

# EAST BRUNSWICK PUBLIC SCHOOLS



*Excellence in Academics, Athletics, and the Arts*

*Comprehensive Annual Financial Report  
For The Fiscal Year Ended June 30, 2020*

*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, 2020

Prepared by

Bernardo Giuliana

East Brunswick Public Schools  
Department of Financial Services

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# Introductory Section



# East Brunswick Public Schools

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760 Route 18 East Brunswick,  
New Jersey 08816

February 4, 2021

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, 2020 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 introductory section includes this transmittal letter (designed to complement Management's Discussion and Analysis and should be read in conjunction with it), the District's organizational chart and a list of principal officials. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, Title 2 U.S. Code of Federal Regulations (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditors' report on internal control over compliance and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

## **1. REPORTING ENTITY AND ITS SERVICES**

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

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

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

The District completed fiscal year 2019-2020 with an average daily enrollment of 8,218 students, or 84 students less than the previous year's enrollment. This is an unanticipated decrease that is likely attributed to the COVID-19 pandemic and families opting for home schooling during this tenuous time. The following details the changes in the District's student enrollment over the last five years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment Student Enrollment</u>	<u>Percent Change</u>
2019-2020	8,218.0	(1.01%)
2018-2019	8,302.0	3.14%
2017-2018	8,049.0	0.01%
2016-2017	7,994.0	(1.41%)
2015-2016	8,108.0	(1.85%)

*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 2019-2020, the District engaged Statistical Forecasting, LLC to conduct a comprehensive analysis of school enrollment projections. The study, completed in July 2019, projects grade-by-grade enrollments over a five-year period from 2019-2020 through 2023-2024. In addition, the study included the following:

- Examination of historical enrollment trends, both districtwide and by grade configuration (PK-5, 6-7, 8-9, and 10-12);
- Investigation of historical enrollment trends with respect to race and poverty status in each school;
- Tabulation of birth counts at the attendance area level;

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

The study's projected year-to-year increases in enrollment will have serious consequences on District facilities and class sizes. The table below exhibits 2018-2019 actual enrollment and the ensuing enrollment projections.

<i>Fiscal Year</i>	<i>PK-5</i>	<i>6-7</i>	<i>8-9</i>	<i>10-12</i>	<i>PK-12</i>
<b>Actual Enrollment</b>					
<i>2018-2019</i>	<i>3,545</i>	<i>1,280</i>	<i>1,279</i>	<i>2,080</i>	<i>8,184</i>

<b>Baseline Projections</b>					
<i>2019-2020</i>	<i>3,660</i>	<i>1,343</i>	<i>1,244</i>	<i>2,055</i>	<i>8,302</i>
<i>2020-2021</i>	<i>3,707</i>	<i>1,344</i>	<i>1,322</i>	<i>1,999</i>	<i>8,372</i>
<i>2021-2022</i>	<i>3,782</i>	<i>1,326</i>	<i>1,391</i>	<i>1,958</i>	<i>8,457</i>
<i>2022-2023</i>	<i>3,832</i>	<i>1,347</i>	<i>1,391</i>	<i>1,964</i>	<i>8,534</i>
<i>2023-2024</i>	<i>3,864</i>	<i>1,397</i>	<i>1,372</i>	<i>2,068</i>	<i>8,701</i>
<b><i>2023-2024 Increase Over 2018-2019</i></b>	<b><i>319</i></b>	<b><i>117</i></b>	<b><i>93</i></b>	<b><i>-12</i></b>	<b><i>517</i></b>

<b>Projections Adjusted for Housing Growth</b>					
<i>2019-2020</i>	<i>3,682</i>	<i>1,349</i>	<i>1,249</i>	<i>2,065</i>	<i>8,345</i>
<i>2020-2021</i>	<i>3,779</i>	<i>1,364</i>	<i>1,343</i>	<i>2,032</i>	<i>8,518</i>
<i>2021-2022</i>	<i>3,885</i>	<i>1,352</i>	<i>1,422</i>	<i>2,003</i>	<i>8,662</i>
<i>2022-2023</i>	<i>3,931</i>	<i>1,374</i>	<i>1,420</i>	<i>2,008</i>	<i>8,753</i>
<i>2023-2024</i>	<i>3,962</i>	<i>1,427</i>	<i>1,399</i>	<i>2,114</i>	<i>8,902</i>
<b><i>2023-2024 Increase Over 2018-2019</i></b>	<b><i>417</i></b>	<b><i>147</i></b>	<b><i>120</i></b>	<b><i>34</i></b>	<b><i>718</i></b>

Notwithstanding the *de minimis* enrollment decrease attributable to the pandemic in 2019-2020, we anticipate enrollments to adjust and trend with the projected increases post-pandemic. At the elementary school level, the District enrollment is projected to increase the equivalent of an entire elementary school where facilities are already strained.

#### 2019-2020

- Early Learning Academy was relocated out of the elementary schools to Hammarskjold Middle School to make room for elementary regular education and special education programs.
- Burgeoning class sizes continue to push on maximum thresholds.
- Ever-increasing special needs population requires classrooms that simply do not exist to accommodate any additional programs necessary to meet the needs of those children.

The District is facing an elementary school crisis insofar as classroom availability is concerned. As of the writing of this letter, there are no elementary classrooms available to support expanding enrollments or additional special needs class sections.

Pre-pandemic, the Board was actively discussing potential resolutions to accommodate a growing enrollment. However, the COVID-19 crisis has required attention to be focused on keeping students and employees safe while implementing remote- and hybrid-learning models. This required all planning for temporary classroom units to be placed on hold. Yet, those plans must now be “jump started” and prioritized.

The Township of East Brunswick is pursuing significant redevelopment plans, which are reported to include upscale or specialty food markets; medium- and high-end restaurants; shuttle bus service; bike paths; a concert venue; special needs and/or senior housing; universal Wi-Fi; a community use building for recreational purposes; a hotel; and, residential units. Pre-pandemic, demolition work had already begun at certain identified locations. The impact of those plans upon the school district are currently unknown and must be examined as soon as the residential plans are approved. Certainly, any residential construction will bring more students into the school district. Therefore, the information is critical to school facilities planning.

A charter school based in East Brunswick opened its doors at the beginning of the 2010-2011 school year. Hatikvah International Academy Charter School was approved as a K-5 school 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 having one of the best school districts in this State if not the entire country. The charter school did not serve any educational need then, and it does not now.

During its eleven years, the charter school’s existence has required the cumulative appropriation of \$24,941,206 from the East Brunswick Public School District budget. This State-mandated diversion of local financial resources has come with significant and deleterious impacts to the school district beginning with the elimination of its model elementary world language program in the charter school’s first year. The time has long passed to argue the merits of whether or not the initial charter should have been approved. However, the community should be reminded that the students enrolled in the charter school would receive a superior quality of education and supports if enrolled in the East Brunswick Public Schools.

East Brunswick’s taxpayers largely provide the financial support for its public schools. For fiscal year 2021, the local funding share is 81.5% of the District’s fiscal year 2021 General Fund budget. More and more, this suburban community’s local funds must be diverted to support a charter school for which there is absolutely no justifiable educational need.

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

The Township of East Brunswick's total labor force increased 0.81% to 26,210 in 2019 from 25,999 in 2018, as reported by the New Jersey Department of Labor and Workforce Development. The employment rate for 2019 was 97.4% as compared with 96.9% in 2018, and the unemployment rate for 2019 decreased to 2.6% from 3.1% in 2018. East Brunswick's employment and unemployment rates reflect a steady economic outlook for the community. As reported above, employment and unemployment rates are relatively unchanged from the prior year, affect the general economic viability of the community, and are reflective of data that has been reported statewide and nationally.

The Township of East Brunswick reported certificates of occupancy (COs) issued for new residential units to be 36 for the calendar year 2019, as compared with 45 for the calendar year 2018. This represents a 20% decrease in comparison to last year. (Between 2017 and 2018, the demand increased by 105.6%.)

Economic data provided by the Township of East Brunswick indicates that the construction value and building permits issued for new units, additions and remodeling for the entire 2019 calendar year totaled \$120,203,043 and 2,698, respectively, as compared to \$67,959,964 and 2,804 for the 2018 calendar year. This represents a decrease of 106 permits and an increase in construction value of \$52,243,079. While the number of construction permit issuances declined by 3.8% in 2019, the related construction values increased by 76.9%, both of which are indicative of the continuing investment being made in East Brunswick's residential and commercial properties. Additionally, re-sale housing in East Brunswick is reflective of the ongoing desire of individuals to establish their residency where the excellent public schools are the primary factor in that decision.

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

## **3. MAJOR INITIATIVES**

The District has been aggressive in pursuing the maximum level of State grant funds for all qualifying projects since State's school facilities grants were reinstated in 2008. To date, East Brunswick has been successful in receiving grant approvals on all qualifying projects and for the maximum qualifying amount. The grant funds have benefitted East Brunswick taxpayers by reducing the local financial obligation for the projects. In fact, over \$3.1 million in State grant funds – a full 40% of estimated project costs – have funded security vestibules at all eleven school locations, a myriad of infrastructure improvements and building upgrades that have been completed throughout the District. While the State has not continued the grant program, the District is poised to avail itself of such funding opportunities when and if they again become available.

The limitations on financial resources to support capital projects have required the District to pursue other means of providing project funds. It established a revolving fund of financing through which capital projects are funded. Such short-term debt having a payback of no more than five years has enabled the District to plan 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. In addition, through an Energy Savings Improvement Program (ESIP), the District has been undertaking facility improvements that will be self-funded through reductions in utility costs.

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

Bowne-Munro Elementary School: security improvements, carbon monoxide detectors, energy savings improvements (including building management systems, lighting), and roof-top unit replacements.

Central Elementary School: 21<sup>st</sup> Century classroom upgrades, security improvements, window replacements, carbon monoxide detectors energy savings improvements (including building management systems, lighting, solar panel system).

Chittick Elementary School: 21<sup>st</sup> Century classroom upgrades, security improvements, window and exterior door replacements, HVAC upgrades to corridors, carbon monoxide detectors, and energy savings improvements (including building management systems, lighting).

Churchill Junior High School: 21<sup>st</sup> Century classroom upgrades, security improvements, window and exterior door replacements, HVAC and electrical upgrades, roof replacement, carbon monoxide detectors, boiler upgrades, and energy savings improvements (including building management systems, lighting, solar panel system).

East Brunswick High School: 21<sup>st</sup> Century classroom upgrades, security improvements, carbon monoxide detectors, roof-top unit replacements, underground vault removal, sidewalk replacements, and energy savings improvements (including building management systems, lighting).

Frost Elementary School: 21<sup>st</sup> Century classroom upgrades, security improvements, fire alarm system replacement, window and exterior door replacements, multi-purpose room and kitchen renovations, HVAC upgrades to corridors, carbon monoxide detectors, energy savings improvements (including building management systems, lighting), and corridor improvements.

Hamarskjold Middle School: security improvements, carbon monoxide detectors, and energy savings improvements (including building management systems, lighting).

Irwin Elementary School: security improvements, HVAC upgrades to corridors, carbon monoxide detectors, and energy savings improvements (including building management systems, lighting).

Lawrence Brook Elementary School: 21<sup>st</sup> Century classroom upgrades, security improvements, carbon monoxide detectors, and energy savings improvements (including building management systems, lighting, solar panel system).

Memorial Elementary School: 21<sup>st</sup> Century classroom upgrades, security improvements, carbon monoxide detectors, and energy savings improvements (including building management systems, lighting, solar panel system).

Warnsdorfer Elementary School: 21<sup>st</sup> Century classroom upgrades, security improvements, fire alarm replacement, window and exterior door replacements, HVAC upgrades to corridors, carbon monoxide detectors, energy savings improvements (including building management systems, lighting), and electrical upgrades.

Support Operations Facility: warehouse air conditioning, and energy savings improvements (including building management systems, lighting, solar panel system).

Administration Building: security improvements, energy savings improvements (including building management systems, lighting), and restroom and elevator upgrades.

Finally, technology has a significant role in instruction and is integrated throughout the District's operations. It is an absolute necessity upon which there is heavy reliance to continually achieve success in District operations and instruction. In 2019-2020, the COVID-19 pandemic pushed the District into utilizing its recently implemented learning management system (LMS) to support remote teaching and learning in grades eight through 12. The pandemic caused the District to speedily implement its one-to-one initiative resulting in the assignment of individual Lenovo laptop computers to each student in grades 8 through 12 and Chromebooks to each student in grades K through 7.

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

Seven 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. The District's steadfast commitment has yielded substantial progress in this area.

Six 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. While change is sometimes a slow and challenging process, the plan has resulted in substantive improvements that have taken hold and continue to benefit the District's properties.

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

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

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as reported as assigned fund balance at June 30, 2020.



## **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, 2019. 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 seventh 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 2019-2020 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, 2019. This was the fifth 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 2019-2020 certificate.

- C) **Continued Excellence in Academics, Athletics and the Arts** - During the 2019- 2020 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. COVID-19 PANDEMIC**

The COVID-19 Pandemic has caused the District to mitigate the transmission of the coronavirus through implementation of a variety of safety precautions affecting classrooms, buses, cafeterias, and shared spaces. These precautions include the implementation of remote and hybrid learning models, providing personal protective equipment (PPE) to staff, enforcing physical distancing in the buildings, improvements to air filtration, cautionary signage, enhanced cleaning of buildings, more frequent cleaning of surfaces, and sharing information with employees and students about safety protocols.

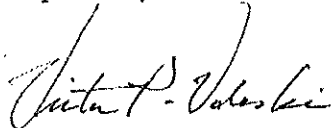
In addition, the District has provided hand sanitizer and distributed a range of PPE to staff including cloth masks, surgical masks, N95 masks, face shields, and lab coats as needed. Masks are required in all buildings. Students and staff are screened before entering buildings and non-touch temperature taking has been instituted as well as a daily health screening form.

The District anticipates continued vigilance will be necessary and will examine any new options or protocols that become available to keep students and staff as safe as possible.

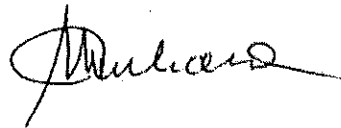
## **9. ACKNOWLEDGMENTS**

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

Respectfully submitted,



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



Bernardo Giuliana, SFO, QPA  
School Business Administrator/  
Board Secretary

East Brunswick Public Schools  
Accomplishments and Achievements

Year ended June 30, 2020

The District is proud to report the many successes and accomplishments that our students have achieved. The 2019-2020 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 go on to college.
- East Brunswick High School was recognized by NJ.com as one of the Top 50 New Jersey High Schools with the best SAT Scores.
- East Brunswick School District has earned a position on the 9<sup>th</sup> Annual AP District Honor Roll. The annual AP District Honor Roll recognizes districts for increasing access to Advanced Placement course work while maintaining or increasing the percentage of students earning scores of 3 or higher on AP Exams.
- EBHS/MCC Pathways Program - 789 students took DCC courses and amassed 2,532 credits. This was across 30 different courses.
- Nine EBHS students were *National Merit Scholarship Finalists*.
- Fourteen EBHS seniors graduated with *Highest Honors*.
- Forty-seven *National Merit Scholarship* commended students.
- East Brunswick High School welcomed 146 new members into the *National Honor Society*.
- 338 *Presidential Awards for Academic Excellence* were awarded.
- Four students won the Cybersecurity Competition hosted by Brookdale Community College.
- NJ Seal of Biliteracy - 136 high school seniors earned the distinction of the New Jersey Seal of Biliteracy:
  - Qualifiers:
    - Arabic - 8
    - Chinese - 5
    - French - 19
    - German - 17
    - Italian - 10
    - Korean - 2
    - Portuguese - 1
    - Spanish – 74
- Five of the above students earned two Seals of Biliteracy:
  - Korean and Spanish
  - Korean and Spanish

## For Excellence in Academics - continued

- Portuguese and Spanish
- Russian and French
- Chinese and Spanish
  
- The EBHS Math Honor Society Mu Alpha Theta inducted 79 members.
- The EBHS IPLE team, also known as the Institute for Political and Legal Education, placed 1st in the state again for the 33rd time in 34 years in the *We the People: The Citizen and the Constitution Competition*. Thirty EBHS seniors were a part of the IPLE team.
- In the FBLA State Leadership Competition:
  - One EBHS student placed first in Electronic Career Portfolio
  - Two EBHS students placed first in Entrepreneurship
  - One EBHS student placed first in Healthcare Administration
  - One EBHS student placed first in Political Science

## For Excellence in the Arts...

- Congratulations to student musicians selected for *Honors, Regional and All-State Ensembles*:
  - 2020 CJMEA Intermediate Region Choir (8)
  - 2020 CJMEA Intermediate Chamber Orchestra (2)
  - 2020 CJMEA Intermediate String Orchestra (4)
  - 2020 CJMEA Intermediate Band (1)
  - 2020 CJMEA Intermediate Wind Ensemble (1)
  - 2020 CJMEA High School Region II Orchestra (5)
  - 2020 CJMEA High School Wind Ensemble (1)
  
- EBHS *Tri-M National Music Honor Society*, there are currently 72 students at EBHS with this recognition.
- One EBHS student won the Young Women Composers Camp at Temple University.
- One EBHS student won the Relache New Music Ensemble Commission Competition.
- One HMS student won the 2019 Road Safety Art Contest.
- Two students won the Artistic Achievement Award.

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

- Varsity Cheerleaders placed 1<sup>st</sup> in a Competition.
- Five EBHS Athletes won All GMC Awards
- One EBHS Athlete won the GMC Bowling Individual Award.
- CHAMPIONS:
  - Division:
    - Girls Soccer
    - Girls Tennis
    - Gymnastics
  - Conference
    - Boys Soccer
    - Girls Soccer
    - Girls Tennis
    - Gymnastics
  - Sectional
    - Girls Tennis
    - Girls Bowling
  - Group
    - Girls Tennis
- Overall State Champions: Girls Tennis

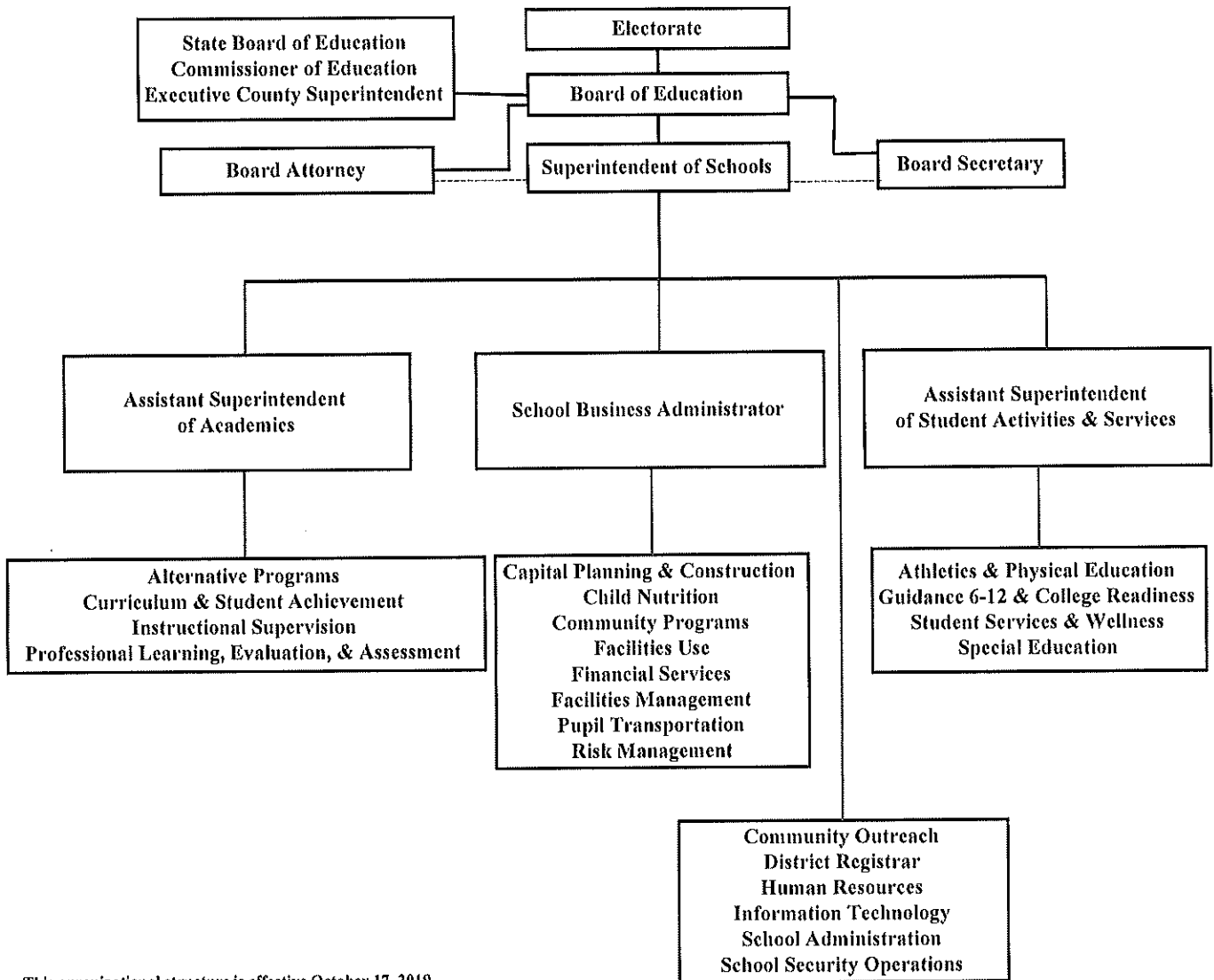
### **Staff Accomplishments...**

- One teacher won the Urban Land Institute Teacher of the Year Award.
- *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 seventh 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 fifth consecutive year.

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

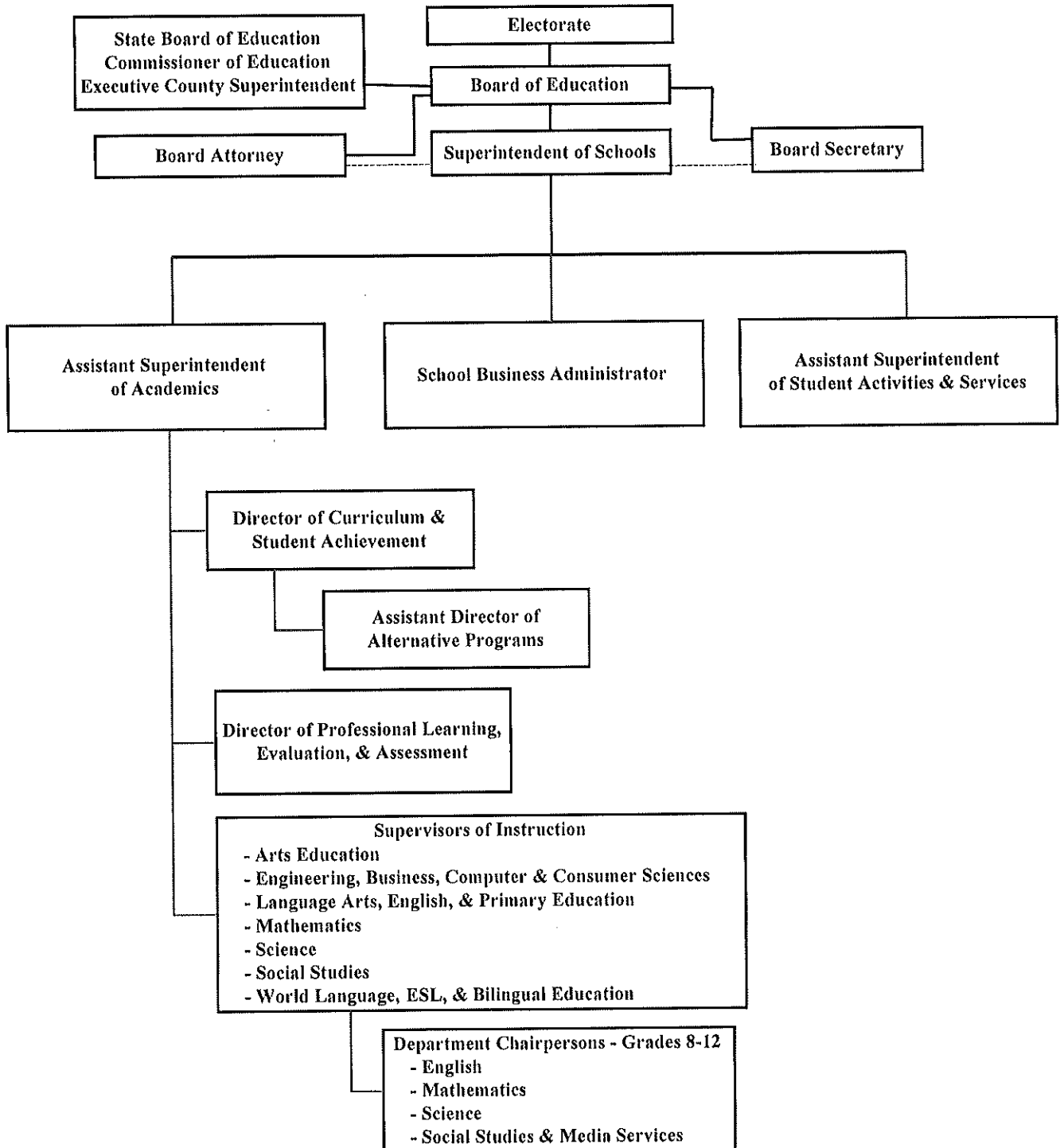
- District Staff collected \$2,800 for Breast Cancer Research and Pediatric Cancer Research for the *Rutgers University Foundation*.
- District Staff celebrated National Go Red Day. The American Heart Association sponsors this event in an effort to raise awareness for women's heart health. A district wide denim day raised \$3,135 to benefit cancer research.

East Brunswick Public Schools  
Organizational Chart  
June 30, 2020



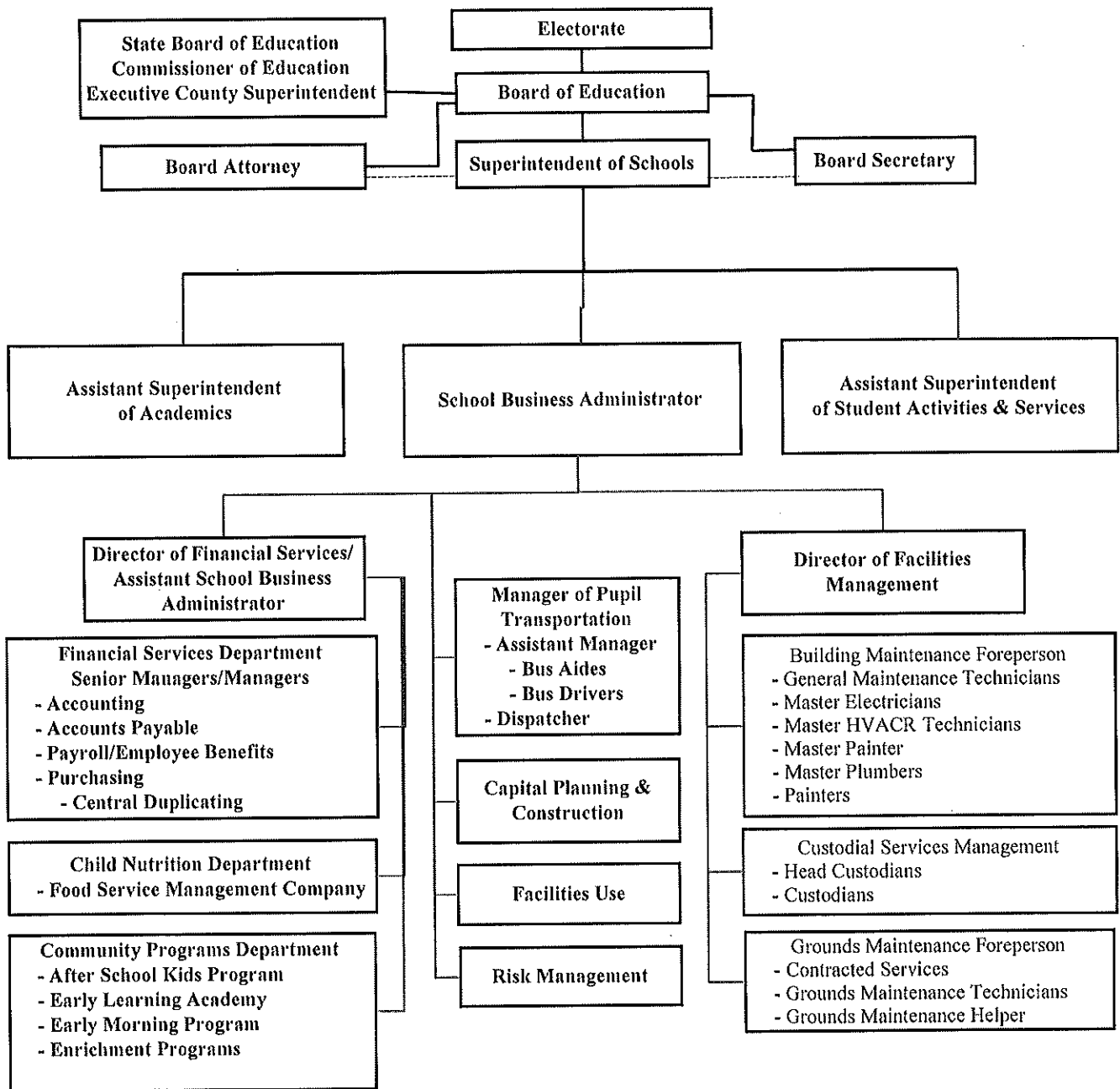
This organizational structure is effective October 17, 2019.

Refer to position job descriptions for additional details.



This organizational structure is effective October 17, 2019.

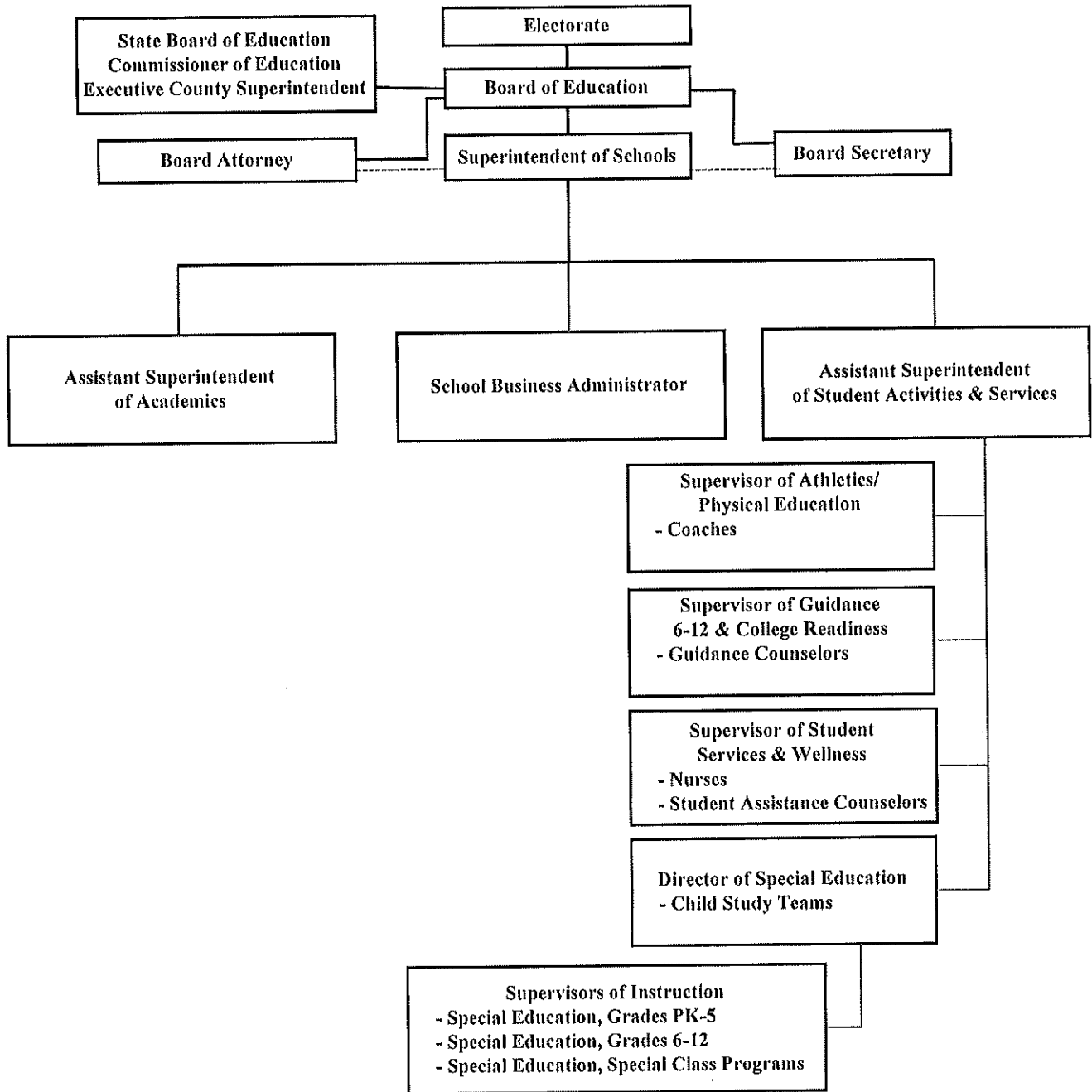
Refer to position job descriptions for additional details.



This organizational structure is effective October 17, 2019.

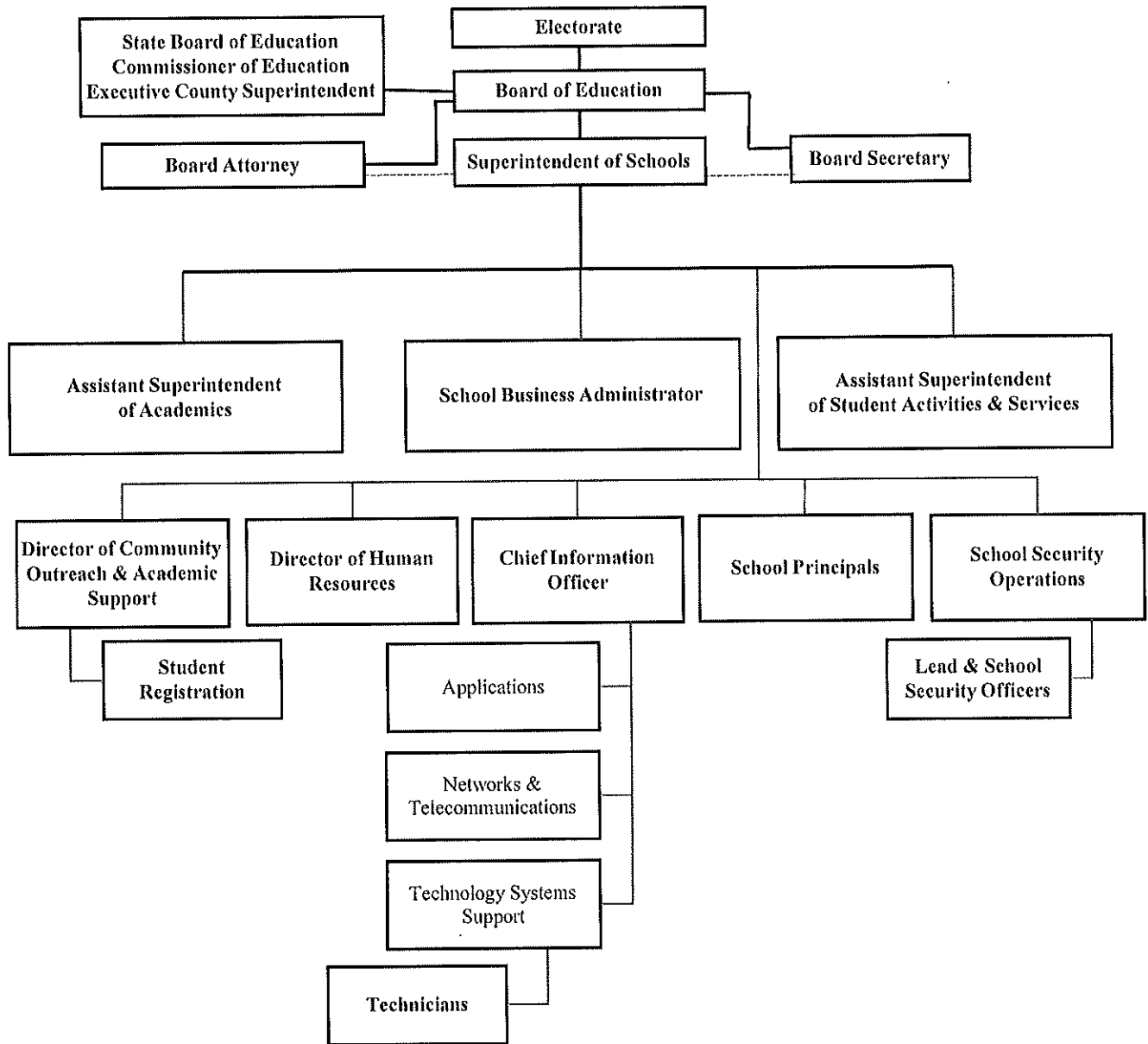
Refer to job descriptions for position reporting lines.





This organizational structure is effective October 17, 2019.

Refer to position job descriptions for additional details.



This organizational structure is effective October 17, 2019.

Refer to position job descriptions for additional details.

East Brunswick Public Schools  
East Brunswick, New Jersey

Roster of Officials

June 30, 2020

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Vicki Becker, President .....	2021
Laurie Lachs, Vice President .....	2020
Susanna Chiu.....	2020
Mark Csizmar.....	2022
Heather Guas .....	2022
Liwu Hong.....	2022
Barbara Reiss.....	2021
Todd Simmens.....	2020
Jeffrey Winston.....	2021

**Other Officials**

Victor Valeski, Ed.D., Superintendent

Bernardo Giuliana, SFO, School Business Administrator/Board Secretary

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

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

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, New Jersey 08844

**Attorney**

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

**Independent Auditors**

Wiss & Company, LLP  
100 Campus Drive, Suite 400  
Florham Park, New Jersey 07932

**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, 2019.**

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'. The signature is written in a cursive style and is positioned above a horizontal line.

Claire Hertz, SFO  
President

A handwritten signature in black ink, reading 'David J. Lewis'. The signature is written in a cursive style and is positioned above a horizontal line.

David J. Lewis  
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, 2019

*Christopher P. Morrill*

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, 2020, 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 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, 2020, 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 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***

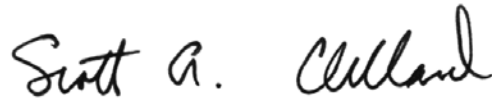
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state 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 4, 2021 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 4, 2021  
Florham Park, New Jersey

Required Supplementary Information  
Part I

# Management's Discussion and Analysis

# East Brunswick Public Schools

## Management's Discussion and Analysis Year Ended June 30, 2020

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, 2020. 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 Facilities Rentals are reported here.

The government-wide financial statements can be found on pages 36 -37 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 38-40 of this report.

**Proprietary funds.** The District maintains two proprietary fund types, three enterprise funds and one internal service fund. The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods or services be financed through user charges. The enterprise fund reports the operations of the food service, community education and facilities rentals programs. The self-insured internal service fund is used to record the activity of the District's medical benefits. Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 41 - 43 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 44 - 45 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 46 - 87 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 88 - 130 of this report.

## **Financial Highlights**

Key financial highlights for 2019-2020 are as follows:

In total, net position at June 30, 2020 was \$134,616,592, which represents a 4.2% increase from 2019. This is primarily due to principal payments on long-term debt in the amount of \$9,363,240, and the decrease in the net pension liability, net of related deferrals, of \$2,442,187.

Governmental activities general revenues accounted for \$191,475,546 in revenue or 97.9% of all governmental activities revenue. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$4,184,654 or 2.1% of total governmental activities revenues of \$195,660,200.

Among major funds, the General Fund had \$176,238,948 in revenues and \$175,803,059 in expenditures. The General Fund's fund balance is \$23,262,653 as of June 30, 2020, an increase of \$506,716 from the June 30, 2019 balance.

Notification was received that the two June 2020 state aid payments to the District in the total amount of \$1,926,609 would be delayed until the next school year. While, the State of New Jersey has taken action to withhold the final June payment each year since 2003, it expanded the withholding to both June payments in the 2009-2010 fiscal year, in order to avert a budget shortfall at the state level.

The District followed GASB Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the 2020 fiscal year resulting in the recording of revenue and expense in the amount of \$5,705,854 related to post-employment health benefits.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The following table provides a comparative summary of net position relating to the District's governmental and business-type activities at June 30, 2020 and 2019:

	Net Position					
	June 30, 2020			June 30, 2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>						
Current and other assets	\$ 40,766,896	\$ 3,509,224	\$ 44,276,120	\$ 42,429,225	\$ 3,797,676	\$ 46,226,901
Capital assets, net	244,237,818	457,057	244,694,875	231,696,263	490,034	232,186,297
Total assets	285,004,714	3,966,281	288,970,995	274,125,488	4,287,710	278,413,198
Deferred outflows of resources	12,030,616		12,030,616	14,247,410		14,247,410
<b>Liabilities:</b>						
Current liabilities	25,320,191	1,062,844	26,383,035	23,018,432	1,133,758	24,152,190
Net pension liability	35,478,393		35,478,393	37,920,580		37,920,580
Long-term liabilities	90,651,018	129,153	90,780,171	87,328,612	120,636	87,449,248
Total liabilities	151,449,602	1,191,997	152,641,599	148,267,624	1,254,394	149,522,018
Deferred inflow of resources	13,743,420		13,743,420	13,679,399		13,679,399
<b>Net position:</b>						
Net investment in capital assets	155,044,226	457,057	155,501,283	150,002,200	490,034	150,492,234
Restricted	18,343,418		18,343,418	18,170,297		18,170,297
Unrestricted (deficit)	(41,545,336)	2,317,227	(39,228,109)	(41,746,622)	2,543,282	(39,203,340)
Total net position	\$131,842,308	\$2,774,284	\$134,616,592	\$126,425,875	\$3,033,316	\$129,459,191

Current and other assets decreased in large part due to a decrease in cash and cash equivalents and various receivable balances.

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

Long-term liabilities increased as result of new Refunding School Bonds of \$10,355,000 issued in the current year and new lease purchase obligations of \$14,600,000, offset by principal payments made in the total amount of \$21,198,240 for bonds payable, capital leases and lease purchase obligations, combined.

Current liabilities increased in large part due to an increase in the current portion of long-term obligations of \$2,062,492 due to the additional lease purchase obligation principal payment which will be paid in the 2020-2021 fiscal year on the new \$14,600,000 lease purchase obligation that was issued in the 2019-2020 fiscal year.

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 the prior year.

There was an increase in restricted net position of \$173,121, which resulted largely from an increase in the capital reserve of \$77,534.

There was an overall decrease of \$259,032 in net position reported in connection with the District's business-type activities. The Food Service program had a decrease in net position of \$23,284 and the Community Programs program had a decrease in net position of \$374,095, which is a direct result of the COVID-19 pandemic school closures. The Facilities Rentals generated an increase in net position of \$138,347. 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, 2020 and 2019:

### Changes in Net Position

	Year ended June 30, 2020			Year ended June 30, 2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for Services	\$ 699,894	\$ 4,363,535	\$ 5,063,429	\$ 895,102	\$ 6,794,867	\$ 7,689,969
Operating Grants and Contributions	3,484,760	1,045,955	4,530,715	3,533,693	1,083,113	4,616,806
General Revenues:						
Property Taxes	136,503,916		136,503,916	134,635,982		134,635,982
Grants and Entitlements	53,986,819		53,986,819	60,150,455		60,150,455
Miscellaneous	984,811	80,371	1,065,182	858,189	47,978	906,167
Total Revenues	195,660,200	5,489,861	201,150,061	200,073,421	7,925,958	207,999,379
Expenses:						
Instruction	107,157,404		107,157,404	107,816,283		107,816,283
Support Services	80,369,076		80,369,076	84,203,472		84,203,472
Interest and other charges	2,817,287		2,817,287	3,085,432		3,085,432
Business-type activities		5,748,893	5,748,893		6,467,011	6,467,011
Total Expenses	190,343,767	5,748,893	196,092,660	195,105,187	6,467,011	201,572,198
Change in Net Position Before Transfers and Special Item	5,316,433	(259,032)	5,057,401	4,968,234	1,458,947	6,427,181
Transfers	-	-	-	1,288,255	(1,288,255)	-
Special Items	100,000	-	100,000	-	-	-
Change in net position after Transfers and Special Item	5,416,433	(259,032)	5,157,401	6,256,489	170,692	6,427,181
Net Position-beginning	126,425,875	3,033,316	129,459,191	120,169,386	2,862,624	123,032,010
Net Position-ending	\$ 131,842,308	\$ 2,774,284	\$ 134,616,592	\$ 126,425,875	\$ 3,033,316	\$129,459,191



**Governmental Activities**

Property taxes made up 70% of total revenue for the fiscal year 2020. Federal, state and local grants and tuition and miscellaneous revenue accounted for the remainder. The total cost of all programs and services was \$190,105,115. Instruction accounted for 56.4% of total expenses.

Overall total revenues and expenses decreased due to the impact of GASB 75, which required the District to record approximately \$5.7 million in revenues, which were contributions made on behalf of the District by the State for post-employment benefits compared to approximately \$12.3 million in the prior year. This was offset by an increase in the current year tax levy by approximately \$1.9 million.

**Business-Type Activities**

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

Food service revenue, which included no subsidy from the general fund, was less than expenses by \$23,284. Charges for services, which consist of the amount paid by students and other patrons for daily food service and catering, represent 60.4% of total revenue.

Community Programs expenses exceeded revenues by \$374,095.

The Facilities Rentals revenues exceeded expenses by \$138,347.

**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, 2020 as well as the amount and percentage of increases in relation to the prior year:

Revenue	Amount	Percent of Total	Increase from 2019	Percent of Increase
Local Sources	\$ 138,447,707	74.24%	\$ 1,637,916	1.20%
State Sources	44,872,508	24.06%	1,610,950	3.72%
Federal Sources	3,177,071	1.70%	43,095	1.38%
<b>Total</b>	<b>\$ 186,497,286</b>	<b>100.00%</b>	<b>\$ 3,291,961</b>	<b>1.80%</b>

The increase in local source revenue is mainly attributable to the increase in the local tax levy of \$1,867,934.

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 \$707,377.

The increase in federal source revenue is mainly attributable to an increase 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, 2020, 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 2019</u>	<u>Percent of Increase (Decrease)</u>
Instruction	\$ 68,141,303	34.60%	\$ 2,286,537	3.47%
Support services	101,898,664	51.74%	856,446	0.85%
Capital Outlay	14,804,089	7.52%	4,706,159	46.61%
Debt Service	12,096,518	6.14%	(1,441,129)	(10.65)%
Total	<u>\$ 196,940,574</u>	<u>100.00%</u>	<u>\$ 6,408,013</u>	<u>3.36%</u>

The increase in capital outlay is the result of the District undertaking more 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 decrease 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 \$506,716 during the 2019-2020 fiscal year as a result of the timing of when expenditures were incurred on capital items funded in the general fund. As of June 30, 2020, the District has unassigned fund balance of \$2,359,257, which represents an increase of \$8,345 from the prior year.

#### Special Revenue Fund

The fund balance in the Special Revenue Fund increased by \$3,741,332 mainly as a result of the \$14,600,000 lease purchase obligations issuance that took place in the 2019-2020 fiscal year.

#### Capital Projects Fund

As of June 30, 2020, the Capital Project's Fund Balance decreased by \$5,823,416 mainly as a result of expenditures incurred for existing ongoing projects related to the issuance of the Energy Savings Improvement Program Refunding in the prior year.

#### Debt Service Fund

As of June 30, 2020, the Debt Service Fund Balance increased by \$90,340 mainly as a result of the increase in issuance costs for the refunding of bonds that took place in the current year. The District issued \$10,355,000 Refunding School Bonds in the current year to advance refund \$11,835,000 of 2010 School Bonds.

### **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 2019-2020 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 2019-2020 fiscal year, the District had capital assets of \$336,948,837, 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, 2020 and 2019:

	Capital Assets			
	2020		2019	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Non-Depreciable Assets:				
Land	\$ 1,019,208		\$ 1,019,208	
Construction in Progress	29,979,403		18,542,256	
Depreciable Assets:				
Buildings and Improvements	285,856,100	\$ 700,560	279,864,449	\$ 700,560
Machinery and Equipment	18,836,295	557,271	15,899,604	548,070
Totals	\$ 335,691,006	\$ 1,257,831	\$ 315,325,517	\$ 1,248,630

Overall governmental capital assets increased \$20,365,489 from the 2018-2019 fiscal year to the 2019-2020 fiscal year mainly due to the increase in construction attributable to the Energy Savings Improvement Plan (“ESIP”), the CJHS roof replacement and electrical upgrades, Lawrence Brook Elementary roof replacement, district-wide security system upgrades, RTU replacements, roof and flooring replacements, 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, 2020 and 2019:

	2020		2019	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Bonds payable (net)	\$ 76,333,377		\$ 80,500,059	
Net pension liability	35,478,393		37,920,580	
Obligations under capital leases	177,792		1,836,245	
Lease purchase obligations payable	22,740,000		11,749,787	
Compensated absences	3,226,510	\$ 141,390	3,016,190	\$ 120,636
Total long-term liabilities	\$ 137,956,072	\$ 141,390	135,022,861	\$ 120,636

During fiscal year 2020, the District’s governmental-type long-term liabilities increased by \$2,982,166. The increase is a result of the issuance of new capital lease purchase obligations of \$14,600,000, offset by debt retirements and the reduction in the net pension liability. The District’s credit rating has not recently changed and is currently at a Aa2 rating. Additional information on the District’s long-term liabilities can be found in Note 6 to the basic financial statements.

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

The East Brunswick Public School District is in excellent financial position. It has maintained a legally acceptable fund balance position. The District regularly seeks cost-savings and cost containment opportunities, which accrue to the annual budget in controlling costs. In addition, the District’s Community Programs Enterprise and the Facilities Rental Enterprise have provided valuable programs and services to the community

while generating revenue and an annual net income, as well as maintaining a healthy retained earnings balance. While the COVID-19 Pandemic has severely curtailed revenue-generating opportunities during Fiscal Year 2020 and will similarly impact Fiscal Year 2021, the two enterprises' retained earnings have provided the financial wherewithal to sustain these functions through this time. We are confident that the enterprises will continue as a "going concern."

During fiscal year 2019-2020, the District engaged Statistical Forecasting, LLC to conduct a comprehensive analysis of school enrollment projections. The study, completed in July 2019, projects grade-by-grade enrollments over a five-year period from 2019-2020 through 2023-2024. In addition, the study included the following:

- Examination of historical enrollment trends, both districtwide and by grade configuration (PK-5, 6-7, 8-9, and 10-12);
- Investigation of historical enrollment trends with respect to race and poverty status in each school;
- Tabulation of birth counts at the attendance area level;
- Computation of student yields by housing type (i.e., detached single family, townhouse/condominium, and apartment);
- Analysis of new housing starts and the impact on the school district; and,
- Projected enrollments, in a totally independent analysis, based on student yields and housing turnover rates (resales) in East Brunswick.

The study's projected year-to-year increases in enrollment will have serious consequences on District facilities and class sizes. The table below exhibits 2018-2019 actual enrollment and the ensuing enrollment projections.

Fiscal Year	PK-5	6-7	8-9	10-12	PK-12
Actual Enrollment					
2018-2019	3,545	1,280	1,279	2,080	8,184

Baseline Projections					
2019-2020	3,660	1,343	1,244	2,055	8,302
2020-2021	3,707	1,344	1,322	1,999	8,372
2021-2022	3,782	1,326	1,391	1,958	8,457
2022-2023	3,832	1,347	1,391	1,964	8,534
2023-2024	3,864	1,397	1,372	2,068	8,701
2023-2024 Increase Over 2018-2019	319	117	93	-12	517

Projections Adjusted for Housing Growth					
2019-2020	3,682	1,349	1,249	2,065	8,345
2020-2021	3,779	1,364	1,343	2,032	8,518
2021-2022	3,885	1,352	1,422	2,003	8,662
2022-2023	3,931	1,374	1,420	2,008	8,753
2023-2024	3,962	1,427	1,399	2,114	8,902
2023-2024 Increase Over 2018-2019	417	147	120	34	718

Notwithstanding the *de minimis* enrollment decrease attributable to the pandemic in 2019-2020, we anticipate enrollments to adjust and trend with the projected increases post-pandemic. At the elementary school level, the District enrollment is projected to increase the equivalent of an entire elementary school where facilities are already strained.

#### 2019-2020

- Early Learning Academy was relocated out of the elementary schools to Hammarskjold Middle School to make room for elementary regular education and special education programs.
- Burgeoning class sizes continue to push on maximum thresholds.
- Ever-increasing special needs population requires classrooms that simply do not exist to accommodate any additional programs necessary to meet the needs of those children.

The District is facing an elementary school crisis insofar as classroom availability is concerned. As of the writing of this letter, there are no elementary classrooms available to support expanding enrollments or additional special needs class sections.

Pre-pandemic, the Board was actively discussing potential resolutions to accommodate a growing enrollment. However, the COVID-19 crisis has required attention to be focused on keeping students and employees safe while implementing remote- and hybrid-learning models. This required all planning for temporary classroom units to be placed on hold. Yet, those plans must now be “jump started” and prioritized.

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 four straight fiscal years (2016 through 2019), the year-end financial position has been 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. Unfortunately, the impact of the COVID-19 Pandemic upon Fiscal Year 2020 results will not enable the declaration of a salary bonus.

For the fiscal year ending June 30, 2020, local property taxes provided 81.76% 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 24.82% of true value certified by the New Jersey Tax Court on October 1, 2020. The Township of East Brunswick has suffered many tax appeals where major commercial property owners have successfully appealed valuations, thus resulting in property tax reductions to those property owners. The reduction in those property tax assessments merely redistributes the burden to the remaining property taxpayers in East Brunswick. While East Brunswick residents have been supportive of their schools and appreciate the quality education that is provided to students, the Township must undergo a property revaluation if it is to stabilize the impact of property tax increases for all property taxpayers. In addition, a concerted effort must be put forth to improve the Township’s business and industrial tax base, which will alleviate the residential property owners tax burden. This effort may currently be in process as the Township of East Brunswick is pursuing significant redevelopment plans, which reportedly will include upscale or

specialty food markets; medium- and high-end restaurants; shuttle bus service; bike paths; a concert venue; special needs and/or senior housing; universal Wi-Fi; a community use building for recreational purposes; a hotel; and, residential units. The impact of those plans upon the school district are currently unknown and must be examined as soon as the residential plans are approved. Certainly, any residential construction will bring more students into the school district. Therefore, the information is critical to school facilities planning.

A charter school based in East Brunswick opened its doors at the beginning of the 2010-2011 school year. Hatikvah International Academy Charter School was approved as a K-5 school 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 having one of the best school districts in this State if not the entire country. The charter school did not serve any educational need then, and it does not now.

During its eleven years, the charter school's existence has required the cumulative appropriation of \$24,941,206 from the East Brunswick Public School District budget. This State-mandated diversion of local financial resources has come with significant and deleterious impacts to the school district beginning with the elimination of its model elementary world language program in the charter school's first year. The time has long passed to argue the merits of whether or not the initial charter should have been approved. However, the community should be reminded that the students enrolled in the charter school would receive a superior quality of education and supports if enrolled in the East Brunswick Public Schools.

East Brunswick's taxpayers largely provide the financial support for its public schools. For fiscal year 2021, the local funding share is 81.5% of the District's fiscal year 2021 General Fund budget. More and more, this suburban community's local funds must be diverted to support a charter school for which there is absolutely no justifiable educational need.

### **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the revenue it receives. If you have questions about this report or need additional information, you may contact Bernardo 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, 2020.



## East Brunswick Public Schools

## Statement of Net Position

June 30, 2020

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 27,959,044	\$ 3,304,699	\$ 31,263,743
Cash held with fiscal agent	653,257		653,257
Accounts receivable	3,385,921	204,525	3,590,446
Restricted assets:			
Cash and cash equivalents	8,768,674		8,768,674
Capital assets, non-depreciable	30,998,611		30,998,611
Capital assets, depreciable, net	213,239,207	457,057	213,696,264
Total assets	<u>285,004,714</u>	<u>3,966,281</u>	<u>288,970,995</u>
<b>Deferred Outflows of Resources</b>			
Deferred loss on refunding of debt	4,785,387		4,785,387
Pension deferrals	7,245,229		7,245,229
Total deferred outflows of resources	<u>12,030,616</u>		<u>12,030,616</u>
Total assets and deferred outflows of resources	<u>297,035,330</u>	<u>3,966,281</u>	<u>301,001,611</u>
<b>Liabilities</b>			
Accounts payable and accrued expenses	10,947,006	387,322	11,334,328
Accrued interest payable	806,053		806,053
Accrued liability for insurance claims	1,604,000		1,604,000
Intergovernmental payable	36,931		36,931
Unearned revenue	99,540	663,285	762,825
Current portion of long-term obligations	11,826,661	12,237	11,838,898
Noncurrent portion of long-term obligations	90,651,018	129,153	90,780,171
Noncurrent liability - Net pension liability	35,478,393		35,478,393
Total liabilities	<u>151,449,602</u>	<u>1,191,997</u>	<u>152,641,599</u>
<b>Deferred Inflow of Resources</b>			
Pension deferrals	<u>13,743,420</u>		<u>13,743,420</u>
<b>Net Position</b>			
Net investment in capital assets	155,044,226	457,057	155,501,283
Restricted for:			
Capital Reserve	8,768,674		8,768,674
Excess Surplus	8,700,000		8,700,000
Capital Projects	874,744		874,744
Unrestricted (deficit)	<u>(41,545,336)</u>	<u>2,317,227</u>	<u>(39,228,109)</u>
Total net position	<u>\$ 131,842,308</u>	<u>\$ 2,774,284</u>	<u>\$ 134,616,592</u>

East Brunswick Public Schools

Statement of Activities  
Year ended June 30, 2020

Functions/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities</b>						
Instruction	\$ 75,992,707	\$ 699,894	\$ 715,864	\$ (74,576,949)		\$ (74,576,949)
Regular Instruction	24,195,306		1,952,681	(22,242,625)		(22,242,625)
Special Education Instruction	6,969,391		816,215	(6,153,176)		(6,153,176)
Other Instruction						
Support Services						
Tuition	5,475,291			(5,475,291)		(5,475,291)
Student and Instruction Related Services	28,629,194			(28,629,194)		(28,629,194)
School Administration	8,326,857			(8,326,857)		(8,326,857)
General and Business Administrative Services	9,371,226			(9,371,226)		(9,371,226)
Plant Operation and Maintenance	18,656,056			(18,656,056)		(18,656,056)
Pupil Transportation	9,895,612			(9,895,612)		(9,895,612)
Special Schools	14,840			(14,840)		(14,840)
Interest and other charges	2,817,287			(2,817,287)		(2,817,287)
Total governmental activities	190,343,767	699,894	3,484,760	(186,159,113)		(186,159,113)
<b>Business-type activities</b>						
Food Service	2,688,518	1,597,544	1,045,955	\$ (45,019)	\$ (45,019)	(45,019)
Community Programs	2,830,324	2,409,690		(420,634)	(420,634)	(420,634)
Facilities Rentals	230,051	356,301		126,250	126,250	126,250
Total business-type activities	5,748,893	4,363,535	1,045,955	(339,403)	(339,403)	(339,403)
Total primary government	\$ 196,092,660	\$ 5,063,429	\$ 4,530,715	(186,159,113)	(339,403)	(186,498,516)
<b>General revenues:</b>						
Taxes:						
Property taxes, levied for general purposes				129,809,932		129,809,932
Property taxes, levied for debt service				6,693,984		6,693,984
Federal sources				131,445		131,445
State sources—unrestricted				53,855,374		53,855,374
Investment income				774,264	80,371	854,635
Miscellaneous				210,547		210,547
Total general revenues				191,475,546	80,371	191,555,917
Change in net position before special item				5,316,433	(259,032)	5,057,401
Special item - Litigation settlement				100,000		100,000
Change in net position				5,416,433	(259,032)	5,157,401
Net Position—beginning				126,425,875	3,033,316	129,459,191
Net Position—ending				\$ 131,842,308	\$ 2,774,284	\$ 134,616,592

See accompanying notes to basic financial statements.

# Fund Financial Statements

# Governmental Funds

East Brunswick Public Schools  
Governmental Funds

Balance Sheet

June 30, 2020

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Assets</b>					
Cash and cash equivalents	\$ 16,945,212	\$ 7,671,321	\$ 1,356,581	\$ 112,462	\$ 26,085,576
Accounts receivable:					
State	1,781,029	14,817	294,080		2,089,926
Federal		840,996			840,996
Other	341,934				341,934
Restricted assets:					
Cash and cash equivalents	<u>8,768,674</u>				<u>8,768,674</u>
<b>Total assets</b>	<u>\$ 27,836,849</u>	<u>\$ 8,527,134</u>	<u>\$ 1,650,661</u>	<u>\$ 112,462</u>	<u>\$ 38,127,106</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 3,839,258	\$ 3,580,126	\$ 315,359		\$ 7,734,743
Accrued expenses	730,807	3,036			733,843
Intergovernmental payables:					
State		36,931			36,931
Unearned revenue	4,131	95,409			99,540
<b>Total liabilities</b>	<u>4,574,196</u>	<u>3,715,502</u>	<u>315,359</u>		<u>8,605,057</u>
<b>Fund balances:</b>					
Restricted for:					
Capital reserve	8,768,674				8,768,674
Excess Surplus - current year	4,350,000				4,350,000
Excess Surplus - designated for subsequent year's expenditures	4,350,000				4,350,000
Capital projects			1,335,302		1,335,302
Debt service				\$ 112,462	112,462
Assigned to:					
Designated for subsequent years expenditures	963,146	4,811,632			5,774,778
Other purposes	2,471,576				2,471,576
Unassigned:					
General fund	<u>2,359,257</u>				<u>2,359,257</u>
<b>Total fund balances</b>	<u>23,262,653</u>	<u>4,811,632</u>	<u>1,335,302</u>	<u>112,462</u>	<u>29,522,049</u>
<b>Total liabilities and fund balances</b>	<u>\$ 27,836,849</u>	<u>\$ 8,527,134</u>	<u>\$ 1,650,661</u>	<u>\$ 112,462</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 \$335,691,006 and the accumulated depreciation is \$91,453,188.	244,237,818
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.	(570,010)
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.	(102,477,679)
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.	4,787,996
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	(6,498,191)
Accrued pension contributions for the June 30, 2020 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(2,106,941)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(35,478,393)
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.	664,311
<b>Net position of governmental activities</b>	<u>\$ 132,080,960</u>

East Brunswick Public Schools  
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2020

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 129,809,932			\$ 6,693,984	\$ 136,503,916
Tuition from individuals	59,420				59,420
Tuition from other LEA's	640,474				640,474
Investment income	703,437		\$ 70,827		774,264
Miscellaneous	344,942	\$ 195,518			540,460
Total local sources	131,558,205	195,518	70,827	6,693,984	138,518,534
State sources	44,549,298	243,616		79,594	44,872,508
Federal sources	131,445	3,045,626			3,177,071
Total revenues	176,238,948	3,484,760	70,827	6,773,578	186,568,113
<b>Expenditures</b>					
Instruction:					
Regular instruction	45,429,880	776,088			46,205,968
Special education instruction	13,214,112	1,798,473			15,012,585
Other special instruction	4,194,618				4,194,618
Support services:					
Tuition	2,747,159				2,747,159
Student and instruction related services	17,427,457	829,670			18,257,127
School administration services	4,968,962				4,968,962
Other administrative services	6,315,430				6,315,430
Plant operations and maintenance	13,739,620				13,739,620
Pupil transportation	8,149,213				8,149,213
Employee benefits and on-behalf TPAF social security and pension, medical and disability contributions	47,712,010				47,712,010
Capital outlay	3,864,892	10,939,197	5,923,416		20,727,505
Special schools	9,143				9,143
Debt Service:					
Principal	5,038,453			4,324,787	9,363,240
Interest	263,978			2,358,451	2,622,429
Costs of Issuance				110,849	110,849
Charter schools	2,728,132				2,728,132
Total expenditures	175,803,059	14,343,428	5,923,416	6,794,087	202,863,990
Excess (deficiency) of revenues over (under) expenditures	435,889	(10,858,668)	(5,852,589)	(20,509)	(16,295,877)
Other financing sources (uses):					
Refunding bonds issued				10,355,000	10,355,000
Premium on refunding bonds issued				1,799,553	1,799,553
Payment to refunding bond escrow agent				(12,043,704)	(12,043,704)
Lease purchase proceeds		14,600,000			14,600,000
Transfers in	70,827				70,827
Transfers (out)			(70,827)		(70,827)
Total other financing sources (uses)	70,827	14,600,000	(70,827)	110,849	14,710,849
Net change in fund balances before special item	506,716	3,741,332	(5,923,416)	90,340	(1,585,028)
Special item:					
Litigation settlement			100,000		100,000
Net change in fund balances	506,716	3,741,332	(5,823,416)	90,340	(1,485,028)
Fund balances, July 1	22,755,937	1,070,300	7,158,718	22,122	31,007,077
Fund balances, June 30	\$ 23,262,653	\$ 4,811,632	\$ 1,335,302	\$ 112,462	\$ 29,522,049

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, 2020

<b>Total net change in fund balances - governmental funds (from B-2)</b>		<b>\$ (1,585,028)</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 capital asset additions exceeded depreciation expense and loss on capital asset disposals in the period.		
Depreciation Expense	\$ (7,841,108)	
Loss on Capital Asset Disposals	(520)	
Capital Asset Additions	<u>20,383,183</u>	12,541,555
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	(14,600,000)	
Refunding Bonds Issued	(10,355,000)	
Bonds Refunded	<u>11,835,000</u>	(13,120,000)
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	4,095,000	
Lease Purchase Obligations	3,609,787	
Obligations Under Capital Leases	<u>1,658,453</u>	9,363,240
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 amount is the net effect of these differences.		
Amortization of Premium on Bonds	391,235	
Premium on Refunding School Bond Issuance	<u>(1,799,553)</u>	(1,408,318)
Governmental funds report the effect of refunding transactions when the debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This represents the current year amortization related to the deferred loss of refunding.		
Amortization of Deferred Loss on Refunding of Debt	(365,484)	
Deferred Loss on Current Year Refunding	<u>208,704</u>	(156,780)
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.		
		(109,760)
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 (+).		
		(210,320)
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		136,239
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>(134,395)</u>
<b>Change in net position of governmental activities (A-2)</b>		<b>\$ 5,316,433</b>

## Proprietary Funds



East Brunswick Public Schools  
Proprietary Funds

Statement of Net Position

June 30, 2020

	Business-Type Activities Major Enterprise Funds			Total	Governmental Activity
	Food Service	Community Programs	Facilities Rentals		Self-Insured Health Benefits
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 946,927	\$ 1,812,348	\$ 545,424	\$ 3,304,699	\$ 1,873,468
Accounts receivable:					
State	8,391			8,391	
Federal	114,197			114,197	
Other	5,610	8,185	68,142	81,937	113,065
Restricted assets:					653,257
Cash held by fiscal agent					653,257
Total current assets	<u>1,075,125</u>	<u>1,820,533</u>	<u>613,566</u>	<u>3,509,224</u>	<u>2,639,790</u>
Noncurrent assets:					
Capital assets:					
Depreciable:					
Equipment	1,191,838		65,993	1,257,831	
Accumulated depreciation	<u>(765,454)</u>		<u>(35,320)</u>	<u>(800,774)</u>	
Total capital assets, net	<u>426,384</u>		<u>30,673</u>	<u>457,057</u>	
Total assets	<u>1,501,509</u>	<u>1,820,533</u>	<u>644,239</u>	<u>3,966,281</u>	<u>2,639,790</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	172,084	203,453	1,402	376,939	371,479
Accrued salaries payable	5,879	1,279	3,225	10,383	
Unearned revenue	217,674	445,611		663,285	
Accrued liability - IBNR					1,604,000
Current portion of compensated absences	9,500	2,737		12,237	
Total current liabilities	<u>405,137</u>	<u>653,080</u>	<u>4,627</u>	<u>1,062,844</u>	<u>1,975,479</u>
Noncurrent liabilities:					
Compensated absences	86,339	41,549	1,265	129,153	
Total noncurrent liabilities	<u>86,339</u>	<u>41,549</u>	<u>1,265</u>	<u>129,153</u>	
Total liabilities	<u>491,476</u>	<u>694,629</u>	<u>5,892</u>	<u>1,191,997</u>	<u>1,975,479</u>
<b>Net Position</b>					
Investment in capital assets	426,384		30,673	457,057	
Unrestricted	583,649	1,125,904	607,674	2,317,227	664,311
Total net position	<u>\$ 1,010,033</u>	<u>\$ 1,125,904</u>	<u>\$ 638,347</u>	<u>\$ 2,774,284</u>	<u>\$ 664,311</u>

East Brunswick Public Schools  
Proprietary Funds

Statement of Revenues, Expenses and Changes in Fund Net Position

Year ended June 30, 2020

	Business-Type Activities			Total	Governmental
	Major Enterprise Funds				Activity
	Food Service	Community Programs	Facilities Rentals		Self-Insured Health Benefits
Operating revenues:					
Local sources:					
Services provided by other funds					\$ 24,383,616
Daily sales reimbursable programs	\$ 917,371			\$ 917,371	
Daily sales non-reimbursable programs	680,173			680,173	
Rental			\$ 355,460	355,460	
Special functions			841	841	
Registration fees		\$ 2,409,690		2,409,690	
Total operating revenues	1,597,544	2,409,690	356,301	4,363,535	24,383,616
Operating expenses:					
Salaries	836,497	2,222,549	188,119	3,247,165	
Employee benefits	220,003	380,062	19,262	619,327	24,518,011
Purchased professional services	23,849			23,849	
Other purchased services	74,685	177,381	5,189	257,255	
Supplies and materials	1,684	48,389	10,704	60,777	
Registrations/Training/Travel		1,746		1,746	
Depreciation	44,556		6,725	51,281	
Other	10,376			10,376	
Cost of sales - reimbursable programs	1,081,184			1,081,184	
Cost of sales - non-reimbursable programs	387,391			387,391	
Miscellaneous		197	52	249	
Total operating expenses	2,680,225	2,830,324	230,051	5,740,600	24,518,011
Operating (loss) income	(1,082,681)	(420,634)	126,250	(1,377,065)	(134,395)
Nonoperating revenues (expenses):					
State sources:					
State school lunch program	22,563			22,563	
Federal sources:					
School breakfast program	700,697			700,697	
National school lunch program	164,618			164,618	
Food donation program	158,077			158,077	
Interest income	21,735	46,539	12,097	80,371	
Loss on disposal of assets, net	(8,293)			(8,293)	
Total nonoperating revenues (expenses)	1,059,397	46,539	12,097	1,118,033	
Change in net position	(23,284)	(374,095)	138,347	(259,032)	(134,395)
Total net position-beginning	1,033,317	1,499,999	500,000	3,033,316	798,706
Total net position-ending	\$ 1,010,033	\$ 1,125,904	\$ 638,347	\$ 2,774,284	\$ 664,311

East Brunswick Public Schools  
Proprietary Funds

Statement of Cash Flows  
Year ended June 30, 2020

	Business-Type Activities			Total	Governmental
	Major Enterprise Funds				Activity
	Food Service	Community Programs	Facilities Rentals		Self-Insured Health Benefits
<b>Cash flows from operating activities</b>					
Receipts for services provided to other funds					\$ 24,383,616
Receipts from customers	\$ 1,663,811	\$ 2,549,075	\$ 389,364	\$ 4,602,250	
Payments to employees	(857,398)	(2,226,543)	(219,852)	(3,303,793)	
Payments for employee benefits	(220,003)	(380,062)	(19,262)	(619,327)	(24,393,381)
Payments to suppliers	(1,819,901)	(168,565)	(17,262)	(2,005,728)	
Net cash (used in) provided by operating activities	(1,233,491)	(226,095)	132,988	(1,326,598)	(9,765)
<b>Cash flows from noncapital financing activity</b>					
Cash received from state and federal sources	1,086,238			1,086,238	
Net cash provided by noncapital financing activity	1,086,238			1,086,238	
<b>Cash flows from capital and related financing activities</b>					
Purchase of capital assets	(26,907)			(26,907)	
Proceeds on sale of capital assets	311			311	
Net cash (used in) capital and related financing activities	(26,596)			(26,596)	
<b>Cash flows from investing activity</b>					
Interest received	21,735	46,539	12,097	80,371	
Net cash provided by investing activity	21,735	46,539	12,097	80,371	
Net (decrease) increase in cash and cash equivalents	(152,114)	(179,556)	145,085	(186,585)	(9,765)
Cash and cash equivalents, beginning of year	1,099,041	1,991,904	400,339	3,491,284	1,883,233
Cash and cash equivalents, end of year	\$ 946,927	\$ 1,812,348	\$ 545,424	\$ 3,304,699	\$ 1,873,468
<b>Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:</b>					
Operating (loss) income	\$ (1,082,681)	\$ (420,634)	\$ 126,250	\$ (1,377,065)	\$ (134,395)
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:					
Depreciation	44,556		6,725	51,281	
Change in assets and liabilities:					
Decrease (increase) in other accounts receivable	4,506	(487)	57,203	61,222	447,041
Decrease in deposits/restricted cash					9,395
Decrease in inventory	181			181	
(Decrease) increase in accounts payable	(240,913)	59,148	(1,317)	(183,082)	(456,806)
(Decrease) increase in accrued expenses	(21,450)	(23,372)	(32,559)	(77,381)	125,000
Increase (decrease) in unearned revenue	61,761	139,872	(24,140)	177,493	
Increase in compensated absences	549	19,378	826	20,753	
Net cash (used in) provided by operating activities	\$ (1,233,491)	\$ (226,095)	\$ 132,988	\$ (1,326,598)	\$ (9,765)

**Noncash noncapital financing activities:**

The District received \$157,896 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2020.

# Fiduciary Funds

East Brunswick Public Schools  
Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2020

	<b>Unemployment Compensation Trust Fund</b>	<b>Agency Fund</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 866,104	\$ 1,264,848
Other accounts receivable		207
Total assets	866,104	\$ 1,265,055
<b>Liabilities</b>		
Accounts payable	70,316	
Payroll deductions payable		\$ 685,296
Due to student groups		579,759
Total liabilities	70,316	\$ 1,265,055
<b>Net Position</b>		
Held in trust for unemployment claims	\$ 795,788	

East Brunswick Public Schools  
Fiduciary Fund

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2020

	<b>Unemployment Compensation Trust Fund</b>
<b>Additions</b>	
Interest income	\$ 13,663
Board contributions	16,505
Employee contributions	152,235
COVID-19 - Federal contributions	86,669
Total additions	269,072
<b>Deductions</b>	
Unemployment payments	272,324
Total deductions	272,324
Change in net position	(3,252)
Net position-beginning	799,040
Net position-ending	\$ 795,788

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

### **I. 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, 2020

### 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, 2020

### 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 balance accounts for the activities of these restricted sources.

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

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

The District's Proprietary Fund is comprised of three enterprise fund programs, the Food Service Fund, the Community Program Fund and the Facilities Rentals Fund and the Self-Insurance Internal Service Fund. All are considered major 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 Programs Enterprise Fund:* The community programs fund accounts for financial activity related to providing child care services for District students before and after school, as well as, providing adults with lifelong learning opportunities.

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

The District reports the following internal service fund:

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

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

### 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.

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, 2020

### 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, 2020 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, 2020

### 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, 2020, the District did not have any inventories in the Enterprise Funds.

#### 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, 2020

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

As of June 30, 2020, a liability existed for compensated absences in the government-wide financial statements in the amount of \$3,226,510 and a liability in the proprietary fund types in the amount of \$141,390.

### **I. Unearned Revenue**

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

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

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

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

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

Deferred loss on refunding arising from the issuance of refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. As of June 30, 2020, the District has recorded an unamortized balance of \$4,785,387 as a deferred outflow of resources and the amortization expense for the year ended June 30, 2020 was \$365,484.

### **L. Net Position**

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

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

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

#### M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. 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 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.

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

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

#### N. Fund Balances (continued)

- 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 \$23,262,653 of fund balances in the General Fund, \$2,471,576 of outstanding encumbrances has been assigned to other purposes, \$963,146 has been assigned as designated for subsequent year's expenditures, \$8,768,674 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 \$2,359,257 is classified as unassigned.

All of the \$4,811,632 special revenue fund balance at June 30, 2020, is assigned as designated for subsequent years expenditures.

The \$1,335,302 Capital Projects fund balance at June 30, 2020 is restricted for capital projects. The District has contractual commitments in the amount of \$482,090 at June 30, 2020 to vendors related to ongoing construction projects that is reported as part of the restricted capital projects fund balance.

All of the \$112,462 Debt Service fund balance at June 30, 2020, is restricted for debt service aid.

#### 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, 2020

### 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 \$8,477,718 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, 2020 was \$8,700,000. Of this amount, \$4,350,000 has been appropriated in the 2020/21 budget and the remaining \$4,350,000 is required to be appropriated in the 2021/22 budget.

#### R. GASB Pronouncements

##### Recently Issued 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. Due to the COVID-19 pandemic, the effective date has been postponed by one year. 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. Due to the COVID-19 pandemic, the effective date has been postponed until fiscal years beginning after June 15, 2021. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* in June 2018. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for periods beginning after December 15, 2019. Due to the COVID-19 pandemic, the effective date has been postponed by one year. Management has not determined the impact of the Statement on the financial statements.



# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

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

The GASB issued Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61* in August 2018. This Statement modifies previous guidance for reporting a government's majority equity interest in a legally separate organization. This Statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. The requirements of this Statement are effective for periods beginning after December 15, 2018. Due to the COVID-19 pandemic, the effective date has been postponed by one year. Management has determined that this Statement did not impact the District's financial statements.

The GASB issued Statement No. 91, *Conduit Debt Obligations* in May 2019. This Statement establishes a single method of reporting conduit debt obligations by issuers to eliminate diversity in practice. The requirements of this Statement are effective for periods beginning after December 15, 2020. Due to the COVID-19 pandemic, the effective date has been postponed by one year. 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, 2020 through February 4, 2021, 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.

As of June 30, 2020, District operations and the ways in which education is provided have been disrupted by the outbreak of the novel coronavirus COVID-19. Going forward, COVID-19 could further limit the District's operations, including unexpected deferrals of tax payments from the municipality, deferrals or reductions in state aid or an increase in expenses associated with this or any other potential infectious disease outbreak. District management cannot reasonably predict how long the Pandemic in New Jersey is expected to last and how the outbreak may impact the financial condition or operations of the District. District management continues to monitor the Pandemic and plans to take action to address any significant impact on future operations.

### 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 \$102,477,679 difference are as follows:

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

### 2. Reconciliation of Government-Wide and Fund Financial Statements (continued)

Bonds payable	\$ 70,140,000
Unamortized premium on bonds	6,193,377
Capital lease obligations	177,792
Lease purchase obligations	22,740,000
Compensated absences	<u>3,226,510</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 102,477,679</u>

### 3. Deposits and Investments

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

#### Deposits

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

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

### 3. Deposits and Investments (continued)

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, 2020, the carrying amount of the District's deposits was \$42,163,369 and the bank balance was \$43,610,877. Of the bank balance, \$250,000 of the District's cash deposits on June 30, 2020 was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$42,460,338. \$900,538 held in the District agency accounts are not covered by GUDPA. The District also has \$653,257 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.

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

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

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

### 3. Deposits and Investments (continued)

*Concentration of Credit Risk:* The District places no limit on the amount the District may invest in any one issuer. At June 30, 2020, the District had no investments.

*Interest Rate Risk:* The District does not have a policy to limit interest rate risk. The District did not have any funds held as investments during the year ended June 30, 2020.

The District did not have any funds held as investments during or at the year ended June 30, 2020.

### 4. Capital Reserve Account

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

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

The activity of the capital reserve for the period July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance, July 1, 2019	\$ 8,691,140
Increases:	
Interest earnings	107,119
Board approved deposit - June 2020 resolution	2,417,489
Return of unexpended capital outlay	594,360
Subtotal	11,810,108
Decreases:	
Board approved withdrawals – various dates	(3,041,434)
Ending balance, June 30, 2020	\$ 8,768,674

The June 30, 2020 LRFP balance of local support costs of uncompleted capital projects exceeded the June 30, 2020 capital reserve balance. The withdrawals from the capital reserve were for Department of Education approved facilities projects.

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

### 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, 2020:

	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	18,542,256	\$ 19,461,454		\$ (8,024,307)	29,979,403
Total Capital Assets not being Depreciated	<u>19,561,464</u>	<u>19,461,454</u>		<u>(8,024,307)</u>	<u>30,998,611</u>
Capital Assets, being Depreciated:					
Building and Improvements	279,864,449	38,636		5,953,015	285,856,100
Machinery and Equipment	15,899,604	883,093	\$ (17,694)	2,071,292	18,836,295
Total Capital Assets, being Depreciated	<u>295,764,053</u>	<u>921,729</u>	<u>(17,694)</u>	<u>8,024,307</u>	<u>304,692,395</u>
Less Accumulated Depreciation:					
Building and Improvements	(75,318,130)	(6,570,563)			(81,888,693)
Machinery and Equipment	(8,311,124)	(1,270,545)	17,174		(9,564,495)
Total Accumulated Depreciation	<u>(83,629,254)</u>	<u>(7,841,108)</u>	<u>17,174</u>		<u>(91,453,188)</u>
Total Capital Assets, being Depreciated, Net	212,134,799	(6,919,379)	(520)	8,024,307	213,239,207
Governmental Activities Capital Assets, Net	<u>\$ 231,696,263</u>	<u>\$ 12,542,075</u>	<u>\$ (520)</u>	<u>\$ -</u>	<u>\$ 244,237,818</u>
<b>Business-Type Activities:</b>					
Total Capital Assets, being Depreciated:					
Building and building improvements	\$ 700,560				\$ 700,560
Machinery and Equipment	548,070	\$ 26,907	\$ (17,706)		557,271
Total Capital Assets, being Depreciated	<u>1,248,630</u>	<u>26,907</u>	<u>(17,706)</u>		<u>1,257,831</u>
Less Accumulated Depreciation:					
Building and Improvements	(460,741)	(15,110)			(475,851)
Machinery and Equipment	(297,855)	(36,171)	9,103		(324,923)
Total Accumulated Depreciation	<u>(758,596)</u>	<u>(51,281)</u>	<u>9,103</u>		<u>(800,774)</u>
Total Business-Type Activities Capital Assets, Net	<u>\$ 490,034</u>	<u>\$ (24,374)</u>	<u>\$ (8,603)</u>	<u>\$ -</u>	<u>\$ 457,057</u>

Total depreciation expense for the fiscal year ended June 30, 2020 for governmental activities was \$7,841,108 and for business-type activities was \$51,281. Depreciation for governmental activities was charged as follows in the Statement of Activities:

Regular instruction	\$ 3,100,781
Special education instruction	1,007,461
Other instruction	281,491
Student and instruction related services	1,225,195
School administration services	333,456
General and other administration services	423,814
Plant operation and maintenance	922,035
Pupil transportation	546,875
Total depreciation expense – governmental activities	<u>\$ 7,841,108</u>

## East Brunswick Public Schools

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

Year ended June 30, 2020

#### 6. Long-Term Liabilities

During the fiscal year ended June 30, 2020, 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	\$ 75,715,000	\$ 10,355,000	\$ 15,930,000	\$ 70,140,000	\$ 4,740,000
Unamortized premium on bonds	4,785,059	1,799,553	391,235	6,193,377	447,346
Obligations under capital leases	1,836,245		1,658,453	177,792	177,792
Lease purchase obligation payable	11,749,787	14,600,000	3,609,787	22,740,000	6,300,000
Compensated absences payable	3,016,190	324,807	114,487	3,226,510	161,523
Sub-total	97,102,281	27,079,360	21,703,962	102,477,679	11,826,661
Net pension liability	37,920,580		2,442,187	35,478,393	
Total governmental activities long-term liabilities	<u>\$ 135,022,861</u>	<u>\$ 27,079,360</u>	<u>\$ 24,146,149</u>	<u>\$ 137,956,072</u>	<u>\$ 11,826,661</u>
<b>Business-Type Activities:</b>					
Compensated absences payable	\$ 120,636	\$ 28,283	\$ 7,529	\$ 141,390	\$ 12,237
Total Business-Type activities long-term liabilities	<u>\$ 120,636</u>	<u>\$ 28,283</u>	<u>\$ 7,529</u>	<u>\$ 141,390</u>	<u>\$ 12,237</u>

The District expects to liquidate the obligations under capital leases, bonds related to the ESIP, 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 facilities rentals enterprise fund.

#### A. Bonds Payable

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

##### 2010 Issue

On May 12, 2010, the District issued \$13,960,000 School Bonds. In February 2020, the District refunded the remaining balance of \$11,835,000 with the issuance of the 2020 refunding school bonds.

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, 2020, there were bonds authorized but not issued of \$3,996,480 from a 2009 authorization.

## East Brunswick Public Schools

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

Year ended June 30, 2020

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

##### A. Bonds Payable (continued)

###### 2012 Issue

On November 20, 2012, the District issued \$60,560,000 Refunding School Bonds. The remaining outstanding Bonds mature annually through November 2034 in amounts ranging from \$3,020,000 to \$6,755,000. The Bonds bear interest rates ranging from 3.00% to 5.00%. As of June 30, 2020, the amount of defeased bonds still outstanding is \$48,761,000.

The Bonds maturing prior to November 1, 2023 are not subject to redemption prior 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, 2020, the amount of defeased bonds still outstanding is \$2,120,000. The 2017 Refunding School Bonds mature in amounts ranging from \$1,020,000 to \$1,055,000 through May 2022.

###### 2019 Issue

On February 6, 2019, the District issued School Energy Savings Improvement Program Refunding Bonds in the amount of \$8,135,000 to finance energy conservation measures pursuant to an Energy Savings Improvement Plan ("ESIP") at interest rates ranging from 4.00% to 5.00%, due in annual installments ranging from \$355,000 to \$805,000 through August 1, 2034.

###### 2020 Issue

On February 25, 2020, the District issued \$10,355,000 Refunding School Bonds at interest rates ranging from 3.00% to 5.00% to advance refund \$11,835,000 of 2010 School Bonds. As of June 30, 2020, the amount of defeased bonds outstanding is \$11,835,000. The savings from the refunding was \$3,031,632 with a net present value savings of \$2,554,504. The 2020 Refunding School Bonds mature in amounts ranging from \$310,000 to \$755,000 through May 15, 2040.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

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

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

Year ending June 30,	Principal	Interest	Total
2021	\$ 4,740,000	\$ 2,610,228	\$ 7,350,228
2022	4,780,000	2,409,470	7,189,470
2023	3,845,000	2,205,531	6,050,531
2024	3,930,000	2,014,856	5,944,856
2025	3,960,000	1,852,706	5,812,706
2026-2030	21,495,000	6,975,906	28,470,906
2031-2035	23,865,000	2,861,303	26,726,303
2036-2040	3,525,000	331,150	3,856,150
	<u>\$ 70,140,000</u>	<u>\$ 21,261,150</u>	<u>\$ 91,401,150</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 made its final payment on October 1, 2019.



East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Long-Term Liabilities (continued)

B. Lease Purchase Obligations Payable (continued)

2015 Agreement

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

Under the lease, the Board is required to pay basic rent due on each August 1, which concludes on August 1, 2020. The lease carries an interest rate of 1.35%. The total principal amount of the lease was \$5,800,000.

Future Minimum Lease Payments – The final payment under the lease purchase agreement along with the present value of the minimum lease payment as of June 30, 2020 is:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 1,175,660
Less: Amount representing interest	(15,660)
Present Value of Net Minimum Lease Payments	<u>\$ 1,160,000</u>

2016 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 on August 1, 2021. The lease carries an interest rate of 1.35%. The total principal amount of the lease was \$6,200,000.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Long-Term Liabilities (continued)

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

Future Minimum Lease Payments - Future minimum lease payments for the next two years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2020 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 862,680
2022	840,000
Total Minimum Lease Payments	<u>1,702,680</u>
Less: Amount representing interest	<u>(22,680)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 1,680,000</u>

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, through October 1, 2022. The lease carries an interest rate of 1.20%. The total principal amount of the lease was \$1,100,000.

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, 2020 are:

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

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

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 223,960
2022	223,960
2023	220,000
Total Minimum Lease Payments	<u>667,920</u>
Less: Amount representing interest	(7,920)
Present Value of Net Minimum Lease Payments	<u>\$ 660,000</u>

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, through July 1, 2023. The lease carries an interest rate of 1.35%. The total principal amount of the lease was \$5,800,000.

Future Minimum Lease Payments - Future minimum lease payments for the next three years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2020 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 1,222,640
2022	1,160,000
2023	1,160,000
Total Minimum Lease Payments	<u>4,702,640</u>
Less: Amount representing interest	(62,640)
Present Value of Net Minimum Lease Payments	<u>\$ 4,640,000</u>

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Long-Term Liabilities (continued)

B. Lease Purchase Obligations Payable (continued)

2019 Agreement

In July 2019, the Board of Education (the Lessee) entered into a lease purchase agreement with the Township of East Brunswick (the Lessor) to finance District-wide building improvements, technology equipment, classroom furnishings and transportation and maintenance vehicles. 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, 2020 and will conclude on July 1, 2024. The lease carries an interest rate of 1.200%. The total principal amount of the lease was \$14,600,000.

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, 2020 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 3,095,200
2022	2,920,000
2023	2,920,000
2024	2,920,000
2025	2,920,000
Total Minimum Lease Payments	14,775,200
Less: Amount representing interest	(175,200)
Present Value of Net Minimum Lease Payments	<u>\$ 14,600,000</u>

C. Capital Lease Obligations – Governmental Activities

The District entered into a Capital Lease on July 15, 2014 for facilities in the amount of \$7,200,000. The final payment was made on July 15, 2019.

The District entered into a Capital Lease on August 1, 2015 for transportation equipment in the amount of \$860,000. The final payment in the amount of \$180,786, which includes \$2,994 of interest, is due on August 1, 2020. Interest rate is at 1.671%.

## East Brunswick Public Schools

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

Year ended June 30, 2020

#### 7. Pension Plans

##### Description of Systems

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

##### Teachers' Pension and Annuity Fund

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

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

## East Brunswick Public Schools

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

Year ended June 30, 2020

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

compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

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

#### **Funding Policy**

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

During the year ended June 30, 2020, the State of New Jersey contributed \$18,331,487 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 \$4,729,734 during the year ended June 30, 2020 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, 2020, 2019 and 2018 was \$1,925,028, \$1,925,704, and \$1,797,767, 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, 2020

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, 2020, the District reported a liability of \$35,478,393 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2018, which was rolled forward to June 30, 2019. 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, 2019, the District's proportion was 0.1968999996 percent, which was an increase of 0.0043071096 from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized full accrual pension expense of \$1,788,789 in the government-wide financial statements. At June 30, 2020, 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	\$ 636,791	\$ 156,728
Changes of assumptions	3,542,648	12,314,438
Net difference between projected and actual earnings on pension plan investments		560,040
Changes in proportion and differences between District contributions and proportionate share of contributions	958,849	712,214
District contributions subsequent to the measurement date	2,106,941	
	<u>\$ 7,245,229</u>	<u>\$ 13,743,420</u>

\$2,106,941 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, 2020

7. Pension Plans (continued)

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

Year ended June 30:	
2021	\$ (945,658)
2022	(3,397,798)
2023	(2,905,815)
2024	(1,247,802)
2025	(108,059)
	<u>\$ (8,605,132)</u>

*Actuarial Assumptions*

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	2.00 - 6.00%
	based on years of service
Thereafter	3.00 - 7.00%
	based on years of service
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

*Mortality Rates*

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates



# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

### 7. Pension Plans (continued)

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

used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

#### *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, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expecting future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U. S. Equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%
	<u>100.00%</u>	

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

**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 6.28% as of June 30, 2019 and 5.66% as of June 30, 2018. 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 3.50% as of June 30, 2019 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 70% 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 June 30, 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2057 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 collective net pension liability as of June 30, 2019 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.28 percent) or 1-percentage-point higher (7.28 percent) than the current rate:

	<b>At 1% Decrease (5.28%)</b>	<b>At Current Discount Rate (6.28%)</b>	<b>At 1% Increase (7.28%)</b>
State's proportionate share of the net pension liability associated with the District	\$ 44,814,975	\$ 35,478,393	\$ 27,611,000

*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, 2020

### 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, 2019 are as follows:

Deferred outflows of resources	\$	3,149,522,616
Deferred inflows of resources	\$	7,645,087,574
Net pension liability	\$	18,143,832,135
District's Proportion		0.1968999996%

Collective pension expense for the Local Group for the measurement period ended June 30, 2019 is \$974,471,686.

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, 2019, 2018, 2017, 2016, 2015 and 2014 is 5.21, 5.63, 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, 2020 was \$370,274,952. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2019, the State's proportionate share of the TPAF net pension liability associated with the District was 0.6033391834 percent, which was an increase of 0.0001855023 from its proportion measured as of June 30, 2018.

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

### 7. Pension Plans (continued)

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

For the year ended June 30, 2020, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$21,839,806 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:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	1.55 - 4.45%
	based on years of service
Thereafter	2.75 - 5.65%
	based on years of service
Investment rate of return	7.00%

#### *Mortality Rates*

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

#### *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, 2019) 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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

**7. Pension Plans (continued)**

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

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.

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%
	100.00%	

*Discount Rate*

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019 and 4.86% as of June 30, 2018. 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 3.50% as of June 30, 2019 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 70% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

**7. Pension Plans (continued)**

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

was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2019, 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 (4.60 percent) or 1-percentage-point higher (6.60 percent) than the current rate:

	<b>At 1% Decrease (4.60%)</b>	<b>At Current Discount Rate (5.60%)</b>	<b>At 1% Increase (6.60%)</b>
State's proportionate share of the net pension liability associated with the District	\$ 436,636,123	\$ 370,274,952	\$ 315,216,135

*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, 2019 are as follows:

Deferred outflows of resources	\$ 10,077,460,797
Deferred inflows of resources	\$ 17,525,379,167
Net pension liability	\$ 61,370,943,870

State's proportionate share associated with the District 0.6033391834%

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

### 7. Pension Plans (continued)

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

Collective pension expense-Local Group for the plan for the measurement period ended June 30, 2019 is \$3,642,191,152.

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, 2019, 2018, 2017, 2016, 2015, and 2014 is 8.04, 8.29, 8.30, 8.30, 8.30, and 8.50 years, respectively.

### 8. Post-Retirement Benefits

#### *Plan description and benefits provided*

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health benefits) for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers. 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 employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in or retires in a disability pension from one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of health care coverage in retirement provided that they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement coverage.

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

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

Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In Fiscal Year 2019, the State paid PRM benefits for 153,893 State and local retirees. The total nonemployer OPEB liability does not include certain other postemployment obligations that are provided by the local education employers.

The State's contributions to the Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2020, 2019 and 2018 were \$4,957,090, \$5,495,169 and \$5,876,126 respectively, which equaled the required contributions for each year.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2019, the State contributed \$1.908 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have remained consistent with Fiscal Year 2018 amounts. The State has appropriated \$1.612 billion in Fiscal Year 2020 as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2019 total State OPEB liability to provide these benefits is \$76.0 billion, a decrease of \$14.5 billion or 16 percent from the \$90.5 billion liability recorded in Fiscal Year 2018.

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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

#### *Total OPEB Liability*

The total non-employer (State) OPEB liability from New Jersey's plan is \$41,729,081,045.



East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

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

*Changes in Total OPEB Liability*

Below represents the changes in the State's portion of the OPEB liability associated with the District for the year ended June 30, 2020:

	<u>Total OPEB Liability</u>
Beginning Total OPEB Liability, June 30, 2018	\$ 271,308,212
Changes for the year:	
Service cost	10,215,878
Interest cost	10,755,390
Difference between expected and actual experience	(44,133,699)
Changes of assumptions	3,645,638
Member contributions	222,489
Gross benefit payments	(7,505,674)
Net change in total OPEB liability	(26,799,978)
Ending Total OPEB Liability, June 30, 2019	\$ 244,508,234

*Employees covered by benefit terms*

The following employees were covered by the benefit terms:

<u>Local Education Group</u>	<u>June 30, 2019</u>
Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	364,943

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 LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective total OPEB liability on the Statement of Net Position. The State's proportionate share of the total OPEB liability associated with the District as of June 30, 2019 was \$244,508,234. Additional information can be obtained from the State of New Jersey's comprehensive annual financial report.

## East Brunswick Public Schools

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

Year ended June 30, 2020

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

##### *Actuarial assumptions and other inputs*

The total nonemployer OPEB liability in the June 30, 2019 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:

	TPAF	PERS
Inflation rate:	2.50%	2.50%
Salary increases:		
Through 2026	1.55 - 3.05%	2.00-6.00%
	based on years of service	based on years of service
Thereafter	1.55-3.05%	3.00-7.00%
	based on years of service	based on years of service

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the actual experience studies for the periods July 1, 2015 – June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

##### *Mortality Rates*

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

##### *Discount Rate*

The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

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

*Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

*The following represents sensitivity of the Total Nonemployer OPEB liability associated with the District to changes in the discount rate and healthcare cost trend rate*

The following presents the non-employer OPEB liability associated with the District as of June 30, 2019 calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current rate:

	At 1% decrease (2.50%)	At current discount rate (3.50%)	At 1% increase (4.50%)
Total OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 288,860,847	\$ 244,508,234	\$ 209,276,949

The following presents the non-employer OPEB liability associated with the District as of June 30, 2019 calculated using the healthcare cost trend rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	At 1% decrease	At Healthcare Cost Trend Rates	At 1% increase
Total OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 201,463,887	\$ 244,508,234	\$ 301,490,112

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

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

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

For the year ended June 30, 2019, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$5,705,854 for OPEB expenses incurred by the State.

Collective balances of the Education Group at June 30, 2019 are as follows:

Deferred outflows of resources	\$	1,921,145,183
Deferred inflows of resources	\$	20,887,639,826
Collective OPEB Expense	\$	1,015,664,874
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, 2020 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 Plans

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

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

### 10. Deferred Compensation Plans (continued)

amounts are held in trust for the exclusive benefit of participating employees and their beneficiaries.

The plan administrators are as follows:

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

### 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	Federal Contribution	Employee Contribution	Interest	Deductions	Ending Balance
2019-2020	\$ 799,040	\$ 16,505	\$ 86,669	\$ 152,235	\$ 13,663	\$ 272,324	\$ 795,788
2018-2019	753,208	18,113		149,484	8,513	130,278	799,040
2017-2018	719,753	17,291		145,831	1,264	130,931	753,208

**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, 2020, the accrued liability for unpaid medical, prescription and dental claims of \$1,604,000 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, 2020 is as follows:

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

**11. Risk Management (continued)**

Fiscal Year	Beginning Balance	Current Year Claims and Estimates	Claim Payments	Ending Balance
2019-2020	\$ 1,479,000	\$ 24,643,011	\$ 24,518,011	\$ 1,604,000
2018-2019	1,188,000	22,093,647	21,802,647	1,479,000
2017-2018	-	21,538,650	20,350,650	1,188,000

**12. Settlement – Special Item**

The District received \$100,000 from a legal settlement with a vendor during the current fiscal year, which has been recorded as a special item in the Capital Projects Fund.

**13. 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.

**14. Transfers to Capital Outlay**

During the year ending June 30, 2020, the District transferred \$3,041,434 to the capital outlay accounts. The transfers were made from the capital reserve account to supplement capital projects certified in the budget for taxes pursuant to N.J.A.C. 6A:23A-8.4.

**15. Transfers – Reconciliation**

The following represents a reconciliation of transfers made during the 2020 fiscal year:

	<u>In</u>	<u>Out</u>
General Fund	\$ 70,827	
Capital Projects Fund		\$ 70,827
	<u>\$ 70,827</u>	<u>\$ 70,827</u>

The transfer from the capital projects fund to the general fund represents a transfer of interest earned in the capital projects fund on the Energy Savings Improvement Program bond proceeds.

**16. Restricted Assets**

The funds set aside for the capital reserve are classified as restricted assets (cash and cash equivalents) as they are restricted for use for future capital requirements. Funds held by a fiscal agent in the internal service fund are held by the District's insurance advisor for payment of future claims.

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

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

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$155,044,226 indicated as part of the Governmental Activities net position is calculated as follows:

Capital assets, net of depreciation	\$ 244,237,818
Bonds payable (used to build or acquire capital assets)	(70,140,000)
Unused ESIP refunding bond proceeds	460,558
Deferred loss on refunding of debt	4,785,387
Unamortized deferred premium	(6,193,377)
Lease purchase obligations	(22,740,000)
Capital lease obligations	(177,792)
Designated for subsequent years expenditures - Special Revenue Fund (unused capital lease proceeds)	4,811,632
Total net investment in capital assets	<u>\$ 155,044,226</u>

### 18. Commitments

The District has contractual commitments at June 30, 2020 to various vendors, which are recorded in the General Fund as fund balance assigned to other purposes in the amount of \$2,471,576 and in the Capital Projects Fund as restricted for capital projects in the amount of \$482,090.

### 19. Tax Abatements

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

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

## East Brunswick Public Schools

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

Year ended June 30, 2020

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

The Township of East Brunswick recognized revenue of \$2,379,978 from the annual service charge in lieu of payment of taxes in 2019 and taxes in 2019 that otherwise would have been due on these long-term tax exemptions amounted to \$2,660,379, based upon the assessed valuations of the long-term tax exemptions properties. A portion of the \$280,401 abatement would have been allocated to the District.

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

#### **20. Liquidity, Management Plans and Intentions**

Due to the COVID-19 Pandemic, the District closed its schools on March 16, 2020 and continued to provide online instruction to its students through the end of the school year. The Pandemic did not have a significant impact on the financial statements of the District for the year ended June 30, 2020. However, the Pandemic did result in the State of New Jersey taking steps to reduce the amount of state aid to be provided to the District in the 2020-21 fiscal year subsequent to the District's adoption of its budget. Management has taken steps to reduce certain expenses related to operating the District and also plans to utilize existing funds to balance its budget for the 2020-21 fiscal year, if needed. Management believes that the unassigned fund balance available as of June 30, 2020 and the anticipated revenues from state aid, taxes and other revenues will be sufficient to meet the District's financial needs for one year from the date of the issuance of this report.



Required Supplementary Information  
Part II

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

Last Ten Fiscal Years

Measurement date	Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
District's proportion of the net pension liability (asset) - Local Group	N/A	N/A	N/A	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
	N/A	N/A	N/A	0.1930621676%	0.1931581586%	0.2001424156%	0.1977688257%	0.1940609018%	0.1925928900%	0.1968899996%
District's proportionate share of the net pension liability (asset)	N/A	N/A	N/A	\$ 36,898,016	\$ 36,164,490	\$ 44,927,962	\$ 58,573,454	\$ 45,174,276	\$ 37,920,580	\$ 35,478,393
District's covered payroll	\$ 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	\$ 13,282,994
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	N/A	N/A	N/A	282.81%	268.93%	336.08%	441.98%	339.62%	276.57%	267.10%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	N/A	N/A	N/A	48.72%	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%

N/A - Information not available

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

Last Ten Fiscal Years

	Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 1,663,034	\$ 1,514,573	\$ 1,589,566	\$ 1,454,684	\$ 1,590,486	\$ 1,720,688	\$ 1,756,950	\$ 1,797,767	\$ 1,925,704	\$ 1,925,028
Contributions in relation to the contractually required contribution	(1,663,034)	(1,514,573)	(1,589,566)	(1,454,684)	(1,590,486)	(1,720,688)	(1,756,950)	(1,797,767)	(1,925,704)	(1,925,028)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 13,907,475	\$ 13,261,244	\$ 13,047,120	\$ 13,447,670	\$ 13,368,140	\$ 13,252,553	\$ 13,301,469	\$ 13,711,055	\$ 13,282,991	\$ 14,092,514
Contributions as a percentage of covered payroll	11.98%	11.42%	12.18%	10.82%	11.90%	12.98%	13.21%	13.11%	14.50%	15.68%

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

Last Ten Fiscal Years\*

	Year Ended June 30,					
	2015	2016	2017	2018	2019	2020
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.5894999659%	0.5738312934%	0.6048806937%	0.6044813962%	0.6031536811%	0.6033391834%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 315,068,546	\$ 362,685,882	\$ 475,837,667	\$ 407,563,154	\$ 383,713,416	\$ 370,274,952
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 315,068,546</u>	<u>\$ 362,685,882</u>	<u>\$ 475,837,667</u>	<u>\$ 407,563,154</u>	<u>\$ 383,713,416</u>	<u>\$ 370,274,952</u>
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%

\* 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	2019	2020
State's proportion of the net OPEB liability (asset) associated with the District	0.59%	0.59%	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	\$ 271,308,212	\$ 244,508,234
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 341,602,391</u>	<u>\$ 316,476,368</u>	<u>\$ 271,308,212</u>	<u>\$ 244,508,234</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
	<u>2017**</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Total OPEB Liability</b>				
Changes for the year:				
Service cost		\$ 13,993,198	\$ 11,568,347	\$ 10,215,878
Interest cost		10,034,571	11,619,732	10,755,390
Difference between expected and actual experience		-	(31,218,308)	(44,133,699)
Changes of assumptions		(42,093,447)	(30,133,975)	3,645,638
Member contributions		269,919	250,733	222,489
Gross benefit payments		(7,330,264)	(7,254,685)	(7,505,674)
Net change in total OPEB liability		<u>(25,126,023)</u>	<u>(45,168,156)</u>	<u>(26,799,978)</u>
Total OPEB liability - beginning		<u>341,602,391</u>	<u>316,476,368</u>	<u>271,308,212</u>
Total OPEB liability - ending		<u>\$ 316,476,368</u>	<u>\$ 271,308,212</u>	<u>\$ 244,508,234</u>
Covered-employee payroll		<u>\$ 76,607,296</u>	<u>\$ 77,683,234</u>	<u>\$ 77,141,736</u>
Total OPEB liability as a percentage of covered-employee payroll		<u>413.12%</u>	<u>349.25%</u>	<u>316.96%</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, 2020

PUBLIC EMPLOYEES' RETIREMENT SYSTEM – PENSION

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.66% as of June 30, 2018 to 6.28% as of June 30, 2019.

TEACHERS PENSION AND ANNUITY FUND - PENSION

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.86% as of June 30, 2018 to 5.60% as of June 30, 2019.

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 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019.

Required Supplementary Information  
Part III

Budgetary Comparison

East Brunswick Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues</b>					
<b>Local sources:</b>					
Local tax levy	\$ 129,809,932		\$ 129,809,932	\$ 129,809,932	
Tuition (from individuals)	75,000		75,000	59,420	\$ (15,580)
Tuition (other LEAS)	600,000		600,000	640,474	40,474
Investment income	250,000		250,000	596,318	346,318
Interest earned on capital reserve				107,119	107,119
Miscellaneous	410,000		410,000	344,942	(65,058)
<b>Total - local sources</b>	<b>131,144,932</b>		<b>131,144,932</b>	<b>131,558,205</b>	<b>413,273</b>
<b>State sources:</b>					
Extraordinary aid	550,000		550,000	1,776,348	1,226,348
Special education categorical aid	5,355,986		5,355,986	5,355,986	
Equalization aid	12,789,929		12,789,929	12,789,929	
Security aid	176,418		176,418	176,418	
Transportation aid	1,491,445		1,491,445	1,491,445	
Additional Non-public school transportation aid				4,681	4,681
On-Behalf TPAF - Pension				13,362,088	13,362,088
Contribution (non-budgeted)				4,957,090	4,957,090
On-Behalf TPAF - Post-Retirement					
Medical (non-budgeted)				12,309	12,309
On-Behalf TPAF - Long-Term Disability					
Insurance (non-budgeted)					
Reimbursed TPAF social security				4,729,734	4,729,734
contributions (non-budgeted)					
<b>Total - state sources</b>	<b>20,363,778</b>		<b>20,363,778</b>	<b>44,656,028</b>	<b>24,292,250</b>
<b>Federal sources:</b>					
Medical assistance	135,767		135,767	131,445	(4,322)
<b>Total - federal sources</b>	<b>135,767</b>		<b>135,767</b>	<b>131,445</b>	<b>(4,322)</b>
<b>Total revenues</b>	<b>151,644,477</b>		<b>151,644,477</b>	<b>176,345,678</b>	<b>24,701,201</b>
<b>Expenditures</b>					
<b>Current expenditures:</b>					
<b>Instruction - regular programs:</b>					
Preschool	273,246	\$ 100,720	373,966	373,966	
Kindergarten	2,123,468	4,180	2,127,648	2,127,648	
Grades 1-5	14,264,169	(85,820)	14,178,349	13,893,032	285,317
Grades 6-8	10,326,867	409,664	10,736,531	10,736,531	
Grades 9-12	16,142,939	(208,857)	15,934,082	15,465,265	468,817
<b>Home instruction - regular programs:</b>					
Salaries of teachers	11,956		11,956	8,640	3,316
Purchased professional-educational services	35,000	38,942	73,942	73,942	
<b>Undistributed instruction - regular programs:</b>					
Other salaries for instruction	389,952	(9,042)	380,910	220,139	160,771
Purchased professional-educational services	161,300	(4,072)	157,228	17,028	140,200
Purchased technical services	87,850		87,850	84,039	3,811
Other purchased services	592,310	(115,632)	476,678	357,488	119,190
General supplies	1,980,660	326,562	2,307,222	2,048,407	258,815
Textbooks	182,520	1,536	184,056	157,852	26,204
Other objects	7,836	689	8,525	4,961	3,564
<b>Total instruction - regular programs</b>	<b>46,580,073</b>	<b>458,870</b>	<b>47,038,943</b>	<b>45,568,938</b>	<b>1,470,005</b>



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

Year ended June 30, 2020

	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	\$ 342,557	\$ 284,711	\$ 627,268	\$ 627,268	
Other salaries for instruction	356,650	18,600	375,250	375,092	\$ 158
Other purchased services	50		50		50
General supplies	1,778		1,778	1,718	60
Total learning and/or language disabilities	701,035	303,311	1,004,346	1,004,078	268
Behavioral disabilities:					
Salaries of teachers	222,682	(5,092)	217,590	217,590	
Other salaries for instruction	233,331	25,688	259,019	259,019	
General supplies	4,600		4,600	1,787	2,813
Total behavioral disabilities	460,613	20,596	481,209	478,396	2,813
Multiple disabilities:					
Salaries of teachers	293,284	201,848	495,132	495,132	
Other salaries for instruction	176,566	4,803	181,369	181,369	
Other purchased services	200	(100)	100	18	82
General supplies	3,100		3,100	1,676	1,424
Total multiple disabilities	473,150	206,551	679,701	678,195	1,506
Resource room/center:					
Salaries of teachers	8,105,802	(26,079)	8,079,723	8,057,157	22,566
Other salaries for instruction	1,266,787	(238,505)	1,028,282	1,025,663	2,619
Other purchased services	1,000	(100)	900	112	788
General supplies	22,050	(209)	21,841	19,045	2,796
Textbooks	1,000	500	1,500	1,489	11
Total resource room/center	9,396,639	(264,393)	9,132,246	9,103,466	28,780
Autism:					
Salaries of teachers	1,040,818	(237,329)	803,489	758,225	45,264
Other salaries for instruction	699,246	(177,033)	522,213	522,213	
Other purchased services	200		200		200
General supplies	16,970	1,120	18,090	15,139	2,951
Total autism	1,757,234	(413,242)	1,343,992	1,295,577	48,415
Preschool disabilities - part time:					
Salaries of teachers	67,277		67,277	62,444	4,833
Other salaries for instruction	7,685	14,036	21,721	21,721	
General supplies	1,385	(39)	1,346	1,335	11
Total preschool disabilities - part time	76,347	13,997	90,344	85,500	4,844

East Brunswick Public Schools  
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Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2020

	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	\$ 233,044	\$ (16,872)	\$ 216,172	\$ 216,172	
Other salaries for instruction	127,988	169,643	297,631	297,631	
General supplies	1,420	427	1,847	1,806	\$ 41
Total preschool disabilities - full time	<u>362,452</u>	<u>153,198</u>	<u>515,650</u>	<u>515,609</u>	<u>41</u>
Home instruction - special education:					
Salaries of teachers	15,451		15,451	2,832	12,619
Purchased professional - educational services	95,000	(29,995)	65,005	50,459	14,546
Total home instruction - special education	<u>110,451</u>	<u>(29,995)</u>	<u>80,456</u>	<u>53,291</u>	<u>27,165</u>
Total special education	<u>13,337,921</u>	<u>(9,977)</u>	<u>13,327,944</u>	<u>13,214,112</u>	<u>113,832</u>
Basic skills/remedial - instruction:					
Salaries of teachers	2,412,890	(276,595)	2,136,295	2,105,785	30,510
Purchased professional - educational services	19,500	(7,644)	11,856	11,840	16
Other purchased services	100		100		100
Purchased technical services	600	7,644	8,244	8,244	
General supplies	8,800	(439)	8,361	3,588	4,773
Total basic skills/remedial - instruction	<u>2,441,890</u>	<u>(277,034)</u>	<u>2,164,856</u>	<u>2,129,457</u>	<u>35,399</u>
Bilingual education - instruction:					
Salaries of teachers	801,085	(1,350)	799,735	789,516	10,219
Other purchased services	300	(84)	216		216
General supplies	5,159	2,257	7,416	6,935	481
Total bilingual education - instruction	<u>806,544</u>	<u>823</u>	<u>807,367</u>	<u>796,451</u>	<u>10,916</u>
School - sponsored cocurricular activities:					
Salaries	330,431	3,242	333,673	333,673	
Purchased services	54,091	73	54,164	42,145	12,019
Supplies and materials	7,480		7,480	6,495	985
Other objects	5,500		5,500	1,693	3,807
Total school-sponsored cocurricular activities	<u>397,502</u>	<u>3,315</u>	<u>400,817</u>	<u>384,006</u>	<u>16,811</u>
School - sponsored athletics - instruction:					
Salaries	679,980	13,478	693,458	693,458	
Purchased services	52,815	7,642	60,457	38,647	21,810
Supplies and materials	59,495		59,495	49,091	10,404
Other objects	5,000		5,000	3,650	1,350
Transfers to cover deficit (agency funds)	66,868		66,868	30,759	36,109
Total school - sponsored athletics - instruction	<u>864,158</u>	<u>21,120</u>	<u>885,278</u>	<u>815,605</u>	<u>69,673</u>

East Brunswick Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Alternative Education:					
Salaries of teachers		\$ 203,040	\$ 203,040	\$ 78,748	\$ 124,292
Purchased professional and technical services		4,000	4,000	1,000	3,000
General supplies		2,000	2,000	92	1,908
Total alternative education		209,040	209,040	79,840	129,200
Total instruction	\$ 64,428,088	406,157	64,834,245	62,988,409	1,845,836
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs w/in the state - regular	60,911	(24,698)	36,213	29,574	6,639
Tuition to other LEAs w/in the state - special	1,312,988	243,414	1,556,402	1,556,402	
Tuition to CSSD and regional day schools	82,388	(1,598)	80,790	80,473	317
Tuition to private schools disabled - within state	936,449	95,389	1,031,838	1,031,838	
Tuition - other	48,872		48,872	48,872	
Total instruction	2,441,608	312,507	2,754,115	2,747,159	6,956
Attendance and social work services:					
Salaries	262,163	21,558	283,721	283,721	
Other purchased services	8,552		8,552	7,635	917
Supplies and materials	5,535	(2,381)	3,154	355	2,799
Other objects		203	203	203	
Total attendance and social work services	276,250	19,380	295,630	291,914	3,716
Health services:					
Salaries	1,165,462	(33,242)	1,132,220	1,132,220	
Purchased professional and technical services	104,242	(19,423)	84,819	74,990	9,829
Other purchased services	6,102	(2,166)	3,936	3,468	468
Supplies and materials	27,029	305,143	332,172	76,222	255,950
Total health services	1,302,835	250,312	1,553,147	1,286,900	266,247
Other support services - students - speech, OT, PT and related services:					
Salaries	1,593,075	(94,584)	1,498,491	1,392,729	105,762
Purchased professional - educational services	934,000	94,380	1,028,380	1,015,280	13,100
Supplies and materials	10,565	504	11,069	9,145	1,924
Total other support services - students - speech, OT, PT and related services	2,537,640	300	2,537,940	2,417,154	120,786
Other support services - students - extraordinary:					
Salaries	2,069,909		2,069,909	1,692,125	377,784
Purchased professional - educational services	1,270,814	(118,315)	1,152,499	975,372	177,127
Supplies and materials	19,000	(800)	18,200	13,751	4,449
Other objects	1,000	520	1,520	1,520	
Total other support services - students - extraordinary	3,360,723	(118,595)	3,242,128	2,682,768	559,360

East Brunswick Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2020

	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	\$ 3,345,278	\$ (165,470)	\$ 3,179,808	\$ 3,175,233	\$ 4,575
Salaries of secretarial and clerical assistants	286,193	(36,855)	249,338	243,652	5,686
Unused vacation payments to terminated/retired staff - normal retirements		7,912	7,912	7,912	
Other purchased professional and technical services	106,691	(999)	105,692	70,312	35,380
Other purchased services	13,194	(484)	12,710	8,109	4,601
Supplies and materials	23,500	(3,383)	20,117	11,779	8,338
Other objects	1,000		1,000	675	325
Total guidance	3,775,856	(199,279)	3,576,577	3,517,672	58,905
Child study teams:					
Salaries of other professional staff	2,240,381		2,240,381	2,173,314	67,067
Salaries of secretarial and clerical assistants	301,693	3,169	304,862	304,862	
Unused vacation payments to terminated/retired staff - normal retirements		1,289	1,289	1,289	
Purchased professional - educational services	75,000		75,000	57,700	17,300
Other purchased professional and technical services	20,134		20,134	20,133	1
Other purchased services	12,250	558	12,808	5,300	7,508
Supplies and materials	19,275	(1,945)	17,330	17,038	292
Total child study teams	2,668,733	3,071	2,671,804	2,579,636	92,168
Improvement of instructional services:					
Salaries of supervisors of instruction	1,842,865	(249,663)	1,593,202	1,485,313	107,889
Salaries of other professional staff	342,292	8,844	351,136	351,136	
Salaries of secretarial and clerical assistants	387,089	(2,105)	384,984	352,135	32,849
Other salaries	67,401	9	67,410	67,410	
Salaries of Facilitators, Math & Literacy coaches	819,595	30,065	849,660	849,660	
Unused vacation payments to terminated/retired staff - normal retirements		21,168	21,168	21,168	
Other purchased professional and technical services	75,180		75,180	67,566	7,614
Other purchased services	59,928	(3,031)	56,897	23,313	33,584
Supplies and materials	31,280	(4,568)	26,712	17,581	9,131
Other objects	13,595	868	14,463	13,834	629
Total improvement of instructional services	3,639,225	(198,413)	3,440,812	3,249,116	191,696
Educational media services/school library:					
Salaries	953,500		953,500	897,724	55,776
Other purchased professional and technical services	39,700		39,700	34,056	5,644
Other purchased services	4,745		4,745	3,124	1,621
Supplies and materials	148,053	(143)	147,910	124,884	23,026
Other objects	175		175	175	
Total educational media services / school library	1,146,173	(143)	1,146,030	1,059,788	86,242
Instructional staff training services:					
Salaries of supervisors of instruction	154,500		154,500	123,383	31,117
Salaries of other professional staff	37,800	116,325	154,125	154,125	
Salaries of secretarial and clerical assistants	6,077		6,077		6,077
Purchased professional - educational services	25,000		25,000	13,129	11,871
Unused vacation payments to terminated/retired staff - normal retirements		19,266	19,266	19,266	
Other purchased services	20,475	1,839	22,314	22,314	
Supplies and materials	10,000	439	10,439	9,447	992
Other objects		845	845	845	
Total instructional staff training services	253,852	138,714	392,566	342,509	50,057

East Brunswick Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
<b>Current expenditures (continued):</b>					
<b>Undistributed expenditures (continued):</b>					
<b>Support services-general administration:</b>					
Salaries	\$ 779,231	\$ 10,010	\$ 789,241	\$ 789,241	
Legal services	278,225		278,225	235,815	\$ 42,410
Audit fees	72,500	74,975	147,475	74,975	72,500
Other purchased professional services	21,000	8,947	29,947	29,302	645
Purchased technical services	13,800	5,245	19,045	19,045	
Communications/telephone	477,386	60,771	538,157	450,215	87,942
BOE other purchased services	10,500		10,500	4,572	5,928
Miscellaneous purchased services	359,925	13,972	373,897	361,831	12,066
General supplies	13,875	838	14,713	6,131	8,582
BOE in-house training/meeting supplies	1,500		1,500	177	1,323
Miscellaneous expenditures	17,148	(1,279)	15,869	10,637	5,232
BOE membership dues/fees	34,733		34,733	34,733	
<b>Total support services-general administration</b>	<b>2,079,823</b>	<b>173,479</b>	<b>2,253,302</b>	<b>2,016,674</b>	<b>236,628</b>
<b>Support services-school administration:</b>					
Salaries of principals / assistant principals	2,692,100	67,707	2,759,807	2,759,807	
Salaries of other professional staff	652,853	8,699	661,552	661,552	
Salaries of secretarial and clerical assistants	1,444,890		1,444,890	1,414,277	30,613
Salaries - other	15,506	2,432	17,938	17,938	
Unused vacation payments to terminated/retired staff - normal retirements		31,933	31,933	31,933	
Purchased professional and technical services	1,650	50	1,700		1,700
Other purchased services	74,064	(235)	73,829	25,896	47,933
Supplies and materials	44,238	1,574	45,812	35,729	10,083
Other objects	24,950	(1,048)	23,902	21,830	2,072
<b>Total support services-school administration</b>	<b>4,950,251</b>	<b>111,112</b>	<b>5,061,363</b>	<b>4,968,962</b>	<b>92,401</b>
<b>Central services:</b>					
Salaries	1,806,039	1,322	1,807,361	1,807,361	
Unused vacation payments to terminated/retired staff - normal retirements		17,655	17,655	17,655	
Purchased professional services	66,024	6,035	72,059	48,846	23,213
Purchased technical services	41,000	15,110	56,110	56,110	
Miscellaneous purchased services	45,945	6,960	52,905	46,136	6,769
Supplies and materials	22,707	773	23,480	13,156	10,324
Interest on lease purchase agreements	206,807		206,807	206,806	1
Miscellaneous expenditures	7,895	450	8,345	7,885	460
<b>Total central services</b>	<b>2,196,417</b>	<b>48,305</b>	<b>2,244,722</b>	<b>2,203,955</b>	<b>40,767</b>
<b>Administrative information technology:</b>					
Salaries	1,613,710	13,441	1,627,151	1,627,151	
Purchased technical services	538,702	(2,980)	535,722	506,431	29,291
Other purchased services	41,215	(330)	40,885	25,685	15,200
Supplies and materials	369,493	(254,325)	115,168	97,210	17,958
Other objects	500		500	200	300
<b>Total administrative information technology</b>	<b>2,563,620</b>	<b>(244,194)</b>	<b>2,319,426</b>	<b>2,256,677</b>	<b>62,749</b>
<b>Required maintenance for school facilities:</b>					
Salaries	1,125,564	125,291	1,250,855	1,250,855	
Unused vacation payments to terminated/retired staff - normal retirements		1,526	1,526	1,526	
Cleaning, repair and maintenance services	487,579	52,259	539,838	523,316	16,522
General supplies	374,032	(5,736)	368,296	300,363	67,933
Other objects	193,024	6	193,030	154,209	38,821
<b>Total required maintenance for school facilities</b>	<b>2,180,199</b>	<b>173,346</b>	<b>2,353,545</b>	<b>2,230,269</b>	<b>123,276</b>

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

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
<b>Current expenditures (continued):</b>					
<b>Undistributed expenditures (continued):</b>					
<b>Custodial services:</b>					
Salaries	\$ 1,437,981	\$ (12,532)	\$ 1,425,449	\$ 1,290,892	\$ 134,557
Salaries of non-instructional aides	530,938	21,185	552,123	552,123	
Unused vacation payments to terminated/retired staff - normal retirements		10,396	10,396	10,396	
Purchased professional and technical services	66,664	96,879	163,543	78,067	85,476
Cleaning, repair and maintenance services	3,539,898	(18,435)	3,521,463	3,183,567	337,896
Other purchased property services	67,000	5,917	72,917	72,887	30
Insurance	653,853	(3,162)	650,691	538,757	111,934
Miscellaneous purchased services	15,250	40,962	56,212	55,962	250
General supplies	194,951	43,600	238,551	230,806	7,745
Energy (electricity)	2,214,779	(223,305)	1,991,474	1,566,472	425,002
Energy (natural gas)	874,167	(275)	873,892	451,880	422,012
Other objects	10,800	(3,111)	7,689	6,814	875
Interest ESIP Bonds		185,625	185,625	185,625	
<b>Total custodial services</b>	<b>9,606,281</b>	<b>143,744</b>	<b>9,750,025</b>	<b>8,224,248</b>	<b>1,525,777</b>
<b>Care and upkeep of grounds:</b>					
Salaries	416,896		416,896	387,103	29,793
Unused vacation payments to terminated/retired staff - normal retirements		15,407	15,407	15,407	
Cleaning, repair and maintenance services	530,880	(53,232)	477,648	232,762	244,886
General supplies	101,432	(16,245)	85,187	71,715	13,472
Other objects	45,297	180	45,477	21,320	24,157
<b>Total care and upkeep of grounds</b>	<b>1,094,505</b>	<b>(53,890)</b>	<b>1,040,615</b>	<b>728,307</b>	<b>312,308</b>
<b>Security:</b>					
Salaries	2,342,551	34,015	2,376,566	2,376,566	
Purchased professional and technical services	149,425	(800)	148,625	36,194	112,431
Cleaning, Repair, and Maintenance Services	225,036		225,036	123,974	101,062
General supplies	59,533	178,070	237,603	217,131	20,472
Other objects	36,846	838	37,684	32,305	5,379
<b>Total security</b>	<b>2,813,391</b>	<b>212,123</b>	<b>3,025,514</b>	<b>2,786,170</b>	<b>239,344</b>
<b>Student transportation services:</b>					
Salaries - Non-instructional Aides	142,336	7,782	150,118	150,118	
Salaries for pupil transportation:					
Between home and school - regular	1,926,439	(48,799)	1,877,640	1,774,816	102,824
Other Purchased professional and technical services	27,125	966	28,091	18,376	9,715
Cleaning, Repair, and Maintenance Services	422,936	(17,625)	405,311	201,604	203,707
Rental payments - School Buses	10,200	(2,900)	7,300		7,300
Lease Purchase Payments - School Buses	516,398		516,398	516,389	9
Contracted services:					
Aid in lieu of payments-Nonpublic students	180,000	(4,211)	175,789	84,461	91,328
Vendors - between home and school	1,843,150		1,843,150	1,545,463	297,687
Vendors - other than between home and school	623,945	(3,923)	620,022	438,086	181,936
Vendors - Special Ed	1,323,289	24,347	1,347,636	1,347,636	
ESCs & CTSA's - Special Ed	2,495,278		2,495,278	2,391,757	103,521
Miscellaneous purchased services - transportation	78,000		78,000	73,885	4,115
General supplies	1,000	15,119	16,119	798	15,321
Transportation Supplies	208,790	(15,119)	193,671	119,613	74,058
Other objects	3,425	(120)	3,305	2,600	705
<b>Total student transportation services</b>	<b>9,802,311</b>	<b>(44,483)</b>	<b>9,757,828</b>	<b>8,665,602</b>	<b>1,092,226</b>

East Brunswick Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2020

	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	\$ 1,753,000	\$ 174,451	\$ 1,927,451	\$ 1,927,451	\$ 87,290
Other retirement contributions - PERS	2,243,783	(174,451)	2,069,332	1,982,042	70,000
Unemployment compensation insurance	70,000		70,000	829,769	100,245
Worker's compensation	930,014		930,014	19,460,068	780,905
Health benefits	20,851,455	(610,482)	20,240,973	105,620	91,800
Tuition reimbursement	195,500	1,920	197,420	25,948	38,273
Other employee benefits	517,312	(453,091)	64,221		
Unused sick payments to terminated/retired staff - normal retirements		319,891	319,891	319,891	
<b>Total unallocated benefits</b>	<b>26,561,064</b>	<b>(741,762)</b>	<b>25,819,302</b>	<b>24,650,789</b>	<b>1,168,513</b>
On-behalf payments:					
TPAF - Pension Contribution (non-budgeted)				13,362,088	(13,362,088)
TPAF - Post-Retirement Medical (non-budgeted)				4,957,090	(4,957,090)
TPAF - Long-Term Disability Insurance (non-budgeted)				12,309	(12,309)
Reimbursed TPAF social security contributions (non-budgeted)				4,729,734	(4,729,734)
<b>Total on-behalf payments</b>				<b>23,061,221</b>	<b>(23,061,221)</b>
<b>Total undistributed expenditures</b>	<b>85,250,757</b>	<b>(14,366)</b>	<b>85,236,391</b>	<b>101,967,490</b>	<b>(16,731,099)</b>
<b>Total current expenditures</b>	<b>149,678,845</b>	<b>391,791</b>	<b>150,070,636</b>	<b>164,955,899</b>	<b>(14,885,263)</b>
<b>Capital outlay:</b>					
Equipment:					
Regular programs - instruction:					
Grades 1-5		7,299	7,299	7,299	
Undistributed instruction:					
Attend/Social Work/Health Guidance		70,400	70,400		70,400
Support services - instructional staff		2,458	2,458	2,458	
General administration		2,287	2,287		2,287
Administration information technology		175,031	175,031	175,031	
Required maintenance for school facilities		57,054	57,054	54,899	2,155
Care and upkeep of grounds		20,553	20,553	20,552	1
Security		16,431	16,431	16,430	1
School-sponsored athletics	7,642	(7,642)			
<b>Total equipment</b>	<b>7,642</b>	<b>343,871</b>	<b>351,513</b>	<b>276,669</b>	<b>74,844</b>
Facilities acquisition and construction services:					
Salaries	13,002	316	13,318	13,317	1
Architectural/engineering services	90,000	1,493,478	1,583,478	732,878	850,600
Other purchased professional and technical services		88,517	88,517	57,207	31,310
Construction services	110,000	3,126,486	3,236,486	2,415,533	820,953
Supplies and materials	60,000	5,374	65,374	10,624	54,750
Lease purchase agreements - principal	4,244,997		4,244,997	4,244,993	4
Other objects		11,126	11,126	11,126	
Assessment for Debt Service on SDA Funding	347,538		347,538	347,538	
<b>Total facilities acquisition and construction services</b>	<b>4,865,537</b>	<b>4,725,297</b>	<b>9,590,834</b>	<b>7,833,216</b>	<b>1,757,618</b>
<b>Total expenditures - capital outlay</b>	<b>4,873,179</b>	<b>5,069,168</b>	<b>9,942,347</b>	<b>8,109,885</b>	<b>1,832,462</b>
<b>Special schools:</b>					
Summer school - instruction:					
Salaries of teachers	48,774		48,774		48,774
Other salaries for instruction	13,833		13,833	9,143	4,690
<b>Total summer school - instruction</b>	<b>62,607</b>		<b>62,607</b>	<b>9,143</b>	<b>53,464</b>
<b>Total special schools</b>	<b>62,607</b>		<b>62,607</b>	<b>9,143</b>	<b>53,464</b>
<b>Charter schools</b>	<b>2,923,847</b>		<b>2,923,847</b>	<b>2,728,132</b>	<b>195,715</b>
<b>Total expenditures</b>	<b>157,538,478</b>	<b>5,460,959</b>	<b>162,999,437</b>	<b>175,803,059</b>	<b>(12,803,622)</b>
<b>(Deficiency) excess of revenues (under) over expenditures</b>	<b>(5,894,001)</b>	<b>(5,460,959)</b>	<b>(11,354,960)</b>	<b>542,619</b>	<b>11,897,579</b>

East Brunswick Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other financing sources (uses):					
Transfers in	\$ 1,544,001		\$ 1,544,001		\$ (1,544,001)
Transfers in - Capital Projects Fund				\$ 70,827	70,827
Total other financing sources (uses)	<u>1,544,001</u>		<u>1,544,001</u>	<u>70,827</u>	<u>(1,473,174)</u>
(Deficiency) excess of revenues (under) over expenditures and other financing sources (uses)	(4,350,000)	\$ (5,460,959)	(9,810,959)	613,446	10,424,405
Fund balances, July 1	24,575,816		24,575,816	24,575,816	
Fund balances, June 30	<u>\$ 20,225,816</u>	<u>\$ (5,460,959)</u>	<u>\$ 14,764,857</u>	<u>\$ 25,189,262</u>	<u>\$ 10,424,405</u>
<b>Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)</b>					
Budgeted fund balance	\$ (4,350,000)		\$ (4,350,000)	\$ 3,549,797	\$ 7,899,797
Budgeted fund balance - capital reserve		\$ (2,447,074)	(2,447,074)	77,534	2,524,608
Adjustment for prior year encumbrances		(3,013,885)	(3,013,885)	(3,013,885)	
Total	<u>\$ (4,350,000)</u>	<u>\$ (5,460,959)</u>	<u>\$ (9,810,959)</u>	<u>\$ 613,446</u>	<u>\$ 10,424,405</u>
<b>Recapitulation of Fund Balance:</b>					
Restricted Fund Balance:					
Capital Reserve				\$ 8,768,674	
Excess Surplus - Current Year				4,350,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				4,350,000	
Assigned Fund Balance:					
Year-end Encumbrances				2,471,576	
Designated for Subsequent Year's Expenditures				963,146	
Unassigned Fund Balance				<u>4,285,866</u>	
				25,189,262	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
Last state aid payments not recognized on GAAP basis				(1,926,609)	
Fund balance per Governmental Funds (GAAP) (B-1)				<u>\$ 23,262,653</u>	



East Brunswick Public Schools  
Special Revenue Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues:</b>					
Federal sources	\$ 2,720,000	\$ 1,045,433	\$ 3,765,433	\$ 3,045,054	\$ (720,379)
State sources	231,000	49,547	280,547	243,616	(36,931)
Other sources	75,000	19,485,835	19,560,835	184,957	(19,375,878)
<b>Total revenues</b>	<u>3,026,000</u>	<u>20,580,815</u>	<u>23,606,815</u>	<u>3,473,627</u>	<u>(20,133,188)</u>
<b>Expenditures:</b>					
<b>Current expenditures:</b>					
<b>Instruction:</b>					
Salaries	480,065	114,795	594,860	513,373	81,487
Purchased professional educational services	103,000	(20,258)	82,742	76,853	5,889
Other purchased services	1,646,138	178,013	1,824,151	1,800,088	24,063
Supplies and materials	123,453	701,894	825,347	162,142	663,205
Textbooks	-	21,533	21,533	21,533	-
<b>Total instruction</b>	<u>2,352,656</u>	<u>995,977</u>	<u>3,348,633</u>	<u>2,573,989</u>	<u>774,644</u>
<b>Support services:</b>					
Salaries	65,095	14,504	79,599	74,535	5,064
Personal services - employee benefits	224,384	47,280	271,664	260,585	11,079
Purchased professional technical services	193,004	622,128	815,132	295,765	519,367
Purchased professional educational services	90,000	16,514	106,514	79,191	27,323
Other purchased services	14,120	23,916	38,036	28,222	9,814
Contract services - transportation	8,000	408	8,408	8,408	-
Supplies and materials	39,084	124,354	163,438	82,964	80,474
<b>Total support services</b>	<u>633,687</u>	<u>849,104</u>	<u>1,482,791</u>	<u>829,670</u>	<u>653,121</u>
<b>Capital outlay:</b>					
<b>Facilities acquisition and construction services:</b>					
Instructional equipment	31,396	957,856	989,252	600,821	388,431
Non-instructional equipment	-	44,238	44,238	44,238	-
Regular education - school buses	-	1,510,000	1,510,000	-	1,510,000
Purchased professional technical services	-	33,423	33,423	-	33,423
Other purchased professional / technical services	-	8,647	8,647	3,611	5,036
Construction services	8,261	16,174,718	16,182,979	10,279,966	5,903,013
Infrastructure	-	6,852	6,852	-	6,852
<b>Total facilities acquisition and construction services</b>	<u>39,657</u>	<u>18,735,734</u>	<u>18,775,391</u>	<u>10,928,636</u>	<u>7,846,755</u>
<b>Total expenditures</b>	<u>3,026,000</u>	<u>20,580,815</u>	<u>23,606,815</u>	<u>14,332,295</u>	<u>9,274,520</u>
(Deficiency) of revenues (under) expenditures	-	-	-	(10,858,668)	(10,858,668)
<b>Other financing sources:</b>					
Lease purchase obligation proceeds	-	-	-	14,600,000	14,600,000
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,600,000</u>	<u>14,600,000</u>
<b>Net change in fund balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,741,332</u>	<u>3,741,332</u>
<b>Fund Balance, July 1</b>	<u>1,070,300</u>	<u>-</u>	<u>1,070,300</u>	<u>1,070,300</u>	<u>-</u>
<b>Fund Balance, June 30</b>	<u>\$ 1,070,300</u>	<u>\$ -</u>	<u>\$ 1,070,300</u>	<u>\$ 4,811,632</u>	<u>\$ 3,741,332</u>

East Brunswick Public Schools  
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2020

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

	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)	\$ 176,345,678	\$ 3,473,627
<b>Differences - Budget to GAAP:</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances (net) are recognized as expenditures, and the related revenue is recognized.		
Prior year		23,850
Current year		(12,717)
State aid payments from prior year recognized in prior year for budgetary purposes, and recognized for GAAP purposes in the current fiscal year.	1,819,879	
State aid payments recognized for budgetary purposes, not recognized for GAAP purposes	(1,926,609)	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (B-2)	\$ 176,238,948	\$ 3,484,760
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule (C-1, C-2)	\$ 175,803,059	\$ 14,332,295
<b>Differences - budget to GAAP</b>		
Encumbrances (net) for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year they are received for GAAP purposes.		
Prior year		23,850
Current year		(12,717)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 175,803,059	\$ 14,343,428

## 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, 2020

	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		
Revenues:									
Federal sources	\$ 648,075	\$ 190,898	\$ 47,738	\$ 16,840	\$ 37,142	\$ 1,910,747	\$ 41,934	\$	\$ 151,680
State sources									
Other sources									
Total revenues	\$ 648,075	\$ 190,898	\$ 47,738	\$ 16,840	\$ 37,142	\$ 1,910,747	\$ 41,934	\$	\$ 151,680
Expenditures:									
Instruction:									
Salaries	\$ 359,730	\$	\$ 31,121	\$ 12,924				\$	\$ 109,598
Purchased professional/educational services									1,615
Other purchased services								\$	14,976
Instructional supplies	52,742		8,571	1,403	3,342				
Textbooks									
Total instruction	412,472		39,692	14,327	3,342	1,798,473			126,189
Support services:									
Salaries	24,108	6,048	3,919	984	816	33,976	1,177		3,507
Personal services-employee benefits	210,128	2,546	3,314	1,307	305	20,381	706		21,898
Purchased professional/technical services		171,743			25,304	57,917	40,051		
Purchased professional/educational services									
Other purchased services		9,257		222	7,375				86
Contracted services - transportation	1,367	1,304	815						
Supplies and materials	235,603	190,898	8,046	2,513	33,800	112,276	41,934		25,491
Total support services									
Capital outlay:									
Facilities acquisition and construction services									
Instructional equipment									
Non - instructional equipment									
Other purchased professional / technical services									
Construction services									
Total facilities acquisition and construction services									
Total expenditures	648,075	190,898	47,738	16,840	37,142	1,910,747	41,934		151,680
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									

East Brunswick Public Schools  
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures  
Budgetary Basis  
Year ended June 30, 2020

	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	\$ 2,482	\$ 8,408	\$ 55,161	\$ 592	\$ 18,618	\$ 13,384	\$ 12,760
State sources							
Other sources							
Total revenues	\$ 2,482	\$ 8,408	\$ 55,161	\$ 592	\$ 18,618	\$ 13,384	\$ 12,760
Expenditures:							
Instruction:							
Salaries	\$ 2,482		\$ 55,161	\$ 592	\$ 18,618		
Purchased professional/educational services							
Other purchased services							
Instructional supplies							
Textbooks							
Total instruction	2,482		55,161	592	18,618		
Support services:							
Salaries							
Personal services—employee benefits							
Purchased professional/technical services							
Purchased professional/educational services						\$ 13,384	\$ 12,760
Other purchased services							
Contracted services - transportation		\$ 8,408					
Supplies and materials							
Total support services		8,408				13,384	12,760
Capital outlay:							
Facilities acquisition and construction services							
Instructional equipment							
Non - instructional equipment							
Other purchased professional / technical services							
Construction services							
Total facilities acquisition and construction services							
Total expenditures	2,482	8,408	55,161	592	18,618	13,384	12,760
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

East Brunswick Public Schools  
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures  
Budgetary Basis  
Year ended June 30, 2020

	Nonpublic Textbook Aid	Nonpublic Nursing	Nonpublic Technology Services	Nonpublic Security	East Brunswick Education Fund	FTA Grants	Other Local
<b>Revenues:</b>							
Federal sources	\$ 21,533	\$ 38,454	\$ 14,593	\$ 57,631	\$ 90,613	\$ 33,561	\$ 60,783
State sources							
Other sources							
<b>Total revenues</b>	<b>\$ 21,533</b>	<b>\$ 38,454</b>	<b>\$ 14,593</b>	<b>\$ 57,631</b>	<b>\$ 90,613</b>	<b>\$ 33,561</b>	<b>\$ 60,783</b>
<b>Expenditures:</b>							
Instruction:							
Salaries							
Purchased professional/educational services					\$ 44,624	\$ 4,538	\$ 868
Other purchased services							
Supplies and materials							
Textbooks	\$ 21,533						
Total instruction	<b>\$ 21,533</b>				<b>\$ 44,624</b>	<b>\$ 4,538</b>	<b>\$ 868</b>
Support services:							
Salaries							
Personal services-employee benefits							750
Purchased professional/technical services		\$ 38,454	\$ 14,593				11,282
Other purchased services							
Contracted services - transportation					260		1,346
Supplies and materials					260		6,788
Total support services		<b>\$ 38,454</b>	<b>\$ 14,593</b>	<b>\$ 57,631</b>	<b>\$ 57,631</b>	<b>\$ 6,788</b>	<b>\$ 13,378</b>
Capital outlay:							
Facilities acquisition and construction services					45,729	3,500	1,000
Instructional equipment							
Non - instructional equipment							
Other purchased professional / technical services						18,735	45,537
Construction services						22,235	46,337
Total facilities acquisition and construction services					<b>\$ 45,729</b>	<b>\$ 22,235</b>	<b>\$ 46,337</b>
<b>Total expenditures</b>	<b>\$ 21,533</b>	<b>\$ 38,454</b>	<b>\$ 14,593</b>	<b>\$ 57,631</b>	<b>\$ 90,613</b>	<b>\$ 33,561</b>	<b>\$ 60,783</b>
<b>Excess/(deficiency) of revenues over/(under) expenditures</b>	-	-	-	-	-	-	-
<b>Other financing sources:</b>							
Lease purchase obligation							
Total other financing sources							
Net changes in fund balance							
Fund balance, July 1							
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

East Brunswick Public Schools  
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures  
Budgetary Basis  
Year ended June 30, 2020

	2014-2015 Lease Agreement Township of East Brunswick	2016-2017 Lease Agreement Township of East Brunswick	2017-2018 Lease Agreement Township of East Brunswick	2018-2019 Lease Agreement Township of East Brunswick	2019-2020 Lease Agreement Township of East Brunswick	2020-2021 Lease Agreement Township of East Brunswick	Totals
<b>Revenues:</b>							
Federal sources						\$	\$ 3,045,054
State sources							243,616
Other sources							184,957
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,473,627
<b>Expenditures:</b>							
Instruction:							
Salaries							\$ 513,373
Purchased professional/educational services							76,853
Other purchased services					\$ 31,078		1,800,088
Supplies and materials							162,142
Textbooks							21,533
Total instruction					\$ 31,078		\$ 2,573,989
Support services:							
Salaries			\$ 3,736				74,535
Personal services--employee benefits			3,736				260,585
Purchased professional/technical services							295,765
Purchased professional/educational services							79,191
Other purchased services							28,222
Contracted services - transportation							8,408
Supplies and materials							82,964
Total support services			\$ 7,472		\$ 9,719		\$ 829,670
Capital outlay:							
Facilities acquisition and construction services				\$ 144,708	\$ 334,107		600,821
Instructional equipment				6,098	38,140		44,238
Non - instructional equipment		\$ 3,611					3,611
Other purchased professional / technical services	\$ 35,111			6,570	9,161,408	1,012,605	10,279,966
Construction services	35,111	3,611	77,875	151,278	9,533,655	1,012,605	10,928,636
Total facilities acquisition and construction services	\$ 70,222	\$ 3,611	\$ 77,875	\$ 151,278	\$ 9,574,452	\$ 1,012,605	\$ 14,332,295
Total expenditures	\$ 70,222	\$ 3,611	\$ 81,611	\$ 151,278	\$ 9,574,452	\$ 1,012,605	\$ 14,332,295
Excess/(deficiency) of revenues over/(under) expenditures	(70,222)	(3,611)	(81,611)	(151,278)	(9,574,452)	(1,012,605)	(10,898,668)
Other financing sources:							
Lease purchase obligation					14,600,000		14,600,000
Total other financing sources					14,600,000		14,600,000
Net changes in fund balance	(70,222)	(3,611)	(81,611)	(151,278)	5,025,548	(1,012,605)	3,741,332
Fund balance, July 1	251,962	465,647	84,923	267,768			1,070,300
Fund balance, June 30	\$ 216,851	\$ 462,036	\$ 3,312	\$ 116,490	\$ 5,025,548	\$ (1,012,605)	\$ 4,811,652



# Capital Projects Fund

East Brunswick Public Schools  
Capital Projects Fund

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

(Budgetary Basis)

Year ended June 30, 2020

<b>Revenues</b>	
Interest earned	\$ 70,827
Total Revenues and other financing sources	<u>70,827</u>
 <b>Expenditures</b>	
Purchased professional and technical services	66,657
Construction services	<u>5,856,759</u>
Total expenditures	<u>5,923,416</u>
Deficiency of revenues under expenditures	(5,852,589)
 <b>Other Financing Uses</b>	
Transfers out	<u>(70,827)</u>
Net change in fund balance before special item	(5,923,416)
 <b>Special item:</b>	
Litigation settlement	<u>100,000</u>
Net change in fund balance	(5,823,416)
Fund Balance, July 1	<u>7,158,718</u>
Fund Balance, June 30	<u><u>\$ 1,335,302</u></u>

East Brunswick Public Schools  
Capital Projects Fund

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

Year ended June 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - SDA grant	\$ 6,783,613		\$ 6,783,613	\$ 6,783,613
Bond proceeds	22,095,000		22,095,000	22,095,000
Lease purchase	4,229,748		4,229,748	4,229,748
Premium on bond issuance	839,236		839,236	839,236
Transfer from (to) capital reserve	2,778,107		2,778,107	2,778,107
Interest earned	43,469	\$ 70,827	114,296	
Miscellaneous	3,996,480		3,996,480	3,996,480
<b>Total Revenues</b>	<b>40,765,653</b>	<b>70,827</b>	<b>40,836,480</b>	<b>40,722,184</b>
<b>Expenditures and other financing uses</b>				
Legal	36,966		36,966	36,966
Other professional services	2,796,532		2,796,532	2,796,532
Purchased professional and technical services	725,144	66,657	791,801	791,801
Construction services	29,506,483	5,856,759	35,363,242	35,363,242
Other objects	38,051		38,051	38,051
Transfer to capital reserve	197,801		197,801	197,801
Costs of issuance	86,896		86,896	86,896
<b>Total expenditures</b>	<b>33,387,873</b>	<b>5,923,416</b>	<b>39,311,289</b>	<b>39,311,289</b>
<b>Other Financing Sources (Uses)</b>				
Special item		100,000	100,000	100,000
Transfers out	(219,062)	(70,827)	(289,889)	(289,889)
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ 7,158,718</b>	<b>\$ (5,823,416)</b>	<b>\$ 1,335,302</b>	<b>\$ 1,221,006</b>

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

Year ended June 30, 2020

	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				
Premium on bond issuance				
Transfer from capital reserve	1,619,000		1,619,000	1,619,000
Litigation settlement		\$ 100,000	100,000	
Miscellaneous	3,996,480		3,996,480	3,996,480
<b>Total Revenues</b>	<u>23,814,000</u>	<u>100,000</u>	<u>23,914,000</u>	<u>23,814,000</u>
<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				
Costs of issuance				
<b>Total expenditures</b>	<u>23,752,326</u>		<u>23,752,326</u>	<u>23,752,326</u>
<b>Other Financing Uses</b>				
Transfers out	-	-	-	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 61,674</u>	<u>\$ 100,000</u>	<u>\$ 161,674</u>	<u>\$ 61,674</u>
<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			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	99.32%			
Original target completion date	2012			
Revised target completion date	2020			

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

Year ended June 30, 2020

	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
Premium on bond issuance				
Transfer from (to) capital reserve				
Interest earned				
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				
Costs of issuance				
<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>\$ -</u>	<u>\$ -</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	10,417			
Revised Authorized Cost	145,700			
<b>Percentage Increase over Original</b>				
Authorized Cost	7.70%			
Percentage completion	100%			
Original target completion date	2015			
Revised target completion date	Complete			

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

Year ended June 30, 2020

	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
Premium on bond issuance				
Transfer from (to) capital reserve				
Interest earned				
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				
Costs of issuance				
<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>\$ -</u>	<u>\$ -</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	(364)			
Revised Authorized Cost	145,335			
<b>Percentage Increase over Original</b>				
Authorized Cost	-0.25%			
Percentage completion	100%			
Original target completion date	2015			
Revised target completion date	Complete			

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

Year ended June 30, 2020

	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
Premium on bond issuance				
Transfer from (to) capital reserve				
Interest earned				
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				
Costs of issuance				
<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Additional project information**

Project number	934
Grant date	June 10, 2014
Bond authorization date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 126,060
Additional Authorized Cost	40,740
Revised Authorized Cost	166,800

Percentage Increase over Original Authorized Cost	32.32%
Percentage completion	100%
Original target completion date	2015
Revised target completion date	Complete

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

Year ended June 30, 2020

	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
Premium on bond issuance				
Transfer from (to) capital reserve				
Interest earned				
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				
Costs of issuance				
<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>\$ -</u>	<u>\$ -</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	29,906			
Revised Authorized Cost	149,800			
<b>Percentage Increase over Original</b>				
Authorized Cost	24.94%			
Percentage completion	100%			
Original target completion date	2015			
Revised target completion date	Complete			



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

Year ended June 30, 2020

	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
Premium on bond issuance				
Transfer from (to) capital reserve				
Interest earned				
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				
Costs of issuance				
<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>\$ -</u>	<u>\$ -</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	(105,715)			
Revised Authorized Cost	1,323,745			
<b>Percentage Increase over Original</b>				
Authorized Cost	-7.40%			
Percentage completion	100.00%			
Original target completion date	2015			
Revised target completion date	Complete			

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

Year ended June 30, 2020

	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
Premium on bond issuance				
Transfer from (to) capital reserve				
Interest earned				
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				
Costs of issuance				
<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Additional project information**

Project number	939
Grant date	June 10, 2014
Bond authorization date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 141,580
Additional Authorized Cost	(10,387)
Revised Authorized Cost	131,193

Percentage Increase over Original Authorized Cost	-7.34%
Percentage completion	100%
Original target completion date	2015
Revised target completion date	Complete

East Brunswick Public Schools  
Capital Projects Fund

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

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

Year ended June 30, 2020

	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
Premium on bond issuance				
Transfer from (to) capital reserve				
Interest earned				
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				
Costs of issuance				
<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>\$ -</u>	<u>\$ -</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	39,558			
Revised Authorized Cost	203,600			
<b>Percentage Increase over Original</b>				
Authorized Cost	24.11%			
Percentage completion	100%			
Original target completion date	2015			
Revised target completion date	Complete			

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

Year ended June 30, 2020

	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
Premium on bond issuance				
Transfer from (to) capital reserve				
Interest earned				
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				
Costs of issuance				
<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Additional project information**

Project number	942
Grant date	June 10, 2014
Bond authorization date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 142,609
Additional Authorized Cost	27,191
Revised Authorized Cost	169,800

Percentage Increase over Original Authorized Cost	19.07%
Percentage completion	100%
Original target completion date	2015
Revised target completion date	Complete

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

Year ended June 30, 2020

	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
Premium on bond issuance				
Transfer from (to) capital reserve				
Interest earned				
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				
Costs of issuance				
<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>\$ -</u>	<u>\$ -</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	20,120			
Revised Authorized Cost	161,700			
<b>Percentage Increase over Original</b>				
Authorized Cost	14.21%			
Percentage completion	100%			
Original target completion date	2015			
Revised target completion date	Complete			

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

Year ended June 30, 2020

	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
Premium on bond issuance				
Transfer from capital reserve	887,710		887,710	887,710
Interest earned				
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	60,726		60,726	60,726
Purchased professional and technical services	36,120		36,120	36,120
Construction services	2,188,664		2,188,664	2,188,664
Other objects				
Transfer to capital reserve	98,526		98,526	98,526
Costs of issuance				
<b>Total expenditures</b>	<u>2,384,036</u>		<u>2,384,036</u>	<u>2,384,036</u>
<b>Other Financing Uses</b>				
Transfers out				
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 492,710</u>	<u>\$ -</u>	<u>\$ 492,710</u>	<u>\$ 492,710</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			
<b>Percentage Increase over Original</b>				
Authorized Cost	44.63%			
Percentage completion	82.87%			
Original target completion date	2016			
Revised target completion date	2021			

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

Year ended June 30, 2020

	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
Premium on bond issuance				
Transfer from capital reserve	271,397		271,397	271,397
Interest earned				
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	57,441		57,441	57,441
Purchased professional and technical services	33,760	\$ 4,413	38,173	38,173
Construction services	2,044,280		2,044,280	2,044,280
Other objects				
Transfer to capital reserve	99,275		99,275	99,275
Costs of issuance				
<b>Total expenditures</b>	<u>2,234,756</u>	<u>4,413</u>	<u>2,239,169</u>	<u>2,239,169</u>
<b>Other Financing Uses</b>				
Transfers out				
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 224,773</u>	<u>\$ (4,413)</u>	<u>\$ 220,360</u>	<u>\$ 220,360</u>

**Additional project information**

Project number	941
Grant date	October 23, 2014
Bond authorization date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 2,118,653
Additional Authorized Cost	340,876
Revised Authorized Cost	2,459,529

Percentage Increase over Original

Authorized Cost	16.09%
Percentage completion	91.04%
Original target completion date	2016
Revised target completion date	2021

East Brunswick Public Schools  
Capital Projects Fund

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

Energy Savings Improvement Program - Project No. ESP

Year ended June 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - SDA grant				
Bond proceeds	\$ 8,135,000		\$ 8,135,000	\$ 8,135,000
Lease purchase				
Premium on bond issuance	839,236		839,236	839,236
Transfer from capital reserve				
Interest earned	43,469	\$ 70,827	114,296	
Miscellaneous				
<b>Total Revenues</b>	<u>9,017,705</u>	<u>70,827</u>	<u>9,088,532</u>	<u>8,974,236</u>
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services				
Purchased professional and technical services	417,258	62,244	479,502	479,502
Construction services	2,090,521	5,856,759	7,947,280	7,947,280
Other objects				
Transfer to capital reserve				
Costs of issuance	86,896		86,896	86,896
<b>Total expenditures</b>	<u>2,594,675</u>	<u>5,919,003</u>	<u>8,513,678</u>	<u>8,513,678</u>
<b>Other Financing Uses</b>				
Transfers out	(43,469)	(70,827)	(114,296)	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 6,379,561</u>	<u>\$ (5,919,003)</u>	<u>\$ 460,558</u>	<u>\$ 460,558</u>

**Additional project information**

Project number	ESP
Grant date	N/A
Bond authorization date	January 23, 2019
Bonds Authorized	\$ 8,135,000
Bonds Issued	8,135,000
Premium	839,236
Original Authorized Cost	8,135,000
Revised Authorized Cost	9,017,705

**Percentage Increase over Original**

Authorized Cost	10.85%
Percentage completion	93.67%
Original target completion date	2020
Revised target completion date	2021



East Brunswick Public Schools  
Capital Projects Fund

Summary Schedule of Project Expenditures  
(Budgetary Basis)

From Inception and for the year ended June 30, 2020

Issue/Project Title	District Project Number	Original Date	Revised Appropriations	Expenditures to Date		Special Item	Transfers Out		Unexpended Balance
				Prior Years	Current Year		Prior Years		
Memorial Elementary School Replacement 09/10	924	1/4/2010	\$ 23,814,000	\$ 23,752,326		\$ 100,000		\$ 161,674	
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		
Hannarskjold 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	942	10/23/2014	2,876,746	2,285,510			98,526	492,710	
Irvin Elementary School HVAC and Electrical Upgrades 14/15	941	10/23/2014	2,459,529	2,135,481	\$ 4,413		99,275	220,360	
Energy Savings Improvement Program	ESP	1/23/2019	8,974,236	2,594,675	5,919,003			460,558	
Grand Total			\$ 40,722,184	\$ 33,190,072	\$ 5,923,416	\$ 100,000	\$ 373,394	\$ 1,335,302	

# Fiduciary Funds

East Brunswick Public Schools  
Trust and Agency Funds

Combining Statement of Fiduciary Net Position

June 30, 2020

	Agency		
	Student Activity	Payroll	Total Agency
<b>Assets</b>			
Cash and cash equivalents	\$ 579,759	\$ 685,089	\$ 1,264,848
Other accounts receivable		207	207
Total assets	\$ 579,759	\$ 685,296	\$ 1,265,055
<b>Liabilities</b>			
Payroll deductions payable		\$ 685,296	\$ 685,296
Due to student groups	\$ 579,759		579,759
Total liabilities	\$ 579,759	\$ 685,296	\$ 1,265,055

East Brunswick Public Schools  
Student Activity Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2020

	<u>Balance July 1, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2020</u>
<b>Elementary Schools:</b>				
Bowne-Munro	\$ 4,154	\$ 2,942	\$ 2,186	\$ 4,910
Central	6,335	6,525	6,911	5,949
Irwin	3,371	3,535	6,014	892
Lawrence Brook	4,864	5,065	5,835	4,094
Memorial	3,703	5,744	7,072	2,375
Murray A. Chittick	10,338	5,553	8,080	7,811
Robert Frost	5,360	6,691	6,364	5,687
Warnsdorfer	19,235	5,667	6,416	18,486
Total elementary schools	<u>57,360</u>	<u>41,722</u>	<u>48,878</u>	<u>50,204</u>
<b>Middle Schools:</b>				
Churchill	100,476	88,059	70,457	118,078
Hammarskjold	37,047	18,752	23,479	32,320
Total middle schools	<u>137,523</u>	<u>106,811</u>	<u>93,936</u>	<u>150,398</u>
<b>High Schools:</b>				
East Brunswick High School	377,341	507,657	506,821	378,177
E.B.H.S. Athletic Fund	8,534	83,115	90,669	980
Total high schools	<u>385,875</u>	<u>590,772</u>	<u>597,490</u>	<u>379,157</u>
<b>Total all schools</b>	<u><u>\$ 580,758</u></u>	<u><u>\$ 739,305</u></u>	<u><u>\$ 740,304</u></u>	<u><u>\$ 579,759</u></u>

East Brunswick Public Schools  
Payroll Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2020

	<u>Balance July 1, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2020</u>
<b>Assets</b>				
Cash and equivalents	\$ 683,001	\$105,850,402	\$ 105,848,314	\$ 685,089
Other accounts receivable		207		207
Total assets	<u>\$ 683,001</u>	<u>\$105,850,609</u>	<u>\$ 105,848,314</u>	<u>\$ 685,296</u>
<b>Liabilities</b>				
Payroll deductions and withholdings	\$ 683,001	\$105,850,609	\$ 105,848,314	\$ 685,296
Total liabilities	<u>\$ 683,001</u>	<u>\$105,850,609</u>	<u>\$ 105,848,314</u>	<u>\$ 685,296</u>

## Long-Term Debt

East Brunswick Public Schools  
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2020

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2019	Issued	Retired	Balance June 30, 2020
School Bonds						\$12,190,000		\$ 12,190,000	
2012 Refunding of 2005 School Bonds	5/12/2010	\$ 13,960,000	11/1/2020	\$ 3,020,000	5.000%				
	11/20/2012	60,560,000	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%				
			11/1/2033	3,460,000	4.000%				
			11/1/2034	3,295,000	4.000%	52,225,000		2,635,000	\$ 49,590,000
2017 Refunding of 2007 School Bonds	2/28/2017	5,515,000	5/1/2021	1,055,000	1.722%			1,090,000	2,075,000
			5/1/2022	1,020,000	1.722%	3,165,000			
School Energy Savings Improvement Program - Obligation Refunding Bonds	2/6/2019	8,135,000	8/1/2020	355,000	5.000%				
			8/1/2021	390,000	5.000%				
			8/1/2022	425,000	5.000%				
			8/1/2023	465,000	5.000%				
			8/1/2024	480,000	5.000%				
			8/1/2025	415,000	5.000%				
			8/1/2026	455,000	5.000%				
			8/1/2027	490,000	5.000%				
			8/1/2028	535,000	5.000%				
			8/1/2029	575,000	5.000%				
			8/1/2030	620,000	4.000%				
			8/1/2031	665,000	4.000%				
			8/1/2032	705,000	4.000%				
			8/1/2033	755,000	4.000%	8,135,000			8,135,000
			8/1/2034	805,000	4.000%				
2020 Refunding of 2010 School Bonds	2/25/2020	10,355,000	5/15/2021	310,000	4.000%				
			5/15/2022	325,000	4.000%				
			5/15/2023	345,000	4.000%				
			5/15/2024	355,000	4.000%				
			5/15/2025	375,000	5.000%				
			5/15/2026	395,000	5.000%				
			5/15/2027	420,000	5.000%				
			5/15/2028	445,000	5.000%				
			5/15/2029	470,000	5.000%				
			5/15/2030	495,000	5.000%				
			5/15/2031	525,000	5.000%				
			5/15/2032	555,000	4.000%				
			5/15/2033	575,000	4.000%				
			5/15/2034	600,000	4.000%				
			5/15/2035	625,000	4.000%				
			5/15/2036	655,000	4.000%				
			5/15/2037	685,000	3.000%				
			5/15/2038	700,000	3.000%				
			5/15/2039	730,000	3.000%				
			5/15/2040	755,000	3.000%			15,000	10,240,000
						\$ 10,355,000		\$ 15,950,000	\$ 70,140,000

East Brunswick Public Schools  
Long-Term Debt

Schedule of Lease Purchase Obligations Payable

Year ended June 30, 2020

	Interest Rate	Amount of Original Issue	Balance July 1, 2019	Additions	Current Retired	Balance June 30, 2020
Capital Improvement Projects - Additions and Renovations to High School - Lease with East Brunswick Township	4.23%	\$ 14,320,000	\$ 229,787		\$ 229,787	
Capital Improvement Projects - Lease with East Brunswick Township	1.35%	5,800,000	2,320,000		1,160,000	\$ 1,160,000
Capital Improvement Projects - 2016 Lease with East Brunswick Township	1.35%	6,200,000	2,520,000		840,000	1,680,000
Capital Improvement Projects - 2017 Lease with East Brunswick Township	1.20%	1,100,000	880,000		220,000	660,000
Capital Improvement Projects - 2018 Lease with East Brunswick Township	1.35%	5,800,000	5,800,000		1,160,000	4,640,000
Capital Improvement Projects - 2020 Lease with East Brunswick Township	1.20%	14,600,000		\$ 14,600,000		14,600,000
			<u>\$ 11,749,787</u>	<u>\$ 14,600,000</u>	<u>\$ 3,609,787</u>	<u>\$ 22,740,000</u>



East Brunswick Public Schools  
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance Final to Actual
Revenues:				
Local sources:				
Local tax levy	\$ 6,693,984	\$ 6,693,984	\$ 6,693,984	
State sources:				
Debt service aid type II	79,594	79,594	79,594	
Total revenues	<u>6,773,578</u>	<u>6,773,578</u>	<u>6,773,578</u>	
Expenditures:				
Principal on debt	4,080,000	4,095,000	4,095,000	
Interest on debt	2,506,179	2,491,179	2,348,719	\$ 142,460
Principal on lease purchase obligation	229,787	229,787	229,787	
Interest on lease purchase obligation	9,732	9,732	9,732	
Cost of issuance			110,849	(110,849)
Total expenditures	<u>6,825,698</u>	<u>6,825,698</u>	<u>6,794,087</u>	<u>31,611</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(52,120)</u>	<u>(52,120)</u>	<u>(20,509)</u>	<u>31,611</u>
Other financing sources (uses):				
Refunding bonds issued			10,355,000	10,355,000
Premium on refunding bonds issued			1,799,553	1,799,553
Payment to refunding bond escrow agent			(12,043,704)	(12,043,704)
Total other financing sources (uses):			<u>110,849</u>	<u>110,849</u>
Net change in fund balances	(52,120)	(52,120)	90,340	142,460
Fund balance, July 1	22,122	22,122	22,122	
Fund balance, June 30	<u>\$ (29,998)</u>	<u>\$ (29,998)</u>	<u>\$ 112,462</u>	<u>\$ 142,460</u>

East Brunswick Public Schools  
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year Ended June 30, 2020

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	Amount of <u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2019</u>	<u>Retired</u>	<u>Balance June 30, 2020</u>
2014-2015 TD Equipment Lease	7/15/2014	5 Years	\$ 7,200,000	1.514 %	\$ 1,483,605	\$ 1,483,605	\$ 177,792
2015-16 US Bancorp Government Lease - Various Equipment	8/1/2015	5 Years	860,000	1.671	352,640	174,848	\$ 177,792
					<u>\$ 1,836,245</u>	<u>\$ 1,658,453</u>	<u>\$ 177,792</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

	2011	2012	2013 Restated	2014	2015	2016	2017	2018	2019	2020
<b>Governmental activities</b>										
Net investment in capital assets	\$ 83,801,596	\$ 100,224,934	\$ 114,047,274	\$ 115,774,538	\$ 118,166,184	\$ 130,190,096	\$ 136,473,915	\$ 142,447,803	\$ 150,002,200	\$ 155,044,226
Restricted	23,296,846	22,469,548	14,836,012	13,811,105	18,700,525	17,502,827	16,384,637	19,147,535	18,170,297	18,343,418
Unrestricted (deficit)	769,348	(2,552,220)	168,169	3,227,547	(34,087,398)	(38,447,639)	(40,955,477)	(41,425,952)	(41,746,622)	(41,545,336)
Total governmental activities net position	\$ 107,867,790	\$ 120,142,263	\$ 129,051,455	\$ 132,913,190	\$ 102,779,311	\$ 109,245,284	\$ 111,903,075	\$ 120,169,386	\$ 126,425,875	\$ 131,842,308
<b>Business-type activities</b>										
Investment in capital assets	\$ 285,615	\$ 247,811	\$ 201,209	\$ 170,296	\$ 186,262	\$ 440,722	\$ 487,181	\$ 502,498	\$ 490,034	\$ 457,057
Unrestricted	270,875	470,686	1,043,379	1,822,788	2,199,707	2,266,401	2,209,380	2,360,126	2,543,282	2,317,227
Total business-type activities net position	\$ 556,490	\$ 718,497	\$ 1,244,688	\$ 1,993,084	\$ 2,385,969	\$ 2,707,123	\$ 2,696,561	\$ 2,862,624	\$ 3,033,316	\$ 2,774,284
<b>Government-wide</b>										
Net investment in capital assets	\$ 84,087,211	\$ 100,472,745	\$ 114,248,583	\$ 115,944,834	\$ 118,552,446	\$ 130,630,818	\$ 136,961,096	\$ 142,950,301	\$ 150,492,234	\$ 155,501,283
Restricted	23,296,846	22,469,548	14,836,012	13,811,105	18,700,525	17,502,827	16,384,637	19,147,535	18,170,297	18,343,418
Unrestricted (deficit)	1,040,223	(2,081,534)	1,211,548	5,150,335	(31,887,691)	(36,181,238)	(38,746,097)	(39,065,826)	(39,203,340)	(39,228,109)
Total government-wide net position	\$ 108,424,280	\$ 120,860,760	\$ 130,296,143	\$ 134,906,274	\$ 105,165,280	\$ 111,952,407	\$ 114,599,636	\$ 123,032,010	\$ 129,459,191	\$ 134,616,592

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction	\$ 56,358,268	\$ 60,237,148	\$ 61,277,016	\$ 61,222,122	\$ 68,615,626	\$ 72,875,349	\$ 80,070,187	\$ 82,512,817	\$ 73,533,156	\$ 75,992,707
Regular	12,957,610	14,203,337	16,765,399	18,002,997	21,564,452	23,574,092	24,696,833	25,112,417	24,221,633	24,195,206
Special Education	4,256,967	4,854,386	5,095,557	4,995,065	5,724,102	6,123,010	7,312,040	7,522,535	7,061,494	6,969,391
Other Special Education										
Support services:										
Tuition	6,266,150	4,697,912	4,015,981	3,585,012	2,583,902	2,423,489	2,627,104	2,572,465	2,936,393	2,747,159
Student & Instruction Related Services	15,004,755	17,549,487	22,618,275	23,070,331	26,533,976	28,507,168	33,274,760	32,243,803	30,835,965	28,629,194
School Administrative Services	6,818,701	7,158,663	7,071,530	6,916,828	7,732,506	8,390,585	8,951,584	9,438,744	8,712,715	8,326,837
General and Business Administrative Services	9,199,308	8,520,361	6,142,549	6,655,280	7,562,626	8,653,111	9,509,700	9,798,590	9,196,495	9,371,226
Plant Operations and Maintenance	14,971,472	11,495,597	11,686,068	13,791,457	14,699,178	15,438,680	17,248,552	18,667,797	18,695,399	18,656,056
Pupil Transportation	8,899,046	7,556,037	7,564,324	7,492,952	7,687,318	8,370,455	9,725,990	10,386,458	11,101,169	9,895,612
Special Schools	94,766	1,146,507	1,215,974	1,721,288	2,036,054	2,253,335	2,354,479	2,610,331	2,701,322	14,840
Charter Schools*	721,423	4,492,314	4,014,883	4,183,089	3,832,985	3,380,983	3,272,398	3,079,180	3,085,432	2,817,287
Interest and other charges	4,680,945	14,912,168	14,771,566	15,634,621	16,592,727	17,970,277	19,046,637	203,904,933	192,103,187	190,343,767
Total governmental activities	140,229,411	141,912,168	147,771,566	151,634,621	168,592,727	179,970,277	199,046,637	203,904,933	192,103,187	190,343,767
<b>Business-type activities:</b>										
Food service	2,557,856	2,545,286	2,590,808	2,566,676	2,734,647	2,680,389	2,954,130	3,010,856	3,222,140	2,688,518
ETTC Program	295,590	245,245	1,888,113	1,855,711	2,163,566	2,447,648	2,641,014	2,833,842	2,815,848	2,830,324
Community Programs	1,730,275	1,724,445					234,894	327,386	429,023	230,051
Facilities Rentals**										
Total business-type activities expense	4,583,699	4,514,976	4,479,921	4,422,387	4,918,213	5,128,537	5,810,038	6,172,064	6,467,011	5,748,893
Total district expenses	144,793,110	146,427,144	152,250,487	156,057,008	173,510,940	185,098,814	204,856,675	210,076,999	198,572,198	196,092,660
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services										
Instruction	162,291	311,066	346,709	306,837	338,579	475,978	868,256	1,042,113	895,102	699,894
Operating grants and contributions	6,395,117	3,392,303	3,361,312	2,815,490	3,267,971	3,610,352	3,477,402	3,439,319	3,533,693	3,484,760
Capital grants and contributions							1,676,240	226,053		
Total governmental activities program revenues	6,557,408	3,703,359	3,908,021	3,122,327	3,626,550	4,086,330	6,021,898	4,707,485	4,428,795	4,184,654
<b>Business-type activities:</b>										
Charges for services										
Food service	1,935,376	2,006,262	1,940,913	1,895,886	1,936,567	1,981,236	2,089,646	2,102,393	2,349,304	1,597,544
ETTC Program	420,712	284,852	2,398,119	2,689,454	2,979,625	3,109,991	2,963,049	3,383,839	3,621,566	2,409,690
Community Programs	2,036,964	2,030,834					601,910	728,881	923,997	356,301
Facilities Rentals**							911,506	1,017,532	1,083,113	1,045,955
Operating grants and contributions	579,205	649,303	732,776	784,488	795,844	857,304	868,256	868,256	868,256	868,256
Total business-type activities program revenues	4,972,257	4,971,241	5,071,808	5,269,828	5,710,036	5,948,531	6,566,111	7,232,645	7,877,880	5,409,460
Total district program revenues	11,529,665	8,674,600	8,979,829	8,492,155	9,336,586	10,034,861	12,588,009	11,940,130	12,306,775	9,594,114
<b>Net (Expense) / Revenue</b>										
Governmental activities	(133,672,003)	(138,208,809)	(143,863,545)	(148,512,294)	(164,966,177)	(175,883,947)	(193,024,739)	(199,197,450)	(187,676,392)	(186,159,113)
Business-type activities	408,538	456,265	592,887	947,441	791,823	819,994	754,073	1,410,969	1,410,969	(339,403)
Total government-wide net expense	(133,263,465)	(137,752,544)	(143,270,658)	(147,564,853)	(164,174,354)	(175,063,953)	(192,268,666)	(198,156,869)	(186,265,423)	(186,498,516)

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

(accrual basis of accounting)  
Unaudited

	Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 106,788,787	\$ 108,271,965	\$ 110,437,402	\$ 113,246,150	\$ 116,518,219	\$ 119,532,427	\$ 121,923,975	\$ 124,769,255	\$ 127,264,640	\$ 129,809,932
Taxes levied for debt service	8,602,137	8,406,922	8,583,979	8,122,565	7,698,287	8,406,666	8,254,263	7,655,421	7,371,542	6,695,984
Grants and contributions	22,057,827	28,239,227	31,696,765	30,310,681	46,511,588	51,579,165	65,367,501	72,722,934	60,150,455	53,988,819
Investment earnings	32,816	20,548	20,548	14,985	13,327	17,294	18,216	64,177	488,517	774,264
Miscellaneous income	1,744,262	5,570,134	647,814	479,648	588,893	638,028	601,196	1,575,749	369,672	210,547
Transfers	424,553	(14,964)	100,000	200,000	400,000	500,000	768,466	904,278	1,288,255	1,914,735
Total governmental activities	139,650,382	150,483,282	151,246,508	152,374,029	171,750,314	180,673,680	197,132,717	207,689,814	196,932,881	191,473,546
Business-type activities:										
Investment earnings	1,156	876	875	955	1,062	1,160	1,831	6,812	47,978	80,371
Miscellaneous	(400,000)	(27,353)	64,634	(200,000)	(400,000)	(500,000)	(768,466)	(904,278)	(1,288,255)	
Transfers	(398,344)	(267,781)	(100,000)	(199,045)	(598,938)	(498,840)	(766,635)	(894,518)	(1,240,277)	80,371
Total business-type activities										
Special items										
Total government-wide	139,251,538	150,189,024	151,212,017	152,174,984	171,331,376	180,174,840	196,366,082	206,795,296	195,692,604	191,655,917
Change in Net Position	5,978,379	12,274,473	7,382,963	3,861,735	6,764,137	4,789,733	4,107,978	8,492,364	9,256,489	5,416,433
Governmental activities	9,714	162,007	558,396	748,396	392,885	321,154	(10,562)	166,063	170,692	(259,032)
Business-type activities	(5,988,095)	(12,506,480)	(7,941,359)	(4,610,131)	(7,157,022)	(3,110,837)	(4,097,416)	(8,658,427)	(9,427,181)	(5,157,401)
Total district										

Source: CAFR Schedules A-2 and District records

GASB 65 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 Facilities Rentals Fund was included with the Community Programs Fund prior to the 2017 fiscal year.

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

(modified accrual basis of accounting)  
Unaudited

	June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund</b>										
Restricted for										
Capital projects fund	\$ 7,002,885	\$ 8,562,302	\$ 13,013,648	\$ 11,481,907	\$ 14,201,020	\$ 15,583,672	\$ 15,274,268	\$ 18,555,206	\$ 17,391,140	\$ 17,468,674
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	3,013,885	3,434,722
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	2,350,912	2,359,257
Total general fund	\$ 11,208,005	\$ 17,506,934	\$ 16,776,297	\$ 18,313,342	\$ 21,140,175	\$ 19,375,116	\$ 20,531,991	\$ 23,427,694	\$ 22,755,957	\$ 23,262,653
<b>All Other Governmental Funds</b>										
Restricted for:										
Capital projects fund	\$ 16,639,816	\$ 6,275,902	\$ 1,525,699	\$ 2,329,198	\$ 4,499,305	\$ 1,919,155	\$ 1,110,369	\$ 792,329	\$ 7,158,718	\$ 1,335,302
Debt service fund	108,444	95,024	296,665	289,419	7	9,663	37,073	89,193	22,122	112,462
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	1,070,500	4,811,632
Total all other governmental funds	\$ 17,086,904	\$ 6,462,146	\$ 6,698,115	\$ 6,490,614	\$ 11,483,978	\$ 4,848,835	\$ 4,460,537	\$ 7,208,506	\$ 8,251,140	\$ 6,259,396

Source: CAFR Schedule B-1 and District records.



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

(modified accrual basis of accounting)  
Unaudited

	Year ended June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Tax Levy	\$ 115,990,924	\$ 116,678,885	\$ 118,821,381	\$ 121,368,715	\$ 124,216,506	\$ 127,959,093	\$ 130,177,538	\$ 132,424,676	\$ 134,635,982	\$ 136,505,916
Tuition Charges	162,291	311,056	346,709	306,837	558,579	475,978	868,256	1,042,115	895,102	699,894
Miscellaneous	3,595,341	601,337	914,806	694,541	818,651	843,537	765,753	774,623	1,322,176	1,314,724
State Sources	24,595,645	27,776,837	31,715,955	30,290,748	52,775,965	56,100,049	37,042,942	40,010,830	43,261,558	44,872,508
Federal Sources	3,857,299	3,452,938	3,210,294	2,655,515	2,952,861	3,275,464	3,115,588	3,076,939	3,135,976	3,177,071
Total revenue	147,601,400	148,822,075	155,009,195	155,296,356	161,105,560	168,633,921	171,967,847	177,329,181	183,248,794	186,568,113
<b>Expenditures</b>										
Instruction	43,154,050	42,612,785	42,875,279	42,251,154	42,609,345	43,161,359	43,480,565	44,932,487	44,555,848	46,205,968
Regular Instruction	9,628,531	9,695,591	11,729,002	12,641,912	13,625,208	14,241,889	13,824,988	13,907,405	14,492,335	15,012,585
Special Education Instruction	3,165,198	3,357,954	3,502,369	3,408,525	3,505,574	3,579,677	3,955,738	4,020,042	4,105,261	4,194,618
Other Instruction	4,656,149	4,697,912	4,015,981	3,585,912	2,383,902	2,423,489	2,627,104	2,532,463	2,956,393	2,747,159
Tuition	11,152,274	11,775,157	16,238,531	16,556,932	17,091,007	17,091,007	19,461,012	18,483,757	19,086,322	18,257,127
Student and Instruction Related Services	4,721,103	4,929,749	4,809,718	4,679,406	4,679,531	4,869,160	4,760,481	5,001,742	5,005,151	4,968,962
School Administration Services	6,835,673	6,837,269	4,430,189	4,832,209	5,089,572	5,717,736	5,860,112	6,071,897	5,975,496	6,315,430
Business Administration Services	11,167,779	10,846,462	10,704,702	11,355,943	11,496,169	11,341,729	12,138,367	13,167,655	13,840,485	13,739,620
Plant Operations and maintenance	6,972,249	6,727,402	7,179,167	6,564,578	6,579,452	7,066,950	8,023,212	8,378,475	9,203,154	8,149,213
Pupil transportation	29,689,813	30,928,665	34,005,911	33,440,636	34,833,557	38,216,421	39,076,214	40,118,595	44,981,048	47,712,010
Employee Benefits	70,417	1,146,507	1,215,974	1,721,288	2,056,054	2,253,355	2,354,479	2,610,351	2,701,522	2,728,152
Special Schools	721,423	16,229,966	12,406,577	4,562,211	12,547,621	15,196,326	10,016,035	7,182,391	12,618,881	20,727,505
Charter Schools	4,240,233	4,292,974	4,517,976	6,675,699	6,942,671	8,893,503	9,369,352	10,038,849	10,660,960	9,562,340
Capital Outlay	4,743,426	4,554,572	4,401,548	3,880,821	3,695,700	5,384,654	3,287,354	3,054,263	2,627,429	2,627,429
Debt Service:										
Principal										
Interest and other charges										
Costs of issuance										
Total expenditures	150,054,369	158,652,945	162,072,924	156,256,326	167,335,363	178,394,123	178,224,313	179,350,350	193,140,408	202,863,990
Excess (Deficiency) of revenues over (under) expenditures	(2,452,969)	(9,810,872)	(7,063,729)	(959,970)	(6,229,803)	(9,760,202)	(6,256,666)	(2,221,169)	(9,891,614)	(16,296,877)
<b>Other financing sources (uses)</b>										
Capital leases			6,106,500	2,089,513	7,850,000	860,000	6,200,000	6,900,000		14,600,000
Lease purchase issuance										
Insurance recoveries - Memorial School										
Memorial School fire loss	(76,740)									
Refunding bonds issued			60,560,000						8,135,000	10,355,000
Premium on bonds issued			5,832,318						839,236	1,799,535
Payment to refunding bond escrow agent			(66,075,091)							(12,045,704)
Insurance proceeds			45,334							
Non-Federal Cost Share Reimb. Program proceeds			100,000	2,728,534	3,771,596	500,000	14,761	1,753,874	1,331,724	70,827
Transfers in	438,200	(72,027)		(2,528,534)	(3,371,596)		768,466	(789,053)	(65,469)	(70,827)
Transfers Out	(15,647)	5,700,705	6,549,061	2,289,513	14,050,000	1,360,000	7,025,245	7,864,341	10,282,491	14,710,849
Total other financing sources (uses)	347,313	(4,110,169)	(494,668)	1,329,543	7,820,197	(8,400,202)	768,577	5,645,672	370,877	(1,485,028)
Special item:										100,000
SDA settlement										
Net change in fund balances	\$ (2,085,156)	\$ (9,810,872)	\$ (7,063,729)	\$ (959,970)	\$ (6,229,803)	\$ (9,760,202)	\$ (6,256,666)	\$ (2,221,169)	\$ (9,891,614)	\$ (16,296,877)
Debt service as a percentage of noncapital expenditures	6.38%	6.21%	5.96%	6.96%	6.87%	7.65%	7.74%	7.73%	7.50%	6.29%

Note: Noncapital expenditures are total expenditures less capital outlay.

Source: CAFR Schedule B-2

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
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
2019	445,048	895,102		587,457	1,927,607
2020	703,437	699,894		344,942	1,748,273

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 %	Assessed True Value
2011	\$ 14,084,400	\$ 1,517,338,100	\$ 2,846,900	\$ 509,543,500	\$ 93,318,800	\$ 24,317,200	\$ 1,961,448,900	\$ 3,036,266	\$ 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	12,613,800	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	2,191,500	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	85,421,100	19,733,100	1,893,809,750	2,077,187	1,897,886,937	6.80	26.22	7,230,393,690
2017	14,646,500	1,492,830,200	2,471,500	286,380,850	84,933,800	19,733,100	1,900,993,750	2,031,934	1,903,027,684	6.90	25.34	7,501,956,393
2018	14,381,900	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	24.56	7,793,050,287
2019	13,884,700	1,502,220,000	2,394,300	281,921,250	83,170,400	19,723,100	1,903,313,750	2,227,252	1,905,541,002	7.12	25.03	7,604,130,044
2020	15,528,800	1,508,031,500	2,392,700	275,828,650	78,054,500	19,983,300	1,899,819,450	2,321,589	1,902,140,839	7.25	24.82	7,652,042,909

Source: District records, Abstract of Revenues, Table of Aggregates & Municipal Tax Assessor

Note: Real property is required to be assessed at same 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 Telephone, 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	
2011	\$ 5.474	\$ 0.433	\$ 5.907	\$ 1.843	\$ 1.208	\$ 0.020	\$ 9.097
2012	5.655	0.434	6.089	1.811	1.255	0.019	9.290
2013	5.877	0.434	6.311	1.842	1.316	0.019	9.600
2014	6.071	0.418	6.489	1.948	1.391	0.019	9.961
2015	6.228	0.425	6.653	2.009	1.385	0.019	10.179
2016	6.362	0.439	6.801	2.139	1.358	0.020	10.431
2017	6.482	0.418	6.900	2.211	1.406	0.019	10.651
2018	6.631	0.395	7.026	2.218	1.447	0.019	10.829
2019	6.746	0.369	7.115	2.300	1.463	0.019	11.020
2020	6.895	0.351	7.246	2.307	1.437	0.020	11.130

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	2020				2011			
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		Taxable Assessed Value	Rank	% of Total District Net Assessed Value	
Brunswick Square Mall	\$ 23,608,600	1	1.24%		\$ 30,266,800	1	1.54%	
Mid State Mall	15,460,000	2	0.81%		15,460,000	2	0.79%	
Tower II	12,500,000	3	0.66%		12,580,000	3	0.64%	
Tower I	10,000,000	4	0.53%		12,374,400	4	0.63%	
East Brunswick UE, LLC	9,500,000	5	0.50%					
Wyndmoor Apartments	9,375,000	6	0.49%		9,038,400	6	0.46%	
L.P.E. Partners	7,813,800	7	0.41%		9,000,000	7	0.46%	
Summerhill Square LLC	7,377,100	8	0.39%					
JP Taylor, LLC	6,500,100	9	0.34%					
East Coast Cranbury Crossing	6,324,000	10	0.33%					
East Brunswick VF, LLC					9,500,000	5	0.48%	
Toll JMEB, LLC					8,093,000	9	0.41%	
Hilton Hotel					5,032,000	10	0.26%	
CVEB					8,456,600	8	0.43%	
<b>Total</b>	<b>\$ 108,458,600</b>			<b>5.70%</b>	<b>\$ 119,801,200</b>		<b>6.10%</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	
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%	
2019	134,635,982	134,635,982	100.00%	
2020	136,503,916	136,503,916	100.00%	

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

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

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

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

Unaudited

Fiscal Year Ended June 30,	Governmental Activities						Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Unamortized Premium on Bonds	Capital Leases	Lease Purchase Obligations					
2011	\$ 94,636,000		\$ 4,713,955	\$ 10,756,832	\$ 110,106,787	*	\$ 2,312		
2012	91,626,000		2,674,110	9,473,858	103,773,968	*	2,170		
2013	90,085,000	\$ 5,647,165	5,726,746	8,135,882	109,594,793	*	2,291		
2014	86,775,000	5,369,436	5,845,897	6,740,545	104,730,878	*	2,186		
2015	83,465,000	5,091,707	11,518,383	11,085,388	111,160,478	*	2,316		
2016	79,585,000	4,813,978	8,882,423	9,567,845	102,849,246	*	2,146		
2017	75,780,000	4,536,249	6,210,437	13,025,242	99,551,928	*	2,078		
2018	71,660,000	4,258,520	3,599,203	16,567,789	96,085,512	*	2,010		
2019	75,715,000	4,785,059	1,836,245	11,749,787	94,086,091	*	1,976		
2020	70,140,000	6,193,377	177,792	22,740,000	99,251,169	*	**		

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.

\*\* Information for the noted year not available

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

Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions <sup>c</sup>	Net General Bonded Debt Outstanding		
2011	\$ 94,636,000	\$ 108,444	\$ 94,527,556	4.82%	\$ 1,985
2012	91,626,000	95,024	91,530,976	4.74%	1,914
2013	90,085,000	296,665	89,788,335	4.72%	1,877
2014	86,775,000	289,419	86,485,581	4.57%	1,805
2015	83,465,000	7	83,464,993	4.41%	1,739
2016	79,585,000	9,663	79,575,337	4.20%	1,660
2017	75,780,000	37,073	75,742,927	3.98%	1,581
2018	71,660,000	89,193	71,570,807	3.77%	1,497
2019	75,715,000	4,807,181	70,907,819	3.73%	1,489
2020	70,140,000	6,305,839	63,834,161	3.36%	*

**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.

\* Information for the noted year not available



East Brunswick Public Schools  
Ratios of Overlapping Governmental Activities Debt  
As of June 30, 2020

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 12/31/19)	\$ 118,222,322	100.000%	\$ 118,222,322
<b>Other debt</b>			
Middlesex County as of 12/31/19	454,074,693	6.558%	29,777,232
Middlesex County Utility Authority as of 12/31/19	90,423,513	3.742%	3,383,354
Subtotal, overlapping debt			151,382,908
<b>East Brunswick Public Schools Direct Debt</b>			74,024,018
<b>Total direct and overlapping debt</b>			\$ 225,406,926

**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 2020

Equalized valuation basis

2020	\$ 7,652,042,909
2019	7,604,150,044
2018	7,793,050,287
	<u>[A] \$ 23,049,223,240</u>

Average equalized valuation of taxable property [A]5] \$ 7,683,074,413

Debt limit (4 % of average equalization value) [C] \$ 307,322,977

Net bonded school debt [B-C] \$ 74,024,018

Legal debt margin [B-C] \$ 233,298,959

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 326,309,991	\$ 318,290,884	\$ 306,089,007	\$ 292,555,065	\$ 287,017,317	\$ 287,399,422	\$ 291,184,484	\$ 300,338,698	\$ 305,321,823	\$ 307,322,977
Total net debt applicable to limit *	98,632,480	95,622,430	99,431,980	95,851,497	92,553,180	88,385,795	84,275,656	79,825,807	79,685,538	74,024,018
Legal debt margin	\$ 227,677,511	\$ 222,668,454	\$ 206,657,027	\$ 196,703,568	\$ 194,464,137	\$ 199,013,627	\$ 206,908,828	\$ 220,512,891	\$ 225,636,285	\$ 233,298,959

Total net debt applicable to the limit as a percentage of debt limit	30.23%	30.04%	32.48%	32.76%	32.25%	30.75%	28.94%	29.36%	26.10%	24.09%
--	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

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
2011	47,618	-	\$ 50,969	7.2%
2012	47,827	-	53,435	7.4%
2013	47,844	-	52,471	6.4%
2014	47,908	-	53,955	5.0%
2015	48,005	-	54,971	4.2%
2016	47,937	-	56,526	3.7%
2017	47,915	-	58,172	3.5%
2018	47,800	-	61,065	3.1%
2019	47,611	-	*	2.60%
2020	*	-	*	*

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	2020 *			2011 *		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Robert Wood Johnson University Hospital	5,000 - 5,249	1	0.00%	5,000 - 5,249	1	0.00%
Novo Nordisk	4,500 - 4,579	2	0.00%	2,750 - 2,999	3	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	6	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	4	0.00%
Silverline Building Products	2,250 - 2,299	7	0.00%	2,250 - 2,299	8	0.00%
Johnson & Johnson	2,000 - 2,249	8	0.00%	2,000 - 2,249	9	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%
Telcorrida Technology				2,500 - 2,749	7	0.00%
Abel HR Services				2,000 - 2,500	10	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

Function/Program	2011*	2012*	2013*	2014*	2015	2016	2017*	2018	2019	2020
Instruction	529.7	503.7	500.2	504.7	510.2	516.2	605.8	562.5	565.3	561.1
Regular	206.5	206.5	216.5	224.5	230.5	238.5	268.3	257.1	268.7	264.0
Special education										
Support Services:										
Student & instruction related services	201.2	198.2	199.7	204.2	205.7	206.7	214.3	235.0	246.5	225.9
General administrative services	7.9	7.9	7.9	7.9	7.9	7.9	7.9	9.0	8.5	6.5
School administrative services	60.6	60.6	60.6	60.6	60.6	60.6	56.4	57.2	55.7	53.8
Business administrative services	22.9	22.9	22.9	22.9	22.9	23.9	25.7	25.7	24.1	26.0
Information Technology	18.0	18.0	19.0	19.0	19.0	19.0	20.0	21.0	22.0	22.0
Plant operations and maintenance	152.8	152.8	157.8	157.8	157.8	157.8	144.5	121.0	130.0	151.1
Pupil transportation	37.3	37.3	37.3	37.3	37.3	37.3	39.5	45.1	46.3	43.9
Food Service	36.4	38.6	36.4	42.0	37.8	40.1	34.3	37.9	32.9	34.3
Adult and Community Programs	5.2	5.1	6.6	5.5	6.2	6.2	6.4	6.7	7.3	6.4
JMPAC	-	-	-	-	-	-	0.9	0.9	1.1	1.1
ETTC	2.0	2.0	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,280.5</b>	<b>1,233.6</b>	<b>1,264.9</b>	<b>1,286.3</b>	<b>1,295.9</b>	<b>1,314.2</b>	<b>1,424.0</b>	<b>1,379.0</b>	<b>1,408.4</b>	<b>1,396.1</b>

\* 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				
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	140,745,823	16,716	5.99%	672	11.1	10.0	11.0	12.0	8,212.82	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	17,165	2.62%	690	11.8	11.0	12.0	13.0	8,261.29	7,904.34	-0.11%	95.68%
2016	8,259	150,719,640	18,249	6.33%	717	10.4	10.0	11.0	12.0	8,107.92	7,769.14	-1.86%	95.82%
2017	8,089	155,551,572	19,230	5.37%	722	10.4	10.0	11.0	12.0	7,993.63	7,647.36	-1.41%	95.67%
2018	8,167	159,224,847	19,497	1.39%	723	10.1	11.0	11.0	12.0	8,048.68	7,654.10	0.69%	95.10%
2019	8,381	166,896,984	19,914	2.14%	724	10.6	10.0	11.0	12.0	8,301.65	7,900.57	3.14%	95.17%
2020	8,403	170,039,967	20,237	1.62%	734.5	10.5	12.0	11.0	12.0	8,217.80	7,958.95	-1.01%	96.83%

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

	2011	2012	2013	2014 *	2015	2016	2017	2018	2019	2020
<b>District Building</b>										
<b>Elementary</b>										
Bowne-Munro (1952)										
Square Feet	32,015	32,015	32,015	32,738	32,738	32,738	32,738	32,738	32,738	32,738
Capacity (students)	242	242	242	270	270	270	270	270	270	270
Enrollment	256	238	237	213	215	205	209	224	219	250
Central (1949)										
Square Feet	73,266	73,266	73,266	78,283	78,283	78,283	78,283	78,283	78,283	78,283
Capacity (students)	552	552	552	532	532	532	532	532	532	532
Enrollment	428	424	407	426	438	418	416	399	414	433
Chinick (1969)										
Square Feet	49,127	49,127	49,127	52,241	52,241	52,241	52,241	53,058	53,058	53,058
Capacity (students)	383	383	383	550	550	550	550	550	550	550
Enrollment	494	515	462	453	417	397	414	437	500	509
Frost (1965)										
Square Feet	49,971	49,971	49,971	52,230	52,230	52,230	52,230	52,545	52,545	52,545
Capacity (students)	438	438	438	455	455	455	455	455	455	455
Enrollment	491	457	429	423	427	442	444	463	472	450
Irwin (1957)										
Square Feet	43,033	43,033	43,033	43,279	43,279	43,279	43,279	43,986	43,986	43,986
Capacity (students)	376	376	376	478	478	478	478	478	478	478
Enrollment	409	417	459	459	468	464	440	449	473	429
Lawrence Brook (1959)										
Square Feet	67,267	67,267	67,267	77,218	77,218	77,218	77,218	77,218	77,218	77,218
Capacity (students)	532	532	532	520	520	520	520	520	520	520
Enrollment	524	513	432	426	405	406	446	439	451	422
Memorial (2012)										
Square Feet	30,759	30,759	78,000	82,821	82,821	82,821	82,821	82,821	82,821	82,821
Capacity (students)	446	446	650	565	565	565	565	565	565	565
Enrollment	348	337	489	499	507	494	493	537	570	541
Wamsdorfer (1968)										
Square Feet	49,971	49,971	49,971	55,708	55,708	55,708	55,708	55,708	55,708	55,708
Capacity (students)	479	479	479	488	488	488	488	488	488	488
Enrollment	461	429	415	443	476	472	462	461	449	478
<b>Total Elementary Schools</b>										
Square Feet	395,409	395,409	442,650	474,518	474,518	474,518	474,518	476,357	476,357	476,357
Capacity (students)	3,448	3,448	3,652	3,858	3,858	3,858	3,858	3,858	3,858	3,858
Enrollment	3,411	3,330	3,330	3,342	3,355	3,298	3,324	3,409	3,548	3,512

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

	2011	2012	2013	2014*	2015	2016	2017	2018	2019	2020
Unaudited										
<b>Middle School</b>										
Hammarckjold (2009)										
Square Feet	254,580	254,580	254,580	271,520	271,520	271,520	271,520	271,520	271,520	271,520
Capacity (students)	1,288	1,288	1,288	1,518	1,518	1,518	1,518	1,518	1,518	1,518
Enrollment	1,388	1,298	1,323	1,357	1,311	1,294	1,212	1,197	1,280	1,343
<b>Junior High School</b>										
Churchill Jr. High (1962)										
Square Feet	205,549	205,549	205,549	260,332	260,332	260,332	260,332	260,332	260,332	260,332
Capacity (students)	1,325	1,325	1,325	1,432	1,432	1,432	1,432	1,432	1,432	1,432
Enrollment	1,469	1,462	1,415	1,315	1,372	1,374	1,336	1,320	1,273	1,269
<b>High School</b>										
East Brunswick High (1958)										
Square Feet	257,727	257,727	257,727	360,422	360,422	360,422	360,422	360,422	360,422	360,422
Capacity (students)	1,582	1,582	1,582	2,724	2,724	2,724	2,724	2,724	2,724	2,724
Enrollment	2,234	2,208	2,186	2,225	2,165	2,101	2,055	2,052	2,082	2,066
<b>Other</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	29,614	29,614

Number of Schools at June 30, 2020

- 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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>School Facilities</b>										
East Brunswick High School	\$ 560,420	\$ 541,155	\$ 423,026	\$ 568,229	\$ 459,471	\$ 415,952	\$ 418,330	\$ 350,196	\$ 363,539	\$ 357,072
Churchill Junior High School	416,052	342,511	281,798	268,147	329,563	300,543	302,159	287,404	295,625	273,595
Hammarskjold School	383,963	359,302	293,000	277,384	348,852	313,353	315,145	339,632	351,406	323,944
Bowne-Mumro School	49,128	49,203	40,076	33,445	41,444	37,782	37,998	42,023	42,089	40,757
Central School	121,223	110,613	88,024	81,914	100,193	90,344	90,861	96,169	97,621	93,848
Irwin School	68,511	69,173	58,937	46,594	54,788	49,947	50,232	56,485	57,479	57,905
Lawrence Brook School	129,693	123,090	91,806	78,886	97,753	89,115	89,625	88,295	90,433	84,485
Memorial School	115,232	111,569	86,970	105,652	105,581	95,581	96,128	105,383	43,033	39,151
Chittick School	85,357	89,491	76,794	53,369	66,134	60,290	60,634	64,484	67,793	65,862
Frost School	113,646	67,116	56,698	53,358	66,120	60,277	60,622	65,592	65,695	62,304
Wamsdorfer School	112,729	75,125	61,597	57,086	70,523	64,291	64,659	65,592	65,695	62,504
<b>Total School Facilities</b>	<b>2,155,954</b>	<b>1,938,348</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>Other Facilities</b>										
Administration	37,398	31,291	25,050	30,647	37,976	34,622	34,819	39,378	39,440	37,051
Support Operations	36,917	30,890	24,726	30,254	-	-	-	-	-	-
<b>Total Other Facilities</b>	<b>74,315</b>	<b>62,181</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>Grand Total</b>	<b>\$ 2,230,269</b>	<b>\$ 2,000,529</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>

Source: M1

East Brunswick Public Schools  
Insurance Schedule  
Year Ended June 30, 2020

Unaudited

	Coverage	Deductible
<u>MULTI-PERIL PACKAGE POLICY</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG POLICY NO. P-135AK ANNUAL PREMIUM: \$543,685		
<u>Section II - Commercial General Liability</u>		
Bodily Injury, Property Damage and Personal Injury	\$ 31,000,000	
Medical Expense	10,000	
Aggregate Child Molestation/Sexual Abuse	31,000,000	
Employee Benefits Legal Liability	31,000,000	
<u>Section III - Crime</u>		
Money and Securities	50,000	\$ 500
Employee Dishonesty	1,000,000	1,000
Depositors Forgery	1,000,000	1,000
Computer Fraud	1,000,000	1,000
<u>SCHOOL BOARD LEGAL</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG POLICY NO. E-135AJ ANNUAL PREMIUM: \$214,477		
Wrongful Acts Liability - Each Occurrence	31,000,000	15,000
Annual Aggregate	31,000,000	
<u>CATASTROPHIC POLICY</u>		
FIREMAN'S FUND POLICY NO. SHX0004948655 ANNUAL PREMIUM: \$40,256		
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	406,884,976	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	406,884,976	10,000
Energy Systems - Extra Expense	10,000,000	10,000

East Brunswick Public Schools  
Insurance Schedule  
Year Ended June 30, 2020

Unaudited

	Coverage	Deductible
<u>AUTOMOBILE POLICY AND GARAGE KEEPERS</u>		
INCLUDED IN MULTI-PERIL PACKAGE POLICY BY EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG		
Bodily Injury and Property Damage	\$ 31,000,000	
Uninsured Motorist Coverage	1,000,000	
Comprehensive	Replacement	\$ 1,000
Collision	Replacement	1,000
 Beazley POLICY NO. WIBE82190401 ANNUAL PREMIUM: \$21,315		
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-135AK ESTIMATED DEPOSIT PREMIUM: \$810,133		
A. Worker's Compensation Insurance Under New Jersey State Laws		
B. Employer's Liability		
Bodily Injury - Each Accident	3,000,000	
Bodily Injury By Disease - Each Employee	3,000,000	
 CHUBB INSURANCE POLICY NO. 64775774 (99071588) ANNUAL PREMIUM: \$39,213		
Supplemental Coverage:		
Reimbursement of Salary - Max Weekly Benefit		1,750
 <u>PRIMARY UMBRELLA</u>		
INCLUDED IN MULTI-PERIL PACKAGE POLICY BY EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG		

East Brunswick Public Schools  
Insurance Schedule  
Year Ended June 30, 2020

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>STUDENT ACCIDENT INSURANCE</u>		
BOLLINGER		
POLICY NO. MCB5859349		
ANNUAL PREMIUM: \$83,740	\$ 5,000,000	
Supplemental to primary family policy - full excess		
 <u>BONDS</u>		
SELECTIVE INSURANCE		
POLICY NO. B1005007		
ANNUAL PREMIUM: \$2,100		
Bernardo J. Giuliani, Business Administrator / Board Secretary		750,000

Source: District Records

## Single Audit Section



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

Independent Auditors' Report

Honorable President and Members  
of the Board of Education  
East Brunswick Public Schools  
East Brunswick, New Jersey  
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, 2020, 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 4, 2021.

**Internal Control Over Financial Reporting**

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

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

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.

**WISS & COMPANY, LLP**

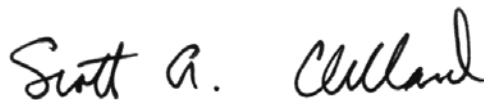
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## Compliance and Other Matters

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

## Purpose of this Report

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



Scott A. Clelland  
Licensed Public School Accountant  
No. 1049



WISS & COMPANY, LLP

February 4, 2021  
Florham Park, 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, 2020. 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. 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, 2020.

### **Report on Internal Control Over Compliance**

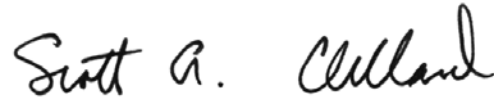
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the 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 4, 2021  
Florham Park, New Jersey

East Brunswick Public Schools  
Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

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 From To	Balance at June 30, 2019	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2020	
												(Accounts Receivable)	Unearned Revenue
<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	2005N55MAP	N/A	\$ 131,445	7/1/2019	6/30/2020		\$ 131,445	(131,445)				
Total U.S. Department of Health and Human Services - Passed-Through State Department of Education								131,445	(131,445)				
Total General Fund								131,445	(131,445)				
<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 - 19/20	84-010A	S010A190030	N/A	727,501	7/1/2019	9/30/2020		\$36,254	(648,075)	(572)	\$	(112,395)	
Title I, Part A - 18/19	84-010A	S010A180030	N/A	692,394	7/1/2018	6/30/2019	\$ (106,539)	106,539					
Title II, Part A - 19/20	84-367A	S367A190029	N/A	202,937	7/1/2019	9/30/2020		84,526	(190,898)			(106,572)	
Title II, Part A - 18/19	84-367A	S367A180029	N/A	209,919	7/1/2018	6/30/2019	(94,307)	94,807					
Title III - 19/20	84-365A	S365A190030	N/A	61,542	7/1/2019	9/30/2020		44,718	(47,738)			(3,020)	
Title III - 18/19	84-365A	S365A180030	N/A	66,466	7/1/2018	6/30/2019	(4,778)	4,778					
Title III Immigrant - 19/20	84-365	S365A190030	N/A	29,864	7/1/2019	9/30/2020		16,614	(16,840)			(226)	
Title III Immigrant - 18/19	84-365	S365A180030	N/A	25,973	7/1/2018	6/30/2019	(1,664)	1,664					
Title IV, Part A - 19/20	84-424	S424A190031	N/A	38,451	7/1/2019	9/30/2020		24,109	(37,142)			(13,033)	
Title IV, Part A - 18/19	84-424	S424A180031	N/A	39,214	7/1/2018	6/30/2019	(607)	607					
Special Education Grant Cluster:													
IDEA Part B, Basic Regular 19/20	84-027A	H027A190100	N/A	1,915,825	7/1/2019	9/30/2020		1,411,007	(1,910,747)			(499,740)	
IDEA Part B, Basic Regular 18/19	84-027A	H027A180100	N/A	1,868,141	7/1/2018	6/30/2019	(506,321)	506,321					
IDEA Preschool - 19/20	84-173	H173A190114	N/A	65,984	7/1/2019	9/30/2020		6,229	(41,954)			(35,705)	
IDEA Preschool - 18/19	84-173	H173A180114	N/A	64,506	7/1/2018	6/30/2019	(63,250)	63,250					
Total of Special Education Grant Cluster								1,986,807	(1,952,681)			(53,445)	
Adult Basic Education	84-002A	N/A	N/A	196,000	7/1/2019	6/30/2020		81,381	(151,680)	(8)		(70,307)	
Adult Basic Education	84-002A	N/A	N/A	190,000	7/1/2018	6/30/2019	(87,277)	87,277					
Total Special Revenue Fund and U.S. Department of Education - Passed-Through State Department of Education								3,069,681	(3,045,051)	(580)		(840,996)	

East Brunswick Public Schools

Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title Department of Agriculture	Federal CFDA Number	Federal Award Identification Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June at June 30, 2019	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2020	
													(Accounts Receivable)	Due to Grantor
<b>Enterprise Fund:</b>														
<b>Child Nutrition Cluster:</b>														
National School Lunch Program	10.555	20INJ304N1099	N/A	\$ 638,468	7/1/2019	6/30/2020			\$ 564,048	\$ (638,468)			\$ (74,420)	
National School Lunch Program	10.555	19INJ304N1099	N/A	695,235	7/1/2018	6/30/2019	\$ (132,285)		132,285					
COVID-19 - Unanticipated School Closures 2019-20	10.555	20INJ304N1099	N/A	62,229	7/1/2019	6/30/2020			62,229	(62,229)				
<b>School Breakfast Program</b>														
School Breakfast Program	10.553	20INJ304N1099	N/A	131,326	7/1/2019	6/30/2020			91,549	(131,326)			(39,777)	
School Breakfast Program	10.553	19INJ304N1099	N/A	111,697	7/1/2018	6/30/2019	(24,932)		24,932	(53,292)				
COVID-19 - Unanticipated School Closures 2019-20	10.553	20INJ304N1099	N/A	33,292	7/1/2019	6/30/2020			33,292					
<b>Food Donation Program (NC)</b>														
Food Donation Program (NC)	10.555	20INJ304N1099	N/A	157,896	7/1/2019	6/30/2020	181		157,896	(157,896)				
Food Donation Program (NC)	10.555	19INJ304N1099	N/A	202,664	7/1/2018	6/30/2019	(157,936)		1,066,231	(1,023,292)			(114,197)	
<b>Total Enterprise Fund and Total U.S. Department of Agriculture-- Pass-Through State Department of Agriculture and Child Nutrition Cluster</b>														
<b>U.S. Department of Labor--Passed-Through State Department of Labor and Workforce Development</b>														
Unemployment Compensation Trust Fund:									86,669	(86,669)				
COVID-19 CARES ACT - Unemployment Relief	17.000	Not Available	N/A		4/1/2020	6/30/2020			86,669	(86,669)				
Total Trust Fund and Total U.S. Department of Labor-- Passed-Through State Department of Labor and Workforce Development									\$ 4,354,026	\$ (4,286,560)	\$ (580)		\$ (955,193)	\$ -
<b>Total Federal Financial Awards Expenditures</b>														
<b>NC - non-cash expenditures</b>														

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, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period From To	Award Amount		Balance June 30, 2019		Carryover/Walkover	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2020		Memo
			Unearned Revenue	(Accounts Receivable)	Unearned Revenue	(Accounts Receivable)							
State Department of Education													
General Fund:													
Equalization Aid	20-495-034-5120-078	7/1/2019	12,789,929	\$	12,789,929			(12,789,929)					(12,789,929)
Equalization Aid	19-495-034-5120-078	7/1/2018	11,777,848				1,138,568						
Special Education Categorical Aid	20-495-034-5120-089	7/1/2019	5,355,986	\$	(1,138,568)			(5,355,986)					(5,355,986)
Special Education Categorical Aid	19-495-034-5120-089	7/1/2018	5,355,986		(519,529)		519,529						
Transportation Aid	20-495-034-5120-014	7/1/2019	1,491,445		(144,670)		1,346,423						
Transportation Aid	19-495-034-5120-014	7/1/2018	1,491,445		(17,112)		17,112						
Security Aid	20-495-034-5120-084	7/1/2019	176,418		(28,710)		28,710						
Security Aid	19-495-034-5120-084	7/1/2018	176,418		(1,608,698)		1,608,698						
Nonpublic School Transportation Aid	20-495-034-5120-014	7/1/2019	1,776,348		(13,362,088)		13,362,088						
Nonpublic School Transportation Aid	19-495-034-5120-014	7/1/2018	1,776,348		(4,597,090)		4,597,090						
Extraordinary Aid	20-495-034-5120-044	7/1/2019	1,608,698		12,309		12,309						
Extraordinary Aid	19-495-034-5120-044	7/1/2018	1,608,698		4,729,734		4,729,734						
On-Behalf TPAF - Pension Contribution	20-495-034-5094-002	7/1/2019	4,957,090		(343,679)		343,679						
On-Behalf TPAF - Post-Retirement Medical	20-495-034-5094-004	7/1/2019	12,309		(3,800,966)			(44,656,028)					
On-Behalf TPAF - Long-Term Disability Insurance	20-495-034-5094-003	7/1/2019	4,729,734										
TPAF Social Security Reimbursements	19-495-034-5094-003	7/1/2018	4,661,390										
TPAF Social Security Reimbursements	19-495-034-5094-003	7/1/2018	4,661,390										
<b>Total General Fund</b>													
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Auxiliary Services:													
English as a Second Language	20-100-034-5120-067	7/1/2019	6,618				278	(2,482)					(2,482)
English as a Second Language	19-100-034-5120-067	7/1/2018	9,490				56,783	(55,161)					(55,161)
Complementary Education	20-100-034-5120-067	7/1/2019	78,681				78,681	(92)					(92)
Complementary Education	19-100-034-5120-067	7/1/2018	392				392	(8,408)					(8,408)
Home Instruction	20-100-034-5120-067	7/1/2019	8,408				8,408						
Transportation	20-100-034-5120-068	7/1/2019	18,618				18,618	(18,618)					(18,618)
Supplemental Instruction	20-100-034-5120-066	7/1/2019	22,618				22,618						
Supplemental Instruction	19-100-034-5120-066	7/1/2018	25,598				25,598	(13,384)					(13,384)
Examination and Classification	20-100-034-5120-066	7/1/2019	32,458				32,458	(12,760)					(12,760)
Examination and Classification	19-100-034-5120-066	7/1/2018	32,458				32,458	(21,533)					(21,533)
Corrective Speech	20-100-034-5120-066	7/1/2019	21,664				21,664	(21,533)					(21,533)
Corrective Speech	19-100-034-5120-064	7/1/2018	21,664				21,664	(38,654)					(38,654)
Textbook Aid	20-100-034-5120-064	7/1/2019	39,867				39,867						
Textbook Aid	19-100-034-5120-070	7/1/2018	40,449				40,449	(14,796)					(14,796)
Nursing Services	20-100-034-5120-070	7/1/2019	14,940				14,940	(57,631)					(57,631)
Nursing Services	19-100-034-5120-073	7/1/2018	61,350				61,350						
Technology Services	20-100-034-5120-069	7/1/2019	61,350				61,350						
Technology Services	19-100-034-5120-069	7/1/2018	61,990				61,990						
Security													
Security													
<b>Total Special Revenue Fund</b>													

East Brunswick Public Schools

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2020

State Grant/Program Title	Grant or State Project Number	Grant Period From To	Award Amount	Balance June 30, 2019		Carryover/Walkover	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2020		Cumulative Total Expenditures
				Unearned Revenue	(Accounts Receivable)					Unearned Revenue	(Accounts Receivable)	
<b>State Department of Education</b>												
<b>Capital Projects Fund:</b>												
Memorial School Renovation	SP-1170-120-09-00AZ	12/01/2009	4,278,320	\$	(211,926)					\$	(211,926)	\$ (4,238,520)
Chittick HVAC and Electrical Upgrades	1170-125-14-G1VF	10/23/2014	795,614		(39,781)						(39,781)	(795,614)
Irwin HVAC and Electrical Upgrades	1170-090-14-G1VD	10/23/2014	847,361		(42,373)						(42,373)	(847,361)
<b>Total Capital Projects Fund</b>					(294,080)						(294,080)	(5,881,395)
<b>Debt Service Fund:</b>												
Debt Service Aid	20-495-034-5104-075	7/1/2019	79,594				79,594					(79,594)
<b>Total Debt Service Fund</b>							79,594					(79,594)
<b>Enterprise Fund:</b>												
State School Lunch Program	20-100-010-3350-023	7/1/2019	22,563				14,172				(8,391)	(22,563)
State School Lunch Program	19-100-010-3350-023	7/1/2018	29,615		(5,835)		5,835					(22,563)
<b>Total Enterprise Fund</b>					(5,835)		20,007				(8,391)	(22,563)
<b>Total Expenditures of State Financial Assistance</b>				\$ -	(4,100,881)	\$ 29,420	\$ 45,114,687	(45,001,801)	\$ (29,420)	\$ -	(2,098,317)	\$ (50,881,395)
<b>State Financial Assistance Not Subject to Single Audit Determination:</b>												
On-Behalf TPAF - Pension Contribution	495-034-5094-002	7/1/2019	13,362,088				13,362,088					(13,362,088)
On-Behalf TPAF - Post-Retirement Medical	495-034-5094-001	7/1/2019	4,957,090				4,957,090					(4,957,090)
On-Behalf TPAF - Long-Term Disability Insurance	495-034-5094-004	7/1/2019	12,309				12,309					(12,309)
<b>Total State Financial Assistance Subject to Single Audit Determination</b>							26,735,200				(29,420)	(32,351,909)
<b>Total Expenditures of Federal awards and state financial assistance are an integral part of this statement.</b>				\$ -	(4,100,881)	\$ 29,420	\$ 45,114,687	(45,001,801)	\$ (29,420)	\$ -	(2,098,317)	\$ (50,881,395)

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, 2020

#### **1. General**

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal award and state financial assistance activity under programs of the federal and state government for the year ended June 30, 2020. The District is defined in Note 1 to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedules of expenditures of federal awards and state financial assistance.

#### **2. Basis of Presentation**

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

#### **3. Relationship to Basic Financial Statements**

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

East Brunswick Public Schools

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

Year ended June 30, 2020

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$106,730 for the general fund and \$11,133 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	\$ 131,445	\$44,549,298	\$44,680,743
Special Revenue Fund	3,045,626	243,616	3,289,242
Debt Service Fund		79,594	79,594
Enterprise Fund – Food Service	1,023,392	22,563	1,045,955
Unemployment Compensation Trust Fund	86,669		86,669
Total financial award revenues	<u>\$ 4,287,132</u>	<u>\$44,895,071</u>	<u>\$49,182,203</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.



East Brunswick Public Schools

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

Year ended June 30, 2020

**5. Other**

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions, respectively. TPAF Social Security Contributions represent the amounts reimbursed by the State for the employer's share of Social Security for TPAF members for the year ended June 30, 2020.

The post retirement pension medical benefits and long-term disability received on-behalf of the District for the year ended June 30, 2020 amounted to \$18,331,487. Since on-behalf post retirement pension medical and other long-term disability benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

**6. Indirect Costs**

The District charged indirect costs of \$10,376 to the Food Service Enterprise Fund. The District did not elect to use the 10% de minimis indirect cost rate allowed by the Uniform Guidance for any other grants.

East Brunswick Public Schools  
Schedule of Findings and Questioned Costs

Year ended June 30, 2020

**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
84.027	H027A190100	(Special Education Cluster)
		IDEA Part B, Basic
84.173	H173A190114	IDEA Preschool

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, 2020

**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? \_\_\_\_\_ Yes  X  No

Identification of major state programs:

<u>GMIS/Program Number</u>	<u>Name of State Program or Cluster</u>
495-034-5094-003	Reimbursed TPAF Social Security
495-034-5120-044	Extraordinary Aid

Dollar threshold used to distinguish between Type A and Type B programs: \_\_\_\_\_ \$800,109

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

East Brunswick Public Schools  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2020

**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, 2020

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

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

East Brunswick Public Schools  
Summary Schedule of Prior Year Audit Findings  
Year ended June 30, 2020

No prior year findings were noted.