
Square Feet	254,580	254,580	254,580	254,580	254,580	271,520	271,520	271,520	271,520	271,520
Capacity (students)	1,288	1,288	1,288	1,288	1,288	1,518	1,518	1,518	1,518	1,518
Enrollment	1,441	1,452	1,388	1,298	1,323	1,357	1,311	1,294	1,212	1,197
<b><u>Junior High School</u></b>										
Churchill Jr. High (1962)										
Square Feet	205,549	205,549	205,549	205,549	205,549	260,332	260,332	260,332	260,332	260,332
Capacity (students)	1,325	1,325	1,325	1,325	1,325	1,432	1,432	1,432	1,432	1,432
Enrollment	1,461	1,466	1,469	1,462	1,415	1,315	1,372	1,374	1,336	1,320
<b><u>High School</u></b>										
East Brunswick High (1958)										
Square Feet	257,727	257,727	257,727	257,727	257,727	360,422	360,422	360,422	360,422	360,422
Capacity (students)	1,582	1,582	1,582	1,582	1,582	2,724	2,724	2,724	2,724	2,724
Enrollment	2,284	2,310	2,234	2,208	2,186	2,225	2,165	2,101	2,055	2,052
<b><u>Other</u></b>										
Administration Building										
Square Feet	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Support Operations										
Square Feet	-	-	-	-	-	-	-	-	29,614	29,614
Number of Schools at June 30, 2018										
Elementary = 8										
Middle School = 1										
Junior High School = 1										
High School = 1										
Other = 2										

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	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
East Brunswick High School	\$ 423,026	\$ 368,229	\$ 459,471	\$ 415,952	\$ 418,330	\$ 350,196	\$ 363,539	\$ 357,072	\$ 410,530	\$ 714,920
Churchill Junior High School	281,798	268,147	329,563	300,543	302,159	287,404	295,625	273,595	302,575	535,537
Hammarskjold School	293,000	277,384	348,852	313,353	315,145	339,632	351,406	323,944	343,687	72,810
Bowne-Munro School	40,076	33,445	41,444	37,782	37,998	42,023	42,089	40,757	47,494	95,882
Central School	88,024	81,914	100,193	90,344	90,861	96,169	97,621	93,848	104,944	20,954
Irwin School	58,937	46,594	54,788	49,947	50,232	56,485	57,479	57,905	77,816	122,496
Lawrence Brook School	91,806	78,886	97,753	89,115	89,625	88,295	90,433	84,485	93,577	19,238
Memorial School	86,970	84,610	105,652	95,581	96,128	105,383	43,033	39,151	42,919	88,410
Chittick School	76,794	53,369	66,134	60,290	60,634	64,484	67,793	65,862	67,929	105,673
Frost School	56,698	53,358	66,120	60,277	60,622	65,592	65,695	62,304	69,193	122,373
Warnsdorfer School	61,597	57,086	70,523	64,291	64,659	65,592	65,695	62,304	70,227	106,286
<b>Total School Facilities</b>	<b>1,558,726</b>	<b>1,403,022</b>	<b>1,740,493</b>	<b>1,577,475</b>	<b>1,586,393</b>	<b>1,561,255</b>	<b>1,540,408</b>	<b>1,461,226</b>	<b>1,630,891</b>	<b>2,004,579</b>
Other Facilities										
Administration	25,050	30,647	37,976	34,622	34,819	39,378	39,440	37,051	39,686	44,732
Support Operations	24,726	30,254	-	-	-	-	-	-	-	-
<b>Total Other Facilities</b>	<b>49,776</b>	<b>60,901</b>	<b>37,976</b>	<b>34,622</b>	<b>34,819</b>	<b>39,378</b>	<b>39,440</b>	<b>37,051</b>	<b>39,686</b>	<b>44,732</b>
<b>Grand Total</b>	<b>\$ 1,608,502</b>	<b>\$ 1,463,923</b>	<b>\$ 1,778,469</b>	<b>\$ 1,612,097</b>	<b>\$ 1,621,212</b>	<b>\$ 1,600,633</b>	<b>\$ 1,579,848</b>	<b>\$ 1,498,278</b>	<b>\$ 1,670,577</b>	<b>\$ 2,049,311</b>

Source: M1



East Brunswick Public Schools  
Insurance Schedule  
Year Ended June 30, 2018

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>MULTI-PERIL PACKAGE POLICY</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG POLICY NO. P-135AI ANNUAL PREMIUM: \$537,624		
<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-135AI ANNUAL PREMIUM: \$221,125		
Wrongful Acts Liability - Each Occurrence	11,000,000	15,000
Annual Aggregate	11,000,000	
<u>CATASTROPHIC POLICY</u>		
FIREMAN'S FUND POLICY NO. SHX00024605248 ANNUAL PREMIUM: \$41,503		
Limit of Insurance (Group Aggregate)	50,000,000	
<u>PROPERTY INSURANCE</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG POLICY NO. P135AI ANNUAL PREMIUM: Included		
Blanket Building - Contents Coverage	378,846,683	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  
Year Ended June 30, 2018

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
Beazley POLICY NO. WIBE82170201 ANNUAL PREMIUM: \$18,518		
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-135AI ESTIMATED DEPOSIT PREMIUM: \$531,051		
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 (99071588) ANNUAL PREMIUM: \$31,935		
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  
Year Ended June 30, 2018

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>STUDENT ACCIDENT INSURANCE</u>		
BOLLINGER POLICY NO. MCB5859349 ANNUAL PREMIUM: \$86,236	\$ 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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 21, 2019.

**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.

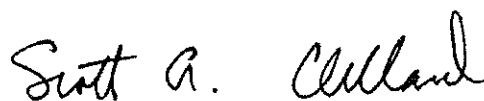
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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



Scott A. Clelland  
Licensed Public School Accountant  
No. 1049



WISS & COMPANY, LLP

February 21, 2019  
Livingston, New Jersey



Report on Compliance For Each Major Federal and State Program and  
Report on Internal Control Over Compliance Required by the Uniform Guidance and  
New Jersey OMB Circular 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, 2018. 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, 2018.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the NJ OMB 15-08 and which is described in the accompanying schedule of findings and questioned costs as item 2018-001. Our opinion on each major federal and state program is not modified with respect to this matter.

The District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

### **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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of

compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.



Scott A. Clelland  
Licensed Public School Accountant  
No. 1049



WISS & COMPANY, LLP

February 21, 2019  
Livingston, New Jersey

East Brunswick Public Schools

Schedule of Expenditures of Federal Awards

Year ended June 30, 2018

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, 2017	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2018				
					From	To							(Accounts Receivable)	Unearned Revenue	Due to Grantor		
<b>General Fund:</b>																	
<b>U.S. Department of Health and Human Services</b>																	
<b>-Passed-Through State Department of Education</b>																	
Medical Assistance Aid	93.778	1805NJ5MAP	N/A	\$ 108,190	7/1/2017	6/30/2018			\$ 108,190	\$ (108,190)							
Medical Assistance - SEMI ARRA	93.778	1705NJ5MAP	N/A	93,490	7/1/2016	6/30/2017	\$ (166)		166								
Total U.S. Department of Health and Human Services - Passed-Through State Department of Education							(166)		108,356	(108,190)							
<b>Total General Fund</b>							(166)		108,356	(108,190)							
<b>Special Revenue Fund:</b>																	
<b>U.S. Department of Education-Passed-Through State Department of Education</b>																	
<b>Elementary and Secondary Education Act (ESEA):</b>																	
Title I, Part A - 17/18	84.010A	S010A170030	N/A	720,237	7/1/2017	6/30/2018			484,292	(665,445)		\$ (181,153)					
Title I, Part A - 16/17	84.010A	S010A160030	N/A	712,292	7/1/2016	6/30/2017	(155,283)		153,283								
Title II, Part A - 17/18	84.367A	S367A170029	N/A	188,086	7/1/2017	6/30/2018			142,084	(151,697)		(9,613)					
Title II, Part A - 16/17	84.367A	S367A160029	N/A	253,902	7/1/2016	6/30/2017	(80,421)		80,421								
Title III - 17/18	84.365A	S365A170030	N/A	73,347	7/1/2017	6/30/2018			37,970	(57,728)		(19,758)					
Title III - 16/17	84.365A	S365A160030	N/A	70,274	7/1/2016	6/30/2017	(4,968)		4,968								
Title III Immigrant - 17/18	84.365	S365A170030	N/A	27,540	7/1/2017	6/30/2018			9,564	(22,721)		(13,157)					
Title III Immigrant - 16/17	84.365	S365A160030	N/A	50,130	7/1/2016	6/30/2017	(21,856)		21,856								
Title IV, Part A - 17/18	84.424	S424A170031	N/A	10,000	7/1/2017	6/30/2018			9,144	(9,628)		(484)					
<b>Special Education Grant Cluster:</b>																	
IDEA Part B, Basic Regular 17/18	84.027A	H027A170100	N/A	1,848,144	7/1/2017	6/30/2018			1,217,024	(1,829,011)		(611,987)					
IDEA Part B, Basic Regular 16/17	84.027A	H027A160100	N/A	1,883,943	7/1/2016	6/30/2017	(428,182)		428,182								
IDEA Preschool - 17/18	84.173	H173A170114	N/A	63,637	7/1/2017	6/30/2018			1,377	(63,538)		(62,161)					
IDEA Preschool - 16/17	84.173	H173A160114	N/A	64,972	7/1/2016	6/30/2017	(32,983)		32,983								
Total of Special Education Grant Cluster							(461,165)		1,679,566	(1,892,569)		(674,168)					
Adult Basic Education	84.002A	N/A	N/A	205,000	7/1/2017	6/30/2018			74,505	(168,961)		(94,456)					
Adult Basic Education	84.002A	N/A	N/A	180,000	7/1/2016	6/30/2017	(72,193)		72,199								
<b>Total Special Revenue Fund and U.S. Department of Education - Passed-Through State Department of Education</b>							(793,892)		2,769,852	(2,968,749)		(992,789)					

Schedule of Expenditures of Federal Awards

Year ended June 30, 2018

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, 2017	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2018		
					From	To							(Accounts Receivable)	Unearned Revenue	Due to Grantor
<b>U.S. Department of Agriculture—Passed-Through State Department of Agriculture</b>															
Enterprise Fund:															
Child Nutrition Cluster															
National School Lunch Program	10.555	181NJ304N1099	N/A	\$ 695,235	7/1/2017	6/30/2018			\$ 652,444	\$ (695,235)			\$ (42,791)		
National School Lunch Program	10.555	171NJ304N1099	N/A	657,326	7/1/2016	6/30/2017	\$ (43,586)		43,586						
National School Breakfast Program	10.553	181NJ304N1099	N/A	111,697	7/1/2017	6/30/2018			102,406	(111,697)			(9,291)		
National School Breakfast Program	10.553	171NJ304N1099	N/A	76,930	7/1/2016	6/30/2017	(8,927)		8,927						
Food Donation Program (NC)	10.555	181NJ304N1099	N/A	181,697	7/1/2017	6/30/2018			181,697	(180,485)				\$ 1,212	
Food Donation Program (NC)	10.555	171NJ304N1099	N/A	171,697	7/1/2016	6/30/2017	1,500			(1,500)					
<b>Total Enterprise Fund and Total U.S. Department of Agriculture—Passed-Through State Department of Agriculture</b>							<b>(51,013)</b>		<b>989,060</b>	<b>(988,917)</b>			<b>(52,082)</b>	<b>1,212</b>	
<b>Total Federal Financial Awards Expenditures</b>							<b>\$ (845,071)</b>	<b>\$ -</b>	<b>\$ 3,867,268</b>	<b>\$ (4,065,856)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,044,871)</b>	<b>\$ 1,212</b>	<b>\$ -</b>

NC - non-cash expenditures

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

East Brunswick Public Schools

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2018

State Grantor/Program Title	Grant or State Project Number	Grant Period		Award Amount	Balance June 30, 2017			Carryover/Walkover	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Balance June 30, 2018			Memo	
		From	To		Unearned Revenue	(Accounts Receivable)	Due to Grantor						Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>																	
<i>General Fund:</i>																	
Equalization Aid	18-495-034-5120-078	7/1/2017	6/30/2018	\$ 11,737,848				\$ 10,605,400	\$ (11,737,848)						\$ (1,132,448)	\$ (11,737,848)	
Equalization Aid	17-495-034-5120-078	7/1/2016	6/30/2017	11,737,848	\$ (1,132,309)			1,132,309									
Special Education Categorical Aid	18-495-034-5120-089	7/1/2017	6/30/2018	5,355,986				4,835,249	(5,355,986)						(516,737)	(5,355,986)	
Special Education Categorical Aid	17-495-034-5120-089	7/1/2016	6/30/2017	5,152,548	(497,048)			497,048									
Transportation Aid	18-495-034-5120-014	7/1/2017	6/30/2018	679,647				614,076	(679,647)						(65,571)	(679,647)	
Transportation Aid	17-495-034-5120-014	7/1/2016	6/30/2017	679,647	(65,563)			65,563									
Security Aid	18-495-034-5120-084	7/1/2017	6/30/2018	176,418				159,397	(176,418)						(17,021)	(176,418)	
Security Aid	17-495-034-5120-084	7/1/2016	6/30/2017	176,418	(17,018)			17,018									
Additional Adjustment Aid	18-495-034-5120-085	7/1/2017	6/30/2018	1				1	(1)							(1)	
PARCC Readiness Aid	18-495-034-5120-098	7/1/2017	6/30/2018	83,350				75,309	(83,350)						(8,041)	(83,350)	
PARCC Readiness Aid	17-495-034-5120-098	7/1/2016	6/30/2017	83,350	(8,040)			8,040									
Per Pupil Growth Aid	18-495-034-5120-097	7/1/2017	6/30/2018	83,350				75,309	(83,350)						(8,041)	(83,350)	
Per Pupil Growth Aid	17-495-034-5120-097	7/1/2016	6/30/2017	83,350	(8,040)			8,040									
Professional Learning Community Aid	18-495-034-5120-101	7/1/2017	6/30/2018	82,110				74,188	(82,110)						(7,922)	(82,110)	
Professional Learning Community Aid	17-495-034-5120-101	7/1/2016	6/30/2017	82,110	(7,922)			7,922									
Nonpublic School Transportation Aid	18-495-034-5120-014	7/1/2017	6/30/2018	56,865					(56,865)				\$ (56,865)			(56,865)	
Nonpublic School Transportation Aid	17-495-034-5120-014	7/1/2016	6/30/2017	35,167	(35,167)			35,167									
Extraordinary Aid	18-100-034-5120-473	7/1/2017	6/30/2018	1,613,635					(1,613,635)							(1,613,635)	
Extraordinary Aid	17-100-034-5120-473	7/1/2016	6/30/2017	1,097,560	(1,097,560)			1,097,560									
State Reimbursed Lead Testing	18-495-034-5120-104	7/1/2017	6/30/2018	31,298				31,298	(31,298)							(31,298)	
On-Behalf TPAF - Pension Contribution	18-495-034-5094-002	7/1/2017	6/30/2018	9,097,877				9,097,877	(9,097,877)							(9,097,877)	
On-Behalf TPAF - Post-Retirement Medical	18-495-034-5094-001	7/1/2017	6/30/2018	5,876,126				5,876,126	(5,876,126)							(5,876,126)	
On-Behalf TPAF - Long-Term Disability Insurance	18-495-034-5094-004	7/1/2017	6/30/2018	15,690				15,690	(15,690)							(15,690)	
TPAF Social Security Reimbursements	18-495-034-5094-003	7/1/2017	6/30/2018	4,534,726				4,307,874	(4,534,726)						(226,852)	(4,534,726)	
TPAF Social Security Reimbursements	17-495-034-5094-003	7/1/2016	6/30/2017	4,515,251				221,357									
<b>Total General Fund</b>								<b>38,861,818</b>	<b>(39,424,927)</b>						<b>(1,897,352)</b>	<b>(39,424,927)</b>	
<i>Special Revenue Fund:</i>																	
<i>N.J. Nonpublic Aid:</i>																	
<i>Auxiliary Services:</i>																	
English as a Second Language	18-100-034-5120-067	7/1/2017	6/30/2018	14,454				14,454	(6,323)						\$ 8,131	(6,323)	
Compensatory Education	18-100-034-5120-067	7/1/2017	6/30/2018	69,096				69,096	(61,123)						7,973	(61,123)	
Home Instruction	18-100-034-5120-067	7/1/2017	6/30/2018	3,634					(3,634)					(3,634)		(3,634)	
Home Instruction	17-100-034-5120-067	7/1/2016	6/30/2017	1,798	(1,798)			1,798									
Transportation	18-100-034-5120-068	7/1/2017	6/30/2018	10,296				10,296	(10,296)							(10,296)	
<i>Handicapped Services:</i>																	
Supplemental Instruction	18-100-034-5120-066	7/1/2017	6/30/2018	20,617				20,617	(17,445)						3,172	(17,445)	
Examination and Classification	18-100-034-5120-066	7/1/2017	6/30/2018	28,575				28,575	(23,117)						5,458	(23,117)	
Examination and Classification	17-100-034-5120-066	7/1/2016	6/30/2017	25,757		\$ 2,520				\$ (2,520)							
Corrective Speech	18-100-034-5120-066	7/1/2017	6/30/2018	23,659				23,659	(23,659)							(23,659)	
Textbook Aid	18-100-034-5120-064	7/1/2017	6/30/2018	24,597				24,597	(22,959)						1,638	(22,959)	
Textbook Aid	17-100-034-5120-064	7/1/2016	6/30/2017	25,131			33										
Nursing Services	18-100-034-5120-070	7/1/2017	6/30/2018	43,747				43,747	(41,293)						2,454	(41,293)	
Nursing Services	17-100-034-5120-070	7/1/2016	6/30/2017	39,600			567										
Technology Services	18-100-034-5120-373	7/1/2017	6/30/2018	16,613				16,613	(15,527)						1,086	(15,527)	
Technology Services	17-100-034-5120-373	7/1/2016	6/30/2017	11,336			949										
Security	18-100-034-5120-509	7/1/2017	6/30/2018	33,375				33,375	(31,443)						1,932	(31,443)	
Security	17-100-034-5120-509	7/1/2016	6/30/2017	21,900			1,925										
<b>Total Special Revenue Fund</b>								<b>286,827</b>	<b>(256,819)</b>						<b>(3,634)</b>	<b>31,844</b>	
																<b>(256,819)</b>	

East Brunswick Public Schools

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2018

State Grantor/Program Title	Grant or State Project Number	Grant Period From	To	Award Amount	Balance June 30, 2017			Carryover/ Walkover	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Balance June 30, 2018			Memo	
					Unearned Revenue	(Accounts Receivable)	Due to Grantor						Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Total Expenditures
<b>State Department of Education</b>																	
<i>Capital Projects Fund:</i>																	
Memorial School Replacement	SP-1170-120-09-QQAZ	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	(83,296)			\$ 83,296								(83,296)	
Central Security Vestibule	1170-070-14-G1VC	6/10/2014	Completion	54,113	(26,786)			26,786								(54,113)	
Chittick Security Vestibule	1170-125-14-G1VG	6/10/2014	Completion	57,916	(28,656)			28,656								(57,916)	
CHHS Security Vestibule	1170-055-014-G1UZ	6/10/2014	Completion	50,424	(24,960)			24,960								(50,424)	
EBHS Security Vestibule	1170-050-14-G1UY	6/10/2014	Completion	47,958	(23,739)			23,739								(47,958)	
Frost Security Vestibule	1170-130-14-G1VI	6/10/2014	Completion	46,245	(22,874)			22,874								(46,245)	
Hammarstjold Security Vestibule	1170-056-14-G1VA	6/10/2014	Completion	65,617	(32,480)			32,480								(65,617)	
Lawrence Brook Security Vestibule	1170-100-14-G1VE	6/10/2014	Completion	57,044	(28,237)			28,237								(57,044)	
Wamsdorfer Security Vestibule	1170-138-14-G1VJ	6/10/2014	Completion	56,632	(28,032)			28,032								(56,632)	
Chittick HVAC and Electrical Upgrades	1170-125-14-G1VF	10/23/2014	Completion	795,614	(716,053)			556,930					(159,123)			(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	(762,715)			593,223					(169,492)			(847,461)	
<b>Total Capital Projects Fund</b>					<b>(2,342,484)</b>			<b>1,801,943</b>					<b>(540,541)</b>			<b>(6,753,570)</b>	
<i>Debt Service Fund:</i>																	
Debt Service Aid	18-495-034-5120-075	7/1/2017	6/30/2018	348,925				348,925	\$ (348,925)							(348,925)	
<b>Total Debt Service Fund</b>								<b>348,925</b>	<b>(348,925)</b>							<b>(348,925)</b>	
<i>Enterprise Fund:</i>																	
National School Lunch Program	18-100-010-3350-023	7/1/2017	6/30/2018	28,615				26,819	(28,615)				(1,796)			(28,615)	
National School Lunch Program	17-100-010-3350-023	7/1/2016	6/30/2017	24,215	(1,679)			1,679								(28,615)	
<b>Total Enterprise Fund</b>					<b>(1,679)</b>			<b>28,498</b>	<b>(28,615)</b>				<b>(1,796)</b>			<b>(28,615)</b>	
<b>Total Expenditures of State Financial Assistance</b>					<b>\$ -</b>	<b>\$ (5,435,985)</b>	<b>\$ 5,994</b>	<b>\$ -</b>	<b>\$ 41,328,011</b>	<b>\$ (40,059,286)</b>	<b>\$ (5,994)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,443,323)</b>	<b>\$ 31,844</b>	<b>\$ (1,755,781)</b>	<b>\$ (46,812,856)</b>
<b>State Financial Assistance Not Subject to Single Audit Determination:</b>																	
On-Behalf TPAF - Pension Contribution	495-034-5094-002	7/1/2017	6/30/2018	9,097,877				\$ 9,097,877	\$ (9,097,877)							\$ (9,097,877)	
On-Behalf TPAF - Post-Retirement Medical	495-034-5094-001	7/1/2017	6/30/2018	5,876,126				5,876,126	(5,876,126)							(5,876,126)	
On-Behalf TPAF - Long-Term Disability Insurance	495-034-5094-004	7/1/2017	6/30/2018	15,690				15,690	(15,690)							(15,690)	
<b>Total State Financial Assistance Subject to Single Audit Determination</b>					<b>\$ -</b>	<b>\$ (5,435,985)</b>	<b>\$ 5,994</b>	<b>\$ -</b>	<b>\$ 26,338,318</b>	<b>\$ (25,069,593)</b>	<b>\$ (5,994)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,443,323)</b>	<b>\$ 31,844</b>	<b>\$ (1,755,781)</b>	<b>\$ (31,823,163)</b>

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, 2018

#### **1. General**

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

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



East Brunswick Public Schools

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

Year ended June 30, 2018

**3. Relationship to Basic Financial Statements (continued)**

the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The 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 \$19,841 for the general fund and \$39,623 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.

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	\$ 108,190	\$39,405,086	\$39,513,276
Special Revenue Fund	2,968,749	256,819	3,225,568
Debt Service Fund		348,925	348,925
Enterprise Fund – Food Service Fund	988,917	28,615	1,017,532
Total financial award revenues	<u>\$ 4,065,856</u>	<u>\$40,039,445</u>	<u>\$44,105,301</u>

**4. Relationship to Federal and State Financial Reports**

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

**5. Other**

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, 2018.

The post retirement pension medical benefits and long-term disability received on-behalf of the District for the year ended June 30, 2018 amounted to \$14,989,693. Since on-behalf post retirement pension medical and other long-term disability benefits are paid by the State directly,

East Brunswick Public Schools

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

Year ended June 30, 2018

**5. Other (continued)**

these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

**6. Indirect Costs**

The District charged indirect costs of \$30,878 to the Food Service Enterprise Fund. The District did not use the 10% de minimis indirect cost rate for any other grants.

East Brunswick Public Schools  
Schedule of Findings and Questioned Costs

Year ended June 30, 2018

**Part I - Summary of Auditors' Results**

**Financial Statements**

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

Internal control over financial reporting:

Material weakness(es) identified?            Yes   X   No

Significant deficiency(ies) identified?            Yes   X   None Reported

Noncompliance material to financial statements noted?            Yes   X   No

**Federal Awards**

Internal control over major federal programs:

Material weaknesses identified?            Yes   X   No

Significant deficiency(ies) identified?            Yes   X   None Reported

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

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

Identification of major federal programs:

CFDA Number(s)	FAIN Number	Name of Federal Program or Cluster
10.553, 10.555	181NJ304N1099	National School Lunch Program, National School Breakfast Program, Food Donation Program (Child Nutrition Program Cluster)

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, 2018

**Part I - Summary of Auditors' Results (continued)**

**State Financial Assistance**

Internal control over major state programs:

Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

Significant deficiency(ies) identified? \_\_\_\_\_ Yes   X   None Reported

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

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

Identification of major state programs:

GMIS/Program Number	Name of State Program or Cluster
495-034-5094-003	Reimbursed TPAF – Social Security
100-034-5120-473	Extraordinary Aid

Dollar threshold used to distinguish between Type A and Type B programs: \_\_\_\_\_ \$752,088

Auditee qualified as low-risk auditee?   X   Yes \_\_\_\_\_ No

East Brunswick Public Schools

Schedule of Findings and Questioned Costs

Year ended June 30, 2018

**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, 2018

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by 2 CFR 200 Section 516(a) and New Jersey Treasury Circular OMB 15-08, respectively.

**2018-001** Instance of Non-Compliance – Eligibility

**Federal Award Programs**

None

**State Award Programs**

Extraordinary Aid 100-034-5120-473

*Criteria:* In accordance with the New Jersey State Compliance Supplement, the District is required to expend awards for eligible activities and that the costs of services charged to the grant and submitted for reimbursement are allowable and in accordance with the applicable compliance requirements.

*Statement of Condition:* The District's Special Education Department is responsible for preparing and submitting the extraordinary aid application to the New Jersey Department of Education. During our audit of the Extraordinary Aid Program, we identified the District submitted costs for two students that were inaccurate. Costs were submitted for one student for an aide, of which the student did not receive the services of an aide and costs were submitted for one student based on multiple disabilities, when the student should have had costs submitted for Autism. In addition, we noted the Medicaid SEMI revenue for some students was not deducted from the cost for a child for extraordinary aid purposes in the application. It should be noted that the ultimate award of extraordinary aid is based on a formula determined by the New Jersey Department of Education, in which a school district is reimbursed for a percentage of cost in excess of certain thresholds, as well as, available funding from the State budget.

*Questioned Costs:* The actual questioned costs are \$39,182 and the likely questioned costs are \$60,935. This was the result of a total of \$66,292 of ineligible costs being included in the cost reimbursement calculation. The total dollar value of the eligible costs tested from the program amounted to \$3,038,746. The total dollar value of the costs submitted for reimbursement

East Brunswick Public Schools

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2018

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

under the Extraordinary Aid program amounted to \$3,207,080 and the reimbursement rate was 50.3 percent.

*Context:* During our testing of state grant compliance, we selected a sample of students whose related costs were submitted for reimbursement under the Extraordinary Aid program. For each student selected, we requested the District to provide us with the supporting cost documentation, IEP and calculation of costs submitted for reimbursement. Per New Jersey State Compliance Supplement, each student should receive services which are in agreement with their corresponding IEP, and the calculation of reimbursed costs should be in accordance with these services and classification. The District is also required to maintain workpapers which support the cost documentation.

*Cause and Effect:* Violations of grant requirements could lead to a potential reduction in funding or return of funds.

*Recommendation:* We suggest that the District improve the current process in place to review the extraordinary aid application for accuracy prior to submission in order to maximize the state aid that is available to the District utilizing accurate cost information.

*Views of Responsible Officials and Planned Corrective Actions:* District management concurs with the finding and has developed a corrective action plan in response to the recommendations above and had commenced action to address the finding.



East Brunswick Public Schools  
Summary Schedule of Prior Year Audit Findings  
Year ended June 30, 2018

No prior year findings were noted.