

# EAST BRUNSWICK PUBLIC SCHOOLS



*Excellence in Academics, Athletics, and the Arts*

*Comprehensive Annual Financial Report  
For The Fiscal Year Ended June 30, 2014*

*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  
Year Ended June 30, 2014

Prepared by

Bernardo J. Guiliana

East Brunswick Public Schools  
Department of Financial Services

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# Introductory Section



# East Brunswick Public Schools

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760 Route 18  
East Brunswick, New Jersey 08816

December 1, 2014

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, 2014 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the independent auditor's report, management's discussion and analysis, the basic financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations," and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular and vocational education, as well as special education for handicapped youngsters. The District completed fiscal year 2013-2014 with an average daily enrollment of 8,271 students, or 58 students more than the previous year's enrollment. The following details the changes in the District's student enrollment over the last five years.

<u>Fiscal Year</u>	<i>Average Daily Enrollment</i>	
	<u>Student Enrollment</u>	<u>Percent Change</u>
2013-2014	8,271.0	0.71%
2012-2013	8,213.0	(0.96%)
2011-2012	8,293.0	(2.39%)
2010-2011	8,496.0	(2.45%)
2009-2010	8,709.0	(1.15%)

During fiscal year 2013-2014, the District engaged Statistical Forecasting, LLC to provide school enrollment projections, District boundary analysis, geocoding, and mapping services. The goal was to gather U.S. census data, birth data, and relevant demographic information to calculate the number of school children who are anticipated to attend each of the grades within the school district. The report also reviewed historic and current residential development trends, including proposed development and redevelopment. It also assessed the impact of these trends on future enrollment using standard land use planning methodologies and demographic multipliers in determining the impact of this growth and development on enrollment. The study, which was completed in August 2014, projects a continuing decline in enrollments. By 2018-2019, enrollment is estimated to be 7,616 students.

**2. ECONOMIC CONDITION AND OUTLOOK:** The Township of East Brunswick's total labor force decreased 0.70% to 26,768 in 2013 from 26,957 in 2012, as reported by the New Jersey Department of Labor and Workforce Development. The employment rate for 2013 was 93.6% as compared with 92.6% in 2012, and the unemployment rate for 2013 decreased to 6.4% from 7.4% in 2012.

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, 2014 totaled \$40,989,200.00 and the total number of permits issued totaled 2,593 for the same period. The construction value and permits issued for the entire 2013 calendar year respectively totaled \$56,126,335.00 and 3,197 as compared to \$46,085,678.80 and 3,000 for the 2012 calendar year. This represents an increase of 197 permits and an increase in construction value of \$10,040,656.20.

Certificates of occupancy (COs) issued for new residential units were reported to be at 13, or 118% during the first nine months of 2014 as compared with the calendar year 2013.

While the demand for new housing is low, re-sale housing in East Brunswick continues to be reflective of the ongoing desire of individuals to establish their residency where the excellent public schools are the primary factor in that decision. The continuing increase in construction value (21.79% in 2013 and 16.02% in 2012) indicates the continuing investment being made in East Brunswick's residential and commercial properties.

Although the unemployment rate has had a slight increase for the period ending with this report, it should not be construed to minimize the general economic conditions experienced both nationally and in New Jersey and East Brunswick, in particular. Unemployment levels have improved, albeit slowly. This singly important issue must be closely monitored as it affects general economic viability locally, statewide and nationally.

While the legally established caps on local property tax increases are intended to limit property tax growth, New Jersey continues to have a need for property tax reform. The District is conscious of this and will continue to act prudently in its fiscal decisions. However, this issue must be addressed. We continue to urge New Jersey residents to express the expectations they have of their elected State officials with regard to property tax reform.

**3. MAJOR INITIATIVES:** The District has been aggressive in pursuing the maximum level of State grant funds for all qualifying projects since State's school facilities grants were reinstated in 2008. To date, East Brunswick has been successful in receiving grant approvals on all qualifying projects and for the maximum qualifying amount. The grant funds have benefitted East Brunswick taxpayers by reducing the local financial obligation for the projects. During 2013-2014, the District applied for numerous grants in the last round of grant offerings to support the following facilities and infrastructure initiatives: bleacher replacements and HVAC improvements at East Brunswick High School's gymnasium; unit ventilator replacements, HVAC improvements and electrical distribution system upgrades at Chittick Elementary School and Irwin Elementary School; roof replacement at Frost Elementary School; security vestibules at all eleven school locations; and, technology infrastructure at all eleven school locations. The District successfully received approval for over \$3.1 million in grant funds – a full 40% of estimated project costs – to support all but the technology infrastructure initiatives listed; due to the grant awards exhausting available funds, the State did not consider grant requests for technology infrastructure.

While limited funds have been available for needed capital improvements, the District has planned for projects funded through short-term lease-purchase financing having a payback period of no more than five years. In addition, the District has received Safety Grants from the New Jersey School Boards Insurance Group. Those grants focus on District safety and security through physical improvements. In addition to the projects noted in the preceding paragraph, the projects undertaken in the planning stage, in-process or completed during the past year include building-wide window/door replacements and site work at Irwin Elementary School; media center renovations at Churchill Junior High School; science room renovations, media center renovations, main gymnasium renovations, and tennis court renovations at East Brunswick High School; the maintenance, grounds, and transportation facility; and, the District network operations center. In addition, readiness for PARCC (Partnership for Assessment of Readiness for College and Careers) testing has received substantive attention to ensure that technology is in place to support this mandate. Beyond PARCC, the District has invested in wireless technology whereby Churchill Junior High School and East Brunswick High School are now poised for a "bring your own device" initiative currently being considered. Plans are in place to equip the remaining schools in the same manner.

Finally, technology has a significant role in instruction and is integrated throughout the District's operations. In fact, it is important to recognize that technology is not a frill. Rather, it is a necessity since it is infused in nearly every aspect of every day life. In addition, technology is not stagnant; it is ever emerging with advancements released nearly every day. Budget constraints have significantly affected the level of support for the District's investment in technology. However, this District must find innovative ways to overcome the funding challenges if it is to continue providing appropriate hands-on technology to students who are expected to be productive contributors to society in the 21<sup>st</sup> century as well as support its overall "business" operations. To that end, the District engaged Sunera, LLC to conduct an assessment of the Information Technology Department. While the report is confidential due to sensitive security discussions contained therein, the District is committed to implementing the recommendations and providing students with the tools needed to augment their educational experiences.

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

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

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

**5. BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are accounted for in the capital projects fund when applicable. The final budget amount, as amended for the fiscal year, is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as reported as reservations of fund balance at June 30, 2014.

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

**7. OTHER INFORMATION:**

**A) Independent Audit** - State statutes require an annual audit to be performed by independent certified public accountants or registered municipal accountants. The accounting firm of Wiss & Company, LLP was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and New Jersey's OMB Circular 04-04. The auditor's report on the basic financial statements, required supplementary information and other supplementary information are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

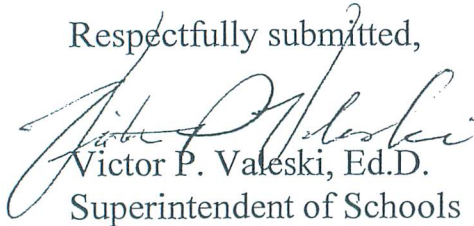
**B) Awards** – The International Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2013. In order to be awarded this certificate, the District published 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 first year 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 2013-2014 award.

**B) Continued Excellence in Academics, Athletics and the Arts** - During the 2013-2014 school year, the District continued to advance its reputation for excellence through a variety of accomplishments and achievements. See the accomplishments and achievements section for a number of those successes.

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

Respectfully submitted,

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

  
Bernardo Giuliana  
School Business Administrator/  
Board Secretary

The District is proud to report the many successes and accomplishments that our students have achieved. The 2013-2014 school year achievements are listed below.

### **For Excellence In Academics...**

- East Brunswick is the only district in the state to have 11 *Blue Ribbon Schools*. The schools are: Bowne-Munro, Central, Chittick, Frost, Irwin, Lawrence Brook, Memorial and Warnsdorfer Elementary Schools, Hammarskjold Middle School, Churchill Junior High School and East Brunswick High School.
- “EBHS is without a doubt one of the finest schools in the nation. It is a school that has a very strong academic program, supported by ample financial resources and guided by excellent leadership.” *Quote taken from the Middle States Association of Colleges and Schools Accreditation for Growth Validation Team.*
- East Brunswick High School was 47th among 371 high schools statewide and scored in the top 13% of all high schools in New Jersey by *Inside New Jersey Magazine*.
- EBHS placed 130 among the top 500 high schools in the country on *Newsweek's America's Best High School's List* for 2014.
- Eight EBHS students were named *Finalists in the 2014 National Merit Scholarship Program*.
- Sixty students qualified for the 2015 National Merit Scholarship program.
- In January, 123 juniors and seniors were inducted into the *National Honor Society*. In addition to maintaining at least a 3.6 GPA, these students also excelled in the areas of leadership, service to their community and character. They are shining examples of the district’s goal to develop the whole child.
- One hundred and fourteen EBHS students were inducted into *Mu Alpha Theta, the National High School Mathematics Honor Society*.
- Forty-two EBHS students were inducted into *Tri-M Music Honor Society*.
- Based on the 2012-2013 *New Jersey School Performance Report*, EBHS was ranked high in academic performance and college readiness when compared to other schools across the State and very high when compared to its peers.
- An EBHS junior was among the top 10% of the students who qualified to move on to the *National Biology Olympiad* competition.
- Five EBHS students have been deemed qualified to take part in the *US National Chemistry Olympiad (USNCO)*.
- An EBHS senior was chosen as a winner of the *GE Star Award* based on his academic record, extracurricular activities, community service, personal experiences and goals described in a written statement.
- One EBHS student was selected to attend the *2014 Governor’s School of Engineering and Technology*, and three EBHS students were selected to attend the *2014 Governor’s School in the Sciences*.
- In the *64<sup>th</sup> Annual Merck State Science Day* four EBHS students were named as Merck State Scholars in Chemistry, Biology and Integrated Science. In team competition the Chemistry Team placed first in state. Individually, two students came out on top as individuals: one finished First-in-State Overall and one finished First-in-State in Biology.



## For Excellence In Academics - Continued

- One 4<sup>th</sup> grader placed 1<sup>st</sup> in New Jersey in the *Security Industry and Financial Markets Association Foundation's InvestWrite Competition*. (Teacher, Marissa Dimitro)
- At the *New Jersey FBLA Spring Leadership Conference* one collaborative EBHS group won 1st place honors in their event, *Website Development*. (Advisor, Jessica DelliSanti)
- Two EBHS students were recognized for their exemplary written work and oral presentation and received the *Best Delegate Award* at the *2014 Rutgers Model Congress Conference*. (Advisors, Alan Brodman, Joyce Lentz, Michael Wildermuth and Kimberly Giambrone)
- EBHS A and B teams performed extraordinarily well and were named First-in-State and Second-in-State respectively in the grade 11/12 category of the *2014 Technology Student Association (TSA) Competition*. (Advisors, Leslie Anderson and Deborah Cretsinger)
- Three EBHS economics students placed first in the PNC Christmas Price Index-SIFMA Foundation Stock Market Game. (Teacher, Kimberly Giambrone)
- The EBHS Advanced Placement Institute for Political and Legal Education (AP IPLE) team came in first in the state at the *New Jersey We the People: 2014 The Citizen and the Constitution Competition*.
- Five EBHS students placed 1<sup>st</sup> in State in *New Jersey Science League Team Competition*, Chemistry II category. (Teachers, Leslie Anderson and Deborah Cretsinger)
- Two EBHS students placed first in their individual event at the New Jersey Science Olympiad. ( Advisor/Teacher, Steve Vendome)\
- Eighteen EBHS students participated in the nationally recognized Rutgers Waksman Scholars program, in which they researched the Replication Factor C (RFC) in *Landoltia punctata*, a tiny aquatic plant known as duckweed, have had their research published on the National Center for Biotechnology Information (NCBI) database.
- In the *New Jersey Math League Competition*, one CJHS team participated in the *Biology I* category placed first in the state; and two EBHS teams participated in the *Chemistry I* and *Chemistry II* categories placed first in the state. One student was also named as individual first in state in *Chemistry II*. (Teachers, Jamie Kinard, Deborah Cretsinger and Leslie Anderson)
- Two students, one from EBHS and one from CJHS, scored in the top 5% on their respective exams, thus qualifying them to take the *American Invitational Mathematics Examination (AIME)*. (Teacher, Emily Centimole)
- Seven EBHS students have qualified to attend the prestigious *American Regions Mathematics League (AMRL) Competition*.
- Five EBHS Field Hockey Players were selected to the 2013 Gladiator by SGI / NFHCA High School National Academic Squad.

## For Excellence In Academics - Continued

- Nineteen EBHS students were inducted into the *Science Honor Society*. In order to be part of this elite group, students must: 1. Maintain a B+ or better in high school Science Honors or AP Courses and/or an A- or better in Academic or elective science courses, 2. Complete 10 club hours (attendance at meetings, committee work, writing for our online journal, *The Cepheid*), 3. Complete 10 community service hours (tutoring, library science scene).
- A Chittick student was one of 10 runner-ups chosen from Grades 3-5 around the country in the Scholastic Reading Club Roald Dahl Character Biology Contest. (Teacher, Lauren Gilman)
- Lawrence Brook School was selected as the winner of the PNC Achievement in Academics, Stick With It Reading Program for having the highest rate of participation and the most minutes read, over 319,000 minutes.
- Advanced Placement Test results for 2014: In total 1,184 exams were administered. The percent of students scoring 3 or better was 92 percent. Students scoring 3 or better will receive college credit for the course tested.
- The average SAT score was 1695; that is 183 points higher than the state average.
- Over 96% of the graduating class will go on post-secondary educational experiences.
- Nine seniors received *high honors status*.
- The EBHS Class of 2014 can boast: 208 *Presidential Awards for academic Excellence*.
- At the *Community Programs Department's Yearly Celebration of Lifelong Learning*, 29 adults were among those recognized for having achieved citizenship.
- Memorial School *received the 2013 NJ AIA Award*. The AIA (American Institute of Architects) New Jersey Annual Design Awards Program recognizes architectural projects which exhibit design excellence.

## For Excellence In Athletics...

- Season Summaries

	Fall	Winter	Spring	Overall
<b>Record</b>	99-43-3	70-452	115-56	284-144-5
<b>Winning %</b>	68%	60%	68%	66%
<b>Division Record</b>	58-26-3	38-28-2	81-27	177-81-5

- Team Champions

Conference	Division
Girls Soccer	Boys Soccer
Boys Soccer	Girls Tennis
Girls Swimming	Softball
Girls Tennis	Baseball
Boys Golf	
Girls Golf	
Cheerleading	

### **For Excellence In Athletics - Continued**

- The *Fall Red Division Champions* are Girls Tennis (Coach Brian McInerney), Boys Soccer (Coach, Kevin Brady).
- The girls' volleyball team received a *Red Division Sportsmanship* award.
- Two EBHS student athletes received *GMC Champion Awards*.
- Two EBHS student athletes received *GMC Sportsmanship Awards*
- One student athlete was nominated as a *NJSIAA Scholar Athlete*
- One EBHS senior was named *NJSIAA State Champion* in wrestling.
- 151 out of 153 student athletes from the Class of 2014 are going onto higher education.
- Five athletes of the Class of 2014 were offered sports scholarships or grants in aid totaling more than \$280,000.
- EBHS is the recipient of the *Thomas Wachenfeld Award* presented by the *North Jersey Board of Approved Basketball Officials* for the schools outstanding qualities of sportsmanship during the 2013-2014 basketball season.

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

- East Brunswick High School reported an enrollment of 81% in the arts while the state average for students enrolled in at least one arts course is 47.3%.
- Congratulations to student musicians selected for Honors, Regional, All-State, and All Eastern Ensembles:
  - All State HS Chorus and Women's Chorus (4)
  - All State HS Orchestra (6)
  - All State Intermediate Orchestra (6)
  - All State HS Symphonic Band (4)
  - All State Wind Ensemble (3)
  - New Jersey Honors Jazz Choir (1)
  - CJMEA Elementary Honors Band (14)
  - CJMEA Elementary Honors Orchestra (62)
  - CJMEA Elementary Honors Chorus
  - CJMEA Intermediate Region Chamber Orchestra (6)
  - CJMEA Intermediate Region Chorus (17)
  - CJMEA Intermediate Region Symphonic Band (1)
  - CJMEA Intermediate Region String Orchestra (1)
  - CJMEA Intermediate Region Wind Ensemble (3)
  - CJMEA HS Region Chorus (15)
  - CJMEA HS Region Orchestra (1)
  - CJMEA HS Region Percussion Ensemble (1)
  - CJMEA HS Region Symphonic Band (5)
  - CJMEA HS Region Wind Ensemble (3)
- One EBHS junior was selected to participate in the prestigious *National Association for Music Education (NAfME) National Honors Orchestra*.
- An EBHS junior placed first in the national *Mean Stinks Campaign* anti-bullying contest sponsored by *Seventeen Magazine* and *Secret Deodorant* with an original song with an anti-bullying theme.

- Three EBHS students were selected to participate in the prestigious *American String Teachers Association (ASTA) National Honors Orchestra*.
- One EBHS Sophomore placed first in the *NYU Steinhardt Weekend of Percussion Snare Drum Competition* sponsored by 2014 Percussive Arts Society KoSA NYU Weekend of Percussion Festival.
- An EBHS junior was chosen by *New Jersey Music Educator Association* as a finalist in the *NJMEA Young Composer's Competition*; and then was chosen as a national finalist in the *National Association for Music Education (NAfME) Student Composer's Competition*.
- The works of three EBHS students were among more than 100 compositions from school districts throughout New Jersey's 12<sup>th</sup> Congressional District entered into the *2014 Congressional Art Competition*. One was selected to receive third place honors in *Computer Generated Art*; and the creations of two students also received 2<sup>nd</sup> and 3<sup>rd</sup> place honors in the *Photography Category*.
- A Warnsdorfer 5th grader was announced as the state finalist in the *Doodle 4 Google Art contest*.
- One EBHS artist was named a *National Young Arts Foundation* winner for one of her works of art and two of her writing compositions. The same artist was also chosen to receive *Art Administrators of New Jersey (AANJ) Emerging Artists* award. (Teacher, Matthew McCarthy)
- The works of seven students were selected for *The Middlesex County Youth Art Month Exhibit*, four students from CJHS (Art Teachers, Darin Amme and Deborah Mannuzza) and three from Central Elementary School (Teacher Sueann Brewer). The work of one CJHS artist was chosen to be displayed at the Trenton State House Annex as part of the *NJ State Youth Art Month Show*.
- Four CJHS students were selected from hundreds of statewide entries for the *TCNJ K-12 Student Art Exhibition*. (Teachers, Darin Amme and Deborah Mannuzza)
- The EBHS Concert Band and Wind Ensemble both received Silver ratings for their performances at the *Central Jersey Music Educators Association Concert Band Festival*, with East Brunswick receiving the award for *Outstanding Percussion Section*.
- The EBHS Concert Choir (Director, Jennifer Sengin) earned a Superior Rating in Sight Reading and a Superior Rating in Performance at the *2014 American Choral Directors Association High School Choral Festival*.
- The EBHS Bella Voce (Director, Jennifer Sengin) earned a Superior Rating in Sight Reading and a Superior Rating in Performance at the *2014 American Choral Directors Association High School Choral Festival*.

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

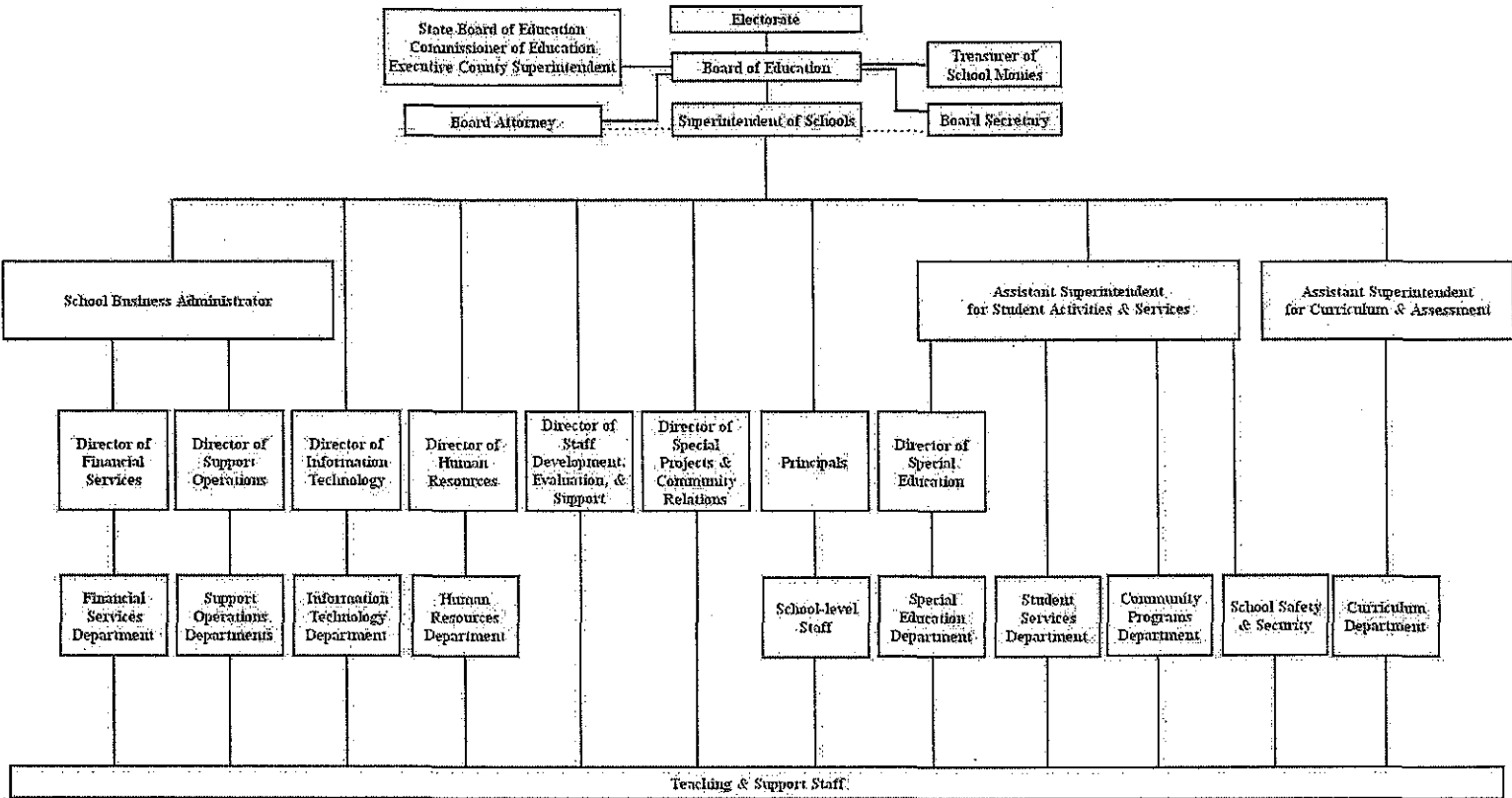
- Coach Jeff Sundberg was named *Home News Tribune Swimming Coach of the Year*.
- Coach Mark Motusesky was named *Home News Tribune Girl's Tennis Coach of the Year*.
- Girls' softball coach, Kevin Brady, celebrated his 300th win.
- Girls' basketball coach, Keith Lane was nominated as the *GMC* and as the *Red Division Coach* of the year.

- Director of Special Education, Sharon Weber-Oleszkiewicz was voted *Middlesex County Special Education Director of the Year* by the *Middlesex County Administrators of Special Education Services*.
- Coordinator of School Safety and Security, Paul Natalicchio, was one of four county honorees recognized by the *Middlesex County Ed. Association* as a *Friend of Public Education*.
- Athletic Department Secretary Linda Ronchi was named by the *Directors of Athletics Association of New Jersey (DAANJ)* as a recipient of the *Administrative Assistant of Excellence Award for Central New Jersey*.
- Jeffrey Lesser, Supervisor of Arts Education received the *2014 Distinguished Service Award* from the *New Jersey Music Educator Association*.
- Three former staff members were inducted onto the *Wall of Honor*. They are: Shelli Fishman, Helen McGuinness and William Pellagrino.
- The *Certificate of Excellence in Financial Reporting* has been awarded by the *Association of School Business Officials (ASBO) International* to the East Brunswick Public Schools.

### **Excellence for Service to the Community...**

- District-wide \$3,565 was collected for Cancer research through a staff denim day in October. All proceeds went to the *Rutgers Cancer Institute of New Jersey Foundation's Breast Cancer and Pediatric Cancer Research Fund*. That makes \$26,519 raised since 2007.
- In recognition of Veteran's Day, staff donated \$2,955 for *G.I. Go Fund*.
- At the EBHS National Honor Society's (Advisors, Leslie Anderson and Bruce Singer) Fall Blood Drive, 151 pints of blood were donated by students and staff. At the Spring Blood Drive 178 pints were collected. In addition, the students also collected hygiene products for homeless veterans.
- On the November 22 district Denim day our staff raised over \$2,600 for the East Brunswick Education Foundation.
- Through the Annual Gift Drive at EBHS over 1,250 gifts were purchased by staff and students. (facilitated by Pat Peters and Audrey Nelson)
- In total our educational community collected 12,300 pounds of food for MCFOODS including 6,000 lbs. from the East Brunswick football team.
- Approximately 180 senior citizens attended the annual Senior-Senior Prom at EBHS sponsored by many student organizations with support from the following staff members: Audrey Nelson, Kim Giambrone, Kerri McQuade and Sara Murphy.
- A total of \$4,026 was raised through a district-wide denim day in recognition of *Autism Awareness Month*. Thank you to Speech/Language Specialist, Marianne Zema for championing this outreach every year.
- A total of \$4,000 was raised by elementary students who, with their art teachers as facilitators, created *Luminaria Bags* that lined the track at the *East Brunswick Relay for Life* held on June 14<sup>th</sup>.
- Hammarkjold Middle School for raised over \$13,556 for the *American Cancer Society* at their 5<sup>th</sup> Annual Relay Field Day.

1110. ORGANIZATIONAL CHART



This organizational structure is effective September 12, 2014.

East Brunswick Public Schools  
East Brunswick, New Jersey

Roster of Officials

June 30, 2014

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Brad Cohen, M.D., President.....	2016
Holly Howard, Vice President.....	2016
Vicki Becker.....	2015
Susanna Chiu.....	2014
Laurie Lachs.....	2014
Kevin McEvoy.....	2015
Curt Philipczak.....	2016
Meredith Shaw.....	2015
Todd Simmens.....	2014

**Other Officials**

Victor Valeski, Ed.D., Superintendent (effective 7/1/2014)  
Patrick Piegari, Ed.D., Interim Superintendent (7/1/13 - 6/30/2014)  
Bernardo J. Giuliana, School Business Administrator/Board Secretary  
Louis Figueroa, Assistant Superintendent of Student Activities and Services  
Evelyn H. Ogden, Ed.D., Assistant Superintendent for Curriculum and Assessment  
L. Mason Neely, Treasurer

East Brunswick Public Schools  
East Brunswick, New Jersey

Independent Auditors and Advisors

**Architects**

ARMM Associates  
725 Kenilworth Avenue  
Cherry Hill, New Jersey 08002

Clarke Caton Hintz  
100 Barrack Street  
Trenton, New Jersey 08608

FKA Architects  
306 Ramapo Valley Road  
Oakland, New Jersey 07436

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

Van Cleef Engineering Associates, LLC  
4 AAA Drive, Suite 103  
Hamilton, NJ 08691

**Attorney**

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

**Independent Auditors**

Wiss & Company, LLP  
485C Route One South  
Iselin, NJ 08830

**Insurance Broker**

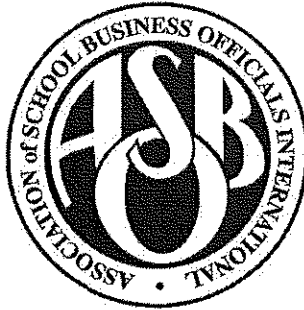
E. Jay Lawton  
G.R. Murray Insurance Company  
707 State Road, Route 206  
Princeton, New Jersey 08542

**Official Depository**

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



# Association of School Business Officials International

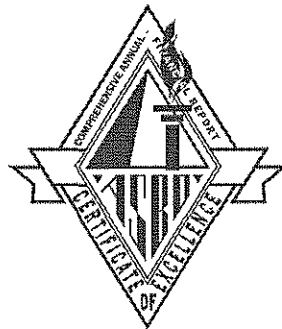


*The Certificate of Excellence in Financial Reporting Award  
is presented to*

**East Brunswick Public Schools**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2013*

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



Handwritten signature of Terrie S. Simmons in cursive script.

Terrie S. Simmons, RSBA, CSBO  
President

Handwritten signature of John D. Musso in cursive script.

John D. Musso, CAE, RSBA  
Executive Director

## Financial Section



## Independent Auditors' Report

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the East Brunswick Public Schools, County of Middlesex, New Jersey (the "District"), as of and for the year ended June 30, 2014, 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 of material misstatement.

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Suite 1850  
Livingston, NJ 07039  
973.994.9400

485C Route 1 South  
Suite 250  
Iselin, NJ 08830  
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14 Penn Plaza  
Suite 1010  
New York, NY 10122  
212.594.8155

5 Bartles Corner Road  
Flemington, NJ 08822  
908.782.7300

60 West Broad Street  
Suite 102  
Bethlehem, PA 18018  
484.821.5735

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 previously 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, 2014, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 1.R. to the financial statements, during the fiscal year ended June 30, 2014, the District adopted Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

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

*Supplementary and Other Information*

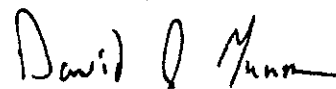
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, which consists of the combining and individual fund financial statements, long-term debt schedules and schedules of expenditures of federal awards and state financial assistance, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and the other information such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information identified above is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information identified above has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

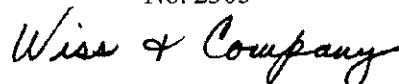
In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2014 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting compliance.



David J. Gannon

Licensed Public School Accountant

No. 2305



WISS & COMPANY, LLP

December 1, 2014  
Iselin, New Jersey

Required Supplementary Information  
Part I

## Management's Discussion and Analysis

## East Brunswick Public Schools

### Management's Discussion and Analysis Year Ended June 30, 2014

(Unaudited)

The discussion and analysis of East Brunswick Public School's (the "District") financial performance provides an overall review of the District's financial performance during the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements and notes, which immediately follow this section.

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

#### Overview of the Financial Statements

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

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

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

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

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

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

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

The government-wide financial statements can be found on pages 30 – 31 of this report.

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



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

The basic governmental fund financial statements can be found on pages 32 – 34 of this report.

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

The basic proprietary fund financial statements can be found on pages 35 – 37 of this report.

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

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

The basic fiduciary fund financial statement can be found on pages 38 – 39 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 40 - 71 of this report.

**Other information.** The combining statements referred to earlier in connection with the governmental and enterprise funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 72 – 112 of this report.

### **Financial Highlights**

Key financial highlights for 2013-2014 are as follows:

In total, net position totaled \$134,906,274, which represents a 3.5% increase from 2013. This is primarily due to the continued investment in capital assets and the increase in excess surplus during the 2014 fiscal year.

Governmental activities general revenues accounted for \$152,374,029 in revenue or 98% of all governmental activity revenue. Program specific revenue in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,122,327 or 2% of total governmental activity revenue of \$155,496,356.

Among major funds, the General Fund had \$143,860,514 in revenue and \$140,683,345 in expenditures. The General Fund's fund balance is \$18,313,342 as of June 30, 2014, an increase of \$1,537,045 from the June 30, 2013 balance.

Notification was received that the two June 2014 state aid payments to the district in the total amount of \$1,692,388 would be delayed until the next school year. While, the State of New Jersey has taken action to withhold the final June payment each year since 2003, it expanded the withholding to both June payments in FY 2010, in order to avert a budget shortfall at the state level.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The following table provides a comparative summary of net position relating to the District's governmental and business-type activities at June 30, 2014 and 2013:

	Net Position					
	June 30, 2014			June 30, 2013		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 28,331,228	\$2,320,249	\$ 30,651,477	\$ 28,399,675	\$1,488,268	\$ 29,887,943
Capital assets	210,047,114	170,296	210,217,410	211,839,340	201,310	212,040,650
Total assets	238,378,342	2,490,545	240,868,887	240,239,015	1,689,578	241,928,593
Deferred loss on defeasance of debt	6,586,305		6,586,305	6,926,976		6,926,976
Long-term liabilities	100,659,824	97,326	100,757,150	105,682,147	135,581	105,817,728
Current liabilities	11,391,633	400,135	11,791,768	12,432,389	309,308	12,741,697
Total liabilities	112,051,457	497,461	112,548,918	118,114,536	444,889	118,559,425
Net position:						
Net investment in capital assets	115,774,538	170,296	115,944,834	114,047,274	201,310	114,248,584
Restricted	13,811,105		13,811,105	14,836,012		14,836,012
Unrestricted (deficit)	3,327,547	1,822,788	5,150,335	168,169	1,043,378	1,211,547
Total net position	\$132,913,190	\$1,993,084	\$134,906,274	\$129,051,455	\$1,244,688	\$130,296,143

The District's combined net position was \$134,906,274 on June 30, 2014. This is an increase of \$4,610,131 from the previous year.

Current and other assets increased slightly in large part due to the Community Programs' increase in cash as a result of increased program income and slight decrease in expenses.

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

Long-term liabilities decreased based on principal payments made in the total amount of \$3,310,000, \$277,729 in unamortized bond premiums, approximately \$3,365,699 in lease purchase obligations and capital lease payments, offset by new capital leases issued in the amount of \$2,089,513.

Current liabilities decreased slightly due to a decrease in accrued salaries payable due to the payment of EBFA retroactive salary payments that had been accrued for as of June 30, 2013 offset by an increase in accounts payable as a result of the timing when certain bills are paid and an increase in current portion of long-term obligations due to the issuance of new lease purchase obligations.

There was a decrease in restricted net position of approximately \$1,024,907, which resulted largely from withdrawals from the capital reserve account to fund various construction projects offset by increases in excess surplus to be used toward subsequent years' expenditures and capital projects fund balance as a result of new SDA grants received.

There was an overall increase of approximately \$748,000 in net position reported in connection with the District's business-type activities. The Food Service program received an increase of approximately \$40,000 in federal revenue while Community Programs benefited from an increase of \$291,000 in registration fees.

The following table provides a comparative summary of the changes in net position relating to the District's governmental and business-type activities for the year ended June 30, 2014 and 2013:

### Changes in Net Position

	June 30, 2014			June 30, 2013		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for Services	\$ 306,837	\$ 4,585,340	\$ 4,892,177	\$ 346,709	\$ 4,339,032	\$ 4,685,741
Operating Grants and Contributions	2,815,490	784,488	3,599,978	3,561,312	732,776	4,294,088
General Revenues:						
Property Taxes	121,368,715		121,368,715	118,821,381		118,821,381
Grants and Entitlements	30,310,680		30,310,680	31,656,765		31,656,765
Miscellaneous	494,634	955	495,589	668,362	65,509	733,871
<b>Total Revenues</b>	<b>155,296,356</b>	<b>5,370,783</b>	<b>160,667,139</b>	<b>155,054,529</b>	<b>5,137,317</b>	<b>160,191,846</b>
Expenses:						
Instruction	84,218,184		84,218,184	83,440,972		83,440,972
Support Services	61,512,060		61,512,060	59,099,737		59,099,737
Charter school	1,721,288		1,721,288	1,215,974		1,215,974
Interest and other charges	4,183,089		4,183,089	4,014,883		4,014,883
Business-type activities		4,422,387	4,422,387		4,478,921	4,478,921
<b>Total Expense</b>	<b>151,634,621</b>	<b>4,422,387</b>	<b>156,057,008</b>	<b>147,771,566</b>	<b>4,478,921</b>	<b>152,250,487</b>
<b>Change in Net Position</b>	<b>3,661,735</b>	<b>948,396</b>	<b>4,610,131</b>	<b>7,282,963</b>	<b>658,396</b>	<b>7,941,359</b>
Transfers	200,000	(200,000)		100,000	(100,000)	
<b>Change in net position after transfers</b>	<b>3,861,735</b>	<b>748,396</b>	<b>4,610,131</b>	<b>7,382,963</b>	<b>558,396</b>	<b>7,941,359</b>
Net Position-beginning	129,051,455	1,244,688	130,296,143	120,142,262	718,497	120,860,759
Effectives from restatement				1,526,230	(32,205)	1,494,025
<b>Net Position-ending</b>	<b>\$ 132,913,190</b>	<b>\$ 1,993,084</b>	<b>\$ 134,906,274</b>	<b>\$ 129,051,455</b>	<b>\$ 1,244,688</b>	<b>\$ 130,296,143</b>

#### Governmental Activities

Property taxes made up 78.2% of total revenue for the fiscal year 2014. Federal, state and local grants and tuition and miscellaneous revenue accounted for the remainder. The total cost of all programs and services was \$151,634,621. Instruction accounted for 55.5% of total expenditures.

**Business-Type Activities**

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

Food service revenue, which included no subsidy from the general fund, was greater than expenses by \$113,956. Charges for services, which consist of the amount paid by students and other patrons for daily food service and catering, represent 70.7% of total revenue.

Community Programs revenues exceeded expenses by \$834,440. A \$200,000 transfer to the General Fund brought the net increase in net position to \$634,440.

**Financial Analysis of the District's Funds**

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

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

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2014 as well as the amount and percentage of increases or decreases in relation to the prior year.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2013</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 122,370,093	78.80%	\$ 2,287,147	1.90%
State Sources	30,290,748	19.50%	(1,425,207)	(4.49)%
Federal Sources	2,635,515	1.70%	(574,779)	(17.90)%
<b>Total</b>	<b>\$ 155,296,356</b>	<b>100.00%</b>	<b>\$ 287,161</b>	<b>0.19%</b>

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

The decrease in state source revenue is largely a result of a decrease in the State of New Jersey's contribution to on-behalf TPAF pension contributions.

The decrease in federal source revenue is mainly attributable to the District receiving non-recurring revenue from FEMA during the 2013 fiscal year and a decrease in IDEA funding received by the District in the current year.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2014 and the increases and decreases related to the prior year:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2013</u>	<u>Percent of Increase (Decrease)</u>
Current Expense:				
Instruction	\$ 58,381,591	37.36%	1,024,568	1.79%
Undistributed expenditures	81,034,716	51.86%	(124,769)	(0.15)%
Capital Outlay	4,562,211	2.92%	(6,864,019)	(60.07)%
Charter School	1,721,288	1.10%	505,314	41.56%
Debt Service	10,556,520	6.76%	(357,692)	(3.28)%
Total	<u>\$ 156,256,326</u>	<u>100.00%</u>	<u>(5,816,598)</u>	<u>(3.59)%</u>

The decrease in capital outlay is the result of the majority of expenditures related to the Memorial Elementary school being expended in the prior year. The increase in charter school is a direct result of an increase in the number of students attending charter schools. The overall decrease in expenditures is a result of the District's efforts to continue to control costs.

#### General Fund

The fund balance increased by approximately \$1,537,000 during the 2014 fiscal year as a result of additional Extraordinary Aid, tuition and SEMI funds received. As of June 30, 2014, the District has unassigned fund balance of \$1,345,345, which represents a decrease of \$93,816 from the 2013 fiscal year.

#### Special Revenue Fund

Expenditures incurred in the Special Revenue Fund increased by approximately \$1,714,000 as a result of an increase in capital expenditures funded through lease purchase agreements for various construction projects. Federal revenues decreased by approximately \$637,000 as a result of reduced IDEA revenue and carryover funds and approximately \$154,000 in non-recurring revenue related to FEMA.

#### Capital Projects Fund

As of June 30, 2014, the District's Capital Project's Fund Balance increased by approximately \$804,000 as a result of ten SDA grants received by the district and the transfer of approximately \$1,840,000 in local share funding to offset the costs of these new projects.

#### Debt Service Fund

Expenditures in the Debt Service Fund decreased as a result of the elimination of costs of issuance due to the refunding of bonds that took place in the 2013 fiscal year coupled with the savings that resulted from the refunding of those bonds.

#### **General Fund Budgetary Highlights**

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

During the course of the fiscal year 2014, the District amended its General Fund budget as needed. The District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. The School Business Administrator, Superintendent of Schools, and Board of Education, must approve transfers from one program to another. Transfers were required due to:

- Staffing changes based on student needs.

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

### Capital Assets and Debt Administration

#### Capital Assets

At the end of fiscal year 2014, the District has capital assets of \$260,687,252, which includes school facilities, land, buildings, equipment and vehicles.

The following provides a summary of the capital assets held by the District at June 30, 2014 and 2013:

	Capital Assets			
	2014		2013	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Non-Depreciable Assets:				
Land	\$ 1,019,208		\$ 1,019,208	
Construction in Progress	2,070,991		1,445,313	
Depreciable Assets:				
Buildings and Improvements	249,051,750	\$ 322,328	246,898,003	\$ 322,328
Machinery and Equipment	8,193,838	29,137	6,465,994	23,306
Totals	\$ 260,335,787	\$ 351,465	\$ 255,828,518	\$ 345,634

Overall capital assets increased \$4,507,269 from fiscal year 2013 to fiscal year 2014 mainly due to the increase in construction in progress attributable to the Bowne Munro Elementary School roof replacement, Irwin Elementary School windows and HVAC/electrical upgrades and Chittick Elementary School HVAC/electrical upgrades projects.

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, 2014 and 2013:

	2014		2013	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Bonds payable (net)	\$ 92,144,436		\$ 95,732,165	
Obligations under capital leases	5,845,897		5,726,746	
Lease purchase obligations payable	6,740,545		8,135,882	
Compensated absences	3,033,730	\$ 97,326	3,074,229	\$ 135,581
Total long-term liabilities	\$ 107,764,608	\$ 97,326	112,669,022	\$ 135,581

During fiscal year 2014, the District's governmental-type long-term liabilities decreased by \$4,904,414. The decrease is a result of debt retirements offset by the issuance of new capital leases.

Additional information on the District's long-term liabilities can be found in Note 6 to the basic financial statements.

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

The East Brunswick Public School District is in excellent financial position. It has maintained a legally acceptable fund balance position. The District regularly seeks cost-savings and cost containment opportunities, which accrue to the annual budget in controlling costs. In addition, the District's Community Programs Enterprise Operation has provided valuable programs and services to the community while generating revenue and an annual net income. The resultant increases in retained earnings have provided an additional financial resource supporting the General Fund budget.

The East Brunswick Public School District's Child Nutrition Enterprise Program has experienced numerous cost-cutting strategies over the last several years. In response to New Jersey Department of Education requirements, the actions were specifically geared toward eliminating the General Fund budget's subsidization of the program. In June 2013 and notwithstanding the steps taken to reduce costs where possible, the Board of Education authorized an independent evaluation of the program to assist it in identifying options for improving the program including additional expense-reducing steps, as well as revenue-generating opportunities, to ensure that students are well served. As a result of the report, the Board engaged the employee bargaining unit in "impact bargaining" in an effort to arrive at mutual agreement on labor costs and to enable retention of the affected employees as District employees. Having arrived at agreement with the bargaining unit, the Board subsequently 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.

Local property taxes provide approximately 83% of the funding to support the district's General Fund operations. While the General Fund tax levy (the amount to be raised by taxes) increases are capped at two percent annually, the actual property tax impact to most property owners is greater. This has resulted from property valuations that are not reflective of current values. In fact, East Brunswick's overall taxable property values are recorded at approximately 25% of true value. The Township of East Brunswick has suffered many tax appeals where major commercial property owners have successfully appealed valuations, thus resulting in property tax reductions to those property owners. The reduction in those property tax assessments merely redistributes the burden to the remaining property taxpayers in East Brunswick. While East Brunswick residents have been supportive of their schools and appreciate the quality education that is provided to students, the Township must undergo a property revaluation if it is to stabilize the impact of property tax increases for all property taxpayers.

A charter school based in East Brunswick opened its doors at the beginning of the 2010-2011 school year. Hatikvah International Academy Charter School was approved as a K-5 school to serve up to 50 students per grade level. In its application last year, 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. Nevertheless, it is unfortunate that this charter school was granted an initial charter several years ago in the suburban community of East Brunswick with one of the best school districts in this State. The charter school did not serve any educational need then, and it does not now.

During its first five years, the charter school's existence has required the cumulative appropriation of \$8,550,166 from the East Brunswick Public School District budget. These appropriations have come with significant loss to the school district most notable of which is the elimination of its model elementary world language program. While the time has passed to argue the merits of whether or not the initial charter should have been approved, it is highly important to underscore the serious and substantive negative impact the current application's approval would have upon the East Brunswick Public Schools.

East Brunswick's taxpayers largely provide the financial support for its public schools. For FY2015, the local funding share is 86.89% of the District's FY2015 General Fund budget. More and more, this suburban community's local funds must be diverted to support a charter school for which there is no educational need.

### **Requests for Information**

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



# Basic Financial Statements

# Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2014.

## East Brunswick Public Schools

## Statement of Net Position

June 30, 2014

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 19,980,480	\$ 2,136,027	\$ 22,116,507
Accounts receivable	2,395,978	149,831	2,545,809
Inventory		34,391	34,391
Restricted assets:			
Cash and cash equivalents	5,954,770		5,954,770
Capital assets, non-depreciable	3,090,199		3,090,199
Capital assets, depreciable, net	206,956,915	170,296	207,127,211
Total assets	<u>238,378,342</u>	<u>2,490,545</u>	<u>240,868,887</u>
<b>Deferred Outflow of Resources</b>			
Deferred loss on defeasance of debt	<u>6,586,305</u>		<u>6,586,305</u>
Total assets and deferred outflow of resources			
<b>Liabilities</b>			
Accounts payable and accrued expenses	3,356,078	153,036	3,509,114
Accrued interest payable	759,577		759,577
Intergovernmental payable	47,495		47,495
Unearned revenue	123,699	247,099	370,798
Current portion of long-term obligations	7,104,784		7,104,784
Noncurrent portion of long-term obligations	100,659,824	97,326	100,757,150
Total liabilities	<u>112,051,457</u>	<u>497,461</u>	<u>112,548,918</u>
<b>Net Position</b>			
Net investment in capital assets	115,774,538	170,296	115,944,834
Restricted for:			
Capital Reserve	5,954,770		5,954,770
Excess Surplus	5,527,137		5,527,137
Capital Projects	2,329,198		2,329,198
Unrestricted	3,327,547	1,822,788	5,150,335
Total net position	<u>\$ 132,913,190</u>	<u>\$ 1,993,084</u>	<u>\$ 134,906,274</u>

*See independent auditors' report and accompanying notes to basic financial statements.*

## East Brunswick Public Schools

## Statement of Activities

Year ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities</b>						
Instruction						
Regular Instruction	\$ 61,222,122	\$ 306,837	\$ 713,547	\$ (60,201,738)		\$ (60,201,738)
Special Education Instruction	18,002,997		1,735,039	(16,267,958)		(16,267,958)
Other Instruction	4,993,065			(4,993,065)		(4,993,065)
Support Services						
Tuition	3,585,012			(3,585,012)		(3,585,012)
Student and Instruction Related Services	23,070,531		366,904	(22,703,627)		(22,703,627)
School Administration	6,916,828			(6,916,828)		(6,916,828)
General and Business Administrative Services	6,655,280			(6,655,280)		(6,655,280)
Plant Operation and Maintenance	13,791,457			(13,791,457)		(13,791,457)
Pupil transportation	7,492,952			(7,492,952)		(7,492,952)
Interest and other charges	4,183,089			(4,183,089)		(4,183,089)
Transfer of funds to charter schools	1,721,288			(1,721,288)		(1,721,288)
Total governmental activities	151,634,621	306,837	2,815,490	(148,512,294)		(148,512,294)
<b>Business-type activities</b>						
Food service	2,566,676	1,895,886	784,488		\$ 113,698	113,698
Community Education	1,855,711	2,689,454			833,743	833,743
Total business-type activities	4,422,387	4,585,340	784,488		947,441	947,441
Total primary government	\$ 156,057,008	\$ 4,892,177	\$ 3,599,978	(148,512,294)	947,441	(147,564,853)
<b>General revenues and transfers:</b>						
Taxes:						
Property taxes, levied for general purposes				113,246,150		113,246,150
Property taxes, levied for debt service				8,122,565		8,122,565
Federal sources				148,606		148,606
State sources—unrestricted				30,162,074		30,162,074
Investment income				14,985	955	15,940
Miscellaneous				479,649		479,649
Transfers				200,000	(200,000)	
Total general revenues and transfers				152,374,029	(199,045)	152,174,984
Change in net position				3,861,735	748,396	4,610,131
Net Position—beginning as restated				129,051,455	1,244,688	130,296,143
Net Position—ending				\$ 132,913,190	\$ 1,993,084	\$ 134,906,274

See independent auditors' report and accompanying notes to basic financial statements.

# Fund Financial Statements

# Governmental Funds

East Brunswick Public Schools  
Governmental Funds

Balance Sheet

June 30, 2014

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Assets</b>					
Cash and cash equivalents	\$ 13,441,606	\$ 4,210,011	\$ 2,039,444	\$ 289,419	\$ 19,980,480
Accounts receivable:					
State	1,153,659	838	289,754		1,444,251
Federal	54,328	643,269			697,597
Other	254,130				254,130
Interfund	491,281				491,281
Restricted assets:					
Cash and cash equivalents	5,954,770				5,954,770
<b>Total assets</b>	<u>\$ 21,349,774</u>	<u>\$ 4,854,118</u>	<u>\$ 2,329,198</u>	<u>\$ 289,419</u>	<u>\$ 28,822,509</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 2,512,049	\$ 328,852			\$ 2,840,901
Accrued expenses	510,313	4,864			515,177
Intergovernmental payables:					
State		47,495			47,495
Interfunds payable		491,281			491,281
Unearned revenue	14,070	109,629			123,699
<b>Total liabilities</b>	<u>3,036,432</u>	<u>982,121</u>			<u>4,018,553</u>
<b>Fund balances:</b>					
Restricted for:					
Capital reserve	5,954,770				5,954,770
Excess Surplus	3,547,137				3,547,137
Excess Surplus - designated for subsequent year's expenditures	1,980,000				1,980,000
Capital projects			2,329,198		2,329,198
Debt service				\$ 289,419	289,419
Assigned to:					
Designated for subsequent years expenditures	2,500,000	3,871,997			6,371,997
Other purposes	2,986,090				2,986,090
Unassigned:					
General fund	1,345,345				1,345,345
<b>Total fund balances</b>	<u>18,313,342</u>	<u>3,871,997</u>	<u>2,329,198</u>	<u>289,419</u>	<u>24,803,956</u>
<b>Total liabilities and fund balances</b>	<u>\$ 21,349,774</u>	<u>\$ 4,854,118</u>	<u>\$ 2,329,198</u>	<u>\$ 289,419</u>	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$260,335,787 and the accumulated depreciation is \$50,288,673. 210,047,114

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. (759,577)

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. (107,764,608)

Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the new bonds. 6,586,305

Net position of governmental activities \$ 132,913,190

East Brunswick Public Schools  
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2014

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 113,246,150			\$ 8,122,565	\$ 121,368,715
Tuition from individuals	40,999				40,999
Tuition from other LEA's	265,838				265,838
Investment income	14,985				14,985
Miscellaneous	479,649	\$ 199,907			679,556
Total local sources	114,047,621	199,907	-	8,122,565	122,370,093
State sources	29,664,287	128,674	\$ 77,828	419,959	30,290,748
Federal sources	148,606	2,486,909			2,635,515
Total revenues	143,860,514	2,815,490	77,828	8,542,524	155,296,356
<b>Expenditures</b>					
Instruction:					
Regular instruction	41,259,075	1,072,079			42,331,154
Special education instruction	10,906,873	1,735,039			12,641,912
Other special instruction	3,408,525				3,408,525
Support services:					
Tuition	3,585,012				3,585,012
Student and instruction related services	16,099,906	457,026			16,556,932
School administration services	4,679,406				4,679,406
Other administrative services	4,852,209				4,852,209
Plant operations and maintenance	11,335,943				11,335,943
Pupil transportation	6,564,578				6,564,578
Employee benefits and on-behalf TPAF social security and pension contributions	33,460,636				33,460,636
Capital outlay	803,144	3,333,023	426,044		4,562,211
Debt Service:					
Principal	1,970,362			4,705,337	6,675,699
Interest	36,388			3,844,433	3,880,821
Transfer of funds to charter schools	1,721,288				1,721,288
Total expenditures	140,683,345	6,597,167	426,044	8,549,770	156,256,326
Excess/(Deficiency) of revenues					
Over (under) expenditures	3,177,169	(3,781,677)	(348,216)	(7,246)	(959,970)
Other financing sources (uses):					
Capital lease proceeds		2,089,513			2,089,513
Transfers in	200,000	688,410	1,840,124		2,728,534
Transfers (out)	(1,840,124)		(688,410)		(2,528,534)
Total other financing sources (uses)	(1,640,124)	2,777,923	1,151,714	-	2,289,513
Net change in fund balances	1,537,045	(1,003,754)	803,498	(7,246)	1,329,543
Fund balances, July 1	16,776,297	4,875,751	1,525,700	296,665	23,474,413
Fund balances, June 30	\$ 18,313,342	\$ 3,871,997	\$ 2,329,198	\$ 289,419	\$ 24,803,956

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, 2014

**Total net change in fund balances - governmental funds (from B-2)** **\$ 1,329,543**

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions exceeded depreciation expense in the period.

Depreciation Expense	\$ (6,299,495)	
Capital Asset Additions	<u>4,507,269</u>	(1,792,226)

The issuance of long-term debt for general and refunding purposes provides current financial resources to governmental funds, however has no effect on net position.

Capital Leases		(2,089,513)
----------------	--	-------------

Repayments of bond principal, lease purchase principal and capital leases principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Serial Bonds Payable	3,310,000	
Lease Purchase Obligations	1,395,337	
Obligations Under Capital Leases	<u>1,970,362</u>	6,675,699

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

277,729

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

(340,671)

Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.

67,830

Prior to the implementation of GASB 65, governmental funds reported the effect on issuance costs when the debt was first issued, whereas the amounts were deferred and amortized in the statement of activities. Now, with the implementation of GASB 65, the remaining issuance costs are amortized in full.

(307,155)

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 (+).

40,499

**Change in net position of governmental activities (A-2)**

**\$ 3,861,735**

*See accompanying notes to basic financial statements.*

# Proprietary Funds

East Brunswick Public Schools  
Enterprise Funds

Statement of Net Position

June 30, 2014

	Major Funds		Total
	Food Service	Community Programs	
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 584,100	\$ 1,551,927	\$ 2,136,027
Accounts receivable:			
State	3,101		3,101
Federal	45,309		45,309
Other	5,271	96,150	101,421
Inventory	34,391		34,391
Total current assets	<u>672,172</u>	<u>1,648,077</u>	<u>2,320,249</u>
Noncurrent assets:			
Equipment	322,328	29,137	351,465
Accumulated depreciation	(172,135)	(9,034)	(181,169)
Total capital assets, net	<u>150,193</u>	<u>20,103</u>	<u>170,296</u>
Total assets	<u>822,365</u>	<u>1,668,180</u>	<u>2,490,545</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	41,078	55,693	96,771
Accrued salaries payable	7,381	48,884	56,265
Unearned revenue	105,155	141,944	247,099
Total current liabilities	<u>153,614</u>	<u>246,521</u>	<u>400,135</u>
Noncurrent liabilities:			
Compensated absences	70,534	26,792	97,326
Total noncurrent liabilities	<u>70,534</u>	<u>26,792</u>	<u>97,326</u>
Total liabilities	<u>224,148</u>	<u>273,313</u>	<u>497,461</u>
<b>Net Position</b>			
Net investment in capital assets	150,193	20,103	170,296
Unrestricted	448,024	1,374,764	1,822,788
Total net position	<u>\$ 598,217</u>	<u>\$ 1,394,867</u>	<u>\$ 1,993,084</u>

East Brunswick Public Schools  
Enterprise Funds

Statement of Revenues, Expenses and Changes in Fund Net Position

Year ended June 30, 2014

	Major Funds		Total
	Food Service	Community Programs	
Operating revenues:			
Local sources:			
Daily sales reimbursable programs	\$ 1,204,378		\$ 1,204,378
Daily sales non-reimbursable programs	691,508		691,508
Registration fees		\$ 2,689,454	2,689,454
Total operating revenues	1,895,886	2,689,454	4,585,340
Operating expenditures:			
Salaries	814,249	1,349,810	2,164,059
Employee benefits	264,054	253,148	517,202
Purchased professional services	41,837		41,837
Other purchased services	23,944	165,795	189,739
Supplies and materials	114,865	83,472	198,337
Registrations/Training/Travel		2,020	2,020
Depreciation	36,320	525	36,845
Cost of sales	1,271,267		1,271,267
Miscellaneous	140	941	1,081
Total operating expenses	2,566,676	1,855,711	4,422,387
Operating (loss) income	(670,790)	833,743	162,953
Nonoperating revenues:			
State sources:			
State school lunch program	24,536		24,536
Federal sources:			
School breakfast program	18,354		18,354
National school lunch program	582,070		582,070
Food donation program	159,528		159,528
Interest income	258	697	955
Total nonoperating revenues	784,746	697	785,443
Other financing (uses)			
Transfers to other funds		(200,000)	(200,000)
Total other financing (uses)	-	(200,000)	(200,000)
Change in net position	113,956	634,440	748,396
Total net position-beginning (as restated)	484,261	760,427	1,244,688
Total net position-ending	\$ 598,217	\$ 1,394,867	\$ 1,993,084

See accompanying notes to basic financial statements.

East Brunswick Public Schools  
Enterprise Funds

Statement of Cash Flows  
Year ended June 30, 2014

	<b>Major Funds</b>		
	<b>Food Service</b>	<b>Community Programs</b>	<b>Total</b>
<b>Cash flows from operating activities</b>			
Receipts from customers	\$ 1,922,171	\$ 2,738,591	\$ 4,660,762
Payments to employees	(829,409)	(1,382,787)	(2,212,196)
Payments for employee benefits	(264,054)	(253,148)	(517,202)
Payments to suppliers	(1,415,432)	(220,456)	(1,635,888)
Net cash (used in) provided by operating activities	<u>(586,724)</u>	<u>882,200</u>	<u>295,476</u>
<b>Cash flows from noncapital financing activities</b>			
Cash received from state and federal sources	779,150		779,150
Transfers to other funds		(200,000)	(200,000)
Net cash provided by (used in) noncapital financing activities	<u>779,150</u>	<u>(200,000)</u>	<u>579,150</u>
<b>Cash flows from capital and related financing activities</b>			
Purchase of capital assets		(5,831)	(5,831)
Net cash (used in) capital and related financing activities	<u>-</u>	<u>(5,831)</u>	<u>(5,831)</u>
<b>Cash flows from investing activities</b>			
Interest received	258	697	955
Net cash provided by investing activities	<u>258</u>	<u>697</u>	<u>955</u>
Net increase in cash and cash equivalents	192,684	677,066	869,750
Cash and cash equivalents, beginning of year	<u>391,416</u>	<u>874,861</u>	<u>1,266,277</u>
Cash and cash equivalents, end of year	<u>\$ 584,100</u>	<u>\$ 1,551,927</u>	<u>\$ 2,136,027</u>
<b>Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:</b>			
Operating (loss) income	\$ (670,790)	\$ 833,743	\$ 162,953
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:			
Depreciation	36,320	525	36,845
Change in assets and liabilities:			
Decrease (increase) in other accounts receivable	6,912	(650)	6,262
Decrease in inventory	36,845		36,845
(Decrease) increase in accounts payable	(224)	31,772	31,548
(Decrease) increase in accrued expenses	(13,572)	3,691	(9,881)
Increase in unearned revenue	19,373	49,787	69,160
(Decrease) in compensated absences	(1,588)	(36,668)	(38,256)
Net cash (used in) provided by operating activities	<u>\$ (586,724)</u>	<u>\$ 882,200</u>	<u>\$ 295,476</u>

**Noncash noncapital financing activities:**

The District received \$159,528 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2014.

*See accompanying notes to basic financial statements.*

# Fiduciary Funds

East Brunswick Public Schools  
Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2014

	<b>Deferred Benefit Trust Fund</b>	<b>Unemployment Compensation Trust Fund</b>	<b>Agency Fund</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 88,224	\$ 811,215	\$ 1,173,215
Total assets	88,224	811,215	\$ 1,173,215
<b>Liabilities</b>			
Accounts Payable		9,515	
Payroll deductions payable			\$ 580,727
Due to student groups			592,488
Total liabilities		9,515	\$ 1,173,215
<b>Net Position</b>			
Held in trust for unemployment claims		\$ 801,700	
Held in trust for deferred benefits	\$ 88,224		

*See accompanying notes to basic financial statements.*

East Brunswick Public Schools  
Fiduciary Funds

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2014

	<b>Deferred Benefit Trust Fund</b>	<b>Unemployment Compensation Trust Fund</b>
<b>Additions</b>		
Interest income	\$ 44	\$ 391
Board contributions		3,840
Employee contributions		136,412
Total additions	<u>44</u>	<u>140,643</u>
<b>Deductions</b>		
Unemployment payments		<u>155,971</u>
Total deductions	<u>-</u>	<u>155,971</u>
Change in net position	44	(15,328)
Net position-beginning	<u>88,180</u>	<u>817,028</u>
Net position-ending	<u>\$ 88,224</u>	<u>\$ 801,700</u>

*See accompanying notes to basic financial statements.*



# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

### 1. Summary of Significant Accounting Policies

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

#### A. Reporting Entity

The District is a Type II school district located in the County of Middlesex, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-12. The District had an average daily enrollment for the 2013-14 fiscal year of 8,271 students.

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

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

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

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

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

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

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

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. The New Jersey Department of Education requires all funds be reported as major to promote consistency among school districts in the State of New Jersey.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and capital leases, are recorded only when payment is due.

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

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

Property taxes, interest, and state equalization monies associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year.

The District has reported the following major governmental funds:

*General Fund:* The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment, which are classified in the capital outlay sub-fund.

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

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

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

The District's Proprietary Fund is comprised of two programs, the Food Service Fund and the Community Program Fund. All are considered major enterprise fund programs.

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

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

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

*Community Program Enterprise Fund:* The community program fund accounts for financial activity related to providing child care services for District students before and after school, as well as, providing adults with lifelong learning opportunities.

Additionally, the District reports the following fund types:

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

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

*Trust Funds:* The deferred benefit and unemployment compensation trust funds are accounted for in essentially the same manner as the governmental funds. The deferred benefit trust fund is used to account for employee contributions for allowable deferred compensation. The unemployment compensation fund is used to account for contributions from employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims.

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

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

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

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

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

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

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

### **D. Budgets/Budgetary Control**

In accordance with P.L. 2011, which became effective January 17, 2012, the district elected to move the annual school board election from April to the date of the annual November general election, thereby eliminating the vote on the annual based budget. Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the Middlesex County office of the DOE for approval. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referred in N.J.A.C. 6A:23. The overexpenditure in the general fund is due to the inclusion of the non-budgeted on behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary overexpenditures. All budget amendments must be approved by School Board resolution. Budget amendments were made during the year ended June 30, 2014 and were not significant.

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

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

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

### **E. Interfund Receivables/Payables**

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

### **F. Inventories**

Inventories, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. At June 30, 2014, the District had inventories in the Food Service Enterprise Fund of \$34,391.

### **G. Capital Assets**

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

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

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

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

**H. Compensated Absences**

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

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

As of June 30, 2014, a liability existed for compensated absences in the government-wide financial statements in the amount of \$3,033,730 and a liability in the amount of \$97,326 for compensated absences in the proprietary fund types.

**I. Unearned Revenue**

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

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

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

#### J. Long-Term Obligations

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

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

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

Deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. As of June 30, 2014, the District has recorded an unamortized balance of \$6,586,305 as a deferred outflow of resources. This amount had previously been recorded as a reduction of bonds payable.

#### L. Net Position

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* became effective for financial statements for periods beginning after December 15, 2011 and established standards for reporting deferred outflows of resources, deferred inflows of resources and net position. The adoption of this statement resulted in a change in the presentation of the statement of net assets to what is now referred to as the statement of net position and the term "net assets" was changed to "net position" throughout the financial statements. Net position represents the difference between assets, deferred inflows of resources, deferred outflows of resources and liabilities in the Government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net positions are reported as restricted in the Government-wide and fund financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.



East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

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

The District has restated its June 30, 2013 net position related to Food Service Enterprise Fund (B-5). The following presents the effects of the restatement of net position:

Beginning Net Position	\$ 516,466
Adjustment to reflect the recording of the June 30, 2013 capital asset cost balance in accordance with the appraisal and therefore net position in the June 30, 2013 financial statements.	(13,196)
Adjustment to reflect the recording of the June 30, 2013 capital asset accumulated depreciation balance in accordance with the appraisal and therefore net position in the June 30, 2013 financial statements.	<u>(19,009)</u>
Beginning Net Position, as Restated	<u>\$ 484,261</u>

The District has also restated its June 30, 2013 net position related to governmental and business-type activities (A-2). The following presents the effects of the restatement of net position:

Beginning Net Position, Governmental Activities	\$ 127,525,225
Adjustment to reflect the recording of the June 30, 2013 capital asset cost balance in accordance with the appraisal and therefore net position in the June 30, 2013 financial statements.	241,383
Adjustment to reflect the recording of the June 30, 2013 capital asset accumulated depreciation balance in accordance with the appraisal and therefore net position in the June 30, 2013 financial statements.	<u>1,284,847</u>
Beginning Net Position, Governmental Activities, as Restated	<u>\$ 129,051,455</u>
Beginning Net Position, Business-Type Activities	\$ 1,276,893
Adjustment to reflect the recording of the June 30, 2013 capital asset cost balance in accordance with the appraisal and therefore net position in the June 30, 2013 financial statements.	(13,196)
Adjustment to reflect the recording of the June 30, 2013 capital asset accumulated depreciation balance in accordance with the appraisal and therefore net position in the June 30, 2013 financial statements.	<u>(19,009)</u>
Beginning Net Position, Business-Type Activities, as Restated	<u>\$ 1,244,688</u>

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

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

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

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

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

#### N. Fund Balances

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

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

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

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

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

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

Of the \$18,313,342 of fund balances in the General Fund, \$2,986,090 of outstanding encumbrances has been assigned for other purposes, \$2,500,000 has been classified as assigned fund balance designated for subsequent years expenditures, \$5,954,770 has been restricted for capital reserve, \$3,547,137 has been restricted for excess surplus – current year, \$1,980,000 has been restricted for excess surplus – designated for subsequent years expenditures and \$1,345,345 is classified as unassigned.

All of the \$3,871,997 special revenue fund balance at June 30, 2014, is assigned as designated for subsequent years expenditures.

The \$2,329,198 Capital Projects fund balance at June 30, 2014 is restricted for capital projects. The District has contractual commitments in the amount of \$2,862,401 at June 30, 2014 to vendors related to ongoing construction projects that is reported as part of the restricted capital projects fund balance.

Of the \$289,419 Debt Service fund balance at June 30, 2014, \$289,415, in accordance with NJSA 7F-41c(2), is anticipated as revenue in the 2014-2015 adopted budget.

### O. Management Estimates

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

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

### 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. 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, 2014 was \$5,527,137. Of this amount, \$1,980,000 has been appropriated in the 2014/15 budget and the remaining \$3,547,137 is required to be appropriated in the 2015/16 budget.

#### R. GASB Pronouncements

##### Adopted in 2014

In March, 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities* ("GASB No. 65"). This statement established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this statement will improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2012. The District implemented this Statement during the 2014 fiscal year and the adoption materially affected the classification of balances on the statement of net position.

##### GASB to be Implemented in the 2015 Fiscal Year

In June, 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* ("GASB No. 68"). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

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

financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. The requirements of this Statement are effective for financial statements for periods ending on or after June 30, 2015. The District has not completed the process of evaluating the impact that will result from adopting GASB No. 68.

### **S. Reclassifications**

In connection with the adoption of GASB 65, unamortized deferred interest costs were reclassified from a reduction of bonds payable to deferred outflow of resources. The reclassification has no impact on overall net position.

### **T. Subsequent Events**

Management has reviewed and evaluated all events and transactions from June 30, 2014 through December 1, 2014, the date that the financial statements are issued and the effects of those that provide additional pertinent information about conditions that existed at the balance sheet date, have been recognized in the accompanying financial statements and is as follows:

On July 15, 2014, the District executed a lease purchase agreement in the amount of \$7,200,000 for the acquisition of various school facility improvements and equipment.

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

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

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the Government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable and related deferred interest costs and unamortized premiums, capital leases and compensated absences, are not due and payable in the current period and therefore are not reported in the funds. The details of this \$107,764,608 difference are as follows:

Bonds payable	\$ 86,775,000
Unamortized premium on bonds	5,369,436
Capital lease obligations	5,845,897
Lease purchase obligations	6,740,545
Compensated absences	<u>3,033,730</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 107,764,608</u>

### 3. Deposits and Investments

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

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, “Accounting and Financial Reporting for Certain Investments and for External Investment Pools.” The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value.

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.

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

### 3. Deposits and Investments (continued)

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

#### Deposits

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

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

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

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

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

Operating cash accounts are held in the District's name by several commercial banking institutions. At June 30, 2014 the carrying amount of the District's deposits was \$30,143,931 and the bank balance was \$32,910,431. Of the bank balance, \$1,000,000 of the District's cash deposits on June 30, 2014 was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$30,495,187 (GUDPA that we have calculated in the past less agency bank balances). \$1,415,244 held in the District agency accounts are not covered by GUDPA.

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

### 3. Deposits and Investments (continued)

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

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

#### Investments

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

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

The District did not have any funds held as investments during or at the year ended June 30, 2014.



East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

**4. Capital Reserve Account**

A capital reserve account was established by the Board by inclusion of \$410,363 in the 96-97 capital outlay budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the period July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning balance, July 1, 2013	\$	10,695,943
Increases:		
Interest earnings		4,636
Transfer unexpended project balances		338,628
Transfer unexpended project balances		1,502,428
Transfer unexpended project balances		807,545
		13,349,180
Decreases:		
Projects pending		434,059
Board approved withdrawal – various dates		6,960,352
		6,960,352
Ending balance, June 30, 2014	\$	5,954,770

The June 30, 2014 LRFP balance of local support costs of uncompleted capital projects exceeded the June 30, 2014 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, 2014

### 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, 2014:

	Beginning Balance As restated	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities:</b>					
Capital Assets, not being Depreciated:					
Land	\$ 1,019,208				\$ 1,019,208
Construction in Progress	1,445,313	\$ 3,444,634		\$ (2,818,956)	2,070,991
Total Capital Assets not being Depreciated	<u>2,464,521</u>	<u>3,444,634</u>		<u>(2,818,956)</u>	<u>3,090,199</u>
Capital Assets, being Depreciated:					
Building and Improvements	246,898,003			2,153,747	249,051,750
Machinery and Equipment	6,465,994	1,062,635		665,209	8,193,838
Total Capital Assets, being Depreciated	<u>253,363,997</u>	<u>1,062,635</u>	<u>-</u>	<u>2,818,956</u>	<u>257,245,588</u>
Less: Accumulated Depreciation	<u>(43,989,178)</u>	<u>(6,299,495)</u>			<u>(50,288,673)</u>
Total Capital Assets, being Depreciated, Net	<u>209,374,819</u>	<u>(5,236,860)</u>	<u>-</u>	<u>2,818,956</u>	<u>206,956,915</u>
Governmental Activities Capital Assets, Net	<u>\$ 211,839,340</u>	<u>\$ (1,792,226)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,047,114</u>
<b>Business-Type Activities:</b>					
Total Capital Assets, being Depreciated:					
Building and building improvements	\$ 322,328				\$ 322,328
Machinery and Equipment	23,306	\$ 5,831			29,137
Total Capital Assets, being Depreciated	<u>345,634</u>	<u>5,831</u>	<u>-</u>	<u>-</u>	<u>351,465</u>
Less: Accumulated Depreciation	<u>(144,324)</u>	<u>(36,845)</u>			<u>(181,169)</u>
Total Business-Type Activities Capital Assets, Net	<u>\$ 201,310</u>	<u>\$ (31,014)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,296</u>

Total depreciation expense for the fiscal year ended June 30, 2014 for governmental activities was \$6,299,495 and for business-type activities was \$36,845.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

**5. Capital Assets (continued)**

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

Regular instruction	\$ 2,601,030
Special education instruction	775,462
Other instruction	209,267
Student and instruction related services	1,015,611
School administration services	287,037
General and other administration services	298,627
Plant operation and maintenance	698,667
Pupil transportation	413,794
Total depreciation expense – governmental activities	<u>\$ 6,299,495</u>

**6. Long-Term Liabilities**

During the fiscal year ended June 30, 2014, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Serial Bonds Payable	\$ 90,085,000		\$ 3,310,000	\$ 86,775,000	\$ 3,310,000
Unamortized premium on bonds	5,647,165		277,729	5,369,436	277,729
Obligations under capital leases	5,726,746	\$ 2,089,513	1,970,362	5,845,897	2,039,664
Lease purchase obligation payable	8,135,882		1,395,337	6,740,545	1,455,157
Compensated absences payable	3,074,229	267,199	307,698	3,033,730	22,234
<b>Total governmental activity long-term liabilities</b>	<u>\$ 112,669,022</u>	<u>\$ 2,356,712</u>	<u>\$ 7,261,126</u>	<u>\$ 107,764,608</u>	<u>\$ 7,104,784</u>
<b>Business-Type Activities</b>					
Compensated absences payable	\$ 135,581	\$ 27,203	\$ 65,458	\$ 97,326	\$ -
<b>Total Business-Type activity long-term liabilities</b>	<u>\$ 135,581</u>	<u>\$ 27,203</u>	<u>\$ 65,458</u>	<u>\$ 97,326</u>	<u>\$ -</u>

The District expects to liquidate the obligations under capital leases with payments made from the District's general fund and the bonds payable and lease purchase obligations payable from the debt service fund. The District expects to liquidate the compensated absences payable with payments made from the general fund, the food service enterprise fund and the community program enterprise fund.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

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

**A. Bonds Payable**

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

2005 Issue

On March 8, 2005, the District issued \$81,386,000 School Bonds. The remaining outstanding Bonds mature annually through November 2015 in amounts ranging from \$2,175,000 to \$2,540,000. The Bonds bear an interest rate of 4.25%.

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

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

2007 Issue

On March 15, 2007, the District issued \$10,825,000 School Refunding Bonds. The remaining outstanding Bonds mature annually through May 2022 in amounts ranging from \$900,000 to \$1,085,000. The Bonds bear interest rates ranging from 4.00% to 5.00%. The bonds were issued to advance refund \$10,545,000 of the District's outstanding 2001 bonds.

The Bonds maturing prior to May 1, 2018 shall not be subject to optional redemption. The Bonds maturing on or after May 1, 2018 shall be subject to redemption at the option of the Board, in whole or in part, on any date on or after May 1, 2017, at par, plus unpaid accrued interest to the date fixed for redemption.

2010 Issue

On May 12, 2010, the District issued \$13,960,000 School Bonds. The remaining outstanding Bonds mature annually through May 2040 in amounts ranging from \$100,000 to \$880,000. The Bonds bear interest rates ranging from 4.00% to 4.50%.

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

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

The bonds were issued to finance a portion of the replacement of the Memorial Elementary School, including acquisition of furnishings and equipment and site work.

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

On September 29, 2009, the District's voters approved the issuance of \$17,956,480 in bonds for the Memorial School replacement. At June 30, 2014, there were bonds authorized but not issued of \$3,996,480.

#### 2012 Issue

On November 20, 2012, the District issued \$60,560,000 Refunding School Bonds. The remaining outstanding Bonds mature annually through November 2034 in amounts ranging from \$135,000 to \$6,755,000. The Bonds bear interest rates ranging from 0.65% to 5.00%.

The refunding bonds were issued to provide resources to refund a portion of the District's outstanding debt. As a result, \$58,921,000 of refunded bonds are considered defeased and the liability has been removed from the basic financial statements. This advance refunding was undertaken to reduce total debt service payments over the next twenty two years by \$4,753,468 and resulted in a net present value savings of \$3,619,372. As of June 30, 2014, \$58,921,000 of defeased debt remains outstanding. The difference between the re-acquisition price of the defeased debt of \$66,075,091 and the net carrying value amount of the old bonds of \$58,921,000 is being amortized over the remaining life of the defeased debt.

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

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

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

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

Year ending June 30,	Principal	Interest	Total
2015	\$ 3,310,000	\$ 3,354,658	\$ 6,664,658
2016	3,880,000	3,203,625	7,083,625
2017	3,880,000	3,051,225	6,931,225
2018	4,050,000	2,914,000	6,964,000
2019	4,045,000	2,754,750	6,799,750
2020 - 2024	20,030,000	10,883,375	30,913,375
2025 - 2029	19,045,000	6,989,800	26,034,800
2030 - 2034	20,515,000	3,521,590	24,036,590
2035 - 2039	7,140,000	788,025	7,928,025
2040	880,000	39,600	919,600
	<u>\$ 86,775,000</u>	<u>\$ 37,500,648</u>	<u>\$ 124,275,648</u>

**B. Lease Purchase Obligations Payable**

1996 Agreement

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

Project Construction Fund	<u>\$ 8,841,945</u>
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Proceeds from the sales of the Certificates were used to finance additions, renovations and/or facility improvements at Bowne Munro, Central, Chittick, Frost, Irwin, Lawrence Brook, Memorial, Warnsdorfer, Churchill and Hammarskjold Schools, including site work and acquisition and installation of furnishings and equipment, in order to alleviate overcrowding, and to accommodate technology.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

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

Under the lease, the Board is required to pay Basic Rent due on each October 1, which commenced October 1, 1997. Basic Rent is composed of an interest component and a principal component. The Certificates carry an interest rate of 4.36%; and the Certificates mature on October 1, 2016.

Future Minimum Lease Payments - Future minimum lease payments for the next four years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2014 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2015	\$ 693,000
2016	693,000
2017	<u>693,000</u>
Total Minimum Lease Payments	\$ 2,079,000
Less: Amount representing interest	<u>(168,906)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 1,910,094</u>

Optional Prepayment - The Certificates are subject to prepayment on any date, at the option of the Board, as a whole at any time by paying the Optional Prepayment Price together with all other sums due and unpaid under this lease with the consent of the Township. The Board must give the Township notice in writing of its intention to prepay not less than fifteen (15) days prior to the date in which the option is to be exercised.

Mandatory Prepayment - The Certificates are subject to mandatory prepayment at a redemption price equal to their principal amount plus accrued interest to the redemption date in whole or from time to time in part (in inverse order of maturities and within a maturity by lot), on any interest payment date, from the net proceeds of insurance or condemnation proceedings, together with any available revenues permitted to be applied to the purpose, if the Board determines not to repair, restore or reconstruct the Project or the affected portion thereof.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

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

1999 Agreement

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

Under the lease, the Board is required to pay basic rent due on each October 1, which commenced on October 1, 1999 and will conclude on October 1, 2019. The lease carries an interest rate of 4.24%. The total principal amount of the lease was \$14,320,000.

Future Minimum Lease Payments - Future minimum lease payments for the next six years under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2013 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2015	\$ 1,050,000
2016	1,050,000
2017	1,050,000
2018	1,050,000
2019	1,289,519
Total Minimum Lease Payments	\$ 5,489,519
Less: Amount representing interest	(659,068)
Present Value of Net Minimum Lease Payments	<u>\$ 4,830,451</u>

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



East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

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

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

The District entered into a Capital Lease Obligation on July 9, 2010 for school buses and various equipment in the amount of \$361,500, which is due in five annual installments and for which final payment is due on July 9, 2015. Interest is at 3.31%.

The District entered into a Capital Lease Obligation on August 1, 2011 for various school buses in the amount of \$120,500, which is due in five annual installments and for which final payment is due on August 1, 2016. Interest is at 3.73%.

The District entered into a Capital Lease Obligation on July 18, 2012 for various equipment in the amount of \$481,500, which is due in five annual installments and for which final payment is due on July 18, 2017. Interest is at 1.14%.

The District entered into a Capital Lease Obligation on June 19, 2013 for various construction in the amount of \$4,225,000, which is due in five annual installments and for which final payment is due on June 19, 2018. Interest is at 1.23%.

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

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

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

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

Future Minimum Lease Payments - Future minimum lease payments for the next five years under the capital lease obligations along with the present value of the minimum lease payments as of June 30, 2014 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2015	\$ 2,092,863
2016	2,014,363
2017	984,050
2018	885,409
Total Minimum Lease Payments	\$ 5,976,685
Less: Amount representing interest	<u>(130,787)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 5,845,897</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.

#### 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

## East Brunswick Public Schools

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

Year ended June 30, 2014

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

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, 2014

#### **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 6.5% of employees' annual compensation. An additional increase is to be phased in over the next seven years that will bring the total pension contribution rate to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

During the year ended June 30, 2014, the State of New Jersey contributed \$6,582,763 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 \$4,482,808 during the year ended June 30, 2014 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, 2014, 2013 and 2012 was \$1,454,684, \$1,589,566 and \$1,514,573, respectively, equal to the required contributions for each year.

##### **Post-Retirement Benefits**

##### **Plan Description**

The District contributes to the New Jersey State Health Benefits Program (the "SHBP"), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

# East Brunswick Public Schools

## Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

### 7. Pension Plans (continued)

#### Funding Policy

P.L. 1987, chapter 384 and P.L. 1990, chapter 6 required Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, chapter 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

The State will set the contribution rate based on the *annual required contribution of the employers* (ARC), an amount actuarially determined in accordance with parameters of GASB 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2014, 2013, and 2012 were \$4,088,937, \$4,412,284, and \$3,709,417, respectively, which equaled the required contributions for each year. The State's contributions to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the District was not determined or made available by the State of New Jersey.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

**8. Interfund Receivables and Payables**

The total interfund accounts receivable and payable for the District at June 30, 2014 amounted to \$491,281 analyzed as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 491,281	
Special Revenue Fund		\$ 491,281
	<u>\$ 491,281</u>	<u>\$ 491,281</u>

The interfund receivable in the General Fund from the Special Revenue Fund represents cash loaned from the General Fund to reduce a pooled cash deficit.

All interfunds are expected to be liquidated within one year.

**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 collectibility of any related receivable at June 30, 2014 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. The plan administrators are as follows:

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

**10. Deferred Compensation (continued)**

- 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
2013-2014	\$ 817,028	\$ 3,840	\$ 136,412	\$ 391	\$ 155,971	\$ 801,700
2012-2013	604,794	274,462	133,810	426	196,464	817,028
2011-2012	222,324	750,000	117,449	583	485,562	604,794

**12. Deferred Benefit Trust**

On June 29, 2006, the Board authorized that a Board-directed Reserve for Deferred Benefits in Trust be established in the Trust and Agency Fund. Funds in the Trust are to be utilized solely to provide allowable deferred compensation contributions for those employees who have funds available within the Trust.

East Brunswick Public Schools

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2014

**13. Economic Dependency**

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

**14. Transfers to Capital Outlay**

During the year ending June 30, 2014 the District transferred \$4,745,809 (net) to the capital outlay accounts. The transfers were made from the capital reserve account to supplement a capital project previously approved by the voters in the budget certified for taxes pursuant to N.J.A.C. 6A:23A-8.4.

**15. Transfers – Reconciliation**

The following represents a reconciliation of transfers made during the 2014 fiscal year:

	<u>In</u>	<u>Out</u>
General Fund	\$ 200,000	\$1,840,124
Special Revenue Fund	688,410	
Capital Projects Fund	1,840,124	688,410
Community Programs Fund		200,000
	<u>\$2,728,534</u>	<u>\$2,728,534</u>

The transfer from the community programs fund to the general fund represents funds reimbursed to the general fund for shared expenses. The transfer from the general fund to the capital projects fund represents the local share portion of projects in which the District is also receiving grants from the New Jersey Schools Development Authority. The transfer from the capital projects fund to the special revenue fund represents the unspent portion of completed capital projects that were originally funded by lease purchase agreements accounted for in the special revenue fund.

**16. Restricted Assets**

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



Required Supplementary Information  
Part II

Budgetary Comparison

East Brunswick Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 113,246,150		\$ 113,246,150	\$ 113,246,150	
Tuition (from individuals)	50,000		50,000	40,999	\$ (9,001)
Tuition (other LEAS)	30,000		30,000	265,838	235,838
Investment income	25,000		25,000	14,985	(10,015)
Miscellaneous	326,525		326,525	479,649	153,124
Total revenues - local sources	113,677,675		113,677,675	114,047,621	369,946
State sources:					
Extraordinary aid	500,000		500,000	868,527	368,527
Special education categorical aid	5,085,994		5,085,994	5,085,994	
Equalization aid	11,844,263		11,844,263	11,844,263	
Security aid	151,656		151,656	151,656	
Transportation aid	596,256		596,256	596,256	
Non-public school transportation aid				40,048	40,048
Homeless students tuition	1		1	26,293	26,292
On-behalf TPAF pension contributions (non-budgeted)				6,582,763	6,582,763
Reimbursed TPAF social security contributions (non-budgeted)				4,482,808	4,482,808
Total - state sources	18,178,170		18,178,170	29,678,608	11,500,438
Federal sources:					
Medicaid initiative	51,927		51,927	148,606	96,679
Total - federal sources	51,927	-	51,927	148,606	96,679
Total revenues	131,907,772	-	131,907,772	143,874,835	11,967,063
<b>Expenditures</b>					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool	149,923	-	149,923	126,403	23,520
Kindergarten	1,525,921	\$ (4,853)	1,521,068	1,521,068	
Grades 1-5	12,692,299	(294,164)	12,398,135	12,398,135	
Grades 6-8	10,342,932	(135,988)	10,206,944	10,206,944	
Grades 9-12	14,331,945	(421,200)	13,910,745	13,910,308	437
Home instruction - regular programs:					
Salaries of teachers	26,100	8,441	34,541	34,541	
Purchased professional-educational services	37,500	-	37,500	31,727	5,773
Undistributed instruction - regular programs:					
Other salaries for instruction	142,829	(703)	142,126	142,126	
Purchased professional-educational services	154,736	6,891	161,627	159,514	2,113
Purchased technical services	108,548	109,057	217,605	194,461	23,144
Other purchased services	1,168,013	(28,396)	1,139,617	1,035,316	104,301
General supplies	1,387,866	3,853	1,391,719	1,217,441	174,278
Textbooks	400,325	(10,875)	389,450	347,040	42,410
Other objects	10,103	(201)	9,902	5,995	3,907
Total instruction - regular programs	42,479,040	(768,138)	41,710,902	41,331,019	379,883

East Brunswick Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures					
Special education:					
Learning and/or language disabilities:					
Salaries of teachers	\$ 259,590	\$ 70,296	\$ 329,886	\$ 329,886	
Other salaries for instruction	94,835	35,908	130,743	130,743	
Other purchased services	200		200	-	\$ 200
General supplies	900		900	884	16
Total learning and/or language disabilities	355,525	106,204	461,729	461,513	216
Behavioral disabilities:					
Salaries of teachers	59,223	22,266	81,489	81,489	
Other salaries for instruction	30,006	(1,555)	28,451	28,451	
General supplies	2,000	-	2,000	1,678	322
Total behavioral disabilities	91,229	20,711	111,940	111,618	322
Multiple disabilities:					
Salaries of teachers	232,925	88,091	321,016	321,016	
Other salaries for instruction	171,243	(18,163)	153,080	146,171	6,909
Other purchased services	450		450	166	284
General supplies	5,300		5,300	3,327	1,973
Textbooks	2,000		2,000	-	2,000
Total multiple disabilities	411,918	69,928	481,846	470,680	11,166
Resource room/center:					
Salaries of teachers	7,280,308	(474,154)	6,806,154	6,796,691	9,463
Other salaries for instruction	815,589	200,722	1,016,311	1,016,311	
Other purchased services	1,200		1,190	304	886
General supplies	17,285	(2,277)	15,008	13,438	1,570
Textbooks	2,000		2,000	1,853	147
Total resource room/center	8,116,382	(275,709)	7,840,663	7,828,597	12,066
Autism:					
Salaries of teachers	927,246	(212,142)	715,104	714,911	193
Other salaries for instruction	412,011	70,653	482,664	482,664	
Other purchased services	500		500	-	500
General supplies	16,171	(359)	15,812	9,066	6,746
Total autism	1,355,928	(141,848)	1,214,080	1,206,641	7,439
Preschool disabilities - part time:					
Salaries of teachers	-	44,644	44,644	44,644	
Other salaries for instruction	24,827	50,932	75,759	75,759	
General supplies	300	-	300	292	8
Total preschool disabilities - part time	25,127	95,576	120,703	120,695	8

East Brunswick Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Special education (continued):					
Preschool disabilities - full time:					
Salaries of teachers	\$ 256,700	\$ (4,964)	\$ 251,736	\$ 251,736	
Other salaries for instruction	124,779	201,869	326,648	326,648	
General supplies	700	3,008	3,708	3,698	\$ 10
Total preschool disabilities - full time	382,179	199,913	582,092	582,082	10
Home instruction - special education:					
Salaries of teachers	22,000	16,095	45,470	45,470	
Purchased professional - educational services	70,000		79,577	79,577	
Total home instruction - special education	92,000	16,095	125,047	125,047	-
Total special education	10,830,288	90,870	10,938,100	10,906,873	31,227
Basic skills/remedial - instruction:					
Salaries of teachers	2,042,936	(148,011)	1,894,925	1,819,795	75,130
Other purchased services	300		300	-	300
General supplies	14,765		14,765	4,974	9,791
Total basic skills/remedial - instruction	2,058,001	(148,011)	1,909,990	1,824,769	85,221
Bilingual education - instruction:					
Salaries of teachers	496,040	56,988	553,028	553,028	
Other purchased services	187		187	149	38
General supplies	3,627		3,627	2,755	872
Total bilingual education - instruction	499,854	56,988	556,842	555,932	910
School - sponsored cocurricular activities:					
Salaries	279,679	5,312	284,991	284,991	
Purchased services	12,500	2,802	15,302	15,302	
Supplies and materials	200		200	-	200
Other objects	5,000	325	5,325	5,325	
Fund transfers	-	13,318	13,318	13,318	
Total school sponsored cocurricular activities	297,379	21,757	319,136	318,936	200
School - sponsored athletics - instruction:					
Salaries	595,551	(16,561)	578,990	578,990	
Purchased services	50,141	(2,989)	47,152	43,624	3,528
Supplies and materials	36,034	5,599	41,633	36,773	4,860
Other objects	4,650	(1,150)	3,500	3,500	
Transfers to cover deficit (agency funds)	58,298	(824)	57,474	49,042	8,432
Total school - sponsored athletics - instruction	744,674	(15,925)	728,749	711,929	16,820
Total instruction	56,909,236	(762,459)	56,163,719	55,649,458	514,261

East Brunswick Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Expenditures (continued)</b>					
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	1,482,531	(21,007)	\$ 1,461,524	\$ 1,461,524	
Tuition to CSSD and regional day schools	258,423	(64,763)	193,660	193,660	
Tuition to private schools disabled - within state	1,845,227	(29,197)	1,816,030	1,804,581	\$ 11,449
Tuition - state facilities	125,247		125,247	125,247	
Tuition - other	55,100	(55,100)	-	-	
Total instruction	3,782,075	(185,614)	3,596,461	3,585,012	11,449
Attendance and social work services:					
Salaries	114,203	49,080	163,283	163,283	
Other purchased services	852		852	725	127
Supplies and materials	535		535	-	535
Total attendance and social work services	115,590	49,080	164,670	164,008	662
Health services:					
Salaries	1,171,923	29,900	1,201,823	1,201,823	
Purchased professional and technical services	90,782	(1,675)	89,107	63,787	25,320
Other purchased services	6,152		6,152	4,379	1,773
Supplies and materials	18,249	865	19,114	17,659	1,455
Total health services	1,287,106	29,090	1,316,196	1,287,648	28,548
Other support services - students - speech, OT, PT & related services					
Salaries	1,477,737	(10,894)	1,466,843	1,466,843	
Purchased professional educational services	709,026	131,004	840,030	840,030	
Supplies and materials	5,250	177	5,427	4,337	1,090
Total other support services - students - speech, OT, PT & Related services	2,192,013	120,287	2,312,300	2,311,210	1,090
Other support services - students - extraordinary:					
Salaries	1,283,021	(194,756)	1,088,265	1,084,919	3,346
Purchased professional - educational services	911,510	249,180	1,160,690	1,156,430	4,260
Supplies and materials	3,200	8,485	11,685	11,573	112
Other objects	6,500	(5,905)	595	595	
Total other support services - students - extraordinary	2,204,231	57,004	2,261,235	2,253,517	7,718

East Brunswick Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Guidance:					
Salaries of other professional staff	\$ 2,748,514	\$ (139,898)	\$ 2,608,616	\$ 2,569,968	\$ 38,648
Salaries of secretarial and clerical assistants	307,776	29,044	336,820	336,820	
Other purchased professional - technical services	25,896	(4,451)	21,445	20,617	828
Other purchased services	10,244		10,244	7,706	2,538
Supplies and materials	16,680	83	16,763	13,722	3,041
Other objects	690		690	605	85
Total guidance	3,109,800	(115,222)	2,994,578	2,949,438	45,140
Child study teams:					
Salaries of other professional staff	2,233,216	(64,807)	2,168,409	2,168,409	
Salaries of secretarial and clerical assistants	383,116	(64,793)	318,323	318,323	
Purchased professional - educational services	12,000	43,635	55,635	55,635	
Other purchased professional & tech services	-	8,885	8,885	8,885	
Miscellaneous purchased services	12,975	1,249	14,224	9,146	5,078
Supplies and materials	12,550	3,971	16,521	15,175	1,346
Total child study teams	2,653,857	(71,860)	2,581,997	2,575,573	6,424
Improvement of instructional services:					
Salaries of supervisors of instruction	611,413	3,416	614,829	614,829	
Salaries of other professional staff	186,445	(4,548)	181,897	181,897	
Salaries of secretarial and clerical assistants	202,586	7,277	209,863	209,863	
Other salaries	61,392	638	62,030	62,030	
Salaries of Facilitators, Math & Literacy coaches	414,176	206,979	621,155	621,155	
Other purchased professional & tech services	86,875	9,770	96,645	48,689	47,956
Other purchased services	50,328	1,250	51,578	29,920	21,658
Supplies and materials	23,549	(2,020)	21,529	15,223	6,306
Other objects	12,500	(660)	11,840	11,105	735
Total improvement of instructional services	1,649,264	222,102	1,871,366	1,794,711	76,655
Educational media services/school library:					
Salaries	1,112,373	(6,957)	1,105,416	1,105,416	
Purchased professional - technical services	29,530	2,235	31,765	31,765	
Other purchased services	4,632		4,632	3,212	1,420
Supplies and materials	169,178	(3,545)	165,633	149,610	16,023
Other objects	175		175	175	
Total educational media services / school library	1,315,888	(8,267)	1,307,621	1,290,178	17,443
Instructional staff training services:					
Salaries of supervisors of instruction	940,743	148,281	1,089,024	1,089,024	
Salaries of other professional staff	37,800		37,800	-	37,800
Salaries of secretarial and clerical assistants	297,807	48,038	345,845	345,845	
Purchased professional - educational services	14,833	(7,659)	7,174	6,650	524
Purchased services	-	1,575	1,575	1,100	475
Other purchased services	45,350	(6,618)	38,732	23,420	15,312
Supplies and materials	4,458	2,530	6,988	6,764	224
Other objects	-	820	820	820	
Total instructional staff training services	1,340,991	186,967	1,527,958	1,473,623	54,335

East Brunswick Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Support services-general administration					
Salaries	\$ 583,024	\$ 79,634	\$ 662,658	\$ 662,658	
Legal services	208,250	14,166	222,416	210,159	\$ 12,257
Audit fees	40,000	98,000	138,000	70,000	68,000
Other purchased professional services	18,350	8,607	26,957	23,982	2,975
Purchased technical services	6,600	736	7,336	7,336	
Communications/telephone	303,517	(19,358)	284,159	283,208	951
BOE other purchased services	10,500	(2,623)	7,877	3,701	4,176
Miscellaneous purchased services	31,286	(1,182)	30,104	19,967	10,137
General supplies	17,313	2	17,315	9,564	7,751
BOE in-house training/meeting supplies	2,000	(1,290)	710	710	
Judgments	-	63,000	63,000	-	63,000
Miscellaneous expenditures	15,423	603	16,026	13,426	2,600
BOE membership dues/fees	35,500	(427)	35,073	35,073	
Total support services-general administration	1,271,763	239,868	1,511,631	1,339,784	171,847
Support services-school administration:					
Salaries of principals / assistant principals	2,305,730	3,089	2,308,819	2,308,819	
Salaries of other professional staff	831,699	(40,000)	791,699	776,601	15,098
Salaries of secretarial and clerical assistants	1,614,438	(95,066)	1,519,372	1,504,950	14,422
Salaries - other	16,767	-	-	-	
Other purchased services	60,179	(62)	60,117	31,699	28,418
Supplies and materials	45,341	(665)	44,676	35,192	9,484
Other objects	23,200	(100)	23,100	22,145	955
Total support services-school administration	4,897,354	(132,804)	4,747,783	4,679,406	68,377
Central services:					
Salaries	1,548,614		1,548,614	1,506,805	41,809
Purchased professional services	70,500	94,725	165,225	137,349	27,876
Purchased technical services	18,500	1,659	20,159	20,159	
Miscellaneous purchased services	51,870	27,251	79,121	69,109	10,012
Supplies and materials	28,313	(2,510)	25,803	22,327	3,476
Interest on lease purchase agreements	239,264	(90,498)	148,766	11,822	136,944
Miscellaneous expenditures	5,700	(348)	5,352	5,352	
Total central services	1,962,761	30,279	1,993,040	1,772,923	220,117
Administrative information technology:					
Salaries	1,402,147	(30,793)	1,371,354	1,371,354	
Purchased professional services	27,451	115,296	142,747	67,512	75,235
Purchased technical services	221,609	89,758	311,367	236,367	75,000
Other purchased services	26,689	10,171	36,860	36,045	815
Supplies and materials	63,575	(10,598)	52,977	43,642	9,335
Other objects	760	(35)	725	725	
Total administrative information technology	1,742,231	173,799	1,916,030	1,755,645	160,385
Required maintenance for school facilities:					
Salaries	1,002,053	(49,141)	952,912	942,545	10,367
Cleaning, repair and maintenance services	563,551	(50,200)	513,351	440,769	72,582
General supplies	328,000	(161)	327,839	237,898	89,941
Other objects	-	300	300	-	300
Total required maintenance for school facilities	1,893,604	(99,202)	1,794,402	1,621,212	173,190

East Brunswick Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Custodial services:					
Salaries	\$ 1,343,317		\$ 1,343,317	\$ 1,338,760	\$ 4,557
Purchased professional and technical services	106,500	\$ (26,342)	80,158	79,624	534
Cleaning, repair and maintenance services	2,711,644	35,315	2,746,959	2,746,959	
Rentals of land and buildings	42,000		42,000	42,000	
Other purchased property services	71,508	62,964	134,472	116,318	18,154
Insurance	707,061	1,230	708,291	708,291	
Miscellaneous purchased services	1,000	3,860	4,860	4,105	755
General supplies	150,131	(1,219)	148,912	143,338	5,574
Energy (electricity)	2,216,011	(305,000)	1,911,011	1,877,093	33,918
Other objects	11,300	(6,418)	4,882	2,842	2,040
Salaries of non-instructional aides	385,317	54,257	439,574	439,574	
Energy (natural gas)	982,098	(410,000)	572,098	563,056	9,042
<b>Total custodial services</b>	<b>8,727,887</b>	<b>(591,353)</b>	<b>8,136,535</b>	<b>8,061,960</b>	<b>74,574</b>
Care and upkeep of grounds:					
Salaries	515,512	15,672	531,184	531,184	
Cleaning, repair and maintenance services	174,777	(49,846)	124,931	99,830	25,101
General supplies	125,032	58,639	183,671	183,671	
Other objects	7,620	300	7,920	7,619	301
<b>Total care and upkeep of grounds</b>	<b>822,941</b>	<b>24,765</b>	<b>847,706</b>	<b>822,304</b>	<b>25,402</b>
Security:					
Salaries	582,909	170,581	753,490	753,490	
Purchased professional and technical services	68,065	(25,477)	42,588	-	42,588
Cleaning, Repair, and Maintenance Services	119,312	(6,673)	112,639	109,785	2,854
General supplies	21,743	413	22,156	6,251	15,905
Other objects	14,535	437	14,972	14,963	9
<b>Total security</b>	<b>806,564</b>	<b>139,281</b>	<b>945,845</b>	<b>884,489</b>	<b>61,356</b>
Student transportation services:					
Salaries - Non-instructional Aides	58,763	47,312	106,075	106,075	
Salaries for pupil transportation:					
Between home and school - regular	1,154,305	(49,076)	1,105,229	1,105,026	203
Other Purchased professional and technical services	4,000		4,000	125	3,875
Cleaning, Repair, and Maintenance Services	262,040	67,148	329,188	329,188	
Rental payments - School Buses	9,000		9,000	4,625	4,375
Lease Purchase Payments - School Buses	181,254		181,254	170,007	11,247
Contracted services:					
Vendors - between home and school	1,578,578	(22,148)	1,556,430	1,211,417	345,013
Vendors - other than between home and school	372,116	4,190	376,306	325,851	50,455
Vendors - between home and school - regional	200,000		200,000	127,101	72,899
Vendors - Special Ed	971,769		971,769	875,973	95,796
ESCs & CTSAs - Special Ed	2,505,956		2,505,956	2,033,751	472,205
Aid in lieu of payments	159,120		159,120	119,846	39,274
Miscellaneous purchased services - transportation	92,567	720	93,287	89,968	3,319
Supplies and materials	329,698	(45,115)	284,583	244,753	39,830
Other objects	3,625		3,625	2,125	1,500
<b>Total student transportation services</b>	<b>7,882,791</b>	<b>3,031</b>	<b>7,885,822</b>	<b>6,745,831</b>	<b>1,139,991</b>



East Brunswick Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
<b>Current expenditures (continued):</b>					
Unallocated benefits:					
Social security contributions	\$ 1,500,000		\$ 1,500,000	\$ 1,476,173	\$ 23,827
Other retirement contributions - PERS	1,783,977	\$ (377,792)	1,406,185	1,363,217	42,968
Unemployment compensation insurance	500,000	(248,012)	251,988	-	251,988
Worker's compensation	556,894	(10,664)	546,230	453,368	92,862
Health benefits	16,880,566	1,630,597	18,511,163	18,511,163	-
Tuition reimbursement	197,000	(5,110)	191,890	101,336	90,554
Other employee benefits	537,321	6,680	544,001	489,808	54,193
Total unallocated benefits	21,955,758	995,699	22,951,457	22,395,065	556,392
On-behalf TPAF pension contributions (non-budgeted)				6,582,763	(6,582,763)
Reimbursed TPAF social security (non-budgeted)				4,482,808	(4,482,808)
Total Undistributed expenditures	71,614,469	1,066,930	72,664,633	80,829,108	(8,164,476)
Total current expenditures	128,523,705	304,471	128,828,352	136,478,566	(7,650,215)
<b>Capital outlay:</b>					
Equipment:					
Regular programs - instruction:					
Grades 6-8	-	5,532	5,532	5,532	-
Grades 9-12	-	214	214	214	-
Undistributed instruction:					
Students - extraordinary	-	7,408	7,408	7,408	-
Child study teams	-	2,748	2,748	2,748	-
General Administration	7,000	(6,100)	900	-	900
Administration information technology	35,000	178,011	213,011	193,821	19,190
Security	-	46,509	46,509	-	46,509
Total equipment	42,000	234,322	276,322	209,723	66,599
Facilities acquisition and construction services:					
Salaries	-	85,937	85,937	85,937	-
Architectual/engineering services	85,050	1,044,705	1,129,755	591,799	537,956
Construction services	155,000	2,051,514	2,206,514	209,001	1,997,513
Supplies and materials	60,000	-	60,000	12,954	47,046
Lease purchase agreements - principal	2,769,754	-	2,769,754	980,347	1,789,407
Infrastructure	-	52,366	52,366	-	52,366
Other objects	-	46,192	46,192	46,192	-
Assessment for Debt Service on SDA Funding	580,343	(232,805)	347,538	347,538	-
Other expenditures	-	-	-	-	-
Total facilities acquisition and construction services	3,650,147	2,961,972	6,698,056	2,273,768	4,424,288
Total expenditures - capital outlay	3,692,147	3,196,294	6,974,378	2,483,491	4,490,887
Transfer of funds to charter schools	1,871,920		1,871,920	1,721,288	150,632
Total expenditures	134,087,772	3,586,878	137,674,650	140,683,345	(3,008,696)
(Deficiency) excess of revenues (under) over expenditures	(2,180,000)	(3,586,878)	(5,766,878)	3,191,490	8,958,368

East Brunswick Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other financing sources (uses):					
Transfers out (capital reserve transfer to capital projects fund)		\$ (1,840,124)	\$ (1,840,124)	\$ (1,840,124)	
Transfers in from other funds	\$ 200,000		200,000	200,000	
Total other financing sources (uses)	<u>200,000</u>	<u>(1,840,124)</u>	<u>(1,640,124)</u>	<u>(1,640,124)</u>	<u>-</u>
(Deficiency) excess of revenues (under) over expenditures and other financing sources (uses)	(1,980,000)	\$ (5,427,002)	(7,407,002)	1,551,366	\$ 8,958,368
Fund balances, July 1	19,064,918		19,064,918	18,454,364	
Fund balances, June 30	<u>\$ 17,084,918</u>	<u>\$ (5,427,002)</u>	<u>\$ 11,657,916</u>	<u>\$ 20,005,730</u>	<u>\$ 8,958,368</u>
<b>Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources</b>					
Budgeted fund balance	\$ (1,980,000)		\$ (1,980,000)	\$ 6,978,368	\$ 8,958,368
Budgeted fund balance - capital reserve		\$ (4,745,809)	(4,745,809)	(4,745,809)	
Adjustment for prior year encumbrances		(681,193)	(681,193)	(681,193)	
Total	<u>\$ (1,980,000)</u>	<u>\$ (5,427,002)</u>	<u>\$ (7,407,002)</u>	<u>\$ 1,551,366</u>	<u>\$ 8,958,368</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital Reserve				\$ 5,954,770	
Excess Surplus				3,547,137	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,980,000	
Assigned Fund Balance:					
Year-end Encumbrances				2,986,090	
Designated for Subsequent Year's Expenditures				2,500,000	
Unassigned Fund Balance				<u>3,037,733</u>	
				20,005,730	
Reconciliation to Government Funds Statements GAAP:					
Last state aid payments not recognized on GAAP basis				<u>(1,692,388)</u>	
Fund balance per Government Funds (GAAP) (B-1)				<u>\$ 18,313,342</u>	

East Brunswick Public Schools  
Special Revenue Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues:</b>					
Federal sources	\$ 2,280,000	\$ 516,497	\$ 2,796,497	\$ 2,486,909	\$ (309,588)
State sources	168,000	8,169	176,169	128,674	(47,495)
Other sources	75,000	5,102,368	5,177,368	231,036	(4,946,332)
Total revenues	<u>2,523,000</u>	<u>5,627,034</u>	<u>8,150,034</u>	<u>2,846,619</u>	<u>(5,303,415)</u>
<b>Expenditures:</b>					
<b>Current expenditures:</b>					
<b>Instruction:</b>					
Salaries of teachers	286,571	348,197	634,768	434,179	200,589
Purchased professional educational services		82,546	82,546	65,763	16,783
Other purchased services	1,611,347	133,018	1,744,365	1,741,038	3,327
Supplies and materials	88,062	2,254,871	2,342,933	571,950	1,770,983
Textbooks	115	72	187	187	
Total instruction	<u>1,986,095</u>	<u>2,818,704</u>	<u>4,804,799</u>	<u>2,813,117</u>	<u>1,991,682</u>
<b>Support services:</b>					
Salaries of teachers	147,785	(90,146)	57,639	54,889	2,750
Personal services - employee benefits	130,656	30,299	160,955	132,116	28,839
Purchased professional technical services	53,554	66,755	120,309	118,625	1,684
Purchased professional educational services	168,000	(82,175)	85,825	55,113	30,712
Other purchased services	1,564	19,485	21,049	10,528	10,521
Contract services - transportation		7,798	7,798	7,798	
Travel	1,588	2,985	4,573	4,174	399
Supplies and materials	17,981	276,473	294,454	81,163	213,291
Total support services	<u>521,128</u>	<u>231,474</u>	<u>752,602</u>	<u>464,406</u>	<u>288,196</u>
<b>Capital outlay:</b>					
<b>Facilities acquisition and construction services:</b>					
Instructional equipment		855,328	855,328	636,737	218,591
Non-instructional equipment	15,777	56,322	72,099	22,748	49,351
Regular education - school buses		9,241	9,241		9,241
Architectural/engineering services		186,894	186,894	167,686	19,208
Construction services		3,988,294	3,988,294	2,313,700	1,674,594
Capital lease payments		11,245	11,245	11,245	
Infrastructure		247,455	247,455	198,657	48,798
Total facilities acquisition and construction services	<u>15,777</u>	<u>5,354,779</u>	<u>5,370,556</u>	<u>3,350,773</u>	<u>2,019,783</u>
Total expenditures	<u>2,523,000</u>	<u>8,404,957</u>	<u>10,927,957</u>	<u>6,628,296</u>	<u>4,299,661</u>
(Deficiency) of revenues under expenditures	-	(2,777,923)	(2,777,923)	(3,781,677)	(1,003,754)
<b>Other financing sources:</b>					
Capital lease proceeds		2,089,513	2,089,513	2,089,513	
Transfer in		688,410	688,410	688,410	
Total other financing sources	<u>-</u>	<u>2,777,923</u>	<u>2,777,923</u>	<u>2,777,923</u>	<u>-</u>
Net change in fund balance	-	-	-	(1,003,754)	(1,003,754)
Fund Balance, July 1	4,875,751		4,875,751	4,875,751	
Fund Balance, June 30	<u>\$ 4,875,751</u>	<u>\$ -</u>	<u>\$ 4,875,751</u>	<u>\$ 3,871,997</u>	<u>\$ (1,003,754)</u>

East Brunswick Public Schools  
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2014

	General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the Budgetary Comparison Schedule (C-1, C-2)	\$143,874,835	\$ 2,846,619
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances (net) are recognized as expenditures, and the related revenue is recognized. Current year		(31,129)
State aid payments from prior year recognized in prior year for budgetary purposes, and recognized for GAAP purposes in the current fiscal year.	1,678,067	
State aid payments recognized for budgetary purposes, not recognized for GAAP purposes	(1,692,388)	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (B-2)	\$ 143,860,514	\$ 2,815,490
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule (C-1, C-2)	\$ 140,683,345	\$ 6,628,296
Differences - budget to GAAP		
Encumbrances (net) for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year they are received for GAAP purposes. Current year		(31,129)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 140,683,345	\$ 6,597,167

## 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, 2014

	Title I Part A	Title II Part A	Title III Part A	Title III Immigrant	L.D.E.L.A.		Adult Basic Education
					Regular	Preschool	
<b>Revenues:</b>							
Federal sources	\$ 218,423	\$ 102,091	\$ 55,716	\$ 8,242	\$ 1,824,164	\$ 59,818	\$ 207,495
State sources							
Other sources							
<b>Total revenues</b>	<b>\$ 218,423</b>	<b>\$ 102,091</b>	<b>\$ 55,716</b>	<b>\$ 8,242</b>	<b>\$ 1,824,164</b>	<b>\$ 59,818</b>	<b>\$ 207,495</b>
<b>Expenditures:</b>							
<b>Instruction:</b>							
Salaries	\$ 156,143	\$ 74,716	\$ 46,498	\$ 5,425			\$ 141,311
Purchased professional/technical services							
Purchased professional/educational services					\$ 1,702,506	\$ 4,806	
Other purchased services							
Supplies and materials	1,086		4,130	408		31	36,577
Textbooks							187
<b>Total instruction</b>	<b>157,229</b>	<b>74,716</b>	<b>50,628</b>	<b>5,833</b>	<b>1,702,506</b>	<b>4,837</b>	<b>178,075</b>
<b>Support services:</b>							
Salaries	7,269	4,349	607	1,040	35,993	1,186	4,445
Personal services-employee benefits	53,925	22,390	4,481	1,201	25,194	831	23,220
Purchased professional/technical services					60,471	52,964	
Purchased professional/educational services							
Other purchased services				168			30
Contracted services - transportation							
Travel							982
Supplies and materials		636					743
Lease purchase principle payments							
<b>Total support services</b>	<b>61,194</b>	<b>27,375</b>	<b>5,088</b>	<b>2,409</b>	<b>121,658</b>	<b>54,981</b>	<b>29,420</b>
<b>Capital outlay:</b>							
Facilities acquisition and construction services							
Instructional equipment							
Non - instructional equipment							
Lease purchase principal payments							
Architectural / Engineering services							
Construction services:							
Infrastructure							
Total facilities acquisition and construction services							
<b>Total expenditures</b>	<b>218,423</b>	<b>102,091</b>	<b>55,716</b>	<b>8,242</b>	<b>1,824,164</b>	<b>59,818</b>	<b>207,495</b>
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	-	-
<b>Other financing sources:</b>							
Capital lease proceeds							
Transfers In							
<b>Total other financing sources</b>							
Net changes in fund balance	-	-	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-	-	-
<b>Fund balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

East Brunswick Public Schools  
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures  
Budgetary Basis  
Year ended June 30, 2014

	NJ Nonpublic Auxiliary Services, Ch. 192					NJ Nonpublic Handicapped Services, Ch. 193				
	Rate to the Top	English as a Second Language	Transportation	Basic Skills Remedial	Home Instruction	Supplemental Instruction	Examination and Classification	Corrective Speech	Nonpublic Textbook Aid	Nonpublic Nursing
<b>Revenues:</b>										
Federal sources	\$ 10,960									
State sources		\$ 7,769	\$ 7,798	\$ 30,987	\$ 838	\$ 9,714	\$ 16,717	\$ 9,374	\$ 16,455	\$ 22,707
Other sources										
<b>Total revenues</b>	<b>\$ 10,960</b>	<b>\$ 7,769</b>	<b>\$ 7,798</b>	<b>\$ 30,987</b>	<b>\$ 838</b>	<b>\$ 9,714</b>	<b>\$ 16,717</b>	<b>\$ 9,374</b>	<b>\$ 16,455</b>	<b>\$ 22,707</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Salaries	\$ 10,086									
Purchased professional/technical services										
Purchased professional/educational services		\$ 7,769		\$ 30,987	\$ 838	\$ 9,714			\$ 16,455	
Other purchased services										
Supplies and materials										
Textbooks										
<b>Total instruction</b>	<b>10,086</b>	<b>7,769</b>		<b>30,987</b>	<b>838</b>	<b>9,714</b>			<b>16,455</b>	
<b>Support services:</b>										
Salaries										
Personal services-employee benefits	874									
Purchased professional/technical services										
Purchased professional/educational services							\$ 16,717	\$ 9,374		\$ 22,707
Other purchased services										
Contracted services - transportation			\$ 7,798							
Travel										
Supplies and materials										
<b>Total support services</b>	<b>874</b>		<b>7,798</b>				<b>16,717</b>	<b>9,374</b>		<b>22,707</b>
<b>Capital outlay:</b>										
Facilities acquisition and construction services										
Instructional equipment										
Non - instructional equipment										
Lease purchase principal payments										
Architectural / Engineering services										
Construction services:										
<b>Total facilities acquisition and construction services</b>										
<b>Total expenditures</b>	<b>10,960</b>	<b>7,769</b>	<b>7,798</b>	<b>30,987</b>	<b>838</b>	<b>9,714</b>	<b>16,717</b>	<b>9,374</b>	<b>16,455</b>	<b>22,707</b>
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	-	-	-	-	-
<b>Other financing sources:</b>										
Capital lease proceeds										
Transfers In										
<b>Total other financing sources</b>										
Net changes in fund balance	-	-	-	-	-	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-	-	-	-	-	-
<b>Fund balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



East Brunswick Public Schools  
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures  
Budgetary Basis  
Year ended June 30, 2014

	Nonpublic Technology Services	East Brunswick Education Fund	PTA Grants	Other Local	2008-2009 Lease Agreement Bancorp	2009-2010 Lease Agreement Bancorp	2012-2013 Lease Agreement Bancorp	2012-2013 Lease Agreement Bank of America	2013-2014 Lease Agreement First Hope Bank	2013-2014 Lease Agreement TD Bank, N.A.	Other Lease Agreements	Totals
<b>Revenues:</b>												
Federal sources												\$ 2,486,909
State sources	\$ 6,315			\$ 32,035			\$ 81	\$ 777	\$ 5			128,674
Other sources		\$ 95,371	\$ 102,767	\$ 32,035								231,036
<b>Total revenues</b>	<b>\$ 6,315</b>	<b>\$ 95,371</b>	<b>\$ 102,767</b>	<b>\$ 32,035</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 81</b>	<b>\$ 777</b>	<b>\$ 5</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,846,619</b>
<b>Expenditures:</b>												
<b>Instruction:</b>												
Salaries												\$ 434,179
Purchased professional/technical services												-
Purchased professional/educational services												65,763
Other purchased services		\$ 30,071	\$ 2,576	\$ 1,079								1,741,038
Supplies and materials		51,057	70,079	5,361			\$ 403,221					571,950
Textbooks												187
<b>Total instruction</b>		<b>81,128</b>	<b>72,655</b>	<b>6,440</b>			<b>403,221</b>					<b>2,813,117</b>
<b>Support services:</b>												
Salaries												54,889
Personal services-employee benefits												132,116
Purchased professional/technical services				4,190			1,000					118,625
Purchased professional/educational services	\$ 6,315											55,113
Other purchased services							10,330					10,528
Contracted services - transportation												7,798
Travel				3,192								4,174
Supplies and materials		416	112	466		\$ 47,130	31,660					81,163
<b>Total support services</b>	<b>6,315</b>	<b>416</b>	<b>112</b>	<b>7,848</b>		<b>47,130</b>	<b>42,990</b>					<b>464,406</b>
<b>Capital outlay:</b>												
<b>Facilities acquisition and construction services</b>												
Instructional equipment		13,827			\$ 312,510		220,888					547,225
Non - instructional equipment				5,227			17,520					112,260
Lease purchase principal payments								\$ 89,513			\$ 11,245	11,245
Architectural / Engineering services					43,074		\$ 124,612					167,686
Construction services:			30,000	12,520			84,303	2,186,877				2,313,700
<b>Total facilities acquisition and construction services</b>		<b>13,827</b>	<b>30,000</b>	<b>17,747</b>	<b>355,584</b>	<b>198,657</b>	<b>322,711</b>	<b>2,311,489</b>	<b>89,513</b>		<b>11,245</b>	<b>3,350,773</b>
<b>Total expenditures</b>	<b>6,315</b>	<b>95,371</b>	<b>102,767</b>	<b>32,035</b>	<b>355,584</b>	<b>245,787</b>	<b>768,922</b>	<b>2,311,489</b>	<b>89,513</b>	<b>-</b>	<b>11,245</b>	<b>6,628,296</b>
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	(355,584)	(245,787)	(768,841)	(2,310,712)	(89,508)	-	(11,245)	(5,781,677)
<b>Other financing sources:</b>												
Capital lease proceeds									89,513	\$ 2,000,000		2,089,513
Transfers In					415,487	272,923						688,410
<b>Total other financing sources</b>					<b>415,487</b>	<b>272,923</b>			<b>89,513</b>	<b>2,000,000</b>		<b>2,777,923</b>
Net changes in fund balance	-	-	-	-	59,903	27,136	(768,841)	(2,310,712)	5	2,000,000	(11,245)	(1,003,754)
Fund balance, July 1	-	-	-	-			891,335	3,928,017			56,399	4,875,751
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ 59,903	\$ 27,136	\$ 122,494	\$ 1,617,305	\$ 5	\$ 2,000,000	\$ 45,154	\$ 3,871,997

# 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, 2014

<b>Revenues</b>	
State sources - SDA grant	\$ 1,115,263
Bond proceeds	
Lease purchase	
Transfer from special revenue fund	
Transfer from capital reserve	1,840,124
Transfer from capital outlay	
Reallocated from completed projects	
Miscellaneous	
Total Revenues	<u>2,955,387</u>
<b>Expenditures and other financing uses</b>	
Legal	2,774
Other professional services	194,567
Purchased professional and technical services	
Construction services	228,703
Other objects	
Transfers	<u>688,410</u>
Total expenditures	1,114,454
Excess of revenues over expenditures	<u>1,840,933</u>
Fund Balance, July 1	<u>1,525,700</u>
Fund Balance, June 30	<u>\$ 3,366,633</u>
 <b>Reconciliation of Fund Balance:</b>	
Fund Balance, budgetary basis	\$ 3,366,633
GAAP basis revenues not recognized	<u>(1,037,435)</u>
Fund Balance, June 30 - GAAP basis	<u>\$ 2,329,198</u>

East Brunswick Public Schools  
Capital Projects Fund

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

From Inception and for the year ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - SDA grant	\$ 4,926,930	\$ 1,115,263	\$ 6,042,193	\$ 6,042,193
Bond proceeds	13,960,000		13,960,000	13,960,000
Lease purchase	750,000		750,000	750,000
Transfer from special revenue fund	1,040,841		1,040,841	1,040,841
Transfer from capital reserve	1,619,000	1,840,124	3,459,124	3,459,124
Transfer from capital outlay	730,000		730,000	730,000
Reallocated from completed projects				
Miscellaneous	3,996,480		3,996,480	3,996,480
<b>Total Revenues</b>	<u>27,023,251</u>		<u>29,978,638</u>	<u>29,978,638</u>
<b>Expenditures and other financing uses</b>				
Legal	34,192	2,774	36,966	36,966
Other professional services	2,685,921	194,567	2,880,488	2,880,488
Purchased professional and technical services	291,362	-	291,362	291,362
Construction services	22,380,333	228,703	22,609,036	22,609,036
Other objects	38,666	-	38,666	38,666
Transfers	67,077	688,410	755,487	755,487
<b>Total expenditures</b>	<u>25,497,551</u>	<u>1,114,454</u>	<u>26,612,005</u>	<u>26,612,005</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 1,525,700</u>	<u>\$ (1,114,454)</u>	<u>\$ 3,366,633</u>	<u>\$ 3,366,633</u>

East Brunswick Public Schools  
Capital Projects Fund

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

Security Systems - Project No 922

From Inception and for the year ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - SDA grant				
Bond proceeds				
Lease purchase				
Transfer from special revenue fund				
Transfer from capital reserve				
Transfer from capital outlay	\$ 730,000		\$ 730,000	\$ 730,000
Reallocated from completed projects			-	
Miscellaneous				
<b>Total Revenues</b>	<u>730,000</u>	<u>-</u>	<u>730,000</u>	<u>730,000</u>
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services				
Purchased professional and technical services	67,868		67,868	67,868
Construction services	508,794		508,794	508,794
Other objects				
Transfers				
<b>Total expenditures</b>	<u>576,662</u>	<u>-</u>	<u>576,662</u>	<u>576,662</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 153,338</u>	<u>\$ -</u>	<u>\$ 153,338</u>	<u>\$ 153,338</u>
<b>Additional project information</b>				
Project number		922		
Grant date		N/A		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 730,000			
Additional Authorized Cost		-		
Revised Authorized Cost		730,000		
<b>Percentage Increase over Original</b>				
Authorized Cost		0.00%		
Percentage completion		78.99%		
Original target completion date		2008		
Revised target completion date		2015		

East Brunswick Public Schools  
Capital Projects Fund

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

Memorial Elementary School Replacement - Project No. 924

From Inception and for the year ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - SDA grant	\$ 4,238,520		\$ 4,238,520	\$ 4,238,520
Bond proceeds	13,960,000		13,960,000	13,960,000
Lease purchase				
Transfer from special revenue fund				
Transfer from capital reserve	1,619,000		1,619,000	1,619,000
Transfer from capital outlay				
Reallocated from completed projects				
Miscellaneous	3,996,480		3,996,480	3,996,480
<b>Total Revenues</b>	<b>23,814,000</b>	<b>-</b>	<b>23,814,000</b>	<b>23,814,000</b>
<b>Expenditures and other financing uses</b>				
Legal	34,192	\$ 2,774	36,966	36,966
Other professional services	2,474,912		2,474,912	2,474,912
Purchased professional and technical services	223,494		223,494	223,494
Construction services	20,359,399	228,703	20,588,102	20,588,102
Other objects	38,051		38,051	38,051
Transfers				
<b>Total expenditures</b>	<b>23,130,048</b>	<b>231,477</b>	<b>23,361,525</b>	<b>23,361,525</b>
Excess (deficiency) of revenues over (under) expenditures	<b>\$ 683,952</b>	<b>\$ (231,477)</b>	<b>\$ 452,475</b>	<b>\$ 452,475</b>
<b>Additional project information</b>				
Project number	924			
Grant date	January 4, 2010			
Bond authorization date	May 12, 2010			
Bonds Authorized	17,956,480			
Bonds Issued	13,960,000			
Original Authorized Cost	\$ 23,814,000			
Additional Authorized Cost	-			
Revised Authorized Cost	23,814,000			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	98.10%			
Original target completion date	2012			
Revised target completion date	2015			

East Brunswick Public Schools  
Capital Projects Fund

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

Chittick School Roof Replacement - Project No. 925

From Inception and for the year ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - SDA grant	\$ 272,923		\$ 272,923	\$ 272,923
Bond proceeds				
Lease purchase	750,000		750,000	750,000
Transfer from special revenue fund				
Transfer from capital reserve				
Transfer from capital outlay				
Reallocated from completed projects				
Miscellaneous			-	-
<b>Total Revenues</b>	<u>1,022,923</u>	<u>-</u>	<u>1,022,923</u>	<u>1,022,923</u>
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services	103,052		103,052	103,052
Purchased professional and technical services				
Construction services	579,256		579,256	579,256
Other objects	615		615	615
Transfers	67,077	272,923	340,000	340,000
<b>Total expenditures</b>	<u>750,000</u>	<u>272,923</u>	<u>1,022,923</u>	<u>1,022,923</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 272,923</u>	<u>\$ (272,923)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information</b>				
Project number		925		
Grant date		June 4, 2010		
Bond authorization date		NA		
Bonds Authorized		NA		
Bonds Issued		NA		
Original Authorized Cost	\$	1,123,649		
Additional Authorized Cost		(100,726)		
Revised Authorized Cost		1,022,923		
Percentage Increase over Original Authorized Cost		-8.96%		
Percentage completion		100%		
Original target completion date		2011		
Revised target completion date		2012		

East Brunswick Public Schools  
Capital Projects Fund

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

Warnsdorfer PA/Fire Alarm/Clock - Project No. 928

From Inception and for the year ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - SDA grant	\$ 71,087		\$ 71,087	\$ 71,087
Bond proceeds				
Lease purchase				
Transfer from special revenue fund	177,718		177,718	177,718
Transfer from capital reserve				
Transfer from capital outlay				
Reallocated from completed projects				
Miscellaneous			-	-
<b>Total Revenues</b>	<u>248,805</u>	<u>-</u>	<u>248,805</u>	<u>248,805</u>
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services	38,718		38,718	38,718
Purchased professional and technical services				
Construction services	139,000		139,000	139,000
Other objects				
Transfers		\$ 71,087	71,087	71,087
<b>Total expenditures</b>	<u>177,718</u>	<u>71,087</u>	<u>248,805</u>	<u>248,805</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 71,087</u>	<u>\$ (71,087)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information</b>				
Project number	928			
Grant date	June 4, 2010			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 404,318			
Additional Authorized Cost	(155,513)			
Revised Authorized Cost	248,805			
Percentage Increase over Original				
Authorized Cost	-38.46%			
Percentage completion	100%			
Original target completion date	2010			
Revised target completion date	2010			



East Brunswick Public Schools  
Capital Projects Fund

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

High School Auditorium Renovations - Project No. 929

From Inception and for the year ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - SDA grant	\$ 344,400		\$ 344,400	\$ 344,400
Bond proceeds				
Lease purchase				
Transfer from special revenue fund	863,123		863,123	863,123
Transfer from capital reserve				
Transfer from capital outlay				
Reallocated from completed projects				
Miscellaneous				
<b>Total Revenues</b>	<u>1,207,523</u>	<u>-</u>	<u>1,207,523</u>	<u>1,207,523</u>
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services	69,239		69,239	69,239
Purchased professional and technical services				
Construction services	793,884		793,884	793,884
Other objects				
Transfers		\$ 344,400	344,400	344,400
<b>Total expenditures</b>	<u>863,123</u>	<u>344,400</u>	<u>1,207,523</u>	<u>1,207,523</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 344,400</u>	<u>\$ (344,400)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information</b>				
Project number	929			
Grant date	June 4, 2010			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 1,207,523			
Additional Authorized Cost				
Revised Authorized Cost	1,207,523			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	100%			
Original target completion date	2010			
Revised target completion date	2011			

East Brunswick Public Schools  
Capital Projects Fund

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

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

From Inception and for the year ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - SDA grant		\$ 96,779	\$ 96,779	\$ 96,779
Bond proceeds				
Lease purchase				
Transfer from special revenue fund				
Transfer from capital reserve		145,169	145,169	145,169
Transfer from capital outlay				
Reallocated from completed projects				
Miscellaneous				
Total Revenues	-	241,948	241,948	241,948
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services		29,683	29,683	29,683
Purchased professional and technical services				
Construction services				
Other objects				
Transfers				
Total expenditures	-	29,683	29,683	29,683
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 212,265	\$ 212,265	\$ 212,265
<b>Additional project information</b>				
Project number		930		
Grant date		June 10, 2014		
Bond authorization date		NA		
Bonds Authorized		NA		
Bonds Issued		NA		
Original Authorized Cost	\$	241,948		
Additional Authorized Cost				
Revised Authorized Cost		241,948		
Percentage Increase over Original				
Authorized Cost		0.00%		
Percentage completion		12.27%		
Original target completion date		2015		
Revised target completion date		2015		

East Brunswick Public Schools  
Capital Projects Fund

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

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

From Inception and for the year ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - SDA grant		\$ 54,113	\$ 54,113	\$ 54,113
Bond proceeds				
Lease purchase				
Transfer from special revenue fund				
Transfer from capital reserve		90,887	90,887	90,887
Transfer from capital outlay				
Reallocated from completed projects				
Miscellaneous				
<b>Total Revenues</b>	-	145,000	145,000	145,000
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services		10,929	10,929	10,929
Purchased professional and technical services				
Construction services				
Other objects				
Transfers				
<b>Total expenditures</b>	-	10,929	10,929	10,929
Excess (deficiency) of revenues over (under) expenditures	-	\$ 134,071	\$ 134,071	\$ 134,071
<b>Additional project information</b>				
Project number	931			
Grant date	June 10, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$	135,283		
Additional Authorized Cost		9,717		
Revised Authorized Cost		145,000		
Percentage Increase over Original				
Authorized Cost	7.18%			
Percentage completion	7.54%			
Original target completion date	2015			
Revised target completion date	2015			

East Brunswick Public Schools  
Capital Projects Fund

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

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

From Inception and for the year ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - SDA grant		\$ 58,280	\$ 58,280	\$ 58,280
Bond proceeds				
Lease purchase				
Transfer from special revenue fund				
Transfer from capital reserve		87,419	87,419	87,419
Transfer from capital outlay				
Reallocated from completed projects				
Miscellaneous				
Total Revenues	-	145,699	145,699	145,699
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services		9,853	9,853	9,853
Purchased professional and technical services				
Construction services			-	
Other objects				
Transfers				
Total expenditures	-	9,853	9,853	9,853
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 135,846	\$ 135,846	\$ 135,846
<b>Additional project information</b>				
Project number	933			
Grant date	June 10, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$	145,699		
Additional Authorized Cost		-		
Revised Authorized Cost		145,699		
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	6.76%			
Original target completion date	2015			
Revised target completion date	2015			

East Brunswick Public Schools  
Capital Projects Fund

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

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

From Inception and for the year ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - SDA grant		\$ 50,424	\$ 50,424	\$ 50,424
Bond proceeds				
Lease purchase				
Transfer from special revenue fund				
Transfer from capital reserve		116,376	116,376	116,376
Transfer from capital outlay				
Reallocated from completed projects				
Miscellaneous				
<b>Total Revenues</b>	-	166,800	166,800	166,800
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services		9,013	9,013	9,013
Purchased professional and technical services				
Construction services				
Other objects				
Transfers				
<b>Total expenditures</b>	-	9,013	9,013	9,013
Excess (deficiency) of revenues over (under) expenditures	-	\$ 157,787	\$ 157,787	\$ 157,787
<b>Additional project information</b>				
Project number	934			
Grant date	June 10, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$	126,060		
Additional Authorized Cost		40,740		
Revised Authorized Cost		166,800		
Percentage Increase over Original Authorized Cost	32.32%			
Percentage completion	5.40%			
Original target completion date	2015			
Revised target completion date	2015			

East Brunswick Public Schools  
Capital Projects Fund

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

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

From Inception and for the year ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - SDA grant		\$ 47,958	\$ 47,958	\$ 47,958
Bond proceeds				
Lease purchase				
Transfer from special revenue fund				
Transfer from capital reserve		101,842	101,842	101,842
Transfer from capital outlay				
Reallocated from completed projects				
Miscellaneous				
<b>Total Revenues</b>	-	149,800	149,800	149,800
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services		9,010	9,010	9,010
Purchased professional and technical services				
Construction services				
Other objects				
Transfers				
<b>Total expenditures</b>	-	9,010	9,010	9,010
<b>Excess (deficiency) of revenues over (under) expenditures</b>	\$ -	\$ 140,790	\$ 140,790	\$ 140,790
<b>Additional project information</b>				
Project number	936			
Grant date	June 10, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$	119,894		
Additional Authorized Cost		29,906		
Revised Authorized Cost		149,800		
<b>Percentage Increase over Original</b>				
Authorized Cost	24.94%			
Percentage completion	6.01%			
Original target completion date	2015			
Revised target completion date	2015			

East Brunswick Public Schools  
Capital Projects Fund

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

Frost Elementary School Roof Replacement - Project No. 938

From Inception and for the year ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - SDA grant		\$ 571,784	\$ 571,784	\$ 571,784
Bond proceeds				
Lease purchase				
Transfer from special revenue fund				
Transfer from capital reserve		857,676	857,676	857,676
Transfer from capital outlay				
Reallocated from completed projects				
Miscellaneous				
<b>Total Revenues</b>	-	1,429,460	1,429,460	1,429,460
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services		84,640	84,640	84,640
Purchased professional and technical services				
Construction services				
Other objects				
Transfers				
<b>Total expenditures</b>	-	84,640	84,640	84,640
<b>Excess (deficiency) of revenues over (under) expenditures</b>	\$ -	\$ 1,344,820	\$ 1,344,820	\$ 1,344,820
<b>Additional project information</b>				
Project number		938		
Grant date		June 10, 2014		
Bond authorization date		NA		
Bonds Authorized		NA		
Bonds Issued		NA		
Original Authorized Cost	\$	1,429,460		
Additional Authorized Cost		-		
Revised Authorized Cost		1,429,460		
<b>Percentage Increase over Original</b>				
Authorized Cost		0.00%		
Percentage completion		5.92%		
Original target completion date		2015		
Revised target completion date		2015		

East Brunswick Public Schools  
Capital Projects Fund

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

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

From Inception and for the year ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - SDA grant		\$ 56,632	\$ 56,632	\$ 56,632
Bond proceeds				
Lease purchase				
Transfer from special revenue fund				-
Transfer from capital reserve		84,948	84,948	84,948
Transfer from capital outlay				
Reallocated from completed projects				
Miscellaneous				
Total Revenues	-	141,580	141,580	141,580
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services		9,893	9,893	9,893
Purchased professional and technical services				
Construction services				
Other objects				
Transfers				
Total expenditures	-	9,893	9,893	9,893
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 131,687	\$ 131,687	\$ 131,687
<b>Additional project information</b>				
Project number		939		
Grant date		June 10, 2014		
Bond authorization date		NA		
Bonds Authorized		NA		
Bonds Issued		NA		
Original Authorized Cost	\$	141,580		
Additional Authorized Cost		-		
Revised Authorized Cost		141,580		
<b>Percentage Increase over Original</b>				
Authorized Cost		0.00%		
Percentage completion		6.99%		
Original target completion date		2015		
Revised target completion date		2015		



East Brunswick Public Schools  
Capital Projects Fund

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

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

From Inception and for the year ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - SDA grant		\$ 65,617	\$ 65,617	\$ 65,617
Bond proceeds				
Lease purchase				
Transfer from special revenue fund				
Transfer from capital reserve		137,983	137,983	137,983
Transfer from capital outlay				
Reallocated from completed projects				
Miscellaneous				
<b>Total Revenues</b>	-	203,600	203,600	203,600
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services		11,805	11,805	11,805
Purchased professional and technical services				
Construction services				
Other objects				
Transfers				
<b>Total expenditures</b>	-	11,805	11,805	11,805
Excess (deficiency) of revenues over (under) expenditures	-	\$ 191,795	\$ 191,795	\$ 191,795
<b>Additional project information</b>				
Project number	940			
Grant date	June 10, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$	164,042		
Additional Authorized Cost		39,558		
Revised Authorized Cost		203,600		
Percentage increase over Original				
Authorized Cost	24.11%			
Percentage completion	5.80%			
Original target completion date	2015			
Revised target completion date	2015			

East Brunswick Public Schools  
Capital Projects Fund

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

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

From Inception and for the year ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - SDA grant		\$ 57,044	\$ 57,044	\$ 57,044
Bond proceeds				
Lease purchase				
Transfer from special revenue fund				
Transfer from capital reserve		112,756	112,756	112,756
Transfer from capital outlay				
Reallocated from completed projects				
Miscellaneous				
<b>Total Revenues</b>	-	169,800	169,800	169,800
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services		9,854	9,854	9,854
Purchased professional and technical services				
Construction services			-	
Other objects				
Transfers				
<b>Total expenditures</b>	-	9,854	9,854	9,854
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 159,946	\$ 159,946	\$ 159,946
<b>Additional project information</b>				
Project number	942			
Grant date	June 10, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$	142,609		
Additional Authorized Cost		27,191		
Revised Authorized Cost		169,800		
<b>Percentage Increase over Original</b>				
Authorized Cost		19.07%		
Percentage completion		5.80%		
Original target completion date		2015		
Revised target completion date		2015		

East Brunswick Public Schools  
Capital Projects Fund

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

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

From Inception and for the year ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State sources - SDA grant		\$ 56,632	\$ 56,632	\$ 56,632
Bond proceeds				
Lease purchase				
Transfer from special revenue fund				
Transfer from capital reserve		105,068	105,068	105,068
Transfer from capital outlay				
Reallocated from completed projects				
Miscellaneous				
<b>Total Revenues</b>	-	161,700	161,700	161,700
<b>Expenditures and other financing uses</b>				
Legal				
Other professional services		9,887	9,887	9,887
Purchased professional and technical services				
Construction services				
Other objects				
Transfers				
<b>Total expenditures</b>	-	9,887	9,887	9,887
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 151,813	\$ 151,813	\$ 151,813
<b>Additional project information</b>				
Project number	943			
Grant date	June 10, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$	141,580		
Additional Authorized Cost		20,120		
Revised Authorized Cost		161,700		
Percentage Increase over Original				
Authorized Cost	14.21%			
Percentage completion	6.11%			
Original target completion date	2015			
Revised target completion date	2015			

East Brunswick Public Schools  
Capital Projects Fund

Summary Schedule of Project Expenditures  
(Budgetary Basis)

From Inception and for the year ended June 30, 2014

Issue/Project Title	District Project Number	Original Date	Revised Appropriations	Expenditures to Date		Transfers Out	Unexpended Balance
				Prior Years	Current Year		
Security Systems 06/07	922	N/A	\$ 730,000	\$ 576,662			\$ 153,338
Memorial Elementary School Replacement 09/10	924	1/4/2010	23,814,000	23,130,048	\$ 231,477		452,475
Chittick School Roof Replacement 09/10	925	6/4/2010	1,022,923	750,000		\$ 272,923	
Wamsdorfer PA/Fire Alarm/Clock 09/10	928	6/4/2010	248,805	177,718		71,087	
High School Auditorium Renovations 09/10	929	6/4/2010	1,207,523	863,123		344,400	
Browne Munro School Security 13/14	930	6/10/2014	241,948		29,683		212,265
Central School Security and Communications Systems Upgrade 13/14	931	6/10/2014	145,000		10,929		134,071
Chittick School Security and Communications Systems Upgrade 13/14	933	6/10/2014	145,699		9,853		135,846
Churchill School Security And Communications Systems Upgrades 13/14	934	6/10/2014	166,800		9,013		157,787
East Brunswick High School Security and Communications Systems Upgrades 13/14	936	6/10/2014	149,800		9,010		140,790
Frost Elementary School Roof Replacement 13/14	938	6/10/2014	1,429,460		84,640		1,344,820
Frost School Security and Communications Systems Upgrades 13/14	939	6/10/2014	141,580		9,893		131,687
Hammarckjold School Security Systems Upgrades 13/14	940	6/10/2014	203,600		11,805		191,795
Lawrence Brook School Security and Communications Systems Upgrades 13/14	942	6/10/2014	169,800		9,854		159,946
Wamsdorfer School Security Communications Systems Upgrades 13/14	943	6/10/2014	161,700		9,887		151,813
<b>Grand Total</b>			<b>\$ 29,978,638</b>	<b>\$ 25,497,551</b>	<b>\$ 426,044</b>	<b>\$ 688,410</b>	<b>\$ 3,366,633</b>

# Fiduciary Funds

East Brunswick Public Schools  
Trust and Agency Funds

Combining Statement of Fiduciary Net Position

June 30, 2014

	Trust			Agency		
	Deferred Benefit Trust Fund	Unemployment Compensation Trust Fund	Total Trust	Student Activity	Payroll	Total Agency
<b>Assets</b>						
Cash and cash equivalents	\$ 88,224	\$ 811,215	\$ 899,439	\$ 592,488	\$ 580,727	\$ 1,173,215
Total assets	<u>88,224</u>	<u>811,215</u>	<u>899,439</u>	<u>\$ 592,488</u>	<u>\$ 580,727</u>	<u>\$ 1,173,215</u>
<b>Liabilities</b>						
Accounts payable		9,515	9,515			
Payroll deductions payable					\$ 580,727	\$ 580,727
Due to student groups				\$ 592,488		592,488
Total liabilities		<u>9,515</u>	<u>9,515</u>	<u>\$ 592,488</u>	<u>\$ 580,727</u>	<u>\$ 1,173,215</u>
<b>Net Position</b>						
Held in trust for unemployment claims		801,700	801,700			
Held in trust for deferred benefits	88,224		88,224			
Total net position	<u>\$ 88,224</u>	<u>\$ 811,215</u>	<u>\$ 899,439</u>			

East Brunswick Public Schools  
Trust Funds

Combining Statement of Changes in Fiduciary Net Position

Year ended June 30, 2014

	<u>Deferred Benefit Trust Fund</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Totals</u>
Additions:			
Interest income	\$ 44	\$ 391	\$ 435
Board contributions		3,840	3,840
Employee contributions		136,412	136,412
Total additions	<u>44</u>	<u>140,643</u>	<u>140,687</u>
Deductions:			
Unemployment payments		155,971	155,971
Total deductions	<u>-</u>	<u>155,971</u>	<u>155,971</u>
Change in net position	44	(15,328)	(15,284)
Net position, beginning	88,180	817,028	905,208
Net position, ending	<u>\$ 88,224</u>	<u>\$ 801,700</u>	<u>\$ 889,924</u>

East Brunswick Public Schools  
Student Activity Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2014

	<b>Balance July 1, 2013</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Balance June 30, 2014</b>
<b>Elementary Schools:</b>				
Bowne-Munro	\$ 5,088	\$ 10,427	\$ 9,709	\$ 5,806
Central	7,677	11,660	12,332	7,005
Irwin	335	13,052	12,671	716
Lawrence Brook	5,261	19,415	21,899	2,777
Memorial	2,742	22,257	23,854	1,145
Murray A. Chittick	11,737	13,572	13,974	11,335
Robert Frost	6,267	11,286	11,584	5,969
Warnsdorfer	17,465	15,853	15,019	18,299
Total elementary schools	<u>56,572</u>	<u>117,522</u>	<u>121,042</u>	<u>53,052</u>
<b>Middle Schools:</b>				
Churchill	129,447	90,672	71,858	148,261
Hammarskjold	43,932	54,700	51,519	47,113
Total middle schools	<u>173,379</u>	<u>145,372</u>	<u>123,377</u>	<u>195,374</u>
<b>High Schools:</b>				
East Brunswick High School	328,999	596,497	581,434	344,062
E.B.H.S. Athletic Fund	1,099	98,265	99,364	-
Total high schools	<u>330,098</u>	<u>694,762</u>	<u>680,798</u>	<u>344,062</u>
<b>Total all schools</b>	<u><u>\$ 560,049</u></u>	<u><u>\$ 957,656</u></u>	<u><u>\$ 925,217</u></u>	<u><u>\$ 592,488</u></u>



East Brunswick Public Schools  
Payroll Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2014

	<b>Balance July 1, 2013</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Balance June 30, 2014</b>
<b>Assets</b>				
Cash and equivalents	\$ 554,992	\$ 92,510,574	\$ 92,484,839	\$ 580,727
Total assets	<u>\$ 554,992</u>	<u>\$ 92,510,574</u>	<u>\$ 92,484,839</u>	<u>\$ 580,727</u>
<b>Liabilities</b>				
Payroll deductions and withholdings	\$ 554,992	\$ 92,510,574	\$ 92,484,839	\$ 580,727
Total liabilities	<u>\$ 554,992</u>	<u>\$ 92,510,574</u>	<u>\$ 92,484,839</u>	<u>\$ 580,727</u>

East Brunswick Public Schools  
Other Agency Fund

Schedule of Additions and Deletions

Year ended June 30, 2014

	<b>Balance July 1, 2013</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Balance June 30, 2014</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 5,147		\$ 5,147	
Total assets	<u>\$ 5,147</u>	<u>\$ -</u>	<u>\$ 5,147</u>	<u>\$ -</u>
<b>Liabilities</b>				
Accounts payable	\$ 5,147		\$ 5,147	
Total liabilities	<u>\$ 5,147</u>	<u>\$ -</u>	<u>\$ 5,147</u>	<u>\$ -</u>

## Long-Term Debt

East Brunswick Public Schools  
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2014

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2013	Retired	Balance June 30, 2014			
			Date	Amount							
School Bonds	3/8/2005	\$ 81,386,000	11/1/2014	\$ 2,175,000	4.250%	\$ 6,890,000	\$ 2,175,000	\$ 4,715,000			
			11/1/2015	2,540,000	4.250%						
School Refunding Bonds	3/15/2007	10,825,000	5/1/2015	900,000	5.000%	8,975,000	900,000	8,075,000			
			5/1/2016	905,000	5.000%						
			5/1/2017	905,000	5.000%						
			5/1/2018	1,085,000	4.000%						
			5/1/2019	1,085,000	4.000%						
			5/1/2020	1,075,000	4.000%						
			5/1/2021	1,065,000	4.000%						
			5/1/2022	1,055,000	4.000%						
School Bonds	5/12/2010	13,960,000	5/15/15	100,000	4.000%				13,660,000	100,000	13,560,000
			5/15/16	295,000	4.000%						
			5/15/17	310,000	4.000%						
			5/15/18	325,000	4.000%						
			5/15/19	340,000	4.000%						
			5/15/20	355,000	4.000%						
			5/15/21	370,000	4.000%						
			5/15/22	390,000	4.000%						
			5/15/23	410,000	4.000%						
			5/15/24	425,000	4.000%						
			5/15/25	445,000	4.000%						
			5/15/26	465,000	4.000%						
			5/15/27	490,000	4.000%						
			5/15/28	510,000	4.000%						
			5/15/29	535,000	4.000%						
			5/15/30	560,000	4.250%						
			5/15/31	585,000	4.250%						
			5/15/32	615,000	4.250%						
			5/15/33	640,000	4.250%						
			5/15/34	670,000	4.250%						
			5/15/35	700,000	4.250%						
			5/15/36	735,000	4.375%						
			5/15/37	770,000	4.375%						
			5/15/38	800,000	4.375%						
			5/15/39	840,000	4.500%						
			5/15/40	880,000	4.500%						
2012 Refunding of 2005 School Bonds	11/20/2012	60,560,000	11/1/14	135,000	0.650%	60,560,000	135,000	60,425,000			
			11/1/15	140,000	2.000%						
			11/1/16	2,665,000	3.000%						
			11/1/17	2,640,000	3.000%						
			11/1/18	2,620,000	4.000%						
			11/1/19	2,635,000	5.000%						
			11/1/20	3,020,000	5.000%						
			11/1/21	3,045,000	5.000%						
			11/1/22	3,075,000	5.000%						
			11/1/23	3,110,000	5.000%						
			11/1/24	3,105,000	3.000%						
			11/1/25	3,425,000	3.000%						
			11/1/26	3,380,000	3.000%						
			11/1/27	3,350,000	4.000%						
			11/1/28	3,340,000	4.000%						
			11/1/29	3,305,000	3.000%						
			11/1/30	3,615,000	3.000%						
			11/1/31	3,560,000	3.000%						
			11/1/32	3,505,000	3.125%						
			11/1/34	6,755,000	4.000%						
						<u>60,560,000</u>	<u>135,000</u>	<u>60,425,000</u>			
						<u>\$ 90,085,000</u>	<u>\$ 3,310,000</u>	<u>\$ 86,775,000</u>			

East Brunswick Public Schools  
Long-Term Debt

Schedule of Lease Purchase Obligations Payable

Year ended June 30, 2014

	<b>Interest Rate</b>	<b>Amount of Original Issue</b>	<b>Balance July 1, 2013</b>	<b>Current Retired</b>	<b>Balance June 30, 2014</b>
Capital Improvement Projects:					
Construction of Various Schools Lease with East Brunswick Township	4.360%	\$ 9,000,000	\$ 2,494,355	\$ 584,261	\$ 1,910,094
Additions and Renovations to High School - Lease with East Brunswick Township					
	4.230%	14,320,000	<u>5,641,527</u>	<u>811,076</u>	<u>4,830,451</u>
			<u>\$ 8,135,882</u>	<u>\$ 1,395,337</u>	<u>\$ 6,740,545</u>

East Brunswick Public Schools  
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local sources:					
Local tax levy	\$ 8,122,565		\$ 8,122,565	\$ 8,122,565	
State sources:					
Debt service aid type II	419,959		419,959	419,959	
Total revenues	<u>8,542,524</u>		<u>8,542,524</u>	<u>8,542,524</u>	
Expenditures:					
Principal	4,705,337		4,705,337	4,705,337	
Interest	3,844,433		3,844,433	3,844,433	
Total expenditures	<u>8,549,770</u>		<u>8,549,770</u>	<u>8,549,770</u>	
(Deficiency) of revenues (under) expenditures	<u>(7,246)</u>		<u>(7,246)</u>	<u>(7,246)</u>	
Net change in fund balances	(7,246)		(7,246)	(7,246)	
Fund balance, July 1	296,665		296,665	296,665	
Fund balance, June 30	<u>\$ 289,419</u>	<u>\$ -</u>	<u>\$ 289,419</u>	<u>\$ 289,419</u>	<u>\$ -</u>

East Brunswick Public Schools  
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year Ended June 30, 2014

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance June 30, 2014</u>
2009-10 TD Equipment Lease - School Buses	8/10/2008	5 Years	\$ 55,757	7.30 %	\$ 11,907		\$ 11,907	
2010-11 TD Equipment Lease - School Buses/Instruments/Loader	2/1/2010	5 Years	750,000	3.09	120,989		120,989	
2010-11 TD Equipment Lease - Technology Equipment	8/1/2009	5 Years	325,000	3.22	67,128		67,128	
2011-12 KSB Equipment Lease - Buses	7/9/2010	5 Years	361,500	3.31	149,537		73,552	\$ 75,985
2012-13 US Bancorp Government Lease - Various Equipment	8/1/2011	5 Years	120,500	3.73	70,685		22,705	47,980
2012-13 Bank of America Lease - Various Construction	7/18/2012	2 Years	1,400,000	1.01	700,000		700,000	
2012-13 US Bancorp Government Lease - Various Equipment	7/18/2012	5 Years	481,500	1.14	381,500		93,223	288,277
2012-13 Bank of America Lease - Various Construction	6/19/2013	4 Years	4,225,000	1.23	4,225,000		859,358	3,365,642
2013-2014 First Hope Bank Lease	11/24/2013	5 Years	89,513	2.24		\$ 89,513	21,500	68,013
2013-2014 JPMorgan Chase Bank Lease	6/25/2014	2 Years	2,000,000	0.78		2,000,000		2,000,000
					<u>\$ 5,726,746</u>	<u>\$ 2,089,513</u>	<u>\$ 1,970,362</u>	<u>\$ 5,845,897</u>

**Statistical Section  
(Unaudited)**



**Statistical Section**  
**Unaudited**

**Contents**

**Financial Trends**

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

**Revenue Capacity**

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

**Debt Capacity**

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

**Demographic and Economic Information**

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

**Operating Information**

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

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

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

(accrual basis of accounting)  
Unaudited

	June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013 Restated	2014
<b>Governmental activities</b>										
Net investment in capital assets	\$ 36,823,877	\$ 44,993,912	\$ 70,499,208	\$ 72,866,718	\$ 86,461,666	\$ 90,778,110	\$ 83,801,596	\$ 100,224,934	\$ 114,047,274	\$ 115,774,538
Restricted	8,806,957	6,552,455	16,371,563	18,892,433	7,169,912	11,594,973	23,296,846	22,469,548	14,836,012	13,811,105
Unrestricted (deficit)	2,698,653	2,827,885	1,733,149	1,849,947	1,770,518	1,526,272	769,348	(2,552,220)	168,169	3,327,547
<b>Total governmental activities net position</b>	<b>\$ 48,329,487</b>	<b>\$ 54,374,252</b>	<b>\$ 88,603,920</b>	<b>\$ 93,609,098</b>	<b>\$ 95,402,096</b>	<b>\$ 103,899,355</b>	<b>\$ 107,867,790</b>	<b>\$ 120,142,263</b>	<b>\$ 129,051,455</b>	<b>\$ 132,913,190</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 119,699	\$ 144,577	\$ 159,695	\$ 164,119	\$ 210,710	\$ 206,220	\$ 285,615	\$ 247,811	\$ 201,309	\$ 170,296
Unrestricted (deficit)	462,963	409,431	421,655	413,764	501,154	340,556	270,875	470,686	1,043,379	1,822,788
<b>Total business-type activities net position</b>	<b>\$ 582,661</b>	<b>\$ 554,007</b>	<b>\$ 581,350</b>	<b>\$ 577,883</b>	<b>\$ 711,864</b>	<b>\$ 546,776</b>	<b>\$ 556,490</b>	<b>\$ 718,497</b>	<b>\$ 1,244,688</b>	<b>\$ 1,993,084</b>
<b>Government-wide</b>										
Net investment in capital assets	\$ 36,943,576	\$ 45,138,489	\$ 70,658,904	\$ 73,030,837	\$ 86,672,376	\$ 90,984,330	\$ 84,087,211	\$ 100,472,745	\$ 114,248,583	\$ 115,944,834
Restricted	8,806,957	6,552,455	16,371,563	18,892,433	7,169,912	11,594,973	23,296,846	22,469,548	14,836,012	13,811,105
Unrestricted (deficit)	3,161,615	1,877,265	2,154,804	2,263,711	2,271,672	1,866,828	1,040,223	(2,081,534)	1,211,548	5,150,335
<b>Total district net position</b>	<b>\$ 48,912,148</b>	<b>\$ 53,568,208</b>	<b>\$ 89,185,270</b>	<b>\$ 94,186,981</b>	<b>\$ 96,113,959</b>	<b>\$ 104,446,131</b>	<b>\$ 108,424,280</b>	<b>\$ 120,860,760</b>	<b>\$ 130,296,143</b>	<b>\$ 134,906,274</b>

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.

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

(accrual basis of accounting)  
Unaudited

	Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
<b>Governmental activities</b>										
<b>Instruction</b>										
Regular	\$ 46,338,123	\$ 48,203,380	\$ 50,681,033	\$ 57,705,173	\$ 59,100,982	\$ 57,817,859	\$ 56,358,268	\$ 60,237,148	\$ 61,577,016	\$ 61,222,122
Special Education	11,039,852	11,844,714	12,470,045	12,629,815	13,046,829	12,903,642	12,957,610	14,203,357	16,765,399	18,002,997
Other Special Education	6,171,735	6,786,530	6,445,046	3,548,481	3,383,252	4,423,965	4,256,967	4,854,386	5,098,557	4,993,065
<b>Support services:</b>										
Tuition	4,765,539	5,691,056	6,155,305	6,632,965	5,768,671	6,832,491	6,266,150	4,697,912	4,015,981	3,585,012
Student & Instruction Related Services	18,788,435	19,213,998	20,347,826	21,821,101	21,457,378	19,635,924	15,004,755	17,549,487	22,618,275	23,070,531
School Administrative Services	5,287,535	5,602,830	5,934,646	6,697,842	6,937,981	7,028,984	6,818,701	7,158,663	7,071,530	6,916,828
General and BusinessAdministrative Services	4,378,253	5,789,599	5,739,338	5,686,675	5,903,282	6,158,466	9,199,308	8,520,561	6,143,549	6,655,280
Plant Operations and Maintenance	10,314,539	10,135,783	11,895,444	15,474,047	14,920,747	14,702,662	14,971,472	11,495,597	11,686,068	13,791,457
Pupil Transportation	8,168,154	9,462,472	10,093,494	10,646,274	9,814,283	9,802,207	8,899,046	7,556,037	7,564,334	7,492,952
Special Schools	285,368	303,658	283,477	272,254	32,257	113,131	94,766			
Charter Schools		0	19,062	8,953	9,984	20,691	721,423	1,146,507	1,215,974	1,721,288
Interest and other charges	2,662,048	4,990,441	5,210,927	4,788,458	4,738,656	4,336,593	4,680,945	4,492,514	4,014,883	4,183,089
<b>Total governmental activities</b>	<b>118,199,581</b>	<b>128,024,459</b>	<b>135,275,644</b>	<b>145,912,038</b>	<b>145,094,301</b>	<b>143,776,415</b>	<b>140,229,411</b>	<b>141,912,168</b>	<b>147,771,566</b>	<b>151,634,621</b>
<b>Business-type activities:</b>										
Food service	2,586,246	2,650,684	2,851,668	2,984,123	2,902,032	2,463,097	2,537,836	2,545,286	2,590,808	2,566,676
ETTC Program	263,410	342,134	325,115	300,013	307,824	289,885	295,590	245,245		
Community Programs	335,650	422,431	461,418	534,156	1,298,423	1,402,177	1,730,273	1,724,445	1,888,113	1,855,711
<b>Total business-type activities expense</b>	<b>3,185,306</b>	<b>3,415,250</b>	<b>3,638,199</b>	<b>3,818,292</b>	<b>4,508,279</b>	<b>4,155,159</b>	<b>4,563,699</b>	<b>4,514,976</b>	<b>4,478,921</b>	<b>4,422,387</b>
<b>Total district expenses</b>	<b>121,384,887</b>	<b>131,439,709</b>	<b>138,913,843</b>	<b>149,730,330</b>	<b>149,602,580</b>	<b>147,931,574</b>	<b>144,793,110</b>	<b>146,427,144</b>	<b>152,250,487</b>	<b>156,057,008</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services</b>										
Instruction	35,644	64,101	43,640	52,600	34,904	78,449	162,291	311,056	346,709	306,837
Operating grants and contributions	4,252,838	3,610,352	2,628,449	2,158,208	209,349	2,224,838	6,395,117	3,392,303	3,561,312	2,815,490
<b>Total governmental activities program revenues</b>	<b>4,288,482</b>	<b>3,674,454</b>	<b>2,672,089</b>	<b>2,210,808</b>	<b>244,253</b>	<b>2,303,287</b>	<b>6,557,408</b>	<b>3,703,359</b>	<b>3,908,021</b>	<b>3,122,327</b>
<b>Business-type activities:</b>										
<b>Charges for services</b>										
Food service	2,042,075	2,143,465	2,111,808	2,094,372	2,147,958	2,002,810	1,935,376	2,006,262	1,940,913	1,895,886
ETTC Program	240,163	313,200	242,971	249,794	245,649	274,573	420,712	284,852		
Community Programs	434,043	440,219	531,593	550,573	1,544,496	1,530,473	2,036,964	2,030,824	2,398,119	2,689,454
<b>Operating grants and contributions</b>	<b>341,612</b>	<b>359,233</b>	<b>399,552</b>	<b>449,521</b>	<b>497,605</b>	<b>580,391</b>	<b>579,205</b>	<b>649,303</b>	<b>732,776</b>	<b>784,488</b>
<b>Total business type activities program revenues</b>	<b>3,057,892</b>	<b>3,256,116</b>	<b>3,285,924</b>	<b>3,344,260</b>	<b>4,435,708</b>	<b>4,388,247</b>	<b>4,972,257</b>	<b>4,971,241</b>	<b>5,071,808</b>	<b>5,369,828</b>
<b>Total district program revenues</b>	<b>7,346,374</b>	<b>6,930,570</b>	<b>5,958,012</b>	<b>5,555,068</b>	<b>4,679,961</b>	<b>6,691,534</b>	<b>11,529,665</b>	<b>8,674,600</b>	<b>8,979,829</b>	<b>8,492,155</b>
<b>Net (Expense) / Revenue</b>										
Governmental activities	(113,911,098)	(124,350,006)	(132,603,555)	(143,701,230)	(144,850,048)	(141,473,128)	(133,672,003)	(138,208,809)	(143,863,545)	(148,512,294)
Business-type activities	(127,415)	(159,133)	(352,276)	(474,032)	(72,571)	233,088	408,558	456,265	592,887	947,441
<b>Total government-wide net expense</b>	<b>\$ (114,038,513)</b>	<b>\$ (124,509,139)</b>	<b>\$ (132,955,831)</b>	<b>\$ (144,175,262)</b>	<b>\$ (144,922,619)</b>	<b>\$ (141,240,040)</b>	<b>\$ (133,263,445)</b>	<b>\$ (137,752,544)</b>	<b>\$ (143,270,658)</b>	<b>\$ (147,564,853)</b>

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

(accrual basis of accounting)  
Unaudited

	Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Property taxes levied for general purposes, net	\$ 90,622,879	\$ 92,817,580	\$ 98,543,803	\$ 105,704,289	\$ 106,086,288	\$ 106,086,288	\$ 106,788,787	\$ 108,271,963	\$ 110,437,402	\$ 113,246,150
Taxes levied for debt service	2,417,568	6,269,481	6,386,428	7,344,256	8,651,094	7,809,410	8,602,137	8,406,922	8,383,979	8,122,565
Grants and contributions	28,962,531	27,680,423	33,133,117	36,264,114	32,329,338	34,658,361	22,057,827	28,249,227	31,656,765	30,310,681
Payments in lieu of taxes										
Investment earnings		2,819,913	3,364,699	855,104	432,502	113,024	32,816		20,548	14,985
Miscellaneous income	1,174,978	1,984,517	1,138,677	1,154,218	(994,489)	903,614	1,744,262	5,570,134	647,814	479,648
Transfers		(177,142)	(359,541)	(448,230)	(339,748)	400,000	424,553	(14,964)	100,000	200,000
<b>Total governmental activities</b>	<b>123,177,956</b>	<b>131,394,771</b>	<b>142,207,182</b>	<b>150,873,751</b>	<b>146,164,985</b>	<b>149,970,697</b>	<b>139,650,382</b>	<b>150,483,282</b>	<b>151,246,508</b>	<b>152,374,029</b>
<b>Business-type activities:</b>										
Investment earnings	10,464	17,812	20,077	22,335	13,128	1,824	1,156	876	875	955
Miscellaneous								(27,353)	64,634	
Transfers	206,707	112,667	359,541	448,230	193,423	(400,000)	(400,000)	(267,781)	(100,000)	(200,000)
<b>Total business-type activities</b>	<b>217,171</b>	<b>130,479</b>	<b>379,618</b>	<b>470,565</b>	<b>206,552</b>	<b>(398,176)</b>	<b>(398,844)</b>	<b>(294,258)</b>	<b>(34,491)</b>	<b>(199,045)</b>
<b>Total government-wide</b>	<b>123,395,126</b>	<b>131,525,251</b>	<b>142,586,800</b>	<b>151,344,316</b>	<b>146,371,537</b>	<b>149,572,521</b>	<b>139,251,538</b>	<b>150,189,024</b>	<b>151,212,017</b>	<b>152,174,984</b>
<b>Change in Net Position</b>										
Governmental activities	9,266,857	7,044,766	9,603,627	7,172,521	1,314,937	8,497,569	5,978,379	12,274,473	7,382,963	3,861,735
Business-type activities	89,756	(28,654)	27,343	(3,467)	133,981	(165,088)	9,714	162,007	558,396	748,396
<b>Total district</b>	<b>\$ 9,356,613</b>	<b>\$ 7,016,111</b>	<b>\$ 9,630,970</b>	<b>\$ 7,169,054</b>	<b>\$ 1,448,918</b>	<b>\$ 8,332,481</b>	<b>\$ 5,988,093</b>	<b>\$ 12,436,480</b>	<b>\$ 7,941,359</b>	<b>\$ 4,610,131</b>

Source: CAFR Schedules A-2 and District records

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

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

(modified accrual basis of accounting)  
Unaudited

	June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Fund</b>										
Reserved	\$ 5,823,191	\$ 6,655,251	\$ 7,938,692	\$ 11,439,853	\$ 9,818,204	\$ 7,906,176				
Unreserved	2,698,747	3,710,804	4,028,809	3,465,104	3,446,187	3,269,166				
Restricted for							\$ 7,002,885	\$ 8,562,302	\$ 13,013,648	\$ 11,481,907
Assigned to							2,424,836	7,445,100	2,323,488	5,486,090
Unassigned							1,780,284	1,499,532	1,439,161	1,345,345
<b>Total general fund</b>	<b>\$ 8,521,938</b>	<b>\$ 10,366,055</b>	<b>\$ 11,967,501</b>	<b>\$ 14,904,957</b>	<b>\$ 13,264,391</b>	<b>\$ 11,175,342</b>	<b>11,208,005</b>	<b>\$ 17,506,934</b>	<b>\$ 16,776,297</b>	<b>\$ 18,313,342</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 111,529,950	\$ 101,533,422	\$ 36,614,135	\$ 5,694,005	\$ 3,221,962	\$ 2,538,494				
Unreserved, reported in:										
Special revenue fund			141,060	1,948,257	1,793,774	328,220				
Capital projects fund			9,237,554	7,374,680	631,478	18,301,111				
Debt service fund	779,571	819,917	1,543,233	725,059	157,502	46,841				
Restricted for:										
Capital projects fund							\$ 16,639,816	\$ 6,275,902	\$ 1,525,699	\$ 2,329,198
Debt service fund							108,444	95,024	296,665	289,419
Assigned to:										
Special revenue fund							338,644	91,220	4,875,751	3,871,997
Capital projects fund										
Debt service fund										
<b>Total all other governmental funds</b>	<b>\$ 112,309,521</b>	<b>\$ 102,353,339</b>	<b>\$ 47,535,982</b>	<b>\$ 15,742,001</b>	<b>\$ 5,804,716</b>	<b>\$ 21,214,666</b>	<b>\$ 17,086,904</b>	<b>\$ 6,462,146</b>	<b>\$ 6,698,115</b>	<b>\$ 6,490,614</b>

Source: CAFR Schedule B-1 and District records.

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

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

(modified accrual basis of accounting)  
Unaudited

	June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Tax Levy	\$ 93,040,447	\$ 99,087,061	\$ 104,930,231	\$ 113,048,545	\$ 114,737,382	\$ 113,895,698	\$ 115,390,924	\$ 116,678,885	\$ 118,821,381	\$ 121,368,715
Tuition Charges	35,644	64,101	43,640	52,600	34,904	78,449	162,291	311,056	346,709	306,837
Miscellaneous	1,376,306	4,804,430	4,503,375	4,500,757	2,165,724	2,580,085	3,595,241	601,337	914,856	694,541
State Sources	55,171,825	28,547,421	32,890,362	33,513,345	29,781,346	31,138,147	24,595,645	27,776,857	31,715,955	30,290,748
Federal Sources	3,412,109	2,998,977	2,871,204	2,750,769	2,813,562	5,745,052	3,857,299	3,453,938	3,210,294	2,635,515
<b>Total revenue</b>	<b>153,036,331</b>	<b>135,501,991</b>	<b>145,238,812</b>	<b>153,866,016</b>	<b>149,532,919</b>	<b>153,437,431</b>	<b>147,601,400</b>	<b>148,822,073</b>	<b>155,009,195</b>	<b>155,296,356</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	36,446,885	37,493,770	38,714,353	42,853,159	45,417,776	43,844,668	43,154,030	42,612,785	42,875,279	42,331,154
Special Education Instruction	8,683,308	9,039,671	9,277,018	9,410,531	9,840,464	9,630,116	9,628,331	9,695,591	11,729,002	12,641,912
Other Instruction	4,854,330	5,179,356	4,794,755	2,643,989	2,551,790	3,301,649	3,163,198	3,357,934	3,502,369	3,408,525
<b>Support Services:</b>										
Tuition	3,748,297	4,328,974	4,579,204	4,942,252	4,377,299	5,099,156	4,656,149	4,697,912	4,015,981	3,585,012
Student and Instruction Related Services	14,777,895	14,663,774	15,137,648	16,259,000	16,168,967	14,654,484	11,152,274	11,775,157	16,258,531	16,556,932
School Administration Services	4,158,869	4,275,978	4,425,370	4,990,592	5,232,915	5,245,800	4,721,103	4,929,749	4,809,718	4,679,406
Business Administration Services	4,278,104	4,539,292	4,382,622	4,379,376	4,588,725	4,596,124	6,835,673	6,837,269	4,450,189	4,852,209
Plant Operations and maintenance	8,112,819	7,735,446	9,250,571	9,784,556	10,492,528	11,016,147	11,167,779	10,846,462	10,704,702	11,335,943
Pupil transportation	6,424,597	7,221,587	7,904,302	7,932,587	7,838,887	7,626,405	6,972,249	6,727,402	7,179,167	6,564,578
Employee Benefits	23,260,418	26,644,835	30,597,181	33,323,931	30,301,813	31,297,289	29,689,813	30,928,665	34,005,911	33,460,636
Special Schools	224,454	231,746	210,891	202,857	24,330	84,431	70,417			
Charter Schools	4,709	18,786	19,062	8,953	9,984	20,691	721,423	1,146,507	1,215,974	1,721,288
Capital Outlay	7,844,005	14,482,617	62,557,404	38,726,462	15,264,412	12,252,448	9,118,270	16,229,966	12,406,577	4,562,211
<b>Debt Service:</b>										
Principal	1,491,332	3,342,328	4,550,082	4,624,670	5,171,169	4,094,473	4,240,233	4,292,974	4,517,976	6,675,699
Interest and other charges	1,510,625	5,427,185	4,717,272	4,744,208	4,541,551	4,325,584	4,743,426	4,554,572	4,401,548	3,880,821
<b>Total expenditures</b>	<b>125,820,647</b>	<b>144,625,345</b>	<b>201,117,735</b>	<b>184,827,123</b>	<b>161,822,610</b>	<b>157,089,465</b>	<b>150,034,369</b>	<b>158,632,945</b>	<b>162,072,924</b>	<b>156,256,326</b>
Excess (Deficiency) of revenues over (under) expenditures	27,215,685	(9,123,354)	(55,878,923)	(30,961,107)	(12,289,692)	(3,652,034)	(2,432,969)	(9,810,872)	(7,063,729)	(959,970)
<b>Other Financing sources (uses)</b>										
Capital leases	30,972	378,233							6,106,500	2,089,513
Bond proceeds	81,386,000					13,960,000				
Cancellation of prior year's receivables	(36,644)			(37,282)	(943,379)					
Lease purchase proceeds		800,000	2,673,305	2,500,000	2,690,000	750,000				
Transfer out to escrow agent			397,195			(127,519)				
Interlocal service agreements - Township	3,874,811									
Insurance recoveries - Memorial School					607,195		5,500,000			
Memorial School fire loss					(1,350,977)	(156,121)	(76,740)			
Accrued interest	138,647									
Refunding bonds issued									60,560,000	
Premium on bonds issued									5,832,318	
Payment to refunding bond escrow agent									(66,075,091)	
Insurance proceeds									45,334	
Transfers in	1,710,908	95,704	1,357,000	69,055	598,998	3,787,416	438,200	272,730	100,000	2,728,534
Transfers Out	(993,737)	(272,846)	(1,716,541)	(517,285)	(790,766)	(1,240,841)	(13,647)	(72,027)		(2,528,534)
<b>Total other financing sources (uses)</b>	<b>86,110,958</b>	<b>1,091,090</b>	<b>2,710,959</b>	<b>2,014,488</b>	<b>811,071</b>	<b>16,972,935</b>	<b>347,813</b>	<b>5,700,793</b>	<b>6,569,061</b>	<b>2,289,513</b>
<b>Net change in fund balances</b>	<b>\$ 113,326,643</b>	<b>\$ (8,122,263)</b>	<b>\$ (53,167,964)</b>	<b>\$ (28,946,619)</b>	<b>\$ (11,478,621)</b>	<b>\$ 13,320,901</b>	<b>\$ (2,085,156)</b>	<b>\$ (4,110,169)</b>	<b>\$ (494,668)</b>	<b>\$ 1,329,543</b>
Debt service as a percentage of noncapital expenditures	2.54%	6.74%	6.69%	6.41%	6.63%	5.81%	6.38%	6.21%	5.96%	6.96%

Source: CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.

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
2005	\$ 398,999	\$ 35,644	\$ 75,892	\$ 85,848	\$ 596,383
2006	2,819,913	64,101		1,984,517	4,868,531
2007	1,034,096	43,640	101,545	345,291	1,524,571
2008	855,104	52,600	101,446	224,285	1,233,435
2009	432,502	34,904	109,661	387,682	964,749
2010	113,024	78,449	82,301	428,775	702,549
2011	32,816	162,291	110,300	405,503	710,908
2012	25,178	311,056	102,968	2,047,637	2,486,839
2013	20,548	346,709	162,047	440,433	969,737
2014	14,985	306,837	146,365	333,284	801,471

Source: District Records

East Brunswick Public Schools  
Assessed Value and Actual Value of Taxable Property  
Last Ten Years

Unaudited

Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Ratio to True Value %	Aggregate True Value
2005	\$ 17,435,400	\$ 1,498,193,000	\$ 2,898,700	\$ 364,725,700	\$ 102,999,500	\$ 33,814,700	\$ 2,020,067,000	\$ 4,724,877	\$ 2,024,791,877	\$ 4.75	31.62%	\$ 6,389,849,779
2006	17,124,700	1,505,091,200	2,854,000	362,714,600	100,762,600	33,814,700	2,022,361,800	4,111,796	2,026,473,596	5.03	28.41	7,118,485,744
2007	18,878,000	1,515,720,500	2,842,300	349,214,100	96,603,700	32,110,300	2,015,368,900	3,720,999	2,019,089,899	5.40	26.23	7,683,449,867
2008	17,546,800	1,525,964,300	3,012,800	342,894,700	95,344,300	32,988,700	2,017,751,600	3,641,776	2,021,393,376	5.64	25.06	8,051,682,362
2009	17,766,700	1,528,947,400	3,012,800	339,965,000	94,814,900	35,525,900	2,020,032,700	3,585,743	2,023,618,443	5.65	24.48	8,251,767,565
2010	14,551,600	1,535,083,900	2,896,600	337,851,900	94,190,800	28,025,900	2,012,600,700	3,275,529	2,015,876,229	5.69	24.54	8,201,306,846
2011	14,084,400	1,517,338,100	2,846,900	309,543,500	93,318,800	24,317,200	1,961,448,900	3,056,266	1,964,505,166	5.91	25.16	7,795,901,828
2012	13,483,800	1,498,633,500	2,787,000	303,218,900	91,231,200	21,457,100	1,930,811,500	3,075,073	1,933,886,573	6.09	25.67	7,521,665,368
2013	12,615,800	1,487,937,400	2,788,000	289,821,200	87,643,100	19,733,100	1,900,538,600	2,654,186	1,903,192,786	6.31	26.39	7,201,737,779
2014	14,019,200	1,484,263,200	2,191,300	285,010,100	85,197,400	19,733,100	1,890,414,300	2,044,733	1,892,459,033	6.49	26.19	7,218,076,747

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

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

Reassessment occurs when ordered by the County Board of Taxation

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

<sup>b</sup> Tax rates are per \$100



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

Unaudited

Year Ended December 31,	East Brunswick Public Schools			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	East Brunswick Township	Middlesex County	Municipal Open Space	Middlesex County Open Space	
2005	\$ 4.630	\$ 0.120	\$ 4.750	\$ 1.190	\$ 0.900	\$ 0.020	\$ 0.100	\$ 6.960
2006	4.720	0.310	5.030	1.270	0.960	0.020	0.090	7.370
2007	5.078	0.320	5.398	1.402	0.975	0.020	0.115	7.910
2008	5.240	0.395	5.635	1.495	1.020	0.020	0.120	8.290
2009	5.242	0.407	5.649	1.692	1.086	0.020	0.123	8.570
2010	5.281	0.407	5.688	1.715	1.131	0.019	0.082	8.635
2011	5.474	0.433	5.907	1.843	1.208	0.020	0.119	9.097
2012	5.655	0.434	6.089	1.811	1.255	0.019	0.116	9.290
2013	5.877	0.434	6.311	1.842	1.316	0.019	0.112	9.600
2014	6.071	0.418	6.489	1.948	1.391	0.019	0.114	9.961

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	2014			2005		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Brunswick Square Mall	\$ 30,266,800	1	1.60%	\$ 35,400,000	1	1.75%
Mid State Mall	15,460,000	2	0.82%	19,470,900	4	0.96%
Tower II	15,159,200	3	0.80%	26,500,000	2	1.31%
Tower I	12,374,400	4	0.65%	26,500,000	3	1.31%
East Brunswick VF, LLC	9,500,000	5	0.50%	9,630,000	7	0.48%
L.P.E. Partners	9,038,400	6	0.48%	7,404,400	9	0.37%
Wyndmoor Apartments	7,769,400	7	0.41%	10,400,000	6	0.51%
East Coast Cranbury	6,000,000	8	0.32%			
Toll JM EB, LLC	5,977,600	9	0.32%			
Belmont Associates (K Mart)	5,880,600	10	0.31%	6,040,000	10	0.30%
Tower Center Hotel				13,500,000	5	0.67%
Sam's Club				8,115,000	8	0.40%
Total	<u>\$ 117,426,400</u>		<u>6.20%</u>	<u>\$ 162,960,300</u>		<u>8.05%</u>

Source: District CAFR & Municipal Tax Assessor

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

Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	\$ 93,040,447	\$ 93,040,447	100.00%	
2006	99,087,061	99,087,061	100.00%	
2007	104,930,231	104,930,231	100.00%	
2008	105,704,289	105,704,289	100.00%	
2009	106,086,288	106,086,288	100.00%	
2010	106,086,288	106,086,288	100.00%	
2011	106,788,787	106,788,787	100.00%	
2012	108,271,963	108,271,963	100.00%	
2013	110,437,402	110,437,402	100.00%	
2014	113,246,150	113,246,150	100.00%	

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

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

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

Unaudited

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Capital Leases	Lease Purchase Obligations			
2005	\$ 95,881,000	\$ 19,500	\$ 23,794,784	\$ 119,695,284	*	\$ 2,513
2006	93,536,000	388,170	23,947,328	117,871,497	*	2,479
2007	91,306,000	2,697,468	18,912,374	112,915,842	*	2,404
2008	88,766,000	7,296,412	16,172,705	112,235,117	*	2,393
2009	86,226,000	8,111,436	13,541,536	107,878,972	*	2,293
2010	97,646,000	5,442,744	11,987,065	115,075,809	*	2,434
2011	94,636,000	4,713,955	10,756,832	110,106,787	*	2,315
2012	91,626,000	2,674,110	9,473,858	103,773,968	*	2,172
2013	90,085,000	5,726,746	8,135,882	103,947,628	*	2,176
2014	86,775,000	5,845,897	6,740,545	99,361,442	*	2,063

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 NJ 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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
2005	\$ 95,881,000		\$ 95,881,000	4.75%	\$ 2,013
2006	93,536,000		93,536,000	4.63%	1,968
2007	91,306,000		91,306,000	4.53%	1,944
2008	88,766,000		88,766,000	4.40%	1,893
2009	86,226,000		86,226,000	4.27%	1,832
2010	97,646,000		97,646,000	4.85%	2,065
2011	94,636,000		94,636,000	4.82%	1,990
2012	91,626,000		91,626,000	4.75%	1,918
2013	90,085,000		90,085,000	4.74%	1,881
2014	86,775,000		86,775,000	4.59%	1,802

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

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

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

East Brunswick Public Schools  
Ratios of Overlapping Governmental Activities Debt  
As of June 30, 2014

Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
East Brunswick Township (as of 12/31/13)	\$ 92,600,737	100.000%	\$ 92,600,737
<b>Other debt</b>			
Middlesex County as of 05/08/14	702,823,005	7.509%	52,771,972
Middlesex County Utility Authority as of 03/31/14	243,401,476	4.530%	<u>11,026,087</u>
Subtotal, overlapping debt			156,398,796
<b>East Brunswick Public Schools Direct Debt</b>			<u>99,361,442</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 255,760,238</u></u>

**Sources:** District Records, East Brunswick Township Official Statement

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

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

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

Unaudited

Legal Debt Margin Calculation for Fiscal Year 2014

	Equalized valuation basis	
	2014	\$ 7,218,076,747
	2013	7,201,737,779
	2012	7,521,665,368
	[A]	<u>\$ 21,941,479,894</u>
Average equalized valuation of taxable property	[A/B]	\$ 7,313,826,631
Debt limit (4 % of average equalization value)		\$ 292,553,065
Net bonded school debt	[C]	<u>86,775,000</u>
Legal debt margin	[B-C]	<u>\$ 205,778,065</u>

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 295,432,100	\$ 252,857,942	\$ 283,363,243	\$ 304,838,589	\$ 319,929,780	\$ 326,882,878	\$ 326,309,991	\$ 318,290,884	\$ 306,089,007	\$ 292,553,065
Total net debt applicable to limit	<u>95,881,000</u>	<u>93,536,000</u>	<u>91,306,000</u>	<u>88,766,000</u>	<u>86,226,000</u>	<u>97,646,000</u>	<u>94,636,000</u>	<u>91,626,000</u>	<u>90,085,000</u>	<u>86,775,000</u>
Legal debt margin	<u>\$ 199,551,100</u>	<u>\$ 159,321,942</u>	<u>\$ 192,057,243</u>	<u>\$ 216,072,589</u>	<u>\$ 233,703,780</u>	<u>\$ 229,236,878</u>	<u>\$ 231,673,991</u>	<u>\$ 226,664,884</u>	<u>\$ 216,004,007</u>	<u>\$ 205,778,065</u>
Total net debt applicable to the limit as a percentage of debt limit	32.45%	36.99%	32.22%	29.12%	26.95%	29.87%	29.00%	28.79%	29.43%	29.66%

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

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

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

Unaudited

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income **	Unemployment Rate
2005	47,637	-	\$ 41,753	3.2%
2006	47,540	-	44,839	3.5%
2007	46,969	-	47,418	3.1%
2008	46,894	-	49,036	4.1%
2009	47,055	-	47,468	7.6%
2010	47,280	-	47,689	7.1%
2011	47,565	-	50,336	7.2%
2012	47,774	-	52,108	7.4%
2013	47,890	-	*	6.4%
2014	48,160	-	*	*

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	2014 *			2005		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Robert Wood Johnson Hospital	5,000 - 5,249	1	0.00%	n/a	n/a	n/a
Novo Nordisk	4,500 - 4,579	2	0.00%	n/a	n/a	n/a
Wakefern Food Corporation	3,500 - 3,749	3	0.00%	n/a	n/a	n/a
Bristol-Myers Squibb	3,000 - 3,249	4	0.00%	n/a	n/a	n/a
St. Peter's Healthcare System	2,750 - 2,999	5	0.00%	n/a	n/a	n/a
J.F.K. Medical Center	3,000 - 3,369	6	0.00%	n/a	n/a	n/a
Silverline Building Products	2,250 - 2,299	7	0.00%	n/a	n/a	n/a
Ericsson	1,000 - 1,249	8	0.00%	n/a	n/a	n/a
Johnson & Johnson	2,000 - 2,249	9	0.00%	n/a	n/a	n/a
Raritan Bay Medical Center	2,000 - 2,249	10	0.00%	n/a	n/a	n/a

Source: Middlesex County Department of Economic Development

\* Note: Top ten employers by number of employees was not available at the district level, therefore we have presented the current year information at the county level. We have also presented the number of employees as a range, as an exact number of employees was unavailable. Information for the year 2005 was not available (n/a).

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

Unaudited

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Instruction										
Regular	546.5	566.0	571.7	605.5	615.0	612.3	595.2	569.2	565.7	584.7
Special education	219.5	215.5	209.0	228.5	220.0	224.0	206.5	206.5	216.5	224.5
Support Services:										
Student & instruction related services	255.9	260.4	232.7	240.9	234.5	201.4	135.7	132.7	134.2	124.2
General administrative services	7.0	8.0	8.0	8.9	8.9	8.9	7.9	7.9	7.9	7.9
School administrative services	61.9	61.9	60.9	67.5	67.5	65.6	60.6	60.6	60.6	60.6
Business administrative services	23.0	23.0	23.5	27.5	27.9	27.9	22.9	22.9	22.9	22.9
Information Technology	21.0	18.0	15.0	17.0	19.0	21.0	18.0	18.0	19.0	19.0
Plant operations and maintenance	166.5	164.5	152.8	166.9	168.7	169.8	152.8	152.8	157.8	157.8
Pupil transportation	8.5	15.5	16.0	28.6	33.6	38.2	37.3	37.3	37.3	37.3
Food Service	47.3	46.6	42.4	44.5	45.5	37.5	36.4	38.6	36.4	42.0
Adult and Community Programs	4.0	4.0	4.0	4.0	4.0	4.5	5.2	5.1	6.6	5.5
ETTC	3.0	3.0	2.5	2.5	2.5	2.0	2.0	2.0	-	-
Total	<u>1,364.1</u>	<u>1,386.4</u>	<u>1,338.5</u>	<u>1,442.3</u>	<u>1,447.1</u>	<u>1,413.1</u>	<u>1,280.5</u>	<u>1,253.6</u>	<u>1,264.9</u>	<u>1,286.3</u>

Source: District Personnel Records

East Brunswick Public Schools  
Operating Statistics  
Last Ten Fiscal Years

Unaudited

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio					Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff <sup>b</sup>	Elementary	Middle School	Junior High School	High School				
2005	9,035	\$ 115,198,110	\$ 12,750	4.95%	766	12.9	12.5	10.4	12.8	9,096.13	8,719.82	1.22%	95.86%
2006	9,047	121,354,429	13,414	5.20%	782	12.3	11.5	11.6	12.3	9,277.69	9,020.44	2.00%	97.23%
2007	9,067	128,270,342	14,147	5.47%	781	12.4	11.6	11.9	12.3	8,971.55	8,608.08	-3.30%	95.95%
2008	8,846	135,469,684	15,314	8.25%	720	11.8	12.5	12.2	11.9	8,781.66	8,480.19	-2.12%	96.57%
2009	8,876	136,731,783	15,405	0.59%	706	10.9	10.6	10.7	11.9	8,809.58	8,381.17	0.32%	95.14%
2010	8,783	136,416,960	15,532	0.83%	715	11.5	10.4	10.9	12	8,709.20	8,364.48	-1.14%	96.04%
2011	8,631	131,932,439	15,286	-1.58%	696	11.8	10.3	11	11.8	8,495.63	8,142.89	-2.45%	95.85%
2012	8,468	133,555,433	15,772	3.18%	687	11.4	10.4	11.4	11.9	8,292.92	7,983.85	-2.39%	96.27%
2013	8,420	140,746,823	16,716	5.99%	672	11.1	10	11	12	8,212.62	7,859.09	-0.97%	95.70%
2014	8,439	141,137,595	16,724	0.05%	661.5	*	*	*	*	8,270.77	7,926.72	0.71%	95.84%

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

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- \* Information not available for the years noted.

East Brunswick Public Schools  
School Building Information  
Last Ten Fiscal Years

Unaudited

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 *
<b>District Building</b>										
<b>Elementary</b>										
Bowne-Munro (1952)										
Square Feet	32,015	32,015	32,015	32,015	32,015	32,015	32,015	32,015	32,015	32,738
Capacity (students)	242	242	242	242	242	242	242	242	242	270
Enrollment	310	299	295	312	297	286	256	238	237	213
Central (1949)										
Square Feet	40,067	40,067	73,266	73,266	73,266	73,266	73,266	73,266	73,266	78,283
Capacity (students)	452	452	552	552	552	552	552	552	552	532
Enrollment	468	441	429	444	443	449	428	424	407	426
Chittick (1969)										
Square Feet	49,127	49,127	49,127	49,127	49,127	49,127	49,127	49,127	49,127	52,241
Capacity (students)	383	383	383	383	383	383	383	383	383	550
Enrollment	539	560	603	501	495	489	494	515	462	453
Frost (1965)										
Square Feet	49,971	49,971	49,971	49,971	49,971	49,971	49,971	49,971	49,971	52,230
Capacity (students)	438	438	438	438	438	438	438	438	438	455
Enrollment	557	528	538	479	504	502	491	457	429	423
Irwin (1957)										
Square Feet	43,033	43,033	43,033	43,033	43,033	43,033	43,033	43,033	43,033	43,279
Capacity (students)	376	376	376	376	376	376	376	376	376	478
Enrollment	525	536	517	424	441	436	409	417	459	459
Lawrence Brook (1959)										
Square Feet	37,004	37,004	67,267	67,267	67,267	67,267	67,267	67,267	67,267	77,218
Capacity (students)	465	465	532	532	532	532	532	532	532	520
Enrollment	459	451	447	521	572	547	524	513	432	426
Memorial (2012)										
Square Feet	30,759	30,759	30,759	30,759	30,759	30,759	30,759	30,759	78,000	82,821
Capacity (students)	446	446	446	446	446	446	446	446	650	565
Enrollment	375	378	384	389	377	356	348	337	489	499
Warnsdorfer (1968)										
Square Feet	49,971	49,971	49,971	49,971	49,971	49,971	49,971	49,971	49,971	55,708
Capacity (students)	479	479	479	479	479	479	479	479	479	488
Enrollment	569	588	551	531	500	462	461	429	415	443
<b>Total Elementary Schools</b>										
Square Feet	331,947	331,947	395,409	395,409	395,409	395,409	395,409	395,409	442,650	474,518
Capacity (students)	3,281	3,281	3,448	3,448	3,448	3,448	3,448	3,448	3,652	3,858
Enrollment	3,802	3,781	3,764	3,601	3,629	3,527	3,411	3,330	3,330	3,342

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

Unaudited

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 *
<b><u>Middle School</u></b>										
Hammarskjold (2009)										
Square Feet	116,862	116,862	116,862	116,862	254,580	254,580	254,580	254,580	254,580	271,520
Capacity (students)	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,518
Enrollment	1,504	1,468	1,409	1,414	1,441	1,452	1,388	1,298	1,323	1,357
<b><u>Junior High School</u></b>										
Churchill Jr. High (1962)										
Square Feet	205,549	205,549	205,549	205,549	205,549	205,549	205,549	205,549	205,549	260,332
Capacity (students)	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,432
Enrollment	1,484	1,501	1,534	1,506	1,461	1,466	1,469	1,462	1,415	1,315
<b><u>High School</u></b>										
East Brunswick High (1958)										
Square Feet	257,727	257,727	257,727	257,727	257,727	257,727	257,727	257,727	257,727	360,422
Capacity (students)	1,582	1,582	1,582	1,582	1,582	1,582	1,582	1,582	1,582	2,724
Enrollment	2,245	2,297	2,254	2,176	2,284	2,310	2,234	2,208	2,186	2,225
<b><u>Other</u></b>										
Administration Building										
Square Feet	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Number of Schools at June 30, 2014										
Elementary = 8										
Middle School = 1										
Junior High School = 1										
High School = 1										
Other = 1										

Source: District records, ASSA, LRFPP

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

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

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

Unaudited

**Undistributed Expenditures - Required Maintenance for School Facilities**

School Facilities	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
East Brunswick High School	\$ 418,330	\$ 350,196	\$ 363,539	\$ 357,072	\$ 410,530	\$ 714,920	\$ 533,832	\$ 568,212	\$ 525,549	\$ 565,886
Churchill Junior High School	302,159	287,404	295,625	273,595	302,575	535,537	426,848	494,977	441,724	468,456
Hammarskjold School	315,145	339,632	351,406	323,944	343,687	72,810	242,166	230,222	206,420	219,617
Bowne-Munro School	37,998	42,023	42,089	40,757	47,494	95,882	66,159	61,425	56,305	61,519
Central School	90,861	96,169	97,621	93,848	104,944	20,954	153,963	80,487	76,238	75,151
Irwin School	50,232	56,485	57,479	57,905	77,816	122,496	87,549	82,598	75,765	84,647
Lawrence Brook School	89,625	88,295	90,433	84,485	93,577	19,238	139,809	75,300	65,812	72,728
Memorial School	96,128	105,383	43,033	39,151	42,919	88,410	67,486	59,367	55,020	58,100
Chittick School	60,634	64,484	67,793	65,862	67,929	105,673	106,422	95,834	85,025	95,403
Frost School	60,622	65,592	65,695	62,304	69,193	122,373	102,292	105,829	89,017	93,710
Warnsdorfer School	64,659	65,592	65,695	62,304	70,227	106,286	103,639	95,898	86,660	94,496
<b>Total School Facilities</b>	<b>1,586,393</b>	<b>1,561,255</b>	<b>1,540,408</b>	<b>1,461,226</b>	<b>1,630,891</b>	<b>2,004,579</b>	<b>2,030,165</b>	<b>1,950,149</b>	<b>1,763,535</b>	<b>1,889,713</b>
Other Facilities	34,819	39,378	39,440	37,051	39,686	44,732	60,340	65,349	58,997	62,880
<b>Grand Total</b>	<b>\$ 1,621,212</b>	<b>\$ 1,600,633</b>	<b>\$ 1,579,848</b>	<b>\$ 1,498,278</b>	<b>\$ 1,670,577</b>	<b>\$ 2,049,311</b>	<b>\$ 2,090,505</b>	<b>\$ 2,015,498</b>	<b>\$ 1,822,532</b>	<b>\$ 1,952,593</b>

Source: M1

East Brunswick Public Schools  
Insurance Schedule  
For the Fiscal Year Ended June 30, 2014

Unaudited

	Coverage	Deductible
<u>MULTI-PERIL PACKAGE POLICY</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG POLICY NO. P-135AE ANNUAL PREMIUM: \$530,102.48		
<u>Section II - Commercial General Liability</u>		
Bodily Injury, Property Damage and Personal Injury	\$ 11,000,000	
Medical Expense	10,000	
Aggregate Child Molestation/Sexual Abuse	11,000,000	
Employee Benefits Legal Liability	11,000,000	
<u>Section III - Crime</u>		
Money and Securities	50,000	\$ 500
Employee Dishonesty	1,000,000	1,000
Depositors Forgery	1,000,000	1,000
Computer Fraud	1,000,000	1,000
<u>SCHOOL BOARD LEGAL</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG POLICY NO. E-135E ANNUAL PREMIUM: \$147,433		
Wrongful Acts Liability - Each Occurrence	11,000,000	15,000
Annual Aggregate	11,000,000	
<u>CATASTROPHIC POLICY</u>		
FIREMAN'S FUND POLICY NO. SHX00015048663 ANNUAL PREMIUM: \$39,505		
Limit of Insurance (Group Aggregate)	50,000,000	
<u>PROPERTY INSURANCE</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG POLICY NO. P135AE ANNUAL PREMIUM: Included		
Blanket Building - Contents Coverage	392,333,910	10,000
Extra Expense	50,000,000	10,000
Flood & Earthquake	25,000,000	25,000
EDP	2,100,000	1,000
Energy Systems - Property Damage	100,000,000	10,000
Energy Systems - Extra Expense	10,000,000	10,000

East Brunswick Public Schools  
Insurance Schedule  
For the Fiscal Year Ended June 30, 2014

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>AUTOMOBILE POLICY AND GARAGE KEEPERS</u>		
INCLUDED IN MULTI-PERIL PACKAGE POLICY BY EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG		
Bodily Injury and Property Damage	\$ 11,000,000	
Uninsured Motorist Coverage	1,000,000	
Comprehensive	Replacement	\$ 1,000
Collision	Replacement	1,000

ENVIRONMENTAL IMPAIRMENT

CHUBB GROUP  
POLICY NO. 37254099  
ANNUAL PREMIUM: \$9,300

Legal Liability	1,000,000 each loss 3,000,000 aggregate	25,000
-----------------	--	--------

WORKERS COMPENSATION

EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG  
POLICY NO. W-135AE  
ESTIMATED DEPOSIT PREMIUM: \$471,148

A. Worker's Compensation Insurance Under New Jersey State Laws

B. Employer's Liability

Bodily Injury - Each Accident	2,000,000
Bodily Injury By Disease - Each Employee	2,000,000

CHUBB INSURANCE  
POLICY NO. 99061516  
ANNUAL PREMIUM: \$19,465

Supplemental Coverage:

Reimbursement of Salary - Max Weekly Benefit	1,750
--	-------

PRIMARY UMBRELLA

INCLUDED IN MULTI-PERIL PACKAGE  
POLICY BY EDUCATIONAL RISK AND INSURANCE  
CONSORTIUM / NJSBAIG



East Brunswick Public Schools  
Insurance Schedule  
For the Fiscal Year Ended June 30, 2014

Unaudited

	Coverage	Deductible
<u>STUDENT ACCIDENT INSURANCE</u>		
BOLLINGER POLICY NO. P836 ANNUAL PREMIUM: \$45,808		
Supplemental to primary family policy - full excess		
 <u>BONDS</u>		
SELECTIVE POLICY NO. B1005809 ANNUAL PREMIUM: \$1,800		
L. Mason Neely, Treasurer	\$	750,000
 SELECTIVE INSURANCE POLICY NO. B1005007 ANNUAL PREMIUM: \$280		
Bernardo J. Giuliana, Business Administrator / Board Secretary		100,000

# 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, 2014, 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 1, 2014.

### 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.

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

### **Purpose of this Report**

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



David J. Gannon  
Licensed Public School Accountant  
No. 2305



WISS & COMPANY, LLP

December 1, 2014  
Iselin, New Jersey



## Report on Compliance For Each Major Federal and State Program and Report on Internal Control Over Compliance

### Independent Auditors' Report

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

### Report on Compliance for Each Major Federal and State Program

We have audited the East Brunswick Public Schools, in the County of Middlesex, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2014. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs.

### Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on an audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey OMB Circular

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04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major Federal and State Program**

In our opinion, the District complied, in all material respects, with the compliance requirements referred to previously that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2014.

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

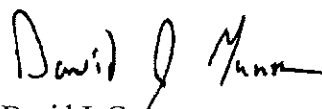
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

**Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB Circular 04-04. Accordingly, this report is not suitable for any other purposes.



David J. Gannon  
Licensed Public School Accountant  
No. 2305



WISS & COMPANY, LLP

December 1, 2014  
Iselin, New Jersey

East Brunswick Public Schools  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance June 30, 2013			Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2014		
				Unearned Revenue	(Accounts Receivable)	Due to Grantor						Unearned Revenue	(Accounts Receivable)	Due to Grantor
<b>General Fund:</b>														
<b>U.S. Department of Health and Human Services</b>														
<b>--Passed-Through State Department of Education</b>														
Medicaid Aid	93.778	7/1/12-6/30/13	\$ 138,244					\$ (54,328)				\$ (54,328)		
Medicaid Aid	93.778	7/1/13-6/30/14	94,278				\$ 94,278	(94,278)						
<b>Total General Fund</b>							<b>94,278</b>	<b>(148,606)</b>				<b>(54,328)</b>		
<b>U.S. Department of Education--Passed-Through State Department of Education</b>														
<b>No Child Left Behind (NCLB):</b>														
Title I, Part A - 11/12	84.010A	9/1/11-8/31/12	321,681	\$ (7,422)			8,383	(961)						
Title I, Part A - 12/13	84.010A	9/1/12-8/31/13	291,190	(44,228)			65,559	(21,331)						
Title I, Part A - 13/14	84.010A	7/1/13-6/30/14	247,172				160,343	(196,131)					(35,788)	
Title II, Part A - 11/12	84.367A	9/1/11-8/31/12	168,446	(69)			9,767	(9,698)						
Title II, Part A - 12/13	84.367A	9/1/12-8/31/13	182,888	(17,890)			30,926	(13,036)						
Title II, Part A - 13/14	84.367A	7/1/13-6/30/14	147,926				66,241	(79,357)					(13,116)	
Title III - 12/13	84.365A	9/1/12-8/31/13	44,382	(147)			41,027	(40,880)						
Title III - 13/14	84.365A	7/1/13-6/30/14	51,767				13,806	(14,836)					(1,030)	
Title III Immigrant - 12/13	84.365	9/1/12-8/31/13	67,669	(3,061)			5,302	(2,241)						
Title III Immigrant - 13/14	84.365	7/1/13-6/30/14	35,355				5,099	(6,001)					(902)	
IDEA Part B, Basic Regular 11/12	84.027A	9/1/11-8/31/12	1,897,959				1,385,945	(1,810,330)					(424,385)	
IDEA, Part B, Basic Regular 12/13	84.027A	9/1/12-8/31/13	2,022,130	(517,753)			521,636	(13,834)					(9,951)	
IDEA, Part B, Basic Regular 13/14	84.027A	7/1/13-6/30/14	1,810,788	(27,786)			27,786							
IDEA Preschool - 11/12	84.173	9/1/11-8/31/12	65,571	(8,211)			8,242	(31)						
IDEA Preschool - 12/13	84.173	9/1/12-8/31/13	75,123	(63,531)			63,531	(340)					(340)	
IDEA Preschool - 13/14	84.173	7/1/13-6/30/14	60,673				3,787	(59,447)					(55,660)	
Adult Basic Education	84.002A	7/1/12-8/31/13	153,284	(51,251)			51,251							
Adult Basic Education	84.002A	7/1/13-6/30/14	243,012				106,615	(207,495)					(100,880)	
Race to the Top	84.416	7/1/12-11/30/15	25,619				10,960	(10,960)						
<b>U.S. Department of Homeland Security</b>														
<b>Passed-through State Department of Education</b>														
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	10/28/12-8/31/13	155,548	(53,690)			27,710		24,763				(1,217)	
<b>Total Special Revenue Fund and U.S. Department of Education - Passed-Through State Department of Education</b>														
				(795,039)			2,613,916	(2,486,909)	24,763				(643,269)	



Schedule of Expenditures of Federal Awards

Year ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance June 30, 2013			Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2014		
				Unearned Revenue	(Accounts Receivable)	Due to Grantor						Unearned Revenue	(Accounts Receivable)	Due to Grantor
<b>U.S. Department of Agriculture—Passed-Through State Department of Education</b>														
Enterprise Fund:														
National School Lunch Program	10.555	7/01/13-6/30/14	\$ 582,070					\$ 538,478	\$ (582,070)				\$ (43,592)	
National School Lunch Program	10.555	7/01/12-6/30/13	541,554	\$	(38,215)			38,215						
National School Breakfast Program	10.553	7/01/13-6/30/14	18,354					16,637	(18,354)				(1,717)	
National School Breakfast Program	10.553	7/01/12-6/30/13	18,737		(1,773)			1,773						
Food Donation Program (NC)	10.555	7/01/13-6/30/14	169,865					169,865	(159,528)			\$	10,337	
<b>Total Enterprise Fund and Total U.S. Department of Agriculture—Passed-Through State Department of Education</b>					<b>(39,988)</b>			<b>764,968</b>	<b>(759,952)</b>			<b>10,337</b>	<b>(45,309)</b>	
<b>Total Federal Awards</b>				<b>\$ -</b>	<b>\$ (835,027)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,473,162</b>	<b>\$ (3,395,467)</b>	<b>\$ 24,763</b>	<b>\$ -</b>	<b>\$ 10,337</b>	<b>\$ (742,906)</b>	<b>\$ -</b>

NC - non-cash expenditures

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

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2014

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2013			Carryover/Walkover	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances		Balance June 30, 2014			Memo	
				Unearned Revenue	(Accounts Receivable)	Due to Grantor				Adjustments	Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
<b>State Department of Education</b>																
<i>General Fund:</i>																
Equalization Aid	14-495-034-5120-078	7/1/13-6/30/14	\$ 11,844,263				\$ 10,710,374	\$ (11,844,263)						\$ (1,133,889)	\$ (11,844,263)	
Equalization Aid	13-495-034-5120-078	7/1/12-6/30/13	11,913,311	\$ (1,130,849)			1,130,849									
Special Education Categorical Aid	14-495-034-5120-089	7/1/13-6/30/14	5,085,994				4,599,095	(5,085,994)						(486,899)	(5,085,994)	
Special Education Categorical Aid	13-495-034-5120-089	7/1/12-6/30/13	5,044,500		(478,840)		478,840									
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	596,256				539,174	(596,256)						(57,082)	(596,256)	
Transportation Aid	13-495-034-5120-014	7/1/12-6/30/13	142,435		(13,520)		13,520									
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	151,656				137,138	(151,656)						(14,518)	(151,656)	
Security Aid	13-495-034-5120-084	7/1/12-6/30/13	577,924		(54,858)		54,858									
Nonpublic School Transportation Aid	13-495-034-5120-014	7/1/12-6/30/13	36,329		(36,329)		36,329									
Nonpublic School Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	40,048					(40,048)			\$ (40,048)				(40,048)	
Extraordinary Aid	13-100-034-5120-473	7/1/12-6/30/13	962,388		(962,388)		962,388									
Extraordinary Aid	14-100-034-5120-473	7/1/13-6/30/14	868,527					(868,527)			(868,527)				(868,527)	
On-Behalf TPAF Pension and Medical Contributions	495-034-5095-001/006/007	7/1/13-6/30/14	6,582,763				6,582,763	(6,582,763)							(6,582,763)	
TPAF Social Security Reimbursements	13-100-034-5095-002	7/1/12-6/30/13	4,279,962		(212,592)		212,592									
TPAF Social Security Reimbursements	14-100-034-5095-002	7/1/13-6/30/14	4,482,808				4,264,017	(4,482,808)				(218,791)			(4,482,808)	
Homeless Students Tuition	Not Available	7/1/13-6/30/14	26,293					(26,293)			(26,293)				(26,293)	
<b>Total General Fund</b>					(2,889,376)		29,721,937	(29,678,608)			(1,153,659)		(1,692,388)		(29,678,608)	
<i>Special Revenue Fund:</i>																
<i>N.J. Nonpublic Aid:</i>																
<i>Auxiliary Services:</i>																
English as a Second Language	14-100-034-5120-067	7/1/13-6/30/14	7,769				7,769	(7,769)							(7,769)	
English as a Second Language	13-100-034-5120-067	7/1/12-6/30/13	10,231			\$ 9,378			\$ (9,378)							
Compensatory Education	14-100-034-5120-067	7/1/13-6/30/14	30,987				30,987	(30,987)							(30,987)	
Compensatory Education	13-100-034-5120-067	7/1/12-6/30/13	38,460			26,755					(26,755)					
Home Instruction	14-100-034-5120-069	7/1/13-6/30/14	838					(838)				(838)			(838)	
Transportation	14-100-034-5120-068	7/1/13-6/30/14	7,798				7,798	(7,798)							(7,798)	
<i>Handicapped Services:</i>																
Supplemental Instruction	14-100-034-5120-066	7/1/13-6/30/14	9,714				9,714	(9,714)							(9,714)	
Supplemental Instruction	13-100-034-5120-066	7/1/12-6/30/13	13,183			3,469			(3,469)							
Examination and Classification	14-100-034-5120-066	7/1/13-6/30/14	18,951				18,951	(16,717)					\$ 2,234		(16,717)	
Examination and Classification	13-100-034-5120-066	7/1/12-6/30/13	28,194			3,830			(3,830)							
Corrective Speech	14-100-034-5120-066	7/1/13-6/30/14	21,092				21,092	(9,374)						11,718	(9,374)	
Corrective Speech	13-100-034-5120-066	7/1/12-6/30/13	28,123			7,812			(7,812)							
Textbook Aid	14-100-034-5120-064	7/1/13-6/30/14	33,238				33,238	(16,455)						16,783	(16,455)	
Textbook Aid	13-100-034-5120-064	7/1/12-6/30/13	25,733			1,646			(1,646)							
Nursing Services	14-100-034-5120-070	7/1/13-6/30/14	36,362				36,362	(22,707)						13,655	(22,707)	
Nursing Services	13-100-034-5120-070	7/1/12-6/30/13	35,717			15			(15)							
Technology Services	14-100-034-5120-373	7/1/13-6/30/14	9,420				9,420	(6,315)						3,105	(6,315)	
Technology Services	13-100-034-5120-373	7/1/12-6/30/13	9,499			1,064			(1,064)							
<b>Total Special Revenue Fund</b>						53,969	175,331	(128,674)	(53,969)		(838)	47,495			(128,674)	

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2014

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2013			Carryover/Walkover	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances		Balance June 30, 2014			Memo	
				Unearned Revenue	(Accounts Receivable)	Due to Grantor				Adjustments	Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
<b>State Department of Education</b>																
<i>Capital Projects Fund:</i>																
Memorial School Replacement	SP-1170-120-09-0QAZ	Open	\$ 4,238,520		\$ (847,704)		\$ 635,778					\$ (211,926)			\$ (4,026,594)	
Browne Munro Security Vestibule	1170-060-14-G1VB	Open	96,779					(11,873)				(11,873)			(11,873)	
Central Security Vestibule	1170-070-14-G1VC	Open	54,113					(4,372)				(4,372)			(4,372)	
Chitwick Security Vestibule	1170-125-14-G1VG	Open	58,280					(3,941)				(3,941)			(3,941)	
CHS Security Vestibule	1170-055-014-G1UZ	Open	50,424					(3,605)				(3,605)			(3,605)	
EBHS Security Vestibule	1170-050-14-G1UY	Open	47,958					(3,604)				(3,604)			(3,604)	
Frost Roof Replacement	1170-130-14-G1VH	Open	571,784					(33,856)				(33,856)			(33,856)	
Frost Security Vestibule	1170-130-14-G1VI	Open	56,632					(3,957)				(3,957)			(3,957)	
Hammarskjold Security Vestibule	1170-055-14-G1VA	Open	65,617					(4,722)				(4,722)			(4,722)	
Lawrence Brook Security Vestibule	1170-100-14-G1VE	Open	57,044					(3,942)				(3,942)			(3,942)	
Wamsdorfer Security Vestibule	1170-138-14-G1VJ	Open	56,632					(3,956)				(3,956)			(3,956)	
<b>Total Capital Projects Fund</b>					<b>(847,704)</b>		<b>635,778</b>	<b>(77,828)</b>				<b>(289,754)</b>			<b>(4,104,422)</b>	
<i>Debt Service Fund:</i>																
Debt Service Aid	14-495-034-5120-017	7/1/13-6/30/14	419,959				419,959	(419,959)							(419,959)	
<b>Total Debt Service Fund</b>							<b>419,959</b>	<b>(419,959)</b>							<b>(419,959)</b>	
<i>Enterprise Fund:</i>																
National School Lunch Program	14-100-010-3350-023	7/1/13-6/30/14	23,168				21,435	(24,536)				(3,101)			(24,536)	
National School Lunch Program	13-100-010-3350-023	7/1/12-6/30/13	24,678		(3,084)		3,084									
<b>Total Enterprise Fund</b>					<b>(3,084)</b>		<b>24,519</b>	<b>(24,536)</b>				<b>(3,101)</b>			<b>(24,536)</b>	
<b>Total State Awards</b>				<b>\$ -</b>	<b>\$ (3,740,164)</b>	<b>\$ 53,969</b>	<b>\$ -</b>	<b>\$ 30,977,524</b>	<b>\$ (30,329,605)</b>	<b>\$ (53,969)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,447,352)</b>	<b>\$ 47,495</b>	<b>\$ (1,692,388)</b>	<b>\$ (34,356,199)</b>
<b>State Financial Assistance Not Subject to Single Audit Determination:</b>																
On-Behalf TPAF Pension and Medical Contributions	495-034-5095-001/006/007	7/1/13-6/30/14	6,582,763				6,582,763	(6,582,763)							\$ (6,582,763)	
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				<b>\$ -</b>	<b>\$ (3,740,164)</b>	<b>\$ 53,969</b>	<b>\$ -</b>	<b>\$ 24,394,761</b>	<b>\$ (23,746,842)</b>	<b>\$ (53,969)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,447,352)</b>	<b>\$ 47,495</b>	<b>\$ (1,692,388)</b>	<b>\$ (27,773,436)</b>

NC - Non-cash expenditures

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

## East Brunswick Public Schools

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

Year ended June 30, 2014

#### **1. General**

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

#### **2. Basis of Accounting**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting, and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in the preparation of, the basic financial statements.

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

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

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

East Brunswick Public Schools

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

Year ended June 30, 2014

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

state deferral and recording of the last state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$14,321 for the general fund and \$31,129 for the special revenue fund. See the Note to Required Supplementary Information (C-3) for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general fund and special revenue fund.

Additionally, as discussed further in footnote 5, the State of New Jersey makes contributions on-behalf of the District for TPAF post-retirement medical and pension contributions. The total amount of these contributions during the 2014 fiscal year was \$6,582,763.

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	\$ 148,606	\$29,664,287	\$29,812,893
Special Revenue Fund	2,486,909	128,674	2,615,583
Capital Projects Fund		77,828	77,828
Debt Service Fund		419,959	419,959
Enterprise Fund – Food Service Fund	759,952	24,536	784,748
Total financial award revenues	<u>\$ 3,395,467</u>	<u>\$30,315,284</u>	<u>\$33,710,751</u>

East Brunswick Public Schools

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

Year ended June 30, 2014

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

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

**5. Other**

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions respectively.

TPAF Social Security Contributions represent the amounts reimbursed by the State for the employer's share of social security for TPAF members for the year ended June 30, 2014.

The State of New Jersey also makes TPAF post-retirement medical and pension contribution expenditures on behalf of the District. These expenditures are not subject to New Jersey OMB Circular 04-04 because the contributions are made by the State directly and do not have any compliance related requirements.

East Brunswick Public Schools

Schedule of Findings and Questioned Costs

Year ended June 30, 2014

**Part I – Summary of Auditors Results**

**Financial Statement Section**

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____ Yes	_____ <u>X</u> _____	None Reported
Noncompliance material to basic financial statements noted?	_____ Yes	_____ <u>X</u> _____	No

**Federal Awards Section**

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$300,000</u>		
Auditee qualified as low-risk auditee?	_____ <u>X</u> _____	Yes	_____ No
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>		
Internal control over major programs:			
Material weakness(es) identified?	_____ Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____ Yes	_____ <u>X</u> _____	None Reported
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (Section 510(a))?	_____ Yes	_____ <u>X</u> _____	No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027A , 84.173	IDEA Part B, Basic & Preschool Cluster

East Brunswick Public Schools

Schedule of Findings and Questioned Costs

Year ended June 30, 2014

**Part I – Summary of Auditors Results (continued)**

**State Awards Section**

Dollar threshold used to distinguished between Type A and Type B programs: \$712,405

Auditee qualified as low-risk auditee?  X  Yes   No

Type of auditor’s report on compliance for major programs:  Unmodified

Internal control over major programs:

Material weakness(es) identified?   Yes  X  No

Significant deficiency(ies) identified?   Yes  X  None Reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 04-04?   Yes  X  No

Identification of major programs:

<b>GMIS/Program Number</b>	<b>Name of State Program or Cluster</b>
State Aid Cluster:	
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5095-002	Reimbursed TPAF – Social Security



East Brunswick Public Schools  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2014

**Part II - Financial Statement Findings**

No financial statement findings noted that are required to be reported under *Government Auditing Standards*.

East Brunswick Public Schools

Schedule of Findings and Questioned Costs

Year ended June 30, 2014

**Part III - Federal and State Award Findings  
and Questioned Costs**

No federal or state award findings and questioned costs noted that are required to be reported in accordance with OMB Circular A-133 or New Jersey OMB Circular 04-04.

East Brunswick Public Schools  
Summary Schedule of Prior Audit Findings  
Year ended June 30, 2014

Not Applicable.