

EAST BRUNSWICK PUBLIC SCHOOLS



Excellence in Academics, Athletics, and the Arts

*Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2019*

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, 2019

Prepared by

Bernardo Giuliana

East Brunswick Public Schools
Department of Financial Services

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Introductory Section

East Brunswick Public Schools

760 Route 18
East Brunswick, New Jersey 08816

December 17, 2019

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

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

The Comprehensive Annual Financial Report for the East Brunswick School District (District) for the fiscal year ended June 30, 2019 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter (designed to complement Management's Discussion and Analysis and should be read in conjunction with it), the District's organizational chart and a list of principal officials. The financial section includes the independent auditor's report, management's discussion and analysis, the basic financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis and is unaudited. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, Title 2 U.S. Code of Federal Regulations (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, "*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*". Information related to this single audit, including the auditors' report on internal control over compliance and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

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

The District 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 5th
Central Elementary School	1949	K to 5th
Chittick Elementary School	1969	K to 5th
Frost Elementary School	1965	K to 5th
Irwin Elementary School	1957	K to 5th
Lawrence Brook Elementary School	1959	K to 5th
Memorial Elementary School	2012	K to 5th
Warnsdorfer Elementary School	1968	K to 5th
Hammarskjold Middle School	2009	6th & 7th
Churchill Junior High School	1962	8th & 9th
East Brunswick High School	1958	10th to 12th

The District completed fiscal year 2018-2019 with an average daily enrollment of 8,302 students, or 253 students more than the previous year's enrollment. This increase, while spread across grade levels and school buildings, is greater Bowne-Munro Elementary School's entire enrollment. The following details the changes in the District's student enrollment over the last five years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	
	<u>Student Enrollment</u>	<u>Percent Change</u>
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%)
2014-2015	8,261.0	(0.11%)

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 2018-2019, 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>
<i>Actual Enrollment</i>					
<i>2018-2019</i>	<i>3,545</i>	<i>1,280</i>	<i>1,279</i>	<i>2,080</i>	<i>8,184</i>

<i>Baseline Projections</i>					
<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>
<i>2023-2024 Increase Over 2018-2019</i>	<i>319</i>	<i>117</i>	<i>93</i>	<i>-12</i>	<i>517</i>

<i>Projections Adjusted for Housing Growth</i>					
<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>
<i>2023-2024 Increase Over 2018-2019</i>	<i>417</i>	<i>147</i>	<i>120</i>	<i>34</i>	<i>718</i>

At the elementary school level, the District enrollment is projected to increase the equivalent of an entire elementary school. Meanwhile, the District's eight elementary school facilities are already strained. For September 2019, to make room for elementary regular education and special education programs, the Early Learning Academy was relocated out of the elementary schools to Hammarskjold Middle School and provided limited relief. Burgeoning class sizes continue to push on maximum thresholds, and an ever-increasing special needs population

requires classrooms that simply do not exist to accommodate any additional programs necessary for those children. In short, the District is facing an elementary school crisis insofar as classroom availability is concerned.

The Board has been actively discussing potential resolutions to accommodate a growing enrollment. For the near term, temporary classroom units are in the planning stage for budgeting and implementation in the 2020-2021 school year.

Additionally, 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 ten years, the charter school's existence has required the cumulative appropriation of \$22,084,142 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 2020, the local funding share is 82.4% of the District's fiscal year 2020 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 decreased 0.18% to 25,999 in 2018 from 26,466 in 2017, as reported by the New Jersey Department of Labor and Workforce Development. The employment rate for 2018 was 96.9% as compared with 96.5% in 2017, and the unemployment rate for 2018 decreased to 3.1% from 3.5% in 2017.

Economic data provided by the Township of East Brunswick indicates that the construction value of building permits issued for new units, additions and remodeling as of September 30, 2019 totaled \$81,539,138. The construction value and permits issued for the entire 2018 calendar year respectively totaled \$67,959,964 and 2,804, respectively, as compared to \$65,078,071 and 3,168 for the 2017 calendar year. This represents a decrease of 364 permits and an increase in construction value of \$2,881,893.

Certificates of occupancy (COs) issued for new residential units were reported to be 45 for the calendar year 2018, as compared with 22 for the calendar year 2017.

For the second straight year, there was an uptick in the demand for new housing as has increased 105.6% from 2017 to 2018 in comparison to last year. (Between 2016 and 2017, the demand increased by 46.6%.) In addition, re-sale housing in East Brunswick continues to be reflective of the ongoing desire of individuals to establish their residency where the excellent public schools are the primary factor in that decision. While the number of construction permit issuances declined by 11.5% in 2018, the related construction values increased by 4.4%, both of which are indicative of the continuing investment being made in East Brunswick's residential and commercial properties.

East Brunswick's employment and unemployment rates reflect a 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.

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, the District commenced an Energy Savings Improvement Program (ESIP) whereby facility improvements would 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, phone system upgrade, and energy savings improvements (including building management systems, lighting).

Central Elementary School: 21st Century classroom upgrades, security improvements, technology lab renovation, window replacements, carbon monoxide detectors, phone system upgrade, and energy savings improvements (including building management systems, lighting, solar panel system).

Chittick Elementary School: 21st Century classroom upgrades, security improvements, water main replacement, window and exterior door replacements, multi-purpose room and kitchen renovations, perimeter fencing, fire alarm system replacement, HVAC upgrades to corridors, carbon monoxide detectors, retaining wall, sidewalk replacements, and energy savings improvements (including building management systems, lighting).

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

East Brunswick High School: 21st Century classroom upgrades, security improvements, air conditioning second-floor classrooms, backup-generator improvements, carbon monoxide detectors, roof-top unit replacements, sidewalk replacements, and energy savings improvements (including building management systems, lighting).

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

Hammarskjold Middle School: security improvements, sidewalk replacements, phone system upgrade, roof-top unit replacements, carbon monoxide detectors, and energy savings improvements (including building management systems, lighting).

Irwin Elementary School: security improvements, phone system upgrade, multi-purpose room and kitchen renovations, fire alarm system replacement, HVAC upgrades to corridors, technology lab renovations, carbon monoxide detectors, and energy savings improvements (including building management systems, lighting).

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

Memorial Elementary School: 21st Century classroom upgrades, security improvements, emergency generator to support the facility as a shelter, carbon monoxide detectors, and energy savings improvements (including building management systems, lighting, solar panel system).

Warnsdorfer Elementary School: 21st Century classroom upgrades, security improvements, technology lab renovation, fire alarm replacement, roof replacement, roof-top unit replacements, parking expansion and traffic flow improvements, window and exterior door replacements, HVAC upgrades to corridors, carbon monoxide detectors, and energy savings improvements (including building management systems, lighting).

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

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

Finally, technology has a significant role in instruction and is integrated throughout the District's operations. Once seen as a "frill", technology has become an absolute necessity upon which there is heavy reliance to continually achieve success in District operations and instruction. In 2019-2020, the District realized a successful implementation of a learning management system (LMS) supporting teaching and learning in grades eight through 12, which included a one-to-one initiative assigning individual laptop computers to each student in grades ten through 12. Looking ahead to the 2021 fiscal year, the one-to-one computer initiative will be expanded to students in grades eight and nine. 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. Certainly, as we come to a close of the 21st Century's first decade, we are obligated to ensuring technology is reliable and readily available to support student learning and the District's "business" operations.

Five 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.

Four 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, 2019.

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, 2018. 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 sixth 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 2018-2019 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, 2018. This was the fourth 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.

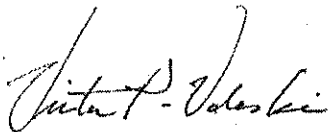
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Programs' requirements and we are submitting it to the GFOA to determine its eligibility for the fiscal year 2018-2019 certificate.

- C) **Continued Excellence in Academics, Athletics and the Arts** - During the 2018-2019 school year, the District continued to advance its reputation for excellence through a variety of accomplishments and achievements. See the accomplishments and achievements section for a number of those successes.

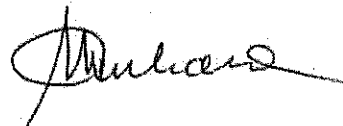
8. ACKNOWLEDGMENTS:

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

Respectfully submitted,



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



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

East Brunswick Public Schools
Accomplishments and Achievements

Year ended June 30, 2019

The District is proud to report the many successes and accomplishments that our students have achieved. The 2018-2019 school year achievements are listed below:

For Excellence in Academics...

- East Brunswick is the only district in the state to have 11 Blue Ribbon Schools. The schools are: Bowne-Munro, Central, Chittick, Frost, Irwin, Lawrence Brook, Memorial and Warnsdorfer Elementary Schools, Hammarskjold Middle School, Churchill Junior High School and East Brunswick High School.
- Over 95% of graduates going on to college.
- 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 9th 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 - 944 College Level Courses amassing 2838 College Credits
- Ten EBHS students were *National Merit Scholarship Finalists*
- Fifteen EBHS seniors graduated with *Highest Honors*
- Fifty-Three *National Merit Scholarship* commended students
- East Brunswick High School welcomed 139 new members into the *National Honor Society*.
- 346 *Presidential Awards for Academic Excellence*
- One EBHS senior was selected as an Academic All Star by MyCentralJersey.com
- One EBHS senior was selected to the Naval Reserves Officer Training Corps Marine Corps Scholarship
- Two CJHS students placed 1st in the NJ Literacy Association Writing Contest
- World Language Honor Societies Inductees:
 - French Honor Society – 36 students
 - Spanish Honor Society – 49 students
 - Italian Honor Society – 35 students
 - German Honor Society – 22 students

For Excellence in Academics - continued

- One hundred and sixty-nine EBHS students earned the distinction of the *New Jersey State Seal of Biliteracy*.
 - Qualifiers NJ Seal of Biliteracy:
 - Arabic – 11 students
 - Chinese – 3 students
 - French – 48 students
 - German – 6 students
 - Italian – 6 students
 - Korean – 2 students
 - Russian – 3 students
 - Spanish – 90 students
 - Four of the above students also earned a second NJ Seal of Biliteracy in an additional language
 - One student - Arabic and Spanish
 - One student - Hebrew and Spanish
 - One student - Polish and German
 - One student - French and Spanish
- Two EBHS juniors were selected to attend the *2019 NJ Governor School of Engineering & Technology*
- Two EBHS juniors were selected to attend the *2019 New Jersey Governor's School in the Sciences at Drew University*
- Twenty-six East Brunswick High School students participated in the nationally recognized *Rutgers Waksman Scholars Program* and have had their research published on the *National Center for Biotechnology Information (NCBI) database*
- In the FBLA State Leadership Competition:
 - One EBHS student placed first in *Impromptu Speaking*
 - One EBHS student placed first in *Coding and Programming*
 - Three EBHS students placed first in *Broadcast Journalist*
 - One EBHS student placed second in *Future Business Leader*
 - Two EBHS students placed second in *Hospitality Management*
 - Three EBHS students placed second in *Banking and Financial Systems*
 - Three EBHS students placed second in *Public Service Announcement*
 - Thirteen additional EBHS students placed in the top 5 in their categories.
- The EBHS Math Honor Society Mu Alpha Theta inducted 66 members.
- The EBHS IPLE team, also known as the Institute for Political and Legal Education, placed 1st in the state again for the 32nd time in 33 years in the *We the People: The Citizen and the Constitution Competition*. Thirty-five EBHS seniors were a part of the IPLE team.

For Excellence in Athletics . . .

- One EBHS wrestler was awarded Most Outstanding Wrestler at the District 20 Wrestling Tournament
- One CJHS Athlete placed 2nd in the GMC All Around Gymnastics

For Excellence in Athletics - continued

- One CJHS Athlete won the 2018 Title of Vault for the GMC Division
- One CJHS Athlete won the Greater Middlesex County Championship as an individual
- One EBHS Athlete achieved 100 career points in Girls Lacrosse
- One EBHS Athlete achieved 200 career saves in Girls Lacrosse
- One EBHS Athlete was selected NJ Sportszone Player of the week
- One EBHS Athlete was honored as the East Brunswick Representative for The National Women's Day in sports
- One EBHS Athlete achieved 1000th career point in basketball
- One EBHS Athlete was the GMC champion in the Pole Vault.
- JV and Varsity Cheerleading placed first in a Competition at Woodbridge High School.
- Red Division Championships
 - Girls Soccer
 - Boys Tennis
- GMC Championships
 - Girls Soccer
 - Boys Soccer
 - Boys Winter Track-Relays
 - Boys Golf
- Sectional Champions
 - Girls Bowling
 - Pole Vault Relay Team
 - Boys Soccer
 - 32 Student Athletes committed to playing their sport in college

For Excellence in the Arts...

- Congratulations to student musicians selected for *Honors, Regional and All State Ensembles*:
 - 2019 CJMEA Intermediate Region Choir (13)
 - 2019 CJMEA Intermediate Chamber Orchestra (1)
 - 2019 CJMEA Intermediate String Orchestra (3)
 - 2019 CJMEA Intermediate Band (2)
 - 2019 CJMEA Intermediate Orchestra (12)
 - 2019 CJMEA High School Region II Honor Choir (12)
 - 2019 CJMEA High School Region II Symphonic Band (1)
 - 2019 CJMEA High School Region II Orchestra (15)
 - 2019 CJMEA High School Wind Ensemble (1)
 - 2019 CJMEA High School Symphonic Band (1)
 - 2019 CJMEA High School Orchestra (4)
 - 2019 NJMEA All-State Symphonic Band (1)
 - 2019 NJMEA All-State Wind Ensemble (3)
 - 2019 NJMEA All-State Orchestra (8)
- EBHS welcomed 49 new members to the *Tri-M National Music Honor Society*. There are currently 73 students at EBHS with this recognition.

For Excellence in the Arts - continued

- One EBHS student placed first in the *New Jersey Music Educators Association Young Composer Composition Contest*
- The EBHS Drama Club's *Music Man* and *Tempest* performed to a packed house and were met with rave reviews
- 2019 – Best Community for Music Education (4th consecutive year)
- HMS Artwork displayed at the Rutgers University Art Library
- One HMS Student was awarded the Art Educator of New Jersey Student Artist Award
- CJHS Advanced Orchestra performed at the NJMEA All-State Convention in February
- EBHS Jazz Band placed in the top 10 in the state at the NJ All State Jazz Festival

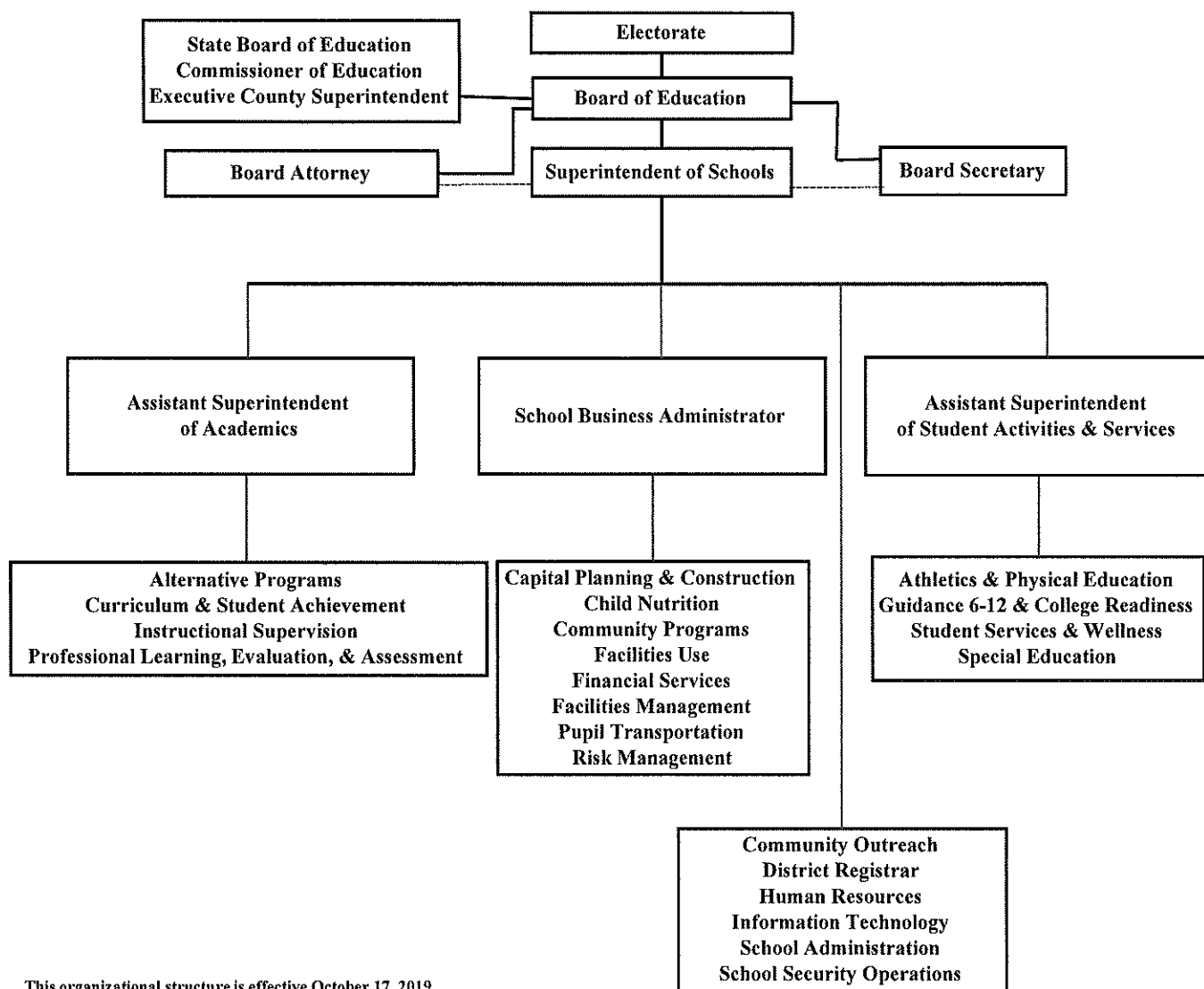
Staff Accomplishments...

- Information Technology Secretary Florence Taliercio, was named Middlesex County ESP (Educational Support Professional) of the Year by the MCEA (Middlesex County Educations Association) and New Jersey ESP by the NJEA
- One EBHS Biology Teacher had an article published in the National Science Teacher's Association monthly journal, *Learning Molecular Biology Through Storytelling*.
- *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 sixth 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 (GFAO)* to the East Brunswick Public Schools for the fourth consecutive year.

For Excellence in Service to the Community...

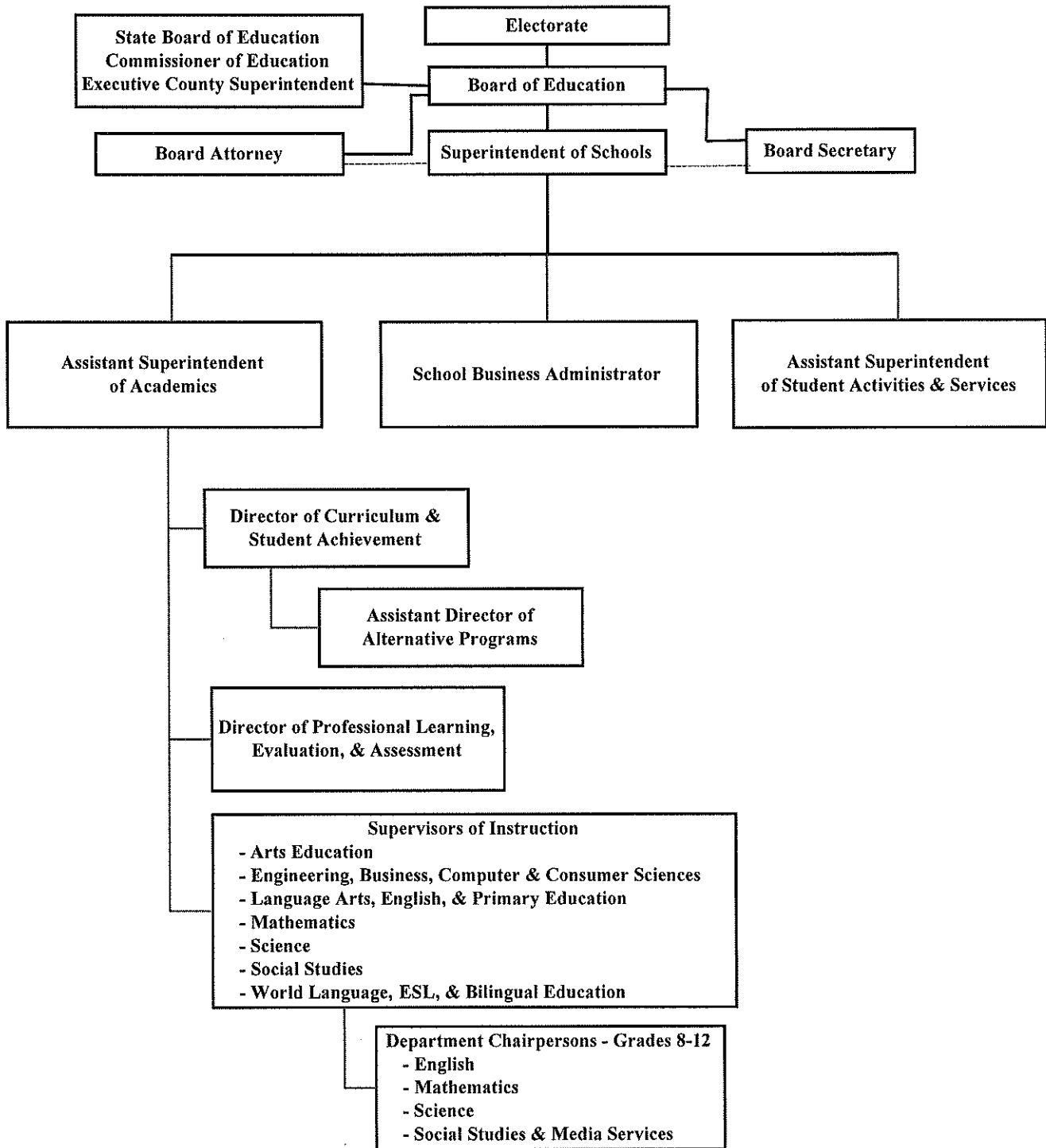
- District Staff collected \$2,935 for Breast Cancer Research and Pediatric Cancer Research for the *Rutgers University Foundation*
- District Staff collected \$2,295 for Families Against Addiction Inc.
- District Staff collected \$2,806 for Autism Awareness
- District Staff celebrated National Go Red 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 \$3,210 to benefit cancer research.
- In honor of Veterans Day, and to support Wreaths Across America, the Churchill Junior High School students, parents, and staff raised almost \$4,000. This generous donation resulted in the placement of more than 400 wreaths!
- East Brunswick Public Schools collected 12,050 lbs. of donations for the Middlesex County Food Organization and Outreach Distribution Services also known as M.C. FOODS for the 2018-2019 school year.

East Brunswick Public Schools
 Organizational Chart
 June 30, 2019



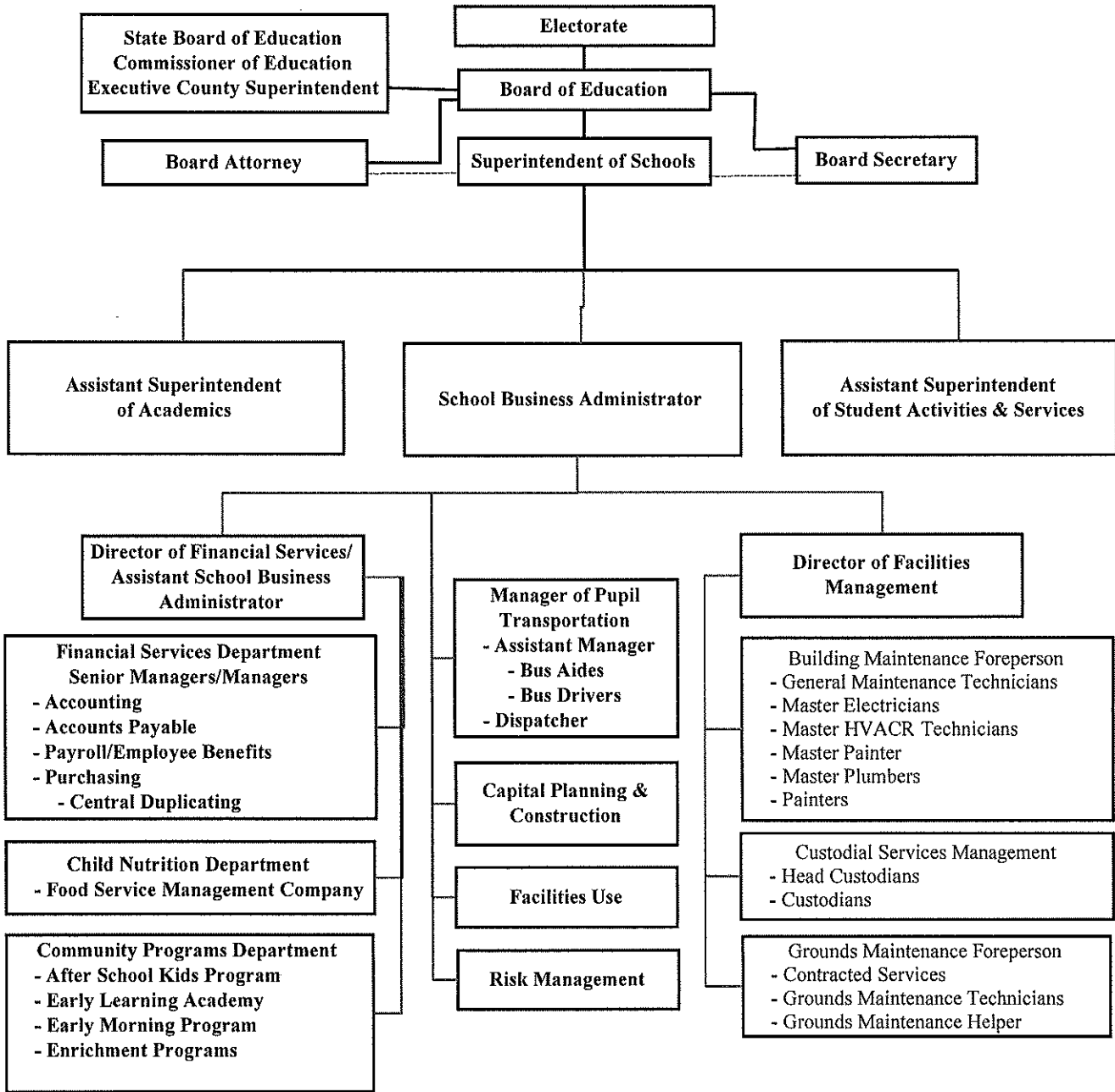
This organizational structure is effective October 17, 2019.

Refer to position job descriptions for additional details.



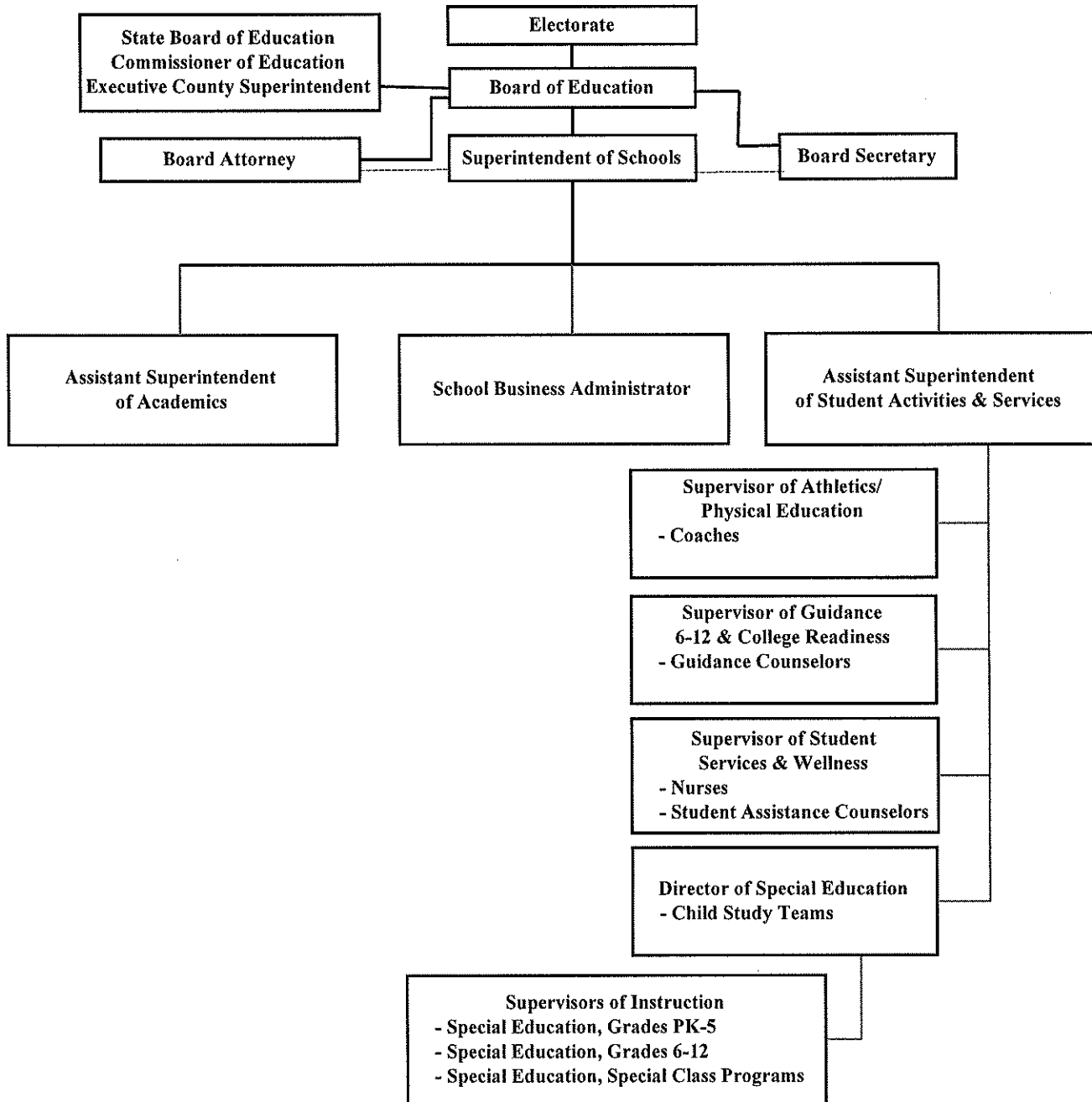
This organizational structure is effective October 17, 2019.

Refer to position job descriptions for additional details.



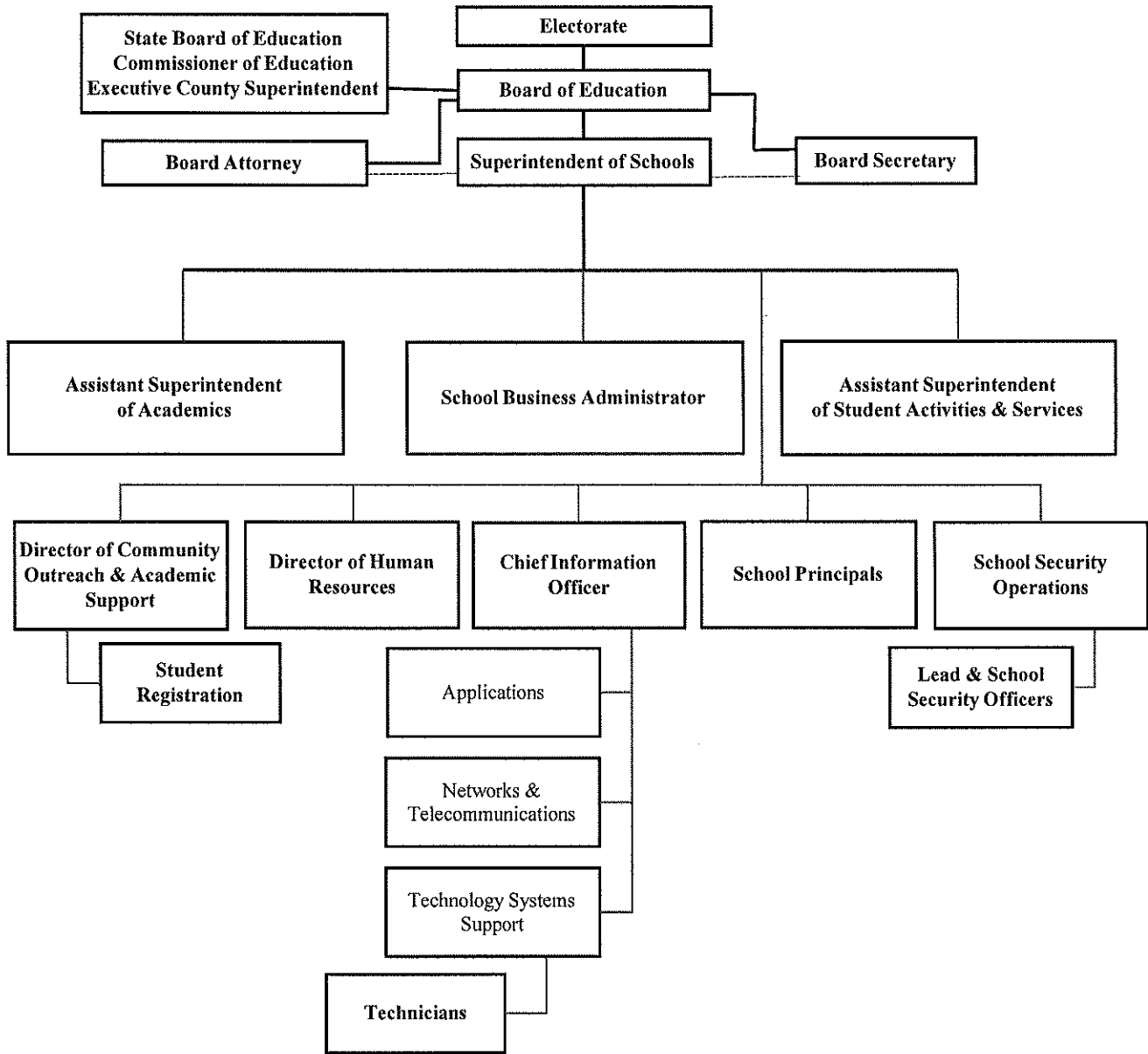
This organizational structure is effective October 17, 2019.

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, 2019

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Vicki Becker, President	2021
Laurie Lachs, Vice President.	2020
Susanna Chiu.....	2020
Mark Csizmar.....	2019
Liwu Hong.	2019
Barbara Reiss.....	2021
Chad Seyler.....	2019
Todd Simmens	2020
Jeffrey Winston.....	2021

Other Officials

Victor Valeski, Ed.D., Superintendent

Bernardo Giuliana, SFO, School Business Administrator/Board Secretary

Louis Figueroa, 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
354 Eisenhower Parkway
Livingston, New Jersey 07039

Insurance Broker

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

Official Depository

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



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

East Brunswick Public Schools

for its **Comprehensive Annual Financial Report (CAFR)**
for the **Fiscal Year Ended June 30, 2018.**

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



A handwritten signature in black ink, appearing to read 'Tom Wohlleber'.

Tom Wohlleber, CSRM
President

A handwritten signature in black ink, appearing to read 'David J. Lewis'.

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, 2018

Christopher P. Morill

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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information such as the combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

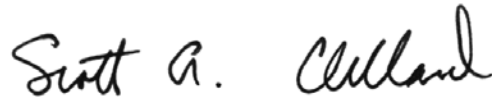
The combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Scott A. Clelland

Licensed Public School Accountant

No. 1049



WISS & COMPANY, LLP

December 17, 2019
Livingston, New Jersey

Required Supplementary Information
Part I

Management's Discussion and Analysis

East Brunswick Public Schools

Management's Discussion and Analysis Year Ended June 30, 2019

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, 2019. 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 37 -38 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 39-41 of this report.

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

The basic proprietary fund financial statements can be found on pages 42 - 44 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 45 - 46 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 47 - 88 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 89 - 131 of this report.

Financial Highlights

Key financial highlights for 2018-2019 are as follows:

In total, net position at June 30, 2019 was \$129,498,796 which represents a 5.3% increase from 2018. This is primarily due to principal payments on long-term debt in the amount of \$4,080,000, and the decrease in the net pension liability, net of related deferrals, of \$7,253,696.

Governmental activities general revenues and transfers accounted for \$196,932,881 in revenue or 97.8% of all governmental activities revenue and transfers. Program specific revenue in the form of charges for services and operating grants and contributions accounted for \$4,428,795 or 2.2% of total governmental activities revenues and transfers of \$201,361,676.

Among major funds, the General Fund had \$171,951,365 in revenues and \$173,954,846 in expenditures. The General Fund's fund balance is \$22,755,937 as of June 30, 2019, a decrease of \$671,757 from the June 30, 2018 balance.

Notification was received that the two June 2019 state aid payments to the district in the total amount of \$1,819,879 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 2019 fiscal year resulting in the recording of revenue and expense in the amount of \$12,283,044 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, 2019 and 2018:

	Net Position					
	June 30, 2019			June 30, 2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 42,429,225	\$ 3,797,676	\$ 46,226,901	\$ 39,397,831	\$ 3,429,526	\$ 42,827,357
Capital assets, net	231,696,263	490,034	232,186,297	226,902,593	603,838	227,506,431
Total assets	274,125,488	4,287,710	278,413,198	266,300,424	4,033,364	270,333,788
Deferred outflows of resources	14,247,410		14,247,410	18,338,053		18,338,053
Liabilities:						
Current liabilities	23,018,432	1,133,758	24,152,190	20,764,662	1,040,636	21,805,298
Net pension liability	37,920,580		37,920,580	45,174,276		45,174,276
Long-term liabilities	87,328,612	120,636	87,449,248	88,499,405	130,104	88,629,509
Total liabilities	148,267,624	1,254,394	149,522,018	154,438,343	1,170,740	155,609,083
Deferred inflow of resources	13,679,399		13,679,399	10,030,748		10,030,748
Net position:						
Net investment in capital assets	150,002,200	490,034	150,492,234	142,447,803	502,498	142,950,301
Restricted	18,170,297		18,170,297	19,147,535		19,147,535
Unrestricted (deficit)	(41,746,622)	2,543,282	(39,203,340)	(41,425,952)	2,360,126	(39,065,826)
Total net position	\$126,425,875	\$3,033,316	\$129,459,191	\$120,169,386	\$2,862,624	\$123,032,010

Current and other assets increased in large part due to an increase in cash and cash equivalents offset by a decrease in 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 decreased as result of principal payments made in the total amount of \$10,660,960 for bonds payable, capital leases and lease purchase obligations, combined, offset by new School Energy Savings Obligation Refunding Bonds of \$8,135,000 issued in the current year.

Current liabilities increased due to an increase in accounts payable of \$2,646,091 as a result of the timing when certain bills were paid as compared with the prior 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 a decrease in restricted net position of \$977,238, which resulted largely from a decrease in the capital reserve of \$964,066.

There was an overall increase of \$170,692 in net position reported in connection with the District's business-type activities. The Food Service program generated an increase in net position of \$120,322, due to continued efficiencies in the operational performance. The Community Programs program generated an increase in net position of \$833,325 prior to the \$816,319 transfer to the General Fund and the Facilities Rentals generated an increase in net position of \$505,300 prior to the \$471,936 transfer to the General Fund.

The following table provides a comparative summary of the changes in net position relating to the District's governmental and business-type activities for the years ended June 30, 2019 and 2018:

Changes in Net Position

	Year ended June 30, 2019			Year ended June 30, 2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for Services	\$ 895,102	\$ 6,794,867	\$ 7,689,969	\$ 1,042,113	\$ 6,215,113	\$ 7,257,226
Operating Grants and Contributions	3,533,693	1,083,113	4,616,806	3,439,319	1,017,532	4,456,851
General Revenues:						
Property Taxes	134,635,982		134,635,982	132,424,676		132,424,676
Grants and Entitlements	60,150,455		60,150,455	72,722,934		72,722,934
Miscellaneous	858,189	47,978	906,167	1,637,926	9,760	1,647,686
Total Revenues	200,073,421	7,925,958	207,999,379	211,266,968	7,242,405	218,509,373
Expenses:						
Instruction	107,816,283		107,816,283	115,147,569		115,147,569
Support Services	84,203,472		84,203,472	85,678,186		85,678,186
Interest and other charges	3,085,432		3,085,432	3,079,180		3,079,180
Business-type activities		6,467,011	6,467,011		6,172,064	6,172,064
Total Expenses	195,105,187	6,467,011	201,572,198	203,904,935	6,172,064	210,076,999
Change in Net Position	4,968,234	1,458,947	6,427,181	7,362,033	1,070,341	8,432,374
Transfers	1,288,255	(1,288,255)	-	904,278	(904,278)	-
Change in net position after transfers	6,256,489	170,692	6,427,181	8,266,311	166,063	8,432,374
Net Position-beginning	120,169,386	2,862,624	123,032,010	111,903,075	2,696,561	114,599,636
Net Position-ending	\$ 126,425,875	\$ 3,033,316	\$ 129,459,191	\$ 120,169,386	\$ 2,862,624	\$ 123,032,010

Governmental Activities

Property taxes made up 67% of total revenue for the fiscal year 2019. Federal, state and local grants and tuition and miscellaneous revenue accounted for the remainder. The total cost of all programs and services was \$195,105,187. Instruction accounted for 55.3% of total expenses.

Overall total revenues and expenses decreased due to the impact of GASB 75, which required the District to record state revenues and correlating expenses, which were contributions made on behalf of the District by the State for post-retirement medical benefits, of which decreased from the prior year by approximately \$7.43 million. This was offset by an increase in the current year tax levy by approximately \$2.2 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 greater than expenses by \$120,322. Charges for services, which consist of the amount paid by students and other patrons for daily food service and catering, represent 67.4% of total revenue.

Community Programs revenues exceeded expenses by \$833,325. An \$816,319 transfer to the General Fund brought the change in net position to a net increase of \$17,006.

The Facilities Rentals revenues exceeded expenses by \$505,300. A \$471,936 transfer to the General Fund brought the change in net position to a net increase of \$33,364.

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, 2019 as well as the amount and percentage of increases in relation to the prior year:

Revenue	Amount	Percent of Total	Increase from 2018	Percent of Increase
Local Sources	\$ 136,809,791	74.68%	\$ 2,568,379	1.91%
State Sources	43,261,558	23.61%	3,250,728	8.12%
Federal Sources	3,133,976	1.71%	57,037	1.85%
Total	\$ 183,205,325	100.00%	\$ 5,876,144	3.31%

The increase in local source revenue is mainly attributable to the increase in the local tax levy of \$2,211,306.

The increase in state source revenue is largely a result of an increase in the State of New Jersey’s contribution to on-behalf TPAF pension contributions in the amount of \$2,634,417.

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, 2019, 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 from 2018</u>	<u>Percent of Increase</u>
Instruction	\$ 65,854,766	34.56%	\$ 458,734	0.70%
Support services	101,042,218	53.03%	7,213,403	7.69%
Capital Outlay	10,097,930	5.30%	3,033,983	42.95%
Debt Service	13,537,647	7.11%	394,535	3.00%
Total	<u>\$ 190,532,561</u>	<u>100.00%</u>	<u>\$ 11,100,655</u>	<u>6.19%</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 increase in debt service expenditures is the result of required principal and interest payments from capital leases, lease purchase obligations and bonds payable.

General Fund

The fund balance decreased by \$671,757 during the 2018-2019 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, 2019, the District has unassigned fund balance of \$2,350,912, which represents an increase of \$43,596 from the prior year.

Special Revenue Fund

The fund balance in the Special Revenue Fund decreased by \$5,256,684 mainly as a result of the prior year \$6,900,000 lease purchase obligations issuance. No new lease purchase obligations were issued in the current year.

Capital Projects Fund

As of June 30, 2019, the District's Capital Project's Fund Balance increased by \$6,366,389 as a result of the issuance of the Energy Savings Refunding Obligations in the current year and expenditures incurred for the related projects.

Debt Service Fund

As of June 30, 2019, the District's Debt Service Fund Balance decreased by \$67,071 mainly as a result of the decrease in the local tax levy from the prior year. No new bonds were issued in the current year.

General Fund Budgetary Highlights

The District's budget is prepared according to New Jersey law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of the 2018-2019 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 2018-2019 fiscal year, the District had capital assets of \$316,574,147, 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, 2019 and 2018:

	Capital Assets			
	2019		2018	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Non-Depreciable Assets:				
Land	\$ 1,019,208		\$ 1,019,208	
Construction in Progress	18,542,256		11,124,172	
Depreciable Assets:				
Buildings and Improvements	279,864,449	\$ 700,560	277,250,047	\$ 700,560
Machinery and Equipment	15,899,604	548,070	13,826,960	524,603
Totals	\$ 315,325,517	\$ 1,248,630	\$ 303,220,387	\$ 1,225,163

Overall capital assets increased \$12,128,597 from the 2017-2018 fiscal year to the 2018-2019 fiscal year mainly due to the increase in construction attributable to the Energy Savings Improvement Plan (“ESIP”), the Irwin Elementary School new gymnasium, Chittick kitchen renovation, 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, 2019 and 2018:

	2019		2018	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Bonds payable (net)	\$ 80,451,103		\$ 75,918,520	
Net pension liability	37,920,580		45,174,276	
Obligations under capital leases	1,836,245		3,599,203	
Lease purchase obligations payable	11,749,787		16,567,789	\$ 101,340
Compensated absences	3,016,190	\$ 120,636	2,894,421	110,431
Total long-term liabilities	\$ 134,973,905	\$ 120,636	144,154,209	\$ 211,771

During fiscal year 2019, the District’s governmental-type long-term liabilities decreased by \$9,180,304. The decrease is a result of 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 Operation has provided valuable programs and services to the community while generating revenue and an annual net income. The resultant increases in retained earnings have provided an additional financial resource supporting the General Fund budget. However, there is a limit to the extent that increases can be

enjoyed. While the Community Programs Enterprise Operation will continue as a “going concern”, the amount annually transferrable to the General Fund budget has reached a leveling-off point, which will remain as such unless and until additional program sections can be instituted. Further program expansion can only occur with the availability of classroom space for which there currently is none.

During fiscal year 2018-2019, 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>
<i>Actual Enrollment</i>					
<i>2018-2019</i>	<i>3,545</i>	<i>1,280</i>	<i>1,279</i>	<i>2,080</i>	<i>8,184</i>

<i>Baseline Projections</i>					
<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>
<i>2023-2024 Increase Over 2018-2019</i>	<i>319</i>	<i>117</i>	<i>93</i>	<i>-12</i>	<i>517</i>

<i>Projections Adjusted for Housing Growth</i>					
<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>
<i>2023-2024 Increase Over 2018-2019</i>	<i>417</i>	<i>147</i>	<i>120</i>	<i>34</i>	<i>718</i>

At the elementary school level, the District enrollment is projected to increase the equivalent of an entire elementary school. Meanwhile, the District’s eight elementary school facilities are already strained. For September 2019, to make room for elementary regular education and special education programs, the Early Learning Academy was relocated out of the elementary schools to Hammarskjold Middle School and provided limited relief. Burgeoning class sizes continue to push on maximum thresholds, and an ever-increasing special needs population requires classrooms that simply do not exist to accommodate any additional programs

necessary for those children. In short, the District is facing an elementary school crisis insofar as classroom availability is concerned.

The Board has been actively discussing potential resolutions to accommodate a growing enrollment. For the near term, temporary classroom units are in the planning stage for budgeting and implementation in the 2020-2021 school year.

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.

For the fiscal year ending June 30, 2019, local property taxes provided 82.87% 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 25.03% of true value certified by the New Jersey Tax Court on October 1, 2019. The Township of East Brunswick has suffered many tax appeals where major commercial property owners have successfully appealed valuations, thus resulting in property tax reductions to those property owners. The reduction in those property tax assessments merely redistributes the burden to the remaining property taxpayers in East Brunswick. While East Brunswick residents have been supportive of their schools and appreciate the quality education that is provided to students, the Township must undergo a property revaluation if it is to stabilize the impact of property tax increases for all property taxpayers. In addition, a concerted effort must be put forth to improve the Township's business and industrial tax base, which will alleviate the residential property owners tax burden. This effort may currently be in process as the Township of East Brunswick is pursuing significant redevelopment plans, which 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 ten years, the charter school's existence has required the cumulative appropriation of \$22,084,142 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 2020, the local funding share is 82.4% of the District's fiscal year 2020 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, 2019.

East Brunswick Public Schools

Statement of Net Position

June 30, 2019

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 28,836,061	\$ 3,491,284	\$ 32,327,345
Accounts receivable	4,239,372	306,211	4,545,583
Inventory		181	181
Restricted assets:			
Cash and cash equivalents	8,691,140		8,691,140
Cash held with fiscal agent	662,652		662,652
Capital assets, non-depreciable	19,561,464		19,561,464
Capital assets, depreciable, net	212,134,799	490,034	212,624,833
Total assets	<u>274,125,488</u>	<u>4,287,710</u>	<u>278,413,198</u>
Deferred Outflows of Resources			
Deferred loss on refunding of debt	4,942,167		4,942,167
Pension deferrals	9,305,243		9,305,243
Total deferred outflows of resources	<u>14,247,410</u>		<u>14,247,410</u>
Total assets and deferred outflows of resources	<u>288,372,898</u>	<u>4,287,710</u>	<u>292,660,608</u>
Liabilities			
Accounts payable and accrued expenses	10,953,132	647,785	11,600,917
Accrued interest payable	696,293		696,293
Accrued liability for insurance claims	1,479,000		1,479,000
Intergovernmental payable	29,420		29,420
Unearned revenue	86,918	485,973	572,891
Current portion of long-term obligations	9,773,669		9,773,669
Noncurrent portion of long-term obligations	87,328,612	120,636	87,449,248
Net pension liability	37,920,580		37,920,580
Total liabilities	<u>148,267,624</u>	<u>1,254,394</u>	<u>149,522,018</u>
Deferred Inflow of Resources			
Pension deferrals	<u>13,679,399</u>		<u>13,679,399</u>
Net Position			
Net investment in capital assets	150,002,200	490,034	150,492,234
Restricted for:			
Capital Reserve	8,691,140		8,691,140
Excess Surplus	8,700,000		8,700,000
Capital Projects	779,157		779,157
Unrestricted (deficit)	<u>(41,746,622)</u>	<u>2,543,282</u>	<u>(39,203,340)</u>
Total net position	<u>\$ 126,425,875</u>	<u>\$ 3,033,316</u>	<u>\$ 129,459,191</u>

East Brunswick Public Schools

Statement of Activities

Year ended June 30, 2019

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities						
Instruction	\$ 76,533,156	\$ 895,102	\$ 961,409	\$ (74,676,645)	\$ (74,676,645)	
Regular Instruction	24,221,633		1,749,443	(22,472,190)	(22,472,190)	
Special Education Instruction	7,061,494		822,841	(6,238,653)	(6,238,653)	
Other Instruction						
Support Services						
Tuition	5,637,715			(5,637,715)	(5,637,715)	
Student and Instruction Related Services	30,835,965			(30,835,965)	(30,835,965)	
School Administration	8,712,715			(8,712,715)	(8,712,715)	
General and Business Administrative Services	9,196,495			(9,196,495)	(9,196,495)	
Plant Operation and Maintenance	18,695,399			(18,695,399)	(18,695,399)	
Pupil Transportation	11,101,169			(11,101,169)	(11,101,169)	
Special Schools	24,014			(24,014)	(24,014)	
Interest and other charges	3,085,432			(3,085,432)	(3,085,432)	
Total governmental activities	195,105,187	895,102	3,533,693	(190,676,392)	(190,676,392)	
Business-type activities						
Food service	3,222,140	2,249,304	1,083,113	\$ 110,277	\$ 110,277	
Community Education	2,815,848	3,621,566		805,718	805,718	
Facilities rentals	429,023	923,997		494,974	494,974	
Total business-type activities	6,467,011	6,794,867	1,083,113	1,410,969	1,410,969	
Total primary government	\$ 201,572,198	\$ 7,689,969	\$ 4,616,806	(190,676,392)	(190,676,392)	
General revenues and transfers:						
Taxes:						
Property taxes, levied for general purposes				127,264,640	127,264,640	
Property taxes, levied for debt service				7,371,342	7,371,342	
Federal sources				138,411	138,411	
State sources—unrestricted				60,012,044	60,012,044	
Investment income				488,517	488,517	
Miscellaneous				369,672	369,672	
Transfers				1,288,255	(1,288,255)	
Total general revenues and transfers				196,932,881	(1,240,277)	
Change in net position				6,256,489	170,692	
Net Position—beginning				120,169,386	2,862,624	
Net Position—ending				\$ 126,425,875	\$ 3,033,316	

See accompanying notes to basic financial statements.

Fund Financial Statements

Governmental Funds

East Brunswick Public Schools
Governmental Funds

Balance Sheet

June 30, 2019

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 18,518,784	\$ 1,274,247	\$ 7,137,675	\$ 22,122	\$ 26,952,828
Accounts receivable:					
State	1,981,087		294,080		2,275,167
Federal		865,043			865,043
Other	538,556	500			539,056
Restricted assets:					
Cash and cash equivalents	8,691,140				8,691,140
Total assets	\$ 29,729,567	\$ 2,139,790	\$ 7,431,755	\$ 22,122	\$ 39,323,234
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 4,294,192	\$ 919,862	\$ 92,568		\$ 5,306,622
Accrued expenses	2,662,192	50,536			2,712,728
Intergovernmental payables:					
State		29,420			29,420
Other liabilities			180,469		180,469
Unearned revenue	17,246	69,672			86,918
Total liabilities	6,973,630	1,069,490	273,037		8,316,157
Fund balances:					
Restricted for:					
Capital reserve	8,691,140				8,691,140
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			7,158,718		7,158,718
Debt service				\$ 22,122	22,122
Assigned to:					
Designated for subsequent years expenditures		1,070,300			1,070,300
Other purposes	3,013,885				3,013,885
Unassigned:					
General fund	2,350,912				2,350,912
Total fund balances	22,755,937	1,070,300	7,158,718	22,122	31,007,077
Total liabilities and fund balances	\$ 29,729,567	\$ 2,139,790	\$ 7,431,755	\$ 22,122	

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 \$315,325,517 and the accumulated depreciation is \$83,629,254.	231,696,263
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.	(696,293)
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.	(97,053,325)
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.	4,942,167
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	(4,383,507)
Accrued pension contributions for the June 30, 2019 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(1,925,028)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(37,920,580)
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.	798,706
Net position of governmental activities	\$ 126,465,480

East Brunswick Public Schools
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2019

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 127,264,640			\$ 7,371,342	\$ 134,635,982
Tuition from individuals	114,589				114,589
Tuition from other LEA's	780,513				780,513
Investment income	445,048		\$ 43,469		488,517
Miscellaneous	587,457	\$ 246,202			833,659
Total local sources	<u>129,192,247</u>	<u>246,202</u>	<u>43,469</u>	<u>7,371,342</u>	<u>136,853,260</u>
State sources	42,620,707	291,926		348,925	43,261,558
Federal sources	138,411	2,995,565			3,133,976
Total revenues	<u>171,951,365</u>	<u>3,533,693</u>	<u>43,469</u>	<u>7,720,267</u>	<u>183,248,794</u>
Expenditures					
Instruction:					
Regular instruction	43,651,814	904,034			44,555,848
Special education instruction	12,741,092	1,751,243			14,492,335
Other special instruction	4,105,261				4,105,261
Support services:					
Tuition	2,936,393				2,936,393
Student and instruction related services	18,007,971	1,078,351			19,086,322
School administration services	5,005,151				5,005,151
Other administrative services	5,975,496				5,975,496
Plant operations and maintenance	13,840,485				13,840,485
Pupil transportation	9,203,154				9,203,154
Employee benefits and on-behalf TPAF social security and pension, medical and disability contributions	44,981,048				44,981,048
Capital outlay	5,041,181	5,056,749	2,520,951		12,618,881
Special schools	14,169				14,169
Debt Service:					
Principal	5,582,958			5,078,002	10,660,960
Interest	167,351			2,709,336	2,876,687
Costs of Issuance			86,896		86,896
Charter schools	2,701,322				2,701,322
Total expenditures	<u>173,954,846</u>	<u>8,790,377</u>	<u>2,607,847</u>	<u>7,787,338</u>	<u>193,140,408</u>
(Deficiency) of revenues (under) expenditures	(2,003,481)	(5,256,684)	(2,564,378)	(67,071)	(9,891,614)
Other financing sources (uses):					
Proceeds from ESIP refunding bond issuance			8,135,000		8,135,000
Premium on ESIP refunding bond issuance			839,236		839,236
Transfers in	1,331,724				1,331,724
Transfers (out)			(43,469)		(43,469)
Total other financing sources (uses)	<u>1,331,724</u>	<u>-</u>	<u>8,930,767</u>	<u>-</u>	<u>10,262,491</u>
Net change in fund balances	(671,757)	(5,256,684)	6,366,389	(67,071)	370,877
Fund balances, July 1	23,427,694	6,326,984	792,329	89,193	30,636,200
Fund balances, June 30	<u>\$ 22,755,937</u>	<u>\$ 1,070,300</u>	<u>\$ 7,158,718</u>	<u>\$ 22,122</u>	<u>\$ 31,007,077</u>

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

East Brunswick Public Schools
Governmental Funds

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

Year ended June 30, 2019

Total net change in fund balances - governmental funds (from B-2)	\$	370,877
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital asset additions in the period.		
Depreciation Expense	\$ (7,451,731)	
Loss on Capital Asset Disposals	(38,333)	
Capital Asset Additions	<u>12,283,734</u>	
		4,793,670
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	4,080,000	
Lease Purchase Obligations	4,818,002	
Obligations Under Capital Leases	<u>1,762,958</u>	
		10,660,960
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	361,653	
Premium on ESIP Refunding Bond Issuance	<u>(839,236)</u>	
		(477,583)
Proceeds from debt issuances are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases liabilities in the statement of net position.		
		(8,135,000)
Governmental funds report the effect of refunding transactions when the debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This represents the current year amortization related to the deferred loss of refunding.		
		(361,571)
Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.		
		(72,976)
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 (+).		
		(121,769)
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		(142,729)
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>(217,785)</u>
Change in net position of governmental activities (A-2)	\$	<u>6,296,094</u>

Proprietary Funds

East Brunswick Public Schools
Proprietary Funds

Statement of Net Position

June 30, 2019

	Business-Type Activity Major Enterprise Funds			Total	Governmental Activity
	Food Service	Community Programs	Facilities Rentals		Major Internal Service Fund Self-Insured Health Benefits
Assets					
Current assets:					
Cash and cash equivalents	\$ 1,099,041	\$ 1,991,904	\$ 400,339	\$ 3,491,284	\$ 1,883,233
Accounts receivable:					
State	5,835			5,835	
Federal	157,217			157,217	
Other	10,116	7,698	125,345	143,159	560,106
Inventory	181			181	
Restricted assets:					
Cash held by fiscal agent					662,652
Total current assets	<u>1,272,390</u>	<u>1,999,602</u>	<u>525,684</u>	<u>3,797,676</u>	<u>3,105,991</u>
Noncurrent assets:					
Capital assets:					
Depreciable:					
Equipment	1,182,637		65,993	1,248,630	
Accumulated depreciation	(730,001)		(28,595)	(758,596)	
Total capital assets, net	<u>452,636</u>		<u>37,398</u>	<u>490,034</u>	
Total assets	<u>1,725,026</u>	<u>1,999,602</u>	<u>563,082</u>	<u>4,287,710</u>	<u>3,105,991</u>
Liabilities					
Current liabilities:					
Accounts payable	412,997	144,305	2,719	560,021	828,285
Accrued salaries payable	27,329	24,651	35,784	87,764	
Unearned revenue	156,094	305,739	24,140	485,973	
Accrued liability - IBNR					1,479,000
Total current liabilities	<u>596,420</u>	<u>474,695</u>	<u>62,643</u>	<u>1,133,758</u>	<u>2,307,285</u>
Noncurrent liabilities:					
Compensated absences	95,289	24,908	439	120,636	
Total noncurrent liabilities	<u>95,289</u>	<u>24,908</u>	<u>439</u>	<u>120,636</u>	
Total liabilities	<u>691,709</u>	<u>499,603</u>	<u>63,082</u>	<u>1,254,394</u>	<u>2,307,285</u>
Net Position					
Investment in capital assets	452,636		37,398	490,034	
Unrestricted	580,681	1,499,999	462,602	2,543,282	798,706
Total net position	<u>\$ 1,033,317</u>	<u>\$ 1,499,999</u>	<u>\$ 500,000</u>	<u>\$ 3,033,316</u>	<u>\$ 798,706</u>

East Brunswick Public Schools
Proprietary Funds

Statement of Revenues, Expenses and Changes in Fund Net Position

Year ended June 30, 2019

	Business-Type Activity			Total	Governmental Activity
	Major Enterprise Funds				Major Internal Service Fund
	Food Service	Community Programs	Facilities Rentals		Self-Insured Health Benefits
Operating revenues:					
Local sources:					
Services provided by other funds					\$ 21,584,862
Daily sales reimbursable programs	\$ 1,355,404			\$ 1,355,404	
Daily sales non-reimbursable programs	893,900			893,900	
Rental			\$ 919,197	919,197	
Special functions			4,800	4,800	
Registration fees		\$ 3,621,566		3,621,566	
Total operating revenues	2,249,304	3,621,566	923,997	6,794,867	21,584,862
Operating expenses:					
Salaries	1,091,758	2,134,937	355,704	3,582,399	
Employee benefits	315,875	349,189	34,803	699,867	21,802,647
Purchased professional services	29,904			29,904	
Other purchased services	85,707	277,380	10,597	373,684	
Management fee	158,168			158,168	
Supplies and materials	213,471	52,896	21,335	287,702	
Registrations/Training/Travel		428		428	
Depreciation	145,907		6,419	152,326	
Indirect cost	40,631			40,631	
Cost of sales - reimbursable programs	857,029			857,029	
Cost of sales - non-reimbursable programs	257,894			257,894	
Miscellaneous	20,142	1,018	165	21,325	
Total operating expenses	3,216,486	2,815,848	429,023	6,461,357	21,802,647
Operating (loss) income	(967,182)	805,718	494,974	333,510	(217,785)
Nonoperating revenues:					
State sources:					
State school lunch program	29,615			29,615	
Federal sources:					
School breakfast program	731,675			731,675	
National school lunch program	118,128			118,128	
Food donation program	203,695			203,695	
Interest income	10,045	27,607	10,326	47,978	
Loss on disposal of assets	(5,654)			(5,654)	
Total nonoperating revenues	1,087,504	27,607	10,326	1,125,437	
Income before transfers	120,322	833,325	505,300	1,458,947	(217,785)
Transfers out		(816,319)	(471,936)	(1,288,255)	
Total transfers		(816,319)	(471,936)	(1,288,255)	
Change in net position	120,322	17,006	33,364	170,692	(217,785)
Total net position-beginning	912,995	1,482,993	466,636	2,862,624	1,016,491
Total net position-ending	\$ 1,033,317	\$ 1,499,999	\$ 500,000	\$ 3,033,316	\$ 798,706

East Brunswick Public Schools
Proprietary Funds

Statement of Cash Flows
Year ended June 30, 2019

	Business-Type Activity				Governmental Activity
	Major Enterprise Funds				Major Internal Service Fund
	Food Service	Community Programs	Facilities Rentals	Total	Self-Insured Health Benefits
Cash flows from operating activities					
Receipts for services provided to other funds					\$ 21,584,862
Receipts from customers	\$ 2,260,733	\$ 3,568,690	\$ 870,818	\$ 6,700,241	
Payments to employees	(1,060,420)	(2,151,215)	(335,649)	(3,547,284)	
Payments for employee benefits	(315,875)	(349,189)	(34,803)	(699,867)	(22,307,795)
Payments to suppliers	(1,443,366)	(315,969)	(30,188)	(1,789,523)	
Net cash (used in) provided by operating activities	(558,928)	752,317	470,178	663,567	(722,933)
Cash flows from noncapital financing activities					
Cash received from state and federal sources	972,908			972,908	
Transfers to other funds		(816,319)	(471,936)	(1,288,255)	
Net cash provided by (used in) noncapital financing activities	972,908	(816,319)	(471,936)	(315,347)	
Cash flows from capital and related financing activities					
Purchase of capital assets	(40,459)		(5,361)	(45,820)	
Payments of purchase agreement payable	(101,340)			(101,340)	
Proceeds on sale of capital assets	1,461		183	1,644	
Net cash (used in) capital and related financing activities	(140,338)		(5,178)	(145,516)	
Cash flows from investing activities					
Interest received	10,045	27,607	10,326	47,978	
Net cash provided by investing activities	10,045	27,607	10,326	47,978	
Net increase (decrease) in cash and cash equivalents	283,687	(36,395)	3,390	250,682	(722,933)
Cash and cash equivalents, beginning of year	815,354	2,028,299	396,949	3,240,602	2,606,166
Cash and cash equivalents, end of year	\$ 1,099,041	\$ 1,991,904	\$ 400,339	\$ 3,491,284	\$ 1,883,233
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:					
Operating (loss) income	\$ (967,182)	\$ 805,718	\$ 494,974	\$ 333,510	\$ (217,785)
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:					
Depreciation	145,907		6,419	152,326	
Change in assets and liabilities:					
(Increase) decrease in other accounts receivable	(1,513)	4,642	(12,454)	(9,325)	(560,106)
(Increase) in deposits/restricted cash					(73,215)
Decrease in inventory	1,031			1,031	
Increase (decrease) in accounts payable	218,549	15,753	1,909	236,211	(162,827)
Increase (decrease) in accrued expenses	14,387	(9,464)	19,987	24,910	291,000
Increase (decrease) in unearned revenue	12,942	(57,518)	(40,725)	(85,301)	
Increase (decrease) increase in compensated absences	16,951	(6,814)	68	10,205	
Net cash (used in) provided by operating activities	\$ (558,928)	\$ 752,317	\$ 470,178	\$ 663,567	\$ (722,933)

Noncash noncapital financing activities:

The District received \$202,664 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2019.

Fiduciary Funds

East Brunswick Public Schools
Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2019

	Unemployment Compensation Trust Fund	Agency Fund
Assets		
Cash and cash equivalents	\$ 807,628	\$ 1,263,759
Total assets	807,628	\$ 1,263,759
Liabilities		
Accounts payable	8,588	
Payroll deductions payable		\$ 683,001
Due to student groups		580,758
Total liabilities	8,588	\$ 1,263,759
Net Position		
Held in trust for unemployment claims	\$ 799,040	

East Brunswick Public Schools
Fiduciary Fund

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2019

	Unemployment Compensation Trust Fund
Additions	
Interest income	\$ 8,513
Board contributions	18,113
Employee contributions	149,484
Total additions	176,110
Deductions	
Unemployment payments	130,278
Total deductions	130,278
Change in net position	45,832
Net position-beginning	753,208
Net position-ending	\$ 799,040

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

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

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

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

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, 2019

1. Summary of Significant Accounting Policies (continued)

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

Special Revenue Fund: The District maintains one special revenue fund, which includes the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes, other than debt service or capital projects. The revenue sources are derived from federal, state and local grant funds and lease purchase obligations and the fund accounts for the activities of these restricted sources.

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

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

The District's Proprietary Fund is comprised of three enterprise fund programs, the Food Service Fund the Community Program Fund and the 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 Program Enterprise Fund: The community program fund accounts for financial activity related to providing child care services for District students before and after school, as well as, providing adults with lifelong learning opportunities.

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-Insurance Fund: The self-insurance fund is used to record the activity of the District's prescription and dental benefits.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

1. Summary of Significant Accounting Policies (continued)

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

Additionally, the District reports the following fund types:

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

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

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

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

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

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

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

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, 2019 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, 2019

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, 2019, the District had inventories in the Food Service Enterprise Fund of \$181.

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, 2019

1. Summary of Significant Accounting Policies (continued)

As of June 30, 2019, a liability existed for compensated absences in the government-wide financial statements in the amount of \$3,016,190 and a liability in the amount of \$120,636 for compensated absences in the proprietary fund types.

I. Unearned Revenue

Unearned revenue in the general fund, food service enterprise fund, community program enterprise fund and the facilities rentals 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, 2019, the District has recorded an unamortized balance of \$4,942,167 as a deferred outflow of resources and the amortization expense for the year ended June 30, 2019 was \$361,571.

L. Net Position

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* became effective for financial statements for periods beginning after December 15, 2011 and established standards for reporting deferred outflows of resources, deferred inflows of resources and net position. The adoption of this statement resulted in a change in the presentation of the statement of net assets to what is now referred to as the statement of net position and the term "net assets" was changed to "net position" throughout the financial statements. Net position represents the difference between assets, deferred inflows of resources, deferred outflows of resources and liabilities in the Government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

1. Summary of Significant Accounting Policies (continued)

the outstanding balance of any long-term debt used to build or acquire the capital assets. Net positions are reported as restricted in the Government-wide and fund financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

M. Deferred Outflows/Inflows of Resources

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

N. Fund Balances

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

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

1. Summary of Significant Accounting Policies (continued)

N. Fund Balances (continued)

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

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

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

Of the \$22,755,937 of fund balances in the General Fund, \$3,013,885 of outstanding encumbrances has been assigned to other purposes, \$8,691,140 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 \$2,350,912 is classified as unassigned.

All of the \$1,070,300 special revenue fund balance at June 30, 2019, is assigned as designated for subsequent years expenditures.

The \$7,158,718 Capital Projects fund balance at June 30, 2019 is restricted for capital projects. The District has contractual commitments in the amount of \$6,613,862 at June 30, 2019 to vendors related to ongoing construction projects that is reported as part of the restricted capital projects fund balance.

All of the \$22,122 Debt Service fund balance at June 30, 2019, is restricted for debt service aid and is anticipated as revenue in the 2019-2020 budget.

O. Management Estimates

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

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 \$10,254,537 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, 2019 was \$8,700,000. Of this amount, \$4,350,000 has been appropriated in the 2019/20 budget and the remaining \$4,350,000 is required to be appropriated in the 2020/21 budget.

R. GASB Pronouncements

Recently Adopted Accounting Principles

The GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* in April 2018. This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments. The requirements of this Statement are effective for periods beginning after June 15, 2018. Management has adopted this statement in the 2019 fiscal year and it was determined that it did not have an impact on its financial statements or disclosures.

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. Management has not yet determined the impact of the statement on the financial statements.

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

1. Summary of Significant Accounting Policies (continued)

S. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2019 through December 17, 2019, the date that the financial statements were available for issuance and the effects of those that provide additional pertinent information about conditions that existed at the balance sheet date, have been recognized in the accompanying financial statements. The following occurred subsequent to June 30, 2019. On July 1, 2019, the District entered into a Shared Services Agreement with the Township of East Brunswick, in the amount of \$14,600,000 for the period of July 1, 2019 through July 1, 2024. The purpose of this agreement is to finance district-wide building improvements, security improvements, facilities management equipment upgrades, bus purchases, musical instrument purchases, classroom furnishing and instructional equipment.

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 \$97,102,281 difference are as follows:

Bonds payable	\$ 75,715,000
Unamortized premium on bonds	4,785,059
Capital lease obligations	1,836,245
Lease purchase obligations	11,749,787
Compensated absences	<u>3,016,190</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 97,102,281</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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

3. Deposits and Investments (continued)

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

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

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

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

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

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

Operating cash accounts are held in the District's name by several commercial banking institutions. At June 30, 2019, the carrying amount of the District's deposits was \$43,089,871 and the bank balance was \$46,207,815. Of the bank balance, \$250,000 of the District's cash deposits on June 30, 2019 was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$45,135,041. \$822,774 held in the District agency accounts are not covered by GUDPA. The District also has \$662,652 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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

3. Deposits and Investments (continued)

the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

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

Investments

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

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

The District did not have any funds held as investments during or at the year ended June 30, 2019.

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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

4. Capital Reserve Account (continued)

The activity of the capital reserve for the period July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018	\$ 9,655,206
Increases:	
Interest earnings	77,998
Board approved deposit - June 2019 resolution	2,718,971
Return of unexpended capital outlay	572,430
Subtotal	<u>13,024,605</u>
Decreases:	
Board approved withdrawal – various dates	<u>(4,333,465)</u>
Ending balance, June 30, 2019	<u>\$ 8,691,140</u>

The June 30, 2019 LRFPP balance of local support costs of uncompleted capital projects exceeded the June 30, 2019 capital reserve balance. The withdrawals from the capital reserve were for DOE approved facilities projects.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

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, 2019:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, not being Depreciated:					
Land	\$ 1,019,208				\$ 1,019,208
Construction in Progress	11,124,172	\$ 10,774,510		\$ (3,356,426)	18,542,256
Total Capital Assets not being Depreciated	<u>12,143,380</u>	<u>10,774,510</u>		<u>(3,356,426)</u>	<u>19,561,464</u>
Capital Assets, being Depreciated:					
Building and Improvements	277,250,047	12,381		2,602,021	279,864,449
Machinery and Equipment	13,826,960	1,496,843	\$ (178,604)	754,405	15,899,604
Total Capital Assets, being Depreciated	<u>291,077,007</u>	<u>1,509,224</u>	<u>(178,604)</u>	<u>3,356,426</u>	<u>295,764,053</u>
Less Accumulated Depreciation:					
Building and Improvements	(69,064,552)	(6,253,578)			(75,318,130)
Machinery and Equipment	(7,253,242)	(1,198,153)	140,271		(8,311,124)
Total Accumulated Depreciation	<u>(76,317,794)</u>	<u>(7,451,731)</u>	<u>140,271</u>		<u>(83,629,254)</u>
Total Capital Assets, being Depreciated, Net	214,759,213	(5,942,507)	(38,333)	3,356,426	212,134,799
Governmental Activities Capital Assets, Net	<u>\$ 226,902,593</u>	<u>\$ 4,832,003</u>	<u>\$ (38,333)</u>	<u>\$ -</u>	<u>\$ 231,696,263</u>
Business-Type Activities:					
Total Capital Assets, being Depreciated:					
Building and building improvements	\$ 700,560				\$ 700,560
Machinery and Equipment	524,603	\$ 45,820	\$ (22,353)		548,070
Total Capital Assets, being Depreciated	<u>1,225,163</u>	<u>45,820</u>	<u>(22,353)</u>		<u>1,248,630</u>
Less Accumulated Depreciation:					
Building and Improvements	(344,292)	(116,449)			(460,741)
Machinery and Equipment	(277,033)	(35,877)	15,055		(297,855)
Total Accumulated Depreciation	<u>(621,325)</u>	<u>(152,326)</u>	<u>15,055</u>		<u>(758,596)</u>
Total Business-Type Activities Capital Assets, Net	<u>\$ 603,838</u>	<u>\$ (106,506)</u>	<u>\$ (7,298)</u>	<u>\$ -</u>	<u>\$ 490,034</u>

Total depreciation expense for the fiscal year ended June 30, 2019 for governmental activities was \$7,451,731 and for business-type activities was \$152,326.

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

Regular instruction	\$ 2,855,726
Special education instruction	928,860
Other instruction	263,119
Student and instruction related services	1,223,303
School administration services	320,796
General and other administration services	382,988
Plant operation and maintenance	887,080
Pupil transportation	589,859
Total depreciation expense – governmental activities	<u>\$ 7,451,731</u>

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

6. Long-Term Liabilities

During the fiscal year ended June 30, 2019, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Serial bonds payable	\$ 71,660,000	\$ 8,135,000	\$ 4,080,000	\$ 75,715,000	\$ 4,080,000
Unamortized premium on bonds	4,258,520	839,236	312,697	4,785,059	361,653
Obligations under capital leases	3,599,203		1,762,958	1,836,245	1,658,452
Lease purchase obligation payable	16,567,789		4,818,002	11,749,787	3,609,787
Compensated absences payable	2,894,421	340,926	219,157	3,016,190	63,777
Sub-total	98,979,933	9,315,162	11,192,814	97,102,281	9,773,669
Net pension liability	45,174,276		7,253,696	37,920,580	
Total governmental activities long-term liabilities	<u>\$ 144,154,209</u>	<u>\$ 9,315,162</u>	<u>\$ 18,446,510</u>	<u>\$ 135,022,861</u>	<u>\$ 9,773,669</u>
Business-Type Activities:					
Purchase agreement payable	\$ 101,340		\$ 101,340		
Compensated absences payable	110,431	\$ 39,039	28,834	\$ 120,636	
Total Business-Type activities long-term liabilities	<u>\$ 211,771</u>	<u>\$ 39,039</u>	<u>\$ 130,174</u>	<u>\$ 120,636</u>	<u>\$ -</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. The District expects to liquidate the business-type activities lease purchase obligation payable with payments made from the food service enterprise fund.

A. Bonds Payable

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

2010 Issue

On May 12, 2010, the District issued \$13,960,000 School Bonds. The remaining outstanding Bonds mature annually through May 2040 in amounts ranging from \$355,000 to \$880,000. The Bonds bear interest rates ranging from 4.00% to 4.50%.

The bonds were issued to finance a portion of the replacement of the Memorial Elementary

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

6. Long-Term Liabilities (continued)

A. Bonds Payable (continued)

School, including acquisition of furnishings and equipment and site work.

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

On September 29, 2009, the District's voters approved the issuance of \$17,956,480 in bonds for the Memorial School replacement. At June 30, 2019, there were bonds authorized but not issued of \$3,996,480 from a 2009 authorization.

2012 Issue

On November 20, 2012, the District issued \$60,560,000 Refunding School Bonds. The remaining outstanding Bonds mature annually through November 2034 in amounts ranging from \$2,635,000 to \$6,755,000. The Bonds bear interest rates ranging from 3.00% to 5.00%. As of June 30, 2019, the amount of defeased bonds still outstanding is \$51,301,000.

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

2017 Issue

On February 28, 2017, the District issued \$5,515,000 Refunding School Bonds at an interest rate of 1.722% to advance refund \$5,365,000 of 2007 School Bonds. As of June 30, 2019, the amount of defeased bonds outstanding is \$3,195,000. The 2017 Refunding School Bonds mature in amounts ranging from \$1,020,000 to \$1,090,000 through May 2022.

2019 Issue

On February 6, 2019, the District issued School Energy Savings Obligation 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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

6. Long-Term Liabilities (continued)

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

Year ending June 30,	Principal	Interest	Total
2020	\$ 4,080,000	\$ 2,872,270	\$ 6,952,270
2021	4,800,000	2,694,207	7,494,207
2022	4,845,000	2,490,989	7,335,989
2023	3,910,000	2,284,450	6,194,450
2024	4,000,000	2,091,175	6,091,175
2025-2029	21,420,000	8,149,677	29,569,677
2030-2034	23,835,000	4,101,164	27,936,164
2035-2039	7,945,000	804,125	8,749,125
2040	880,000	39,660	919,660
	<u>\$ 75,715,000</u>	<u>\$ 25,527,717</u>	<u>\$ 101,242,717</u>

B. Lease Purchase Obligations Payable

1999 Agreement

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

Under the lease, the Board is required to pay basic rent due on each October 1, which concludes on October 1, 2019. The lease carries an interest rate of 4.23%. The total principal amount of the lease was \$14,320,000.

Future Minimum Lease Payments - Future minimum lease payment the next year under the lease purchase agreement along with the present value of the minimum lease payment as of June 30, 2019 is:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 239,519
Less: Amount representing interest	(9,732)
Present Value of Net Minimum Lease Payments	<u>\$ 229,787</u>

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

6. Long-Term Liabilities (continued)

B. Lease Purchase Obligations Payable (continued)

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

2015 Agreement

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

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

Future Minimum Lease Payments - Future minimum lease payments for the next two years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2019 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 1,202,966
2021	1,160,000
Total Minimum Lease Payments	<u>2,362,966</u>
Less: Amount representing interest	<u>(42,966)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 2,320,000</u>

2017 Agreement

In August 2016, the Board of Education (the Lessee) entered into a lease purchase agreement with the Township of East Brunswick (the Lessor) to finance district-wide building improvements, technology equipment, classroom furnishings and transportation and maintenance vehicles. In exchange, the Board of Education will permit use of its facilities for and by the Township of East Brunswick as specified in the agreement. Approval was obtained from the Commissioner of Education and the State of New Jersey Local Finance Board.

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

6. Long-Term Liabilities (continued)

B. Lease Purchase Obligations Payable (continued)

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

Future Minimum Lease Payments - Future minimum lease payments for the next three years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2019 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 908,894
2021	840,000
2022	840,000
Total Minimum Lease Payments	<u>2,588,894</u>
Less: Amount representing interest	<u>(68,894)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 2,520,000</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, which commences on October 1, 2018 and will conclude on October 1, 2022. The lease carries an interest rate of 1.852%. The total principal amount of the lease was \$1,100,000.

Future Minimum Lease Payments - Future minimum lease payments for the next four years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2019 are:

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

6. Long-Term Liabilities (continued)

B. Lease Purchase Obligations Payable (continued)

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 236,298
2021	220,000
2022	220,000
2023	220,000
Total Minimum Lease Payments	896,298
Less: Amount representing interest	(16,298)
Present Value of Net Minimum Lease Payments	\$ 880,000

2018 Agreement

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

Under the lease, the Board is required to pay basic rent due on each July 1, which commences on July 1, 2019 and will conclude on July 1, 2023. The lease carries an interest rate of 1.852%. The total principal amount of the lease was \$5,800,000.

Future Minimum Lease Payments - Future minimum lease payments for the next four years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2019 are:

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

6. Long-Term Liabilities (continued)

C. Capital Lease Obligations – Governmental Activities

The District entered into a Capital Lease Obligation on February 26, 2015 for transportation equipment in the amount of \$650,000, and the final payment was made on August 15, 2018.

The District entered into a Capital Lease Obligation on July 15, 2014 for facilities in the amount of \$7,200,000, which is due in annual installments and for which final payment is due on July 15, 2019. Interest rate is at 1.514%.

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

Future Minimum Lease Payments - Future minimum lease payments for the next two years under the capital lease obligations along with the present value of the minimum lease payments as of June 30, 2019 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 1,686,855
2021	180,786
Total Minimum Lease Payments	1,867,641
Less: Amount representing interest	(31,396)
Present Value of Net Minimum Lease Payments	<u>\$ 1,836,245</u>

7. Pension Plans

Description of Systems

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

7. Pension Plans (continued)

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively, with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be $1/60^{\text{th}}$ of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

Public Employee's Retirement System

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be $1/60^{\text{th}}$ of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

7. Pension Plans (continued)

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS increased from 5.5% to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2019, the State of New Jersey contributed \$17,624,110 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 \$4,661,590 during the year ended June 30, 2019 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, 2019, 2018 and 2017 was \$1,925,704, \$1,797,767, and \$1,756,950 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, 2019

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, 2019, the District reported a liability of \$37,920,580 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2017, which was rolled forward to June 30, 2018. 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, 2018, the District's proportion was 0.1925928900 percent, which was a decrease of 0.0014680118 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized full accrual pension expense of \$2,059,082 in the government-wide financial statements. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 723,151	\$ 195,531
Changes of assumptions	6,248,683	12,124,985
Net difference between projected and actual earnings on pension plan investments		355,697
Changes in proportion and differences between District contributions and proportionate share of contributions	408,381	1,003,186
District contributions subsequent to the measurement date	1,925,028	
	<u>\$ 9,305,243</u>	<u>\$ 13,679,399</u>

\$1,925,028 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, 2019

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:	
2020	\$ 245,234
2021	(457,495)
2022	(2,909,635)
2023	(2,417,652)
2024	(759,636)
	<u>\$ (6,299,184)</u>

Actuarial Assumptions

The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

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

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service and retirements and beneficiaries of formers members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the plan actuary's 2014

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

7. Pension Plans (continued)

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

projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

7. Pension Plans (continued)

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

Discount rate

The discount rate used to measure the total pension liability was 5.66% 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 3.87% as of June 30, 2018 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 50% 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, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the District's proportionate share of the net pension liability as of June 30, 2018 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66 percent) or 1-percentage-point higher (6.66 percent) than the current rate:

	At 1% Decrease (4.66%)	At Current Discount Rate (5.66%)	At 1% Increase (6.66%)
District's proportionate share of the net pension liability	\$ 47,680,760	\$ 37,920,580	\$ 29,732,413

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, 2019

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, 2018 are as follows:

Deferred outflows of resources	\$ 4,684,852,302
Deferred inflows of resources	\$ 7,646,736,226
Net pension liability	\$ 19,689,501,539
District's Proportion	0.1925928900%

Collective pension expense for the Local Group for the measurement period ended June 30, 2018 is \$1,099,708,157.

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, 2018, 2017, 2016, 2015 and 2014 is 5.63, 5.48, 5.57, 5.72, 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 non-employer 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 non-employer 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, 2018 was \$383,713,416. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

7. Pension Plans (continued)

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

At June 30, 2018, the State's proportionate share of the TPAF net pension liability associated with the District was 0.6031536811 percent, which was a decrease of 0.0013277151 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$22,369,150 for contributions incurred by the State.

Actuarial assumptions

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

Inflation rate	2.25%
Salary increases	
2012-2026	1.55 - 4.55%
Thereafter	2.00 - 5.45%
Investment rate of return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

7. Pension Plans (continued)

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

Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

7. Pension Plans (continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018 and 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 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 50% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the 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, 2018 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (3.86 percent) or 1-percentage-point higher (5.86 percent) than the current rate:

	At 1% Decrease (3.86%)	At Current Discount Rate (4.86%)	At 1% Increase (5.86%)
State's proportionate share of the net pension liability associated with the District	\$ 453,541,971	\$ 383,713,416	\$ 325,827,245

Pension plan fiduciary net position

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

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, 2018 are as follows:

Deferred outflows of resources	\$	12,599,296,329
Deferred inflows of resources	\$	16,171,861,734
Net pension liability	\$	63,617,852,031

State's proportionate share associated with the District 0.6031536811%

Collective pension expense-Local Group for the plan for the measurement period ended June 30, 2018 is \$3,726,181,598.

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, 2018, 2017, 2016, 2015 and 2014 is 8.29, 8.3, 8.3, 8.3, and 8.5 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 the 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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

8. Post-Retirement Benefits (continued)

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 on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), 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 their health care coverage in retirement provided 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 benefit and level of coverage. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State's contributions to the Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2019, 2018 and 2017 were \$5,495,169, \$5,876,126 and \$5,665,302 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 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State's pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health care costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion 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. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year's \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2017.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

8. Post-Retirement Benefits (continued)

Total OPEB Liability

The total non-employer (State) OPEB liability from New Jersey's plan is \$46,110,832,982.

Changes in Total OPEB Liability

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2018:

	<u>Total OPEB Liability</u>
Beginning Total OPEB Liability, June 30, 2017	\$ 316,476,368
Changes for the year:	
Service cost	11,568,347
Interest cost	11,619,732
Difference between actual and expected	(31,218,308)
Changes of assumptions	(30,133,975)
Member contributions	250,733
Gross benefit payments	(7,254,685)
Net change in total OPEB liability	(45,168,156)
Ending Total OPEB Liability, June 30, 2018	\$ 271,308,212

Employees covered by benefit terms

The following employees were covered by the benefit terms:

<u>Local Education Group</u>	<u>June 30, 2018</u>
Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	362,181

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. The State's proportionate share of the net OPEB liability associated with the District as of June 30, 2018 was \$271,308,212. 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, 2019

8. Post-Retirement Benefits (continued)

Actuarial assumptions and other inputs

The total non-employer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

Mortality Rates

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year based on MP- 2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

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

100% of all retirees who currently have health care coverage are assumed to continue with that coverage. 100% of all active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Discount Rate

The discount rate for June 30, 2018 and 2017 was 3.87% and 3.58%, 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.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

8. Post-Retirement Benefits (continued)

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

The following represents sensitivity of total non-employer OPEB liability to changes in the discount rate and health care cost trend rate

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2018 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 (2.87%) or 1-percentage-point higher (4.87%) than the current rate:

	At 1% decrease (2.87%)	At current discount rate (3.87%)	At 1% increase (4.87%)
Total OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 320,741,536	\$ 271,308,212	\$ 232,013,824

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2018 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)	\$ 224,252,039	\$ 271,308,212	\$ 333,541,803

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

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 \$12,283,044 for OPEB expenses incurred by the State. Collective balances of the Local Education Group at June 30, 2018 are as follows:

Deferred outflows of resources	\$	1,377,313,892
Deferred inflows of resources	\$	16,189,378,926
Collective OPEB Expense	\$	2,129,660,368

District's Proportion	0.59%
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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, 2019 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

10. Deferred Compensation

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

10. Deferred Compensation (continued)

The plan administrators are as follows:

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

11. Risk Management

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

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

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

Fiscal Year	Beginning Balance	Board Contribution	Employee Contribution	Interest	Deductions	Ending Balance
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
2016-2017	758,042	16,571	144,053	370	199,283	719,753

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, 2019, the accrued liability for unpaid medical, prescription and dental claims of \$1,479,000 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, 2019 is as follows:

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

11. Risk Management (continued)

Fiscal Year	Beginning Balance	Current Year Claims and Estimates	Claim Payments	Ending Balance
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. Economic Dependency

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

13. Transfers to Capital Outlay

During the year ending June 30, 2019, the District transferred \$4,333,465 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.

14. Transfers – Reconciliation

The following represents a reconciliation of transfers made during the 2019 fiscal year:

	<u>In</u>	<u>Out</u>
General Fund	\$ 1,331,724	
Capital Projects Fund		\$ 43,469
Community Programs Enterprise Fund		816,319
Facilities Rentals Enterprise Fund		471,936
	<u>\$ 1,331,724</u>	<u>\$ 1,331,724</u>

The transfers from the community programs enterprise fund and the facilities rentals enterprise fund to the general fund represents a return on investment transferred to the general fund. The transfer from the capital projects fund to the general fund represents a transfer of interest earned in the capital projects fund on the Energy Savings Improvement Program bond proceeds.

15. Restricted Assets

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

16. Net Position - Net Investment in Capital Assets

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

16. Net Position - Net Investment in Capital Assets

or acquire the capital assets. The net investment in capital assets of \$150,002,200 indicated as part of the Governmental Activities net position is calculated as follows:

Capital assets, net of depreciation	\$ 231,696,263
Bonds payable (used to build or acquire capital assets)	(75,715,000)
Unused ESIP refunding bond proceeds	6,379,561
Deferred loss on refunding of debt	4,942,167
Unamortized deferred premium	(4,785,059)
Lease purchase obligations	(11,749,787)
Capital lease obligations	(1,836,245)
Designated for subsequent years expenditures - Special Revenue Fund (unused capital lease proceeds)	<u>1,070,300</u>
Total net investment in capital assets	<u>\$ 150,002,200</u>

17. Tax Abatements

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

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

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

The Township of East Brunswick recognized revenue of \$1,715,365 from the annual service charge in lieu of payment of taxes in 2018 and taxes in 2018 that otherwise would have been due on these

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2019

17. Tax Abatements (continued)

long-term tax exemptions amounted to \$2,578,273, based upon the assessed valuations of the long-term tax exemptions properties. A portion of the \$862,908 abatement would have been allocated to the District.

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
District's proportion of the net pension liability (asset) - Local Group	N/A	N/A	N/A	N/A	N/A	0.1931581586%	0.2001424156%	0.1977688257%	0.1940609018%	0.1923528900%
District's proportionate share of the net pension liability (asset)	N/A	N/A	N/A	N/A	\$ 36,898,016	\$ 44,927,962	\$ 58,573,454	\$ 45,174,276	\$ 13,301,469	\$ 37,920,580
District's covered payroll	\$ 14,726,213	\$ 14,427,652	\$ 13,907,475	\$ 13,261,244	\$ 13,047,120	\$ 13,368,140	\$ 13,252,553	\$ 13,301,469	\$ 13,301,469	\$ 13,711,055
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	N/A	N/A	N/A	N/A	282.81%	336.08%	441.98%	339.62%	276.57%	53.60%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	N/A	N/A	N/A	N/A	48.72%	52.08%	40.14%	48.10%	48.10%	53.60%

N/A - Information not available

East Brunswick Public Schools
 Schedule of District Contributions
 Public Employees Retirement System
 Required Supplementary Information
 Last Ten Fiscal Years

	Year Ended June 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Contractually required contribution	\$ 1,139,483	\$ 1,663,034	\$ 1,514,573	\$ 1,589,566	\$ 1,454,684	\$ 1,590,586	\$ 1,720,688	\$ 1,756,950	\$ 1,797,767	\$ 1,925,704
Contributions in relation to the contractually required contribution	(1,139,483)	(1,663,034)	(1,514,573)	(1,589,566)	(1,454,684)	(1,590,586)	(1,720,688)	(1,756,950)	(1,797,767)	(1,925,704)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 14,927,652	\$ 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
Contributions as a percentage of covered payroll	7.90%	11.96%	11.42%	12.18%	10.82%	11.90%	12.98%	13.21%	13.11%	14.50%

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,					
	2014	2015	2016	2017	2018	2019
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.6038943428%	0.5894999639%	0.5738312934%	0.6048806937%	0.6044813962%	0.6031536811%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 305,203,552	\$ 315,068,546	\$ 362,685,882	\$ 475,837,667	\$ 407,563,154	\$ 383,713,416
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 305,203,552</u>	<u>\$ 315,068,546</u>	<u>\$ 362,685,882</u>	<u>\$ 475,837,667</u>	<u>\$ 407,563,154</u>	<u>\$ 383,713,416</u>
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%	22.33%	22.33%	26.49%

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

PUBLIC EMPLOYEES' RETIREMENT SYSTEM – PENSION

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.00% as of June 30, 2017 to 5.66% as of June 30, 2018.

TEACHERS PENSION AND ANNUITY FUND - PENSION

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.25% as of June 30, 2017 to 4.86% as of June 30, 2018.

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 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018.

Required Supplementary Information
Part III

Budgetary Comparison

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 127,264,640		\$ 127,264,640	\$ 127,264,640	
Tuition (from individuals)	75,000		75,000	114,589	\$ 39,589
Tuition (other LEAS)	600,000		600,000	780,513	180,513
Investment income	30,000		30,000	367,050	337,050
Interest earned on capital reserve				77,998	77,998
Miscellaneous	361,287		361,287	587,457	226,170
Total - local sources	128,330,927		128,330,927	129,192,247	861,320
State sources:					
Extraordinary aid	500,000		500,000	1,608,698	1,108,698
Special education categorical aid	5,355,986		5,355,986	5,355,986	
Equalization aid	11,737,848		11,737,848	11,737,848	
Security aid	176,418		176,418	176,418	
Transportation aid	1,491,445		1,491,445	1,491,445	
Additional Non-public school transportation aid				28,710	28,710
On-Behalf TPAF - Pension					
Contribution (non-budgeted)				12,114,613	12,114,613
On-Behalf TPAF - Post-Retirement					
Medical (non-budgeted)				5,495,169	5,495,169
On-Behalf TPAF - Long-Term Disability					
Insurance (non-budgeted)				14,328	14,328
Reimbursed TPAF social security contributions (non-budgeted)				4,661,590	4,661,590
Total - state sources	19,261,697		19,261,697	42,684,805	23,423,108
Federal sources:					
Medical assistance	93,690		93,690	138,411	44,721
Total - federal sources	93,690		93,690	138,411	44,721
Total revenues	147,686,314		147,686,314	172,015,463	24,329,149
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool	341,201		341,201	315,537	25,664
Kindergarten	1,925,158	\$ 167,753	2,092,911	2,092,911	
Grades 1-5	14,075,175	(740,772)	13,334,403	13,305,210	29,193
Grades 6-8	10,305,175		10,305,175	10,187,766	117,409
Grades 9-12	15,449,640	111,142	15,560,782	15,558,032	2,750
Home instruction - regular programs:					
Salaries of teachers	27,288		27,288	26,071	1,217
Purchased professional-educational services	35,000	10,290	45,290	45,290	
Undistributed instruction - regular programs:					
Other salaries for instruction	198,065	121,862	319,927	319,927	
Purchased professional-educational services	164,492	10,282	174,774	159,755	15,019
Purchased technical services	59,333	51,241	110,574	108,841	1,733
Other purchased services	443,094	(18,057)	425,037	352,989	72,048
General supplies	2,137,289	(119,983)	2,017,306	1,750,655	266,651
Textbooks	261,769	12,076	273,845	243,750	30,095
Other objects	13,558	(5,195)	8,363	5,983	2,380
Total instruction - regular programs	45,436,237	(399,361)	45,036,876	44,472,717	564,159

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures					
Special education:					
Cognitive-mild:					
Salaries of teachers	\$ 96,544	\$ (96,544)			
Other salaries for instruction	300	(300)			
Total cognitive-mild	96,844	(96,844)			
Learning and/or language disabilities:					
Salaries of teachers	299,388	49,504	\$ 348,892	\$ 348,892	
Other salaries for instruction	239,986	103,290	343,276	343,276	
Other purchased services	100		100		\$ 100
General supplies	1,678	300	1,978	1,705	273
Total learning and/or language disabilities	541,152	153,094	694,246	693,873	373
Behavioral disabilities:					
Salaries of teachers	196,912	39,822	236,734	236,734	
Other salaries for instruction	147,163	25,445	172,608	172,608	
General supplies	6,000	(100)	5,900	4,546	1,354
Total behavioral disabilities	350,075	65,167	415,242	413,888	1,354
Multiple disabilities:					
Salaries of teachers	268,191		268,191	253,240	14,951
Other salaries for instruction	154,903	21,179	176,082	176,082	
Other purchased services	600		600		600
General supplies	3,000	29	3,029	2,973	56
Total multiple disabilities	426,694	21,208	447,902	432,295	15,607
Resource room/center:					
Salaries of teachers	7,545,818	419,367	7,965,185	7,965,185	
Other salaries for instruction	1,174,258	(135,819)	1,038,439	1,038,289	150
Unused vacation payments to terminated/retired staff - normal retirements		196	196	196	
Other purchased services	1,450		1,450	570	880
General supplies	22,150	740	22,890	14,244	8,646
Textbooks	1,000	(985)	15		15
Total resource room/center	8,744,676	283,499	9,028,175	9,018,484	9,691
Autism:					
Salaries of teachers	1,083,655	(20,587)	1,063,068	932,603	130,465
Other salaries for instruction	482,048	92,256	574,304	574,304	
Other purchased services	200		200		200
General supplies	16,250	1,992	18,242	12,518	5,724
Total autism	1,582,153	73,661	1,655,814	1,519,425	136,389
Preschool disabilities - part time:					
Salaries of teachers	43,550	(6,368)	37,182	14,310	22,872
Other salaries for instruction	21,448	26,426	47,874	47,874	
General supplies	2,000		2,000	1,302	698
Total preschool disabilities - part time	66,998	20,058	87,056	63,486	23,570

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Special education (continued):					
Preschool disabilities - full time:					
Salaries of teachers	\$ 214,713	\$ 1,791	\$ 216,504	\$ 216,504	
Other salaries for instruction	326,031	(23,188)	302,843	302,843	
General supplies	800	4,371	5,171	4,874	\$ 297
Total preschool disabilities - full time	<u>541,544</u>	<u>(17,026)</u>	<u>524,518</u>	<u>524,221</u>	<u>297</u>
Home instruction - special education:					
Salaries of teachers	23,001		23,001	10,238	12,763
Purchased professional - educational services	75,000	(9,818)	65,182	65,182	
Total home instruction - special education	<u>98,001</u>	<u>(9,818)</u>	<u>88,183</u>	<u>75,420</u>	<u>12,763</u>
Total special education	<u>12,448,137</u>	<u>492,999</u>	<u>12,941,136</u>	<u>12,741,092</u>	<u>200,044</u>
Basic skills/remedial - instruction:					
Salaries of teachers	2,212,159		2,212,159	2,080,576	131,583
Other purchased services	100		100	100	
Purchased technical services	4,200		4,200	2,400	1,800
General supplies	14,750	(442)	14,308	6,832	7,476
Total basic skills/remedial - instruction	<u>2,231,209</u>	<u>(442)</u>	<u>2,230,767</u>	<u>2,089,808</u>	<u>140,959</u>
Bilingual education - instruction:					
Salaries of teachers	782,833	(6,571)	776,262	765,020	11,242
Other purchased services	300		300	253	47
General supplies	4,859	(160)	4,699	4,032	667
Total bilingual education - instruction	<u>787,992</u>	<u>(6,731)</u>	<u>781,261</u>	<u>769,305</u>	<u>11,956</u>
School - sponsored cocurricular activities:					
Salaries	305,541	25,169	330,710	330,710	
Purchased services	51,650	12,474	64,124	62,354	1,770
Supplies and materials	7,180	7,200	14,380	12,234	2,146
Other objects	5,500	(272)	5,228	5,228	
Total school-sponsored cocurricular activities	<u>369,871</u>	<u>44,571</u>	<u>414,442</u>	<u>410,526</u>	<u>3,916</u>
School - sponsored athletics - instruction:					
Salaries	675,545	14,252	689,797	689,797	
Purchased services	54,485	(11,677)	42,808	40,948	1,860
Supplies and materials	59,495	(1,642)	57,853	57,853	
Other objects	5,000	(1,350)	3,650	3,650	
Transfers to cover deficit (agency funds)	63,868	(8,270)	55,598	55,598	
Total school - sponsored athletics - instruction	<u>858,393</u>	<u>(8,687)</u>	<u>849,706</u>	<u>847,846</u>	<u>1,860</u>
Total instruction	<u>62,131,839</u>	<u>122,349</u>	<u>62,254,188</u>	<u>61,331,294</u>	<u>922,894</u>

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs w/in the state - regular	\$ 15,547	\$ (15,547)			
Tuition to other LEAs w/in the state - special	1,087,709	295,509	\$ 1,383,218	\$ 1,383,218	
Tuition to CSSD and regional day schools	154,190	(69,698)	84,492	84,492	
Tuition to private schools disabled - within state	1,260,627	174,520	1,435,147	1,435,147	
Tuition - state facilities		33,536	33,536	33,536	
Tuition - other	45,900	(33,536)	12,364		\$ 12,364
Total instruction	2,563,973	384,784	2,948,757	2,936,393	12,364
Attendance and social work services:					
Salaries	214,283	77,481	291,764	291,764	
Unused vacation payments to terminated/retired staff - normal retirements		573	573	573	
Purchased professional and technical services		6,000	6,000		6,000
Other purchased services	8,552		8,552	4,368	4,184
Supplies and materials	5,535		5,535	5,175	360
Total attendance and social work services	228,370	84,054	312,424	301,880	10,544
Health services:					
Salaries	1,057,171	72,271	1,129,442	1,129,442	
Purchased professional and technical services	93,942	15,840	109,782	108,263	1,519
Other purchased services	6,852	(958)	5,894	4,814	1,080
Supplies and materials	27,029	(1,571)	25,458	23,871	1,587
Total health services	1,184,994	85,582	1,270,576	1,266,390	4,186
Other support services - students - speech, OT, PT and related services:					
Salaries	1,568,989	(133,134)	1,435,855	1,435,855	
Purchased professional educational services	934,000	(80,047)	853,953	843,606	10,347
Supplies and materials	11,065	726	11,791	10,961	830
Total other support services - students - speech, OT, PT and related services	2,514,054	(212,455)	2,301,599	2,290,422	11,177
Other support services - students - extraordinary:					
Salaries	1,696,550	53,792	1,750,342	1,750,342	
Purchased professional - educational services	1,366,756	(227,257)	1,139,499	1,139,499	
Supplies and materials	19,000	(2,288)	16,712	16,512	200
Other objects	1,000	(781)	219	219	
Total other support services - students - extraordinary	3,083,306	(176,534)	2,906,772	2,906,572	200

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Guidance:					
Salaries of other professional staff	\$ 3,328,876	\$ (40,137)	\$ 3,288,739	\$ 3,133,763	\$ 154,976
Salaries of secretarial and clerical assistants	400,267	(75,037)	325,230	325,230	
Unused vacation payments to terminated/retired staff - normal retirements		43,743	43,743	43,743	
Other purchased professional - technical services	197,863	(40,541)	157,322	119,605	37,717
Other purchased services	15,944	(131)	15,813	12,387	3,426
Supplies and materials	26,645	(12,107)	14,538	12,028	2,510
Other objects	925	75	1,000	775	225
Total guidance	3,970,520	(124,135)	3,846,385	3,647,531	198,854
Child study teams:					
Salaries of other professional staff	2,406,331	(371)	2,405,960	2,368,670	37,290
Salaries of secretarial and clerical assistants	320,759	372	321,131	321,131	
Unused vacation payments to terminated/retired staff - normal retirements		13,851	13,851	13,851	
Purchased professional - educational services	75,000	6,303	81,303	81,303	
Other purchased professional & tech services	30,435	387	30,822	30,822	
Other purchased services	13,300	5,081	18,381	13,389	4,992
Supplies and materials	19,025	(3,457)	15,568	15,443	125
Total child study teams	2,864,850	22,166	2,887,016	2,844,609	42,407
Improvement of instructional services:					
Salaries of supervisors of instruction	1,495,101	53,682	1,548,783	1,548,783	
Salaries of other professional staff	482,909	(124,852)	358,057	306,831	51,226
Salaries of secretarial and clerical assistants	382,959		382,959	376,282	6,677
Other salaries	66,916	(836)	66,080	66,080	
Salaries of Facilitators, Math & Literacy coaches	725,276	15,756	741,032	741,032	
Unused vacation payments to terminated/retired staff - normal retirements		53,125	53,125	53,125	
Other purchased professional & tech services	53,950		53,950	44,191	9,759
Other purchased services	53,928	(4,303)	49,625	31,519	18,106
Supplies and materials	26,630	2,198	28,828	16,905	11,923
Other objects	13,350	773	14,123	13,577	546
Total improvement of instructional services	3,301,019	(4,457)	3,296,562	3,198,325	98,237
Educational media services/school library:					
Salaries	1,135,471	(39,565)	1,095,906	1,095,906	
Purchased professional - technical services	40,700	(1,367)	39,333	35,707	3,626
Other purchased services	4,120	558	4,678	4,090	588
Supplies and materials	147,518	(417)	147,101	134,832	12,269
Other objects	175		175	175	
Total educational media services / school library	1,327,984	(40,791)	1,287,193	1,270,710	16,483
Instructional staff training services:					
Salaries of supervisors of instruction		94,323	94,323	94,323	
Salaries of other professional staff	37,800	86,441	124,241	124,241	
Salaries of secretarial and clerical assistants	6,077	(1,495)	4,582		4,582
Purchased professional - educational services	20,000	(6,530)	13,470	13,288	182
Other purchased professional & tech services	15,000	(450)	14,550	13,998	552
Other purchased services	32,125	192	32,317	26,016	6,301
Supplies and materials	10,000	752	10,752	8,846	1,906
Other objects		820	820	820	
Total instructional staff training services	121,002	174,053	295,055	281,532	13,523

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Support services-general administration:					
Salaries	\$ 731,856	\$ 20,629	\$ 752,485	\$ 752,485	
Legal services	278,225	99,434	377,659	377,659	
Audit fees	71,500	80,910	152,410	81,410	\$ 71,000
Other purchased professional services	21,000	(9,188)	11,812	9,941	1,871
Purchased technical services	13,800		13,800	8,703	5,097
Communications/telephone	441,573	56,037	497,610	361,733	135,877
BOE other purchased services	10,500	(2,549)	7,951	6,339	1,612
Miscellaneous purchased services	374,382	(8,771)	365,611	341,023	24,588
General supplies	13,875	(1,676)	12,199	6,872	5,327
BOE in-house training/meeting supplies	1,500	(295)	1,205	1,146	59
Judgments		459	459	459	
Miscellaneous expenditures	17,148	(459)	16,689	10,884	5,805
BOE membership dues/fees	37,000		37,000	34,733	2,267
Total support services-general administration	2,012,359	234,531	2,246,890	1,993,387	253,503
Support services-school administration:					
Salaries of principals / assistant principals	2,608,886	31,248	2,640,134	2,640,134	
Salaries of other professional staff	758,067		758,067	744,388	13,679
Salaries of secretarial and clerical assistants	1,569,508		1,569,508	1,461,930	107,578
Salaries - other	15,506		15,506	15,506	
Unused vacation payments to					
terminated/retired staff - normal retirements		18,135	18,135	18,135	
Purchased professional and technical services	1,650	50	1,700	1,700	
Other purchased services	65,198	7,656	72,854	69,148	3,706
Supplies and materials	42,238	3,137	45,375	32,705	12,670
Other objects	24,900	(770)	24,130	21,505	2,625
Total support services-school administration	5,085,953	59,456	5,145,409	5,005,151	140,258
Central services:					
Salaries	1,751,978	32,451	1,784,429	1,783,811	618
Purchased professional services	61,400	10,852	72,252	66,795	5,457
Purchased technical services	41,000	10,400	51,400	50,513	887
Miscellaneous purchased services	40,945	10,713	51,658	44,199	7,459
Supplies and materials	26,707	(3,181)	23,526	12,645	10,881
Interest on lease purchase agreements	204,905	(12,323)	192,582	126,702	65,880
Miscellaneous expenditures	7,895	3	7,898	6,109	1,789
Total central services	2,134,830	48,915	2,183,745	2,090,774	92,971
Administrative information technology:					
Salaries	1,590,555	(53,478)	1,537,077	1,537,038	39
Unused vacation payments to					
terminated/retired staff - normal retirements		2,881	2,881	2,881	
Purchased technical services	564,743	(25,578)	539,165	536,300	2,865
Other purchased services	49,815	(11,132)	38,683	31,407	7,276
Supplies and materials	368,391	(152,067)	216,324	200,721	15,603
Other objects	500		500	200	300
Total administrative information technology	2,574,004	(239,374)	2,334,630	2,308,547	26,083
Required maintenance for school facilities:					
Salaries	1,120,633	(159,160)	961,473	961,473	
Unused vacation payments to					
terminated/retired staff - normal retirements		12,840	12,840	12,840	
Cleaning, repair and maintenance services	452,979	137,732	590,711	549,629	41,082
General supplies	372,732	(28,278)	344,454	329,774	14,680
Other objects	150,414	(581)	149,833	146,813	3,020
Total required maintenance for school facilities	2,096,758	(37,447)	2,059,311	2,000,529	58,782

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

Year ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Custodial services:					
Salaries	\$ 1,359,804	\$ (5,667)	\$ 1,354,137	\$ 1,354,137	
Salaries of non-instructional aides	498,322	15,927	514,249	514,249	
Unused vacation payments to terminated/retired staff - normal retirements		581	581	581	
Purchased professional and technical services	126,200	236,740	362,940	348,020	\$ 14,920
Cleaning, repair and maintenance services	3,375,371	(44,074)	3,331,297	3,329,024	2,273
Other purchased property services	70,200		70,200	65,935	4,265
Insurance	638,556		638,556	458,824	179,732
Miscellaneous purchased services	15,500	35,073	50,573	25,686	24,887
General supplies	169,942	58,921	228,863	223,228	5,635
Energy (electricity)	2,065,932	(22,412)	2,043,520	1,842,423	201,097
Energy (natural gas)	948,014	(183,112)	764,902	470,751	294,151
Other objects	10,800	(3,276)	7,524	7,524	
Total custodial services	9,278,641	88,701	9,367,342	8,640,382	726,960
Care and upkeep of grounds:					
Salaries	371,304	16,445	387,749	387,749	
Unused vacation payments to terminated/retired staff - normal retirements		4,396	4,396	4,396	
Cleaning, repair and maintenance services	513,080	(60,716)	452,364	369,134	83,230
General supplies	101,432	16,892	118,324	113,414	4,910
Other objects	21,645	(3,357)	18,288	1,461	16,827
Total care and upkeep of grounds	1,007,461	(26,340)	981,121	876,154	104,967
Security:					
Salaries	2,089,452	(96,078)	1,993,374	1,993,374	
Purchased professional and technical services	115,000	(50,956)	64,044	63,647	397
Cleaning, Repair, and Maintenance Services	576,855	25,000	601,855	353,188	248,667
General supplies	51,233	188,474	239,707	43,073	196,634
Other objects	17,950	932	18,882	15,867	3,015
Total security	2,850,490	67,372	2,917,862	2,469,149	448,713
Student transportation services:					
Salaries - Non-instructional Aides	163,636	(23,184)	140,452	140,452	
Salaries for pupil transportation:					
Between home and school - regular	1,817,898		1,817,898	1,734,062	83,836
Other Purchased professional and technical services	26,600	1,441	28,041	28,041	
Cleaning, Repair, and Maintenance Services	425,936	(3,119)	422,817	422,817	
Rental payments - School Buses	11,500	(11,500)			
Lease Purchase Payments - School Buses	469,976	299	470,275	470,275	
Contracted services:					
Aid in lieu of payments-Nonpublic students	226,000	(91,800)	134,200	134,200	
Vendors - between home and school	1,761,023	43,899	1,804,922	1,737,489	67,433
Vendors - other than between home and school	602,137	37,121	639,258	620,347	18,911
Vendors - Special Ed	1,291,045	(134,439)	1,156,606	1,156,606	
Vendors - between home and school - regional ESCs	31,543	(31,543)			
ESCs & CTSA's - Special Ed	2,345,956	695,316	3,041,272	3,023,499	17,773
Miscellaneous purchased services - transportation	92,070	(400)	91,670	73,342	18,328
General supplies	1,000	(123)	877	877	
Transportation Supplies	332,338	(194,041)	138,297	138,297	
Other objects	3,425	(1,128)	2,297	2,175	122
Total student transportation services	9,602,083	286,799	9,888,882	9,682,479	206,403

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Unallocated benefits:					
Social security contributions	\$ 1,650,000	\$ 191,955	\$ 1,841,955	\$ 1,841,955	
Other retirement contributions - PERS	2,160,915	(123,409)	2,037,506	1,931,902	\$ 105,604
Unemployment compensation insurance	70,000		70,000		70,000
Worker's compensation	598,014		598,014	548,936	49,078
Health benefits	20,448,022	(905,645)	19,542,377	18,040,627	1,501,750
Tuition reimbursement	195,500	(6,087)	189,413	102,884	86,529
Other employee benefits	539,598	(370,144)	169,454	25,285	144,169
Unused sick payments to terminated/retired staff - normal retirements		203,759	203,759	203,759	
Total unallocated benefits	25,662,049	(1,009,571)	24,652,478	22,695,348	1,957,130
On-behalf payments:					
TPAF - Pension Contribution (non-budgeted)				12,114,613	(12,114,613)
TPAF - Post-Retirement Medical (non-budgeted)				5,495,169	(5,495,169)
TPAF - Long-Term Disability Insurance (non-budgeted)				14,328	(14,328)
Reimbursed TPAF social security contributions (non-budgeted)				4,661,590	(4,661,590)
Total on-behalf payments				22,285,700	(22,285,700)
Total undistributed expenditures	83,464,700	(334,691)	83,130,009	100,991,964	(17,861,955)
Total current expenditures	145,596,539	(212,342)	145,384,197	162,323,258	(16,939,061)
Capital outlay:					
Equipment:					
Regular programs - instruction:					
Grades 6-8	2,289	(1,545)	744		744
Grades 9-12	6,578	4,478	11,056	7,314	3,742
Undistributed instruction:					
Undistributed exp.-instruction		55,112	55,112	27,315	27,797
Undistributed exp.- student support services		10,641	10,641	10,641	
Students - extraordinary		5,187	5,187	5,187	
General administration		2,619	2,619	2,619	
Administration information technology		190,547	190,547	190,297	250
Required maintenance for school facilities		84,536	84,536	84,536	
Care and upkeep of grounds		7,954	7,954	7,954	
Total equipment	8,867	359,529	368,396	335,863	32,533
Facilities acquisition and construction services:					
Salaries	14,876	(2,253)	12,623	12,623	
Architectural/engineering services	90,000	1,833,491	1,923,491	884,010	1,039,481
Other Purch Prof & Tech services		285,458	285,458	235,666	49,792
Construction services	60,000	4,350,673	4,410,673	3,218,400	1,192,273
Supplies and materials	60,000	(42,295)	17,705	7,081	10,624
Lease purchase agreements - principal	4,230,982	(5,966)	4,225,016	3,874,916	350,100
Assessment for Debt Service on SDA Funding	347,538		347,538	347,538	
Total facilities acquisition and construction services	4,803,396	6,419,108	11,222,504	8,580,234	2,642,270
Total expenditures - capital outlay	4,812,263	6,778,637	11,590,900	8,916,097	2,674,803
Special schools:					
Summer school - instruction:					
Salaries of teachers	57,860		57,860	7,262	50,598
Other salaries for instruction	11,885	(4,978)	6,907	6,907	
Total summer school - instruction	69,745	(4,978)	64,767	14,169	50,598
Total special schools	69,745	(4,978)	64,767	14,169	50,598
Charter schools	3,101,768		3,101,768	2,701,322	400,446
Total expenditures	153,580,315	6,561,317	160,141,632	173,954,846	(13,813,214)
(Deficiency) excess of revenues (under) over expenditures	(5,894,001)	(6,561,317)	(12,455,318)	(1,939,383)	10,515,935

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other financing sources (uses):					
Transfers in	\$ 1,544,001		\$ 1,544,001	\$ 1,288,255	\$ (255,746)
Transfers in - Capital Projects Fund		\$ 43,469	43,469	43,469	
Total other financing sources (uses)	<u>1,544,001</u>	<u>43,469</u>	<u>1,587,470</u>	<u>1,331,724</u>	<u>(255,746)</u>
(Deficiency) excess of revenues (under) over expenditures and other financing sources (uses)	(4,350,000)	(6,517,848)	(10,867,848)	(607,659)	10,260,189
Fund balances, July 1	25,183,475		25,183,475	25,183,475	
Fund balances, June 30	<u>\$ 20,833,475</u>	<u>\$ (6,517,848)</u>	<u>\$ 14,315,627</u>	<u>\$ 24,575,816</u>	<u>\$ 10,260,189</u>
Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)					
Budgeted fund balance	\$ (4,350,000)	\$ 8,360	\$ (4,341,640)	\$ 3,121,579	\$ 7,463,219
Budgeted fund balance - capital reserve		(3,761,036)	(3,761,036)	(964,066)	2,796,970
Adjustment for prior year encumbrances		(2,765,172)	(2,765,172)	(2,765,172)	
Total	<u>\$ (4,350,000)</u>	<u>\$ (6,517,848)</u>	<u>\$ (10,867,848)</u>	<u>\$ (607,659)</u>	<u>\$ 10,260,189</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital Reserve				\$ 8,691,140	
Excess Surplus - Current Year				4,350,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				4,350,000	
Assigned Fund Balance:					
Year-end Encumbrances				3,013,885	
Unassigned Fund Balance				<u>4,170,791</u>	
				24,575,816	
Reconciliation to Governmental Funds Statements (GAAP):					
Last state aid payments not recognized on GAAP basis				(1,819,879)	
Fund balance per Governmental Funds (GAAP) (B-1)				<u>\$ 22,755,937</u>	

East Brunswick Public Schools
Special Revenue Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Federal sources	\$ 2,720,000	\$ 444,612	\$ 3,164,612	\$ 2,996,137	\$ (168,475)
State sources	236,000	85,346	321,346	291,926	(29,420)
Other sources	75,000	6,559,958	6,634,958	229,857	(6,405,101)
Total revenues	3,031,000	7,089,916	10,120,916	3,517,920	(6,602,996)
Expenditures:					
Current expenditures:					
Instruction:					
Salaries	559,161	99,404	658,565	583,254	75,311
Purchased professional technical services		10,380	10,380	10,380	
Purchased professional educational services	103,000	28,742	131,742	92,596	39,146
Other purchased services	1,623,672	145,066	1,768,738	1,768,676	62
Supplies and materials	52,477	177,636	230,113	176,059	54,054
Textbooks	404	21,940	22,344	22,159	185
Other objects	1,501	249	1,750	662	1,088
Total instruction	2,340,215	483,417	2,823,632	2,653,786	169,846
Support services:					
Salaries	144,541	79,869	224,410	196,540	27,870
Personal services - employee benefits	223,549	40,963	264,512	256,941	7,571
Purchased professional technical services	124,138	56,484	180,622	150,128	30,494
Purchased professional educational services	95,000	22,625	117,625	105,650	11,975
Other purchased services	15,783	9,015	24,798	17,626	7,172
Contract services - transportation	8,000	2,029	10,029	10,029	
Supplies and materials	57,413	302,943	360,356	340,677	19,679
Other objects		760	760	760	
Total support services	668,424	514,688	1,183,112	1,078,351	104,761
Capital outlay:					
Facilities acquisition and construction services:					
Instructional equipment	11,570	728,557	740,127	550,986	189,141
Regular education - school buses		633,016	633,016	633,016	
Purchased professional technical services		39,112	39,112	5,689	33,423
Other purchased professional / technical services		12,235	12,235	3,587	8,648
Construction services	10,791	4,693,944	4,704,735	3,849,189	855,546
Infrastructure		6,852	6,852		6,852
Total facilities acquisition and construction services	22,361	6,113,716	6,136,077	5,042,467	1,093,610
Total expenditures	3,031,000	7,111,821	10,142,821	8,774,604	1,368,217
(Deficiency) of revenues (under) expenditures	-	(21,905)	(21,905)	(5,256,684)	(5,234,779)
Fund Balance, July 1	6,326,984		6,326,984	6,326,984	
Fund Balance, June 30	<u>\$ 6,326,984</u>	<u>\$ (21,905)</u>	<u>\$ 6,305,079</u>	<u>\$ 1,070,300</u>	<u>\$ (5,234,779)</u>

East Brunswick Public Schools
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2019

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the Budgetary Comparison Schedule (C-1, C-2)	\$ 172,015,463	\$ 3,517,920
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances (net) are recognized as expenditures, and the related revenue is recognized.		
Prior year		39,623
Current year		(23,850)
State aid payments from prior year recognized in prior year for budgetary purposes, and recognized for GAAP purposes in the current fiscal year.	1,755,781	
State aid payments recognized for budgetary purposes, not recognized for GAAP purposes	(1,819,879)	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (B-2)	\$ 171,951,365	\$ 3,533,693
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule (C-1, C-2)	\$ 173,954,846	\$ 8,774,604
Differences - budget to GAAP		
Encumbrances (net) for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year they are received for GAAP purposes.		
Prior year		39,623
Current year		(23,850)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 173,954,846	\$ 8,790,377

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, 2019

	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	School Climate Transformation	
Revenues:									
Federal sources	\$ 633,544	\$ 178,952	\$ 53,095	\$ 18,850	\$ 38,383	\$ 1,850,465	\$ 64,495	\$ 1,800	\$ 156,553
State sources									
Other sources									
Total revenues	\$ 633,544	\$ 178,952	\$ 53,095	\$ 18,850	\$ 38,383	\$ 1,850,465	\$ 64,495	\$ 1,800	\$ 156,553
Expenditures:									
Instruction:									
Salaries	\$ 404,268	\$	\$ 38,326	\$ 10,527	\$ 10,380				\$ 126,533
Purchased professional/technical services									
Other purchased services	7,465		5,871		1,554	\$ 1,719,443	\$ 30,000	\$ 1,800	1,061
Instructional supplies									254
Textbooks									
Other objects	662								
Total instruction	412,395		44,197	10,527	11,934	1,719,443	30,000	1,800	127,848
Support services:									
Salaries	25,969	104,272	619	6,227	21,372	33,390	1,166		3,525
Personal services-employee benefits	193,059	10,968	3,654	1,570	2,077	19,744	689		25,180
Purchased professional/technical services		36,600			3,000	77,888	32,640		
Other purchased services	995	12,779	3,055						
Contracted services - transportation				526					
Supplies and materials	1,126	14,333	1,570						
Other objects									
Total support services	221,149	178,952	8,898	8,323	26,449	131,022	34,495		28,705
Capital outlay:									
Facilities acquisition and construction services									
Instructional equipment									
Regular education - school buses									
Purchased professional/technical services									
Other purchased professional / technical services									
Construction services									
Total facilities acquisition and construction services									
Total expenditures	633,544	178,952	53,095	18,850	38,383	1,850,465	64,495	1,800	156,553
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	-	-	-	-
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, 2019

	NJ Nonpublic Auxiliary Services, Ch. 192		NJ Nonpublic Handicapped Services, Ch. 193			
	English as a Second Language	Transportation	Compensatory Education	Supplemental Instruction	Examination and Classification	Corrective Speech
Revenues:						
Federal sources	\$ 3,451	\$ 10,029	\$ 68,528	\$ 20,617	\$ 31,665	\$ 18,749
State sources						
Other sources						
Total revenues	\$ 3,451	\$ 10,029	\$ 68,528	\$ 20,617	\$ 31,665	\$ 18,749
Expenditures:						
Instruction:						
Salaries						
Purchased professional/technical services						
Purchased professional/educational services	\$ 3,451	\$	\$ 68,528	\$ 20,617		
Other purchased services						
Instructional supplies						
Textbooks						
Other objects						
Total instruction	\$ 3,451		\$ 68,528	\$ 20,617		
Support services:						
Salaries						
Personal services—employee benefits						
Purchased professional/technical services						
Purchased professional/educational services					\$ 31,665	\$ 18,749
Other purchased services						
Contracted services - transportation	\$	\$ 10,029				
Supplies and materials						
Other objects						
Total support services		\$ 10,029			\$ 31,665	\$ 18,749
Capital outlay:						
Facilities acquisition and construction services						
Instructional equipment						
Regular education - school buses						
Purchased professional/technical services						
Other purchased professional / technical services						
Construction services						
Total facilities acquisition and construction services						
Total expenditures	\$ 3,451	\$ 10,029	\$ 68,528	\$ 20,617	\$ 31,665	\$ 18,749
Excess/(deficiency) of revenues over/(under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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, 2019

	Nonpublic Textbook Aid	Nonpublic Nursing	Nonpublic Technology Services	Nonpublic Security	East Brunswick Education Fund	PTA Grants	Other Local
Revenues:							
Federal sources	\$ 21,905	\$ 40,421	\$ 14,815	\$ 61,746	\$ 99,272	\$ 69,254	\$ 61,331
State sources							
Other sources							
Total revenues	\$ 21,905	\$ 40,421	\$ 14,815	\$ 61,746	\$ 99,272	\$ 69,254	\$ 61,331
Expenditures:							
Instruction:							
Salaries							\$ 3,600
Purchased professional/technical services							
Purchased professional/educational services					\$ 19,233		
Other purchased services					46,800	\$ 34,920	8,439
Instructional supplies							
Textbooks	\$ 21,905						
Other objects							
Total instruction	21,905				66,033	34,920	12,039
Support services:							
Salaries							
Personal services-employee benefits							
Purchased professional/technical services							
Purchased professional/educational services	\$ 40,421	\$ 14,815					797
Other purchased services							
Contracted services - transportation							
Supplies and materials				\$ 61,746	499	2,867	2,500
Other objects							760
Total support services	40,421	14,815		61,746	499	2,867	4,057
Capital outlay:							
Facilities acquisition and construction services							
Instructional equipment					16,734	16,337	
School Buses-Regular							
Purchased professional/technical services							
Other purchased professional / technical services					16,006	15,130	45,235
Construction services					32,740	31,467	45,235
Total facilities acquisition and construction services					99,272	69,254	61,331
Total expenditures	21,905	40,421	14,815	61,746	99,272	69,254	61,331
Excess/(deficiency) of revenues over/(under) expenditures							
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, 2019

	2014-2015 Lease Agreement TDI Bank, N.A.	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	Totals
Revenues:						
Federal sources					\$	2,996,137
State sources						291,926
Other sources						229,857
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,517,920
Expenditures:						
Instruction:						
Salaries					\$	583,254
Purchased professional/technical services						10,380
Purchased professional/educational services						92,596
Other purchased services		\$	25,830	\$	42,319	1,768,676
Instructional supplies						176,059
Textbooks						22,159
Other objects						662
Total instruction		25,830		42,319		2,653,766
Support services:						
Salaries						196,540
Personal services-employee benefits						256,941
Purchased professional/technical services						150,128
Purchased professional/educational services						105,650
Other purchased services						17,626
Contracted services - transportation			1,829	71,277	182,404	10,029
Supplies and materials						340,677
Other objects						760
Total support services			1,829	71,277	182,404	1,078,351
Capital outlay:						
Facilities acquisition and construction services						
Instructional equipment	\$	3,540	143,259	162,941	208,175	550,986
Regular education - school buses					633,016	633,016
Purchased professional/technical services		\$	5,689			5,689
Other purchased professional / technical services			3,587			3,587
Construction services	3,540	43,163	146,846	162,941	3,729,655	3,849,189
Total facilities acquisition and construction services	3,540	48,852	174,505	276,537	4,753,250	5,042,467
Total expenditures	(3,540)	(48,852)	(174,505)	(276,537)	(4,753,250)	(8,774,604)
Excess/(deficiency) of revenues over/(under) expenditures	\$	3,540	300,814	640,152	361,460	5,021,018
Fund balance, July 1	\$	-	251,962	465,647	84,923	267,768
Fund balance, June 30						\$ 1,070,300

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, 2019

Revenues	
ESIP refunding bond proceeds	\$ 8,135,000
Premium on ESIP refunding bond issuance	839,236
Interest earned	<u>43,469</u>
Total Revenues and other financing sources	<u>9,017,705</u>
Expenditures	
Other professional services	13,172
Purchased professional and technical services	417,258
Construction services	2,090,521
Costs of issuance	<u>86,896</u>
Total expenditures	<u>2,607,847</u>
Excess of revenues over expenditures	6,409,858
Other Financing Uses	
Transfers out	<u>(43,469)</u>
Net change in fund balance	6,366,389
Fund Balance, July 1	<u>792,329</u>
Fund Balance, June 30	<u><u>\$ 7,158,718</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, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 6,783,613		\$ 6,783,613	\$ 6,783,613
Bond proceeds	13,960,000	\$ 8,135,000	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	43,469	
Miscellaneous	3,996,480		3,996,480	3,996,480
Total Revenues	<u>31,747,948</u>	<u>9,017,705</u>	<u>40,765,653</u>	<u>40,722,184</u>
Expenditures and other financing uses				
Legal	36,966	-	36,966	36,966
Other professional services	2,783,360	13,172	2,796,532	2,796,532
Purchased professional and technical services	307,886	417,258	725,144	725,144
Construction services	27,415,962	2,090,521	29,506,483	29,506,483
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
Total expenditures	<u>30,780,026</u>	<u>2,607,847</u>	<u>33,387,873</u>	<u>33,387,873</u>
Other Financing Uses				
Transfers out	(175,593)	(43,469)	(219,062)	(219,062)
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 792,329</u>	<u>\$ 6,366,389</u>	<u>\$ 7,158,718</u>	<u>\$ 7,115,249</u>

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, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 4,238,520		\$ 4,238,520	\$ 4,238,520
Bond proceeds	13,960,000		13,960,000	13,960,000
Lease purchase				
Premium on bond issuance				
Transfer from capital reserve	1,619,000		1,619,000	1,619,000
Interest earned				
Miscellaneous	3,996,480		3,996,480	3,996,480
Total Revenues	<u>23,814,000</u>		<u>23,814,000</u>	<u>23,814,000</u>
Expenditures and other financing uses				
Legal	36,966		36,966	36,966
Other professional services	2,485,071		2,485,071	2,485,071
Purchased professional and technical services	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				
Total expenditures	<u>23,752,326</u>		<u>23,752,326</u>	<u>23,752,326</u>
Other Financing Uses				
Transfers out	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 61,674</u>	<u>\$ -</u>	<u>\$ 61,674</u>	<u>\$ 61,674</u>
Additional project information				
Project number	924			
Grant date	January 4, 2010			
Bond authorization date	May 12, 2010			
Bonds Authorized	\$ 17,956,480			
Bonds Issued	13,960,000			
Original Authorized Cost	23,814,000			
Additional Authorized Cost	-			
Revised Authorized Cost	23,814,000			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	99.74%			
Original target completion date	2012			
Revised target completion date	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, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 54,113		\$ 54,113	\$ 54,113
Bond proceeds				
Lease purchase	91,587		91,587	91,587
Premium on bond issuance				
Transfer from (to) capital reserve				
Interest earned				
Miscellaneous				
Total Revenues	<u>145,700</u>		<u>145,700</u>	<u>145,700</u>
Expenditures and other financing uses				
Legal				
Other professional services	13,555		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				
Total expenditures	<u>145,555</u>		<u>145,555</u>	<u>145,555</u>
Other Financing Uses				
Transfers out	<u>(145)</u>		<u>(145)</u>	<u>(145)</u>
Excess (deficiency) of revenues over (under) expenditures				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information				
Project number	931			
Grant date	June 10, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 135,283			
Additional Authorized Cost	10,417			
Revised Authorized Cost	145,700			
Percentage Increase over Original				
Authorized Cost	7.70%			
Percentage completion	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, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
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				
Total Revenues	<u>145,335</u>		<u>145,335</u>	<u>145,335</u>
Expenditures and other financing uses				
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				
Total expenditures	<u>144,790</u>		<u>144,790</u>	<u>144,790</u>
Other Financing Uses				
Transfers out	<u>(545)</u>		<u>(545)</u>	<u>(545)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information				
Project number	933			
Grant date	June 10, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 145,699			
Additional Authorized Cost	(364)			
Revised Authorized Cost	145,335			
Percentage Increase over Original				
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, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 50,424		\$ 50,424	\$ 50,424
Bond proceeds				
Lease purchase	116,376		116,376	116,376
Premium on bond issuance				
Transfer from (to) capital reserve				
Interest earned				
Miscellaneous				
Total Revenues	<u>166,800</u>		<u>166,800</u>	<u>166,800</u>
Expenditures and other financing uses				
Legal				
Other professional services	10,673		10,673	10,673
Purchased professional and technical services				
Construction services	156,000		156,000	156,000
Other objects				
Transfer to capital reserve				
Costs of issuance				
Total expenditures	<u>166,673</u>		<u>166,673</u>	<u>166,673</u>
Other Financing Uses				
Transfers out	(127)		(127)	(127)
Excess (deficiency) of revenues over (under) expenditures				
	<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, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 47,958		\$ 47,958	\$ 47,958
Bond proceeds				
Lease purchase	101,842		101,842	101,842
Premium on bond issuance				
Transfer from (to) capital reserve				
Interest earned				
Miscellaneous				
Total Revenues	<u>149,800</u>		<u>149,800</u>	<u>149,800</u>
Expenditures and other financing uses				
Legal				
Other professional services	10,722		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				
Total expenditures	<u>149,722</u>		<u>149,722</u>	<u>149,722</u>
Other Financing Uses				
Transfers out	<u>(78)</u>		<u>(78)</u>	<u>(78)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information				
Project number	936			
Grant date	June 10, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 119,894			
Additional Authorized Cost	29,906			
Revised Authorized Cost	149,800			
Percentage Increase over Original				
Authorized Cost	24.94%			
Percentage completion	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, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
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				
Total Revenues	<u>1,323,745</u>		<u>1,323,745</u>	<u>1,323,745</u>
Expenditures and other financing uses				
Legal				
Other professional services	98,386		98,386	98,386
Purchased professional and technical services				
Construction services	1,066,786		1,066,786	1,066,786
Other objects				
Transfer to capital reserve				
Costs of issuance				
Total expenditures	<u>1,165,172</u>		<u>1,165,172</u>	<u>1,165,172</u>
Other Financing Uses				
Transfers out	<u>(158,573)</u>		<u>(158,573)</u>	<u>(158,573)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information				
Project number	938			
Grant date	June 10, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 1,429,460			
Additional Authorized Cost	(105,715)			
Revised Authorized Cost	1,323,745			
Percentage Increase over Original				
Authorized Cost	-7.40%			
Percentage completion	100.00%			
Original target completion date	2015			
Revised target completion date	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, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
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				
Total Revenues	<u>131,193</u>		<u>131,193</u>	<u>131,193</u>
Expenditures and other financing uses				
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				
Total expenditures	<u>115,613</u>		<u>115,613</u>	<u>115,613</u>
Other Financing Uses				
Transfers out	(15,580)		(15,580)	(15,580)
Excess (deficiency) of revenues over (under) expenditures				
	<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, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 65,617		\$ 65,617	\$ 65,617
Bond proceeds				
Lease purchase	137,983		137,983	137,983
Premium on bond issuance				
Transfer from (to) capital reserve				
Interest earned				
Miscellaneous				
Total Revenues	<u>203,600</u>		<u>203,600</u>	<u>203,600</u>
Expenditures and other financing uses				
Legal				
Other professional services	13,444		13,444	13,444
Purchased professional and technical services				
Construction services	190,000		190,000	190,000
Other objects				
Transfer to capital reserve				
Costs of issuance				
Total expenditures	<u>203,444</u>		<u>203,444</u>	<u>203,444</u>
Other Financing Uses				
Transfers out	(156)		(156)	(156)
Excess (deficiency) of revenues over (under) expenditures				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information				
Project number	940			
Grant date	June 10, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds issued	NA			
Original Authorized Cost	\$ 164,042			
Additional Authorized Cost	39,558			
Revised Authorized Cost	203,600			
Percentage increase over Original				
Authorized Cost	24.11%			
Percentage completion	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, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 57,044		\$ 57,044	\$ 57,044
Bond proceeds				
Lease purchase	112,756		112,756	112,756
Premium on bond issuance				
Transfer from (to) capital reserve				
Interest earned				
Miscellaneous				
Total Revenues	<u>169,800</u>		<u>169,800</u>	<u>169,800</u>
Expenditures and other financing uses				
Legal				
Other professional services	11,489		11,489	11,489
Purchased professional and technical services				
Construction services	158,000		158,000	158,000
Other objects				
Transfer to capital reserve				
Costs of issuance				
Total expenditures	<u>169,489</u>		<u>169,489</u>	<u>169,489</u>
Other Financing Uses				
Transfers out	<u>(311)</u>		<u>(311)</u>	<u>(311)</u>
Excess (deficiency) of revenues over (under) expenditures	<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, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 56,632		\$ 56,632	\$ 56,632
Bond proceeds				
Lease purchase	105,068		105,068	105,068
Premium on bond issuance				
Transfer from (to) capital reserve				
Interest earned				
Miscellaneous				
Total Revenues	<u>161,700</u>		<u>161,700</u>	<u>161,700</u>
Expenditures and other financing uses				
Legal				
Other professional services	11,622		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				
Total expenditures	<u>161,622</u>		<u>161,622</u>	<u>161,622</u>
Other Financing Uses				
Transfers out	<u>(78)</u>		<u>(78)</u>	<u>(78)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information				
Project number	943			
Grant date	June 10, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 141,580			
Additional Authorized Cost	20,120			
Revised Authorized Cost	161,700			
Percentage Increase over Original				
Authorized Cost	14.21%			
Percentage completion	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, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 795,614		\$ 795,614	\$ 795,614
Bond proceeds				
Lease purchase	1,193,422		1,193,422	1,193,422
Premium on bond issuance				
Transfer from capital reserve	887,710		887,710	887,710
Interest earned				
Miscellaneous				
Total Revenues	<u>2,876,746</u>		<u>2,876,746</u>	<u>2,876,746</u>
Expenditures and other financing uses				
Legal				
Other professional services	54,140	\$ 6,586	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				
Total expenditures	<u>2,377,450</u>	<u>6,586</u>	<u>2,384,036</u>	<u>2,384,036</u>
Other Financing Uses				
Transfers out				
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 499,296</u>	<u>\$ (6,586)</u>	<u>\$ 492,710</u>	<u>\$ 492,710</u>
Additional project information				
Project number	932			
Grant date	October 23, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 1,989,036			
Additional Authorized Cost	887,710			
Revised Authorized Cost	2,876,746			
Percentage Increase over Original				
Authorized Cost	44.63%			
Percentage completion	82.87%			
Original target completion date	2016			
Revised target completion date	2020			

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, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA grant	\$ 847,461		\$ 847,461	\$ 847,461
Bond proceeds				
Lease purchase	1,340,671		1,340,671	1,340,671
Premium on bond issuance				
Transfer from capital reserve	271,397		271,397	271,397
Interest earned				
Miscellaneous				
Total Revenues	<u>2,459,529</u>		<u>2,459,529</u>	<u>2,459,529</u>
Expenditures and other financing uses				
Legal				
Other professional services	50,855	\$ 6,586	57,441	57,441
Purchased professional and technical services	33,760		33,760	33,760
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				
Total expenditures	<u>2,228,170</u>	<u>6,586</u>	<u>2,234,756</u>	<u>2,234,756</u>
Other Financing Uses				
Transfers out				
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 231,359</u>	<u>\$ (6,586)</u>	<u>\$ 224,773</u>	<u>\$ 224,773</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	90.86%			
Original target completion date	2016			
Revised target completion date	2020			

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, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
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	43,469	
Miscellaneous				
Total Revenues	-	9,017,705	9,017,705	8,974,236
Expenditures and other financing uses				
Legal				
Other professional services				
Purchased professional and technical services		417,258	417,258	417,258
Construction services		2,090,521	2,090,521	2,090,521
Other objects				
Transfer to capital reserve				
Costs of issuance		86,896	86,896	86,896
Total expenditures	-	2,594,675	2,594,675	2,594,675
Other Financing Uses				
Transfers out		(43,469)	(43,469)	
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 6,379,561	\$ 6,379,561	\$ 6,379,561
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		28.77%		
Original target completion date		2020		
Revised target completion date		2020		

East Brunswick Public Schools
Capital Projects Fund

Summary Schedule of Project Expenditures
(Budgetary Basis)

From Inception and for the year ended June 30, 2019

Issue/Project Title	District Project Number	Original Date	Revised Appropriations	Expenditures to Date		Transfers Out		Unexpended Balance
				Prior Years	Current Year	Prior Years	Current Year	
Memorial Elementary School Replacement 09/10	924	1/4/2010	\$ 23,814,000	\$ 23,752,328				\$ 61,672
Central School Security and Communications Systems Upgrade 13/14	931	6/10/2014	145,700	143,555		\$ 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	
Hammarskjold School Security and Communications Systems Upgrades 13/14	940	6/10/2014	203,600	203,444			156	
Lawrence Brook School Security and Communications Systems Upgrades 13/14	942	6/10/2014	169,800	169,489			311	
Warnsdorfer School Security and Communications Systems Upgrades 13/14	943	6/10/2014	161,700	161,622			78	
Chittick Elementary School HVAC and Electrical Upgrades 14/15	932	10/23/2014	2,876,746	2,278,922	\$ 6,586		98,526	492,712
Irwin Elementary School HVAC and Electrical Upgrades 14/15	941	10/23/2014	2,459,529	2,128,895	6,586		99,275	224,773
Energy Savings Improvement Program	ESP	1/23/2019	8,974,236		2,594,675			6,379,561
Grand Total			\$ 40,722,184	\$ 30,582,225	\$ 2,607,847	\$ 373,394	\$ -	\$ 7,158,718

Fiduciary Funds

East Brunswick Public Schools
Trust and Agency Funds

Combining Statement of Fiduciary Net Position

June 30, 2019

	Agency		
	Student Activity	Payroll	Total Agency
Assets			
Cash and cash equivalents	\$ 580,758	\$ 683,001	\$ 1,263,759
Total assets	\$ 580,758	\$ 683,001	\$ 1,263,759
Liabilities			
Payroll deductions payable		\$ 683,001	\$ 683,001
Due to student groups	\$ 580,758		580,758
Total liabilities	\$ 580,758	\$ 683,001	\$ 1,263,759

East Brunswick Public Schools
Student Activity Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2019

	Balance July 1, 2018	Cash Receipts	Cash Disbursements	Balance June 30, 2019
Elementary Schools:				
Bowne-Munro	\$ 4,878	\$ 5,208	\$ 5,932	\$ 4,154
Central	8,565	10,031	12,261	6,335
Irwin	1,153	13,386	11,168	3,371
Lawrence Brook	3,669	13,952	12,757	4,864
Memorial	2,365	12,059	10,721	3,703
Murray A. Chittick	10,917	11,154	11,733	10,338
Robert Frost	5,247	12,469	12,356	5,360
Warnsdorfer	20,390	18,306	19,461	19,235
Total elementary schools	57,184	96,565	96,389	57,360
Middle Schools:				
Churchill	97,626	101,286	98,436	100,476
Hammarskjold	28,823	75,605	67,381	37,047
Total middle schools	126,449	176,891	165,817	137,523
High Schools:				
East Brunswick High School	369,682	601,026	593,367	377,341
E.B.H.S. Athletic Fund	1,617	114,212	107,295	8,534
Total high schools	371,299	715,238	700,662	385,875
Total all schools	\$ 554,932	\$ 988,694	\$ 962,868	\$ 580,758

East Brunswick Public Schools
Payroll Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2019

	<u>Balance July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2019</u>
Assets				
Cash and equivalents	\$ 655,685	\$100,910,114	\$ 100,882,798	\$ 683,001
Total assets	<u>\$ 655,685</u>	<u>\$100,910,114</u>	<u>\$ 100,882,798</u>	<u>\$ 683,001</u>
Liabilities				
Payroll deductions and withholdings	\$ 655,685	\$100,910,114	\$ 100,882,798	\$ 683,001
Total liabilities	<u>\$ 655,685</u>	<u>\$100,910,114</u>	<u>\$ 100,882,798</u>	<u>\$ 683,001</u>

Long-Term Debt

East Brunswick Public Schools
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2019

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2018	Issued	Retired	Balance June 30, 2019
			Date	Amount					
School Bonds	5/12/2010	\$ 13,960,000	5/15/2020	\$ 355,000	4.000%				
			5/15/2021	370,000	4.000%				
			5/15/2022	390,000	4.000%				
			5/15/2023	410,000	4.000%				
			5/15/2024	425,000	4.000%				
			5/15/2025	445,000	4.000%				
			5/15/2026	465,000	4.000%				
			5/15/2027	490,000	4.000%				
			5/15/2028	510,000	4.000%				
			5/15/2029	535,000	4.000%				
			5/15/2030	560,000	4.250%				
			5/15/2031	585,000	4.250%				
			5/15/2032	615,000	4.250%				
			5/15/2033	640,000	4.250%				
			5/15/2034	670,000	4.250%				
			5/15/2035	700,000	4.250%				
			5/15/2036	735,000	4.375%				
			5/15/2037	770,000	4.375%				
			5/15/2038	800,000	4.375%				
			5/15/2039	840,000	4.500%				
5/15/2040	880,000	4.500%			\$12,530,000		\$ 340,000	\$12,190,000	
2012 Refunding of 2005 School Bonds	11/20/2012	60,560,000	11/1/2019	2,635,000	5.000%				
			11/1/2020	3,020,000	5.000%				
			11/1/2021	3,045,000	5.000%				
			11/1/2022	3,075,000	5.000%				
			11/1/2023	3,110,000	5.000%				
			11/1/2024	3,105,000	3.000%				
			11/1/2025	3,425,000	3.000%				
			11/1/2026	3,380,000	3.000%				
			11/1/2027	3,350,000	4.000%				
			11/1/2028	3,340,000	4.000%				
			11/1/2029	3,305,000	3.000%				
			11/1/2030	3,615,000	3.000%				
			11/1/2031	3,560,000	3.000%				
			11/1/2032	3,505,000	3.125%				
			11/1/2034	6,755,000	4.000%			54,845,000	
2017 Refunding of 2007 School Bonds	2/28/2017	5,515,000	5/1/2020	1,090,000	1.722%				
			5/1/2021	1,055,000	1.722%				
			5/1/2022	1,020,000	1.722%	4,285,000		1,120,000	3,165,000
School Energy Savings Improvement Program - Obligation Refunding Bond	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%							
8/1/2034	805,000	4.000%							
						\$ 8,135,000		8,135,000	
						<u>\$71,660,000</u>	<u>\$ 8,135,000</u>	<u>\$ 4,080,000</u>	<u>\$75,715,000</u>

East Brunswick Public Schools
Long-Term Debt

Schedule of Lease Purchase Obligations Payable

Year ended June 30, 2019

	Interest Rate	Amount of Original Issue	Balance July 1, 2018	Current Retired	Balance June 30, 2019
Capital Improvement Projects - Additions and Renovations to High School - Lease with East Brunswick Township	4.23%	\$ 14,320,000	\$ 1,227,789	\$ 998,002	\$ 229,787
Capital Improvement Projects - Lease with East Brunswick Township	0.578%	5,800,000	3,480,000	1,160,000	2,320,000
Capital Improvement Projects - 2016 Lease with East Brunswick Township	0.840%	6,200,000	4,960,000	2,440,000	2,520,000
Capital Improvement Projects - 2017 Lease with East Brunswick Township	1.852%	1,100,000	1,100,000	220,000	880,000
Capital Improvement Projects - 2018 Lease with East Brunswick Township	1.852%	5,800,000	5,800,000		5,800,000
			<u>\$ 16,567,789</u>	<u>\$ 4,818,002</u>	<u>\$ 11,749,787</u>

East Brunswick Public Schools
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final to Actual
Revenues:				
Local sources:				
Local tax levy	\$ 7,371,342	\$ 7,371,342	\$ 7,371,342	
State sources:				
Debt service aid type II	348,925	348,925	348,925	
Total revenues	<u>7,720,267</u>	<u>7,720,267</u>	<u>7,720,267</u>	
Expenditures:				
Principal on debt	4,080,000	4,080,000	4,080,000	
Interest on debt	2,657,340	2,657,340	2,657,338	\$ 2
Principal on lease purchase obligation	998,002	998,002	998,002	
Interest on lease purchase obligation	51,998	51,998	51,998	
Total expenditures	<u>7,787,340</u>	<u>7,787,340</u>	<u>7,787,338</u>	<u>2</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(67,073)</u>	<u>(67,073)</u>	<u>(67,071)</u>	<u>2</u>
Net change in fund balances	(67,073)	(67,073)	(67,071)	2
Fund balance, July 1	89,193	89,193	89,193	
Fund balance, June 30	<u>\$ 22,120</u>	<u>\$ 22,120</u>	<u>\$ 22,122</u>	<u>\$ 2</u>

East Brunswick Public Schools
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year Ended June 30, 2019

Series	Date of Lease	Term of Lease	Amount of Original Issue	Interest Rate	Balance July 1, 2018	Retired	Balance June 30, 2019
2014-2015 TD Equipment Lease	7/15/2014	5 Years	\$ 7,200,000	1.514 %	\$ 2,945,079	\$ 1,461,474	\$ 1,483,605
2014-2015 Bank of America Lease	2/26/2015	42 Months	650,000	1.212	129,532	129,532	-
2015-16 US Bancorp Government Lease - Various Equipment	8/1/2015	5 Years	860,000	1.671	524,592	171,952	352,640
					<u>\$ 3,599,203</u>	<u>\$ 1,762,958</u>	<u>\$ 1,836,245</u>

Statistical Section
(Unaudited)

**Statistical Section
Unaudited**

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.

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

(accrual basis of accounting)
 Unaudited

	June 30,									
	2010	2011	2012	2013 Restated	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 90,778,110	\$ 83,801,596	\$ 100,224,934	\$ 114,047,274	\$ 115,774,538	\$ 118,166,184	\$ 130,190,096	\$ 136,473,915	\$ 142,447,803	\$ 150,002,200
Restricted	11,594,973	23,296,846	22,469,548	14,836,012	13,811,105	18,700,525	17,502,827	16,384,637	19,147,535	18,170,297
Unrestricted (deficit)	1,526,272	769,348	(2,532,220)	168,169	3,327,547	(34,087,398)	(38,447,639)	(40,955,477)	(41,425,952)	(41,746,622)
Total governmental activities net position	\$ 103,899,355	\$ 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
Business-type activities										
Investment in capital assets	\$ 206,220	\$ 285,615	\$ 247,811	\$ 201,309	\$ 170,296	\$ 186,262	\$ 440,722	\$ 487,181	\$ 502,498	\$ 490,034
Unrestricted	340,556	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
Total business-type activities net position	\$ 546,776	\$ 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
Government-wide										
Net investment in capital assets	\$ 90,984,330	\$ 84,087,211	\$ 100,472,745	\$ 114,248,583	\$ 115,944,834	\$ 118,352,446	\$ 130,630,818	\$ 136,961,096	\$ 142,950,301	\$ 150,492,234
Restricted	11,594,973	23,296,846	22,469,548	14,836,012	13,811,105	18,700,525	17,502,827	16,384,637	19,147,535	18,170,297
Unrestricted (deficit)	1,866,828	1,040,223	(2,081,534)	1,211,548	5,150,335	(31,887,691)	(36,181,238)	(38,746,097)	(39,065,826)	(39,203,340)
Total government-wide net position	\$ 104,446,131	\$ 108,424,280	\$ 120,860,760	\$ 130,286,143	\$ 134,906,274	\$ 105,165,280	\$ 111,932,407	\$ 114,599,636	\$ 123,032,010	\$ 129,459,191

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities										
Instruction	\$ 57,817,859	\$ 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
Regular	12,903,642	12,957,610	14,203,357	16,765,399	18,002,997	21,564,452	23,574,092	24,696,833	25,112,417	24,221,653
Special Education	4,423,965	4,256,967	4,854,386	5,098,537	4,993,065	5,724,102	6,123,010	7,312,040	7,322,335	7,961,494
Other Special Education										
Support services:										
Tuition	6,832,491	6,266,150	4,697,912	4,015,981	5,385,012	2,583,902	2,423,489	2,627,104	2,532,463	2,956,393
Student & Instruction Related Services	19,635,924	15,004,755	17,549,487	22,618,275	23,070,531	26,533,976	28,307,168	33,274,760	32,243,803	30,835,965
School Administrative Services	7,028,984	6,818,701	7,158,663	7,071,530	6,916,828	7,732,508	8,390,585	8,934,594	9,438,744	8,712,715
General and Business Administrative Services	6,158,466	9,199,308	8,520,561	6,143,549	6,655,280	7,562,626	8,633,111	9,509,700	9,798,290	9,196,495
Plant Operations and Maintenance	14,702,662	14,971,472	11,495,597	11,686,068	13,791,457	14,699,178	15,438,680	17,248,552	18,693,599	18,667,797
Pupil Transportation	9,802,307	8,899,046	7,556,037	7,564,334	7,992,952	7,687,318	8,370,455	9,725,990	10,386,458	11,101,169
Special Schools	113,131	94,766	1,146,507	1,215,974	1,721,288	2,056,054	2,433,355	3,354,479	2,610,331	2,701,322
Charter Schools*	20,691	721,423	4,492,514	4,014,883	4,183,089	3,832,985	3,272,398	3,272,398	3,079,180	3,083,432
Interest and other charges	4,336,393	4,680,945	4,492,514	4,014,883	4,183,089	3,832,985	3,272,398	3,272,398	3,079,180	3,083,432
Total governmental activities	143,776,415	140,229,411	141,912,168	147,771,566	151,634,621	168,592,727	179,970,277	199,046,637	203,904,933	192,103,187
Business-type activities:										
Food service	2,463,097	2,537,836	2,545,286	2,590,808	2,566,676	2,754,647	2,680,889	2,934,130	3,010,836	3,222,140
ETTC Program	289,885	295,590	245,245	245,245	1,855,711	2,163,566	2,447,648	2,641,014	2,833,842	2,815,848
Community Programs	1,402,177	1,730,275	1,724,445	1,888,113	1,855,711	2,163,566	2,447,648	2,641,014	2,833,842	2,815,848
Facilities Rentals**								234,894	327,386	429,023
Total business-type activities expense	4,155,159	4,563,699	4,514,976	4,478,921	4,422,387	4,918,213	5,128,537	5,810,038	6,172,064	6,467,011
Total district expenses	147,931,574	144,793,110	146,427,144	152,250,487	156,057,008	173,510,940	185,098,814	204,856,675	210,076,999	198,572,198
Program Revenues										
Governmental activities:										
Charges for services										
Instruction	78,449	162,291	311,056	346,709	306,837	358,579	475,978	868,256	1,042,115	895,102
Operating grants and contributions	2,224,838	6,395,117	3,592,303	3,561,312	2,815,490	3,267,971	3,610,332	3,477,402	3,439,319	3,533,693
Capital grants and contributions						1,676,240	1,676,240	226,053		
Total governmental activities program revenues	2,303,287	6,557,408	3,703,359	3,908,021	3,122,327	3,626,550	5,762,570	4,571,711	4,481,432	4,428,795
Business-type activities:										
Charges for services										
Food service	2,002,810	1,935,376	2,006,262	1,940,913	1,895,886	1,936,567	1,981,236	2,089,646	2,102,393	2,249,304
ETTC Program	274,575	420,712	284,852	284,852	2,089,454	2,979,625	3,109,991	2,963,049	3,383,839	3,621,566
Community Programs	1,530,473	2,056,964	2,030,824	2,398,119	2,089,454	2,979,625	3,109,991	2,963,049	3,383,839	3,621,566
Facilities Rentals**								601,910	728,881	923,997
Operating grants and contributions	580,391	579,205	649,303	732,776	784,488	793,844	857,304	911,506	1,017,532	1,083,113
Total business-type activities program revenues	4,388,247	4,972,257	4,971,241	5,071,808	5,369,828	5,710,036	5,948,534	6,566,111	7,232,645	7,877,980
Total district program revenues	6,691,534	11,529,665	8,674,600	8,973,829	8,492,155	9,336,586	11,711,101	11,137,822	11,714,077	12,306,775
Net (Expense) / Revenue										
Governmental activities	(141,473,128)	(133,672,003)	(138,208,809)	(143,863,545)	(148,512,294)	(164,966,177)	(174,207,707)	(194,474,926)	(199,423,503)	(187,676,392)
Business-type activities	233,098	408,558	456,265	592,887	947,441	791,823	819,994	736,073	1,060,381	1,410,969
Total government-wide net expense	\$ (141,240,040)	\$ (133,263,445)	\$ (137,752,544)	\$ (143,270,658)	\$ (147,564,853)	\$ (164,174,354)	\$ (173,387,713)	\$ (193,738,853)	\$ (198,363,122)	\$ (186,265,423)

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

(accrual basis of accounting)
Unaudited

	Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 106,086,288	\$ 106,788,787	\$ 108,271,965	\$ 110,437,402	\$ 113,246,150	\$ 116,518,219	\$ 119,332,437	\$ 121,923,075	\$ 124,769,255	\$ 127,264,640
Taxes levied for debt service	7,809,410	8,602,137	8,406,922	8,383,979	8,122,565	7,698,287	8,406,666	8,254,263	7,655,621	7,371,242
Grants and contributions	34,638,361	22,057,827	28,249,227	31,656,765	30,310,681	46,511,588	51,579,165	65,567,501	72,722,934	60,150,455
Investment earnings	113,024	32,816	20,548	20,548	14,983	13,327	17,394	18,216	64,177	488,517
Miscellaneous income	903,614	1,744,262	5,570,134	647,814	479,648	588,893	638,028	601,196	1,573,749	369,672
Transfers	400,000	424,553	(14,964)	100,000	200,000	400,000	500,000	768,466	904,278	1,288,255
Total governmental activities	149,970,697	139,650,382	150,483,282	151,246,508	152,374,029	171,750,514	180,673,680	197,132,717	207,689,814	196,932,881
Business-type activities:										
Investment earnings	1,874	1,156	876	875	955	1,062	1,160	1,831	6,812	47,978
Miscellaneous	(400,000)	(490,000)	(267,781)	(100,000)	(200,000)	(400,000)	(500,000)	(768,466)	(994,278)	(1,288,255)
Transfers	(398,176)	(398,840)	(294,538)	(54,491)	(199,045)	(398,938)	(498,840)	(766,633)	(894,318)	(1,240,277)
Total business-type activities	149,572,521	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
Change in Net Position										
Governmental activities	8,497,569	5,978,379	12,274,473	7,382,963	3,861,735	6,764,137	6,465,973	2,637,791	8,266,311	9,256,489
Business-type activities	(165,088)	9,714	162,007	558,396	748,396	392,835	321,154	(10,562)	166,063	170,692
Total district	\$ 8,332,481	\$ 5,988,093	\$ 12,436,480	\$ 7,941,359	\$ 4,610,131	\$ 7,157,022	\$ 6,787,127	\$ 2,647,229	\$ 8,432,374	\$ 9,427,181

Source: CAFR Schedules A-2 and District records

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

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

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

**The activity of the 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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 7,906,176									
Unreserved	3,269,166									
Restricted for										
Assigned to		\$ 7,902,885	\$ 8,562,302	\$ 13,013,648	\$ 11,481,907	\$ 14,201,020	\$ 15,583,672	\$ 15,274,268	\$ 18,355,206	\$ 17,391,140
Unassigned		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
Total general fund	\$ 11,175,342	\$ 11,208,005	\$ 17,506,934	\$ 16,776,297	\$ 18,313,342	\$ 21,140,175	\$ 19,375,116	\$ 20,531,991	\$ 23,427,694	\$ 22,755,937
All Other Governmental Funds										
Reserved	\$ 2,538,494									
Unreserved, reported in:										
Special revenue fund	328,220									
Capital projects fund	18,301,111									
Debt service fund	46,841									
Restricted for:										
Capital projects fund		\$ 16,639,816	\$ 6,275,902	\$ 1,525,699	\$ 2,329,198	\$ 4,499,505	\$ 1,919,155	\$ 1,110,369	\$ 792,329	\$ 7,158,718
Debt service fund		108,444	95,024	296,665	289,419	7	9,663	37,073	89,193	22,122
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	1,070,300
Total all other governmental funds	\$ 21,214,666	\$ 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

Source: CAFR Schedule B-1 and District records.

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

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

(modified accrual basis of accounting)
Unaudited

	Year ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Tax Levy	\$ 113,895,698	\$ 115,300,924	\$ 116,678,885	\$ 118,821,381	\$ 121,368,715	\$ 124,216,506	\$ 127,939,093	\$ 130,177,338	\$ 132,424,676	\$ 134,635,982
Tuition Charges	78,449	162,291	311,056	346,709	306,837	338,579	475,978	868,256	1,042,113	895,102
Miscellaneous	2,380,085	3,595,241	601,337	914,856	694,541	843,337	843,337	774,623	1,322,176	1,322,176
State Sources	31,138,147	24,595,645	27,776,857	31,715,935	30,290,748	37,775,963	36,100,049	37,042,942	40,010,830	43,261,538
Federal Sources	5,745,032	3,857,299	3,453,938	3,210,294	2,632,515	2,935,861	3,275,464	3,115,558	3,076,939	3,133,976
Total revenue	153,437,431	147,601,400	148,822,073	155,009,195	155,296,356	161,105,560	168,633,921	171,967,847	177,329,181	183,248,794
Expenditures										
Instruction	43,844,668	43,154,030	42,612,785	42,875,279	42,331,154	42,609,345	43,161,359	43,480,565	44,932,487	44,555,848
Regular Instruction	9,630,116	9,628,331	9,692,591	11,729,002	12,641,912	13,625,208	14,241,889	13,824,988	13,907,405	14,492,335
Special Education Instruction	3,301,649	3,163,198	3,557,934	3,500,369	3,408,525	3,505,574	3,579,677	3,935,738	4,020,042	4,105,261
Other Instruction	5,099,156	4,656,149	4,697,912	4,015,981	3,585,012	2,585,902	2,423,489	2,627,104	2,532,465	2,956,393
Tuition	14,654,484	11,152,274	11,775,157	16,258,531	16,556,932	17,091,007	17,647,875	19,461,012	18,483,757	19,086,322
Student and Instruction Related Services	5,245,800	4,721,103	4,929,749	4,809,718	4,679,406	4,679,531	4,869,160	5,001,742	5,005,151	5,005,151
School Administration Services	4,596,124	6,835,673	6,837,269	4,450,189	4,852,209	5,089,572	5,717,736	5,860,112	6,071,897	5,975,496
Business Administration Services	11,016,147	11,167,779	10,846,462	10,704,702	11,335,943	11,496,169	11,541,729	12,138,367	13,167,655	13,840,485
Plant Operations and maintenance	1,626,405	6,972,249	6,727,402	7,179,167	6,564,578	6,579,452	7,966,950	8,032,512	8,378,473	9,203,154
Pupil transportation	31,297,289	29,689,813	30,928,665	34,005,911	33,460,636	34,833,557	38,216,421	39,076,214	40,118,595	44,981,048
Employee Benefits	84,431	70,417	1,146,507	1,215,974	1,721,288	2,056,034	2,253,355	2,354,479	2,610,331	14,169
Special Schools	20,691	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
Charter Schools	12,252,448	9,118,270	4,292,974	4,517,976	6,675,699	6,942,671	8,895,503	9,369,352	10,088,849	10,660,960
Capital Outlay	4,094,473	4,240,233	4,554,572	4,401,548	3,880,821	3,695,700	3,584,654	3,287,554	3,054,263	2,876,687
Debt Service:	4,325,584	4,743,426	5,500,000	6,106,500	2,089,513	7,850,000	860,000	6,200,000	6,900,000	86,896
Principal										
Interest and other charges										
Costs of issuance										
Total expenditures	157,089,465	150,034,369	158,637,945	162,072,924	156,256,326	167,335,363	178,394,123	178,224,513	179,550,350	193,140,408
Excess (Deficiency) of revenues over (under) expenditures	(3,652,034)	(2,432,969)	(9,810,872)	(7,063,729)	(959,970)	(6,229,803)	(9,760,202)	(6,256,666)	(2,221,169)	(9,891,614)
Other financing sources (uses)										
Capital leases										
Bond issuance										
Lease purchase issuance	13,960,000			6,106,500	2,089,513	7,850,000	860,000	6,200,000	6,900,000	
Transfer out to escrow agent	(127,519)									
Insurance recoveries - Memorial School										
Memorial School fire loss	(156,121)	(76,740)								
Refunding bonds issued										
Premium on bonds issued										
Payment to refunding bond escrow agent										
Insurance proceeds				60,560,000						
Non-Federal Cost Share Reimb. Program proceeds				5,832,318						
Transfers in	3,787,416	438,200	272,730	100,000	2,728,534	3,771,596	500,000	768,466	1,753,874	1,331,724
Transfers Out	(1,240,841)	(13,647)	(72,027)	(66,075,091)	(2,528,534)	(3,371,596)			(789,033)	(43,469)
Total other financing sources (uses)	16,972,935	347,813	5,700,703	6,569,061	2,289,513	14,050,000	1,360,000	2,025,243	7,864,841	10,262,491
Net change in fund balances	\$ 13,320,901	\$ (2,085,156)	\$ (4,110,169)	\$ (494,668)	\$ 1,329,543	\$ 7,820,197	\$ (8,400,202)	\$ 768,577	\$ 5,643,672	\$ 370,877
Debt service as a percentage of noncapital expenditures	5.81%	6.38%	6.21%	5.96%	6.96%	6.87%	7.63%	7.50%	7.63%	7.49%

Source: CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rentals	Miscellaneous	Annual Totals
2010	\$ 113,024	\$ 78,449	\$ 82,301	\$ 428,775	\$ 702,549
2011	32,816	162,291	110,300	405,503	710,908
2012	25,178	311,056	102,968	2,047,637	2,486,839
2013	20,548	346,709	162,047	440,433	969,737
2014	14,985	306,837	146,365	333,284	801,471
2015	13,327	358,579	146,556	442,337	960,799
2016	17,394	475,978	113,618	514,754	1,121,744
2017	18,216	868,256	108,755	471,373	1,466,600
2018	64,177	1,042,113	102,758	393,937	1,602,985
2019	445,048	895,102		587,457	1,927,607

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*	Net Valuation Taxable	Total Direct School Tax Rate ^b	Ratio to True Value %	Aggregate True Value
2010	\$ 14,351,600	\$ 1,535,083,900	\$ 2,896,600	\$ 337,851,900	\$ 94,190,800	\$ 28,025,900	\$ 2,012,600,700	\$ 3,275,529	\$ 2,015,876,229	\$ 5.69	24.54	\$ 8,201,306,846
2011	14,084,400	1,517,338,100	2,846,900	309,543,500	93,318,800	24,317,200	1,961,448,900	3,056,266	1,964,505,166	5.91	25.16	7,794,901,828
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	2,191,300	285,010,100	85,197,400	19,733,100	1,890,414,300	2,044,733	1,892,459,033	6.49	26.19	7,218,076,747
2015	12,763,300	1,485,430,500	2,582,800	287,524,800	85,132,900	19,733,100	1,893,167,400	2,143,448	1,895,310,848	6.65	26.64	7,106,484,234
2016	13,442,700	1,489,679,700	2,568,400	286,964,750	83,421,100	19,733,100	1,895,809,750	2,077,187	1,897,886,937	6.80	26.22	7,230,395,690
2017	14,646,300	1,492,830,200	2,471,500	286,380,850	84,933,800	19,733,100	1,900,995,750	2,031,934	1,903,027,684	6.90	25.34	7,501,956,393
2018	14,581,900	1,495,898,800	2,394,300	281,670,250	84,108,700	19,733,100	1,898,387,050	2,146,634	1,900,533,684	7.03	24.36	7,793,050,287
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	7,504,130,044

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

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

East Brunswick Public Schools
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Unaudited

Year Ended December 31,	East Brunswick Public Schools				Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation		Total Direct	East		Middlesex County Open Space	Middlesex County Open Space	
		Debt Service ^b	Debt Service ^b		Brunswick Township	Middlesex County			
2010	\$ 5.281	\$ 0.407	\$ 5.688	\$ 1.715	\$ 1.131	\$ 0.019	\$ 0.082	\$ 8.635	
2011	5.474	0.433	5.907	1.843	1.208	0.020	0.119	9.097	
2012	5.655	0.434	6.089	1.811	1.255	0.019	0.116	9.290	
2013	5.877	0.434	6.311	1.842	1.316	0.019	0.112	9.600	
2014	6.071	0.418	6.489	1.948	1.391	0.019	0.114	9.961	
2015	6.228	0.425	6.653	2.009	1.385	0.019	0.113	10.179	
2016	6.362	0.439	6.801	2.139	1.358	0.020	0.113	10.431	
2017	6.482	0.418	6.900	2.211	1.406	0.019	0.115	10.651	
2018	6.631	0.395	7.026	2.218	1.447	0.019	0.119	10.829	
2019	6.746	0.369	7.115	2.300	1.463	0.019	0.123	11.020	

Source: District Records and Municipal Tax Collector

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

^b Rates for debt service are based on each year's requirements.

East Brunswick Public Schools
Principal Property Taxpayers
Current Year and Nine Years Ago

Unaudited

Taxpayer	2019				2010			
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		Taxable Assessed Value	Rank	% of Total District Net Assessed Value	
Brunswick Square Mall	\$ 26,196,900	1	1.38%		\$ 30,852,400	1	1.53%	
Mid State Mall	15,460,000	2	0.81%		15,460,000	4	0.77%	
Tower II	15,159,000	3	0.80%		19,256,100	2	0.96%	
Tower I	13,039,400	4	0.69%		19,050,500	3	0.95%	
East Brunswick UE, LLC	9,500,000	5	0.50%					
L.P.E. Partners	7,813,800	6	0.41%		9,038,400	7	0.45%	
Wyndmoor Apartments	7,500,000	7	0.39%		9,000,000	8	0.45%	
Summerhill Square LLC	7,377,100	8	0.39%					
East Coast Cranbury Crossing	5,100,000	9	0.27%					
3 Tower Center Blvd., LLC	5,032,000	10	0.26%					
East Brunswick VF, LLC					9,630,000	6	0.48%	
Toll JMEB, LLC					8,093,000	10	0.40%	
Hilton Hotel					13,500,000	5	0.67%	
CVEB					8,456,600	9	0.42%	
Total	\$ 112,178,200				\$ 142,337,000		7.07%	

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	
2010	* \$ 106,086,288	\$ 106,086,288	100.00%	
2011	* 106,788,787	106,788,787	100.00%	
2012	* 108,271,963	108,271,963	100.00%	
2013	* 110,437,402	110,437,402	100.00%	
2014	* 113,246,150	113,246,150	100.00%	
2015	* 116,518,219	116,518,219	100.00%	
2016	127,939,093	127,939,093	100.00%	
2017	130,177,338	130,177,338	100.00%	
2018	132,424,676	132,424,676	100.00%	
2019	134,635,982	134,635,982	100.00%	

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

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

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

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

Unaudited

Governmental Activities

Fiscal Year Ended June 30,	Governmental Activities				Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Unamortized Premium on Bonds	Capital Leases	Lease Purchase Obligations			
2010	\$ 97,646,000		\$ 5,442,744	\$ 11,987,065	\$ 115,075,809	*	\$ 2,434
2011	94,636,000		4,713,955	10,756,832	110,106,787	*	2,320
2012	91,626,000		2,674,110	9,473,858	103,773,968	*	2,179
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	*	2,189
2015	83,465,000	5,091,707	11,518,383	11,085,388	111,160,478	*	2,320
2016	79,585,000	4,813,978	8,882,423	9,567,845	102,849,246	*	2,142
2017	75,780,000	4,536,249	6,210,437	13,025,242	99,551,928	*	2,075
2018	71,660,000	4,258,520	3,599,203	16,567,789	96,085,512	*	2,004
2019	75,715,000	4,785,059	1,836,245	11,749,787	94,086,091	*	1,960

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

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

^a See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

* District personal income information is not available.

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

Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions ^c	Net General Bonded Debt Outstanding		
2010	\$ 97,646,000	\$ 46,841	\$ 97,599,159	4.85%	\$ 2,064
2011	94,636,000	108,444	94,527,556	4.82%	1,992
2012	91,626,000	95,024	91,530,976	4.74%	1,922
2013	90,085,000	296,665	89,788,335	4.72%	1,877
2014	86,775,000	289,419	86,485,581	4.57%	1,807
2015	83,465,000	7	83,464,993	4.41%	1,742
2016	79,585,000	9,663	79,575,337	4.20%	1,657
2017	75,780,000	37,073	75,742,927	3.98%	1,579
2018	71,660,000	89,193	71,570,807	3.77%	1,493
2019	75,715,000	22,122	75,692,878	3.98%	1,577

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

a See Exhibit J-6 for property tax data.

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

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

East Brunswick Public Schools
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2019

Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
East Brunswick Township (as of 12/31/18)	\$ 94,580,822	100.000%	\$ 94,580,822
Other debt			
Middlesex County as of 12/31/17	465,543,163	6.973%	32,461,805
Middlesex County Utility Authority as of 12/31/17	90,366,119	3.822%	3,453,815
Subtotal, overlapping debt			130,496,442
East Brunswick Public Schools Direct Debt			<u>89,301,032</u>
Total direct and overlapping debt			<u>\$ 219,797,474</u>

Sources: District Records, East Brunswick Township Official Statement

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of East Brunswick. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

^a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

East Brunswick Public Schools
 Legal Debt Margin Information,
 Last Ten Fiscal Years

Unaudited

Legal Debt Margin Calculation for Fiscal Year 2019

Equalized valuation basis

2019	\$ 7,604,130,044
2018	7,793,050,287
2017	7,501,956,393
(A)	\$ 22,859,136,724

[A/3] \$ 7,633,045,575

[C] \$ 305,321,823
 [B-C] \$ 84,474,417
 [B-C] \$ 220,847,406

Average equalized valuation of taxable property
 Debt limit (4% of average equalization value)
 Net bonded school debt
 Legal debt margin

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 326,882,878	\$ 326,309,991	\$ 318,290,884	\$ 306,089,007	\$ 292,553,065	\$ 287,017,317	\$ 287,399,422	\$ 291,184,484	\$ 300,338,698	\$ 305,321,823
Total net debt applicable to limit *	101,642,480	98,632,480	95,622,480	99,431,980	95,851,497	92,553,180	88,385,795	84,275,656	79,825,807	84,474,417
Legal debt margin	\$ 225,240,398	\$ 227,677,511	\$ 222,668,404	\$ 206,657,027	\$ 196,701,568	\$ 194,464,137	\$ 199,013,627	\$ 206,908,828	\$ 220,512,891	\$ 220,847,406
Total net debt applicable to the limit as a percentage of debt limit	31.09%	30.23%	30.04%	32.48%	32.76%	32.25%	30.75%	29.36%	26.58%	27.67%

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 X 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
2010	47,280	-	\$ 47,306	7.1%
2011	47,464	-	50,805	7.2%
2012	47,615	-	53,084	7.4%
2013	47,831	-	51,944	6.4%
2014	47,852	-	53,211	5.0%
2015	47,921	-	54,179	4.2%
2016	48,026	-	55,540	3.7%
2017	47,966	-	57,598	3.5%
2018	47,937	-	*	3.1%
2019	48,010	-	*	*

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	2019 *			2010*		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Robert Wood Johnson University Hospital	5,000 - 5,249	1	0.00%	5,000 - 5,249	1	0.00%
Novo Nordisk	4,500 - 4,579	2	0.00%	2,750 - 2,999	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	2010	2011*	2012*	2013*	2014*	2015	2016	2017*	2018	2019
Instruction	612.3	529.7	503.7	500.2	504.7	510.2	516.2	605.8	562.5	565.3
Regular	224.0	206.5	206.5	216.5	224.5	230.5	238.5	268.3	257.1	268.7
Special education										
Support Services:										
Student & instruction related services	201.4	201.2	198.2	199.7	204.2	205.7	206.7	214.3	235.0	246.5
General administrative services	8.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	9.0	8.5
School administrative services	65.6	60.6	60.6	60.6	60.6	60.6	60.6	56.4	57.2	55.7
Business administrative services	27.9	22.9	22.9	22.9	22.9	22.9	23.9	25.7	25.7	24.1
Information Technology	21.0	18.0	18.0	19.0	19.0	19.0	19.0	20.0	21.0	22.0
Plant operations and maintenance	169.8	152.8	152.8	157.8	157.8	157.8	157.8	144.5	121.0	130.0
Pupil transportation	38.2	37.3	37.3	37.3	37.3	37.3	37.3	39.5	45.1	46.3
Food Service	37.5	36.4	38.6	36.4	42.0	37.8	40.1	34.3	37.9	32.9
Adult and Community Programs	4.5	5.2	5.1	6.6	5.5	6.2	6.2	6.4	6.7	7.3
JMPAC	-	-	-	-	-	-	-	0.9	0.9	1.1
ETTC	2.0	2.0	2.0	-	-	-	-	-	-	-
Total	1,413.1	1,280.5	1,253.6	1,264.9	1,286.3	1,295.9	1,314.2	1,424.0	1,379.0	1,408.4

* Prior year reclassification
Source: District Personnel Records

East Brunswick Public Schools
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio					Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff ^b	Elementary	Middle School	Junior High School	High School				
2010	8,783	\$ 136,416,960	\$ 15,532	0.83%	715	11.5	10.4	10.9	12.0	8,709.20	8,364.48	-1.14%	96.04%
2011	8,631	131,932,439	15,286	-1.58%	696	11.8	10.3	11.0	11.8	8,495.63	8,142.89	-2.45%	95.85%
2012	8,468	133,555,433	15,772	3.18%	687	11.4	10.4	11.4	11.9	8,292.92	7,983.85	-2.39%	96.27%
2013	8,420	140,746,823	16,716	5.99%	672	11.1	10.0	11.0	12.0	8,212.62	7,859.09	-0.97%	95.70%
2014	8,439	141,137,595	16,724	0.05%	662	12.1	11.0	12.0	13.0	8,270.77	7,926.72	0.71%	95.84%
2015	8,399	144,149,371	17,163	2.62%	690	11.8	11.0	12.0	13.0	8,261.29	7,904.34	-0.11%	95.68%
2016	8,259	150,719,640	18,249	6.33%	717	10.4	10.0	11.0	12.0	8,107.92	7,769.14	-1.86%	95.82%
2017	8,089	155,551,572	19,230	5.37%	722	10.4	10.0	11.0	12.0	7,993.63	7,647.36	-1.41%	95.67%
2018	8,167	159,224,847	19,497	1.39%	723	10.1	11.0	11.0	12.0	8,048.68	7,654.10	0.69%	95.10%
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%

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

District Building	2010	2011	2012	2013	2014 *	2015	2016	2017	2018	2019
Elementary										
Bowne-Munro (1952)										
Square Feet	32,015	32,015	32,015	32,015	32,738	32,738	32,738	32,738	32,738	32,738
Capacity (students)	242	242	242	242	270	270	270	270	270	270
Enrollment	286	256	238	237	213	215	205	209	224	219
Central (1949)										
Square Feet	73,266	73,266	73,266	73,266	78,283	78,283	78,283	78,283	78,283	78,283
Capacity (students)	552	552	552	552	532	532	532	532	532	532
Enrollment	449	428	424	407	426	438	418	416	399	414
Chittick (1969)										
Square Feet	49,127	49,127	49,127	49,127	52,241	52,241	52,241	52,241	53,058	53,058
Capacity (students)	383	383	383	383	550	550	550	550	550	550
Enrollment	489	494	515	462	453	417	397	414	437	500
Frost (1965)										
Square Feet	49,971	49,971	49,971	49,971	52,230	52,230	52,230	52,230	52,545	52,545
Capacity (students)	438	438	438	438	455	455	455	455	455	455
Enrollment	502	491	457	429	423	427	442	444	463	472
Irwin (1957)										
Square Feet	43,033	43,033	43,033	43,033	43,279	43,279	43,279	43,279	43,986	43,986
Capacity (students)	376	376	376	376	478	478	478	478	478	478
Enrollment	436	409	417	459	459	468	464	440	449	473
Lawrence Brook (1959)										
Square Feet	67,267	67,267	67,267	67,267	77,218	77,218	77,218	77,218	77,218	77,218
Capacity (students)	532	532	532	532	520	520	520	520	520	520
Enrollment	547	524	513	432	426	405	406	446	439	451
Memorial (2012)										
Square Feet	30,759	30,759	30,759	78,000	82,821	82,821	82,821	82,821	82,821	82,821
Capacity (students)	446	446	446	650	565	565	565	565	565	565
Enrollment	356	348	337	489	499	507	494	493	537	570
Warnsdorfer (1968)										
Square Feet	49,971	49,971	49,971	49,971	55,708	55,708	55,708	55,708	55,708	55,708
Capacity (students)	479	479	479	479	488	488	488	488	488	488
Enrollment	462	461	429	415	443	476	472	462	461	449
Total Elementary Schools										
Square Feet	395,409	395,409	395,409	442,650	474,518	474,518	474,518	474,518	476,357	476,357
Capacity (students)	3,448	3,448	3,448	3,652	3,858	3,858	3,858	3,858	3,858	3,858
Enrollment	3,527	3,411	3,330	3,330	3,342	3,353	3,298	3,324	3,409	3,548

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

	2010	2011	2012	2013	2014*	2015	2016	2017	2018	2019
Unaudited										
Middle School										
Hamarskjold (2009)										
Square Feet	254,580	254,580	254,580	254,580	271,520	271,520	271,520	271,520	271,520	271,520
Capacity (students)	1,288	1,288	1,288	1,288	1,518	1,518	1,518	1,518	1,518	1,518
Enrollment	1,452	1,388	1,298	1,323	1,357	1,311	1,294	1,212	1,197	1,280
Junior High School										
Churchill Jr. High (1962)										
Square Feet	205,549	205,549	205,549	205,549	260,332	260,332	260,332	260,332	260,332	260,332
Capacity (students)	1,325	1,325	1,325	1,325	1,432	1,432	1,432	1,432	1,432	1,432
Enrollment	1,466	1,469	1,462	1,415	1,315	1,372	1,374	1,336	1,320	1,273
High School										
East Brunswick High (1958)										
Square Feet	257,727	257,727	257,727	257,727	360,422	360,422	360,422	360,422	360,422	360,422
Capacity (students)	1,582	1,582	1,582	1,582	2,724	2,724	2,724	2,724	2,724	2,724
Enrollment	2,310	2,234	2,208	2,186	2,225	2,165	2,101	2,055	2,052	2,082
Other										
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

Number of Schools at June 30, 2019
 Elementary = 8
 Middle School = 1
 Junior High School = 1
 High School = 1
 Other = 2

Source: District records, ASSA, LRFPP

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

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

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

Unaudited

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
East Brunswick High School	\$ 541,155	\$ 423,026	\$ 368,229	\$ 459,471	\$ 415,952	\$ 418,330	\$ 350,196	\$ 363,539	\$ 357,072	\$ 410,530
Churehill Junior High School	342,511	281,798	268,147	329,563	300,543	302,159	287,404	295,625	273,595	302,575
Hammarskjold School	359,302	293,000	277,384	348,852	313,353	315,145	339,632	351,406	323,944	343,687
Bowne-Munro School	49,203	40,076	33,445	41,444	37,782	37,998	42,023	42,089	40,757	47,494
Central School	110,613	88,024	81,914	100,193	90,344	90,861	96,169	97,621	93,848	104,944
Irwin School	69,173	58,937	46,594	54,788	49,947	50,232	56,485	57,479	57,905	77,816
Lawrence Brook School	123,090	91,806	78,886	97,753	89,115	89,625	88,295	90,433	84,485	93,577
Memorial School	111,569	86,970	84,610	105,652	95,581	96,128	105,383	43,033	39,151	42,919
Chittick School	89,491	76,794	53,369	66,134	60,290	60,634	64,484	67,793	65,862	67,929
Frost School	67,116	56,698	53,358	66,120	60,277	60,622	65,592	65,695	62,304	69,193
Wamsdorfer School	75,125	61,597	57,086	70,523	64,291	64,659	65,592	65,695	62,304	70,227
Total School Facilities	1,938,348	1,558,726	1,403,022	1,740,493	1,577,475	1,586,393	1,561,255	1,540,408	1,461,226	1,630,891
Other Facilities										
Administration	31,291	25,050	30,647	37,976	34,622	34,819	39,378	39,440	37,051	39,686
Support Operations	30,890	24,726	30,254	-	-	-	-	-	-	-
Total Other Facilities	62,181	49,776	60,901	37,976	34,622	34,819	39,378	39,440	37,051	39,686
Grand Total	\$ 2,000,529	\$ 1,608,502	\$ 1,463,923	\$ 1,778,469	\$ 1,612,097	\$ 1,621,212	\$ 1,600,633	\$ 1,579,848	\$ 1,498,278	\$ 1,670,577

Source: M1

East Brunswick Public Schools
Insurance Schedule
Year Ended June 30, 2019

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>MULTI-PERIL PACKAGE POLICY</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG POLICY NO. P-135AJ ANNUAL PREMIUM: \$471,748		
<u>Section II - Commercial General Liability</u>		
Bodily Injury, Property Damage and Personal Injury	\$ 11,000,000	
Medical Expense	10,000	
Aggregate Child Molestation/Sexual Abuse	11,000,000	
Employee Benefits Legal Liability	11,000,000	
<u>Section III - Crime</u>		
Money and Securities	50,000	\$ 500
Employee Dishonesty	1,000,000	1,000
Depositors Forgery	1,000,000	1,000
Computer Fraud	1,000,000	1,000
<u>SCHOOL BOARD LEGAL</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG POLICY NO. E-135AJ ANNUAL PREMIUM: \$214,477		
Wrongful Acts Liability - Each Occurrence	11,000,000	15,000
Annual Aggregate	11,000,000	
<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	395,035,123	10,000
Extra Expense	50,000,000	10,000
Flood & Earthquake	75,000,000	10,000
EDP	2,100,000	1,000
Energy Systems - Property Damage	100,000,000	10,000
Energy Systems - Extra Expense	10,000,000	10,000

East Brunswick Public Schools
Insurance Schedule
Year Ended June 30, 2019

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>AUTOMOBILE POLICY AND GARAGE KEEPERS</u>		
INCLUDED IN MULTI-PERIL PACKAGE POLICY BY EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG		
Bodily Injury and Property Damage	\$ 11,000,000	
Uninsured Motorist Coverage	1,000,000	
Comprehensive	Replacement	\$ 1,000
Collision	Replacement	1,000
Beazley POLICY NO. WIBE82180301 ANNUAL PREMIUM: \$20,690		
Legal Liability	1,000,000 each loss 3,000,000 aggregate	10,000
<u>WORKERS COMPENSATION</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG POLICY NO. W-135AI ESTIMATED DEPOSIT PREMIUM: \$534,965		
A. Worker's Compensation Insurance Under New Jersey State Laws		
B. Employer's Liability		
Bodily Injury - Each Accident	2,000,000	
Bodily Injury By Disease - Each Employee	2,000,000	
CHUBB INSURANCE POLICY NO. 64775774 (99071588) ANNUAL PREMIUM: \$35,446		
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, 2019

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>STUDENT ACCIDENT INSURANCE</u>		
BOLLINGER POLICY NO. MCB5859349 ANNUAL PREMIUM: \$89,356	\$ 5,000,000	
Supplemental to primary family policy - full excess		
 <u>BONDS</u>		
<u>SELECTIVE INSURANCE</u> POLICY NO. B1005007 ANNUAL PREMIUM: \$903		
Bernardo J. Giuliani, Business Administrator / Board Secretary	750,000	
 <u>BUILDERS RISK</u>		
<u>SELECTIVE INSURANCE</u> POLICY NO. S2308574 ANNUAL PREMIUM: \$6,087		

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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 17, 2019.

Internal Control Over Financial Reporting

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

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

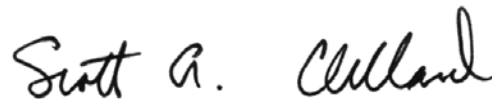
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

December 17, 2019
Livingston, New Jersey

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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the East Brunswick Public Schools, in the County of Middlesex, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2019. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those

requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

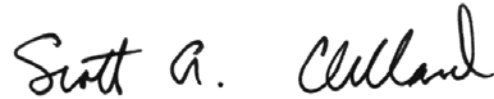
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the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

December 17, 2019
Livingston, New Jersey

East Brunswick Public Schools
 Schedule of Expenditures of Federal Awards

Year ended June 30, 2019

Federal CFDA Number	Federal Award Identification Number	Grant or State Project Number	Program or Award Amount	Grant Period From	To	Balance at June 30, 2018	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2019	
												(Accounts Receivable)	Due to Grantor
General Fund:													
U.S. Department of Health and Human Services													
- Passed-Through State Department of Education													
Medical Assistance Aid													
Total U.S. Department of Health and Human Services - Passed-Through State Department of Education													
93.778	1905NJSMAP	N/A	\$ 138,411	7/1/2018	6/30/2019			\$ 138,411	\$ (138,411)			\$ 138,411	\$ (138,411)
Total General Fund													
Special Revenue Fund:													
U.S. Department of Education-Passed-Through State Department of Education													
Elementary and Secondary Education Act (ESEA):													
Title I, Part A - 17/18													
84.010A	S010A180030	N/A	699,394	7/1/2018	6/30/2019			526,633	(633,544)	572		\$ (106,339)	
84.010A	S010A170030	N/A	720,237	7/1/2017	6/30/2018	\$ (181,133)		181,153					
Title II, Part A - 18/19													
84.367A	S367A180029	N/A	209,919	7/1/2018	6/30/2019			84,145	(178,952)			(94,807)	
84.367A	S367A170029	N/A	188,086	7/1/2017	6/30/2018	(9,613)		9,613					
Title III - 18/19													
84.365A	S365A180030	N/A	65,466	7/1/2018	6/30/2019	(19,738)		48,317	(33,093)			(4,778)	
84.365A	S365A170030	N/A	73,347	7/1/2017	6/30/2018			19,758					
Title III Immigrant - 18/19													
84.365	S011A180030	N/A	25,973	7/1/2018	6/30/2019			17,186	(18,850)			(1,664)	
84.365	S365A170030	N/A	27,540	7/1/2017	6/30/2018	(13,157)		13,157					
Title IV, Part A - 18/19													
84.424	S424A180031	N/A	39,214	7/1/2018	6/30/2019	(484)		37,776	(38,382)			(607)	
84.424	S424A170031	N/A	10,000	7/1/2017	6/30/2018			484					
Special Education Grant Cluster:													
IDEA Part B, Basic Regular 18/19													
84.027A	H027A180100	N/A	1,868,141	7/1/2018	6/30/2019			1,344,144	(1,850,465)			(506,321)	
84.027A	H027A170100	N/A	1,848,144	7/1/2017	6/30/2018	(611,987)		611,987					
IDEA Part B, Basic Regular 17/18													
84.173	H173A180114	N/A	64,506	7/1/2018	6/30/2019			1,245	(64,493)			(63,250)	
84.173	H173A170114	N/A	63,637	7/1/2017	6/30/2018	(62,181)		62,181					
IDEA Preschool - 17/18													
84.027A	H027A180100	N/A	2,000	7/1/2018	6/30/2019			1,800	(1,800)				
School Climate Transformation													
Total of Special Education Grant Cluster													
84.002A	N/A	N/A	190,000	7/1/2018	6/30/2019			69,276	(156,553)			(87,277)	
84.002A	N/A	N/A	205,000	7/1/2017	6/30/2018	(94,436)		94,436					
Total Special Revenue Fund and U.S. Department of Education - Passed-Through State Department of Education													
												572	(865,043)

East Brunswick Public Schools

Schedule of Expenditures of Federal Awards

Year ended June 30, 2019

Federal CFDA Number	Federal Award Identification Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2018	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Business	Balance June 30, 2019		
												(Accounts Receivable)	Due to Grantor	
U.S. Department of Agriculture—Passed-Through State														
Department of Agriculture														
Enterprise Fund:														
Child Nutrition Cluster:														
10.555	191N304N1099	N/A	\$ 695,235	7/1/2018	6/30/2019	\$ (42,791)	\$ 599,390	\$ (731,675)	\$ (132,285)					
10.555	181N304N1099	N/A	695,235	7/1/2017	6/30/2018		42,791							
National School Lunch Program														
10.553	191N304N1099	N/A	111,697	7/1/2018	6/30/2019	(9,291)	93,196	(118,128)	(24,932)					
10.553	181N304N1099	N/A	111,697	7/1/2017	6/30/2018		9,291							
School Breakfast Program														
10.555	191N304N1099	N/A	202,664	7/1/2018	6/30/2019	1,212	202,664	(202,483)				\$ 181		
10.555	181N304N1099	N/A	181,697	7/1/2017	6/30/2018			(1,212)						
Food Donation Program (NC)														
Food Donation Program (NC)														
Total Enterprise Fund and Total U.S. Department of Agriculture—Passed-Through State Department of Agriculture														
							(50,879)	947,332	(1,053,498)			(157,217)	181	
Total Federal Financial Awards Expenditures							\$ (1,043,659)	\$ 4,209,054	\$ (4,188,046)	\$ 577	\$ -	\$ (1,022,260)	\$ 181	\$ -

NC - non-cash expenditures

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

East Brunswick Public Schools
Schedule of Expenditures of State Financial Assistance
Year ended June 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period From To	Award Amount	Balance June 30, 2018		Carryover Walkover	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Memo		
				Unearned Revenue	(Accounts Receivable)					Unearned Revenue	(Accounts Receivable)	
										Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education												
<i>General Fund:</i>												
Equalization Aid	18-495-034-5120-078	7/1/2018	\$ 11,737,848				\$ 10,599,280	(11,737,848)		\$ (1,138,568)	\$ (11,737,848)	
Equalization Aid	18-495-034-5120-078	7/1/2018	11,737,848				1,132,448					
Special Education Categorical Aid	19-495-034-5120-089	7/1/2018	5,355,986				4,836,657	(5,355,986)		(519,329)	(5,355,986)	
Special Education Categorical Aid	18-495-034-5120-089	7/1/2017	5,355,986				516,737					
Transportation Aid	18-495-034-5120-014	7/1/2018	1,491,445				1,346,775	(1,491,445)		(144,670)	(1,491,445)	
Transportation Aid	18-495-034-5120-014	7/1/2017	679,647				65,371					
Transportation Aid	18-495-034-5120-014	7/1/2018	176,418				139,306	(176,418)		(17,112)	(176,418)	
Security Aid	19-495-034-5120-084	7/1/2017	176,418				17,021					
Security Aid	18-495-034-5120-084	7/1/2017	83,350				8,041					
PARCC Readiness Aid	18-495-034-5120-098	7/1/2017	83,350				8,041					
Per Pupil Growth Aid	18-495-034-5120-097	7/1/2017	83,350				8,041					
Professional Learning Community Aid	18-495-034-5120-101	7/1/2017	82,110				7,922					
Nonpublic School Transportation Aid	19-495-034-5120-014	7/1/2018	28,710					(28,710)		(28,710)	(28,710)	
Nonpublic School Transportation Aid	18-495-034-5120-014	7/1/2017	56,865				56,865	(1,608,698)		(1,608,698)	(1,608,698)	
Nonpublic School Transportation Aid	18-495-034-5120-014	7/1/2018	1,608,698									
Extracurricular Aid	19-100-034-5120-473	7/1/2017	1,613,635				1,613,635					
Extracurricular Aid	18-100-034-5120-473	7/1/2018	12,114,613				12,114,613					
On-Behalf TPAF - Pension Contribution	19-495-034-5094-002	7/1/2018	5,495,169				5,495,169					
On-Behalf TPAF - Post-Retirement Medical	19-495-034-5094-001	7/1/2018	14,328				14,328					
On-Behalf TPAF - Long-Term Disability Insurance	19-495-034-5094-004	7/1/2018	4,661,590				4,317,911			(343,679)	(4,661,590)	
TPAF Social Security Reimbursements	18-495-034-5094-003	7/1/2017	4,534,736				226,852			(1,981,087)	(4,661,590)	
TPAF Social Security Reimbursements	18-495-034-5094-003	7/1/2018					42,536,972	(42,684,805)		(1,819,879)	(42,684,805)	
Total General Fund												
<i>Special Revenue Fund:</i>												
N.J. Nonpublic Aid:												
<i>Auxiliary Services:</i>												
English as a Second Language	19-100-034-5120-067	7/1/2018	9,490				9,490	(3,451)			(3,451)	
English as a Second Language	18-100-034-5120-067	7/1/2017	14,454					(8,131)			(8,131)	
Compensatory Education	19-100-034-5120-067	6/30/2019	78,681				78,681	(68,528)			(68,528)	
Compensatory Education	18-100-034-5120-067	7/1/2017	69,096					(7,973)			(7,973)	
Home Instruction	18-100-034-5120-067	6/30/2018	3,654				3,654					
Transportation	19-100-034-5120-068	7/1/2018	10,029				10,029	(10,029)			(10,029)	
Transportation	18-100-034-5120-068	7/1/2017										
Handicapped Services	19-100-034-5120-066	6/30/2019	22,618				22,618	(20,617)			(20,617)	
Supplemental Instruction	18-100-034-5120-066	7/1/2017	20,617					(3,172)			(3,172)	
Supplemental Instruction	19-100-034-5120-066	6/30/2019	32,458				32,458	(31,665)			(31,665)	
Examination and Classification	18-100-034-5120-066	7/1/2018	28,575				28,575	(5,458)			(5,458)	
Examination and Classification	18-100-034-5120-066	7/1/2017	38,570				28,270	(18,749)			(18,749)	
Corrective Speech	19-100-034-5120-064	6/30/2019	22,161				22,161	(21,905)			(21,905)	
Textbook Aid	18-100-034-5120-064	7/1/2018	24,597					(1,638)			(1,638)	
Textbook Aid	19-100-034-5120-064	6/30/2019	40,449				40,449	(40,421)			(40,421)	
Nursing Services	18-100-034-5120-070	7/1/2017	43,747					(2,454)			(2,454)	
Nursing Services	19-100-034-5120-070	6/30/2019	14,940				14,940	(14,815)			(14,815)	
Technology Services	18-100-034-5120-373	7/1/2017	16,613					(1,086)			(1,086)	
Technology Services	18-100-034-5120-373	7/1/2018	61,950				61,950	(61,746)			(61,746)	
Security	19-100-034-5120-509	6/30/2019	33,375					(1,932)			(1,932)	
Security	18-100-034-5120-509	7/1/2017										
Total Special Revenue Fund							324,980	(291,526)			(291,526)	
										31,844		(31,844)
												(3,634)
												29,420

East Brunswick Public Schools
Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2019

State Grants/Program Title	Grant or State Project Number	Grant Period From To	Award Amount	Balance June 30, 2018		Carryover Walkover	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2019		Cumulative Total Expenditures	
				Unearned Revenue	(Accounts Receivable)					Unearned Revenue	(Accounts Receivable)		Budgetary Receivable
State Department of Education													
Capital Projects Fund:													
Memorial School Replacement	SP-1170-120-09-00AZ	12/30/2009	4,238,520	\$	(211,925)					\$	(211,925)	\$	(4,238,520)
Chick's HVAC and Electrical Upgrades	1170-125-14-G1VF	10/23/2014	795,614		(159,123)	\$ 119,342					(39,781)		(795,614)
Invar HVAC and Electrical Upgrades	1170-096-14-G1VD	10/23/2014	847,461		(169,482)	127,119					(42,373)		(847,461)
Total Capital Projects Fund					(340,541)	246,461					(394,880)		(5,881,595)
Debt Service Fund:													
Debt Service Aid	19-495-034-51-20-075	7/1/2018	348,925			348,925							(348,925)
Total Debt Service Fund						348,925							(348,925)
Enterprise Fund:													
National School Lunch Program	19-100-010-3350-023	7/1/2018	29,615			23,780					(5,835)		(29,615)
National School Lunch Program	18-100-010-3350-023	7/1/2017	28,615		(1,796)	1,796							(29,615)
Total Enterprise Fund					(1,796)	25,576					(5,835)		(29,615)
Total Expenditures of State Financial Assistance													
				\$ -	(4,199,104)	\$ 31,844	\$ 43,482,914	\$ (43,355,271)	\$ (31,844)	\$ -	\$ (2,281,002)	\$ 29,420	\$ (49,236,866)
State Financial Assistance Not Subject to Single Audit Determination:													
On-Behalf TPAF - Pension Contribution	495-034-5094-002	7/1/2018	12,114,613			\$ 12,114,613							(12,114,613)
On-Behalf TPAF - Post-Retirement Medical	495-034-5094-001	7/1/2018	5,495,169			5,495,169							(5,495,169)
On-Behalf TPAF - Long-Term Disability Insurance	495-034-5094-004	7/1/2018	14,328			14,328							(14,328)
Total State Financial Assistance Subject to Single Audit Determination						\$ 22,658,304							(22,658,304)
Total Expenditures of Federal Awards and State Financial Assistance are an Integral part of this statement.													
				\$ -	(4,199,104)	\$ 31,844	\$ 22,658,304	\$ (22,731,161)	\$ (31,844)	\$ -	\$ (2,281,002)	\$ 29,420	\$ (31,612,796)

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, 2019

1. General

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the East Brunswick Public Schools (District). The District is defined in Note 1 to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedules of expenditures of federal awards and state financial assistance.

2. Basis of 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, 2019

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 special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$64,098 for the general fund and \$15,773 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	\$ 138,411	\$42,620,707	\$42,759,118
Special Revenue Fund	2,995,565	291,926	3,287,491
Debt Service Fund		348,925	348,925
Enterprise Fund – Food Service Fund	1,053,498	29,615	1,083,113
Total financial award revenues	<u>\$ 4,187,474</u>	<u>\$43,291,173</u>	<u>\$47,478,647</u>

4. Relationship to Federal and State Financial Reports

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

5. Other

TPAF Social Security Contributions represent the amounts reimbursed by the State for the employer's share of Social Security for TPAF members for the year ended June 30, 2019.

East Brunswick Public Schools

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

Year ended June 30, 2019

5. Other (continued)

The post retirement pension medical benefits and long-term disability received on-behalf of the District for the year ended June 30, 2019 amounted to \$17,624,110. 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 \$40,631 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, 2019

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	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____	None Reported
Noncompliance material to financial statements noted?	_____	Yes	_____ <u>X</u> _____	No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____	None Reported

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

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

Identification of major federal programs:

CFDA Number(s)	FAIN Number	Name of Federal Program or Cluster
10.553, 10.555	191NJ304N1099	National School Lunch Program, School Breakfast Program, Food Donation Program (Child Nutrition Program Cluster)

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

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

East Brunswick Public Schools
Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2019

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:

GMIS/Program Number	Name of State Program or Cluster
495-034-5120-078	Equalization Aid (State Aid Cluster)
495-035-5120-089	Special Education Categorical Aid (State Aid Cluster)
495-034-5120-084	Security Aid (State Aid Cluster)
495-034-5120-014	Transportation Aid

Dollar threshold used to distinguish between Type A and Type B programs: _____ \$771,935

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

East Brunswick Public Schools
Schedule of Findings and Questioned Costs
Year ended June 30, 2019

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, 2019

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

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

Federal Award Programs

No compliance or internal control findings noted that are required to be reported in accordance with 2 CFR 200 Section 516(a).

State Award Programs

No compliance or internal control findings noted that are required to be reported in accordance with New Jersey Treasury Circular OMB 15-08.

East Brunswick Public Schools
Summary Schedule of Prior Year Audit Findings

Year ended June 30, 2019

2018-001 Instance of Non-Compliance -- Eligibility

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

Status of Prior Year Audit Finding

Not repeated in current year.