

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE
EAST BRUNSWICK SCHOOL DISTRICT**

**760 Route 18
East Brunswick, New Jersey 08816**

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Prepared by

Bernardo J. Giuliana

**East Brunswick School District
Department of Financial Services**

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Introductory Section

East Brunswick Public Schools

760 Route 18
East Brunswick, New Jersey 08816

September 25, 2012

Honorable President and
Members of the Board of Education
East Brunswick School District
County of Middlesex, New Jersey

Dear Board Members:

The comprehensive annual financial report for the East Brunswick School District (District) for the fiscal year ended June 30, 2012 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 of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations," and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." 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 GASB as established by NCGA Statement No. 3. All funds and account groups 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 the 2011 - 2012 fiscal year with an average daily enrollment of 8,293 students, or 203 students less than the previous year's enrollment. The following details the changes in the District's student enrollment over the last five years.

<i>Average Daily Enrollment</i>		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-2012	8,293.0	(2.39%)
2010-2011	8,496.0	(2.45%)
2009-2010	8,709.0	(1.15%)
2008-2009	8,810.0	0.32%
2007-2008	8,782.0	(2.12%)

2. ECONOMIC CONDITION AND OUTLOOK: The Township of East Brunswick's total labor force increased 1.61% to 26,469 in 2011 from 26,048 in 2010, as reported by the U.S. Department of Labor, Bureau of Labor Statistics. The employment rate for 2011 was 92.8% as compared with 92.9% in 2010, and the unemployment rate for 2011 increased to 7.2% from 7.1% in 2010.

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 June 30, 2012 totaled \$31,597,669.80 and the total number of permits issued totaled 1,895 for the same period. The construction value and permits issued for the entire 2011 calendar year respectively totaled \$39,723,210.00 and 3,427 as compared to \$37,435,294.00 and 2,470 for the 2010 calendar year. This represents an increase of 957 permits and an increase in construction value of \$2,287,916.00.

Certificates of occupancy (COs) issued for new residential units were reported to be at 17, or 71% during the first six months of 2012 as compared with the calendar year 2011. 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 modest 6.1% increase in construction value indicates that property owners continue to invest in East Brunswick properties.

Although the unemployment rate has once again seen 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 continues to remain at high levels, and the State and national economic forecasts do not support any substantive improvement in the near future. This singly important issue must be underscored as it affects general economic viability locally, state-wide 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: On July 10, 2008, Memorial Elementary School suffered a devastating fire, which destroyed a series of classrooms and rendered the entire school facility unusable beginning with the 2008-2009 school year. The District was immediately forced into crisis mode having to determine the best solution to temporarily housing the nearly 400 students displaced by the fire. Within a month of the fire, the District was able to secure a lease for the Corpus Christi school facility in neighboring South River with students receiving instruction at the facility beginning in September 2008. Since then, the District has been in “recovery mode.” A bond referendum to replace the fire-damaged Memorial Elementary School building was approved by the voters on September 29, 2009. The new school opened for instruction as planned in early September 2012 with the majority of the facility having been completed. While construction continues in the media center and gymnasium, full completion is expected in the short run.

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. The District is closely monitoring for the next round of grants in order to avail itself of all possible funding opportunities.

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. The projects undertaken and in-process or completed during the past year include security systems upgrades at Frost School and the Jon R. Kopko Administration Building; science room renovations at East Brunswick High School; renovations to life skills program rooms at Churchill Junior High School and East Brunswick High School; various classroom floor replacements at Frost, Irwin, and Warnsdorfer Elementary Schools and East Brunswick High School; refurbishing of the main gym floor at East Brunswick High School; construction of the New Memorial Elementary School; installation of new door hardware at Chittick, Frost, and Irwin Elementary Schools; and, installation of safety netting at the East Brunswick High School Athletic Complex Varsity Baseball field.

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. The District was fortunate in receiving support from the PTAs as it underwent the installation of wireless infrastructure throughout each of the schools, which enabled that project to be completed by school opening in September 2012. The next phase of that project is the establishment of a Network Access Control (NAC) system that will establish the parameters for wireless access use by students and staff. This advance in the District's technology should not cause us to lose sight of the fact that budget constraints have significantly affected the level of support for the District's investment in technology. This District will continue to be challenged by this issue and in finding ways to appropriately fund this area and provide appropriate hands-on technology to students who are expected to be productive contributors to society in the 21st century.

4. INTERNAL ACCOUNTING CONTROLS: 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, 2012.

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 on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 2B.

7. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 3. The District deposits public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

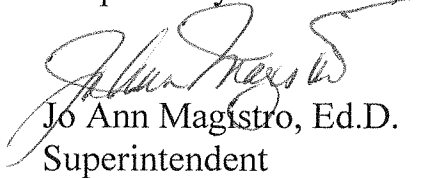
9. OTHER INFORMATION:

A) Independent Audit - State statute 18A:23-1 requires an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of DAK CPA 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 State Treasury Circular OMB 04-04. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is 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.

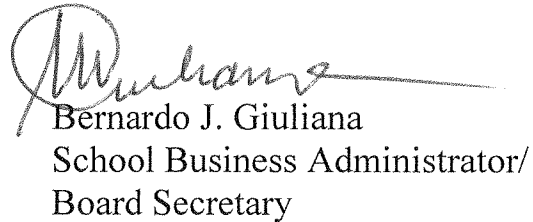
B) Continued Excellence in Academics, Athletics and the Arts - During the 2011-2012 school year, the District continued to advance its reputation for excellence through a variety of accomplishments and achievements. See the accomplishments and achievements section for a number of those successes.

10. 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,



Jo Ann Magistro, Ed.D.
Superintendent



Bernardo J. Giuliana
School Business Administrator/
Board Secretary

The District is proud to report the many successes and accomplishments that our students have achieved. The 2011-2012 school year achievements are listed below.

For Excellence in Academics...

- East Brunswick is the only district in the state having ten schools with Blue Ribbon status. The schools are: Bowne-Munro, Central, Chittick, Frost, Irwin, Lawrence Brook 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.
- Two magazines ranked EBHS among the top in the nation. An article published by US News and World Report ranked the high school number 40 among all New Jersey high schools and 891 nationally out of the more than 21,000 high schools evaluated by the magazine. On Newsweek’s List of Best High Schools, EBHS placed 283 out of 1,000 high schools across the nation.
- In the fall nine EBHS students were named Semi-finalists in the 2012 National Merit Scholarship Program. All nine went on to be named Finalists in February.
- Three EBHS seniors were among the 3,100 Outstanding Participants in the National Achievement Scholarship Program (NASP) being referred to 1,500 U.S. colleges and universities. One senior was awarded the National Achievement Scholarship Award in the amount of \$10,000.
- September marked the fifteenth year for the renowned Intergenerational Studies program at EBHS. The program has been recognized as a New Jersey Best Practice.
- Ninety-nine (99) EBHS students were inducted into Mu Alpha Theta (Math Honor Society). To be selected students are required to be enrolled in college level mathematics (having completed algebra II and enrolled in pre-calculus or higher), have maintained a 3.5 GPA in math courses and a 3.3 in all other courses while in high school.
- Twenty-seven (27) EBHS students were named Commended Students in the 2011 National Merit Scholarship Program.
- Two hundred and twenty-nine (229) EBHS seniors were named Presidential Scholars.
- The EBHS Academic Team finished the fall season with a perfect 6 and 0 record and a prize of \$750 that will be used to subsidize the team’s activities. The advisors are, Ryan Hynes and Beth Shobe.
- The CJHS Science Olympiad team placed second at the regional competition held at Union County College. The students medaled in ten of the 14 events. (Students placing first through sixth receive medals.) Ceil Cherill and Dana Poulsen are the advisors.
- The HMS Science Olympiad team under the direction of advisors Jessica Anulewicz and Priscilla McLarty placed sixth at their regional competition.
- Eighty-five (85) 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.

For Excellence in Academics – Continued

- Applause to CJHS's Geography Bee Winner who qualified to move on to the state round.
- Congratulations to our EBHS Advanced Placement IPLE students and their teacher and coaches Alan Brodman, Joyce Lentz and Barbara Maier. Our New Jersey We the People: the Citizen and the Constitution Champions placed Fourth in the Nation. This is the 24th out of a possible 25 times that EBHS has represented the State and every time they have placed among the top ten schools in the nation. In addition to preparing for this prestigious competition, a rigorous fundraising campaign was executed to supplement the \$7,500 grant given by the East Brunswick Education Foundation. This was the first time that the national competition was not funded in part by the federal government. Thank you to all those who participated in the fundraising effort, making the trip more affordable for the parents of the participants.
- Eighty EBHS students in the International Studies program participated and received recognition for their superior performance at the Rutgers Model UN, the Johns Hopkins Model UN, North Atlantic Invitational Model UN and/or the National High School Model UN.
- Three EBHS students, scored in the top 5% on the 2012 American Mathematics Contest 12 (AMC 12) thereby qualifying them to take the American Invitational Mathematics Examination (AIME) used to determine qualification for the United States team for the International Mathematics Olympiad (IMO).
- Two EBHS seniors were the Grand Prize Winners in the Thomas Jefferson "First Freedom" Competition. In a second contest the same two girls were among the top 75 Student Cam Winners, out of a total of 1,203 in a competition sponsored by Comcast.
- Forty-five (45) EBHS students participating in the Rutgers Model Congress were recognized for exemplary written work and oral presentation and were named the Outstanding Large Delegation.
- At the Technology Students Association (TSA) Competition two EB teams (grades 9/10 and grades 11/12) placed first in the State. The grade 9/10 team was named the top public school among those competing and was second in the nation among all high schools competing.
- Thirty (30) EBHS students enrolled in the Waksman Scholars program had their research on a new organism named *Wolffia australiana* published in the National Center for Biotechnology Information (NCBI) Database that disseminates biomedical information for the better understanding of molecular processes affecting human health and disease.
- In New Jersey Science League Team Competition four EBHS students participating in the Physics I category placed first. In individual competition, three students placed first in state in their categories (Physics I, Biology II and Physics C).
- An EBHS junior was named a National Chemistry Olympiad Winner. The student is one of only 20 in the country to participate in an intense chemistry study camp at the Air Force Academy in Colorado. To be chosen to participate in the study camp, there is a rigorous series of tests. From the 20, 4 are chosen to compete internationally.
- EBHS junior was among one of twenty finalists nation-wide selected to participate in the National Biology Olympiad held at Perdue University. He went on to become one of only four students selected to represent the United States at the International Biology Olympiad where he was among 260 of the world's most promising pre-university

For Excellence in Academics – Continued

students competing in this prestigious contest where Team USA captured four gold medals.

- Five EBHS students who participated in the 62nd Annual Merck State Science Day placed first in the Chemistry category; one member of the team finished first in the State individually on the Chemistry test and one member of the team finished first in the State individually on the Biology test.
- One HMS student won the local component of the “Soil to Spoon” Poster Contest sponsored by the State Soil Conservation Districts.
- One Memorial Elementary School 4th grade Talented and Gifted (TAG) student placed first in New Jersey and sixth in the nation in the InvestWrite National Essay Contest.
- Three Warnsdorfer Elementary School students participating in the Talented and Gifted (TAG) program were national finalists in the Kids Science Challenge, a nationwide competition in which third to sixth graders are able to submit experiments and problems for real scientists and engineers to solve. One third grade student went on to be a National Grand Prize Winner in the Zero Waste category.
- An Irwin fourth grader won the What My State Means to Me essay contest sponsored by Senator Buono.
- A HMS 7th grader was picked to appear monthly on the “Today” show as a participant in Al Roker’s book club.
- At Senior Awards Night 284 seniors received a total of 447 awards.
- At Community Programs yearly celebration of lifelong learning 24 adults were applauded for having become naturalized citizens during this school year thanks in-part to the instruction they received in the Adult Basic Skills program.
- Continuing Indicators of East Brunswick Public Schools Success:
 - AP Courses – 26
 - Combined SAT Score – 1665
 - College Credits Taken – 3,481
 - Value of College Courses - \$2 Million
 - Graduates’ Rating of EB Education – 98% Positive
 - Graduates’ Receiving Academic Scholarships – 44%
 - Proficient HSPA-Language Arts – 98.8%
 - Proficient HSPA-Math – 94.4%
 - % AP – 3 or Better – 92%
 - Higher Education Bound – 98%
 - Graduation Rate – 99.6%

In Athletics...

- **Season Summaries**

	Fall	Winter	Spring	Overall
Record	96-40-3	77-52-1	95-78	268-170-4
Winning %	69%	59%	55%	61%
Division Record	69-25-2	48-23-1	60 – 40	177-88-3

In Athletics-Continued

- **Team Champions**

Conference	Division	Sectional	State
Boys Soccer	Boys Soccer	Boys Soccer	Boys Winter Track
Girls Soccer	Girls Tennis	Softball	
Girls Tennis	Gymnastics		
Boys Winter Track	Field Hockey		
Boys Bowling	Girls Swimming		
	Softball		

- The Fall Red Division Champions are Girls Tennis/Coach Brian McInerney, Boys Soccer/Coach Terrence McKibbin and Assistant Coach Steven Pecesky, and Girls Soccer/Coach Kevin Brady.
- The Fall GMC Champions are Girls Tennis (6th year in a row!)/Coach Brian McInerney, Girls Gymnastics/Coach Kara Scefcyk, Field Hockey/Coach Cynthia Todoroff and Assistant Coach Sherri Grondski, and Boys Soccer (Co-champions)/Coach Terrence McKibbin and Assistant Coach Steven Pecesky.
- The Boys Soccer Team/Coach Terrence McKibbin and Assistant Coach Steven Pecesky, is the NJSIAA/Central Jersey, Group 4 Champion.
- Four members of the Varsity Cheerleading Squad were named All American by the United Cheerleading Association.
- The Girls Swim Team won their first ever Red Division title. The coaches are Jeff Sundburg and Bill Pellegrino.
- Two members of the Boys Winter track Team are Individual NJSIAA Sectional Champions in the 55 Meter Dash and the Shot Put. The team placed 2nd overall at the State Sectional meet.
- The eighteen members of the EBHS Winter Track Team were named 2012 NJSIAA Group IV Winter Track Champions.
- One EBHS senior was named New Jersey Gatorade Player of the Year for Boys Track.
- Three Varsity Wrestlers were named District State Champs.
- One EBHS sophomore was named the top grappler at the National High School Coaches Association (NHSCA) National Sophomore Championships in the 160 pound weight class making him the top sophomore wrestler in the country.
- EB Rhythm, the high school's step dance team competed in the Six Flags Step Invitational Competition, a national level step event. Teams from around the country came to compete for a National Title. EB Rhythm took Second Place at the show making them Second in the Nation!
- We are proud of the Boys Winter Track Team and Coach Kevin McEvoy. The boys won the Central Jersey Group 4 State Championship.
- Boys Spring Track and Field EBHS senior stood out with championships for the 2012 Boys Spring Track and Field season which included: GMC Champion - Shot Put and Discus, State Sectional Champion – Shot Put and Discus, State Group IV Champion in Discus, Meet of Champions Winner in Discus and Penn Relay Champion in discus. Also commended was his Coach Dave Hagan.

In Athletics-Continued

- One member of the Boys Spring Track Team is the Individual State Champ in the 55 Meter Run.
- The EBHS Varsity Softball Team whose season record of twenty-five wins, four losses and zero ties earned the team a Red Division Championship, a GMC Co-Championship and finally the 2012 NJISAA Central Jersey Group IV Sectional Championship
- At the High School Athletics Awards 134 awards were given to our student athletes.
- One hundred forty-seven (147) senior letter winners are going on to higher education.
- Four thousand six hundred forty-one (4641) out of 4646 athletes since 1983 have gone on to higher education.
- Nine (9) members of the senior class were offered scholarships or athletic grants totaling more than \$980,000.
- EB's own Heather O'Reilly of the Class of 2003 won her third gold medal in Olympic Competition as a member of the United States Women's Soccer Team.

In the Arts...

- EBHS has been named a Model School of the Arts, and all 11 schools in the district were among the top 10% State-wide for our offerings and the work of our students in the visual and performing arts.
- Members of the EBHS Concert Choir under the direction of Jennifer Sengin and six elementary students under the direction of Michele Moore performed live on stage in the Kenny Rogers Greatest Hits/Christmas Tour at the State Theater in New Brunswick.
- The artworks of two EBHS students (teacher, Matthew McCarthy) were featured in the Emerging Artists Exhibit at Kean University's James Howe Gallery sponsored by the Art Administrators of New Jersey. One of the students received an Honorable Mention for her self-portrait titled Sock Monkey Slippers.
- District-wide 141 student musicians were selected to participate in Regional, State and National ensembles.
- Central Jersey Music Educators Association (CJMEA):
 - 6 Elementary Honors Chorus
 - 14 Elementary Honors Band
 - 43 Elementary Honors Orchestra
 - 9 Intermediate Chorus
 - 3 Intermediate String Orchestra
 - 9 Intermediate Symphonic Orchestra
 - 4 Intermediate Orchestra
 - 1 Intermediate Percussion Ensemble
 - 4 Intermediate Band
 - 11 Orchestra
 - 8 Symphonic Band
 - 7 Chorus

In the Arts-Continued

- New Jersey All-State Ensembles:
 - 6 Intermediate Orchestra
 - 7 Orchestra
 - 4 Symphonic Band
 - 4 Chorus
 - 1 Women's Chorus
 - 1 Honors Jazz Choir
 - 1 Wind Ensemble

- Four student musicians in grades 9-12 also successfully auditioned for inclusion in the New Jersey All-State Music Ensemble, sponsored by the New Jersey Music Educators Association (3 Symphonic Band, 1 Symphonic Band and Orchestra; this student's scores made him eligible for All-East consideration for 2013).
- Congratulations to the CJHS in both the student whose artwork was selected as a Finalist in the Middlesex County Youth Art Month Exhibit and the State Youth Art Month Exhibit.
- EBHS choral students performed in the magnificent Princeton University Chapel with students from three other high schools. In addition to performing in this professional venue with its beautiful acoustics and important history, students were able to collaborate with their peers from other high schools. This unique opportunity was made possible through an East Brunswick Education Foundation grant awarded to choir director/teacher Jennifer Sengin.
- An EBHS senior was the first place winner in the Painting Division of the 2011 Congressional Art Competition for New Jersey's Twelfth District. The painting will hang in Congressman Rush Holt's office for one year. The masterpieces of two EBHS sophomores also received top honors, placing second and third in the Collage Category.

Staff Accomplishments...

- Dr. Jo Ann Magistro, Superintendent received the 2012 Educational Leadership Award presented by the Art Administrators of New Jersey (AANJ). The award is presented annually by AANJ to honor outstanding commitment to Arts Education programs by an educational leader.
- Coach Kevin McEvoy has been selected New Jersey's 2011-2012 Coach of the Year for Boys Indoor Track and Field for the National Federation of High Schools Association award (to be awarded on Sunday March 25, 2012). Coach McEvoy was also named the GILL Regional High School Track Coach of the Year.
- Coaches Jeff Sundberg and Kevin McEvoy were named Coaches of the Year at the county level by the Star Ledger...Coach Sundberg in Girls Swimming and Coach McEvoy in Boys Winter Track.
- EBHS Social Studies Teacher Tom Husar has been nominated for the University Of Chicago's Outstanding Educator Award.
- Mr. Husar was also awarded the Paul Harris Award by the Rotary Club. This is the highest recognition a local club can give and was due to the level of volunteer work the Interact Club has done under Tom's advisorship.

Staff Accomplishments-Continued

- Teacher Charity Fues was the winner of Barnes & Noble's My Favorite Teacher Competition. She was honored at a reception held at the Barnes & Noble at Brunswick Square Mall.
- Athletic Trainer Phil Hossler, an advocate for encouraging athletes to drink chocolate milk after a workout, was tapped by the National Milk Mustache "got milk" campaign. Phil will be among those featured in trade magazines that target coaches, trainers and athletic administrators.
- The New Jersey Sports Writers Association honored Coach Pell (EBHS Social Studies teacher, William Pellegrino) at their 76 Anniversary banquet. Coach Pell was recognized for 50 years of commitment and dedication to high school sports.
- EBHS physical education teacher Debbie Mangino was named A Teacher Who Makes Magic by WMGQ.
- Coach Geg Rutz was chosen to be inducted into the New Jersey Scholastic Coaches (NJSCA) Association Hall of Fame.
- Girls Lacrosse Team Coach Sheri Grondski was named Division Coach of the Year by the GMC Coaches.
- Boys Volleyball Team Coach Melissa Strauss was named Division Coach of the Year by the GMC Coaches and also was named Coach of the Year by The Home News Tribune
- Dr. Mary- Anne Love is one of eight people to receive the designation of Rachel's Challenge Champion of the Year. Chosen by the leaders at Rachel's Challenge, these eight champions went above and beyond to spread the message of kindness and compassion that Rachel Scott left behind.
- Inducted onto the Wall of Honor for 2012 were Henry (Hank) Stankiewicz and Gordon J. Tedeschi.

Excellence for Service to the Community...

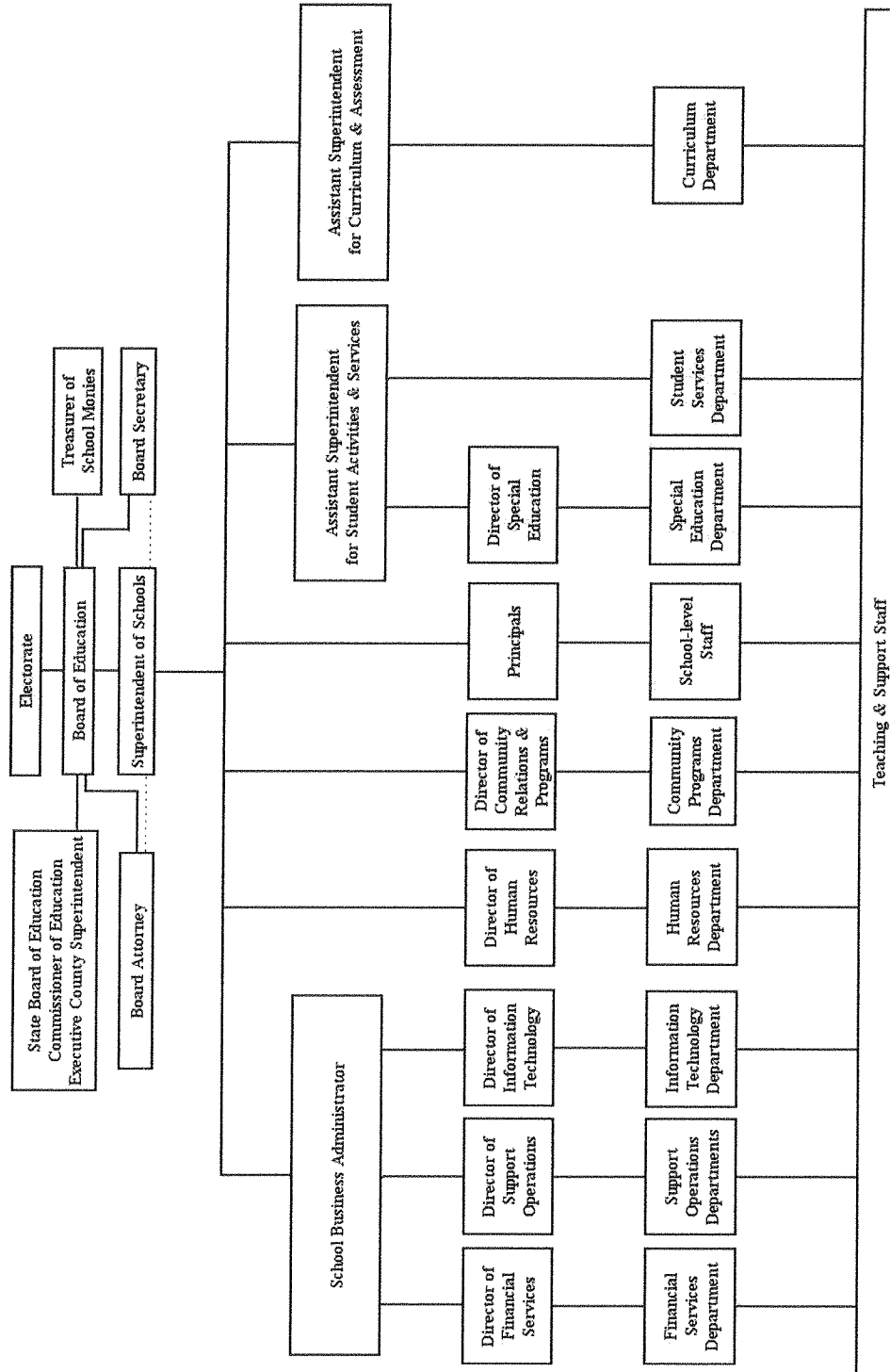
- District-wide \$3,512 was collected for Cancer research through a staff denim day in October. All proceeds went to the Cancer Institute of New Jersey Foundation's Breast Cancer and Pediatric Cancer Research Fund.
- The Girls Volleyball Team held their second annual Live Pink/Volley for Cancer event in October. Hats off to the girls and Coaches Melissa Strauss and Greg Rutz whose team spirit and hard work raised more than \$4,300 for Cancer research.
- The Irwin Student Council organized a Pajama Day, raising \$362 for Foster and Adoptive Family Services (FAFS), an organization that provides support for children in foster care and their foster families.
- EBHS students in all cooking classes, Chef's Lab, Everyday Foods and Foods Workshop (Paula Cavallaro, Ronnie Goldstein, Bess Greenberg, Rachel Kirson, Kathy Suleski, Natalie Taranto, Joan Winters), created platters of holiday cookies for the East Brunswick Senior Center.
- Due to efforts at each of our twelve buildings and the generosity of our educational community, literally hundreds of children and many entire families had a joyous holiday season with plenty of food and gifts.

Excellence for Service to the Community-Continued

- Bowne-Munro art classes participated in a project for the Red Cross called Holiday Mail for Heroes. Students made holiday cards for soldiers and the cards were distributed to troops overseas that could not come home for the holidays. They were also given out to troops in the US that are wounded and in hospitals.
- Lawrence Brook students and staff raised over \$1,300 for Cancer research on their “Pink Hair for Hope” day.
- The Central Elementary School community raised more than \$4,000 for Juvenile Diabetes research at their walkathon. Central School, you are awesome!
- One hundred seventy-two (172) of East Brunswick’s eldest citizens attended the Senior Senior Prom at EBHS. Audrey Nelson, Kerri McQuade and Chris Argenziano organized the event along with the Student Council, National Honor Society, Spanish Honor Society, and Interact Club assisted. The Jazz Ensemble and the Step Team performed for the guests. Family and Consumer Science classes taught by Kathryn Suleski, Bess Greenberg, and Paula Cavallaro made the desserts. Our senior citizens had a wonderful time.
- Hammarskjold Middle School students and staff 3rd Annual Mini-Relay for Life raised \$4,021 for the American Cancer Society.
- Through the ABC's of Luminaria project, the district’s elementary schools brought in more than \$3,000 for the American Cancer Society.

The record of achievement keeps the District hopeful that the 2012-2013 school year promises to be as productive as the previous year.

1110. ORGANIZATIONAL CHART



This organizational structure is effective July 1, 2011.

EAST BRUNSWICK SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2012

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Todd Simmens, President	2014
Meredith Shaw, Vice President	2012
Vicki Becker	2012
Holly Howard.....	2013
Brad Cohen, M.D.	2013
Susan R. Karp, M.D.	2012
Laurie Lachs.....	2014
Curt Philipczak	2013
Katie Spiegler.....	2014

Other Officials

Jo Ann Magistro, Ed.D., Superintendent
Bernardo J. Giuliana, School Business Administrator/Board Secretary
Evelyn H. Ogden, Ed.D., Assistant Superintendent
Louis Figueroa, Assistant Superintendent of Student Activities/Services
L. Mason Neely, Treasurer

EAST BRUNSWICK SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

ARCHITECT

Design Ideas Group, LLC
Architecture + Planning
15 Bethany Street
New Brunswick, New Jersey 08901

ATTORNEY

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

AUDIT FIRM

David A. Kaplan, CPA, RMA, PSA
DAK CPA
512 Marvin Drive
Long Branch, NJ 07740

INSURANCE BROKER

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

OFFICIAL DEPOSITORIES

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

Financial Section

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Township of East Brunswick School District
County of Middlesex
East Brunswick, New Jersey

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 Board of Education of the Township of East Brunswick School District (the "District"), in the County of Middlesex, New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2012 on our consideration of the District's internal control over financial reporting and 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* and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 21 through 28 and 67 through 79 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.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying introductory section, combining statements, and related major fund supporting statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by 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 are also not a required part of the basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, statistical information and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



David A. Kaplan
Certified Public Accountant
Licensed Public School Accountant No. 911

DAK CPA

DAK CPA Certified Public Accountants

September 25, 2012
Long Branch, New Jersey

**Required Supplementary Information
Part I**

Management's Discussion and Analysis

EAST BRUNSWICK PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
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, 2012. The intent of this discussion and analysis is to look at the School 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 Local Governments*.

Financial Highlights

Key financial highlights for 2011-2012 are as follows:

In total, net assets totaled \$120,860,760, which represents a 11.5% increase from 2011. This is due to the positive change in net assets that occurred this year.

Governmental activities general revenues accounted for \$149,918,003 in revenue or 97% of all revenue. Program specific revenue in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$4,604,774 or 3% of total revenue of \$154,522,776.

Among major funds, the General Fund had \$138,688,796 in revenue and \$132,662,597 in expenditures. The General Fund's fund balance is \$17,506,934 as of June 30, 2012, an increase of \$6,298,929 from the June 30, 2011 balance.

Notification was received that the two June 2012 state aid payments to the district in the total amount of \$1,557,984 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.

Using this Comprehensive Annual Financial Report (CAFR)

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand East Brunswick Public School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the District, presenting both an aggregate view of the District's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of East Brunswick Public Schools, the General Fund is by far the most significant since it accounts for most of the district's activities.

District-wide Financial Statements

Statement of Net Assets and the Statement of Activities

This document contains all funds used by the District to provide programs and activities, viewing the District as a whole and reports the culmination of all financial transactions. The report answers the question, "How we did financially during fiscal year 2012?" The Statement of Net Assets and the Statement of Activities together provide the summary of District reporting, with includes all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenue and expenditures regardless of when cash is received or paid.

These two statements report the District's net assets and changes in those assets. This change in net assets is important because they report on whether the District's financial position has improved or diminished.

In the Statement of Net Assets and the Statement of Activities, the District is divided into two kinds of activities:

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 — These services are provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Child Nutrition, Adult and Community Programs, and Educational Technology Training Center Enterprise Funds are reported as business activities.

Reporting the District's Most Significant Funds

Fund Financial Statement

The analysis of the District's major funds begins on page 31. Fund financial reports provide detailed information about the District's major funds. The District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

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 Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The Enterprise Fund uses the accrual basis of accounting, which is also used by business-type activities.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

District-wide Analysis

The Statement of Net Assets provides the financial perspective of the District as a whole.

Table 1 provides a summary of the District's net assets for 2012 and 2011.

Table 1 – Comparative Summary of Net Assets

Assets	<u>2012</u>	<u>2011</u>
Current and Other Assets	\$ 30,028,434	\$ 33,815,958
Capital Assets	<u>204,246,708</u>	<u>194,194,764</u>
Total Assets	<u>\$ 234,275,142</u>	<u>\$ 228,010,722</u>
Liabilities		
Long-Term Liabilities	\$ 100,313,269	\$ 106,795,009
Other Liabilities	<u>13,101,113</u>	<u>12,791,433</u>
Total Liabilities	<u>\$ 113,414,382</u>	<u>\$ 119,586,442</u>
Net Assets		
Invested in Capital Assets, Net of Debt	\$ 100,472,745	\$ 84,087,211
Restricted	22,469,548	23,296,846
Unrestricted	<u>(2,081,533)</u>	<u>1,040,223</u>
Total Net Assets	<u>\$ 120,860,760</u>	<u>\$ 108,424,280</u>
Detail of Total Net Assets:		
Governmental Activities	\$ 120,142,263	\$ 107,867,790
Business-type Activities	<u>718,497</u>	<u>556,490</u>
	<u>\$ 120,860,760</u>	<u>\$ 108,424,280</u>

The District's combined net assets were \$120,860,760 on June 30, 2012. This is an increase of \$12,436,480 from the previous year.

Table 2 shows the comparative change in net assets for fiscal years 2012 and 2011.

Table 2 – Comparative Changes in Net Assets

	<u>2012</u>	<u>2011</u>	<u>% Change</u>
Revenues:			
Program Revenue:			
Charges for Services	\$ 4,632,994	\$ 4,555,343	2%
Operating Grants and Contributions	4,943,021	6,974,322	-29%
General Revenue:			
Property Taxes	116,678,885	115,390,924	1%
Grants and Entitlements	26,937,077	22,057,827	22%
Other	6,007,782	1,879,527	220%
Total Revenues	<u>159,199,759</u>	<u>150,857,943</u>	<u>6%</u>
Program Expense:			
Instruction	73,378,482	73,572,845	0%
Support Services:			
Pupils and Instructional Staff	25,863,628	21,270,905	22%
General Administration, School Administration, Business Operations and Maintenance of Facilities	28,225,100	30,989,481	-9%
Pupil Transportation	9,142,072	8,899,046	3%
Enterprise Activities	4,514,976	4,563,699	-1%
Special and Charter Schools	1,146,507	816,189	40%
Debt Service	4,492,514	4,680,945	-4%
Total Expense	<u>146,763,279</u>	<u>144,793,110</u>	<u>1%</u>
Change in Net Assets Before Extraordinary Items	12,436,480	6,064,833	105%
Extraordinary Items	<u>(76,740)</u>	<u>(76,740)</u>	<u>-100%</u>
Change in Net Assets After Extraordinary Items	12,436,480	5,988,093	108%
Beginning Net Assets	<u>108,424,280</u>	<u>102,436,187</u>	<u>6%</u>
Ending Net Assets	<u>\$ 120,860,760</u>	<u>\$ 108,424,280</u>	<u>11%</u>

Governmental Activities

Property taxes as approved by the voters of the Township of East Brunswick made up 73.3% of total revenue for the fiscal year 2012. Federal, state and local grants and tuition and miscellaneous revenue accounted for the remainder.

The total cost of all programs and services was \$146,763,280. Instruction accounted for 50% 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.

Child Nutrition revenue, which included no subsidy from the general fund, was greater than expenses by \$110,494. Charges for services which are made up of the amount paid by students and other patrons for daily food service and catering, represent 76% of total revenue.

The Adult and Community Programs revenues exceeded expenses by \$306,843. A \$100,000 transfer to the General Fund brought the net increase in net assets to \$ 206,843.

The ETTC Program revenues exceeded expenses by \$12,451. A \$167,781 transfer to the General Fund brought the net decrease in net assets to \$155,330. The ETTC Program has been discontinued.

Governmental Activities

The Comparative Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services.

Table 3 – Comparative Statement of Activities

	Total Cost of Services			Net Cost of Services		
	2011-12	2010-11	% Change	2011-12	2010-11	% Change
Instruction	\$ 73,378,482	\$ 73,572,845	-0.26%	\$ 69,084,764	\$ 67,177,728	2.84%
Support Services:						
Pupils and Instructional Staff	22,385,755	22,087,094	1.35%	22,074,699	21,924,803	0.68%
School Administration	6,699,186	6,818,701	-1.75%	6,699,186	6,818,701	-1.75%
General Administration	9,291,373	9,199,308	1.00%	9,291,373	9,199,308	1.00%
Operation and Maintenance of Facilities	15,712,415	14,971,472	4.95%	15,712,415	14,971,472	4.95%
Pupil Transportation	9,142,071	8,899,046	2.73%	9,142,071	8,899,046	2.73%
Debt Service	4,492,514	4,680,945	-4.03%	4,492,514	4,680,945	-4.03%
Total Expenses	\$ 141,101,796	\$ 140,229,411	0.62%	\$ 136,497,021	\$ 133,672,003	2.11%

Instruction expenses include activities directly associated with the teaching of pupils and the interactions between teacher and student, including extracurricular activities. In the 2011-12 school year the District administered 1,262 Advanced Placement (AP) exams with a 90% success rate.

Extracurricular activities include expenses for co-curricular and athletic programs offered by the District. In addition to providing students with opportunities to participate in clubs, activities and athletics, these programs help motivate, improve skills, instill school spirit, and foster leadership among our students. Over half of the student population participated in extracurricular activities during the 2011-2012 school year.

Pupils and instructional staff include the services provided to special needs students such as occupational therapy, nursing, speech therapy, and evaluation services. Activities involved with assisting staff with the content and process of teaching students, including curriculum and staff development, is also included.

General administration, school administration and business operations include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities include costs associated with keeping the school grounds, buildings and equipment in an effective working condition. Pupil transportation includes costs related to the transportation of students to and from school, to school curricular and athletic activities and field trips as provided by state law.

The School District's Funds

Information about the District's major funds begins on page 28. The modified accrual basis of accounting is used to account for these funds. All governmental funds had total revenue of \$154,322,072 and expenditures of \$158,848,613. The change in fund balance for the year was most significant in the Capital Projects Fund, which reflects a decrease of \$10,363,914 due mainly to capital expenditures related to the Memorial School. The General Fund had a net change in fund balance of \$6,298,929, due in large part to an insurance settlement.

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 schedules present a comparative summary of the revenue of the governmental funds for the fiscal years ended June 30, 2012 and 2011, as well as the amount and percentage of increase or decrease in relation to prior year revenue.

Comparative Summary of Revenues

Revenue	2011-12		2010-2011		Increase/ (Decrease) from 2010-2011 to 2011-2012
	Amount	Percent of Total	Amount	Percent of Total	
Local Sources	\$ 123,091,277	79.76%	\$ 119,148,456	77.21%	\$ 3,942,821
State Sources	27,776,857	18.00%	24,595,645	15.94%	3,181,212
Federal Sources	3,453,938	2.24%	3,857,299	2.50%	(403,361)
Total	\$ 154,322,072	100.00%	\$ 147,601,400	100.00%	\$ 6,720,672

Local source revenue increased by \$3,942,821, due mainly to receipt of an insurance settlement.

The following schedule presents a summary of governmental fund expenditures for the fiscal years ended June 30, 2012 and 2011, along with percentage changes.

Comparative Summary of Expenditures

Expenditures	2011-12		2010-2011		Increase/ (Decrease) from 2010-11 to 2011-2012
	Amount	Percent of Total	Amount	Percent of Total	
Current Expense:					
Instruction	\$ 55,666,310	35.04%	\$ 55,945,559	35.22%	\$ (279,249)
Undistributed Expenditures	76,742,616	48.31%	75,195,040	47.34%	1,547,576
Capital Outlay	16,445,634	10.35%	9,118,270	5.74%	7,327,364
Special Schools	0	0.00%	70,417	0.04%	(70,417)
Charter School	1,146,507	0.72%	721,423	0.45%	425,084
Debt Service	8,847,546	5.57%	8,983,659	5.66%	(136,113)
Total	\$ 158,848,613	100.00%	\$ 150,034,368	94.45%	\$ 8,814,245

The decreases in Current Expense – Instruction are attributed to budgetary constraints.

The increase in Charter School expenditure is attributed to 2011-12 being the second year for the Charter School.

The increase in Capital Outlay is the result of increase transfers to the Capital Reserve.

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 2012, 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.

While the District's final budget for the General Fund anticipated that revenue and expenditures would roughly equal, the actual results for the year shows an increase in surplus of \$2,042,607 which was generated in large part by rigorous budgetary expenditure oversight.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2012, the District had \$244,976,052 invested in governmental activities funds land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2012 balances compared to 2011.

Table 4 - Capital Assets at June 30

	<u>2012</u>	<u>2011</u>
Non-Depreciable Assets:		
Land/Sites	\$ 1,019,208	\$ 1,019,208
Construction in Progress	19,217,973	7,200,013
Depreciable Assets:		
Buildings and Improvements	214,216,649	214,189,296
Machinery and Equipment	<u>10,522,222</u>	<u>7,087,636</u>
Totals	<u>\$ 244,976,052</u>	<u>\$ 229,496,153</u>

Overall capital assets increased \$15,479,899 from fiscal year 2011 to fiscal year 2012 mainly due to the increase in construction in progress attributable to the Memorial School construction project.

The District also had \$374,981 invested in Proprietary Capital Assets, not included above, consisting of Machinery, Equipment and Building Improvements. Write offs of fully depreciated assets occurred as well the transfer of the net capital assets of the ETTC program to the governmental funds of the District.

Debt Administration

At the end of fiscal year 2012, the District had \$91,626,000 in outstanding bond issues.

During fiscal year 2012, the District's long-term liabilities decreased by \$6,444,834. The decrease is a result of debt retirements.

Additional information can be found in Note 6 to the financial statements.

For the Future

The East Brunswick Public School District is in excellent financial position. It has maintained a legally acceptable fund balance position. However, it is unfortunate that the District's history of prudent budget management was used by the State of New Jersey as a means to reduce its financial obligation to East Brunswick. In 2010, the State of New Jersey "confiscated" fund balance that would have otherwise offset taxes in a subsequent school district budget. The confiscation occurred through a reduction in state aid. This action completely disregarded any local plan to stabilize property taxes. For the near term, it will be difficult for the District to limit growth in future tax levies when its efforts are overridden by the State's random actions.

The NJ Department of Education's actions affecting the 2010-2011 school district budget resulted in across-the-board reductions in staff for a total loss of nearly 100 positions. While the District's major focus has been to maintain programs and services, it has become increasingly difficult to do so. In fact, the staff reductions directly impacted classrooms, as well as administrative and support areas. In addition, additional staff reductions were necessary in order to arrive at a final 2011-2012 school district budget. The State's ability to fund its state aid obligation continues to be of concern. The economy, both State wide and nationally, has been sluggish. It has been a source of controversy, which has provided little reassurance toward the long-term health of the economy. As a result, the District's "look ahead" is cautious and views the State's financial condition as tenuous at this time. The general economic outlook is being closely watched for the potential adverse affect that could ultimately affect local school budgets.

While East Brunswick residents have been supportive of their schools and appreciate the quality education that is provided to students, the town continues to experience the impact of successfully appealed property assessments by the commercial community. In spite of a legislated cap on property tax increases and some business development in town, the impact is the reduction in the tax base, which has resulted in an increased tax burden upon the remaining property owners.

Requests for Information

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

Basic Financial Statements

District-wide Financial Statements

The district-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, 2012.

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 13,933,954	\$ 701,572	\$ 14,635,526
Receivables, Net	6,699,965	146,414	6,846,379
Inventory		66,484	66,484
Restricted Assets:			
Restricted Cash and Cash Equivalents	325,936		325,936
Capital Reserve Account	8,154,110		8,154,110
Capital Assets, Non-Depreciable	20,237,181		20,237,181
Capital Assets, Depreciable, Net	<u>183,761,716</u>	<u>247,811</u>	<u>184,009,527</u>
 Total Assets	 <u>\$ 233,112,861</u>	 <u>\$ 1,162,280</u>	 <u>\$ 234,275,141</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 4,191,143	\$ 110,207	\$ 4,301,350
Accrued Salaries and Benefits	704,455	25,814	730,269
Accrued Interest Payable	948,878		948,878
Intergovernmental Payable	56,383		56,383
Deferred Revenue	192,904	163,951	356,855
Noncurrent Liabilities:			
Due Within One Year	6,707,379		6,707,379
Due Beyond One Year	<u>100,169,458</u>	<u>143,811</u>	<u>100,313,269</u>
 Total Liabilities	 <u>\$ 112,970,599</u>	 <u>\$ 443,783</u>	 <u>\$ 113,414,382</u>
<u>NET ASSETS</u>			
Invested in Capital Assets - Net of Related Debt	\$ 100,224,934	\$ 247,811	\$ 100,472,745
Restricted for:			
Debt Service	7,250		7,250
Capital Projects	6,275,902		6,275,902
Other Purposes	16,186,396		16,186,396
Unrestricted	<u>(2,552,220)</u>	<u>470,686</u>	<u>(2,081,534)</u>
 Total Net Assets	 <u>\$ 120,142,263</u>	 <u>\$ 718,497</u>	 <u>\$ 120,860,760</u>

See accompanying notes to financial statements.

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012**

Functions/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 55,639,649		\$ 4,293,718	(51,345,931)		\$ (51,345,931)
Special Education	13,175,634			(13,175,634)		(13,175,634)
Other Instruction	4,563,199			(4,563,199)		(4,563,199)
Support Services:						
Tuition	6,384,136	\$ 311,056		(6,073,080)		(6,073,080)
Student and Instruction Related Services	16,001,620			(16,001,620)		(16,001,620)
School Administrative Services	6,699,186			(6,699,186)		(6,699,186)
General and Business Administrative Services	9,291,373			(9,291,373)		(9,291,373)
Plant Operations and Maintenance	15,712,415			(15,712,415)		(15,712,415)
Pupil Transportation	9,142,071			(9,142,071)		(9,142,071)
Special Schools						
Charter Schools	1,146,507			(1,146,507)		(1,146,507)
Interest on Long-Term Debt	4,492,514			(4,492,514)		(4,492,514)
Total Governmental Activities	142,248,304	311,056	4,293,718	(137,643,530)		(137,643,530)
Business-Type Activities:						
Food Service	2,545,286	2,006,262	649,303		\$ 110,279	110,279
ETTC Program	245,245	284,852			39,607	39,607
Adult and Community Programs	1,724,445	2,030,824			306,379	306,379
Total Business -Type Activities	4,514,976	4,321,938	649,303		456,265	456,265
Total Primary Government	\$ 146,763,280	\$ 4,632,994	\$ 4,943,021	(137,643,530)	456,265	(137,187,265)
General revenues:						
Taxes:						
General Purposes				108,271,963		108,271,963
Debt Service				8,406,922		8,406,922
Federal and State Aid not Restricted				16,692,610		16,692,610
Federal and State Aid Restricted				10,244,467		10,244,467
Investment Earnings				25,178	876	26,054
Miscellaneous Income/(Expense)				6,076,160	(27,353)	6,048,807
Transfers				200,703	(267,781)	(67,078)
Change in Net Assets				149,918,003	(294,258)	149,623,745
Net Assets - Beginning				12,274,473	162,007	12,436,480
Net Assets - Ending				107,867,790	556,490	108,424,280
Net Assets - Ending				\$ 120,142,263	\$ 718,497	\$ 120,860,760

See accompanying notes to financial statements.

Fund Financial Statements

Governmental Funds

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 10,212,439	\$ 58,605	\$ 3,567,885	\$ 95,024	\$ 13,933,954
Cash held by Escrow Agent	185,398	73,388	67,150		325,936
Intergovernmental Accounts Receivable -					
Federal	11,232	450,942			462,173
State	1,310,222	9,900	4,126,668		5,446,791
Accounts Receivable - Other	790,944		57		791,001
Restricted Cash and Cash Equivalents	<u>8,154,110</u>				<u>8,154,110</u>
Total Assets	<u>\$ 20,664,345</u>	<u>\$ 592,834</u>	<u>\$ 7,761,761</u>	<u>\$ 95,024</u>	<u>\$ 29,113,964</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 2,449,269	\$ 256,015	\$ 1,485,859		\$ 4,191,143
Accrued Liabilities	685,505	18,950			704,455
Intergovernmental Accounts Payable:					
State		56,383			56,383
Deferred Revenue	<u>22,637</u>	<u>170,267</u>			<u>192,904</u>
Total Liabilities	<u>3,157,411</u>	<u>501,614</u>	<u>1,485,859</u>		<u>5,144,884</u>
Fund Balances:					
Restricted for:					
Capital Reserve	8,154,110				8,154,110
Debt Service				7,250	7,250
Excess Surplus	337,705				337,705
Excess Surplus - Designated for Subsequent Year's Expenditures	70,486				70,486
Assigned to:					
Year-End Encumbrances	5,538,512		4,408,666		9,947,178
Designated for Subsequent Year's Expenditures	1,906,588	91,220	1,867,236	87,774	3,952,819
Unassigned	<u>1,499,532</u>				<u>1,499,532</u>
Total Fund Balances	<u>17,506,934</u>	<u>91,220</u>	<u>6,275,902</u>	<u>95,024</u>	<u>23,969,081</u>
Total Liabilities and Fund Balance	<u>\$ 20,664,345</u>	<u>\$ 592,834</u>	<u>\$ 7,761,761</u>	<u>\$ 95,024</u>	

Amounts reported for *governmental activities* in the statement of net assets (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 \$244,976,052 and the accumulated depreciation is \$40,977,155 (See Note 5).

\$ 203,998,897

Long-term liabilities, including bonds payable, capital leases, and compensated absences and are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 6).

(106,876,837)

Accrued interest payable on long-term debt is not recorded in the funds.

(948,878)

Net assets of governmental activities

\$ 120,142,263

See accompanying notes to financial statements

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Local sources:					
Local tax levy	\$ 108,271,963	\$	\$	\$ 8,406,922	\$ 116,678,885
Tuition	311,056				311,056
Miscellaneous	2,175,783	531,202	3,387,106	7,245	6,101,336
Total - Local Sources	110,758,802	531,202	3,387,106	8,414,167	123,091,277
State Sources	27,149,046	308,578	(100,726)	419,959	27,776,857
Federal Sources	780,948	2,672,990			3,453,938
Total Revenues	138,688,796	3,512,770	3,286,380	8,834,126	154,322,072
<u>Expenditures</u>					
Current:					
Regular Instruction	40,047,581	2,565,204			42,612,785
Special Education Instruction	9,695,591				9,695,591
Other Instruction	3,357,934				3,357,934
Support Services and Undistributed Costs:					
Tuition	3,812,892	885,020			4,697,912
Student and Instruction Related Services	11,775,157				11,775,157
School Administrative Services	4,929,749				4,929,749
Other Administrative Services	6,837,269				6,837,269
Plant Operations and Maintenance	10,846,462				10,846,462
Pupil Transportation	6,727,402				6,727,402
Unallocated Benefits	30,928,665				30,928,665
Transfer to Charter Schools	1,146,507				1,146,507
Debt Service:					
Principal				4,292,974	4,292,974
Interest				4,554,572	4,554,572
Capital Outlay	2,557,388	94,311	13,578,267		16,229,966
Total Expenditures	132,662,597	3,544,535	13,578,267	8,847,546	158,632,945
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	6,026,199	(31,765)	(10,291,887)	(13,420)	(4,310,872)
Other Financing Sources/(Uses):					
Transfers In	272,730				272,730
Transfers Out			(72,027)		(72,027)
Total Other Financing Sources/(Uses)	272,730		(72,027)		200,703
Net Change in Fund Balances	6,298,929	(31,765)	(10,363,914)	(13,420)	(4,110,169)
Fund Balance July 1	11,208,005	338,644	16,639,816	108,444	28,294,909
Fund Balance June 30	\$ 17,506,934	\$ 306,879	\$ 6,275,902	\$ 95,024	\$ 24,184,740

See accompanying notes to financial statements.

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Total Net Change in Fund Balances - Governmental Funds(From B-2)	\$	(4,110,169)
<p>Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:</p> <p>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 outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$	(5,464,301)
Capital Outlays		<u>15,554,049</u>
		10,089,748
Repayments of Debt Principal are expenditures in the governmental funds, but repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		6,453,319
Decrease in Compensated Absences		115,652
Decrease in Accrued Interest on Debt Payable		62,058
Lease Proceeds are not reported in the Statement of Activities		<u>(120,467)</u>
Change in Net Assets of Governmental Activities	\$	<u><u>12,490,141</u></u>

See accompanying notes to financial statements.

Proprietary Funds

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012**

	Business-Type Activities Enterprise Funds			
	Major Programs			Totals
	Food Service	ETTC Program	Adult & Community Programs	
<u>ASSETS</u>				
Current Assets:				
Cash and Cash Equivalents	\$ 272,135	\$ 9,088	\$ 420,349	\$ 701,572
Accounts Receivable:				
State Sources	1,474			1,474
Federal Sources	32,096			32,096
Other Sources	5,309	17,120	90,415	112,844
Inventory	66,484			66,484
Total Current Assets	<u>377,498</u>	<u>26,208</u>	<u>510,764</u>	<u>914,470</u>
Noncurrent Assets:				
Furniture, Machinery and Equipment	351,675		23,306	374,981
Less: Accumulated Depreciation	<u>121,154</u>		<u>6,015</u>	<u>127,170</u>
Total Noncurrent Assets	<u>230,520</u>		<u>17,291</u>	<u>247,811</u>
Total Assets	<u>\$ 608,018</u>	<u>\$ 26,208</u>	<u>\$ 528,055</u>	<u>\$ 1,162,281</u>
<u>LIABILITIES</u>				
Current Liabilities:				
Deferred Revenue	\$ 78,794		\$ 85,158	\$ 163,951
Accounts Payable	83,644	\$ 4,600	21,963	110,207
Accrued Salaries and Benefits	<u>13,318</u>		<u>12,496</u>	<u>25,814</u>
Total Current Liabilities	<u>175,755</u>	<u>4,600</u>	<u>119,617</u>	<u>299,972</u>
Noncurrent Liabilities:				
Compensated Absences	<u>63,552</u>	<u>21,608</u>	<u>58,651</u>	<u>143,811</u>
Total Noncurrent Liabilities	<u>63,552</u>	<u>21,608</u>	<u>58,651</u>	<u>143,811</u>
Total Liabilities	<u>\$ 239,307</u>	<u>\$ 26,208</u>	<u>\$ 178,268</u>	<u>\$ 443,783</u>
<u>NET ASSETS</u>				
Invested in Capital Assets Net of Related Debt	\$ 230,520	\$	\$ 17,291	\$ 247,811
Unrestricted	<u>138,191</u>		<u>332,495</u>	<u>470,686</u>
Total Net Assets	<u>\$ 368,711</u>	<u>\$</u>	<u>\$ 349,786</u>	<u>\$ 718,497</u>

See accompanying notes to financial statements.

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	Business-Type Activities Enterprise Funds			Total Enterprise
	Major Programs			
	Food Service	ETTC Program	Adult & Community Programs	
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 1,273,746			\$ 1,273,746
Daily Sales - Nonreimbursable Programs	732,516			732,516
Special functions				
Registration Fees		\$ 284,852	\$ 2,030,824	2,315,676
Total Operating Revenues	2,006,262	284,852	2,030,824	4,321,938
Operating Expenses:				
Cost of sales	1,161,785			1,161,785
Salaries	871,013	119,857	1,273,172	2,264,042
Employee benefits	327,802	25,722	212,322	565,846
Purchased professional and technical services	4,986	58,714		63,700
Other purchased services	47,130	14,509	173,590	235,229
Registrations/Training/ Travel	348	79	4,696	5,123
General supplies	103,926	22,685	56,903	183,514
Miscellaneous expenses		800	1,340	2,140
Depreciation	28,296	2,879	2,422	33,597
Total Operating Expenses	2,545,286	245,245	1,724,445	4,514,976
Operating Income (Loss)	(539,024)	39,607	306,379	(193,038)
Nonoperating Revenues/(Expenses):				
State Sources:				
State school lunch program	23,516			23,516
Federal Sources:				
National school lunch program	493,969			493,969
School breakfast program	6,755			6,755
Food distribution program	125,063			125,063
Interest revenue	215	197	464	876
Loss on disposal of capital assets		(27,353)		(27,353)
Total Nonoperating Revenues	649,518	(27,156)	464	622,826
Income (Loss) before Contributions and Transfers	110,494	12,451	306,843	429,788
Transfers in/(out)		(167,781)	(100,000)	(267,781)
Change in Net Assets	110,494	(155,330)	206,843	162,007
Total Net Assets - Beginning	258,217	155,330	142,943	556,490
Total Net Assets - Ending	\$ 368,711	\$	\$ 349,786	\$ 718,497

See accompanying notes to financial statements.

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	Business-Type Activities			
	Enterprise Funds			
	Major Programs			Total Enterprise
Food Service	ETTC Program	Adult & Community Program		
<u>Cash Flows from Operating Activities</u>				
Receipts from Customers	\$ 2,028,508	\$ 314,483	\$ 2,018,477	\$ 4,361,468
Payments to Employees	(860,121)	(124,876)	(1,272,362)	(2,257,360)
Payments to Suppliers	(1,594,384)	(119,622)	(453,752)	(2,167,758)
Net Cash Provided by/(Used for) Operating Activities	(425,997)	69,985	292,363	(63,649)
<u>Cash Flows from Noncapital Financing Activities</u>				
State Sources	27,959			27,959
Federal Sources	553,469			553,469
Operating Transfers (to) Other Funds		(167,781)	(100,000)	(267,781)
Net Cash Provided by/(Used for) Noncapital Financing Activities	581,428	(167,781)	(100,000)	313,647
<u>Cash Flows from Investing Activities</u>				
Asset (acquisitions)/dispositions	(20,360)		(2,788)	(23,148)
Interest	215	197	464	876
Net Cash Provided by/(Used for) Investing Activities	(20,145)	197	(2,324)	(22,272)
Net Increase/(Decrease) in Cash and Cash Equivalents	135,286	(97,599)	190,038	227,725
Balances - Beginning of Year	136,849	106,687	230,311	473,847
Balances - End of Year	\$ 272,135	\$ 9,088	\$ 420,349	\$ 701,572
<u>Reconciliation of Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities</u>				
Operating Gain/(Loss)	\$ (539,024)	\$ 39,607	\$ 306,379	\$ (193,038)
Adjustments to Reconcile Operating Loss to Cash Provided/(Used) by Operating Activities:				
Depreciation	28,296	2,879	2,422	33,597
Federal Commodities	125,063			125,063
Change in Assets and Liabilities:				
(Increase)/Decrease in accounts receivable	(3,255)	29,630	(7,609)	18,766
Increase/(Decrease) in accrued salaries	6,001		(2,980)	3,021
Increase/(Decrease) in compensated absences payable	4,891	(5,019)	3,789	3,661
Increase/(Decrease) in deferred revenue	25,502		(4,739)	20,763
(Increase)/Decrease in inventory	5,616			5,616
Increase/(Decrease) in accounts payable	(79,086)	2,888	(4,901)	(81,099)
Total Adjustments	113,027	30,378	(14,016)	129,389
Net Cash Provided (Used) by Operating Activities	\$ (425,997)	\$ 69,985	\$ 292,363	\$ (63,649)

See accompanying notes to financial statements.

Fiduciary Funds

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>	<u>Deferred Benefit Trust</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ <u>659,300</u>	\$ <u>1,069,777</u>	\$ <u>96,344</u>
Total Assets	\$ <u><u>659,300</u></u>	\$ <u><u>1,069,777</u></u>	\$ <u><u>96,344</u></u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 54,506	\$	\$
Payable to Student Groups		532,571	
Payroll Deductions and Withholdings	<u> </u>	<u>537,206</u>	<u> </u>
Total Liabilities	\$ <u><u>54,506</u></u>	\$ <u><u>1,069,777</u></u>	\$ <u><u> </u></u>
<u>NET ASSETS</u>			
Held in Trust for Unemployment Claims and Other Purposes	\$ 604,794	\$	\$
Reserved for Deferred Benefits			<u>96,344</u>
Total Net Assets	\$ <u><u>604,794</u></u>	\$ <u><u> </u></u>	\$ <u><u>96,344</u></u>

See accompanying notes to financial statements.

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Unemployment Compensation Trust</u>	<u>Deferred Benefit Trust</u>
<u>Additions</u>		
Contributions:		
Plan Members	\$ 114,665	\$
Board Contribution	750,000	
Other	<u>2,784</u>	<u> </u>
Total Contributions	<u>867,449</u>	<u> </u>
Investment Earnings:		
Interest	<u>583</u>	<u>112</u>
Total Additions	<u>868,032</u>	<u>112</u>
<u>Deductions</u>		
Unemployment Claims and Assessment	485,562	
Transfer to Qualified Benefit Plan		<u>22,000</u>
Total Deductions	<u>485,562</u>	<u>22,000</u>
Change in Net Assets	382,470	(21,888)
Total Net Assets - Beginning	<u>222,324</u>	<u>118,232</u>
Total Net Assets - Ending	<u>\$ 604,794</u>	<u>\$ 96,344</u>

See accompanying notes to financial statements.

Notes to Financial Statements

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The East Brunswick School District (the "District") is a Type II 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 2011-12 fiscal year of 8,293 students.

A reporting entity is comprised of the primary government, component units and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

The District has no component units required to be included within the reporting entity, as set forth in GASB Section 2100.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (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. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the District's accounting policies are described below.

A. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

1. District-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation (Continued)

1. District-Wide Financial Statements (Continued)

The statement of net assets presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

B. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

1. Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

General Fund – The General Fund is the general operating fund of the District. It is used to account for and report all financial resources not accounted for and reported in another fund.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

1. Governmental Funds (Continued)

General Fund (Continued)

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America (GAAP) as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund – The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure 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 expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or assets that will be held in trust for individuals, private organizations or other governments.

Debt Service Fund – The Debt Service Fund is used to account for and report financial resources that are restricted, committed and assigned to expenditure for principal and interest.

Permanent Fund – The Permanent Fund is used to account for and report resources that are restricted to the extent that only earnings, and not principal may be used for purposes that support the reporting government's programs – that is for the benefit of the government or its citizenry. This fund is not applicable in this fiscal year.

2. Proprietary Fund Type

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund of the District:

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

2. Proprietary Fund Type (Continued)

Enterprise Fund – The Enterprise Fund is utilized 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 (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of three programs, the Food Service Fund, the Educational Technology Training Center ("ETTC") Program (which ceased operations on June 30, 2012), and the Adult and Community Program. All are considered major enterprise fund programs.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved net assets, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of the equipment used in the operations of the Enterprise Funds are approximately 10 years.

3. Fiduciary Funds

Trust and Agency Funds – The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund – An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Expendable Trust Fund includes the Unemployment Compensation Insurance Fund and the Scholarship Account.

Agency Funds – 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 payroll and student activities funds.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus

1. District-Wide Financial Statements

The District-Wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement on Net Assets.

2. Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and net assets components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

Ad Valorem (Property) Taxes are susceptible to accrual and 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".

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

E. Budgets/Budgetary Control

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 county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. 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 referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitations of N.J.A.C. 6A:23A-2.3 (et. seq.). The Board of Education made no supplemental budgetary appropriations during the fiscal year.

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 of America (GAAP) with the exception of the legally mandated revenue recognition of the one or more June 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. Unencumbered appropriations lapse at fiscal year end.

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

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets/Budgetary Control (Continued)

The following presents a reconciliation of the general fund revenue and special revenue fund revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources:		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules.	\$ 138,945,558	\$ 3,540,548
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
June 30, 2011		85,712
June 30, 2012		(113,491)
The last State aid payment is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33):		
June 30, 2011	1,301,222	
June 30, 2012	(1,557,984)	
	<hr/>	<hr/>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ <u>138,688,796</u>	\$ <u>3,512,769</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 129,987,812	\$ 3,787,982
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes:		
June 30, 2011		85,712
June 30, 2012		(113,491)
	<hr/>	<hr/>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ <u>129,987,812</u>	\$ <u>3,760,203</u>

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

G. Assets, Liabilities and Equity

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased 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.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (continued)

2. Inventories

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

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method.

3. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

4. Tuition Payable

Tuition charges for the fiscal years 2011-12 and 2010-11 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

5. Short-Term Interfund Receivables/Payables

Short-term 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.

6. Capital Assets

Capital assets, which include property, plant, equipment and construction in progress, result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$2,000.00. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and Improvements	20 - 50 years
Furniture and Equipment	7 - 20 years
Vehicles	8 years

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (continued)

7. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. 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 District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The liability for vested compensated absences of the District is recorded in the government-wide financial statements, under the "vesting method".

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

8. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

9. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any long-term debt used for the acquisition, construction or improvement of those assets. Net assets are reported, in the Government-Wide financial statements, as restricted when there are limitations imposed on their use either through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

See Note 5 for additional information relating to capital assets.

10. Deferred Revenue

Deferred revenue in the various funds represents cash that has been received but not yet earned.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (continued)

11. Fund Equity

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Assigned fund balances represent plans for future use of financial resources that are subject to change.

12. Non-Monetary Transactions

Commodities received under the Federal Food Distribution Program are received by the District and are recorded as nonoperating revenue when received in the food service enterprise fund at market value. The use of the commodities is included in cost of sales.

13. 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.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

Investments are stated at fair value. The District classifies certificates of deposit that 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.

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. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund and the New Jersey Arbitrage Rebate Management Fund. FDIC covers deposits up to \$250,000.

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.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

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.

As of June 30, 2012, cash and cash equivalents (Deposits) of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking Accounts and Money Market Accounts:	
Governmental Funds (Includes held by escrow agent)	\$ 22,413,999
Proprietary Funds	701,572
Fiduciary Funds	1,825,421
	\$ 24,940,992

Investments

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- MBIA CLASS.
- New Jersey Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

There were no investments as defined above on hand at June 30, 2012.

Concentration of Credit Risk:

Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have concentration of credit risk. The District places no limit on the amount that it may invest in any one issuer or depository.

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 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:26-9.1(d)1*, 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, 2011 to June 30, 2012 fiscal year is as follows:

Beginning balance, July 1, 2011	\$	6,877,858
Increase:		
Interest earnings		3,531
Completed capital projects		33,783
Board approved transfer resolution of June 14, 2012		5,900,000
		12,815,172
Decrease:		
Board approved withdrawal - July 22, 2011		3,815,794
Board approved withdrawal - April 20, 2012		168,000
Board approved withdrawal - June 15, 2012		677,268
		677,268
Ending balance, June 30, 2012	\$	8,154,110

The June 30, 2012 LRFP balance of local support costs of uncompleted capital projects exceeded the June 30, 2012 capital reserve balance. The withdrawals from the capital reserve were for uses in DOE approved facilities projects, consistent with the district's LRFP.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

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, 2012:

Governmental Activities

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
<u>Non-Depreciable Assets:</u>				
Sites	\$ 1,019,208	\$ -	\$ -	\$ 1,019,208
Construction in Progress	7,200,013	14,806,123	2,788,163	19,217,973
<u>Depreciable Assets:</u>				
Buildings and Improvements	214,189,296	27,353		214,216,649
Machinery and Equipment	<u>7,087,636</u>	<u>3,508,736</u>	<u>74,150</u>	<u>10,522,222</u>
Totals at Historical Cost	229,496,153	18,342,212	2,862,313	244,976,052
Less: Accumulated Depreciation	<u>35,587,004</u>	<u>5,464,301</u>	<u>74,150</u>	<u>40,977,155</u>
Governmental Activities Assets - Net	<u>\$ 193,909,149</u>	<u>\$ 12,877,911</u>	<u>\$ 2,788,163</u>	<u>\$ 203,998,897</u>

Proprietary Activities

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
<u>Depreciable Assets:</u>				
Machinery and Equipment	\$ 351,833	\$ 23,148	\$ 57,586	\$ 317,395
Building Improvements	<u>57,586</u>			<u>57,586</u>
Totals at Historical Cost	409,419	23,148	57,586	374,981
Less: Accumulated Depreciation Proprietary Activities	<u>123,804</u>	<u>33,597</u>	<u>30,231</u>	<u>127,170</u>
Proprietary Activities, Capital Assets - Net	<u>\$ 285,615</u>	<u>\$ (10,449)</u>	<u>\$ 27,355</u>	<u>\$ 247,811</u>

Total depreciation expense for the fiscal year ended June 30, 2012 for governmental activities was \$5,464,301 and for business-type activities was \$33,597. Depreciation for governmental activities was charged as follows in the Statement of Activities: Instruction \$2,991,642 and Support Services \$2,472,659.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

6. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2012, the following changes occurred in long-term liabilities:

	Balance June 30, 2011	Issued	Retired	Balance June 30, 2012	Current Portion	Long-Term Portion
Compensated Absences Payable	\$ 3,333,342		\$ 86,657	\$ 3,246,685	\$ 127,147	\$ 3,119,538
Serial Bonds Payable	94,636,000		3,010,000	91,626,000	3,010,000	88,616,000
Capital Leases Payable	4,713,955	120,500	2,160,345	2,674,110	2,253,864	420,246
Lease Purchase Obligations Payable	10,756,828		1,282,974	9,473,853	1,337,976	8,135,877
	<u>\$ 113,440,125</u>	<u>\$ 120,500</u>	<u>\$ 6,539,976</u>	<u>\$ 107,020,648</u>	<u>\$ 6,728,987</u>	<u>\$ 100,291,661</u>
Detail:						
Governmental Activities				\$ 106,876,837	\$ 6,707,379	\$ 100,169,458
Business - Type Activities				143,811	21,608	122,203
				<u>\$ 107,020,648</u>	<u>\$ 6,728,987</u>	<u>\$ 100,291,661</u>

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 from 2012 to 2034 in amounts ranging from \$2,175,000 to \$3,620,000. The Bonds bear interest rates ranging from 4.25% to 4.625%.

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 Bonds maturing prior to November 1, 2016 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after November 1, 2016 are redeemable at the option of the Board in whole or in part, on any date on or after November 1, 2015 at par, plus unpaid accrued interest to the date fixed for redemption.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

6. LONG-TERM LIABILITIES (CONTINUED)

A. Bonds Payable (Continued)

2007 Issue

On March 15, 2007 the District issued \$10,825,000 Refunding School Bonds. The remaining outstanding Bonds mature annually from 2012 to 2022 in amounts ranging from \$735,000 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 from 2013 to 2040 in amounts ranging from \$100,000 to \$880,000. The Bonds bear interest rates ranging from 4.00% to 4.50%. The bonds were issued to finance a portion of the replacement of the Memorial Elementary School, including acquisition of furnishings and equipment and site work.

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

On September 29, 2009, the District's voters approved the issuance of \$17,956,480 in bonds for the Memorial School replacement. At June 30, 2011, there were bonds authorized but not issued of \$3,996,480.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

6. LONG-TERM LIABILITIES (CONTINUED)

A. Bonds Payable (Continued)

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

<u>Year Ending June 30,</u>	<u>Grand Totals All Issues</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 3,180,000	\$ 3,968,709	\$ 7,148,709
2014	3,175,000	3,836,071	7,011,071
2015	3,175,000	3,694,634	6,869,634
2016	3,740,000	3,545,440	7,285,440
2017	3,755,000	3,380,440	7,135,440
2018	3,950,000	3,214,890	7,164,890
2019	3,965,000	3,039,640	7,004,640
2020	3,970,000	2,874,690	6,844,690
2021	4,335,000	2,701,890	7,036,890
2022	4,345,000	2,521,240	6,866,240
2023	3,310,000	2,340,190	5,650,190
2024	3,325,000	2,200,540	5,525,540
2025	3,345,000	2,056,665	5,401,665
2026	3,725,000	1,900,265	5,625,265
2027	3,750,000	1,734,965	5,484,965
2028	3,770,000	1,568,665	5,338,665
2029	3,795,000	1,401,565	5,196,565
2030	3,820,000	1,233,465	5,053,465
2031	4,205,000	1,054,865	5,259,865
2032	4,235,000	867,102	5,102,102
2033	4,260,000	675,803	4,935,803
2034	4,290,000	481,178	4,771,178
2035	4,181,000	288,492	4,469,492
2036	735,000	178,244	913,244
2037	770,000	146,088	916,088
2038	800,000	112,400	912,400
2039	840,000	77,400	917,400
2040	880,000	39,600	919,600
	<u>\$ 91,626,000</u>	<u>\$ 51,135,130</u>	<u>\$ 142,761,130</u>

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

6. LONG-TERM LIABILITIES (CONTINUED)

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

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

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

Under the lease, the Board is required to pay Basic Rent due on each October 1, which commenced October 1, 1997. Basic Rent is composed of an interest component and a principal component. The Certificates carry an interest rate of 4.359421360%; and the Certificates mature on October 1, 2016.

Future Minimum Lease Payments - Future minimum lease payments for the next five years and in five year increments thereafter under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2011 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2012	\$ 693,000
2013	693,000
2014	693,000
2015	693,000
2016	693,000
2017	<u>693,000</u>
Total Minimum Lease Payments	\$ 4,158,000
Less: Amount representing interest	<u>(567,324)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 3,590,676</u>

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

6. LONG-TERM LIABILITIES (CONTINUED)

B. Lease Purchase Obligations Payable (Continued)

1996 Agreement (Continued)

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

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

1999 Agreement

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

Under the lease, the Board is required to pay basic rent due on each October 1, which commenced on October 1, 1999 and will conclude on October 1, 2019. The lease carries an interest rate of 4.235091%. The total principal amount of the lease was \$14,320,000.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

6. LONG-TERM LIABILITIES (CONTINUED)

B. Lease Purchase Obligations Payable (Continued)

1999 Agreement (Continued)

Future Minimum Lease Payments - Future minimum lease payments for the next five years and in five year increments thereafter under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2011 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2012	\$ 1,050,000
2013	1,050,000
2014	1,050,000
2015	1,050,000
2016	1,050,000
2017-2019	<u>3,389,519</u>
Total Minimum Lease Payments	\$ 8,639,519
Less: Amount representing interest	<u>(1,473,364)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 7,166,155</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 SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

6. LONG-TERM LIABILITIES (CONTINUED)

C. Capital Lease Obligations – Governmental Fund

The District entered into a \$3,140,000 Capital Lease Obligation during 2006-07 to lease equipment for use throughout the District. Interest is at 3.96%. Principal reductions funded by unexpended lease proceeds applied of \$314,019 and budgetary resources of \$623,970 occurred during this fiscal year.

The District entered into two Capital Lease Obligations during 2007-2008. The athletic fields/buses lease of \$2,850,000 is due in five annual installments, due on May 11, which commenced in 2009 and concludes in 2013. Interest is at 2.56%. The technology equipment lease of \$2,100,000 is due in three annual installments, due on May 11, which commenced in 2009 and concluded in 2011. Interest is at 2.38%.

The District entered into two Capital Lease Obligations during 2008-2009. The various equipment lease of \$2,690,000 is due in five annual installments, due on August 1, which commenced in 2009 and concludes in 2013. Interest is at 3.22%. The school buses lease of \$325,000 is due in five annual installments, due on August 1, which commenced in 2010 and concludes in 2014.

The District entered into two Capital Lease Obligations during 2009-2010. The utility truck lease of \$55,757 is due in five annual installments, due on August 10, which commenced in 2009 and concludes in 2013. Interest is at 3.09%. The Chittick school roof lease of \$750,000 is due in five annual installments, due on February 1, which commenced in 2010 and concludes in 2014. Interest is at 3.090%.

The District entered into two Capital Lease Obligations during 2010-2011. The school buses and various other equipment lease of \$361,500 is due in five annual installments, due on July 9, which commenced in 2011 and concludes in 2014. Interest is at 3.31%. The technology equipment lease of \$1,400,000 is due in two annual installments, due on February 23, commencing in 2012 and concluding in 2013. Interest is at 2.66%.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

7. PENSION PLANS

Description of Plans – Substantially all of the Board's employees participate in either Public Employees' Retirement System or the Teachers' Pension and Annuity Fund that have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - 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. The Teachers' Pension and Annuity Fund 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 District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post retirement health care to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55th of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

7. PENSION PLANS (CONTINUED)

Significant Legislation - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements - The contribution policy is set by New Jersey Statutes, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined, through September 30, 2011 and 6.5% thereafter. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a non-contributing employer of the TPAF.

The Board's actuarially determined contribution to PERS for the years ended June 30, 2012, 2011 and 2010 were \$1,514,573, \$1,139,483, and \$1,034,653, respectively, for each of the three years equal to the required contributions for each year.

During the fiscal year ended June 30, 2012, the State of New Jersey contributed \$1,845,242 to the TPAF for normal benefits and \$3,709,417 for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$4,269,849 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

8. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the state in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

9. COMPENSATED ABSENCES

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and 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.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for unused sick leave in accordance with the District's agreements with the various employee unions.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

9. COMPENSATED ABSENCES (CONTINUED)

In the District-Wide *Statement of Net Assets*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

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, 2012 a liability existed for compensated absences in the proprietary fund types of \$143,811.

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:

- 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.

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:

<u>Fiscal Year</u>	<u>Board Contributions</u>	<u>Other Contributions</u>	<u>Interest</u>	<u>Employee Contributions</u>	<u>Deductions</u>	<u>Ending Balance</u>
2011-2012	\$ 750,000	\$ 2,784	\$ 583	\$ 114,665	\$ 485,562	\$ 604,794
2010-2011	649,856	5,128	396	114,633	634,553	222,324
2009-2010	90,057	11,621	486	117,640	275,650	86,865

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

12. INTERFUND RECEIVABLES AND PAYABLES

The District liquidated all prior year interfunds in the current fiscal year. There are no interfunds receivable or payable in any of the District's funds at June 30, 2012.

13. INVENTORY

Inventory in the Enterprise Fund at June 30, 2012 of \$66,484 stated at the lower of cost or market value.

The value of Federal donated commodities as reflected on Exhibit K-3 (required by the Single Audit Act of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

14. FUND BALANCES

General Fund - Of the \$17,506,934 General Fund fund balance at June 30, 2012, \$5,538,512 is assigned for encumbrances; \$8,154,110 has been restricted for the Capital Reserve Account; \$1,906,588 has been assigned and included as anticipated revenue for the year ending June 30, 2013; \$408,191 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$70,486 of the total restricted for excess surplus has been appropriated and included as revenue for the year ending June 30, 2013); and \$1,499,532 is unassigned.

Debt Service Fund - Of the \$95,024 Debt Service fund balance at June 30, 2012, \$87,774 is assigned in accordance with NJSA 7F-41c(2) and is anticipated revenue for the year ending June 30, 2013 and \$7,250 is restricted fund balance.

Capital Projects Fund - Of the \$6,275,902 Capital Projects fund balance at June 30, 2012, \$4,408,666 is assigned for encumbrances. The School District has purchase orders outstanding with vendors in this amount and expects vendors to deliver the goods and services in the upcoming year. The remaining fund balance of \$1,867,236 is restricted fund balance.

Special Revenue Fund - All of the \$91,220 special revenue fund balance at June 30, 2012, is assigned as designated for subsequent years expenditures.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

15. CALCULATION OF EXCESS SURPLUS

The designation for Reserved 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 surplus fund balance at June 30, 2012 is \$337,705. The excess surplus at June 30, 2011 was \$70,486.

16. CONTINGENT LIABILITIES

- A. Pending Litigation** - As of the date of this report, in the opinion of the Board Attorney and management, there was no litigation pending which, in the event of an adverse or unfavorable outcome, would materially impair the financial position of the District.
- B. Grant Programs** - The school district participates in federally and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

17. 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.

18. 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.

19. TRANSFERS TO CAPITAL OUTLAY

During the year ending June 30, 2012, the District transferred \$4,661,062 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.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

20. SUBSEQUENT EVENTS

For purposes of this Note, events occurring through the date of the independent auditor's report, September 25, 2012 were considered.

Effective June 30, 2012, the District ceased operations of the ETTC Enterprise Fund.

On July 18, 2012, the District entered into two capital leases with U.S. Bancorp. The first lease was for various equipment purchases totaling \$481,500. This lease matures annually through 2016 and carries an interest rate of 1.319%. The second lease was for technology equipment totaling \$1,400,000. This lease matures annually through 2013 and carries an interest rate of 1.007%.

On September 13, 2012 the District authorized the commencement of procedures required to refund the \$67,986,000 outstanding balance of its Series 2005 Serial Bonds, in order to achieve net present value debt service savings.

On July 10, 2008, Memorial Elementary School suffered a devastating fire, which rendered the entire school facility unusable. A school facility in a neighboring community was leased to house the displaced Memorial students and faculty. A newly constructed Memorial Elementary School opened for the 2012-2013 school year.

Required Supplementary Information Part II

Budgetary Comparison Schedules

Budgetary Comparison Schedules provides a one-year comparison of original budget, budget transfers, final budget and actual information for the General Fund and Special Revenue Fund.

**BOARD OF EDUCATION
 EAST BRUNSWICK SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 108,271,963	\$	\$ 108,271,963	\$ 108,271,963	\$
Tuition - individuals	50,000		50,000	105,615	55,615
Tuition - other leas				205,441	205,441
Interest earned on capital reserve funds				3,531	3,531
Miscellaneous	1,396,045		1,396,045	2,172,252	776,207
Total - local sources	109,718,008		109,718,008	110,758,802	1,040,794
State sources:					
Extraordinary aid	500,000		500,000	1,065,311	565,311
Categorical special education aid	4,780,787		4,780,787	4,780,787	
Equalization aid	11,692,995		11,692,995	11,692,995	
Anti-bullying bill of rights act				6,764	6,764
Non-public school transportation aid				35,443	35,443
On behalf TPAF pension contributions/post retirement medical benefits (non-budgeted)				5,554,659	5,554,659
Reimbursed TPAF social security contributions (non-budgeted)				4,269,849	4,269,849
Total - state sources	16,973,782		16,973,782	27,405,808	10,432,026
Federal sources:					
Education jobs fund	677,573		677,573	698,986	21,413
Medicaid initiative	48,791		48,791	81,962	33,171
Total - federal sources	726,364		726,364	780,948	54,584
Total revenues	127,418,154		127,418,154	138,945,558	11,527,404

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Instructional programs:					
Regular programs:					
Salaries of teachers:					
Preschool teachers	\$ 44,586		\$ 44,586	\$ 198	\$ 44,388
Kindergarten	886,095	(8,012)	878,083	835,390	42,693
Grades 1-5	12,014,182	(92,180)	11,922,002	11,920,431	1,571
Grades 6-8	10,658,602	(333,089)	10,325,513	10,318,694	6,819
Grades 9-12	13,800,605	(234,037)	13,566,568	13,545,905	20,663
Home instruction:					
Salaries of teachers	17,500	26,022	26,022	26,022	
Purchased professional/educational services					
Undistributed instruction:					
Other salaries for instruction	266,417		266,417	263,928	2,489
Purchased professional/educational services	170,136	(4,790)	165,346	147,713	17,633
Purchased technical services	58,173	(2,607)	55,566	50,422	5,144
Other purchased services	1,267,601	5,780	1,273,381	1,269,459	3,922
Registrations/Training/Travel	10,000	(651)	9,349	3,185	6,164
General supplies	1,392,939	182,156	1,575,095	1,434,442	140,653
Textbooks	224,377	(7,024)	217,353	196,343	21,010
Other objects	10,883	(534)	10,349	4,139	6,210
Total regular programs	40,822,096	(455,156)	40,366,940	40,047,581	319,359
Special education:					
Learning/language disabilities:					
Salaries of teachers	293,395	40,749	334,144	334,144	54,011
Other salaries for instruction	138,281		138,281	84,270	200
Other purchased services	200		200	1,454	673
General supplies	2,370	(243)	2,127	1,454	673
Total learning/language disabilities	434,246	40,506	474,752	419,868	54,884

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Instructional programs (continued):					
Special education (continued):					
Multiple disabilities:					
Salaries of teachers	\$ 302,418	\$ 24,222	\$ 326,640	\$ 326,640	\$
Other salaries for instruction	190,301		190,301	116,983	73,318
Registrations/Training/Travel	450		450	328	122
General supplies	5,900	(2,446)	3,454	2,204	1,250
Total multiple disabilities	499,069	21,776	520,845	446,155	74,690
Resource room/resource center:					
Salaries of teachers	6,314,885	(112,518)	6,202,367	6,202,367	
Other salaries for instruction	1,086,022	(352,044)	733,978	718,802	15,176
Registrations/Training/Travel	700	651	1,351	1,351	
General supplies	19,835	(2,323)	17,512	11,914	5,598
Total resource room	7,421,442	(466,234)	6,955,208	6,934,434	20,774
Autism:					
Salaries of teachers	703,326	11,911	715,237	715,237	
Other salaries for instruction	421,419		421,419	401,388	20,031
Registrations/Training/Travel	700		700	50	650
General supplies	5,051	202	5,253	4,467	786
Total autism	1,130,496	12,113	1,142,609	1,121,142	21,467
Preschool disabilities - part-time:					
Salaries of teachers	128,489	89,696	218,185	218,185	
Other salaries for instruction	35,691	72,786	108,477	108,477	
General supplies	2,300	(784)	1,516	1,398	118
Total preschool disabilities - part-time	166,480	161,698	328,178	328,060	118
Preschool disabilities - full-time:					
Salaries of teachers	257,383	4,216	261,599	261,599	
Other salaries for instruction	166,595	(58,244)	108,351	93,045	15,306
General supplies	1,690	(726)	964	705	259
Total preschool disabilities - full-time	425,668	(54,754)	370,914	355,349	15,565
Home instruction:					
Salaries of teachers	10,000	15,740	25,740	25,740	
Purchased professional/educational services	70,000	(5,157)	64,843	64,843	
Total home instruction	80,000	10,583	90,583	90,583	
Total special education	10,157,401	(274,312)	9,883,089	9,695,591	187,498

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Instructional programs (continued):					
Basic skills/remedial:					
Salaries of teachers	\$ 1,785,870	\$ (102,762)	\$ 1,683,108	\$ 1,675,417	\$ 7,691
Other purchased services	500	232	232	232	
Registrations/Training/Travel	18,752	12,649	31,401	23,436	500
General supplies					7,965
Total basic skills/remedial	1,805,122	(89,881)	1,715,241	1,699,085	16,156
Bilingual education:					
Instruction:					
Salaries of teachers	456,952	207,064	664,016	664,016	
General supplies	3,772	(111)	3,661	2,979	682
Textbooks	1,950		1,950	1,464	486
Other expenditures	282		282		282
Total bilingual education	462,956	206,953	669,909	668,459	1,450
School sponsored cocurricular activities - instruction:					
Salaries	269,868	9,810	279,678	279,678	
Purchased services	12,500	1,045	13,545	13,545	
Supplies and materials	200		200		200
Other expenditures	5,000	512	5,512	5,512	
Total school sponsored cocurricular activities	287,568	11,367	298,935	298,735	200
School sponsored athletics - instruction:					
Salaries	548,129	2,900	551,029	551,029	
Purchased services	52,499		52,499	51,349	1,150
Registrations/Training/Travel	500		500	323	177
Supplies and materials	26,602	3,139	29,741	29,741	
Other objects	3,500		3,500	3,500	
Fund transfers to cover deficit	49,613	6,100	55,713	55,713	
Total school sponsored athletic activities	680,843	12,139	692,982	691,655	1,327
Total instructional programs	54,215,986	(588,890)	53,627,096	53,101,106	525,990

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state - regular	\$ 15,547	\$ (10,448)	\$ 5,099	\$ 5,099	\$
Tuition to other LEAs within the state - special	1,924,597	(402,948)	1,521,649	1,404,862	116,787
Tuition to cssd & regional day schools		167,531	167,531	167,531	
Tuition to private schools - disabled - in state	1,882,017	250,964	2,132,981	2,132,981	
Tuition - state facilities	102,419		102,419	102,419	
Tuition - other	55,100	(42,205)	12,895		12,895
Total instruction	3,979,680	(37,106)	3,942,574	3,812,892	129,682
Attendance and social work:					
Salaries	146,524		146,524	123,231	23,293
Other purchased services	852		852	624	228
Supplies and materials	535		535	84	451
Total attendance and social work	147,911		147,911	123,939	23,972
Health services:					
Salaries	1,112,471	30,591	1,143,062	1,143,062	
Purchased professional/technical services	103,032	(7,971)	95,061	71,612	23,449
Other purchased services	4,652	(372)	4,280	3,490	790
Registrations/Training/Travel	1,500		1,500	173	1,327
Supplies and materials	18,874	1,229	20,103	18,934	1,169
Total health services	1,240,529	23,477	1,264,006	1,237,271	26,735
Other support services - students - related:					
Salaries	1,350,617	(18,520)	1,332,097	1,332,097	
Purchased professional/educational services	729,046	(110,481)	618,565	554,083	64,482
Supplies and materials	3,150		3,150	2,824	326
Registrations/Training/Travel	2,000		2,000	1,387	613
Total other support services - students - related	2,084,813	(129,001)	1,955,812	1,890,391	65,421

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Other support services - students - extraordinary:					
Salaries	\$ 915,482	\$ 357,717	\$ 1,273,199	\$ 1,273,199	\$
Purchased professional/educational services	561,510	226,084	787,594	787,594	
Supplies and materials	3,000	7,254	10,254	9,278	976
Registrations/Training/Travel	200		200	147	53
Other expenditures	6,500	(4,472)	2,028	1,911	117
Total other supp. services - students - extraordinary	1,486,692	586,583	2,073,275	2,072,129	1,146
Other support services - students - guidance					
Salaries of other professional staff	2,557,537		2,557,537	2,502,813	54,724
Salaries of secretarial/clerical assistants	376,242	4,265	380,507	380,507	
Other purchased professional/technical services	3,500		3,500	2,968	532
Other purchased services	10,384	(2,283)	8,101	7,748	353
Registrations/Training/Travel	2,500		2,500	818	1,682
Supplies and materials	12,562	3,096	15,658	14,669	989
Other expenditures	675		675	575	100
Total other support services - students - guidance	2,963,400	5,078	2,968,478	2,910,098	58,380
Other support services - students - child study teams:					
Salaries of other professional staff	2,110,726		2,110,726	2,080,274	30,452
Salaries of secretarial/clerical assistants	333,307		333,307	314,144	19,163
Purchased professional/educational services	12,000	(4,675)	7,325	7,325	
Registrations/Training/Travel	8,400		8,400	8,400	
Miscellaneous purchased services	5,575		5,575	2,756	2,819
Supplies and materials	12,776	(605)	12,171	10,714	1,457
Total other support services - students - child study teams	2,482,784	(5,280)	2,477,504	2,423,613	53,891
Improvement of instructional services:					
Salaries of supervisors of instruction	584,069	35,153	619,222	619,222	
Salaries of other professional staff	186,444		186,444	181,896	4,548
Salaries of secretarial/clerical assistants	211,738	(4,855)	206,883	190,807	16,076
Other salaries		51,168	51,168	51,168	

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Improvement instructional services (continued):					
Other purchased services	\$ 22,228	\$ 50	\$ 22,278	\$ 21,655	\$ 623
Registrations/Training/Travel	17,100	6,920	24,020	23,602	418
Supplies and materials	24,444	(569)	23,875	18,537	5,338
Other expenditures	11,400	100	11,500	10,829	671
Total improvement of instructional services	1,057,423	87,967	1,145,390	1,117,716	27,674
Instructional staff training services:					
Salaries of supervisors of instruction	931,798		931,798	900,254	31,544
Salaries of other professional staff	37,800		37,800	37,800	
Salaries of secretarial/clerical assistants	297,070		297,070	281,297	15,773
Purchased professional/educational services	14,833	(4,955)	9,878	5,077	4,801
Other purchased services	23,150		23,150	19,171	3,979
Registrations/Training/Travel	40,350	(5,281)	35,069	19,096	15,973
Supplies and materials	9,500		9,500	879	8,621
Total instructional staff training services	1,354,501	(10,236)	1,344,265	1,225,774	118,491
Educational media/library:					
Salaries	1,153,458		1,153,458	1,143,705	9,753
Purchased professional/technical services	31,000	(2,665)	28,335	22,428	5,907
Other purchased services	3,190	653	3,843	3,459	384
Registrations/Training/Travel	2,062		2,062	122	1,940
Supplies and materials	181,508	(5,040)	176,468	163,609	12,859
Other expenditures	135	40	175	175	
Total educational media/library	1,371,353	(7,012)	1,364,341	1,333,498	30,843

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Support services - general administration:					
Salaries	\$ 677,637	\$	\$ 677,637	\$ 593,763	\$ 83,874
Legal services	180,250	16,710	196,960	196,363	597
Audit fees	40,000	37,000	77,000	38,375	38,625
Other purchased professional services	51,984	(14,628)	37,356	750	36,606
Purchased technical services	6,600	700	7,300	5,799	1,501
Communications/telephone	330,216	(10,569)	319,647	253,117	66,530
BOE - Registrations/Training/Travel	10,500		10,500	2,029	8,471
Miscellaneous purchased services	22,825	(927)	21,898	14,319	7,579
Registrations/Training/Travel	10,050	103	10,153	6,644	3,509
General supplies	17,640	(256)	17,384	11,314	6,070
BOE in-house training/meeting supplies	1,284	679	1,963	1,963	
Miscellaneous expenditures	13,323	726	14,049	10,732	3,317
BOE membership dues/fees	34,138	125	34,263	34,263	
Total support services - general administration	1,396,447	29,663	1,426,110	1,169,431	256,679
Support services - school administration:					
Salaries of principals/assistant principals/pgm.dir.	2,285,319	25,479	2,310,798	2,310,798	
Salaries of other professional staff	827,272		827,272	818,010	9,262
Salaries of secretarial and clerical assistants	1,634,081		1,634,081	1,602,836	31,245
Other purchased services	111,094	179	111,273	106,537	4,736
Registrations/Training/Travel	29,000	(7,530)	21,470	18,402	3,068
Supplies and Materials	52,161	(1,368)	50,793	42,974	7,819
Other expenditures	27,700	7,041	34,741	30,192	4,549
Total support services - school administration	4,966,627	23,801	4,990,428	4,929,749	60,679
Allowable maintenance for school facilities:					
Salaries	1,015,149	(115,138)	900,011	854,266	45,745
Cleaning, repair and maintenance services	548,199	4,940	553,139	424,301	128,838
General supplies	328,000	7,631	335,631	274,035	61,596
Total required maintenance for school facilities	1,891,348	(102,567)	1,788,781	1,552,602	236,179

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Custodial services:					
Salaries	\$ 1,295,924	\$ 56,288	\$ 1,352,212	1,352,212	\$ 90,765
Purchased professional/technical services	110,200	5,506	115,706	24,941	147,455
Cleaning, repair and maintenance services	2,457,614		2,457,614	2,310,159	
Rentals - land/buildings	714,150		714,150	714,150	
Other purchased property services	83,077		83,077	71,871	11,206
Insurance	658,407		658,407	656,808	1,599
Registrations/Training/Travel	2,000		2,000	2,000	2,000
General supplies	145,731	1,958	147,689	141,637	6,052
Energy (electricity)	2,122,011		2,122,011	1,774,113	347,898
Salaries of non-instructional aides	590,812	(165,664)	425,148	425,148	
Other expenditures	7,300	(1,958)	5,342	2,672	2,670
Energy (natural gas)	951,098		951,098	453,294	497,804
Total custodial services	9,138,324	(103,870)	9,034,454	7,927,005	1,107,449
Care and upkeep of grounds:					
Salaries	455,278	12,165	467,443	467,443	
Cleaning, repair and maintenance services	133,080	(2,080)	131,000	70,862	60,138
General supplies	125,032		125,032	117,316	7,716
Total care and upkeep of grounds	713,390	10,085	723,475	655,621	67,854
Security:					
Salaries	383,538	207,400	590,938	590,938	
Salaries - Secretarial/Clerical Staff		70	70	70	
Cleaning, repair and maintenance services	116,700	11,193	127,893	103,267	24,626
General supplies	2,050	14,559	16,609	14,616	1,993
Registrations/Training/Travel		938	938	938	
Other objects		1,405	1,405	1,405	
Total security	502,288	235,565	737,853	711,234	26,619

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Student transportation services:					
Salaries - Non-instructional Aides	\$ 64,971	\$	\$ 64,971	\$ 64,859	\$ 112
Salaries for pupil transportation (between home and school) - regular	1,118,852	(13,078)	1,105,774	1,023,841	81,933
Purchased professional/technical services		16,371	16,371	16,277	94
Cleaning, repair and maintenance	142,214	100,827	243,041	243,041	
Rental/Leasing - School Buses	13,500		13,500		13,500
Lease Purchase Payments - School Buses	424,271		424,271	422,989	1,282
Contracted services (between home and school) - vendors	1,588,554		1,588,554	1,206,358	382,196
Contracted services (other than between home and school) - vendors	370,955	(7,918)	363,037	313,069	49,968
Contracted services (between home and school) - vendors - regional ESC's		182,325	182,325	182,325	
Contracted services (special education students) - vendors	1,098,723		1,098,723	868,497	230,226
Contracted services (special education students) - ESC's and CTSA's	2,675,218	(250,405)	2,424,813	2,000,907	423,906
Contracted services - aid in lieu of payments	287,300	(116,461)	170,839	116,187	54,652
Miscellaneous purchased services - transportation	76,307	249	76,556	63,607	12,949
Registrations/Training/Travel	3,000		3,000	937	2,063
Supplies and materials	900	2,556	3,456	839	2,617
Transportation supplies	331,792		331,792	201,569	130,223
Other expenditures	4,000		4,000	2,100	1,900
Total student transportation services	8,200,557	(85,534)	8,115,023	6,727,402	1,387,621
Central services:					
Salaries	1,366,379	(1,126)	1,365,253	1,365,253	
Purchased professional services	25,175	3,000	28,175	25,239	2,936
Purchased technical services	18,000	300	18,300	18,300	
Miscellaneous purchased services	39,950	2,545	42,495	26,769	15,726
Registrations/Training/Travel	9,500		9,500	3,985	5,505
Supplies and materials	36,321	2,565	38,886	29,426	9,460
Interest on lease purchase agreements	276,369		276,369	65,392	210,977
Miscellaneous expenditures	5,200	560	5,760	5,592	168
Total central services	1,776,894	7,844	1,784,738	1,539,966	244,772

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Administrative information technology:					
Salaries	\$ 1,225,125	\$ (11,177)	\$ 1,213,948	\$ 1,187,830	\$ 26,118
Purchased professional services	103,851	(523)	103,328	102,394	934
Purchased technical services	175,015	31,557	206,572	204,072	2,500
Other purchased services	11,575	(2,140)	9,435	9,434	1
Registrations/Training/Travel	5,500		5,500	4,670	830
Supplies and materials	65,121	309	65,430	59,475	5,955
Other expenditures	760	(35)	725	725	
Total admin. information technology	1,586,947	17,991	1,604,938	1,568,600	36,338
Unallocated employee benefits:					
Social security contributions	1,529,000		1,529,000	1,436,085	92,915
Unemployment compensation insurance	750,000		750,000	750,000	
Other retirement contributions - regular	1,656,009	(114,966)	1,541,043	1,514,573	26,470
Workmen's compensation	475,056	6,948	482,004	482,004	
Health benefits	16,270,018	129,313	16,399,331	16,297,406	101,925
Tuition reimbursements	177,000	7,885	184,885	97,705	87,180
Other employee benefits	553,947	64,443	618,390	526,384	92,006
Total unallocated benefits	21,411,030	93,623	21,504,653	21,104,157	400,496
On-behalf TPAF pension contributions/post retirement medical benefits (non-budged)				5,554,659	(5,554,659)
Reimbursed TPAF social security contributions (non-budged)				4,269,849	(4,269,849)
Total undistributed expenditures	69,752,938	641,071	70,394,009	75,857,596	(5,463,587)
TOTAL EXPENDITURES - CURRENT EXPENSE	123,968,924	52,181	124,021,105	128,958,702	(4,937,597)

**BOARD OF EDUCATION
 EAST BRUNSWICK SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FISCAL YEAR ENDED JUNE 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CAPITAL OUTLAY:					
Equipment:					
Regular programs - instruction:					
Grades 1-5	\$	35,604	\$		\$ 35,604
Grades 9-12		45,966		2,125	43,841
School sponsored activities - athletics	2,150	(1,414)	736		736
Support services:					
Administration information technology	35,000	5,320	40,320	39,392	928
Care and upkeep of grounds		67,259	67,259	67,259	
Transportation services:					
Equipment		4,334	4,334	4,334	
Total equipment	37,150	157,069	194,219	113,110	81,109
Facilities acquisition and construction services:					
Architectural/engineering services	85,050	188,822	273,872	76,060	197,812
Construction services	593,000	1,908,581	2,501,581	1,068,717	1,432,864
Supplies and materials	60,000	(25,460)	34,540	16,065	18,475
Lease purchase agreements - principal	2,248,574	(21,000)	2,227,574	1,036,878	1,190,696
Buildings other than lease purchase		3,690,000	3,690,000		3,690,000
Other objects	246,558		246,558	246,558	
Total facilities acquisition and construction services	3,233,182	5,740,943	8,974,125	2,444,278	6,529,847
TOTAL EXPENDITURES - CAPITAL OUTLAY	3,270,332	5,898,012	9,168,344	2,557,388	6,610,956

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Transfer of funds to charter schools	\$ 1,490,554		\$ 1,490,554	1,146,507	\$ 344,047
TOTAL GENERAL FUND EXPENDITURES	<u>128,729,810</u>	<u>5,950,193</u>	<u>134,680,003</u>	<u>132,662,597</u>	<u>2,017,406</u>
Excess (deficiency) of revenues over expenditures	<u>(1,311,656)</u>	<u>(5,950,193)</u>	<u>(7,261,849)</u>	<u>6,282,961</u>	<u>13,544,810</u>
Other Financing Sources/(Uses) and Transfers:					
Operating Transfers in:					
Transfer from other funds	<u>100,000</u>		<u>100,000</u>	<u>272,730</u>	<u>172,730</u>
Total Other Financing Sources/(Uses) and Transfers and Extraordinary Items	<u>100,000</u>		<u>100,000</u>	<u>272,730</u>	<u>172,730</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing (uses)	<u>(1,211,656)</u>	<u>(5,950,193)</u>	<u>(7,161,849)</u>	<u>6,555,691</u>	<u>13,717,540</u>
Fund Balance - July 1, 2011	<u>12,509,227</u>		<u>12,509,227</u>	<u>12,509,227</u>	
Fund Balance - June 30, 2012	<u>\$ 11,297,571</u>	<u>\$ (5,950,193)</u>	<u>\$ 5,347,378</u>	<u>\$ 19,064,918</u>	<u>\$ 13,717,540</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital Reserve				8,154,110	
Excess Surplus				337,705	
Assigned Fund Balance:				70,486	
Year-end Encumbrances				5,538,512	
Designated for Subsequent Year's Expenditures				1,906,588	
Unassigned Fund Balance				3,057,516	
Reconciliation to Governmental Funds Statements (GAAP)				19,064,918	
Last State Aid Payments not recognized on GAAP basis:				(1,557,984)	
2011-2012				<u>17,506,934</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 17,506,934</u>	

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
EDUCATION JOBS FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal sources:					
Education jobs funds	\$ <u>677,573</u>	\$ <u>21,413</u>	\$ <u>698,986</u>	\$ <u>698,986</u>	\$ _____
Total - federal sources	<u>677,573</u>	<u>21,413</u>	<u>698,986</u>	<u>698,986</u>	_____
Total revenues	\$ <u><u>677,573</u></u>	\$ <u><u>21,413</u></u>	\$ <u><u>698,986</u></u>	\$ <u><u>698,986</u></u>	\$ <u><u>_____</u></u>
EXPENDITURES:					
CURRENT EXPENSE:					
Unallocated employee benefits:					
Health benefits	\$ <u>677,573</u>	\$ <u>21,413</u>	\$ <u>698,986</u>	\$ <u>698,986</u>	\$ _____
Total regular programs - instructional	<u>677,573</u>	<u>21,413</u>	<u>698,986</u>	<u>698,986</u>	_____
Total expenditures	\$ <u><u>677,573</u></u>	\$ <u><u>21,413</u></u>	\$ <u><u>698,986</u></u>	\$ <u><u>698,986</u></u>	\$ <u><u>_____</u></u>

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Federal Sources	\$ 2,171,000	\$ 867,375	\$ 3,038,375	\$ 2,660,805	\$ (377,570)
State Sources	450,000	(73,430)	376,570	308,578	(67,992)
Other Sources	75,000	886,646	961,646	571,165	(390,481)
Total Revenues	2,696,000	1,680,591	4,376,591	3,540,548	(836,043)
Expenditures:					
Instruction:					
Salaries	459,325	201,905	661,230	507,561	153,669
Purchased Professional - Education Services	117,876	(30,312)	87,564	128,238	(40,674)
Purchased Services	1,288,007	295,882	1,583,889	1,562,956	20,933
Registrations/Training/Travel					
Supplies and Materials	120,870	293,389	414,259	337,069	77,190
General Supplies		17,013	17,013	177	16,836
Textbooks	46,701	(20,115)	26,586	26,173	413
Total Instruction	2,032,779	757,762	2,790,541	2,562,174	228,368
Support Services:					
Salaries	57,825	17,646	75,471	55,578	19,893
Personal Services - Employee Benefits	135,043	37,296	172,339	152,575	19,764
Purchased Professional - Educational Services	129,079	(28,022)	101,057	4,000	97,057
Purchased Professional and Technical Services	318,106	285,150	603,256	495,858	107,398
Purchased Technical Services		27,302	27,302		27,302
Purchased Services	9,106	122,193	131,299	105,969	25,330
Contracted Services - Transportation		10,871	10,871	10,871	
Registrations/Training/Travel	2,576	860	3,436	484	2,952
Supplies and Materials	7,936	97,770	105,706	64,338	41,368
General Supplies		121	121		121
Equipment	2,550	(2,550)			
Total Support Services	662,221	568,636	1,230,858	889,673	341,185

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (Continued):					
Capital Outlay:					
Equipment:					
Equipment	\$	46,783	46,783	41,968	\$ 4,815
Instructional			5,838	5,838	
Non-instructional		39,253	39,253	39,253	
Regular Education - School Buses		132,241	132,241	120,467	11,774
Total Equipment		218,277	224,115	207,526	16,589
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services		131,076	131,076	128,609	2,467
Construction Services					
Total Facilities Acquisition and Construction Services		131,076	131,076	128,609	2,467
Total Expenditures	2,695,000	1,675,752	4,370,752	3,787,982	582,770
Excess of revenues over/(under) expenditures				(247,434)	(247,434)
Fund Balance, July 1			338,646	338,646	
Fund Balance, June 30	\$	\$	\$ 338,646	\$ 91,212	\$ (494,868)

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Explanation of Differences between Budgetary Inflows and
Outflows and GAAP Revenues and Expenditures

		General Fund		Special Revenue Fund
Sources/Inflows of Resources:				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	(C-1)	\$ 138,945,558	(C-2)	\$ 3,540,548
Difference - Budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized:				
2011				85,712
2012				(113,490)
State aid payments recognized for budgetary purposes, not recognized for GAAP statements:				
2011		1,301,222		
2012		(1,557,984)		
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	(B-2)	\$ <u>138,688,796</u>	(B-2)	\$ <u>3,512,770</u>
Uses/Outflows of Resources:				
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	(C-1)	\$ 132,662,597	(C-2)	\$ 3,787,982
Difference - Budget to GAAP:				
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:				
2011				85,712
2012				(113,490)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	(B-2)	\$ <u>132,662,597</u>	(B-2)	\$ <u>3,760,204</u>

Other Supplementary Information

Special Revenue Fund Detail Statements

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Exhibit E-1
Page 1 of 5

	New Jersey Non-Public										E.S.E.A. Title III Carryover 10/11	Carryover 09/10	
	PBSIS	Textbooks	ESL	Transportation	Compensatory Education	Supple- mental Instruction	Examination and Classification	Corrective Speech	Nursing	Home Instruction			11/12
REVENUES													
State sources	\$ 100	\$ 24,978	\$ 2,586	\$ 10,871	\$ 23,669	\$ 11,224	\$ 21,255	\$ 24,485	\$ 35,119	\$ 9,900	\$ 6,435	\$ 41,967	\$ 6,245
Federal sources													
Other sources													
Total revenues	\$ 100	\$ 24,978	\$ 2,586	\$ 10,871	\$ 23,669	\$ 11,224	\$ 21,255	\$ 24,485	\$ 35,119	\$ 9,900	\$ 6,435	\$ 41,967	\$ 6,245
EXPENDITURES													
Instruction:													
Salaries	\$	\$	\$ 2,586	\$	\$ 23,669	\$ 11,224	\$	\$	\$	\$ 9,900	\$ 904	\$ 35,466	\$ 5,740
Purchased prof./educational services												120	
Other purchased services													
Supplies and materials											4,669	3,015	
General supplies													
Textbooks		24,978											
Total instruction		24,978	2,586		23,669	11,224				9,900	5,563	38,601	5,740
Support services:													
Salaries												190	
Personnel services - employee benefits												3,176	505
Purchased prof./educational services							21,255	24,485	35,119				
Purchased prof./technical services													
Travel													
Other purchased services													
Supplies and materials													
Miscellaneous expenditures													
Total support services							21,255	24,485	35,119		872	3,366	505
Capital Outlay:													
Equipment:													
Equipment													
Instructional equipment													
Non-instructional equipment													
Construction services													
Total capital outlay													
Total expenditures	100	24,978	2,586	10,871	23,669	11,224	21,255	24,485	35,119	9,900	6,435	41,967	6,245
Excess/(deficiency) of revenues over/(under) expenditures													
Other Financing Sources and Transfers:													
Transfer to escrow agent													
Excess/(deficiency) of revenues over/(under) expenditures and transfers													
Fund balances, July 1													
Fund balances, June 30													

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Exhibit E-1
Page 2 of 5

I.D.E.A. Part B

	Title I ESEA		Carryover 09/10	Part A C/O 11/12	Part A 10/11	Title II		Part D 10/11	Part D C/O 09/10	ARRA		
	11/12	09/10				Part A C/O 09/10	Basic Regular Program 09/10			Basic Regular Program 11/12	Basic Regular Program 10/11	Basic Regular Program 09/10
REVENUES												
State sources	\$ 276,026	\$ 29,445	\$ 36,152	\$ 98,373	\$ 39,542	\$ 8,292	\$ 3	\$ 2,480	\$ 24,869	\$ 1,811,098	\$ 124,678	\$ 138,912
Federal sources												
Other sources												
Total revenues	\$ 276,026	\$ 29,445	\$ 36,152	\$ 98,373	\$ 39,542	\$ 8,292	\$ 3	\$ 2,480	\$ 24,869	\$ 1,811,098	\$ 124,678	\$ 138,912
EXPENDITURES												
Instruction:												
Salaries	\$ 191,423	\$ 20,382	\$ 33,240	\$ 63,456	\$ 32,611	\$ 7,205	\$ 2	\$ 2,480	\$ 8,500	\$ 1,422,022	\$ 60,534	\$ 30,000
Purchased professional/educational services	1,458								3,060	21,116	2,456	16,057
Other purchased services	11,472	5,008										
Supplies and materials												
General supplies												
Textbooks												
Total instruction	204,353	25,390	33,240	63,456	32,611	7,205	2	2,480	11,560	1,443,138	62,990	46,057
Support services:												
Salaries	8,143	1,300	2,912	4,263	883	631	1	2,480	13,289	29,382	5,901	86,398
Personnel services - employee benefits	63,530	2,755		29,529	6,038					18,975	3,825	
Purchased prof./educational services												
Purchased prof./technical services												
Travel				1,125		456				3,114		
Other purchased services												
Supplies and materials												
Miscellaneous expenditures												
Total support services	71,673	4,055	2,912	34,917	6,931	1,087	1	2,480	13,289	367,960	61,688	92,855
Capital Outlay:												
Equipment:												
Instructional equipment												
Non-instructional equipment												
Construction services												
Total capital outlay												
Total expenditures	276,026	29,445	36,152	98,373	39,542	8,292	3	2,480	24,869	1,811,098	124,678	138,912
Excess/(deficiency) of revenues over/(under) expenditures												
Transfer to escrow agent												
Excess/(deficiency) of revenues over/(under) expenditures and transfers												
Fund balances, July 1												
Fund balance, June 30												

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Exhibit E-1
Page 3 of 5

	ARRA Preschool 09/10		I.D.E.A. Part B		Adult Basic Education 11/12	Improving Partnerships and Active Collaboration for Teaching 10/11	Improving Partnerships and Active Collaboration for Teaching 11/12	Other Local 2009/2010	2007/2008	2006/2007
	Preschool 11/12	Preschool 10/11	Preschool 09/10	Preschool 11/12						
State sources	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Federal sources	5,128	771	3,516	8,400	144,389	2,400	132,649	697	1,282	790
Other sources										
Total revenues	\$ 5,128	\$ 771	\$ 3,516	\$ 8,400	\$ 144,389	\$ 2,400	\$ 132,649	\$ 697	\$ 1,282	\$ 790

REVENUES

Total revenues	\$ 5,128	\$ 771	\$ 3,516	\$ 8,400	\$ 144,389	\$ 2,400	\$ 132,649	\$ 697	\$ 1,282	\$ 790
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EXPENDITURES

Instruction:	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Salaries					117,134					
Purchased professional/educational services										
Other purchased services			2,227		3,615		581		49	2
Supplies and materials										
General supplies					1,195					
Textbooks			2,227		121,944		581			640
Total instruction			2,227		121,944		581			640
Support services:										
Salaries					2,804		1,497		301	
Personnel services - employee benefits					19,146		968		143	52
Purchased prof/educational services							6,050			
Purchased prof/technical services										
Travel			1,289							
Other purchased services					282		201			
Supplies and materials					11		77,764		55	
Miscellaneous expenditures					202		6,172		541	150
Total support services			1,289		22,445		92,652		648	150
Capital Outlay:										
Equipment:										
Instructional equipment										
Non-instructional equipment							39,252			
Construction services							164			
Total capital outlay							39,416			
Total expenditures	\$ 5,128	\$ 771	\$ 3,516	\$ 8,400	\$ 144,389	\$ 2,400	\$ 132,649	\$ 697	\$ 1,282	\$ 790
Excess/(deficiency) of revenues over/(under) expenditures										
Transfer to escrow agent										
Excess/(deficiency) of revenues over/(under) expenditures and transfers										
Fund balances, July 1										
Fund balance, June 30										

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Exhibit E-1
Page 4 of 5

	Other/Local 2004/ 2005	East Brunswick Education Foundation 2012	2011	GRAY	PNC	Sam's Club	Lewes	CVS	Dodge	PTA Grants 11-12	PTA Grants 10-11	PTA Grants 09-10	PTA Grants 08-09	PTA Grants 07-08
REVENUES														
State sources														
Federal sources														
Other sources	275	95,886	4,096	20	2,348	5	43,445	2,255	152	31,846	30,007	2,529	1,145	1,205
Total revenues	275	95,886	4,096	20	2,348	5	43,445	2,255	152	31,846	30,007	2,529	1,145	1,205
EXPENDITURES														
Instruction:														
Salaries														
Purchased prof. educational services														
Other purchased services		34,884	1,198							4,260				
Supplies and materials	275	51,749	2,898	20		5		2,255	152	9,550	27,286		1,145	
General supplies														
Textbooks														
Total instruction	275	86,613	4,096	20		5		2,255	152	13,810	27,286		1,145	
Support services:														
Salaries		420												
Personnel services - employee benefits														
Purchased prof. educational services		4,000												
Purchased prof./technical services														
Travel														
Other purchased services		780								84				
Supplies and materials		1,573			638		36,687			3,685	208			
Miscellaneous expenditures														
Total support services		6,773			638		36,687			3,769	208			
Capital Outlay:														
Equipment:														
Equipment		2,500			1,510									
Instructional equipment														
Non-instructional equipment														
Construction services							6,758			14,267	2,513	2,529		1,205
Total capital outlay		2,500			1,510		6,758			14,267	2,513	2,529		1,205
Total expenditures	275	95,886	4,096	20	2,348	5	43,445	2,255	152	31,846	30,007	2,529	1,145	1,205
Excess/(deficiency) of revenues over/(under) expenditures														
Transfer to escrow agent														
Excess/(deficiency) of revenues over/(under) expenditures and transfers														
Fund balances, July 1														
Fund balances, June 30														

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Exhibit E-1
Page 5 of 5

	2001 Agreement	2006 Agreement	2009 Agreement	2010 Capital Lease	2011 Capital Lease	2012 Capital Lease	Total
REVENUES							
State sources	\$	\$	\$	\$	\$	\$	\$
Federal sources							164,187
Other sources					27,209	120,467	2,812,803
					\$ 27,209	\$ 120,467	\$ 563,558
Total revenues	\$	\$	\$	\$	\$ 27,209	\$ 120,467	\$ 3,540,548
EXPENDITURES							
Instruction:							
Salaries	\$	\$	\$	\$	\$	\$	\$ 507,563
Purchased professional/educational services							47,499
Other purchased services							1,562,838
Supplies and materials					163,271		337,069
General supplies							177
Textbooks							28,173
Total instruction					163,271		2,481,317
Support services:							
Salaries							55,576
Personnel services - employee benefits							152,576
Purchased prof./educational services							90,909
Purchased prof./technical services							489,808
Travel							483
Other purchased services					13,200		105,970
Supplies and materials					1,238		84,337
Miscellaneous expenditures							10,871
Total support services					14,438		970,530
Capital Outlay:							
Equipment:							
Instructional equipment	11	915			37,032		41,968
Non-instructional equipment					5,838		5,838
Construction services					10,759	120,467	248,077
Total capital outlay					53,629	120,467	336,135
Total expenditures	11	915	41,879	500	231,338	120,467	3,787,982
Excess/(deficiency) of revenues over/(under) expenditures	(11)	(915)	(41,879)	(500)	(204,129)		(246,508)
Transfer to escrow agent							
Excess/(deficiency) of revenues over/(under) expenditures and transfers	(11)	(915)	(41,879)	(500)	(204,129)		(247,434)
Fund balances, July 1	27,434	18,646	48,670	12,243	231,653		338,646
Fund balances, June 30	\$ 27,423	\$ 17,731	\$ 6,791	\$ 11,743	\$ 27,524	\$	\$ 91,212

Capital Projects Fund Detail Statements

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

<u>Project Title/Issue</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Current Year Transfers In/ (Out)</u>	<u>Unexpended Appropriations June 30, 2012</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Hammarskjold 04/05	\$ 66,574,686	\$ 66,544,411	\$ 30,275	\$	\$
Security Systems 06/07	730,000	596,405			133,595
Memorial Elementary School Replacement 09/10	23,814,001	4,809,106	13,550,998		5,453,897
Chittick School Roof Replacement 09/10	1,022,923	685,928	(3,006)	(67,078)	272,923
High School Security System 09/10	558,050	555,549		(2,501)	
Churchill Junior High School Security System 09/10	519,725	517,277		(2,448)	
Warnsdorfer PA/Fire Alarm/Clock 09/10	248,805	177,718			71,087
High School Auditorium Renovations 09/10	<u>1,207,523</u>	<u>863,123</u>			<u>344,400</u>
Totals	\$ <u>97,175,713</u>	\$ <u>77,249,517</u>	\$ <u>13,578,267</u>	\$ <u>(72,027)</u>	\$ <u>6,275,902</u>

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Revenues and Other Financing Sources	
State sources - SCC Grant	\$ (100,726)
Miscellaneous revenue	<u>3,387,106</u>
Total revenues	<u>3,286,380</u>
Expenditures and Other Financing Uses	
Architectural/engineering services	367,746
Purchased professional and technical services	91,328
Construction services	13,118,579
Other expenditures	<u>615</u>
Total expenditures	<u>13,578,267</u>
Excess(deficiency) of revenues over (under) expenditures	<u>(10,291,887)</u>
Other financing sources/(uses):	
Transfer to general fund - capital reserve	(4,949)
Transfer to escrow agent	<u>(67,078)</u>
Total financing sources/(uses)	<u>(72,027)</u>
Excess(deficiency) of revenues over (under) expenditures including transfers	(10,363,914)
Fund balance, beginning	<u>16,639,816</u>
Fund balance, ending	<u>\$ 6,275,902</u>

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Hammarskjold 04/05

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 12,307,152	\$	\$ 12,307,152	\$ 12,307,152
Bond proceeds	54,188,725		54,188,725	54,188,725
Reallocated from completed projects	78,809		78,809	78,809
	<u>66,574,686</u>		<u>66,574,686</u>	<u>66,574,686</u>
Total revenues				
Expenditures and Other Financing Uses				
Legal services	59,468		59,468	59,468
Purchased professional and technical services	5,931,814		5,931,814	5,931,814
Construction services	60,079,136	30,275	60,109,411	60,109,411
	<u>66,070,418</u>	<u>30,275</u>	<u>66,100,693</u>	<u>66,100,693</u>
Total expenditures				
Other Financing Uses				
Transfers Out	473,993		473,993	473,993
	<u>473,993</u>		<u>473,993</u>	<u>473,993</u>
Total other financing uses				
Excess(deficiency) of revenues over (under) expenditures	\$ <u>30,275</u>	\$ <u>(30,275)</u>	\$ <u>(0)</u>	\$ <u>(0)</u>

Additional Project Information:

Project Number	912
Grant Date	8/25/2004
Bond Authorization Date	12/14/2004
Bonds Authorized	
Bonds Issued	\$ 54,188,725
Original Authorized Cost	\$ 66,574,686
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 66,574,686

Percentage Increase Over Original

Authorized Cost	
Percent of Completion	100.00%
Original Target Completion Date	2008
Revised Target Completion Date	2011

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Security Systems
06/07

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from capital outlay	\$ 730,000	\$ _____	\$ 730,000	\$ 730,000
Total revenues	<u>730,000</u>	<u>_____</u>	<u>730,000</u>	<u>730,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	67,867	_____	67,867	67,867
Construction services	<u>528,538</u>	<u>_____</u>	<u>528,538</u>	<u>528,538</u>
Total expenditures	<u>596,405</u>	<u>_____</u>	<u>596,405</u>	<u>596,405</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 133,595</u>	<u>\$ _____</u>	<u>\$ 133,595</u>	<u>\$ 133,595</u>

Additional Project Information:

Project Number	922
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$730,000
Additional Authorized Cost	
Revised Authorized Cost	\$730,000

Percentage Increase Over Original

Authorized Cost	
Percent of Completion	81.70%
Original Target Completion Date	2008
Revised Target Completion Date	2012

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Memorial Elementary School Replacement
09/10

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 4,238,520	\$	\$ 4,238,520	\$ 4,238,520
Bond proceeds and transfers	13,960,000		13,960,000	13,960,000
Transfer from capital reserve	1,619,000		1,619,000	1,619,000
Miscellaneous	609,375	3,387,106	3,996,481	3,996,481
	<u>19,817,520</u>	<u>3,387,106</u>	<u>23,814,001</u>	<u>23,814,001</u>
Expenditures and Other Financing Uses				
Legal services	34,194		34,194	34,194
Architectural/engineering services	1,900,629	367,746	2,268,375	2,268,375
Purchased professional and technical services	122,594	91,328	213,922	213,922
Construction services	2,734,279	13,091,924	15,826,203	15,826,203
Other expenditures	17,408		17,408	17,408
	<u>4,809,104</u>	<u>13,550,998</u>	<u>18,360,102</u>	<u>18,360,102</u>
Excess(deficiency) of revenues over (under) expenditures	\$ <u>15,008,416</u>	\$ <u>(10,163,893)</u>	\$ <u>5,453,898</u>	\$ <u>5,453,898</u>

Additional Project Information:

Project Number	924
Grant Date	1/4/2010
Bond Authorization Date	5/12/2010
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

Percent of Completion	77.10%
Original Target Completion Date	2012
Revised Target Completion Date	2012

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**Chittick Roof Replacement
09/10**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 373,649	\$ (100,726)	\$ 272,923	\$ 272,923
Commissioner approved lease purchase	750,000		750,000	750,000
	<u>1,123,649</u>	<u>(100,726)</u>	<u>1,022,923</u>	<u>1,022,923</u>
Total revenues				
Expenditures and Other Financing Uses				
Architectural/engineering services	103,052		103,052	103,052
Construction services	582,876	(3,621)	579,256	579,256
Other expenditures		615	615	615
	<u>685,928</u>	<u>(3,006)</u>	<u>682,922</u>	<u>682,922</u>
Total expenditures				
Other Financing Sources/(Uses)				
Transfers out		(67,078)	(67,078)	(67,078)
		<u>(67,078)</u>	<u>(67,078)</u>	<u>(67,078)</u>
Excess(deficiency) of revenues over (under) expenditures	\$ <u>437,721</u>	\$ <u>(164,798)</u>	\$ <u>272,923</u>	\$ <u>272,923</u>

Additional Project Information:

Project Number	925
Grant Date	6/4/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$1,123,649
Additional Authorized Cost	-\$100,726
Revised Authorized Cost	\$1,022,923

Percentage Increase Over Original Authorized Cost

Percent of Completion	66.76%
Original Target Completion Date	2011
Revised Target Completion Date	2012

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

East Brunswick High School Security System
09/10

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 156,000	\$	\$ 156,000	\$ 156,000
Transfer from special revenue fund	100,000		100,000	100,000
Transfer from capital reserve	143,991		143,991	143,991
Transfer from capital outlay	<u>158,009</u>		<u>158,009</u>	<u>158,009</u>
Total revenues	<u>558,000</u>		<u>558,000</u>	<u>558,000</u>
Expenditures and Other Financing Uses				
Architectural/engineering services	75,519		75,519	75,519
Construction services	<u>480,030</u>		<u>480,030</u>	<u>480,030</u>
Total expenditures	<u>555,549</u>		<u>555,549</u>	<u>555,549</u>
Other Financing Sources				
Transfers In	50		50	50
Transfers out		<u>(2,501)</u>	<u>(2,501)</u>	<u>(2,501)</u>
Total other financing sources	<u>50</u>	<u>(2,501)</u>	<u>(2,451)</u>	<u>(2,451)</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 2,501</u>	<u>\$ (2,501)</u>	<u>\$ (0)</u>	<u>\$ (0)</u>

Additional Project Information:

Project Number	926
Grant Date	6/4/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$538,900
Additional Authorized Cost	\$16,599
Revised Authorized Cost	\$555,499

Percentage Increase Over Original Authorized Cost

Percent of Completion	99.56%
Original Target Completion Date	2011
Revised Target Completion Date	2012

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**Churchill Junior High School Security System
09/10**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 156,000	\$	\$ 156,000	\$ 156,000
Transfer from special revenue fund	100,000		100,000	100,000
Transfer from capital reserve	134,000		134,000	134,000
Transfer from capital outlay	<u>129,775</u>		<u>129,775</u>	<u>129,775</u>
Total revenues	<u>519,775</u>		<u>519,775</u>	<u>519,775</u>
Expenditures and Other Financing Uses				
Architectural/engineering services	64,607		64,607	64,607
Construction services	<u>452,670</u>		<u>452,670</u>	<u>452,670</u>
Total expenditures	<u>517,277</u>		<u>517,277</u>	<u>517,277</u>
Other Financing Uses				
Transfers Out	<u>(50)</u>	<u>(2,448)</u>	<u>(2,498)</u>	<u>(2,498)</u>
Total other financing uses	<u>(50)</u>	<u>(2,448)</u>	<u>(2,498)</u>	<u>(2,498)</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 2,448</u>	<u>\$ (2,448)</u>	<u>\$ 0</u>	<u>\$ 0</u>

Additional Project Information:

Project Number	927
Grant Date	6/4/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$500,675
Additional Authorized Cost	-\$2,448
Revised Authorized Cost	\$498,227

Percentage Increase Over Original Authorized Cost	
Percent of Completion	99.52%
Original Target Completion Date	2011
Revised Target Completion Date	2012

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**Warnsdorfer PA/Fire Alarm/Clock
09/10**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 71,087	\$	\$ 71,087	\$ 71,087
Transfer from special revenue fund	<u>177,718</u>	<u> </u>	<u>177,718</u>	<u>177,718</u>
Total revenues	<u>248,805</u>	<u> </u>	<u>248,805</u>	<u>248,805</u>
Expenditures and Other Financing Uses				
Architectural/engineering services	38,718	<u> </u>	38,718	38,718
Construction services	<u>139,000</u>	<u> </u>	<u>139,000</u>	<u>139,000</u>
Total expenditures	<u>177,718</u>	<u> </u>	<u>177,718</u>	<u>177,718</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 71,087</u>	<u>\$</u>	<u>\$ 71,087</u>	<u>\$ 71,087</u>

Additional Project Information:

Project Number	928
Grant Date	6/4/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$404,318
Additional Authorized Cost	(\$155,513)
Revised Authorized Cost	\$248,805

Percentage Increase Over Original Authorized Cost

Percent of Completion	100.00%
Original Target Completion Date	2010
Revised Target Completion Date	2010

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**High School Auditorium Renovations
09/10**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 344,400	\$	\$ 344,400	\$ 344,400
Transfer from special revenue fund	<u>863,123</u>	<u> </u>	<u>863,123</u>	<u>863,123</u>
Total revenues	<u>1,207,523</u>	<u> </u>	<u>1,207,523</u>	<u>1,207,523</u>
Expenditures and Other Financing Uses				
Architectural/engineering services	69,239		69,239	69,239
Construction services	<u>793,884</u>	<u> </u>	<u>793,884</u>	<u>793,884</u>
Total expenditures	<u>863,123</u>	<u> </u>	<u>863,123</u>	<u>863,123</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 344,400</u>	<u>\$</u>	<u>\$ 344,400</u>	<u>\$ 344,400</u>

Additional Project Information:

Project Number	929
Grant Date	6/4/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$1,207,523
Additional Authorized Cost	
Revised Authorized Cost	\$1,207,523

Percentage Increase Over Original

Authorized Cost	
Percent of Completion	100.00%
Original Target Completion Date	2010
Revised Target Completion Date	2011

Fiduciary Funds Detail Statements

Trust funds are used to account for gifts and bequests to the School District for a specific purpose. Agency funds are used to account for assets held by the School District as an agent for individuals, private organizations, other governments and/or other funds.

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

	Unemployment Compensation Trust	Deferred Benefit Trust	Agency Fund
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 659,300	\$ 96,344	\$ 1,069,777
Total Assets	<u>\$ 659,300</u>	<u>\$ 96,344</u>	<u>\$ 1,069,777</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 54,506	\$	\$
Payable to Student Groups			532,571
Payroll Deductions and Withholdings			537,206
Total Liabilities	<u>\$ 54,506</u>	<u>\$</u>	<u>\$ 1,069,777</u>
<u>NET ASSETS</u>			
Held in Trust for Unemployment Claims and Other Purposes	\$ 604,794	\$	\$
Reserved for Deferred Benefits		96,344	
	<u>\$ 604,794</u>	<u>\$ 96,344</u>	<u>\$</u>

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Unemployment Compensation <u>Trust Fund</u>	Deferred Benefit Trust
<u>Additions</u>		
Contributions:		
Plan Members	\$ 114,665	\$
Board Contribution	750,000	
Other	<u>2,784</u>	
Total Contributions	867,449	
Investment Earnings:		
Interest	<u>583</u>	<u>112</u>
Total Additions	<u>868,032</u>	<u>112</u>
<u>Deductions</u>		
Unemployment Claims and Assessment	485,562	
Transfer to Qualified Benefit Plan		<u>22,000</u>
Total Deductions	<u>485,562</u>	<u>22,000</u>
Change in Net Assets	382,470	(21,888)
Total Net Assets - Beginning	<u>222,324</u>	<u>118,232</u>
Total Net Assets - Ending	<u>\$ 604,794</u>	<u>\$ 96,344</u>

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2012</u>
<u>ELEMENTARY SCHOOLS</u>				
Bowne-Munroe	\$ 5,970	\$ 10,506	\$ 10,304	\$ 6,172
Central	7,418	12,783	12,340	7,861
Irwin	125	10,844	10,425	544
Lawrence Brook	7,626	14,658	15,964	6,320
Memorial	1,844	12,337	13,165	1,016
Murray A. Chittick	17,624	12,163	16,611	13,176
Robert Frost	6,086	12,571	12,550	6,107
Warnsdorfer	13,399	12,422	11,047	14,774
	<u>60,092</u>	<u>98,284</u>	<u>102,406</u>	<u>55,970</u>
<u>JUNIOR HIGH SCHOOL</u>				
Churchill	121,647	88,811	68,927	141,531
Hammarskjold	34,822	110,220	100,670	44,372
	<u>156,469</u>	<u>199,031</u>	<u>169,597</u>	<u>185,903</u>
<u>SENIOR HIGH SCHOOLS</u>				
East Brunswick	261,798	605,624	576,757	290,665
E.B.H.S. Athletic Fund	1	89,673	89,641	33
	<u>261,799</u>	<u>695,297</u>	<u>666,398</u>	<u>290,698</u>
Total all schools	<u>\$ 478,360</u>	<u>\$ 992,612</u>	<u>\$ 938,401</u>	<u>\$ 532,571</u>

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 603,418	\$ 85,647,802	\$ 85,714,014	\$ 537,206
Total Assets	<u>\$ 603,418</u>	<u>\$ 85,647,802</u>	<u>\$ 85,714,014</u>	<u>\$ 537,206</u>
<u>LIABILITIES</u>				
Net Payroll	\$ 5,856	\$ 46,989,522	\$ 46,989,522	\$ 5,856
Payroll Deductions and Withholdings	<u>597,562</u>	<u>38,658,280</u>	<u>38,724,492</u>	<u>531,350</u>
Total Liabilities	<u>\$ 603,418</u>	<u>\$ 85,647,802</u>	<u>\$ 85,714,014</u>	<u>\$ 537,206</u>

Long-Term Debt

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2012**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2011	Retired	Balance June 30, 2012						
			Date	Amount										
School Bonds	3/8/2005	\$ 81,386,000.00	11/01/2012	\$ 2,175,000	4.250%									
			11/01/2013	2,175,000	4.250%									
			11/01/2014	2,175,000	4.250%									
			11/01/2015	2,540,000	4.250%									
			11/01/2016	2,540,000	4.250%									
			11/01/2017	2,540,000	4.250%									
			11/01/2018	2,540,000	4.250%									
			11/01/2019	2,540,000	4.250%									
			11/01/2020	2,900,000	4.250%									
			11/01/2021	2,900,000	4.250%									
			11/01/2022	2,900,000	4.250%									
			11/01/2023	2,900,000	4.250%									
			11/01/2024	2,900,000	4.500%									
			11/01/2025	3,260,000	4.500%									
			11/01/2026	3,260,000	4.500%									
			11/01/2027	3,260,000	4.500%									
			11/01/2028	3,260,000	4.500%									
			11/01/2029	3,260,000	4.500%									
			11/01/2030	3,620,000	4.500%									
			11/01/2031	3,620,000	4.500%									
11/01/2032	3,620,000	4.625%												
11/01/2033	3,620,000	4.625%												
11/01/2034	3,481,000	4.625%												
						<u>70,161,000</u>	<u>2,175,000</u>	<u>67,986,000</u>						
2005 Sub-total						<u>70,161,000</u>	<u>2,175,000</u>	<u>67,986,000</u>						
School Refunding Bonds	3/15/2007	10,825,000.00	5/01/2013	905,000	4.000%									
			5/01/2014	900,000	5.000%									
			5/01/2015	900,000	5.000%									
			5/01/2016	905,000	5.000%									
			5/01/2017	905,000	5.000%									
			5/01/2018	1,085,000	4.000%									
			5/01/2019	1,085,000	4.000%									
			5/01/2020	1,075,000	4.000%									
			5/01/2021	1,065,000	4.000%									
			5/01/2022	1,055,000	4.000%									
												<u>10,615,000</u>	<u>735,000</u>	<u>9,880,000</u>
			2007 Sub-total									<u>10,615,000</u>	<u>735,000</u>	<u>9,880,000</u>
School Bonds	5/12/2010	13,960,000.00	5/15/2013	100,000	4.000%									
			5/15/2014	100,000	4.000%									
			5/15/2015	100,000	4.000%									
			5/15/2016	295,000	4.000%									
			5/15/2017	310,000	4.000%									
			5/15/2018	325,000	4.000%									
			5/15/2019	340,000	4.000%									
			5/15/2020	355,000	4.000%									
			5/15/2021	370,000	4.000%									
			5/15/2022	390,000	4.000%									
			5/15/2023	410,000	4.000%									
			5/15/2024	425,000	4.000%									
			5/15/2025	445,000	4.000%									
			5/15/2026	465,000	4.000%									
			5/15/2027	490,000	4.000%									
			5/15/2028	510,000	4.000%									
			5/15/2029	535,000	4.000%									
			5/15/2030	560,000	4.250%									
			5/15/2031	585,000	4.250%									
			5/15/2032	615,000	4.250%									
5/15/2033	640,000	4.250%												
5/15/2034	670,000	4.250%												
5/15/2035	700,000	4.250%												
5/15/2036	735,000	4.375%												
5/15/2037	770,000	4.375%												
5/15/2038	800,000	4.375%												
5/15/2039	840,000	4.500%												
5/15/2040	880,000	4.500%												
						<u>13,860,000</u>	<u>100,000</u>	<u>13,760,000</u>						
2010 Sub-total						<u>13,860,000</u>	<u>100,000</u>	<u>13,760,000</u>						
Grand totals						<u>\$ 94,636,000</u>	<u>\$ 3,010,000</u>	<u>\$ 91,626,000</u>						

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF LEASE PURCHASE OBLIGATIONS PAYABLE
JUNE 30, 2012

<u>Project</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance June 30, 2011</u>	<u>Retired</u>	<u>Balance June 30, 2012</u>
Construction of Various Schools Lease with East Brunswick Township (1996 Agreement)	4.36%	\$ 9,000,000	\$ 3,590,676	\$ 536,467	\$ 3,054,209
Additions and Renovations to High School - Lease with East Brunswick Township (1999 Agreement)	4.23%	14,320,000	7,166,156	746,507	6,419,649
			<u>\$ 10,756,832</u>	<u>\$ 1,282,974</u>	<u>\$ 9,473,858</u>

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>				
Local Sources:				
Tax Levy	\$ 8,406,922	\$ 8,406,922	\$ 8,406,922	\$
Miscellaneous Revenue			7,245	7,245
State Sources:				
Debt Service Aid	<u>419,959</u>	<u>419,959</u>	<u>419,959</u>	<u></u>
Total Revenues	<u>8,826,881</u>	<u>8,826,881</u>	<u>8,834,126</u>	<u>7,245</u>
<u>Expenditures</u>				
Principal Payments - Comm Approved Lease Purchase Agrm.	1,282,975	1,282,975	1,282,974	1
Interest for Commissioner Approved Lease Purchase Agrm.	460,027	460,027	460,026	1
Interest on Bonds	4,094,549	4,094,549	4,094,546	3
Redemption of Bond Principal	<u>3,010,000</u>	<u>3,010,000</u>	<u>3,010,000</u>	<u></u>
Total Expenditures	<u>8,847,551</u>	<u>8,847,551</u>	<u>8,847,546</u>	<u>5</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(20,670)	(20,670)	(13,420)	7,250
Fund Balance, July 1	<u>108,444</u>	<u>108,444</u>	<u>108,444</u>	<u></u>
Fund Balance, June 30	<u>\$ 87,774</u>	<u>\$ 87,774</u>	<u>\$ 95,024</u>	<u>\$ 7,250</u>
Detail:				
Restricted:				
Debt Service			\$ 7,250	
Assigned:				
Designated for Subsequent Year's Expenditures			<u>87,774</u>	
			<u>\$ 95,024</u>	

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2012

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding June 30, 2011</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2012</u>
2008-09 TD Equipment Lease	3.22%	\$ 2,690,000	\$ 1,187,569	\$	\$ 584,376	\$ 603,193
2006-08 Chase Equipment Leasing	Various	8,090,000	1,158,819		569,809	589,010
2009-10 Ford Motor Credit	7.30%	55,757	33,344		10,341	23,003
2009-10 TD Chittick Roof Project	3.09%	750,000	449,722		145,369	304,353
2009-10 TD Equipment Lease School Buses	3.22%	325,000	194,855		62,799	132,056
2010-11 TD Equipment Lease School Buses/Instruments/Loader	3.31%	361,500	289,646		68,914	220,732
2010-11 TD Equipment Lease Technology Equipment	2.66%	1,400,000	1,400,000		690,812	709,188
2011-12 KSB Equipment Lease School Buses	3.725%	120,500		120,500	27,925	92,575
			\$ 4,713,955	\$ 120,500	\$ 2,160,345	\$ 2,674,110

Detail:
 Current Portion \$ 2,253,864
 Long-term Portion 420,246

\$ 2,674,110

**Statistical Section
(Unaudited)**

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

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities										
Instruction										
Regular	41,775,529	43,111,466	46,338,123	48,203,380	50,681,033	57,705,173	59,100,982	57,817,859	56,358,268	55,639,649
Special education	9,769,230	12,139,103	11,039,852	11,844,714	12,470,045	12,629,815	13,046,829	12,903,642	12,957,610	13,175,634
Other instruction	3,276,547	4,373,743	6,171,735	6,786,530	6,445,046	3,548,481	3,383,252	4,423,965	4,256,967	4,563,199
Support Services:										
Tuition	6,888,544	4,905,459	4,765,539	5,691,056	6,155,305	6,632,965	5,768,671	6,832,491	6,266,150	6,384,136
Student & instruction related services	17,024,724	17,586,710	18,788,435	19,213,998	20,347,826	21,821,101	21,437,378	19,635,924	15,004,755	16,001,620
School administrative services	4,964,666	4,948,918	5,287,535	5,602,830	5,934,646	6,697,942	6,937,981	7,028,984	6,818,701	6,699,186
General and Business administrative services	4,977,178	4,039,656	4,378,253	5,789,599	5,739,338	5,686,675	5,903,282	6,158,466	9,199,308	9,291,373
Plant operations and maintenance	8,677,868	9,518,076	10,314,539	10,135,783	11,895,444	15,474,047	14,920,747	14,702,662	14,971,472	15,712,415
Pupil transportation	8,144,321	8,697,119	8,168,154	9,462,472	10,093,494	10,646,274	9,814,283	9,802,207	8,899,046	9,142,071
Special Schools	421,741	262,143	285,368	303,658	283,477	272,254	32,257	113,131	94,766	
Charter Schools					19,062	8,953	9,984	20,691	721,423	1,146,507
Interest on long-term debt	1,623,997	1,672,310	2,662,048	4,990,441	5,210,927	4,788,458	4,738,656	4,336,393	4,680,945	4,492,514
Total governmental activities expenses	107,544,346	111,254,702	118,199,581	128,024,459	135,275,644	145,912,038	145,084,301	143,776,415	140,229,411	142,248,304
Business-type activities:										
Food service	2,317,729	2,319,380	2,586,246	2,650,684	2,851,668	2,984,123	2,902,032	2,463,097	2,537,836	2,545,286
ETTC Program	220,363	303,122	263,410	342,134	325,113	300,013	307,824	289,885	295,590	245,245
Adult and Community Program	184,456	254,588	335,650	422,431	461,418	534,156	1,298,423	1,402,177	1,730,273	1,724,445
Total business-type activities expense	2,722,548	2,877,090	3,185,306	3,415,250	3,638,199	3,818,292	4,508,279	4,155,159	4,563,699	4,514,976
Total district expenses	110,266,893	114,131,792	121,384,887	131,439,709	138,913,843	149,730,330	149,602,580	147,931,574	144,793,110	146,763,280
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	48,093	3,792	35,644	64,101	43,640	52,600	34,904	78,449	162,291	311,056
Operating grants and contributions	3,878,172	3,585,592	4,252,838	3,610,352	2,628,449	2,158,208	209,349	2,224,838	6,395,117	4,293,718
Total governmental activities program revenues	3,926,265	3,589,383	4,288,482	3,674,454	2,672,089	2,210,808	244,253	2,303,287	6,557,408	4,604,774

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

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Business-type activities:										
Charges for services:										
Food service	1,796,517	1,950,699	2,042,075	2,143,465	2,111,808	2,094,372	2,147,968	2,002,810	1,935,376	2,006,262
ETTC Program	201,851	231,942	240,163	313,200	242,971	249,794	245,649	274,573	420,712	284,852
Adult and Community Program	228,219	382,778	434,043	440,219	531,593	550,573	1,544,496	1,530,473	2,036,964	2,030,824
Operating grants and contributions	290,525	328,140	341,612	359,233	399,552	449,521	497,605	580,391	579,205	649,303
Total business type activities program revenues	2,517,112	2,893,559	3,057,892	3,256,116	3,285,924	3,344,260	4,435,708	4,388,247	4,972,257	4,971,241
Total district program revenues	6,443,376	6,482,942	7,346,374	6,930,570	5,988,072	5,555,068	4,679,961	6,691,534	11,529,665	9,576,015
Net (Expense)/Revenue										
Governmental activities	(103,618,081)	(107,665,319)	(113,911,098)	(124,350,006)	(132,603,555)	(143,701,230)	(144,850,048)	(141,473,128)	(133,672,002)	(137,643,529)
Business-type activities	(205,436)	16,469	(127,415)	(159,133)	(352,276)	(474,032)	(72,571)	233,088	408,558	456,265
Total district-wide net expense	(103,823,517)	(107,648,850)	(114,038,513)	(124,509,139)	(132,955,831)	(144,175,262)	(144,922,619)	(141,240,040)	(133,263,444)	(137,187,264)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	79,850,913	84,199,214	90,622,879	92,817,580	98,543,803	105,704,289	106,086,288	106,086,288	106,788,787	108,271,963
Taxes levied for debt service	2,532,633	2,532,633	2,417,568	6,269,481	6,386,428	7,344,256	8,651,094	7,809,410	8,602,137	8,406,922
Unrestricted grants and contributions	22,533,341	25,981,408	26,091,125	27,088,686	31,532,595	31,841,232	28,380,583	24,624,578	13,638,048	16,692,610
Restricted grants and contributions	1,171,492	725,090	2,871,406	591,736	1,600,522	4,422,882	3,948,755	10,033,783	8,419,779	10,244,467
Investment earnings	42,944	265,649	2,819,913	2,819,913	3,364,699	855,104	432,502	113,024	32,816	25,178
Miscellaneous income	1,439,438	181,932	1,174,978	1,984,517	1,138,677	1,154,218	(994,489)	903,614	1,744,262	6,076,160
Transfers	(188,780)	(190,363)	(177,142)	(177,142)	(359,541)	(448,230)	(339,748)	400,000	424,553	200,703
Total governmental activities	104,949,347	113,695,563	123,177,956	131,394,771	142,207,182	150,873,751	146,164,965	149,970,697	139,650,382	149,978,003
Business-type activities:										
Investment earnings	10,663	7,966	10,464	17,812	20,077	22,335	13,128	1,824	1,156	876
Miscellaneous income/(expense)	188,780	167,531	206,707	112,667	359,541	448,230	193,423	(400,000)	(400,000)	(27,353)
Transfers	199,444	175,497	217,171	130,479	379,618	470,565	206,552	(398,176)	(398,844)	(267,781)
Total business-type activities	105,148,791	113,871,060	123,395,126	131,525,251	142,586,800	151,344,316	146,371,537	149,572,521	139,251,538	149,623,745
Change in Net Assets										
Governmental activities	1,331,266	6,030,244	9,266,857	7,044,766	9,603,627	7,172,521	1,314,937	8,497,569	5,978,379	12,274,473
Business-type activities	(5,992)	191,966	89,756	(28,654)	27,343	(3,467)	133,981	(165,088)	9,714	162,007
Total district	1,325,274	6,222,210	9,356,613	7,016,111	9,630,970	7,169,054	1,448,918	8,332,481	5,988,093	12,436,480

Source: CAFR Schedule A-2 and District records

East Brunswick Public Schools
 Fund Balances, Governmental Funds,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Unaudited

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Restricted	\$ 612,619	\$ 1,721,905	\$ 5,823,191	\$ 6,655,251	\$ 7,938,692	\$ 11,439,853	\$ 9,818,204	\$ 7,906,176	\$ 9,427,721	\$ 16,007,402
Unreserved/Unassigned	1,732,642	3,625,348	2,698,747	3,710,804	4,028,809	3,465,104	3,446,187	3,269,166	1,780,284	1,499,532
Total general fund	\$ 2,345,262	\$ 5,347,253	\$ 8,521,938	\$ 10,366,055	\$ 11,967,501	\$ 14,904,957	\$ 13,264,391	\$ 11,175,342	\$ 11,208,005	\$ 17,506,934
All Other Governmental Funds										
Restricted	\$ 8,490,281	\$ 2,157,561	\$ 111,529,950	\$ 101,533,422	\$ 36,614,135	\$ 5,694,005	\$ 3,221,962	\$ 2,538,494	\$ 17,086,904	\$ 6,462,147
Unreserved, reported in:										
Special revenue fund (deficit)	(19,116)				141,060	1,948,257	1,793,774	328,220	338,644	91,220
Capital projects fund					9,237,554	7,374,680	631,478	18,301,111	16,639,816	6,275,902
Debt service fund	90,322	2	779,571	819,917	1,543,233	725,059	157,502	48,841	108,444	95,024
Total all other governmental funds	\$ 8,561,487	\$ 2,157,563	\$ 112,309,521	\$ 102,353,339	\$ 47,535,981	\$ 15,742,001	\$ 5,804,716	\$ 21,214,666	\$ 34,173,808	\$ 12,924,293

Source: CAFR Schedule B-1 and District records.

East Brunswick Public Schools
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Tax levy	79,950,913	\$ 86,731,847	\$ 93,040,447	\$ 99,087,061	\$ 104,930,231	\$ 113,048,545	\$ 114,737,382	\$ 113,895,698	\$ 115,390,924	\$ 116,678,885
Tuition charges	48,093	3,792	35,644	64,101	43,640	52,600	34,904	78,449	162,291	311,056
Board Contribution	1,174,579									
Miscellaneous	1,670,100	447,582	1,376,306	4,804,430	4,503,375	4,500,757	2,165,724	2,580,085	3,595,241	601,337
State sources	24,576,456	27,350,940	55,171,825	28,547,421	32,890,362	33,513,345	29,781,346	31,138,147	24,595,645	27,776,857
Federal sources	2,818,831	2,941,150	3,412,109	2,998,977	2,871,204	2,750,769	2,813,562	5,745,052	3,857,299	3,453,938
Total revenue	110,238,971	117,476,309	153,036,331	135,501,991	145,238,812	153,866,016	149,532,918	153,437,431	147,601,400	148,822,073
Expenditures										
Instruction										
Regular instruction	33,532,850	33,785,799	36,446,885	37,493,770	38,714,353	42,853,159	45,417,776	43,844,668	43,154,030	42,612,785
Special education instruction	7,755,459	9,513,230	8,683,308	9,039,671	9,277,018	9,410,531	9,840,464	9,630,116	9,628,331	9,695,591
Other instruction	2,601,139	3,427,636	4,854,330	5,179,356	4,794,755	2,643,989	2,551,790	3,301,649	3,163,198	3,357,934
Support Services:										
Tuition	5,468,581	3,844,334	3,748,297	4,328,974	4,579,204	4,942,252	4,377,299	5,099,156	4,656,149	4,697,912
Student & instruction related services	13,955,441	13,762,437	14,777,895	14,663,774	15,137,648	16,259,000	16,168,967	14,654,484	11,152,274	11,775,157
School administrative services	3,941,279	3,878,392	4,158,869	4,275,978	4,425,370	4,990,592	5,232,915	5,245,800	4,721,103	4,929,749
Business administrative services	4,052,656	4,030,041	4,278,104	4,539,292	4,382,622	4,379,376	4,585,725	4,596,124	6,835,673	6,837,269
Plant operations and maintenance	6,889,064	7,459,171	8,112,819	7,735,446	9,250,571	9,784,556	10,492,528	11,016,147	11,167,779	10,846,462
Pupil transportation	6,465,500	6,815,799	6,424,597	7,221,587	7,904,302	7,932,587	7,838,887	7,626,405	6,972,249	6,727,402
Unallocated employee benefits	19,607,788	21,871,558	23,260,418	26,644,835	30,597,181	33,323,931	30,301,813	31,297,289	29,689,813	30,928,665
Special Schools	334,806	205,437	224,454	231,746	210,891	202,857	24,330	84,431	70,417	1,146,507
Charter Schools		4,038	4,709	18,786	19,062	8,953	9,984	20,691	721,423	16,229,966
Capital outlay	18,951,578	8,825,032	7,844,005	14,482,617	62,557,404	38,726,462	15,264,412	12,252,448	9,118,270	
Debt service:										
Principal	1,414,327	1,452,021	1,491,332	3,342,328	4,550,082	4,624,670	5,171,169	4,094,473	4,240,233	4,292,974
Interest and other charges	1,637,118	1,574,679	1,510,625	5,427,185	4,717,272	4,744,208	4,541,551	4,325,594	4,743,426	4,554,572
Total expenditures	126,607,586	120,469,603	125,820,647	144,625,345	201,117,735	184,827,123	161,822,610	157,089,465	150,034,369	158,632,945
Excess (Deficiency) of revenues over (under) expenditures	(16,368,615)	(2,994,294)	27,215,685	(9,123,354)	(55,878,923)	(30,961,107)	(12,289,692)	(3,652,034)	(2,432,969)	(9,810,872)
Other Financing sources (uses)										
Capital leases (non-budgeted)			30,972	378,233						
Bond proceeds			81,386,000					13,960,000		
Cancellation of prior year's receivables		(16,590)	(36,644)			(37,282)	(943,379)			
Lease purchase proceeds	2,500,000			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										
Memorial School fire loss										5,500,000
Accrued interest			136,647					(156,121)	(76,740)	
Transfers in		422,168	1,710,908	95,704	1,357,000	69,055	598,998	3,787,416	438,200	272,730
Transfers out	(188,780)	(591,904)	(993,737)	(272,846)	(1,716,541)	(517,285)	(790,766)	(1,240,841)	(13,647)	(72,027)
Total other financing sources (uses)	2,311,220	(186,325)	86,110,958	1,001,090	2,710,959	2,014,488	811,071	16,972,935	347,813	5,700,703
Net change in fund balances	(14,057,395)	(3,180,619)	113,326,643	(8,122,263)	(53,167,964)	(28,946,619)	(11,478,621)	13,320,901	(2,085,156)	(4,110,169)
Debt service as a percentage of noncapital expenditures		2.8%	2.7%	6.7%	6.7%	6.4%	6.6%	5.8%	6.4%	6.2%

Source: CAFR Schedule B-2

East Brunswick Public Schools
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Unaudited

J-5

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition Revenue</u>	<u>Rentals</u>	<u>Misc.</u>	<u>Annual Totals</u>
2003	\$ 161,762	\$ 48,093	\$ 48,652	\$ 1,134,790	1,393,296
2004	265,586	3,792	56,141	30,813	356,332
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

Source: District Records

Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Ratio to True Value %	Aggregate True Value
2003	\$ 23,795,000	\$ 1,450,365,800	\$ 2,845,500	\$ 380,589,400	\$ 111,135,800	\$ 33,814,700	\$ 2,002,546,200	\$ 6,080,384	\$ 2,008,626,584	4.17	n	\$ 4,825,412,530
2004	18,710,900	1,481,859,100	2,866,400	385,686,700	110,709,900	33,814,700	2,033,647,700	5,137,447	2,038,785,147	4.41		5,511,240,379
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		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		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		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		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		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		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		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		7,521,665,368

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

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

Reassessment occurs when ordered by the County Board of Taxation

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

^b Tax rates are per \$100

**East Brunswick Public Schools
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

(rate per \$100 of assessed value)
Unaudited

Year Ended December 31,	East Brunswick Public Schools			Overlapping Rates			Total Direct and Overlapping Tax Rate	
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	East Brunswick Township	Middlesex County	Municipal Open Space		Middlesex County Open Space
2003	4.040	0.130	4.170	1.100	0.860	0.020	0.070	6.220
2004	4.280	0.130	4.410	1.110	0.890	0.020	0.080	6.510
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

Source: District Records and Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

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 Ten Years Ago
Unaudited

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Brunswick Square Mall	\$ 30,266,800	1	1.57%	\$ 42,310,300	1	2.11%
Tower II	15,159,200	3	0.78%	30,700,000	2	1.53%
Tower I	12,374,400	4	0.64%	30,700,000	3	1.53%
Mid State Mall	15,460,000	2	0.80%	19,154,000	4	0.95%
Tower Center Hotel				17,500,000	5	0.87%
East Brunswick VF, LLC	9,500,000	5	0.49%	9,630,000	7	
L.P.E. Partners	9,038,400	6	0.47%	7,404,400	9	0.37%
Wyndmoor Apartments	7,769,400	7	0.40%	10,400,000	6	0.52%
East Coast Cranbury	6,000,000	8	0.31%	-		
Toll JM EB, LLC	5,977,600	9	0.31%			
Sam's Club				8,115,000	8	0.40%
Beimont Associates (K Mart)	5,880,600	10	0.30%	6,080,600	10	0.30%
Total	\$ 117,426,400		6.07%	\$ 181,994,300		8.58%

Source: District CAFR & Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003 \$	79,950,913	\$ 79,950,913	100.00%	-
2004	86,731,847	86,731,847	100.00%	-
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%	-

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

Notes: 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.

General Fund Only.

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

Fiscal Year Ended June 30,	Governmental Activities					Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases	Lease Purchase Obligations					
2003 \$	15,565,000		\$ 27,568,056		\$ 43,133,056	*	908	
2004	15,030,000		22,376,305		37,406,305	*	784	
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	

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

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.

** Information not available.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2003 \$	15,565,000	-	\$ 15,565,000	0.78%	328
2004	15,030,000	-	15,030,000	0.74%	315
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

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 J-14.

East Brunswick Public Schools
 Ratios of Overlapping Governmental Activities Debt
 As of June 30, 2012
 Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
East Brunswick Township (as of 12/31/11)	\$ 97,769,112	100.000%	\$ 97,769,112
Other debt			
Middlesex County as of 04/05/12	682,103,425	7.530%	51,362,387
Middlesex County Utility Authority as of 01/01/12	228,984,221	7.530%	17,242,511
Subtotal, overlapping debt			166,374,010
East Brunswick Public Schools Direct Debt	103,773,968	100.000%	103,773,968
Total direct and overlapping debt			<u><u>\$ 270,147,978</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.

Legal Debt Margin Calculation for
 Fiscal Year 2012

Equalized valuation basis	
2011	\$ 7,641,016,362
2010	7,989,207,870
2009	8,231,592,095
[A]	\$ 23,871,816,327

Average equalized valuation of taxable property **[A/3]** \$ 7,957,272,109

[B]	318,290,884
[C]	103,773,968
[B-C]	\$ 214,516,916

Debt limit = 4 % of average equalization value
 Net school debt
 Legal debt margin

	Fiscal Years									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 146,244,834	\$ 230,912,252	\$ 295,432,100	\$ 252,857,942	\$ 154,245,562	\$ 155,152,969	\$ 177,135,178	\$ 173,405,103	\$ 179,456,066	\$ 214,516,916
Total net debt applicable to limit	15,565,000	15,030,000	95,881,000	93,536,000	91,306,000	88,766,000	86,226,000	97,646,000	94,636,000	91,626,000
Legal debt margin	\$ 130,679,834	\$ 215,882,252	\$ 199,551,100	\$ 159,321,942	\$ 62,939,562	\$ 27,627,825	\$ 90,909,178	\$ 75,759,103	\$ 84,820,066	\$ 122,890,916
Total net debt applicable to the limit as a percentage of debt limit	10.64%	6.51%	32.45%	36.99%	59.20%	76.26%	48.68%	56.31%	52.73%	42.71%

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

a Limit set by N.J.S.A. 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
2003	47,489 **	-	38,745 **	4.1%
2004	47,693 **	-	39,659 **	3.4%
2005	47,637 **	-	40,826 **	3.2%
2006	47,540 **	-	44,204 **	3.5%
2007	46,969 **	-	46,991 **	3.1%
2008	46,894 **	-	49,464 **	4.1%
2009	47,055 **	-	46,912 **	7.6%
2010	47,280	-	48,256	7.1%
2011	47,565 **	-	*	7.2%
2012	47,774	-	*	*

Source: NJ Department of Labor and Workforce Development

* Information for the noted years was not available.

** Numbers reflect revisions from prior years made by the NJ Department of Labor and Workforce Development and US Bureau of Census

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 Ten Years Ago
Unaudited

J-15

Employer	2012			2003		
	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 - 4,749	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	2,500 - 2,749	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	2,000 - 2,249	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 2003 was not available.

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

J-16

Unaudited

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction									
Regular	497.50	546.50	566.00	571.74	605.50	615.00	612.25	595.23	569.23
Special education	207.70	219.50	215.50	209.00	228.50	220.00	224.00	206.50	206.50
Support Services:									
Student & instruction related services	234.62	255.93	260.43	232.72	240.94	234.47	201.45	135.70	132.70
General administrative services	10.00	7.00	8.00	8.00	8.85	8.85	8.85	7.85	7.85
School administrative services	55.93	61.85	61.85	60.93	67.52	67.52	65.60	60.64	60.64
Business administrative services	22.00	23.00	23.00	23.50	27.50	27.92	27.92	22.93	22.93
Information Technology	18.00	21.00	18.00	15.00	17.00	19.00	21.00	18.00	18.00
Plant operations and maintenance	168.60	166.50	164.53	152.77	166.90	168.74	169.77	152.78	152.78
Pupil transportation	8.54	8.54	15.54	16.00	28.62	33.62	38.24	37.25	37.25
Food Service	44.35	47.28	46.57	42.35	44.45	45.46	37.52	36.40	38.57
Adult and Community Programs	4.00	4.00	4.00	4.00	4.00	4.00	4.50	5.23	5.14
ETTC	3.00	3.00	3.00	2.50	2.50	2.50	2.00	2.00	2.00
Total	<u>1,274.24</u>	<u>1,364.10</u>	<u>1,386.42</u>	<u>1,338.51</u>	<u>1,442.28</u>	<u>1,447.08</u>	<u>1,413.10</u>	<u>1,280.51</u>	<u>1,253.59</u>

Source: District Personnel Records

Note: Only the last nine years of information is represented as GASB 34 was implemented during fiscal year June 30, 2003.

East Brunswick Public Schools
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

Fiscal Year	Pupil/Teacher Ratio										Student Attendance Percentage		
	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	Junior High School	High School	Average Daily Enrollment (ADE) ^c		Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment
2003	8,844	104,710,123.81	11,840	7.89%	*	23:1	25:1	25:1	24:1	8,755.56	8,328.41	-0.41%	95.12%
2004	8,958	108,832,211.75	12,149	2.61%	705	22:1	25:1	25:1	25:1	8,986.68	8,622.75	2.64%	95.95%
2005	9,035	115,198,109.85	12,750	4.95%	766	23:1	25:1	25:1	25:1	9,096.13	8,719.82	1.22%	95.86%
2006	9,047	121,354,429.00	13,414	5.20%	782	21:1	22:1	21:1	24:1	9,277.69	9,020.44	2.00%	97.23%
2007	9,067	128,270,341.90	14,147	5.47%	781	21:1	22:1	21:1	25:1	8,971.55	8,608.08	-3.30%	95.95%
2008	8,846	135,469,684.00	15,314	8.25%	720	23:1	21:1	23:1	21:1	8,781.66	8,480.19	-2.12%	96.57%
2009	8,876	136,731,783.00	15,405	0.59%	706	21:1	24:1	23:1	21:1	8,809.58	8,381.17	-0.32%	95.14%
2010	8,783	136,416,960.00	15,532	0.83%	715	21:1	24:1	21:1	25:1	8,709.20	8,354.48	-1.14%	96.04%
2011	8,631	131,932,435.38	15,286	-0.77%	696	22:1	24:1	21:1	25:1	8,495.63	8,142.89	-2.45%	95.85%
2012	8,468	133,555,432.75	15,772	1.54%	687	*	*	*	*	8,292.92	7,983.85	-2.39%	96.27%

Sources: District records, ASSA and NJ School Report Card

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

District/Building	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Elementary										
Bowne-Munro (1952)										
Square Feet	32,011	32,011	32,011	32,011	32,011	32,011	32,011	32,011	32,011	32,011
Capacity (students)	242	242	242	242	242	242	242	242	242	242
Enrollment	312	320	310	299	295	312	297	286	256	238
Central (1949)										
Square Feet	40,067	40,067	40,067	40,067	73,266	73,266	73,266	73,266	73,266	73,266
Capacity (students)	452	452	452	452	552	552	552	552	552	552
Enrollment	469	463	468	441	429	444	443	449	428	424
Chittick (1969)										
Square Feet	49,127	49,127	49,127	49,127	49,127	49,127	49,127	49,127	49,127	49,127
Capacity (students)	383	383	383	383	383	383	383	383	383	383
Enrollment	535	574	539	560	603	501	495	489	494	515
Frost (1965)										
Square Feet	49,971	49,971	49,971	49,971	49,971	49,971	49,971	49,971	49,971	49,971
Capacity (students)	438	438	438	438	438	438	438	438	438	438
Enrollment	579	570	557	528	538	479	504	502	491	457
Inwin (1957)										
Square Feet	43,033	43,033	43,033	43,033	43,033	43,033	43,033	43,033	43,033	43,033
Capacity (students)	376	376	376	376	376	376	376	376	376	376
Enrollment	535	507	525	536	517	424	441	436	409	417
Lawrence Brook (1959)										
Square Feet	37,004	37,004	37,004	37,004	67,267	67,267	67,267	67,267	67,267	67,267
Capacity (students)	465	465	465	465	532	532	532	532	532	532
Enrollment	457	461	459	451	447	521	572	547	524	513
Memorial (1956)										
Square Feet	30,759	30,759	30,759	30,759	30,759	30,759	30,759	30,759	30,759	30,759
Capacity (students)	446	446	446	446	446	446	446	446	446	446
Enrollment	374	377	375	378	384	389	377	356	348	337
Wamsdorfer (1968)										
Square Feet	49,971	49,971	49,971	49,971	49,971	49,971	49,971	49,971	49,971	49,971
Capacity (students)	479	479	479	479	479	479	479	479	479	479
Enrollment	543	558	569	588	551	531	500	462	461	429
Total Elementary Schools										
Square Feet	331,943	331,943	331,943	331,943	395,405	395,405	395,405	395,405	395,405	395,405
Capacity (students)	3,281	3,281	3,281	3,281	3,448	3,448	3,448	3,448	3,448	3,448
Enrollment	3,804	3,830	3,802	3,781	3,764	3,601	3,629	3,527	3,411	3,330

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Middle School										
Hammaraskjold (2009)										
Square Feet	116,862	116,862	116,862	116,862	116,862	116,862	233,000	233,000	233,000	233,000
Capacity (students)	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288
Enrollment	1,440	1,474	1,504	1,468	1,409	1,414	1,441	1,452	1,388	1,298
Junior High School										
Churchill Jr. High (1962)										
Square Feet	205,549	205,549	205,549	205,549	205,549	205,549	205,549	205,549	205,549	205,549
Capacity (students)	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325
Enrollment	1,529	1,541	1,484	1,501	1,534	1,506	1,461	1,466	1,469	1,462
High School										
East Brunswick High (1958)										
Square Feet	257,727	257,727	257,727	257,727	257,727	257,727	257,727	257,727	257,727	257,727
Capacity (students)	1,582	1,582	1,582	1,582	1,582	1,582	1,582	1,582	1,582	1,582
Enrollment	2,071	2,113	2,245	2,297	2,254	2,176	2,284	2,310	2,234	2,208
Other										
Administration Building										
Square Feet	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000

Number of Schools at June 30, 2012

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

Source: District records, ASSA, LRFPP

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

Note 2: During FY2000 the formula to calculate functional capacity changed based on a change in the NJ Administrative Code.

* Refer to footnotes for further information regarding Memorial Elementary School.

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-XXX

School Facilities	Project # (s)	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
East Brunswick High School	N/A	\$ 363,539	\$ 357,072	\$ 410,530	\$ 714,920	\$ 533,832	\$ 568,212	\$ 525,549	\$ 565,886	\$ 520,355	\$ 411,981
Churchill Junior High School	N/A	295,625	273,595	302,575	535,537	426,848	494,977	441,724	468,456	474,606	288,103
Hammarskjold School	N/A	351,406	323,944	343,687	72,810	242,166	230,222	206,420	219,617	198,029	157,563
Bowne-Munro School	N/A	42,089	40,757	47,494	95,882	66,159	61,425	56,305	61,519	53,535	45,987
Central School	N/A	97,621	93,848	104,944	20,954	153,963	80,487	76,238	75,151	65,858	54,165
Irwin School	N/A	57,479	57,905	77,816	122,496	87,549	82,598	75,765	84,647	70,066	59,358
Lawrence Brook School	N/A	90,433	84,485	93,577	19,238	139,809	75,300	65,812	72,728	67,546	51,543
Memorial School	N/A	43,033	39,151	42,919	88,410	67,486	59,367	55,020	58,100	52,737	41,782
Chittick School	N/A	67,793	65,862	67,929	105,673	106,422	95,834	85,025	95,403	80,004	67,368
Frost School	N/A	65,695	62,304	69,193	122,373	102,292	105,829	89,017	93,710	80,850	69,408
Warnsdorfer School	N/A	65,695	62,304	70,227	106,286	103,639	95,898	86,660	94,496	81,691	67,605
Total School Facilities		1,540,408	1,461,226	1,630,891	2,004,579	2,030,165	1,950,149	1,763,535	1,889,713	1,745,277	1,314,863
Other Facilities		39,440	37,051	39,686	44,732	60,340	65,349	58,997	62,880	55,152	45,228
Grand Total		\$ 1,579,848	\$ 1,498,278	\$ 1,670,577	\$ 2,049,311	\$ 2,090,505	\$ 2,015,498	\$ 1,822,532	\$ 1,952,593	\$ 1,800,429	\$ 1,360,091

	Coverage	\$	Deductible
<u>MULTI-PERIL PACKAGE POLICY</u>			
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG POLICY NO. P-135AC ANNUAL PREMIUM: \$466,446			
<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-135AC ANNUAL PREMIUM: \$118,567			
Wrongful Acts Liability - Each Occurrence		11,000,000	15,000
Annual Aggregate		11,000,000	
<u>CATASTROPHIC POLICY</u>			
FIREMAN'S FUND POLICY NO. SHX00014506778 ANNUAL PREMIUM: \$39,489			
Limit of Insurance (Group Aggregate)		50,000,000	
<u>PROPERTY INSURANCE</u>			
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG POLICY NO. P135AB ANNUAL PREMIUM: Included			
Blanket Building - Contents Coverage		387,537,780	10,000
Extra Expense		50,000,000	10,000
Flood & Earthquake		25,000,000	25,000
EDP		21,000,000	1,000
Energy Systems - Property Damage		100,000,000	10,000
Energy Systems - Extra Expense		10,000,000	10,000

Source: District Records

	<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
<u>ENVIRONMENTAL IMPAIRMENT</u>		
CHUBB GROUP POLICY NO. 37254099 ANNUAL PREMIUM: \$8,625		
Legal Liability	1,000,000 each loss 3,000,000 aggregate	10,000
<u>WORKERS COMPENSATION</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG POLICY NO. W-135AC ESTIMATED DEPOSIT PREMIUM: \$498,134		
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: \$20,234		
Supplemental Coverage:		
Reimbursement of Salary - Max Weekly Benefit	1,750	
<u>PRIMARY UMBRELLA</u>		
INCLUDED IN MULTI-PERIL PACKAGE POLICY BY EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG		

	<u>Coverage</u>	<u>Deductible</u>
<u>STUDENT ACCIDENT INSURANCE</u>		
McCLOSKEY INSURANCE / NJSBAIG POLICY NO. 9731292 ANNUAL PREMIUM: \$41,349		
Student Accident/Athletic Accident		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
 <u>BUILDERS RISK PROPERTY COVERAGE (MEMORIAL SCHOOL)</u>		
SELECTIVE INSURANCE COMPANY POLICY NO. S1949396 ANNUAL PREMIUM: \$20,642		
9-1-2011 / 2012	23,814,000	10,000

Single Audit Section

**INDEPENDENT AUDITOR'S 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**

Honorable President and Members
of the Board of Education
Township of East Brunswick School District
County of Middlesex
East Brunswick, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Township of East Brunswick School District (the "District"), in the County of Middlesex, New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 25, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

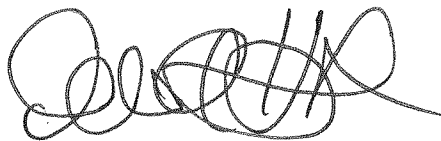
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS (CONTINUED)**

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 that are required to be reported under *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that we reported to management of the District in a separate report dated September 25, 2012.

This report is intended solely for the information and use of the finance committee, management, the Township of East Brunswick Board of Education, the New Jersey Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



David A. Kaplan
Certified Public Accountant
Licensed Public School Accountant No. 911

DAK CPA

DAK CPA, Certified Public Accountants

September 25, 2012
Long Branch, New Jersey

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133 AND NJ OMB CIRCULAR 04-04**

Honorable President and Members
of the Board of Education
Township of East Brunswick School District
County of Middlesex
East Brunswick, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Township of East Brunswick School District, in the County Middlesex, State of New Jersey (the "District") with the types of compliance requirements described in the *U.S. Office of Management and Budget (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 fiscal year ended June 30, 2012. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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 Division of 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's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Those standards, OMB Circular A-133 and New Jersey OMB's 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 or 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. Our audit does not provide a legal determination on the District's compliance with those requirements.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH FEDERAL OMB CIRCULAR A-133
AND STATE OF NEW JERSEY OMB CIRCULAR 04-04 (CONTINUED)**

Compliance - Continued

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012.

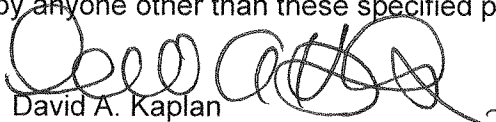
Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the finance committee, management, the Township of East Brunswick Board of Education, the New Jersey Department of Education, and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



David A. Kaplan
Certified Public Accountant
Licensed Public School Accountant No. 911

DAK CPA

DAK CPA Certified Public Accountants

September 25, 2012
Long Branch, New Jersey

EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2011		Carryover Utilized	Cash Received	Adjustments	Expenditures	Deferred Revenue	Balance, June 30, 2012	
					Deferred Revenue	(Accounts Receivable)						Due to Grantor	Due to Grantor
U.S. Department of Education:													
Medicaid Aid	93.778	N/A	7/1/10-6/30/11	\$ 77,615	\$	\$	\$ 4,901	\$		\$	\$	\$	\$
Medicaid Aid	93.778	N/A	7/1/11-6/30/12	81,962	(4,901)		73,804			(81,962)		(8,158)	
Education Jobs Fund	84.410A	N/A	7/1/11-8/30/12	698,986			698,986			(698,986)			
Total General Fund					(4,901)		777,691			(780,948)		(8,158)	
U.S. Department of Agriculture:													
Passed-through State Department of Education:													
Child Nutrition Cluster:													
Food Distribution Program	10.550	N/A	7/1/11-6/30/12	125,063			125,063			(125,063)			
National School Lunch Program	10.555	N/A	7/1/11-6/30/12	493,969			462,543			(493,969)		(31,426)	
National School Lunch Program	10.555	N/A	7/1/10-6/30/11	448,270	(83,265)		83,265						
National School Breakfast Program	10.553	N/A	7/1/11-6/30/12	6,755			6,086			(6,755)		(669)	
National School Breakfast Program	10.553	N/A	7/1/10-6/30/11	7,551	(1,575)		1,575						
Total Child Nutrition Cluster:					(84,840)		678,531			(625,787)		(32,096)	
Total Enterprise Fund					(84,840)		678,531			(625,787)		(32,096)	
Special Revenue Fund:													
U.S. Department of Education:													
Passed-through State Department of Education:													
No Child Left Behind Consolidated Grant:													
E.S.E.A. Title I, Part A 09/10 C/O	84.010A	NCLB117010	9/1/11-8/31/12	255,493			36,152			(36,152)			
E.S.E.A. Title I, Part A 10/11	84.010A	NCLB117011	9/1/10-8/31/11	267,517	(72,779)		79,892	(7,113)		(29,444)		(4,434)	
E.S.E.A. Title I, Part A 10/11 C/O	84.010A	NCLB117011	9/1/11-8/31/12	267,517			17,897	7,113		(276,025)		(62,688)	
E.S.E.A. Title I, Part A 11/12	84.010A	NCLB117012	9/1/11-8/31/12	321,681			213,337			(8,292)		(455)	
Title II 09/10, Part A	84.367A	NCLB117010	9/1/09-8/31/10	180,115	(23)		7,860	(14,271)		(39,542)		(25,271)	
Title II 10/11, Part A C/O	84.367A	NCLB117011	9/1/10-8/31/11	184,291	(43,274)		57,545	14,271		(96,373)		(21,070)	
Title II 11/12, Part A	84.367A	NCLB117011	9/1/11-8/31/12	168,446			77,303			(2,480)		(3)	
Title II 09/10, Part D C/O	84.367A	NCLB117010	9/1/10-8/31/11	2,577	(8)		2,480			(3)		(6,245)	
Title III, Part A 09/10 C/O	84.365A	NCLB117010	9/1/09-8/31/10	615	(881)		11						
Title III, Part A 10/11	84.365A	NCLB117011	9/1/10-8/31/11	46,717	(926)		7,226	(41,967)		(6,245)			
Title III, Part A 10/11 C/O	84.365A	NCLB117011	9/1/10-8/31/11	63,174			42,893	41,967		(41,967)			
Title III, 11/12	84.365A	NCLB117012	9/1/11-8/31/12	47,720			2,906			(41,967)			
Title IV, 09/10 C/O	84.186	NCLB117010	9/1/10-8/31/11	15,841	(3,119)		3,119			(4,095)		(1,189)	

EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2011		Cash Received	Adjustments	Expenditures	Deferred Revenue	Balance, June 30, 2012	
					Deferred Revenue	(Accounts Receivable)					Due to Grantor	Due to Grantor
U.S. Department of Education: (Continued):												
Passed-through State Department of Education:												
Special Education Cluster:												
I.D.E.A. Part B, Basic Regular 09/10 C/O	84.027A	IDEA117010	9/1/10-8/31/11	\$ 1,892,413	\$ (8,142)	\$	\$ 147,055	\$	\$ (138,913)	\$	\$	\$
I.D.E.A. Part B, Basic Regular 10/11	84.027A	IDEA117011	9/1/10-8/31/11	1,906,454	(596,357)		678,560		(32,391)			
I.D.E.A. Part B, Basic Regular 10/11 C/O	84.027A	IDEA117011	9/1/11-8/31/12	1,906,454	49,832				(92,288)		(42,456)	
I.D.E.A. Part B, Basic Regular 11/12	84.027A	IDEA117012	9/1/11-8/31/12	1,897,959			1,547,193		(1,807,891)		(260,698)	
ARRA-I.D.E.A. Part B, Basic Regular 09/10	84.391	IDEA117010	9/1/09-8/31/11	2,023,750	(304,606)		329,477		(24,869)			
I.D.E.A. Part B, Preschool 09/10	84.173A	IDEA117010	9/1/09-8/31/11	65,571	(5,222)				(3,662)			
I.D.E.A. Part B, Preschool 09/10 C/O	84.173A	IDEA117010	9/1/09-8/31/11	65,571	5,222		935	(2,150)	(2,227)	325		
I.D.E.A. Part B, Preschool 10/11	84.173A	IDEA117011	9/1/10-8/31/11	67,043	77			2,150	(5,127)			
ARRA - I.D.E.A. Part B, Preschool 09/10	84.392	ARRA117010	9/1/09-8/31/11	73,167	(19,456)		24,623		(2,107,388)	325	(303,154)	
Total Special Education Cluster:				5,299	(928,601)		2,727,863					
Adult Basic Education 11/12	84.002A	N/A	7/1/11-8/31/12	154,200			111,710		(144,391)			
Adult Basic Education 10/11	84.002A	N/A	7/1/10-6/30/11	166,900	(31,897)		31,897					
Improving Partnerships and Active Collaboration for Teaching	84.367A	N/A	9/1/11-8/31/12	8,400.00			8,400.00		(8,400.00)			
Improving Partnerships and Active Collaboration for Teaching	84.367A	N/A	1/15/11-8/31/11	26,400	(3,600)		6,000		(2,400)			
Total U.S. Department of Education				5,299	(1,085,207)		3,434,491		(2,805,197)	325	(450,942)	
Total Special Revenue Fund				5,299	(1,085,207)		3,434,491		(2,805,197)	325	(450,942)	
Total Federal Financial Assistance				\$ 5,299	\$ (1,174,948)		\$ 4,890,713		\$ (4,211,932)	\$ 325	\$ (491,196)	

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

EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2011					Balance, June 30, 2012			MEMO Cumulative Total Expenditure		
				Deferred Revenue	(Accounts Receivable)	Due to Grantor	Cancelled	Cash Received	Repaid to Grantor	Expenditures	Accounts Receivable		Due to Grantor	Deferred Revenue
General Fund:			\$ 11,692,995	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Equalization Aid	12-495-034-5120-078	7/1/11-6/30/12	4,780,787					4,780,787						
Special Education Categorical Aid	12-495-034-5120-089	7/1/11-6/30/12	35,443					(35,443)						
Nonpublic School Transportation Aid	11-495-034-5120-014	7/1/10-6/30/11	1,099,557		(50,588)									
Nonpublic School Transportation Aid	12-495-034-5120-014	7/1/11-6/30/12	1,065,311		(1,099,557)									
Extraordinary Aid	11-100-034-5120-473	7/1/10-6/30/11	33,982											
Extraordinary Aid	12-100-034-5120-473	7/1/11-6/30/12	4,274,200		(33,982)									
Homeless Reimbursement	11-100-034-5120-073	7/1/10-6/30/11	4,269,849		(211,155)									
TPAF Social Security Reimbursements	11-100-034-5095-002	7/1/11-6/30/12	6,764											
TPAF Social Security Reimbursements	12-100-034-5095-002	7/1/11-6/30/12												
Anti-Bullying Bill of Rights Act	N/A													
Total General Fund			20,378,225	(1,395,282)				(21,651,149)				(1,310,222)		(1,105,848)
Debt Service Fund:			419,959											
Debt Service Aid	12-495-034-5120-017	7/1/11-6/30/12						(419,959)						
Total Debt Service Fund			419,959					(419,959)						
Special Revenue Fund:														
N.J. Nonpublic Aid:														
Auxiliary Services:														
English as a Second Language	12-100-034-5120-067	7/1/11-6/30/12	12,931											
English as a Second Language	11-100-034-5120-067	7/1/10-6/30/11	20,492			10,247			(10,247)					
Compensatory Education	12-100-034-5120-067	7/1/11-6/30/12	46,493			18,420			(18,420)					
Compensatory Education	11-100-034-5120-067	7/1/10-6/30/11	10,871											
Transportation	12-100-034-5120-068	7/1/11-6/30/12	18,240											
Other Non-Public:														
Supplemental Instruction	11-100-034-5120-066	7/1/11-6/30/12	22,235											
Supplemental Instruction	12-100-034-5120-066	7/1/10-6/30/11	24,978			10,423			(10,423)					
Textbook Aid	12-100-034-5120-064	7/1/11-6/30/12	35,678											
Nursing Services	12-100-034-5120-070	7/1/11-6/30/12	29,785											
Examination and Classification	11-100-034-5120-068	7/1/11-6/30/12	31,594			9,882			(9,882)					
Examination and Classification	12-100-034-5120-068	7/1/10-6/30/11	32,857			4,694			(4,694)					
Corrective Speech	11-100-034-5120-068	7/1/11-6/30/12	9,900											
Corrective Speech	12-100-034-5120-068	7/1/10-6/30/11	9,743											
Home Instruction	11-100-034-5120-069	7/1/11-6/30/12	15,000											
Home Instruction	12-100-034-5120-069	7/1/10-6/30/11												
Positive Behavior Support in Schools Initiative	N/A	12/1/10 - 6/30/12												
Total State Department of Education			220,413	(9,743)		53,666		(100)	(53,666)					
Total Special Revenue Fund			220,413	(9,743)		53,666		(164,187)	(53,666)					

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

**EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2011				Balance, June 30, 2012				MEMO			
				Deferred Revenue	(Accounts Receivable)	Due to Grantor	Cancelled	Cash Received	Repaid to Grantor	Expenditures	Accounts Receivable	Due to Grantor	Deferred Revenue	Budgetary Receivable	Cumulative Total Expenditure
Capital Projects Fund:															
Memorial School Replacement	SP-1170-120-09-00AZ	Open	\$ 8,170,758	\$	\$ (3,814,668)	\$	\$	\$	\$	\$	\$	\$	\$	\$ 605,020	
Chittick Roof Replacement	SP-1170-125-08-02BA	Open	449,460		(373,649)		100,726	272,923						274,371	
EBHS Security System	SP-1170-050-08-02AY	Open	282,000		(156,000)									175,075	
Churchill Security System	SP-1170-055-09-02AZ	Open	207,910		(156,000)									15,390	
Total Capital Projects Fund					(4,500,318)		100,726	272,923			(4,126,668)			1,059,856	
Enterprise Fund:															
National School Lunch Program	11-100-010-3350-023	7/1/10-6/30/11	24,683		(5,917)			5,917						24,683	
National School Lunch Program	12-100-010-3350-023	7/1/11-6/30/12	23,516					22,041			(23,516)		(1,474)	23,516	
Total Enterprise Fund					(5,917)			27,958			(23,516)		(1,474)	48,189	
Total State Financial Assistance					(5,911,260)		100,726	21,319,478		(53,666)	(22,458,811)		(5,448,264)	68,195	\$ 29,125,000

TOWNSHIP OF EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2012

1. **GENERAL**

The accompanying schedules of federal awards and state financial assistance include federal and state award activity of the Board of Education, Township of East Brunswick School District. The Board of Education 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 and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

2. **BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the 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. These bases of accounting are described in Note 2 to the District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and New Jersey OMB 04-04. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of, the basic financial statements.

3. **RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedules agree with amounts reported in the District's basic financial statements. The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general 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 audit 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 with the exception of the revenue recognition of the last state aid payments in the current budget year, which is mandated pursuant to NJSA 18A:22-44.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year basis does not.

TOWNSHIP OF EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2012

3. **RELATIONSHIP TO BASIC FINANCIAL STATEMENTS – CONTINUED**

The special revenue fund and capital projects fund are presented in the accompanying schedules on the grant accounting basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with NJSA 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$265,762 for the general fund and \$27,779 for the special revenue fund. See Note 2 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 780,948	\$ 27,405,808	\$ 28,186,756
Special Revenue Fund	2,672,990	308,578	2,981,568
Capital Projects Fund		(100,726)	(100,726)
Debt Service Fund	419,959		419,959
Enterprise Fund	<u>625,787</u>	<u>23,516</u>	<u>649,303</u>
 Total Awards and Financial Assistance	 \$ <u>4,499,684</u>	 \$ <u>27,637,176</u>	 \$ <u>32,136,860</u>

4. **OTHER**

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

TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

The amounts reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2012. These amounts are not subject to Single Audit.

TOWNSHIP OF EAST BRUNSWICK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified, dated September 25, 2012

Internal control over financial reporting:

1. Material weakness(es) identified? yes ✓ no

2. Reportable condition(s) identified that are not considered to be material weaknesses? yes ✓ no

Noncompliance material to general-purpose financial statements noted? yes ✓ no

Federal Awards

Internal control over major programs:

1. Material weakness(es) identified? yes ✓ no

2. Reportable condition(s) identified that are not considered to be material weaknesses? yes ✓ no

Type of auditor's report issued on compliance for major programs: Unqualified, dated September 25, 2012

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? yes ✓ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>Title I, Part A, ESEA</u>
<u>84.410</u>	<u>Education Jobs Fund</u>
<u>10.553</u>	<u>National School Breakfast Program</u>
<u>10.555</u>	<u>National School Lunch Program</u>

Dollar threshold used to distinguish between Type A and Type B Programs: \$300,000.00

Auditee qualified as low-risk auditee? ✓ yes no

TOWNSHIP OF EAST BRUNSWICK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Section I - Summary of Auditor's Results (Continued)

State Financial Assistance

Internal control over major programs:

1. Material weakness(es) identified? _____ yes no
2. Reportable condition(s) identified that are not considered to be material weaknesses? _____ yes no

Type of auditor's report issued on compliance for major programs:

Unqualified, dated
September 25, 2012

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? _____ yes no

Identification of major programs:

<u>State Grant Number</u>	<u>Name of State Program or Cluster</u>
<u>495-034-5120-078</u>	<u>Equalization Aid</u>
<u>495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>495-034-5120-044</u>	<u>Extraordinary Aid</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$ 673,764

Auditee qualified as low-risk auditee?

yes No

TOWNSHIP OF EAST BRUNSWICK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Section II - Schedule of Financial Statement Findings

None.

**Section III – Schedule of Federal and and State Financial Assistance
Findings and Questioned Costs**

None.

TOWNSHIP OF EAST BRUNSWICK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011:

None.