

**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, 2010

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

October 15, 2010

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, 2010 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 2009 - 2010 fiscal year with an average daily enrollment of 8,709 students, or 101 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>Fiscal Year</i>	<i>Average Daily Enrollment</i>	
	<i>Student Enrollment</i>	<i>Percent Change</i>
2009-2010	8,709.0	(1.15%)
2008-2009	8,810.0	0.32%
2007-2008	8,782.0	(2.12%)
2006-2007	8,972.0	(3.00%)
2005-2006	9,278.0	2.00%

2. ECONOMIC CONDITION AND OUTLOOK: The Township of East Brunswick's total labor force decreased 0.22% from 26,511 in 2008 to 26,452 in 2009, as reported by the U.S. Department of Labor, Bureau of Labor Statistics. The employment rate for 2009 was 92.4% as compared with 95.9% in 2008, and the unemployment rate for 2009 increased to 7.6% from 4.1% in 2008.

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 August 31, 2010 totaled \$23,051,136.00 and the total number of permits issued totaled 1,972 for the same period. The construction value and permits issued for the entire 2009 calendar year respectively totaled \$30,241,699.00 and 2,733 as compared to \$48,426,248.00 and 2,773 for the 2008 calendar year. This represents a decrease of 40 permits and a decrease in construction value of \$18,184,549.00.

Certificates of occupancy (COs) issued for new residential units were reported to be at 11, or 29% during the first eight months of 2010 as compared with the calendar year 2009. The demand for new and re-sale housing in East Brunswick

continues to be reflective of the ongoing desire of individuals to establish their residency where the excellent public schools are the primary factor in that decision. While low home mortgage rates have had a positive impact upon home purchases, 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.

New Jersey continues to have a need for serious 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 again urge New Jersey residents to express the expectations they have of their elected State officials with regard to property tax reform.

Of particular significance is the New Jersey State budget impact upon the East Brunswick Public Schools and other schools and local governments throughout the state. The development of the 2010-2011 budget reflected the direst economic realities experienced in recent history. The school district budget suffered a 32.44% reduction in state aid equating to more than \$6.6 million. In addition, a new assessment of nearly \$424,000 was mandated by the State to support the New Jersey School Development Authority's mismanagement of funds. And, finally, the New Jersey Department of Education approved a new charter school in East Brunswick that would draw over \$1.3 million in funds and resources from the public school district. While charter schools may address an educational need in communities where the public schools fall short, East Brunswick Public Schools outperform most public schools. In total, these issues noted above have drained 2010-2011 school district revenues by nearly \$8.4 million. While part of this shortfall was proposed to be bridged by a tax increase, the voters defeated the budget at the polls leading the Township to substantially reduce the tax levy. The end result was an across-the-board staff reduction affecting administrative, support, and classroom staff by nearly 100 positions.

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. Since then, the District has been working with its building professionals to prepare plans for a new school. Currently, the project continues to move forward with a planned September 2012 occupancy.

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.

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 and federal ARRA funds. The projects undertaken during the past year include security systems upgrades at Churchill Junior High School and East Brunswick High School; the roof replacement at Chittick Elementary School; art room renovations at East Brunswick High School; various classroom floor replacements at Bowne-Munro, Chittick, Frost, Irwin, and Warnsdorfer Elementary Schools and Churchill Junior High School; and, the replacement and/or resurfacing of playgrounds at Bowne-Munro, Chittick, Irwin, and Warnsdorfer Elementary Schools. The planned rehabilitation of the Lawrence Brook Elementary School playground is currently out to bid.

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. 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.

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, 2010.

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.

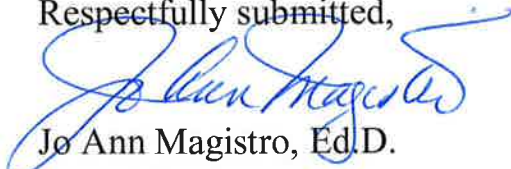
9. OTHER INFORMATION:

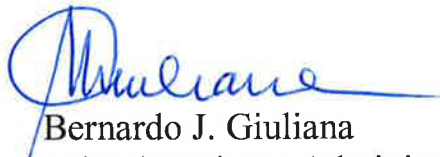
A) Independent Audit - State statute 18A:23-1 requires an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of DAK CPA was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit 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 2009-2010 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

ACCOMPLISHMENTS AND ACHIEVEMENTS

The District is proud to report the many successes and accomplishments that our students have achieved. The 2009-2010 school year achievements are listed below.

For Excellence In Academics...

- East Brunswick is the only district in the state with eight schools designated as *Blue Ribbon Schools/National Schools of Excellence*. The schools are: Bowne-Munro, Chittick, 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.*
- EBHS is among the top 6% of high schools in the nation, according to *Newsweek*
- Four hundred and thirty-nine EBHS Advanced Placement (AP) students took 1,052 AP exams in a variety of subjects, a 9% increase in the number of exams taken at the end of the 2008-2009 school year. Of the 1,052 exams taken, 998 received a score of 3, 4 or 5; the scores accepted by most colleges and universities for college credit. The AP program, combined with the high school’s partnership with Middlesex County College that provides students the opportunity to take college level English Composition, mathematics and/or business courses, makes it possible for many of our students to shorten and/or enrich their college experience. Many EBHS graduates begin college with a semester or even a full year of college credits under their belt, resulting in a savings in tuition costs.
- Over 99% of the students in the EBHS Class of 2010 received their high school diploma. Compare that to the state average of 83.3% and just over 69% nationally. Ninety-five percent (95%) registered their intent to attend either a two or four year college. The mean GPA for the **Class** was 3.3.
- Ten EBHS students were finalists in the *2010 National Merit Scholarship Competition*.
- Thirty-nine members of the EBHS Class of 2010 were commended students in the *2010 National Merit Program*.
- Two EBHS students were semifinalists in the *2010 National Achievement Scholarship Competition*.
- Two EBHS seniors were designated *Byrd Scholars*. The *Robert C. Byrd Honors Scholarship Program* is a federally funded program to promote exceptional achievement in students who show promise of continued academic excellence. Scholarships are awarded each year on the basis of merit to provide a scholarship for four years of continuous study at an accredited institution of higher education.
- Sixty-two EBHS seniors received the designation of *Bloustein Scholar*, a distinction reserved for the highest achieving graduating high school students in New Jersey.
- One hundred and ninety-nine EBHS seniors received *Presidential Scholar Awards*.
- The EBHS Academic Team is the State Champion of *The Challenge*, the award winning, televised quiz show for high schools featuring the best and brightest students in the tri-state area. The Team was awarded \$2,500 for winning the State Championship. The money will be used for future competitions. It is interesting to note that the finalists in the three states competing, New York, Connecticut and New Jersey are students from public high schools.
- One Warnsdorfer 5th grader is one of 50 children nationwide to be selected to be a *Scholastic Kids News Reporter*.

- An EBHS senior was one of 40 students from eight states to receive a \$10,000 college scholarship, to be divided over four years, from Nordstrom.
- Eighty-six EBHS juniors and seniors were inducted into *Mu Alpha Theta*, the Math Honor Society. To be accepted into Mu Alpha Theta juniors and seniors in high school must have an overall GPA of at least 3.3 and a math GPA of at least 3.5.
- One hundred twenty-three EBHS juniors and seniors were inducted into the *National Honor Society (NHS)*. Students inducted have at least a 3.6 GPA and have demonstrated a commitment to the four ideals of NHS, which are: scholarship, service, leadership and character.
- As a result of their outstanding performance at their respective regional competitions in January, the district's three *Science Olympiad* teams, EBHS, CJHS and HMS teams qualified for the State competition in March.
- Two HMS Science Olympiad groups, *Battery Buggy* and *Disease Detectives*, place second and third, respectfully at the state tournament.
- In 6th grade *Math League* competition HMS Math Prime students came in 4th in the State and tied for 1st place in *Middlesex County* (out of 193 schools).
- The HMS 6th grade Academic Challengers placed 2nd and the 7th grade team took 1st place in competition with twelve other schools.
- At a competition at Seton Hall University, the EBHS Math Team placed 2nd out of 23 New Jersey schools and one EBHS sophomore placed first, individually, out of 266 students.
- Two HMS Technology Club members placed second in *Problem Solving* at the *NJ Technology Student Association State Competition*.
- Two EBHS students qualified for the *USA Math Olympiad*. Only 500 students in the United States were invited to participate in this competition.
- Three EBHS students were accepted into the *Mini Medical School for High School Students at UMDNJ (University of Medicine and Dentistry, New Jersey)*.
- Five EBHS students qualified to take the *American Invitational Mathematics Exam (AIME)*. Of those five, two students qualified to participate in the United States of America Math Olympiad (USAMO), a tremendous honor and a very challenging test.
- One EBHS sophomore placed first in his group in the *Association of Math Teachers of New Jersey (AMTNJ) annual contest*.
- EBHS students enrolled in the *Advanced Placement Institute for Political and Legal Education (IPLE)* class placed first in the *New Jersey We the People: The Citizen and the Constitution Competition* earning them the honor of representing the State at the national competition. This is the 22nd time out of a possible 23 that EBHS IPLE students represented the State of New Jersey at this competition where they placed sixth in the nation.
- The CJHS We the People team placed first in the *2010 New Jersey We the People: The Citizen and the Constitution Middle School Competition*.
- Eighty-seven EBHS students, in the *International Studies program* participated in and received recognition for their superior performance at the *Rutgers Model UN*, the *Princeton Model UN*, the *Philadelphia Model UN* and/or the *National High School Model UN*.
- Thirteen EBHS students received commendations for their exemplary written work and oral presentation at the *Rutgers Model Congress*.
- A CJHS 8th grader was accepted into the *Douglass Science Institute* and another is on the waiting list. This is a one week residential exploratory program for young women interested in math, science, engineering and technology. The purpose of the program is to

expose young women to hands on labs, introduce them to women scientists and researchers, explore leadership and diversity issues for women, and examine contributions made by women in these fields.

- The theme at this year's *Junior Engineering Technical Society (JETS) Competition* was "Water, Water Everywhere." The EBHS Junior Varsity team finished 3rd in the Nation overall and 1st in the State overall. The top EBHS Varsity team finished 1st in the State in the large non-selective school category. That same team finished 2nd overall in the state for all teams competing. Nationally that Varsity team finished in the top 10% of all schools in the nation. The other 2 EBHS Varsity teams finished 1 point and three points behind the top EBHS team, respectively.
- Eleven EBHS students were inducted into the *Italian Honor Society* after having completed all the necessary requirements including 20 hours of community service.
- Three EBHS juniors were selected to attend the *Governor's School in the Sciences*.
- The DNA research of fourteen EBHS students participating in the *Waxman Scholars Program* has been 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.
- Six EBHS students who participated in the *60th annual Merck State Science Day* were recognized for having placed first in the state in Chemistry. Three students also received the prestigious designation of *Merck Scholar*.
- One Frost School student won the fourth grade essay contest, *What My State Means to Me*, sponsored by Senator Buono.
- One Memorial Elementary School 5th grader placed first in state in the *Spring 2010 New Jersey Council on Economic Education Essay Contest, Elementary School Division*.
- Four Central Elementary School students placed first in the state from among 323 teams in the *Stock Market Challenge*, sponsored by the *New Jersey Council on Economic Education*.
- Twenty-two Adult Basic Education students (Community Programs) became *American Citizens*.

In Athletics...

- Team Championships included the following:
 - Conference – Field Hockey, Girls Volleyball, Girls Soccer, Girls Tennis, Boys Bowling
 - Division – Girls Soccer, Boys Soccer, Girls Volleyball, Boys Golf, Boys Bowling, Boys Spring Track
 - Sectional – Boys Cross Country, Boys Bowling, Football, Boys Spring Track, Softball
 - State – Boys Spring Track
- The Girls Gymnastic Team received the *GMC Sportsmanship Award* for that sport.
- A Football player was chosen as a first half finalist nominee in the *State Farm Friday Night Feats* [online video](#) contest earning \$2,500 for EBHS.
- A total of 275 student athletes were named to the *All GMC Academic Team* for having earned both a varsity letter AND a 3.5 or higher GPA.
- The *New Jersey State Interscholastic Athletic Association (NJSIAA)* reported that all sports teams were disqualification-free for all three seasons, proof that our students demonstrate sportsmanship and fair play both on the fields and in the stands.

- Both the Boys Junior Varsity and Varsity Basketball teams were the champions of the *Brunswick Classic Tournament*.

In the Arts...

- District-wide 152 student musicians were selected to participate in regional, State and national ensembles.
- Central Jersey Music Educators Association (CJMEA):
 - 13 Elementary Honors Band
 - 40 Elementary Honors Orchestra
 - 4 Intermediate Band
 - 1 Intermediate Percussion Ensemble
 - 15 Intermediate Orchestra
 - 5 Intermediate String Orchestra
 - 3 Intermediate Symphonic Band
 - 3 Intermediate Symphonic Orchestra
 - 1 Intermediate Chorus
 - 17 Chorus
 - 8 Orchestra
 - 6 Symphonic Band
- NJ All-State:
 - 12 Intermediate Orchestra
 - 8 Orchestra
 - 11 Chorus
 - 1 Women's Chorus
 - 1 Wind Ensemble
- National:
 - 3 National Honors Orchestra
- EBHS is recognized as a *New Jersey Model School for the Arts* due to the rich program and high level of student participation in the visual and performing arts, humanities and dance.
- One 9th grade CJHS student was selected to represent the State of New Jersey in the 2009 *Macy's Great American Marching Band* and marched in the 83rd Macy's Thanksgiving Day parade.
- An EBHS Senior was awarded a top prize for his musical composition, *Whirlwinds*, in the *New Jersey Arts Collective (NJAC) State-wide Student Composition Contest: Pictures 2010*.
- An EBHS Senior violinist was chosen to receive a *Governor's Award in Arts Education*. These awards are designed to promote awareness and appreciation for the arts by honoring individual high school students who have achieved national/state recognition in the arts.
- At the *Heritage Festival* in Williamsburg, Virginia, the EBHS Concert Choir received several recognitions: The Choir placed *First in the Chamber Choir Division* and was named the *Best Overall Choral Group*. Student accompanists also received an award for their outstanding work.
- At the *American Choral Directors Association Festival (ACDA)* the EBHS Concert Choir received *Superior Ratings* in both *Sight Reading and Performance*.

- The EBHS Jazz Band earned *Silver Awards* at each of their three adjudications.
- The artworks of two CJHS students were selected for display at the *State Teen Arts Festival*. One was also chosen to become part of a *Touring Art Show* that will feature works from teen artists statewide.

Staff Accomplishments...

- At the *New Jersey Council for Social Studies Annual Conference* titled, "The Role of Social Studies in a Democratic Society," held on October 27, 2009: CJHS Social Studies teachers Michael Rose and James Pease presented a workshop titled, "Using Technology to Teach about Teddy (Roosevelt)." Teachers Melissa Dugan and Michael Talbot and Supervisor of Social Studies, Dr. Michael Vinella presented a workshop titled, "Formative Assessment Strategies for Data Driven Instructional Decisions."
- EBHS Social Studies teacher, Robert Gangi was the keynote speaker at the East Brunswick Jewish Community Center for the Kristallnacht Memorial and Dedication ceremony. Following his speech, Mr. Gangi was presented a Community Service Award for his work in Holocaust education.
- At the *State GED Conference*, held on November 19, 2009, it was announced that the district's GED Test Center, operated through the Community Programs Department under the purview of Bernadette Methven, Adult Life Skills Coordinator, came in third in the State for 2008 with a passing rate of 83.25 percent and the third best passing rate over the last 5 years with 82.55 percent. In addition to operating a GED Test Center, Community Programs has a grant funded Adult Basic Skills Program that includes GED preparation.
- EBHS science teacher and yearbook advisor, Leslie Anderson, was recognized on WMGQ (98.3 radio) as a "Teacher Who Makes Magic."
- National Honor Society Advisors Rachel Moran and Liz Finelli were honored at a New Jersey Devils game for running one of the most productive blood drives in the State.
- EBHS Social Studies teacher, Robert Gangi is one of fifteen teachers among hundreds of applicants from across the Nation selected to be a *United States Holocaust Memorial Museum (USHMM) Teacher Fellow*. The purpose of the *USHMM Teacher Fellowship* is to develop a national corps of skilled teachers to serve as leaders in Holocaust education in their schools, communities and professional organizations. As a *USHMM Teacher Fellow*, Robert will participate in an intense study institute this summer at the *United States Holocaust Memorial Museum* in Washington, DC with internationally renowned scholars where he will collaborate with fellow educators to create curriculum and outreach programs in Holocaust education.
- HMS Art Teacher, Antonia Germanos-Penza was accepted into the *Lincoln Center/Dana Foundation Fellows* program. This training will allow her to become a facilitator of Lincoln Center Institute Online Survey Course.
- Coach Jeff Elias is the *Central Jersey Boys Bowling Coach of the Year* as recognized by The Star-Ledger.
- Coach Michael Harnett named *Cross-country Track Coach of the Year* by the Star-Ledger.
- Coach Don Mandy, Boys Spring Track Coach was selected the *Spring Track Coach of the Year* by the Star-Ledger.

- QSAC Monitoring (December 2009): Overall, the Executive County Superintendent felt that, the culture that makes us a high performing district is evident throughout. “It is a culture where everyone involved... Board members, administrators, staff, students and parents, place high expectations on themselves and each other to perform and achieve.” The Executive County School Business Administrator evaluated Operations and Fiscal Management. He stated that, “There are comprehensive controls in place within the financial operations as well as a process for budget development to address equity across the schools.” The County’s Special Needs Education commented that the Least Restrictive Data is very good. She was pleased that we are able to maintain so many students in district. She credited the support that we provide to the students.

Excellence for Service to the Community...

- District-wide, staff donated a total of \$3,680 to *The Cancer Institute of New Jersey* Foundation Breast Cancer and Pediatric Cancer Research Funds.
- District-wide over \$12,000 was raised for Haiti Relief following the devastating January earthquake.
- *The East Brunswick Band Parent Association* collected more than 1,200 pounds of food at their marching band competition. The food was donated to the Middlesex County Food Organization and Outreach Distribution Services.
- One Saturday per month the *EBHS Computer Club* provides, to East Brunswick residents, free one-on-one computer instruction in Windows, Micro Soft Word, Excel and PowerPoint, the Internet, email and more. Two members of the club voluntarily re-imaged and organized the computers in the computer room at the East Brunswick Senior Center.
- EBHS students and staff donated 405 pints of blood at two blood drives sponsored by the *National Honor Society* during the year.
- EBHS students completed over 1,000 hours of peer tutoring throughout the year. Through *Great Strides* the HMS community raised almost \$3,700. Their efforts will help more than 25 children with Club Foot get the medical help that they need to walk normally.
- During the month of March, in recognition of Read Across America, HMS students 1,300 new and gently used books. The books were donated to St. Peters and Robert Wood Johnson hospitals and the Ronald McDonald House in Long Branch.
- The EBHS 2010 Musician’s Club donated the proceeds (\$280) from the June 18th *Musician’s Club Benefit Concert* to the East Brunswick Education Foundation.
- The Lawrence Brook Early Act Club raised over \$1,700 for Breast Cancer.
- *East Brunswick’s Relay for Life*, sponsored by the American Cancer Society was a huge success. Held on May 22nd, more than \$50,000 was raised for Cancer research. Our schools contributed greatly to the success of East Brunswick’s Relay for Life sponsored by the American Cancer Society. Nearly \$4,000 was raised at HMS where they held their own mini-relay. Three thousand dollars (\$3,000) was raised as a result of the elementary schools participation in the *Art Beating Cancer* project.
- The EBHS Spanish Club sponsored a “supply” drive for *Mustard Seed Children* to provide much needed toiletries and medical supplies for abandoned and mentally disabled children.
- CJHS French students collected \$170 for *Doctors Without Borders/ Haiti Relief*.
- One EBHS senior was conferred a *Certificate of Excellence* signifying that she was among the top 10% of all New Jersey applicants for *The Prudential Spirit of Community*

Awards. Because of the number of volunteer hours that this student accumulated, she also qualified for the *President's Volunteer Service Award*.

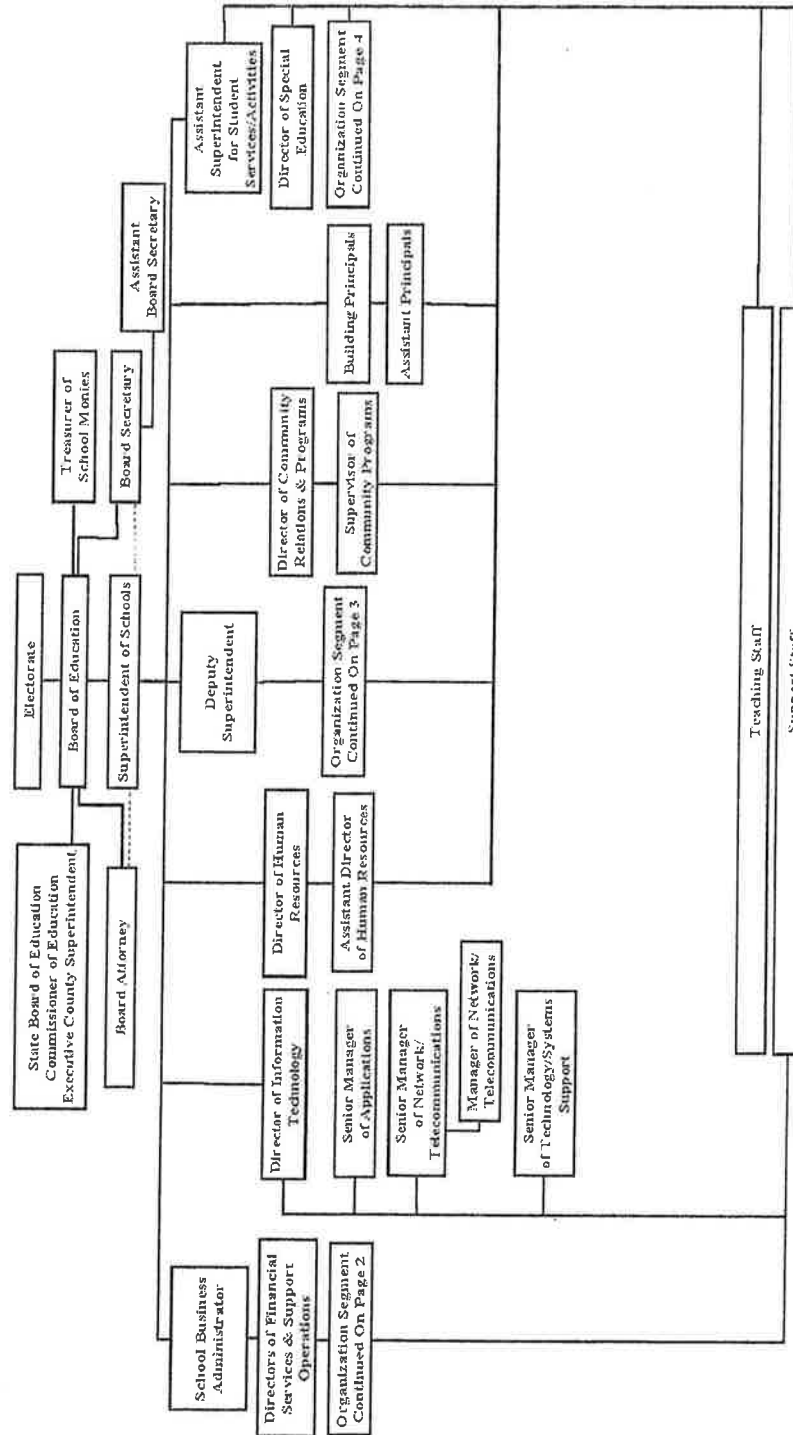
- Two additional EBHS students also qualified for the *President's Volunteer Service Award*.
- In all, our schools donated 9,450 pounds of food to Middlesex County's Emergency Food Network (M.C.F.O.O.D.S.) during the school year.

The record of achievement keeps the District hopeful that the 2010-2011 school year promises to be as productive as the previous year.

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EAST BRUNSWICK PUBLIC SCHOOLS Administration ORGANIZATIONAL CHART

1110. ORGANIZATIONAL CHART



EAST BRUNSWICK SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2010

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Todd Simmens, President	2011
Meredith Shaw, Vice President	2012
Vicki Becker	2012
Holly Howard.....	2013
Brad Cohen, M.D.	2013
Susan R. Karp, M.D.	2012
Laurie Lachs.....	2011
Curt Philipczak.....	2013
Katie Spiegler.....	2011

Other Officials

- Jo Ann Magistro, Ed.D., Superintendent
- Bernardo J. Giuliana, School Business Administrator/Board Secretary
- Evelyn H. Ogden, Ed.D., Deputy Superintendent
- Jo-Ellen Basaman, 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.
Scarinci & Hollenbeck, LLC
1100 Valley Brook Avenue
Lyndhurst, New Jersey 07071

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, 2010, 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, 2010, 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 October 15, 2010 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.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 21 through 28 and 67 through 84 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying introductory section, and other supplementary information, such as, the combining fund and individual fund financial statements, financial schedules, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in the relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion on them.

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 not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



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

DAK CPA

DAK CPA Certified Public Accountants

October 15, 2010
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, 2010
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, 2010. 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 2009-2010 are as follows:

In total, net assets totaled \$104,446,131, which represents an 8.7% increase from 2009. This is due primarily to capital projects activity.

General revenues accounted for \$147,683,729 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 \$8,736,447 or 6% of total revenue of \$156,420,176.

Among major funds, the General Fund had \$133,711,000 in revenue and \$136,043,927 in expenditures. The General Fund's fund balance is \$11,175,342 as of June 30, 2010, a decrease of \$2,089,048 from the June 30, 2009 balance.

Notification was received that the two June 2010 state aid payments to the district in the total amount of \$2,009,944 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 has expanded the withholding to both June payments in order to avert a budget shortfall at the state level. In addition, significant reductions in General Fund State source revenues occurred during this fiscal year.

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 2010?" 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 — This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Child Nutrition, 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 28. 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 2010 and 2009.

Table 1 – Comparative Summary of Net Assets

Assets	<u>2010</u>	<u>2009</u>
Current and Other Assets	\$ 37,675,377	\$ 26,355,854
Capital Assets	<u>190,989,554</u>	<u>188,260,428</u>
Total Assets	<u>\$ 228,664,931</u>	<u>\$ 214,616,282</u>
Liabilities		
Long-Term Liabilities	\$ 112,334,662	\$ 103,176,755
Other Liabilities	<u>11,884,138</u>	<u>15,325,877</u>
Total Liabilities	<u>\$ 124,218,800</u>	<u>\$ 118,502,632</u>
Net Assets		
Invested in Capital Assets, Net of Debt	\$ 90,984,330	\$ 86,672,066
Restricted	11,594,973	7,169,912
Unrestricted	<u>1,866,828</u>	<u>2,271,672</u>
Total Net Assets	<u>\$ 104,446,131</u>	<u>\$ 96,113,650</u>
Detail of Total Net Assets:		
Governmental Activities	\$ 103,899,355	\$ 95,401,786
Business-type Activities	<u>546,776</u>	<u>711,864</u>
	<u>\$ 104,446,131</u>	<u>\$ 96,113,650</u>

The District's combined net assets were \$104,446,131 on June 30, 2010. This is an increase of 8.7% from the previous year. This is due primarily to capital projects activity.

Table 2 shows the comparative change in net assets for fiscal years 2010 and 2009.

Table 2 – Comparative Changes in Net Assets

	<u>2010</u>	<u>2009</u>	<u>% Change</u>
Revenues:			
Program Revenue:			
Charges for Services	\$ 3,886,305	\$ 3,973,007	-2%
Operating Grants and Contributions	4,850,142	2,170,621	123%
General Revenue:			
Property Taxes	113,895,698	114,737,382	-1%
Grants and Entitlements	32,613,448	30,921,893	5%
Other	1,174,583	(462,874)	-354%
Total Revenues	<u>156,420,176</u>	<u>151,340,029</u>	<u>3%</u>
Program Expense:			
Instruction	75,145,467	75,785,883	-1%
Support Services:			
Pupils and Instructional Staff	26,468,411	27,280,076	-3%
General Administration, School Administration, Business Operations and Maintenance of Facilities	27,890,115	26,983,841	3%
Pupil Transportation	9,802,207	9,891,696	-1%
Enterprise Activities	4,155,159	4,508,279	-8%
Special and Charter Schools	133,822	42,288	216%
Debt Service	4,336,393	4,655,574	-7%
Total Expense	<u>147,931,574</u>	<u>149,147,637</u>	<u>-1%</u>
Change in Net Assets Before Extraordinary Items	8,488,602	2,192,392	287%
Extraordinary Items Net :	<u>(156,121)</u>	<u>(743,782)</u>	<u>-79%</u>
Change in Net Assets After Extraordinary Items	8,332,481	1,448,610	475%
Beginning Net Assets	<u>96,113,650</u>	<u>94,665,040</u>	<u>2%</u>
Ending Net Assets	<u>\$ 104,446,131</u>	<u>\$ 96,113,650</u>	<u>9%</u>

Governmental Activities

Property taxes as approved by the voters of the Township of East Brunswick made up 73% of total revenue for the fiscal year 2010. Federal, state and local grants and tuition and miscellaneous revenue accounted for the remainder.

The total cost of all programs and services was \$147,931,574. Instruction accounted for 51% 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, exceeded expenses by \$120,262. Charges for services which are made up of the amount paid by students and other patrons for daily food service and catering, represent 77% of total revenue.

The Adult and Community Programs revenues exceeded expenses by \$129,903. A \$400,000 transfer to the General Fund brought the net decrease in net assets to \$ 270,097.

The ETTC Program expenses exceeded revenues by \$15,253.

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		
	2009-2010	2008-2009	% Change	2009-2010	2008-2009	% Change
Instruction	\$ 75,145,466	\$ 75,828,171	-0.90%	\$ 70,875,715	\$ 74,218,382	-4.50%
Support Services:						
Pupils and Instructional Staff	26,602,237	27,280,076	-2.48%	26,523,788	27,245,172	-2.65%
School Administration	7,028,984	6,947,945	1.17%	7,028,984	6,947,945	1.17%
General Administration	6,158,466	5,877,796	4.78%	6,158,466	5,877,796	4.78%
Operation and Maintenance of Facilities	14,702,662	14,158,101	3.85%	14,702,662	14,158,101	3.85%
Pupil Transportation	9,802,207	9,891,696	-0.90%	9,802,207	9,828,468	-0.27%
Debt Service	4,336,393	4,655,574	-6.86%	4,336,393	4,655,574	-6.86%
Total Expenses	\$ 143,776,415	\$ 144,639,359	-0.60%	\$ 139,428,215	\$ 143,701,230	-2.97%

Instruction expenses include activities directly associated with the teaching of pupils and the interactions between teacher and student, including extracurricular activities. In the 2009-2010 school year the District offered 26 advanced placement courses at the high-school level and approximately 466 curricular offerings from kindergarten through twelfth grade.

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. Approximately 53% of the student population participated in extracurricular activities during the 2009-2010 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 \$152,631,356 and expenditures of \$157,089,465. The change in fund balance for the year was most significant in the Capital Projects Fund, which reflects an increase of \$16,986,164 due mainly to bonds issued for the Memorial School replacement project.

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, 2010 and 2009, as well as the amount and percentage of increase or decrease in relation to prior year revenue.

Comparative Summary of Revenues

Revenue	2009-2010		2008-2009		Increase/ (Decrease) from 2008-2009 to 2009-2010
	Amount	Percent of Total	Amount	Percent of Total	
Local Sources	\$ 115,748,157	75.84%	\$ 116,938,010	76.72%	\$ (1,189,853)
State Sources	31,138,147	20.40%	29,781,346	21.07%	1,356,801
Federal Sources	5,745,052	3.76%	2,813,562	2.21%	2,931,490
Total	\$ 152,631,356	100.00%	\$ 145,238,812	100.00%	\$ 7,392,544

Local source revenue decreased by \$1,189,853 mainly due to decreased interest earnings as well as a reduction in the local tax levied for debt service.

The following schedule presents a summary of governmental fund expenditures for the fiscal years ended June 30, 2010 and 2009, along with percentage changes.

Comparative Summary of Expenditures

Expenditures	2009-2010		2008-2009		Increase/ (Decrease) from 2008-2009 to 2009-2010
	Amount	Percent of Total	Amount	Percent of Total	
Current Expense:					
Instruction	\$ 56,776,433	36.14%	\$ 57,810,030	35.76%	\$ (1,033,597)
Undistributed Expenditures	79,556,096	50.64%	79,001,134	48.00%	554,962
Capital Outlay	12,252,448	7.80%	15,264,412	10.02%	(3,011,964)
Special Schools	84,431	0.05%	34,314	0.16%	50,117
Debt Service	8,420,057	5.36%	9,712,720	6.06%	(1,292,663)
Total	\$ 157,089,465	100.00%	\$ 161,822,610	100.00%	\$ (4,733,145)

The decrease in Current – Instruction is attributed to a decrease in costs of salaries and supplies.

The decrease in Capital Outlay is the result of the completion of one major construction project during the prior year.

The decrease in Debt Service is a result of a final payment for a lease purchase agreement that was significantly less than the prior year payment.

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 2010, 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 a decrease in surplus of \$2,089,048 related to the reduction of state aid.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2010, the District had \$230,261,890 invested in governmental activities funds land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2010 balances compared to 2009.

Table 4 - Capital Assets at June 30

	<u>2010</u>	<u>2009</u>
Non-Depreciable Assets:		
Land/Sites	\$ 1,019,208	\$ 1,019,208
Construction in Progress	8,347,939	5,791,654
Depreciable Assets:		
Buildings and Improvements	207,660,996	204,640,286
Machinery and Equipment	<u>13,233,747</u>	<u>12,675,264</u>
Totals	<u>\$ 230,261,890</u>	<u>\$ 224,126,411</u>

Overall capital assets increased \$6,135,479 from fiscal year 2009 to fiscal year 2010 due to the expenditures related mainly to the Churchill Junior High School athletic field project, Memorial Elementary School replacement project, and East Brunswick High School athletic field project.

The District also had \$646,397 invested in Proprietary Capital Assets, not included above, consisting of Machinery, Equipment and Building Improvements.

Debt Administration

At the end of fiscal year 2010, the District had \$97,646,000 in outstanding bond issues.

During fiscal year 2010, the District's long-term liabilities increased by \$7,528,117. The increase is a result of debt retirements of \$7,562,640 being less than debt issuance of \$ 15,090,757.

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. The State's ability to fund its state aid obligation continues to be of concern. The District's "look ahead" is that the State's financial condition will continue to have an adverse affect upon 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. 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, 2010.

Fund Financial Statements

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF NET ASSETS
JUNE 30, 2010

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 23,825,597	\$ 464,872	\$ 24,290,469
Receivables, Net	9,513,016	90,157	9,603,173
Inventory		89,515	89,515
Restricted Assets:			
Restricted Cash and Cash Equivalents	1,115,084		1,115,084
Capital Reserve Account	2,577,136		2,577,136
Capital Assets, Non-Depreciable	9,367,147		9,367,147
Capital Assets, Depreciable, Net	<u>181,416,186</u>	<u>206,221</u>	<u>181,622,407</u>
 Total Assets	 <u>\$ 227,814,166</u>	 <u>\$ 850,765</u>	 <u>\$ 228,664,931</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,865,770	\$ 68,199	\$ 2,933,969
Accrued Salaries and Benefits	1,157,135	48,322	1,205,457
Accrued Interest Payable	1,073,417		1,073,417
Intergovernmental Payable	66,186		66,186
Deferred Revenue	551,734	71,906	623,640
Noncurrent Liabilities:			
Due Within One Year	5,981,469		5,981,469
Due Beyond One Year	<u>112,219,100</u>	<u>115,562</u>	<u>112,334,662</u>
 Total Liabilities	 <u>\$ 123,914,811</u>	 <u>\$ 303,989</u>	 <u>\$ 124,218,800</u>
<u>NET ASSETS</u>			
Invested in Capital Assets - Net of Related Debt	\$ 90,778,110	\$ 206,221	\$ 90,984,331
Restricted for:			
Debt Service	46,841		46,841
Capital Projects	5,764,521		5,764,521
Other Purposes	5,783,611		5,783,611
Unrestricted	<u>1,526,272</u>	<u>340,555</u>	<u>1,866,827</u>
 Total Net Assets	 <u>\$ 103,899,355</u>	 <u>\$ 546,776</u>	 <u>\$ 104,446,131</u>

See accompanying notes to financial statements.

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010**

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	\$ 57,817,859		\$ 2,092,176	(55,725,683)	\$	(55,725,683)
Special Education	12,903,642			(12,903,642)		(12,903,642)
Other Instruction	4,423,965			(4,423,965)		(4,423,965)
Support Services:		\$ 78,449		(6,754,042)		(6,754,042)
Tuition	6,832,491			(19,635,924)		(19,635,924)
Student and Instruction Related Services	19,635,924			(7,028,984)		(7,028,984)
School Administrative Services	7,028,984			(6,158,466)		(6,158,466)
General and Business Administrative Services	6,158,466			(14,702,662)		(14,702,662)
Plant Operations and Maintenance	14,702,662			(9,802,207)		(9,802,207)
Pupil Transportation	9,802,207			(113,131)		(113,131)
Special Schools	113,131			(20,691)		(20,691)
Charter Schools	20,691			(4,336,393)		(4,336,393)
Interest on Long-Term Debt	4,336,393					
Total Governmental Activities	143,776,415	78,449	2,092,176	(141,605,790)		(141,605,790)
Business-Type Activities:						
Food Service	2,463,097	2,002,810	580,391		\$ 120,104	120,104
ETTC Program	289,885	274,573			(15,312)	(15,312)
Adult and Community Programs	1,402,177	1,530,473			128,296	128,296
Total Business - Type Activities	4,155,159	3,807,856	580,391		233,088	233,088
Total Primary Government	\$ 147,931,574	\$ 3,886,305	\$ 2,672,567	(141,605,790)	233,088	(141,372,702)
General revenues:						
Taxes:						
General Purposes				106,086,288		106,086,288
Debt Service				7,809,410		7,809,410
Federal and State Aid not Restricted				24,624,578		24,624,578
Federal and State Aid Restricted				10,166,445		10,166,445
Investment Earnings				113,024		113,024
Miscellaneous Income/(Expense)				1,059,735	1,924	1,061,559
Transfers				400,000	(400,000)	
Change in Net Assets before Extraordinary Item				150,259,480	(398,176)	149,861,304
Extraordinary Item - Memorial School Fire Loss				8,653,690	(165,088)	8,488,602
Change in Net Assets after Extraordinary Item				(156,121)		(156,121)
Net Assets - Beginning				8,497,569		8,332,481
Net Assets - Ending				95,401,786	711,864	96,113,650
				\$ 103,899,355	\$ 546,776	\$ 104,446,131

See accompanying notes to financial statements.

Governmental Funds

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010**

	<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	\$ 8,175,655	\$ 786,228	\$ 14,816,873	\$ 46,841	\$ 23,825,597
Cash held by Escrow Agent			1,115,084		1,115,084
Intergovernmental Accounts Receivable -					
Federal	12,330	803,872			816,202
State	3,108,304	4,943	5,495,169		8,608,416
Other					
Interfunds Receivable	379,045				379,045
Accounts Receivable - Other	88,398				88,398
Restricted Cash and Cash Equivalents	<u>2,577,136</u>				<u>2,577,136</u>
Total Assets	<u>\$ 14,340,868</u>	<u>\$ 1,595,043</u>	<u>\$ 21,427,126</u>	<u>\$ 46,841</u>	<u>\$ 37,409,878</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 2,021,422	\$ 273,253	\$ 571,095		\$ 2,865,770
Accrued Liabilities	1,136,114	21,021			1,157,135
Interfunds Payable		379,045			379,045
Intergovernmental Accounts Payable:					
State		64,911			64,911
Federal		1,275			1,275
Deferred Revenue	<u>7,990</u>	<u>527,318</u>	<u>16,426</u>		<u>551,734</u>
Total Liabilities	<u>3,165,526</u>	<u>1,266,823</u>	<u>587,521</u>		<u>5,019,870</u>
Fund Balances:					
Reserved for:					
Encumbrances	764,674		2,538,494		3,303,168
Capital Reserve Account	2,577,136				2,577,136
Excess Surplus	54,541				54,541
Excess Surplus - Designated for Subsequent Year's Expenditures	4,509,825				4,509,825
Unreserved:					
General Fund	2,599,689				2,599,689
Designated for Subsequent Year's Expenditures	669,477	328,220	18,301,111	26,171	19,324,979
Debt Service Fund				<u>20,670</u>	<u>20,670</u>
Total Fund Balances	<u>11,175,342</u>	<u>328,220</u>	<u>20,839,605</u>	<u>46,841</u>	<u>32,390,008</u>
Total Liabilities and Fund Balance	<u>\$ 14,340,868</u>	<u>\$ 1,595,043</u>	<u>\$ 21,427,126</u>	<u>\$ 46,841</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 \$230,261,890 and the accumulated depreciation is \$39,478,557 (See Note 5).

190,783,333

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).

(118,200,569)

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

(1,073,417)

Net assets of governmental activities

\$ 103,899,355

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, 2010**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources:					
Local tax levy	\$ 106,086,288			\$ 7,809,410	\$ 113,895,698
Tuition	78,449				78,449
Miscellaneous	702,549	1,065,544		5,917	1,774,010
Total - Local Sources	106,867,286	1,065,544		7,815,327	115,748,157
State Sources	24,624,578	524,331	5,495,169	494,069	31,138,147
Federal Sources	2,219,136	3,525,916			5,745,052
Total Revenues	133,711,000	5,115,791	5,495,169	8,309,396	152,631,356
Expenditures					
Current:					
Regular Instruction	40,482,948	3,361,720			43,844,668
Special Education Instruction	9,630,116				9,630,116
Other Instruction	3,301,649				3,301,649
Support Services and Undistributed Costs:					
Tuition	3,619,977	1,479,179			5,099,156
Student and Instruction Related Services	14,654,484				14,654,484
School Administrative Services	5,245,800				5,245,800
Other Administrative Services	4,596,124				4,596,124
Plant Operations and Maintenance	11,016,147				11,016,147
Pupil Transportation	7,626,405				7,626,405
Unallocated Benefits	31,297,289				31,297,289
Special Schools	84,431				84,431
Transfer to Charter Schools	20,691				20,691
Debt Service:					
Principal				4,094,473	4,094,473
Interest				4,325,584	4,325,584
Capital Outlay	4,467,866	1,300,949	6,483,633		12,252,448
Total Expenditures	136,043,927	6,141,848	6,483,633	8,420,057	157,089,465
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(2,332,927)	(1,026,057)	(988,464)	(110,661)	(4,458,109)
Other Financing Sources/(Uses):					
Lease Purchase Agreement			750,000		750,000
Refund of Prior Years Expenditures		806,075			806,075
Transfer to Escrow Agent		(4,731)	(122,788)		(127,519)
Bond proceeds			13,960,000		13,960,000
Transfers In	400,000		3,387,416		3,787,416
Transfers Out		(1,240,841)			(1,240,841)
Total Other Financing Sources (Uses)	400,000	(439,497)	17,974,628		17,935,131
Net Change in Fund Balances before Extraordinary Items	(1,932,927)	(1,465,554)	16,986,164	(110,661)	13,477,022
Extraordinary Items:					
Memorial School Fire Loss	(156,121)				(156,121)
Total Extraordinary Items	(156,121)				(156,121)
Net Change in Fund Balances with Extraordinary Items	(2,089,048)	(1,465,554)	16,986,164	(110,661)	13,320,901
Fund Balance July 1	13,264,390	1,793,774	3,853,441	157,502	19,069,107
Fund Balance June 30	\$ 11,175,342	\$ 328,220	\$ 20,839,605	\$ 46,841	\$ 32,390,008

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, 2010

Total Net Change in Fund Balances - Governmental Funds(From B-2)	\$	13,320,901
<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	\$	(4,548,705)
Capital Outlays are reported in the governmental funds as expenditures, net of Capital Reserve and Capital Outlay transfers		7,769,059
		3,220,354
Repayment of Debt Principal is an expenditure 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.		6,606,239
Decrease in Compensated Absences		471,440
Loss on Disposal of Assets is not recorded in the Governmental Funds		(400,556)
Increase in Accrued Interest on Debt Payable		(10,809)
Bond and Lease Purchase Proceeds are not reported in the Statement of Activities		(14,710,000)
Change in Net Assets of Governmental Activities	\$	8,497,569

See accompanying notes to financial statements.

Enterprise Fund

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010**

	Business-Type Activities Enterprise Funds			
	Major Programs			Totals
	Food Service	ETTC Program	Adult & Community Programs	
<u>ASSETS</u>				
Current Assets:				
Cash and Cash Equivalents	\$ 120,223	\$ 7,040	\$ 337,610	\$ 464,873
Accounts Receivable:				
State Sources	2,113			2,113
Federal Sources	29,599			29,599
Other Sources	3,207	38,530	16,707	58,444
Inventories	89,515			89,515
Total Current Assets	<u>244,657</u>	<u>45,570</u>	<u>354,317</u>	<u>644,544</u>
Noncurrent Assets:				
Furniture, Machinery and Equipment	586,055	66,453	12,892	665,400
Building Improvements				
	<u>586,055</u>	<u>66,453</u>	<u>12,892</u>	<u>665,400</u>
Less: Accumulated Depreciation	<u>423,715</u>	<u>33,342</u>	<u>2,122</u>	<u>459,179</u>
Total Noncurrent Assets	<u>162,340</u>	<u>33,111</u>	<u>10,770</u>	<u>206,221</u>
Total Assets	<u>\$ 406,997</u>	<u>\$ 78,681</u>	<u>\$ 365,087</u>	<u>\$ 850,765</u>
<u>LIABILITIES</u>				
Current Liabilities:				
Deferred Revenue	\$ 45,760		\$ 71,906	\$ 71,906
Accounts Payable	21,825	\$ 9,920	12,519	68,199
Accrued Salaries		370	26,127	48,322
Total Current Liabilities	<u>67,585</u>	<u>10,290</u>	<u>110,552</u>	<u>188,427</u>
Noncurrent Liabilities:				
Compensated Absences	<u>58,156</u>	<u>38,298</u>	<u>19,108</u>	<u>115,562</u>
Total Noncurrent Liabilities	<u>58,156</u>	<u>38,298</u>	<u>19,108</u>	<u>115,562</u>
Total Liabilities	<u>\$ 125,741</u>	<u>\$ 48,588</u>	<u>\$ 129,660</u>	<u>\$ 303,989</u>
<u>NET ASSETS</u>				
Invested in Capital Assets Net of Related Debt	\$ 162,340	\$ 33,111	\$ 10,770	\$ 206,221
Unrestricted	<u>118,916</u>	<u>(3,018)</u>	<u>224,657</u>	<u>340,555</u>
Total Net Assets	<u>\$ 281,256</u>	<u>\$ 30,093</u>	<u>\$ 235,427</u>	<u>\$ 546,776</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, 2010**

	Business-Type Activities Enterprise Funds			
	Major Programs			Total Enterprise
	Food Service	ETTC Program	Adult & Community Programs	
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 1,289,975			\$ 1,289,975
Daily Sales - Nonreimbursable Programs	595,211			595,211
Special functions	106,512			106,512
Registration Fees		\$ 274,573	\$ 1,530,473	1,805,046
Miscellaneous	11,112			11,112
Total Operating Revenues	<u>2,002,810</u>	<u>274,573</u>	<u>1,530,473</u>	<u>3,807,856</u>
Operating Expenses:				
Cost of sales	1,171,625			1,171,625
Salaries	839,112	159,190	940,148	1,938,450
Employee benefits	286,243	45,007	180,222	511,472
Purchased professional and technical services	1,845	75,750		77,595
Other purchased services	36,739	4,953	244,784	286,476
Registrations/Training/ Travel		232	1,546	1,778
General supplies	108,926	588	33,028	142,542
Miscellaneous expenses		775	955	1,730
Depreciation	18,607	3,390	1,494	23,491
Total Operating Expenses	<u>2,463,097</u>	<u>289,885</u>	<u>1,402,177</u>	<u>4,155,159</u>
Operating Income (Loss)	<u>(460,287)</u>	<u>(15,312)</u>	<u>128,296</u>	<u>(347,303)</u>
Nonoperating Revenues:				
State Sources:				
State school lunch program	29,762			29,762
Federal Sources:				
National school lunch program	416,623			416,623
Food distribution program	134,006			134,006
Interest revenue	158	59	1,607	1,824
Total Nonoperating Revenues	<u>580,549</u>	<u>59</u>	<u>1,607</u>	<u>582,215</u>
Income (Loss) before Contributions and Transfers	<u>120,262</u>	<u>(15,253)</u>	<u>129,903</u>	<u>234,912</u>
Transfers in/(out)			<u>(400,000)</u>	<u>(400,000)</u>
Change in Net Assets	120,262	(15,253)	(270,097)	(165,088)
Total Net Assets - Beginning	<u>160,994</u>	<u>45,346</u>	<u>505,524</u>	<u>711,864</u>
Total Net Assets - Ending	<u>\$ 281,256</u>	<u>\$ 30,093</u>	<u>\$ 235,427</u>	<u>\$ 546,776</u>

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, 2010**

	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	\$ 2,006,542	\$ 257,028	\$ 1,517,054	\$ 3,780,624
Payments to Employees	(842,067)	(166,509)	(929,229)	(1,937,805)
Payments to Suppliers	(1,594,023)	(124,293)	(470,312)	(2,188,628)
Net Cash Provided by/(Used for) Operating Activities	<u>(429,548)</u>	<u>(33,774)</u>	<u>117,513</u>	<u>(345,809)</u>
<u>Cash Flows from Noncapital Financing Activities</u>				
State Sources	29,913			29,913
Federal Sources	415,124			415,124
Operating Transfers from/(to) Other Funds			(400,000)	(400,000)
Net Cash Provided by/(Used for) Noncapital Financing Activities	<u>445,037</u>		<u>(400,000)</u>	<u>45,037</u>
<u>Cash Flows from Investing Activities</u>				
Asset (acquisitions)/dispositions	(19,954)		951	(19,003)
Interest	158	59	1,607	1,824
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>(4,307)</u>	<u>(33,715)</u>	<u>(279,929)</u>	<u>(317,951)</u>
Balances - Beginning of Year	<u>124,530</u>	<u>40,755</u>	<u>617,539</u>	<u>782,824</u>
Balances - End of Year	<u>\$ 120,223</u>	<u>\$ 7,040</u>	<u>\$ 337,610</u>	<u>\$ 464,873</u>
<u>Reconciliation of Operating Income/ (Loss) to Net Cash Provided (Used) by Operating Activities</u>				
Operating Gain/(Loss)	\$ (460,287)	\$ (15,312)	\$ 128,296	\$ (347,303)
Adjustments to Reconcile Operating Loss to Cash Provided/(Used) by Operating Activities:				
Depreciation	18,607	3,390	1,494	23,491
Federal Commodities	134,006			134,006
Change in Assets and Liabilities:				
(Increase)/Decrease in accounts receivable	3,732	(17,545)	1,366	(12,447)
(Decrease) in absences payable				
Increase/(Decrease) in accrued salaries	9,639	(130)	4,658	14,167
(Decrease)/Increase in compensated absences payable	(12,594)	(7,189)	6,261	(13,522)
Increase/(Decrease) in deferred revenue			(14,785)	(14,785)
(Increase)/Decrease in inventory	(4,273)			(4,273)
Increase/(Decrease) in accounts payable	(118,378)	3,012	(9,777)	(125,143)
Total Adjustments	<u>30,739</u>	<u>(18,462)</u>	<u>(10,783)</u>	<u>1,494</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (429,548)</u>	<u>\$ (33,774)</u>	<u>\$ 117,513</u>	<u>\$ (345,809)</u>

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, 2010**

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>	<u>Deferred Benefit Trust</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 107,526	\$ 1,035,337	\$ 139,862
Accounts Receivable - Other	<u> </u>	<u> 1,225</u>	<u> </u>
Total Assets	<u>\$ 107,526</u>	<u>\$ 1,036,562</u>	<u>\$ 139,862</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 20,661	\$	\$
Payable to Student Groups	<u> </u>	<u> 453,218</u>	<u> </u>
Payroll Deductions and Withholdings	<u> </u>	<u> 583,344</u>	<u> </u>
Total Liabilities	<u>\$ 20,661</u>	<u>\$ 1,036,562</u>	<u>\$</u>
<u>NET ASSETS</u>			
Held in Trust for Unemployment Claims and Other Purposes Reserved for Deferred Benefits	<u>\$ 86,865</u>	<u>\$</u>	<u>\$ 139,862</u>
Total Net Assets	<u>\$ 86,865</u>	<u>\$</u>	<u>\$ 139,862</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, 2010

	<u>Unemployment Compensation Trust</u>	<u>Deferred Benefit Trust</u>
<u>Additions</u>		
Contributions:		
Plan Members	\$ 117,640	\$
Board Contribution	90,057	
Other	<u>11,621</u>	<u> </u>
Total Contributions	<u>219,318</u>	<u> </u>
Investment Earnings:		
Interest	<u>486</u>	<u>1,059</u>
Total Additions	<u>219,804</u>	<u>1,059</u>
<u>Deductions</u>		
Unemployment Claims and Assessment	275,650	
Transfer to Qualified Benefit Plan		<u>44,000</u>
Total Deductions	<u>275,650</u>	<u>44,000</u>
Change in Net Assets	(55,846)	(42,941)
Total Net Assets - Beginning	<u>142,711</u>	<u>182,803</u>
Total Net Assets - Ending	<u>\$ 86,865</u>	<u>\$ 139,862</u>

See accompanying notes to financial statements.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

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 2009-10 fiscal year of 8,783 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, 2010

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 all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment that are classified in the Capital Outlay subfund.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

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 the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs. This fund is not applicable in this fiscal year.

Permanent Fund – The Permanent Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. 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, 2010

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, 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, 2010

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, 2010

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, 2010

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.	\$ 131,795,865	\$ 4,684,313
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, 2009		876,143
June 30, 2010		(444,765)
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, 2009	1,915,135	
June 30, 2010	<u>(2,009,944)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 131,701,056</u>	<u>\$ 5,115,691</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 136,043,927	\$ 6,012,254
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, 2009		876,143
June 30, 2010		<u>(444,765)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 136,043,927</u>	<u>\$ 6,443,632</u>

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

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, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (continued)

2. Inventories and Prepaid Expenses

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. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2010.

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 2009-10 and 2008-09 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, 2010

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 special revenue fund represents cash that has been received but not yet earned.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (continued)

11. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designated 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, 2010

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, 2010, 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)	\$ 24,940,681
Proprietary Funds	464,873
Fiduciary Funds	1,282,725
	\$ 26,688,279

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, 2010

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

There were no investments as defined above on hand at June 30, 2010.

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, 2009 to June 30, 2010 fiscal year is as follows:

Beginning balance, July 1, 2009	\$	3,163,441
Increase:		
Interest earnings		10,686
Board approved transfer resolution of June 30, 2010		1,300,000
		4,474,127
Decrease:		
Board approved withdrawal - December 4, 2009		1,619,000
Board approved withdrawal - March 23, 2010		29,141
Board approved withdrawal - June 11, 2010		248,850
		2,577,136
Ending balance, June 30, 2010	\$	2,577,136

The June 30, 2010 LRFP balance of local support costs of uncompleted capital projects at June 30, 2010 exceeded the June 30, 2010 capital reserve balance. The withdrawals from the capital reserve were for uses in DOE approved facilities projects, consistent with the district's Long Range Facilities Plan.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

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, 2010:

Governmental Activities

	Balance <u>June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2010</u>
<u>Non-Depreciable Assets:</u>				
Sites	\$ 1,019,208	\$ -	\$ -	\$ 1,019,208
Construction in Progress	5,791,654	7,107,781	4,551,496	8,347,939
<u>Depreciable Assets:</u>				
Buildings and Improvements	204,640,286	4,551,496	1,530,786	207,660,996
Machinery and Equipment	<u>12,675,264</u>	<u>575,092</u>	<u>16,609</u>	<u>13,233,747</u>
Totals at Historical Cost	224,126,412	12,234,369	6,098,891	230,261,890
Less: Accumulated Depreciation	<u>36,076,692</u>	<u>4,548,705</u>	<u>1,146,840</u>	<u>39,478,557</u>
Governmental Activities Assets - Net	<u>\$ 188,049,720</u>	<u>\$ 7,685,664</u>	<u>\$ 4,952,051</u>	<u>\$ 190,783,333</u>

Proprietary Activities

	Balance <u>June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2010</u>
<u>Depreciable Assets:</u>				
Machinery and Equipment	\$ 588,811	\$ 19,003		\$ 607,814
Building Improvements	<u>57,586</u>			<u>57,586</u>
Totals at Historical Cost	646,397	19,003		665,400
Less: Accumulated Depreciation Proprietary Activities	<u>435,688</u>	<u>23,491</u>		<u>459,179</u>
Proprietary Activities, Capital Assets - Net	<u>\$ 210,709</u>	<u>\$ (4,488)</u>	<u>\$ -</u>	<u>\$ 206,221</u>

Total depreciation expense for the fiscal year ended June 30, 2010 for governmental activities was \$4,545,705 and for business-type activities was \$23,491. Depreciation for governmental activities was charged as follows in the Statement of Activities: Instruction \$ 2,452,013, Support Services \$2,093,002 and Special Schools \$3,690.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

6. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2010, the following changes occurred in long-term liabilities:

	Balance June 30, 2009	Issued	Retired	Balance June 30, 2010	Current Portion	Long-Term Portion
Compensated Absences Payable	\$ 3,720,786		\$ 484,961	\$ 3,235,825	\$ 21,884	\$ 3,213,941
Serial Bonds Payable	86,226,000	13,960,000	2,540,000	97,646,000	3,010,000	94,636,000
Capital Leases Payable	7,299,694	1,130,757	2,983,206	5,447,245	1,719,352	3,727,893
Lease Purchase Obligations Payable	<u>13,541,536</u>		<u>1,554,473</u>	<u>11,987,062</u>	<u>1,230,233</u>	<u>10,756,829</u>
	<u>\$ 110,788,016</u>	<u>\$ 15,090,757</u>	<u>\$ 7,562,640</u>	<u>\$ 118,316,132</u>	<u>\$ 5,981,469</u>	<u>\$ 112,334,663</u>
Detail:						
Governmental Activities				\$ 118,200,569	\$ 5,981,469	\$ 112,219,100
Business - Type Activities				<u>115,563</u>		<u>115,563</u>
				<u>\$ 118,316,132</u>	<u>\$ 5,981,469</u>	<u>\$ 112,334,663</u>

A. Bonds Payable

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

2001 Issue

On May 16, 2001 the District issued \$16,100,000 School Bonds. The remaining outstanding Bonds mature in a final annual installment in 2011 in of \$720,000 and bear interest at 4.75%. The Bonds maturing from May 1, 2012 through May 1, 2022 were advance refunded.

The advance refunding closed on March 15, 2007. Refunding bond proceeds were placed in an irrevocable escrow fund held by the District's trustee, and along with interest earnings on these proceeds will be sufficient to pay the interest until the call date, and the \$10,545,000 principal amount of the bonds on the call date, May 1, 2011. The advance refunding was accomplished to achieve net present value interest savings.

2005 Issue

On March 8, 2005 the District issued \$81,386,000 School Bonds. The remaining outstanding Bonds mature annually from 2010 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, 2010

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 2011 to 2022 in amounts ranging from \$15,000 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 Bonds mature annually from 2011 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, 2010, there were bonds authorized but not issued of \$3,996,480.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

6. LONG-TERM LIABILITIES (CONTINUED)

A. Bonds Payable (Continued)

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

Year Ending June 30,	Grand Totals All Issues		
	Principal	Interest	Total
2011	\$ 3,010,000	\$ 4,230,659	\$ 7,240,659
2012	3,010,000	4,094,547	7,104,547
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>\$ 97,646,000</u>	<u>\$ 59,460,336</u>	<u>\$ 157,106,336</u>

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

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

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, 2010 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2011	\$ 693,000
2012	693,000
2013	693,000
2014	693,000
2015	693,000
2016-2017	<u>1,386,000</u>
Total Minimum Lease Payments	\$ 4,851,000
Less: Amount representing interest	<u>(746,267)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 4,104,733</u>

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

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, 2010

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, 2010 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2011	\$ 1,050,000
2012	1,050,000
2013	1,050,000
2014	1,050,000
2015	1,050,000
2016-2019	<u>4,439,519</u>
Total Minimum Lease Payments	\$ 9,689,519
Less: Amount representing interest	<u>(1,807,187)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 7,882,332</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, 2010

6. LONG-TERM LIABILITIES (CONTINUED)

B. Lease Purchase Obligations Payable (Continued)

2005 Agreement

On January 25, 2005, the Board of Education (the Lessee) entered into a Lease Purchase Agreement with the Township of East Brunswick (the Lessor) to provide supplemental financing for certain improvements and renovations at the High School. Approval was obtained from the Commissioner of Education. The building is located on and 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 each January 15, which commenced in 2006 and ends in 2010. The total principal amount of the lease was \$6,458,018. The lease carries a variable interest rate, tied to the Township's cost of borrowing.

The final principal payment on this Lease Purchase Agreement of \$374,811 occurred during February, 2010. Accordingly, the 2005 Lease Purchase Agreement has been repaid in full.

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 concludes 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 XXX%. 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%.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

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, 2010

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. 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, 2010, 2009 and 2008 were \$1,139,483, \$1,034,653, and \$788,061 respectively, for each of the three years equal to the required contributions for each year.

During the fiscal year ended June 30, 2010, the State of New Jersey contributed \$-0- to the TPAF for normal benefits and \$3,934,091 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 \$4,412,484 during the year ended June 30, 2010 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, 2010

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, 2009, there were 84,590 retirees eligible for 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 made Post-Retirement (PRM) contributions of \$1.38 billion for fiscal year 2009 and \$3.22 million for fiscal year 2008.

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 \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

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, 2010

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, 2010, a liability existed for compensated absences in the proprietary fund types of \$115,563.

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. 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>
2009-2010	\$ 90,057	\$ 11,621	\$ 486	\$ 117,640	\$ 275,650	86,865
2008-2009	10,000	12,909	2,910	117,969	179,612	142,711
2007-2008	10,000	10,763	4,188	111,682	47,587	178,535

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

12. INTERFUND RECEIVABLES AND PAYABLES

The total interfund accounts receivable and payable for the District at June 30, 2010 is as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund		\$ 379,045
Special Revenue Fund	\$ 379,045	
	<u>\$ 379,045</u>	<u>\$ 379,045</u>

The General Fund and Special Revenue Fund interfund balance is a result of transfers between the funds and it is anticipated the interfund will be liquidated in the subsequent year.

13. INVENTORY

Inventory in the Enterprise Fund at June 30, 2010 of \$ 89,515 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 nonoperating revenue in the financial statements.

14. FUND BALANCE APPROPRIATED

General Fund - Of the \$9,165,398 General Fund fund balance at June 30, 2010, \$764,674 is reserved for encumbrances; \$2,577,136 has been reserved in the Capital Reserve Account; \$669,477 has been appropriated and included as anticipated revenue for the year ending June 30, 2011; \$4,564,366 is reserved for excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$4,509,825 of the total reserve for excess surplus has been appropriated and included as revenue for the year ending June 30, 2011); and \$589,745 is unreserved and undesignated.

Debt Service Fund – Of the \$46,841 Debt Service fund balance at June 30, 2010 \$26,171 is reserved in accordance with NJSA 7F-41c(2) and is anticipated revenue for the year ending June 30, 2011 and \$20,670 is unreserved and undesignated.

Capital Projects Fund – Of the \$20,839,605 capital projects fund balance at June 30, 2010, \$2,538,494 is reserved for encumbrances and \$18,301,111 is designated for subsequent years expenditures.

Special Revenue Fund – All of the \$328,220 special revenue fund balance at June 30, 2010, is designated for subsequent years expenditures.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

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, 2010 is \$54,541. The excess surplus at June 30, 2009 was \$2,594,690. Pursuant to provisions of Executive Order No.14, None of that amount was approved by the Commissioner of the Department of Education for withdrawal to address any budget shortfall in the general fund due to the 2009-10 withholding of state aid.

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. RECENTLY ENACTED REGULATIONS

The provisions of GASB Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension", become required based on a phased in time frame similar to that which was used to phase in GASB Statement 34. For "phase 1" entity's; those with revenues greater than \$100 million, which the Board is classified as, the fiscal year ending June 30, 2008 marked the first year the Board was subject to the requirements of GASB 45. The Board has never offered postemployment benefits other than pensions to its employees and accordingly has determined GASB Statement 45 will not have any impact on the financial position or results of operations of the Board.

The provisions of GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions", will be implemented during the next fiscal year.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

19. 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.

20. OTHER MATTERS – EXTRAORDINARY ITEMS

On July 10, 2008, Memorial Elementary School suffered a devastating fire, which rendered the entire school facility unusable through the date of this report. A school facility in a neighboring community has been leased to house the displaced Memorial students and faculty. Expenditures related to this fire and relocation have been recorded as Extraordinary Items in the General Fund.

21. TRANSFERS TO CAPITAL OUTLAY

During the year ending June 30, 2010, the District transferred \$249,584 to the capital outlay accounts. The transfer was 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.

22. SUBSEQUENT EVENTS

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

The District entered into two capital leases in July, 2010, consisting of a \$361,500 equipment lease and a \$1,400,000 technology equipment lease. Both leases are for five year terms.

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, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 106,086,288		\$ 106,086,288	\$ 106,086,288	
Tuition - individuals	12,479		12,479	78,449	65,970
Interest earned on capital reserve funds	4,000		4,000	10,686	6,686
Miscellaneous	728,855		728,855	691,863	(36,992)
Total - local sources	106,831,622		106,831,622	106,867,286	35,664
State sources:					
Extraordinary aid	1,040,833		1,040,833	1,012,618	(28,215)
Categorical special education aid	4,841,932		4,841,932	4,462,995	(378,937)
Equalization aid	12,001,221		12,001,221	6,489,566	(5,511,655)
Categorical security aid	704,952		704,952	459,600	(245,352)
Categorical transportation aid	2,902,551		2,902,551	1,892,347	(1,010,204)
Non-public school transportation aid				45,742	45,742
On behalf TPAF pension contributions/post retirement medical benefits (non-budgeted)				3,934,091	3,934,091
Reimbursed TPAF social security contributions (non-budgeted)				4,412,484	4,412,484
Total - state sources	21,491,489		21,491,489	22,709,443	1,217,954
Federal sources:					
ARRA - Education stabilization aid		2,096,419	2,096,419	2,096,419	
ARRA - Government services aid		81,156	81,156	81,156	
Medicaid Reimbursement	35,899		35,899	41,561	5,662
Total - federal sources	35,899	2,177,575	2,213,474	2,219,136	5,662
Total revenues	128,359,010	2,177,575	130,536,585	131,795,865	1,259,280

**BOARD OF EDUCATION
 EAST BRUNSWICK SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FISCAL YEAR ENDED JUNE 30, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Instructional programs:					
Regular programs:					
Salaries of teachers:	\$ 41,755	\$ 2,340	\$ 44,095	\$ 44,095	
Preschool	848,688	(129,062)	719,626	719,626	
Kindergarten	13,164,146	(867,501)	12,296,645	12,253,486	43,159
Grades 1-5	10,851,221	(396,923)	10,454,298	10,452,088	2,210
Grades 6-8	13,977,600	(336,119)	13,641,481	13,641,481	
Grades 9-12					
Home instruction:		29	29		
Salaries		6,516	6,516	6,516	
Salaries of teachers	73,500	(20,739)	52,761	30,300	22,461
Purchased professional/educational services					
Undistributed instruction:					
Other salaries for instruction	250,911	14,334	265,245	265,245	
Purchased professional/educational services	180,425	(6,304)	174,121	161,437	12,684
Purchased technical services	64,625	7,836	72,461	64,665	7,796
Other purchased services	1,230,220	(1,231)	1,228,989	1,216,692	12,297
Registrations/Training/Travel	12,000	(200)	11,800	6,142	5,658
General supplies	1,737,552	(62,125)	1,675,427	1,487,937	187,490
Textbooks	186,197	(32,933)	153,264	125,618	27,646
Other objects	10,020	(122)	9,898	7,422	2,476
Miscellaneous expenditures		169	169		
Total regular programs	42,628,860	(1,822,035)	40,806,825	40,482,948	323,877
Special education:					
Learning/language disabilities:					
Salaries of teachers	422,398	39,751	462,149	462,149	
Other salaries for instruction	256,512	(52,308)	204,204	204,204	
Registrations/Training/Travel	200		200		200
General supplies	4,100	(58)	4,042	3,360	682
Total learning/language disabilities	683,210	(12,615)	670,595	669,713	882

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2010**

	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	\$ 261,599	\$ (16,455)	\$ 245,144	\$ 235,084	\$ 10,060
Other salaries for instruction	126,942	48,510	175,452	175,452	194
Registrations/Training/Travel	700		700	506	194
General supplies	7,500	(1,000)	6,500	2,456	4,044
Total multiple disabilities	396,741	31,055	427,796	413,498	14,298
Resource room:					
Salaries of teachers	5,953,636	(219,025)	5,734,611	5,734,611	
Other salaries for instruction	1,038,536	(51,325)	987,211	987,211	
Registrations/Training/Travel	200	58	258	258	
General supplies	23,250	(91)	23,159	17,913	5,246
Textbooks	1,500	(500)	1,000		1,000
Total resource room	7,017,122	(270,883)	6,746,239	6,739,993	6,246
Autism:					
Salaries of teachers	483,346	148,510	631,856	631,856	
Other salaries for instruction	320,638	(12,731)	307,907	307,907	
Registrations/Training/Travel	1,300	(58)	1,242	160	1,082
General supplies	7,400	(619)	6,781	4,086	2,695
Total autism	812,684	135,102	947,786	944,009	3,777
Preschool disabilities - part-time:					
Salaries of teachers	208,874	18,180	227,054	227,054	
Other salaries for instruction	49,147	19,496	68,643	68,643	
General supplies	3,450	(483)	2,967	1,701	1,266
Total preschool disabilities - part-time	261,471	37,193	298,664	297,398	1,266
Preschool disabilities - full-time:					
Salaries of teachers	198,913	44,346	243,259	243,259	
Other salaries for instruction	216,708	(1,642)	215,066	215,066	
General supplies	2,900	(934)	1,966	523	1,443
Miscellaneous expenditures		146	146	128	18
Total preschool disabilities - full-time	418,521	41,916	460,437	458,976	1,461
Home instruction:					
Salaries of teachers	129,000	13,382	142,382	13,382	20,945
Purchased professional/educational services		(14,908)	117,474	93,147	20,945
Total home instruction	129,000	(1,526)	127,474	106,529	20,945
Total special education	9,718,749	(39,758)	9,678,991	9,630,116	48,875

**BOARD OF EDUCATION
 EAST BRUNSWICK SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FISCAL YEAR ENDED JUNE 30, 2010**

	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	900		900	1,712,704	900
Registrations/Training/Travel	19,261	(1,391)	17,870	15,179	2,691
General supplies					
Total basic skills/remedial	1,030,278	701,196	1,731,474	1,727,883	3,591
Bilingual education:					
Instruction:					
Salaries of teachers	511,119	(30,765)	480,354	480,354	2,196
General supplies	6,600		6,600	4,404	300
Other expenditures	300		300		
Total bilingual education	518,019	(30,765)	487,254	484,758	2,496
School sponsored cocurricular activities - instruction:					
Salaries	390,088	(11,625)	378,463	378,463	2,000
Purchased services	16,500	960	17,460	15,450	
Supplies and materials	500	(500)			
Other expenditures	6,000		6,000	4,238	1,762
Total school sponsored cocurricular activities	413,088	(11,175)	401,913	398,151	3,762
School sponsored athletics - instruction:					
Salaries	534,528	28,179	562,707	562,707	
Purchased services	45,356	1,025	46,381	34,127	12,254
Registrations/Training/Travel	2,700		2,700	189	2,511
Supplies and materials	36,083	976	37,059	28,345	8,714
Other objects	4,380	(977)	3,403	3,400	3
Fund transfers to cover deficit	53,293	16,000	69,293	62,089	7,204
Total school sponsored athletic activities	676,340	45,203	721,543	690,857	30,686
Total instructional programs	54,985,334	(1,157,334)	53,828,000	53,414,713	413,287

**BOARD OF EDUCATION
 EAST BRUNSWICK SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FISCAL YEAR ENDED JUNE 30, 2010**

	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	\$ 34,638	\$ 3,515	\$ 38,153	\$ 34,553	\$ 3,600
Tuition to other LEAs within the state - special	1,690,584	(204,137)	1,486,447	1,401,646	84,801
Tuition to cssd & regional day schools	3,119,220	(330,728)	2,788,492	2,002,392	786,100
Tuition to private schools - disabled -in state	75,850		75,850		75,850
Tuition - state facilities	53,305	(3,515)	49,790		49,790
Tuition - other					
Total instruction	4,973,597	(353,479)	4,620,118	3,619,977	1,000,141
Attendance and social work:					
Salaries	115,831	34,805	150,636	150,636	96
Other purchased services	852		852	756	96
Supplies and materials	750	(215)	535	320	215
Total attendance and social work	117,433	34,590	152,023	151,712	311
Health services:					
Salaries	1,043,137	15,441	1,058,578	1,058,578	
Purchased professional/technical services	98,182	26,607	124,789	124,789	
Other purchased services	4,652		4,652	2,963	1,689
Registrations/Training/Travel	1,400	(44)	1,356	422	934
Supplies and materials	22,529	23,767	46,296	45,659	637
Total health services	1,169,900	65,771	1,235,671	1,232,411	3,260
Other support services - students - related:					
Salaries	1,215,898	76,468	1,292,366	1,292,366	
Purchased professional/educational services	788,954		788,954	785,415	3,539
Supplies and materials	3,800	(196)	3,604	2,775	829
Registrations/Training/Travel	1,500		1,500	583	917
Total other support services - students - related	2,010,152	76,272	2,086,424	2,081,139	5,285

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2010**

	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	\$ 827,816	\$	\$ 827,816	\$ 823,259	\$ 4,557
Purchased professional/educational services	636,270	(1,710)	634,560	608,844	25,716
Supplies and materials	5,000		5,000	4,600	400
Registrations/Training/Travel		243	243	243	
Other expenditures	6,500		6,500	5,925	575
	<u>1,475,586</u>	<u>(1,467)</u>	<u>1,474,119</u>	<u>1,442,871</u>	<u>31,248</u>
Total other supp. services - students - extraordinary					
Other support services - students - regular:					
Salaries of other professional staff	2,925,439	(104,530)	2,820,909	2,771,885	49,024
Salaries of secretarial/clerical assistants	438,879		438,879	437,207	1,672
Other purchased professional/technical services	3,500		3,500	2,626	874
Other purchased services	11,344	6,267	17,611	16,515	1,096
Registrations/Training/Travel	2,500		2,500	2,238	262
Supplies and materials	16,815	(1,156)	15,659	14,120	1,539
Other expenditures	575		575	575	
	<u>3,399,052</u>	<u>(99,419)</u>	<u>3,299,633</u>	<u>3,245,166</u>	<u>54,467</u>
Total other support services - students - regular					
Other support services - students - special:					
Salaries of other professional staff	2,327,142	(4,624)	2,322,518	2,284,102	38,416
Salaries of secretarial/clerical assistants	339,748	1,435	341,183	341,183	
Purchased professional/educational services	13,000	(1,000)	12,000	11,720	280
Residential costs	78,000	475	78,475	78,475	
Registrations/Training/Travel	8,775	(50)	8,725	8,725	
Miscellaneous purchased services	6,575		6,575	4,684	1,891
Supplies and materials	21,300	(8,136)	13,164	11,655	1,509
	<u>2,794,540</u>	<u>(11,900)</u>	<u>2,782,640</u>	<u>2,740,544</u>	<u>42,096</u>
Total other support services - students - special					
Improvement instructional services:					
Salaries of supervisors of instruction	543,631	5,745	549,376	549,376	
Salaries of other professional staff	173,130		173,130	173,130	
Salaries of secretarial/clerical assistants	225,350	(44,522)	180,828	180,828	
Other salaries	86,948	43,910	130,858	130,858	
Purchased professional/educational services	500		500		500
Travel					

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2010**

	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	\$ 25,788	\$ (867)	\$ 24,921	\$ 22,309	\$ 2,612
Registrations/Training/Travel	33,555	(2,600)	30,955	11,095	19,860
Supplies and materials	41,376	(687)	40,689	24,173	16,516
Other expenditures	12,200	500	12,700	9,742	2,958
	<u>1,142,478</u>	<u>1,479</u>	<u>1,143,957</u>	<u>1,101,511</u>	<u>42,446</u>
Total improvement instructional services					
Instructional staff training services:					
Salaries of supervisors of instruction	860,710	4,778	865,488	865,487	1
Salaries of other professional staff	37,800	(17,699)	20,101	12,017	8,084
Salaries of secretarial/clerical assistants	308,326		308,326	300,439	7,887
Purchased professional/educational services	19,815		19,815	8,610	11,205
Other purchased services	21,150	200	21,350	400	20,950
Registrations/Training/Travel	53,000		53,000	33,827	19,173
Supplies and materials	3,000	(200)	2,800	811	1,989
	<u>1,303,801</u>	<u>(12,921)</u>	<u>1,290,880</u>	<u>1,221,591</u>	<u>69,289</u>
Total instructional staff training services					
Educational media/library:					
Salaries	1,213,792	18,030	1,231,822	1,231,822	
Purchased professional/technical services	31,140	44	31,184	29,904	1,280
Other purchased services	2,570	584	3,154	2,104	1,050
Registrations/Training/Travel	1,500		1,500	545	955
Supplies and materials	202,420	(1,588)	200,832	173,029	27,803
Other expenditures	110	25	135	135	
	<u>1,451,532</u>	<u>17,095</u>	<u>1,468,627</u>	<u>1,437,539</u>	<u>31,088</u>
Total educational media/library					

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Support services - general administration:					
Salaries	\$ 703,620	\$ 10,026	\$ 713,646	\$ 713,646	\$
Legal services	205,625	39,151	244,776	244,776	
Audit fees	40,000	36,749	76,749	38,500	38,249
Other purchased professional services	97,406	(6,618)	90,788	84,026	6,762
Purchased technical services	5,500	792	6,292	5,683	609
Communications/telephone	353,897	(8,414)	345,483	288,600	56,883
Registrations/Training/Travel	10,450		10,450	3,357	7,093
Miscellaneous purchased services	29,915	248	30,163	17,527	12,636
Registrations/Training/Travel	10,500		10,500	1,293	9,207
General supplies	31,955	48	32,003	9,681	22,322
BOE in-house training/meeting supplies	1,284	4	1,288	1,288	
Miscellaneous expenditures	20,823		20,823	10,573	10,250
BOE membership dues/fees	36,400		36,400	35,366	1,034
Total support services - general administration	1,547,375	71,986	1,619,361	1,454,316	165,045
Support services - school administration:					
Salaries of principals/assistant principals	2,565,211	13,131	2,578,342	2,578,342	
Salaries of other professional staff	789,137	1,466	790,603	790,603	
Salaries of secretarial and clerical assistants	1,623,683	55,179	1,678,862	1,678,862	
Other purchased services	116,108	(1,796)	114,312	107,470	6,842
Registrations/Training/Travel	44,000		44,000	18,007	25,993
Supplies and Materials	64,190	(5,820)	58,370	49,198	9,172
Other expenditures	22,000	1,475	23,475	23,318	157
Total support services - school administration	5,224,329	63,635	5,287,964	5,245,800	42,164
Required maintenance for school facilities:					
Salaries	778,281	156,102	934,383	934,383	
Cleaning, repair and maintenance services	666,300	(90,100)	576,200	442,460	133,740
General supplies	288,000		288,000	288,240	19,760
Total required maintenance for school facilities	1,732,581	66,002	1,798,583	1,645,083	153,500

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Custodial services:					
Salaries	\$ 1,462,726	\$ 35,236	\$ 1,497,962	\$ 1,497,962	\$ 31,554
Purchased professional/technical services	86,200	987	87,187	55,633	197,202
Cleaning, repair and maintenance services	2,435,920	(35,413)	2,400,507	2,203,305	48,340
Rentals - land/buildings	792,572	(11,310)	781,262	732,922	2,119
Other purchased property services	97,848		97,848	95,729	3,966
Purchased Services		3,966	3,966	593,968	4,768
Insurance	519,550	74,418	593,968	732	10,988
Registrations/Training/Travel	5,500		5,500	158,561	17,398
General supplies	145,731	23,818	169,549	569,450	136,881
Salaries of non-instructional aides	617,414	(30,566)	586,848	1,796,719	5,397
Energy (electricity)	1,933,600		1,933,600	698,549	883,978
Other expenditures	11,100	(2,400)	8,700		
Energy (natural gas)	1,585,480	(2,953)	1,582,527		
Total operation and maintenance of plant services	9,693,641	55,783	9,749,424	8,410,799	1,338,625
Care and upkeep of grounds:					
Salaries	504,768	(182,094)	322,674	322,674	43,150
Cleaning, repair and maintenance services	133,080	6,572	139,652	96,502	8,515
General supplies	125,032		125,032	116,517	51,665
Total care and upkeep of grounds	762,880	(175,522)	587,358	535,693	36,467
Security:					
Salaries	275,589	55,980	331,569	331,569	500
Cleaning, repair and maintenance services	117,450	(2,323)	115,127	78,660	36,467
General supplies	3,500	10,443	13,943	13,443	500
Other objects		900	900	900	
Total security	396,539	65,000	461,539	424,572	36,967

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2010**

	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	\$ 96,577	\$	\$ 96,577	\$ 84,729	\$ 11,848
Salaries for pupil transportation (between home and school) - regular	975,724		975,724	901,209	74,515
Cleaning, repair and maintenance	130,000	53,366	183,366	183,366	
Rental/Leasing - School Buses	13,500	(3,752)	9,748		9,748
Lease Purchase Payments - School Buses	345,828	(4,632)	341,196	338,232	2,964
Contracted services (between home and school) - vendors	1,442,849	80,814	1,523,663	1,523,663	
Contracted services (other than between home and school) - vendors	424,891	(26,268)	398,623	371,209	27,414
Contracted services (special education students) - vendors	1,207,630	132,925	1,340,555	1,340,555	
Contracted services (special education students) - ESC's and CTSA's	2,366,268	146,990	2,513,258	2,513,258	
Contracted services - aid in lieu of payments	366,860	(185,924)	180,936	146,258	34,678
Miscellaneous purchased services - transportation	64,367	8,692	73,059	73,059	
Registrations/Training/Travel	1,400		1,400	810	590
Supplies and materials	900	(542)	358	327	31
Transportation supplies	317,185	(145,914)	171,271	147,880	23,391
Other expenditures	2,175	175	2,350	1,850	500
Total student transportation	7,756,154	55,930	7,812,084	7,626,405	185,679
Central services:					
Salaries	1,488,910	(101,328)	1,387,582	1,387,582	3,366
Purchased professional services	27,175		27,175	23,809	1,020
Purchased technical services	19,000	(1,196)	17,804	16,784	34,066
Miscellaneous purchased services	60,250	(8,722)	51,528	17,462	2,831
Registrations/Training/Travel	10,000		10,000	7,169	15,323
Supplies and materials	42,433	345	42,778	27,455	113,909
Interest for lease purchase agreements	268,374	(1,013)	267,361	153,452	1,347
Miscellaneous expenditures	6,200		6,200	4,853	
Total central services	1,922,342	(111,914)	1,810,428	1,638,566	171,862

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Administrative information technology:					
Salaries	\$ 1,189,364	\$ (2,067)	\$ 1,187,297	\$ 1,187,297	\$ 11,154
Purchased professional services	123,958	(22,593)	101,365	90,211	3,920
Purchased technical services	177,464	(21,752)	155,712	151,792	
Other purchased services	3,175	16,595	19,770	19,770	
Registrations/Training/Travel	8,500	(181)	8,319	2,898	5,421
Supplies and materials	65,121	(13,975)	51,146	50,549	597
Other expenditures	760	(35)	725	725	
Total admin. information technology	1,588,342	(44,008)	1,524,334	1,503,242	21,092
Unallocated benefits:					
Social security contributions	1,488,234		1,488,234	1,437,608	50,626
Unemployment compensation insurance	10,000	80,057	90,057	90,057	
Other retirement contributions - regular	1,198,203		1,198,203	1,139,481	58,722
Workmen's compensation	519,847		519,847	487,480	32,367
Health benefits	20,973,344	29,594	21,002,938	18,999,417	2,003,521
Tuition reimbursements	173,500	4,452	177,952	119,724	58,228
Other employee benefits	376,805	308,701	685,506	676,947	8,559
On-behalf TPAF pension contributions/post retirement medical benefits (non-budgeted)	24,739,933	422,804	25,162,737	22,950,714	2,212,023
Reimbursed TPAF social security contributions (non-budgeted)				3,934,091	(3,934,091)
Total undistributed expenditures	75,182,187	185,717	75,367,904	78,056,226	(2,688,322)
TOTAL EXPENDITURES - CURRENT EXPENSE	130,167,521	(971,617)	129,195,904	131,470,939	(2,275,035)

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CAPITAL OUTLAY:					
Interest Deposit to Capital Reserve	\$ 4,000		\$ 4,000	\$ 4,000	\$
Equipment:					
Regular programs - instruction:					
Grades 1-5	3,000		3,000		3,000
Grades 6-8		3,522	3,522	3,522	
Grades 9-12		29,340	29,340	29,340	
Support services :					
Administrative information technology	35,000	(10,385)	24,615	24,615	
Other operation and maintenance of plant services		4,108	4,108	4,108	
Transportation services:					
Equipment			11,142		11,142
Care and upkeep of grounds		5,462	5,462	5,462	
Total equipment	38,000	32,047	81,189	67,047	14,142
Facilities acquisition and construction services:					
Architectural/engineering services	120,000	(20,646)	99,354	29,598	69,756
Other purchased professional and technical services		28,493	28,493	21,767	6,726
Construction services	20,000	1,222,090	1,222,090	572,590	649,500
Equipment		11,303	11,303	11,303	
Lease purchase agreements - principal	2,030,322		2,030,322	1,614,986	415,336
Capital reserve transfers to capital projects fund		1,896,991	1,896,991	1,896,991	
Capital outlay transfers to capital projects fund		249,584	249,584	249,584	
Total facilities acquisition and construction services	2,170,322	3,367,815	5,538,137	4,396,819	1,141,318
TOTAL EXPENDITURES - CAPITAL OUTLAY	2,212,322	3,399,862	5,623,326	4,467,866	1,155,460

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
SPECIAL SCHOOLS:					
Summer school - instruction:					
Salaries of teachers	\$ 7,707	\$ 54,133	\$ 61,840	\$ 61,840	\$
Other salaries for instruction	9,137	7,491	16,628	16,628	
General supplies	3,800		3,800	3,750	50
Total summer school - instruction	20,644	61,624	82,268	82,218	50
Summer school - support services:					
Salaries	13,122		13,122	2,213	10,909
Total summer school - support services	13,122		13,122	2,213	10,909
Total summer school	33,766	61,624	95,390	84,431	10,959
TOTAL EXPENDITURES - SPECIAL SCHOOLS	33,766	61,624	95,390	84,431	10,959
Transfer of funds to charter schools	50,346		50,346	20,691	29,655
TOTAL GENERAL FUND EXPENDITURES	132,463,955	2,489,869	134,964,966	136,043,927	(1,078,961)
Excess (deficiency) of revenues over expenditures	(4,104,945)	(312,294)	(4,428,381)	(4,248,062)	180,319
Other Financing Sources/(Uses), Transfers and Extraordinary Items:					
Extraordinary Items:					
Memorial School fire loss				156,121	(156,121)
Operating Transfers In:				400,000	(400,000)
Transfer from enterprise fund					
Operating Transfers Out:					
Transfer of funds to food service fund	364,159		364,159		364,159
Total Other Financing Sources/(Uses) and Transfers and Extraordinary Items	364,159		364,159	243,879	(191,962)
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing (uses)	(3,740,786)	(312,294)	(4,064,222)	(4,004,183)	(11,643)
Fund Balance, July 1	15,179,525		15,179,525	15,179,525	
Fund Balance, June 30	\$ 11,438,739	\$ (312,294)	\$ 11,115,303	\$ 11,175,342	\$ (11,643)

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Reserve for Encumbrances				\$ 764,674	
Capital Reserve				2,577,136	
Excess Surplus				54,541	
Reserve for Excess Surplus - Designated for Subsequent Year's Designated for Subsequent Year's Expenditures				4,509,825	
Unrestricted Fund Balance				669,477	
				<u>2,599,689</u>	
				11,175,342	
Reconciliation to Governmental Funds Statements (GAAP) Last State Aid Payments not recognized on GAAP basis: 2009-2010				<u>(2,009,944)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 9,165,398</u>	

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
ARRA - EDUCATION STABILIZATION FUNDS
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2010

	<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 stabilization funds	\$ _____	\$ 2,096,419	\$ 2,096,419	\$ 2,096,419	\$ _____
Total - federal sources	_____	2,096,419	2,096,419	2,096,419	_____
Total revenues	_____	2,096,419	2,096,419	2,096,419	_____
EXPENDITURES:					
CURRENT EXPENSE:					
Instructional programs:					
Regular programs:					
Salaries of teachers:					
Grades 9-12	_____	2,096,419	2,096,419	2,096,419	_____
Total regular programs - instructional	_____	2,096,419	2,096,419	2,096,419	_____
TOTAL EXPENDITURES	_____	2,096,419	2,096,419	2,096,419	_____

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
ARRA - GOVERNMENT SERVICES FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal sources:					
Government services fund	\$	81,156	\$ 81,156	\$ 81,156	\$
Total - federal sources		81,156	81,156	81,156	
Total revenues		81,156	81,156	81,156	
EXPENDITURES:					
CURRENT EXPENSE:					
Instructional programs:					
Regular programs:					
Salaries of teachers: Grades 9-12		81,156	81,156	81,156	
Total regular programs - instructional		81,156	81,156	81,156	
TOTAL EXPENDITURES		81,156	81,156	81,156	
TOTAL EDUCATION STABILIZATION FUND EXPENDITURES		81,156	81,156	81,156	

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Federal Sources	\$ 2,441,000	\$ 2,851,419	\$ 5,292,419	\$ 3,558,956	\$ (1,733,463)
State Sources	475,000	43,792	518,792	521,005	2,213
Other Sources	75,000	3,276,586	3,351,586	604,352	(2,747,234)
Total Revenues	2,991,000	6,171,797	9,162,797	4,684,313	(4,478,484)
Expenditures:					
Instruction:					
Salaries	513,035	296,931	809,966	530,560	279,406
Purchased Professional and Technical Services	5,744	3,764	9,508	8,743	765
Purchased Professional - Education Services	90,000	38,879	128,879	83,848	45,031
Purchased Services	1,344,382	1,159,721	2,504,103	1,992,940	511,163
Registrations/Training/Travel	776	(26)	750	750	750
Supplies and Materials	114,449	815,984	930,433	749,396	181,037
Other Objects		250	250		250
General Supplies		17,388	17,388		17,388
Textbooks	45,000	2,263	47,263	47,263	
Total Instruction	2,113,386	2,335,154	4,448,540	3,412,750	1,035,790
Support Services:					
Salaries	144,947	2,181	147,128	132,895	14,233
Personal Services - Employee Benefits	134,447	30,715	165,162	132,950	32,212
Purchased Professional - Educational Services	170,000	(2,598)	167,402	146,448	20,954
Purchased Professional and Technical Services	289,573	1,245,181	1,534,754	779,045	755,709

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (Continued) :					
Purchased Property Services	\$ 23,307	390	390	390	\$ 87,198
Contracted Services - Transportation	61,614	173,008	196,315	109,117	
Registrations/Training/Travel	2,698	8,890	70,504	70,504	2,731
Supplies and Materials	16,627	4,437	7,135	4,404	85,566
General Supplies		151,482	168,109	82,543	2,516
Equipment		2,516	2,620		2,620
Miscellaneous Expenditures		1,100	1,100		1,100
Other Objects		332	332		332
Total Support Services	843,213	1,620,254	2,463,467	1,458,296	1,005,171
Capital Outlay:					
Equipment:					
Instructional	18,884	16,784	35,668	24,573	11,095
Non-instructional		173,136	173,136	164,922	8,214
Regular Education - School Buses		324,539	324,539	311,800	12,739
Total Equipment	18,884	514,459	533,343	501,295	32,048
Facilities Acquisition and Construction Services:					
Other Purchased Professional Technical Architectural/Engineering Services		81,211	81,211	81,211	32,265
Construction Services	15,517	84,045	84,045	51,780	1,045,269
		1,536,674	1,552,191	506,922	
Total Facilities Acquisition and Construction Services	15,517	1,701,930	1,717,447	639,913	1,077,534
Total Expenditures	2,991,000	6,171,797	9,162,797	6,012,254	3,150,543
Excess (Deficiency) of Revenues Over/(Under) Expenditures				(1,327,941)	(1,327,941)
Other Financing Sources and Transfers:					
Refund of Prior Year's Expenditures				806,075	806,075
Cancellation of Prior Year's Encumbrances				301,884	301,884
Transfer to Escrow Agent				(4,731)	(4,731)
Transfer to Capital Projects Fund				(1,240,841)	(1,240,841)
Fund Balance, July 1	1,793,774		1,793,774	1,793,774	
Fund Balance, June 30	1,793,774		1,793,774	328,221	(1,465,553)

**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, 2010**

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/Inflows of Resources:				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	(C-1)	\$ 131,795,865	(C-2)	\$ 4,684,313
Difference - Budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized:				
2009				876,143
2010				(444,765)
State aid payments recognized for budgetary purposes, not recognized for GAAP statements:				
2009		1,915,135		
2010		<u>(2,009,944)</u>		
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	(B-2)	<u>\$ 131,701,056</u>	(B-2)	<u>\$ 5,115,691</u>
Uses/Outflows of Resources:				
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	(C-1)	\$ 136,043,927	(C-2)	\$ 6,012,254
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:				
2009				876,143
2010				(444,765)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	(B-2)	<u>\$ 136,043,927</u>	(B-2)	<u>\$ 6,443,632</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, 2010

Exhibit E-1
Page 1 of 5

	New Jersey Non-Public										E.S.E.A. Title III Carryover 06/09	Carryover 07/08		
	Adult Life Skills Program	Technology Infused Math Education	Textbooks	ESL	Transpor- tation	Compe- satory Education	Supple- mental Instruction	Examination and Classification	Corrective Speech	Nursing			Home Instruction	
REVENUES														
State sources	\$ 193,861	\$ 51,226	\$ 47,263	\$ 14,680	\$ 19,676	\$ 45,110	\$ 19,115	\$ 33,813	\$ 35,271	\$ 56,047	\$ 4,943	\$ 8,430	\$ 16,024	\$ 39,483
Federal sources														
Other sources														
Total revenues	\$ 193,861	\$ 51,226	\$ 47,263	\$ 14,680	\$ 19,676	\$ 45,110	\$ 19,115	\$ 33,813	\$ 35,271	\$ 56,047	\$ 4,943	\$ 8,430	\$ 16,024	\$ 39,483
EXPENDITURES														
Instruction:														
Salaries	\$ 38,991	\$	\$	\$ 14,680	\$	\$ 45,110	\$ 19,115	\$	\$	\$	\$ 4,943	\$	\$ 11,311	\$ 36,305
Purchased professional/educational services														
Purchased professional/technical services														
Other purchased services														
Supplies and materials			47,263											
Textbooks														
Other Expenditures														
Total instruction	38,991		47,263	14,680		45,110	19,115				4,943	7,725	14,975	36,305
Support services:														
Salaries	80,433	5,297												81
Personnel services - employee benefits	21,413	859												988
Purchased professional/educational services		21,317												3,118
Purchased professional/technical services		8,100												190
Purchased Property Services		390												356
Transportation	50,828				19,676									
Travel	575	50												
Other purchased services	293	3,235												
Supplies and materials	1,328	11,978												
Total support services	154,870	51,226			19,676			33,813	35,271	56,047		705	1,049	3,178
Capital Outlay:														
Equipment:														
Instructional equipment														
Non-instructional equipment														
School buses - regular														
Other purchased professional/technical services														
Architectural/engineering services														
Construction services														
Total capital outlay														
Total expenditures	193,861	51,226	47,263	14,680	19,676	45,110	19,115	33,813	35,271	56,047	4,943	8,430	16,024	39,483
Excess/(deficiency) of revenues over/(under) expenditures														
Cancellation of prior year's encumbrances														
Refund of prior year's expenditures														
Transfer to capital projects fund														
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, 2010

Exhibit E-1
Page 2 of 9

I.D.E.A. Part B

	Title I ESEA		Carryover 07/08	Part A		Part A C/O		Title II		Part D 09/10	Part D C/O 08/09	ARRA		Basic Regular Program 07/08
	09/10	08/09		09/10	08/09	09/10	08/09	09/10	08/09			09/10	08/09	
REVENUES														
State sources	\$ 166,511	\$ 152,076	\$ 30,656	\$ 173,303	\$ 27,496	\$ 23,044	\$ 190	\$ 1,509	\$ 1,026,988	\$ 1,677,898	\$ 83,580	\$ 37		
Federal sources														
Other sources														
Total revenues	\$ 166,511	\$ 152,076	\$ 30,656	\$ 173,303	\$ 27,496	\$ 23,044	\$ 190	\$ 1,509	\$ 1,026,988	\$ 1,677,898	\$ 83,580	\$ 37		
EXPENDITURES														
Instruction:														
Salaries	\$ 126,302	\$ 130,300	\$ 28,372	\$ 110,040	\$ 23,627	\$ 21,226	\$ 52	\$ 5	\$ 470,530	\$ 1,450,815	\$ 49,288	\$ 37		
Purchased professional/educational services									50,107	7,262	45			
Purchased professional/technical services	1,314	7,904		203										
Other purchased services														
Supplies and materials														
Textbooks														
Other Expenditures														
Total instruction	\$ 127,616	\$ 138,204	\$ 28,372	\$ 110,040	\$ 23,830	\$ 21,226	\$ 52	\$ 5	\$ 520,637	\$ 1,458,077	\$ 49,333	\$ 37		
Support services:														
Salaries	\$ 8,886	\$ 1,379	\$ 4,047	\$ 562	\$ 2,422	\$ 1,818	\$ 44	\$ 4	\$ 20,972	\$ 11,160	\$ 3,725	\$ 37		
Personnel services - employee benefits	26,792	12,483	2,484	41,161					11,160	2,087				
Purchased professional/educational services														
Purchased professional/technical services														
Cleaning, repair and maintenance services														
Transportation														
Travel	1,615													
Other purchased services	57	18,000		55	682		94	1,500	584	9,537	4,666			
Supplies and materials	1,545													
Total support services	\$ 38,895	\$ 10,771	\$ 2,484	\$ 63,263	\$ 3,666	\$ 1,818	\$ 190	\$ 1,509	\$ 506,351	\$ 207,498	\$ 34,247	\$ 37		
Capital Outlay:														
Equipment:														
Instructional equipment														
Non-instructional equipment														
School buses - regular														
Other purchased professional/technical services														
Architectural/engineering services														
Construction services														
Total capital outlay	\$ 166,511	\$ 152,076	\$ 30,656	\$ 173,303	\$ 27,496	\$ 23,044	\$ 190	\$ 1,509	\$ 1,026,988	\$ 1,677,898	\$ 83,580	\$ 37		
Total expenditures	\$ 166,511	\$ 152,076	\$ 30,656	\$ 173,303	\$ 27,496	\$ 23,044	\$ 190	\$ 1,509	\$ 1,026,988	\$ 1,677,898	\$ 83,580	\$ 37		
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, 2010**

Exhibit E-1
Page 3 of 5

	I.D.E.A Part B			Drug Free Schools Title IV			Improving Partnerships and Active Collaboration for Teaching			OTHER LOCAL		
	ARRA Preschool 09/10	Preschool 08/09	Preschool 07/08	C/O 09/09	C/O 07/08	C/O 09/09	09/10	2010/2010	2008/2008	2007/2007	2006/2006	2005/2005
State sources	7,691	8,960	2	12,043	3,188	449	33,800	56,681	77,550	1,282	4,399	1,039
Federal sources												
Other sources												
Total revenues	7,691	8,960	2	12,043	3,188	449	33,800	56,681	77,550	1,282	4,399	1,039

REVENUES

State sources
Federal sources
Other sources

EXPENDITURES

Instruction:

Salaries
Purchased professional/educational services
Purchased professional/technical services
Other purchased services
Supplies and materials
Textbooks
Other Expenditures
Total instruction

Support services:

Salaries
Personnel services - employee benefits
Purchased professional/educational services
Purchased professional/technical services
Cleaning, repair and maintenance services
Transportation
Travel
Other purchased services
Supplies and materials
Total support services

Capital Outlay:

Equipment:
Instructional equipment
Non-instructional equipment
School buses - regular
Other purchased professional/technical services
Architectural/engineering services
Construction services

Total facilities acquisition and construction
Total capital outlay
Total expenditures

Excess/(deficiency) of revenues over/(under) expenditures

Cancellation of prior year's encumbrances
Refund of prior year's expenditures
Transfer to capital projects fund
Transfer to escrow agent

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, 2010**

Exhibit E-1
Page 4 of 5

East Brunswick Education Foundation 2009	Inland Container	Sam's Club	CVS	PTA Grants 09-10	PTA Grants 09-09	PTA Grants 05-08	PTA Grants 04-05	PTA Grants 03-04	PTA Grants 02-03
\$ 70,008	\$ 41	\$ 99	\$ 1,500	\$ 51,321	\$ 9,748	\$ 505	\$ 84	\$ 121	\$ 102
\$ 70,008	\$ 41	\$ 99	\$ 1,500	\$ 51,321	\$ 9,748	\$ 505	\$ 84	\$ 121	\$ 102

REVENUES

State sources
Federal sources
Other sources

Total revenues

EXPENDITURES

Instruction:

Salaries
Purchased professional/educational services
Purchased professional/technical services
Other purchased services
Supplies and materials
Textbooks
Other Expenditures
Total Instruction

Support services:

Salaries
Personnel services - employees benefits
Purchased professional/educational services
Purchased professional/technical services
Purchased Property Services
Transportation
Travel
Other purchased services
Supplies and materials
Total support services

Capital Outlay:

Equipment:
Instructional equipment
Non-instructional equipment
School buses - regular
Other purchased professional/technical services
Architectural/engineering services
Construction services

Total capital outlay

Total expenditures

Excess/(deficiency) of revenues over/(under) expenditures

Cancellation of prior year's encumbrances
Refund of prior year's expenditures
Transfer to capital projects fund
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, 2010**

Exhibit E-1
Page 5 of 5

	Interfiscal Agreements			
	2001 Agreement	2006 Agreement	2009 Agreement	2010 Agreement
REVENUES				
State sources	\$	\$	\$	\$
Federal sources		19	474	325,000
Other sources				
Total revenues	\$	\$	\$	\$
		19	474	325,000
EXPENDITURES				
Instruction:				
Salaries	\$	\$	\$	\$
Purchased professional/educational services				
Purchased professional/technical services				
Other purchased services				
Supplies and materials		513,215		
Textbooks				
Other Expenditures				
Total instruction		513,215		
Support services:				
Salaries				
Personnel services - employee benefits				
Purchased professional/educational services		35,000		
Purchased professional/technical services				
Purchased Property Services				
Transportation				
Travel				461
Other purchased services	2,296	48,130		
Supplies and materials				
Total support services	2,296	83,130		461
Capital Outlay:				
Equipment:				
Instructional equipment		137,815		
Non-instructional equipment				311,800
School buses - regular			81,211	
Other purchased professional/technical services			51,780	
Architectural/engineering services			471,726	
Construction services				
Total capital outlay		137,815	604,717	311,800
Total expenditures	2,296	734,160	604,717	312,261
Excess/(deficiency) of revenues over/(under) expenditures	(2,296)	(734,141)	(604,243)	12,739
Cancellation of prior year's encumbrances			301,884	
Refund of prior year's expenditures			906,075	
Transfer to capital projects fund			(1,240,841)	
Transfer to escrow agent			(500)	
Excess/(deficiency) of revenues over/(under) expenditures and transfers	(2,296)	(734,641)	(737,125)	12,739
Fund balances, July 1	29,730	18,646	900,410	840,758
Fund balances, June 30	\$ 27,434	\$ 18,646	\$ 185,769	\$ 103,633
			\$ 103,633	\$ 12,739

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, 2010**

<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, 2010</u>
		<u>Prior Years</u>	<u>Current Year</u>		
ILSA 2003 - Churchill Junior High School	\$ 2,500,000	\$ 2,495,082	\$ 4,918	\$	\$
Hammarskjold 04/05	66,574,686	66,199,416	309,673		65,597
Various Capital Projects 06/07	2,708,764	2,564,483	21,493	(122,788)	
Security Systems 06/07	730,000	488,155	108,250		133,595
Capital Lease 2008	2,647,980	958,338	1,664,642		25,000
High School and Churchill Junior High School Athletic Fields 07/08	2,879,950	1,482,465	1,397,485		
Memorial Elementary School Replacement 09/10	19,817,520		1,512,548		18,304,972
Chittick School Roof Replacement 09/10	1,123,649		343,571		780,078
High School Security System 09/10	538,900		47,688		491,213
Churchill Junior High School Security System 09/10	500,675		38,476		462,199
Warnsdorfer PA/Fire Alarm/Clock 09/10	404,318		177,718		226,600
High School Auditorium Renovations 09/10	<u>1,207,523</u>		<u>857,169</u>		<u>350,354</u>
Totals	<u>\$ 101,633,965</u>	<u>\$ 74,187,939</u>	<u>\$ 6,483,831</u>	<u>\$ (122,788)</u>	<u>\$ 20,839,608</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, 2010

Revenues and Other Financing Sources

State sources - SCC Grant	\$ 5,495,169
Bond proceeds	13,960,000
Lease purchase agreement	750,000
Transfer from capital reserve	1,896,991
Transfer from capital outlay	<u>249,584</u>
Total revenues	<u>22,351,744</u>

Expenditures and Other Financing Uses

Legal services	34,194
Architectural/engineering services	1,605,927
Purchased professional and technical services	73,446
Construction services	<u>4,770,066</u>
Total expenditures	<u>6,483,633</u>

Excess(deficiency) of revenues over (under) expenditures	15,868,111
--	------------

Other financing sources/(uses):

Transfer to escrow agent	(122,788)
Transfer from special revenue fund	<u>1,240,841</u>

Excess(deficiency) of revenues over (under) expenditures including transfers	16,986,164
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Fund balance, beginning	<u>3,853,441</u>
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Fund balance, ending	<u>\$ 20,839,605</u>
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**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, 2010**

ILSA - 2003 - Churchhill Renovations
10_D

	<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	\$	\$	\$	\$
Bond proceeds and transfers				
Interlocal service agreements	2,500,000		2,500,000	2,500,000
Earnings on interlocal service agreements				
Contributions from private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	2,500,000		2,500,000	2,500,000
Expenditures and Other Financing Uses				
Purchased professional and technical services				
Land and improvements				
Construction services	2,013,743	4,918	2,018,661	2,018,661
Supplies and materials	337,665		337,665	337,665
Equipment purchases	143,673		143,673	143,673
Total expenditures	2,495,082	4,918	2,500,000	2,500,000
Excess(deficiency) of revenues over (under) expenditures	\$ 4,918	\$ (4,918)	\$	\$
Additional Project Information:				
Project Number		10-D		
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost		\$ 2,500,000		
Additional Authorized Cost				
Revised Authorized Cost		\$ 2,500,000		
Percentage Increase Over Original Authorized Cost				
Percent of Completion		100.00%		
Original Target Completion Date		2005		
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, 2010**

Hammar skjold 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
Interlocal service agreements				
Reallocated from completed projects	78,809		78,809	78,809
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>66,574,686</u>		<u>66,574,686</u>	<u>66,574,686</u>
Expenditures and Other Financing Uses				
Legal services	59,468		59,468	59,468
Purchased professional and technical services	5,928,487	3,327	5,931,814	5,931,814
Land and improvements				
Construction services	59,737,468	306,346	60,043,814	60,043,814
Equipment purchases				
Total expenditures	<u>65,725,423</u>	<u>309,673</u>	<u>66,035,096</u>	<u>66,035,096</u>
Other Financing Uses				
Transfers Out	<u>473,993</u>		<u>473,993</u>	<u>473,993</u>
Total financing uses	<u>473,993</u>		<u>473,993</u>	<u>473,993</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 375,270</u>	<u>\$ (309,673)</u>	<u>\$ 65,597</u>	<u>\$ 65,597</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	99.90%
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, 2010**

**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				
State sources - SCC Grant	\$	\$	\$	\$
Commissioner approved lease purchase				
Transfer from capital outlay	<u>730,000</u>	<u> </u>	<u>730,000</u>	<u>730,000</u>
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	67,192	675	67,867	67,867
Construction services	<u>420,963</u>	<u>107,575</u>	<u>528,538</u>	<u>528,538</u>
Total expenditures	<u>488,155</u>	<u>108,250</u>	<u>596,405</u>	<u>596,405</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 241,845</u>	<u>\$ (108,250)</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	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, 2010**

**Various Capital Projects
06/07**

	<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	\$	\$	\$	\$
Commissioner approved lease purchase				
Lease purchase agreements	2,673,305		2,673,305	2,673,305
Interlocal service agreements				
Reallocated from completed projects	72,040		72,040	72,040
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>2,745,345</u>		<u>2,745,345</u>	<u>2,745,345</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	202,722		202,722	202,722
Land and improvements				
Construction services	2,353,427	21,493	2,374,920	2,374,920
Supplies and materials	8,334		8,334	8,334
Equipment purchases				
Total expenditures	<u>2,564,483</u>	<u>21,493</u>	<u>2,585,976</u>	<u>2,585,976</u>
Other Financing Uses				
Transfers Out	<u>36,581</u>	<u>122,788</u>	<u>159,369</u>	<u>159,369</u>
Total financing uses	<u>36,581</u>	<u>122,788</u>	<u>159,369</u>	<u>159,369</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 144,281</u>	<u>\$ (144,281)</u>	<u>\$ 0</u>	<u>\$ 0</u>

Additional Project Information:

Project Number	10-F
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$2,673,305
Additional Authorized Cost	\$72,040
Revised Authorized Cost	\$2,745,345

Percentage Increase Over Original Authorized Cost	2.69%
Percent of Completion	100.00%
Original Target Completion Date	2008
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, 2010**

High School and Churhchill Junior
High School Athletic Fields
07/08

	<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	\$	\$	\$	\$
Commissioner approved lease purchase				
Lease purchase agreements				
Interlocal service agreements				
Contributions from private sources				
Transfer from capital reserve	1,700,000		1,700,000	1,700,000
Transfer from capital outlay				
Reallocated from completed capital projects	<u>1,179,950</u>		<u>1,179,950</u>	<u>1,179,950</u>
Total revenues	<u>2,879,950</u>		<u>2,879,950</u>	<u>2,879,950</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services				
Land and improvements				
Construction services	1,482,465	1,397,485	2,879,950	2,879,950
Supplies and materials				
Equipment purchases				
Total expenditures	<u>1,482,465</u>	<u>1,397,485</u>	<u>2,879,950</u>	<u>2,879,950</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 1,397,485</u>	<u>\$ (1,397,485)</u>	<u>\$</u>	<u>\$</u>

Additional Project Information:

Project Number	923
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$1,134,001
Additional Authorized Cost	\$1,745,949
Revised Authorized Cost	\$2,879,950

Percentage Increase Over Original

Authorized Cost	154%
Percent of Completion	100.00%
Original Target Completion Date	2009
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, 2010**

**Capital Lease 2008
07/08**

	<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				
Commissioner approved lease purchase				
Lease purchase agreements	\$ 2,500,000	\$	\$ 2,500,000	\$ 2,500,000
Transfer from special revenue fund	147,980	_____	147,980	147,980
	<u>2,647,980</u>	<u>_____</u>	<u>2,647,980</u>	<u>2,647,980</u>
Total revenues				
Expenditures and Other Financing Uses				
Purchased professional and technical services				
Land and improvements				
Construction services	958,338	1,664,642	2,622,980	2,622,980
Supplies and materials				
Equipment purchases				
	<u>958,338</u>	<u>1,664,642</u>	<u>2,622,980</u>	<u>2,622,980</u>
Total expenditures				
Excess(deficiency) of revenues over (under) expenditures	\$ <u>1,689,642</u>	\$ <u>(1,664,642)</u>	\$ <u>25,000</u>	\$ <u>25,000</u>

Additional Project Information:

Project Number	10-G
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$2,500,000
Additional Authorized Cost	\$147,980
Revised Authorized Cost	\$2,647,980

Percentage Increase Over Original

Authorized Cost	5.92%
Percent of Completion	99.06%
Original Target Completion Date	2009
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, 2010**

**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
Commissioner approved lease purchase				
Transfer from special revenue fund				
Contributions from private sources				
Transfer from capital reserve		1,619,000	1,619,000	1,619,000
Transfer from capital outlay				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues		<u>19,817,520</u>	<u>19,817,520</u>	<u>19,817,520</u>
Expenditures and Other Financing Uses				
Legal services		34,194	34,194	34,194
Architectural/engineering services		1,365,313	1,365,313	1,365,313
Purchased professional and technical services		69,443	69,443	69,443
Land and improvements				
Construction services		43,598	43,598	43,598
Equipment purchases				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures		<u>1,512,548</u>	<u>1,512,548</u>	<u>1,512,548</u>
Excess(deficiency) of revenues over (under) expenditures	\$	\$ <u>18,304,972</u>	\$ <u>18,304,972</u>	\$ <u>18,304,972</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	7.63%
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, 2010**

**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	\$ 373,649	\$ 373,649
Bond proceeds and transfers				
Commissioner approved lease purchase		750,000	750,000	750,000
Transfer from special revenue fund				
Contributions from private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues		1,123,649	1,123,649	1,123,649
Expenditures and Other Financing Uses				
Legal services				
Architectural/engineering services		46,493	46,493	46,493
Purchased professional and technical services				
Land and improvements				
Construction services		297,078	297,078	297,078
Equipment purchases				
Total expenditures		343,571	343,571	343,571
Excess(deficiency) of revenues over (under) expenditures	\$	\$ <u>780,078</u>	\$ <u>780,078</u>	\$ <u>780,078</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	
Revised Authorized Cost	\$1,123,649

Percentage Increase Over Original

Authorized Cost	
Percent of Completion	30.58%
Original Target Completion Date	2011
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, 2010**

**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
Bond proceeds and transfers				
Commissioner approved lease purchase				
Transfer from special revenue fund		100,000	100,000	100,000
Contributions from private sources				
Transfer from capital reserve		143,991	143,991	143,991
Transfer from capital outlay		138,909	138,909	138,909
Total revenues		538,900	538,900	538,900
Expenditures and Other Financing Uses				
Legal services				
Architectural/engineering services		47,688	47,688	47,688
Purchased professional and technical services				
Land and improvements				
Construction services				
Equipment purchases				
Total expenditures		47,688	47,688	47,688
Excess(deficiency) of revenues over (under) expenditures	\$	\$ 491,213	\$ 491,213	\$ 491,213
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				
Revised Authorized Cost		\$538,900		
Percentage Increase Over Original Authorized Cost				
Percent of Completion		8.85%		
Original Target Completion Date		2011		
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, 2010**

**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
Bond proceeds and transfers				
Commissioner approved lease purchase		100,000	100,000	100,000
Transfer from special revenue fund		134,000	134,000	134,000
Contributions from private sources		110,675	110,675	110,675
Transfer from capital reserve				
Transfer from capital outlay				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues		500,675	500,675	500,675
Expenditures and Other Financing Uses				
Legal services		38,476	38,476	38,476
Architectural/engineering services				
Purchased professional and technical services				
Land and improvements				
Construction services				
Equipment purchases				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures		38,476	38,476	38,476
Excess(deficiency) of revenues over (under) expenditures	\$	\$ 462,199	\$ 462,199	\$ 462,199
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				
Revised Authorized Cost		\$500,675		
Percentage Increase Over Original Authorized Cost			7.68%	
Percent of Completion			2011	
Original Target Completion Date			2011	
Revised Target Completion Date				

**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, 2010**

**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	\$	\$ 226,600	\$ 226,600	\$ 226,600
Transfer from special revenue fund		177,718	177,718	177,718
Total revenues		<u>404,318</u>	<u>404,318</u>	<u>404,318</u>
Expenditures and Other Financing Uses				
Legal services				
Architectural/engineering services		38,718	38,718	38,718
Purchased professional and technical services				
Land and improvements				
Construction services		139,000	139,000	139,000
Equipment purchases				
Total expenditures		<u>177,718</u>	<u>177,718</u>	<u>177,718</u>
Excess(deficiency) of revenues over (under) expenditures	\$	\$ <u>226,600</u>	\$ <u>226,600</u>	\$ <u>226,600</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	
Revised Authorized Cost	\$404,318

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, 2010**

**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		863,123	863,123	863,123
Total revenues		<u>1,207,523</u>	<u>1,207,523</u>	<u>1,207,523</u>
Expenditures and Other Financing Uses				
Legal services				
Architectural/engineering services		69,239	69,239	69,239
Purchased professional and technical services				
Land and improvements				
Construction services		787,930	787,930	787,930
Equipment purchases				
Total expenditures		<u>857,169</u>	<u>857,169</u>	<u>857,169</u>
Excess(deficiency) of revenues over (under) expenditures	\$	\$ <u>350,354</u>	\$ <u>350,354</u>	\$ <u>350,354</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	2010

Enterprise Fund Detail Statements

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods or services be financed through user charges.

EXHIBIT G-1

**EAST BRUNSWICK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2010**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**EAST BRUNSWICK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**EAST BRUNSWICK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

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, 2010**

	<u>Unemployment Compensation Trust</u>	<u>Deferred Benefit Trust</u>	<u>Agency Fund</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 107,526	\$ 139,862	\$ 1,035,337
Accounts Receivable - Other	<u> </u>	<u> </u>	<u>1,225</u>
Total Assets	<u>\$ 107,526</u>	<u>\$ 139,862</u>	<u>\$ 1,036,562</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 20,661	\$	\$ 453,218
Payable to Student Groups	<u> </u>	<u> </u>	<u>583,344</u>
Payroll Deductions and Withholdings	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 20,661</u>	<u>\$</u>	<u>\$ 1,036,562</u>
<u>NET ASSETS</u>			
Held in Trust for Unemployment Claims and Other Purposes	\$ 86,865	\$	\$
Reserved for Deferred Benefits	<u> </u>	<u>139,862</u>	<u> </u>
	<u>\$ 86,865</u>	<u>\$ 139,862</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, 2010

	<u>Unemployment Compensation Trust Fund</u>	<u>Deferred Benefit Trust</u>
<u>Additions</u>		
Contributions:		
Plan Members	\$ 117,640	\$
Board Contribution	90,057	
Other	11,621	
	<hr/>	<hr/>
Total Contributions	219,318	
Investment Earnings:		
Interest	486	1,059
	<hr/>	<hr/>
Total Additions	219,804	1,059
<u>Deductions</u>		
Unemployment Claims and Assessment	275,650	
Transfer to Qualified Benefit Plan		44,000
	<hr/>	<hr/>
Total Deductions	275,650	44,000
Change in Net Assets	(55,846)	(42,941)
Total Net Assets - Beginning	142,711	182,803
	<hr/>	<hr/>
Total Net Assets - Ending	\$ 86,865	\$ 139,862
	<hr/> <hr/>	<hr/> <hr/>

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, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2010</u>
<u>ELEMENTARY SCHOOLS</u>				
Bowne-Munroe	\$ 7,250	\$ 14,002	\$ 14,336	\$ 6,916
Central	8,837	12,728	14,428	7,137
Irwin	502	14,598	14,757	343
Lawrence Brook	6,361	24,618	24,058	6,921
Memorial	325	17,787	17,506	606
Murray A. Chittick	16,114	20,416	23,185	13,345
Robert Frost	5,875	12,505	12,914	5,466
Warnsdorfer	11,420	14,991	13,164	13,247
	<u>56,684</u>	<u>131,645</u>	<u>134,348</u>	<u>53,981</u>
<u>JUNIOR HIGH SCHOOL</u>				
Churchill	101,681	81,222	72,933	109,970
Hammarskjold	36,205	121,303	121,087	36,421
	<u>137,886</u>	<u>202,525</u>	<u>194,020</u>	<u>146,391</u>
<u>SENIOR HIGH SCHOOLS</u>				
East Brunswick	292,474	559,148	600,269	251,353
E.B.H.S. Athletic Fund	582	99,656	99,970	268
	<u>293,056</u>	<u>658,804</u>	<u>700,239</u>	<u>251,621</u>
Total all schools	<u>\$ 487,626</u>	<u>\$ 992,974</u>	<u>\$ 1,028,607</u>	<u>\$ 451,993</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, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ <u>595,422</u>	\$ <u>85,668,309</u>	\$ <u>85,680,387</u>	\$ <u>583,344</u>
Total Assets	\$ <u><u>595,422</u></u>	\$ <u><u>85,668,309</u></u>	\$ <u><u>85,680,387</u></u>	\$ <u><u>583,344</u></u>
<u>LIABILITIES</u>				
Net Payroll	\$ 5,856	\$ 47,029,371	\$ 47,029,371	\$ 5,856
Payroll Deductions and Withholdings	<u>589,566</u>	<u>38,638,938</u>	<u>38,651,016</u>	<u>577,488</u>
Total Liabilities	\$ <u><u>595,422</u></u>	\$ <u><u>85,668,309</u></u>	\$ <u><u>85,680,387</u></u>	\$ <u><u>583,344</u></u>

Long-Term Debt

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
GENERAL LONG-TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30, 2010**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2009	Issued	Retired	Balance June 30, 2010
			Date	Amount					
School Bonds	5/16/2001	\$ 16,100,000.00	5/01/2011	\$ 720,000	4.750%	\$ 1,440,000		\$ 720,000	\$ 720,000
2001 Sub-total						1,440,000		720,000	720,000
School Bonds	3/8/2005	81,386,000.00	11/01/2010	2,175,000	4.250%				
			11/01/2011	2,175,000	4.250%				
			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%				
2005 Sub-total						74,146,000		1,810,000	72,336,000
2005 Sub-total						74,146,000		1,810,000	72,336,000
School Refunding Bonds	3/15/2007	10,825,000.00	5/01/2011	15,000	4.000%				
			5/01/2012	735,000	4.000%				
			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%				
2007 Sub-total						10,640,000		10,000	10,630,000
2007 Sub-total						10,640,000		10,000	10,630,000
School Bonds	5/12/2010	13,960,000.00	5/15/2011	100,000	4.000%				
			5/15/2012	100,000	4.000%				
			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%				
2010 Sub-total							13,960,000		13,960,000
2010 Sub-total							13,960,000		13,960,000
Grand totals						\$ 86,226,000	\$ 13,960,000	\$ 2,540,000	\$ 97,646,000

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF LEASE PURCHASE OBLIGATIONS PAYABLE
JUNE 30, 2010

<u>Vendor</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance June 30, 2009</u>	<u>Retired</u>	<u>Balance June 30, 2010</u>
Construction of Various Schools Lease with East Brunswick Township (1996 Agreement)	4.36%	\$ 9,000,000	\$ 4,597,317	\$ 492,584	\$ 4,104,733
Additions and Renovations to High School - Lease with East Brunswick Township (1999 Agreement)	4.23%	14,320,000	8,569,408	687,076	7,882,332
Improvements to the High School - Lease With East Brunswick Township (2005)	Variable	6,458,018	374,811	374,811	-
		<u>\$ 13,541,536</u>	<u>\$ 1,554,471</u>	<u>\$ 1,554,471</u>	<u>\$ 11,987,065</u>

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>				
Local Sources:				
Tax Levy	\$ 7,809,410	\$ 7,809,410	\$ 7,809,410	
Miscellaneous Revenue			5,917	5,917
State Sources:				
Debt Service Aid	<u>494,069</u>	<u>494,069</u>	<u>494,069</u>	
Total Revenues	<u>8,303,479</u>	<u>8,303,479</u>	<u>8,309,396</u>	<u>5,917</u>
<u>Expenditures</u>				
Principal Payments - Comm Approved Lease Purchase Agm.	1,554,473	1,554,473	1,554,473	
Interest for Commissioner Approved Lease Purchase Agm.	580,340	580,340	565,588	14,752
Interest on Bonds	3,759,997	3,759,997	3,759,996	1
Redemption of Bond Principal	<u>2,540,000</u>	<u>2,540,000</u>	<u>2,540,000</u>	
Total Expenditures	<u>8,434,810</u>	<u>8,434,810</u>	<u>8,420,057</u>	<u>14,753</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(131,331)	(131,331)	(110,661)	20,670
Fund Balance, July 1	<u>157,502</u>	<u>157,502</u>	<u>157,502</u>	
Fund Balance, June 30	<u>\$ 26,171</u>	<u>\$ 26,171</u>	<u>\$ 46,841</u>	<u>\$ 20,670</u>

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2010**

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding June 30, 2009</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2010</u>
2008-09 TD Equipment Lease	3.22%	\$ 2,690,000	\$ 2,302,200	\$	\$ 548,485	\$ 1,753,715
2006-08 Chase Equipment Leasing	Various	8,090,000	4,992,994		2,193,276	2,799,718
2009-10 Ford Motor Credit	7.30%	55,757		55,757	12,775	42,982
2009-10 TD Chittick Roof Project	3.09%	750,000		750,000	159,266	590,734
2009-10 TD Equipment Lease School Buses	3.22%	325,000		325,000	69,405	255,595
			\$ 7,295,194	\$ 1,130,757	\$ 2,983,207	\$ 5,442,744
Detail:						
Current Portion						\$ 2,336,720
Long-term Portion						3,106,024
						\$ 5,442,744

**Statistical Section
(Unaudited)**

East Brunswick Public Schools
 Net Assets by Component,
 Last Eight Fiscal Years
 (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities								
Invested in capital assets, net of related debt	\$ 33,721,076	\$ 32,308,286	\$ 36,823,877	\$ 44,993,912	\$ 70,499,208	\$ 72,866,718	\$ 86,461,666	\$ 90,778,110
Restricted	1,133,908	3,161,264	8,806,957	6,552,455	16,371,563	18,892,433	7,169,912	11,594,973
Unrestricted	(2,432,866)	3,593,079	2,698,653	2,827,885	1,733,149	1,849,947	1,770,518	1,526,272
Total governmental activities net assets	\$ 32,422,118	\$ 39,062,630	\$ 48,329,487	\$ 54,374,252	\$ 88,603,920	\$ 93,609,098	\$ 95,402,096	\$ 103,899,355
Business-type activities								
Invested in capital assets, net of related debt	\$ 132,318	\$ 116,206	\$ 119,699	\$ 144,577	\$ 159,695	\$ 164,119	\$ 210,710	\$ 206,220
Unrestricted	198,971	407,048	462,963	409,431	421,655	413,764	501,154	340,556
Total business-type activities net assets	\$ 331,289	\$ 523,254	\$ 582,661	\$ 554,007	\$ 581,350	\$ 577,883	\$ 711,864	\$ 546,776
District-wide								
Invested in capital assets, net of related debt	\$ 33,853,394	\$ 32,424,492	\$ 36,943,576	\$ 45,138,489	\$ 70,658,904	\$ 73,030,837	\$ 86,672,376	\$ 90,984,330
Restricted	1,133,908	3,161,264	8,806,957	7,912,507	16,371,563	18,892,433	7,169,912	11,594,973
Unrestricted	(2,233,895)	4,000,127	3,161,615	1,877,265	2,154,804	2,263,711	2,271,672	1,866,828
Total district net assets	\$ 32,753,407	\$ 39,585,884	\$ 48,912,148	\$ 54,928,260	\$ 89,185,270	\$ 94,186,961	\$ 96,113,959	\$ 104,446,131

Source: CAFR Schedule A-1 and District records.

Note: This table was required with the implementation of GASB 44 in fiscal year 2006. This information is presented back to the year of implementation of GASB 34 and additional years will be added until ten years are presented.

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

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
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
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
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
Support Services:								
Tuition	6,889,544	4,905,459	4,765,539	5,691,056	6,155,305	6,632,965	5,768,671	6,832,491
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
School administrative services	4,964,666	4,948,918	5,287,535	5,602,830	5,934,646	6,697,842	6,937,981	7,028,984
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
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
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
Special Schools	421,741	262,143	285,368	303,658	283,477	272,254	32,257	113,131
Charter Schools					19,062	8,953	9,984	20,691
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
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
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
ETTC Program	220,363	303,122	263,410	342,134	325,113	300,013	307,824	289,885
Adult and Community Program	184,456	254,588	335,650	422,431	461,418	534,156	1,286,423	1,402,177
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
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
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
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
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

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

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 2,147,958	\$ 2,002,810
ETTC Program	201,851	231,942	240,163	313,200	242,971	249,794	245,649	274,573
Adult and Community Program	228,219	382,778	434,043	440,219	531,593	550,573	1,544,496	1,530,473
Operating grants and contributions	290,525	328,140	341,612	359,233	399,552	449,521	497,605	580,391
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
Total district program revenues	6,443,376	6,482,942	7,346,374	6,930,570	5,958,012	5,555,068	4,679,961	6,691,534
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)
Business-type activities	(205,436)	16,469	(127,415)	(159,133)	(352,276)	(474,032)	(72,571)	233,088
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)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Property taxes levied for general purposes, net	\$ 79,950,913	\$ 84,199,214	\$ 90,622,879	\$ 92,817,580	\$ 98,543,803	\$ 105,704,289	\$ 106,086,288	\$ 106,086,288
Taxes levied for debt service		2,532,633	2,417,568	6,269,481	6,386,428	7,344,256	8,651,094	7,809,410
Unrestricted grants and contributions	22,533,341	25,981,408	26,091,125	27,088,886	31,532,595	31,841,232	28,380,583	24,624,578
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
Investment earnings	42,944	265,649		2,819,913	3,364,999	855,104	432,502	113,024
Miscellaneous income	1,439,438	181,932	1,174,978	1,984,517	1,138,677	1,154,218	(994,489)	747,493
Transfers	(188,780)	(190,363)	(177,142)	(177,142)	(359,541)	(448,230)	(339,749)	400,000
Total governmental activities	104,949,347	113,695,563	123,177,956	131,394,771	142,207,182	150,873,751	146,164,985	149,814,576
Business-type activities:								
Investment earnings	\$ 10,663	\$ 7,966	\$ 10,464	\$ 17,812	\$ 20,077	\$ 22,335	\$ 13,128	\$ 1,824
Transfers	188,780	167,531	206,707	112,667	359,541	448,230	193,423	(400,000)
Total business-type activities	199,444	175,497	217,171	130,479	379,618	470,565	206,552	(398,176)
Total district-wide	105,148,791	113,871,060	123,395,126	131,525,251	142,586,800	151,344,316	146,371,537	149,416,400
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	\$ 8,341,448
Business-type activities	(5,992)	191,966	89,756	(28,654)	27,343	(3,467)	133,981	(165,088)
Total district	1,325,274	6,222,210	9,356,613	7,016,111	9,630,970	7,169,054	1,448,918	8,176,360

Source: CAFR Schedule A-2 and District records

Note: This table was required with the implementation of GASB 44 in fiscal year 2006. This information is presented back to the year of implementation of GASB 34 and additional years will be added until ten years are presented.

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

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
General Fund								
Reserved	\$ 612,619	\$ 1,721,905	\$ 5,823,191	\$ 6,655,251	\$ 7,938,692	\$ 11,439,853	\$ 9,818,204	\$ 7,906,176
Unreserved	1,732,642	3,625,348	2,698,747	3,710,804	4,028,809	3,465,104	3,446,187	3,269,166
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
All Other Governmental Funds								
Reserved	\$ 8,490,281	\$ 2,157,561	\$ 111,529,950	\$ 101,533,422	\$ 36,614,135	\$ 5,694,005	\$ 3,221,962	\$ 2,538,494
Unreserved, reported in:	(19,116)				141,060	1,948,257	1,793,774	328,220
Special revenue fund (deficit)					9,237,554	7,374,680	631,478	18,301,111
Capital projects fund	90,322	2	779,571	819,917	1,543,233	725,059	157,502	46,841
Debt service fund								
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

Source: CAFR Schedule B-1 and District records.

Note: This table was required with the implementation of GASB 44 in fiscal year 2006. This information is presented back to the year of implementation of GASB 34 and additional years will be added until ten years are presented.

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

J-4

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
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
Tuition charges	48,093	3,782	35,644	64,101	43,640	52,600	34,904	78,449
Interest earnings								
Board Contribution	1,174,579	447,582	1,376,306	4,804,430	4,503,375	4,500,757	2,165,724	2,580,085
Miscellaneous	1,670,100	27,350,940	55,171,825	28,547,421	32,890,362	33,513,345	29,781,346	31,138,147
State sources	24,576,456	2,941,150	3,412,109	2,998,977	2,871,204	2,750,769	2,813,562	5,745,052
Federal sources	2,818,831	117,475,309	153,036,331	135,501,991	145,238,812	153,966,016	149,532,918	153,437,431
Total revenue	110,238,971	117,475,309	153,036,331	135,501,991	145,238,812	153,966,016	149,532,918	153,437,431
Expenditures								
Instruction								
Regular instruction	33,532,850	33,785,799	36,446,865	37,493,770	38,714,353	42,853,159	45,417,776	43,844,668
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
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
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
Student & instruction related services	13,955,441	13,782,437	14,777,895	14,663,774	15,137,648	16,259,000	16,168,967	14,654,484
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
Business administrative services	4,052,656	4,030,041	4,276,104	4,539,292	4,382,622	4,379,376	4,588,725	4,596,124
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
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
Unallocated employee benefits	19,607,768	21,871,558	23,260,418	26,644,835	30,597,181	33,323,931	30,301,813	31,297,289
Special Schools	334,806	206,437	224,454	231,746	210,891	202,857	24,330	84,431
Charter Schools	18,951,578	8,825,032	7,844,005	14,482,617	62,557,404	38,726,462	15,284,412	20,691
Capital outlay								
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
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	4,325,584
Total expenditures	126,607,586	120,465,565	125,815,938	144,606,559	201,098,673	184,827,123	161,822,610	157,089,465
Excess (Deficiency) of revenues over (under) expenditures	(16,368,615)	(2,990,256)	27,220,394	(9,104,568)	(55,859,861)	(30,961,107)	(12,289,692)	(3,652,034)
Other Financing sources (uses)								
Capital leases (non-budgeted)								
Bond proceeds			30,972	378,233				13,960,000
Cancellation of prior year's receivables			81,386,000					
Lease purchase proceeds		(16,590)	(36,644)			(37,282)	(943,379)	
Transfer out to escrow agent	2,500,000			800,000	2,673,305	2,500,000	2,690,000	750,000
Interlocal service agreements - Township			3,874,811		397,195			
Insurance recoveries - Memorial School							607,195	
Memorial School fire loss							(1,350,977)	(156,121)
Accrued interest			138,647					
Transfers to Charter School		(4,038)	(4,709)	(18,786)	(19,062)			
Transfers in		422,168	1,710,908	95,704	1,357,000	69,055	598,998	3,787,416
Transfers out	(188,760)	(591,904)	(993,737)	(272,846)	(1,716,541)	(517,285)	(790,766)	(1,240,841)
Total other financing sources (uses)	2,311,220	(190,363)	86,106,249	982,304	2,691,997	2,014,488	811,071	16,972,935
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
Debt service as a percentage of noncapital expenditures	2.8%	2.7%	2.5%	6.7%	6.4%	6.6%	5.8%	

Source: CAFR Schedule B-2

Note: This table was required with the implementation of GASB 44 in fiscal year 2006. This information is presented back to the year of implementation of GASB 34 and additional years will be added until ten years are presented.

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u> <u>Revenue</u>	<u>Rentals</u>	<u>Misc.</u>	<u>Annual</u> <u>Totals</u>	
2001	\$	\$	8,589 \$	\$	916,116 \$	924,705
2002			26,487		391,977	418,464
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

Source: District Records

Note: For fiscal years ending June 30, 1999 through June 30, 2002, interest on investments and rentals were included within miscellaneous income.

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

Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities *	Net Valuation Taxable	Total Direct School Tax Rate ^b	Ratio to True Value %	Aggregate True Value
2000 \$	18,597,400	1,397,462,100	3,099,200	370,854,400	117,352,900	33,814,700	1,941,180,700	6,826,409	1,948,007,109	3.29	52.63	3,688,353,981
2001	15,896,800	1,414,795,800	2,629,600	382,799,900	117,352,900	33,814,700	1,967,289,700	6,818,652	1,974,108,352	3.55	49.80	3,950,380,924
2002	19,938,800	1,426,099,600	2,515,800	382,759,100	111,821,300	33,814,700	1,976,949,300	6,458,169	1,983,407,469	3.86	45.43	4,351,638,345
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	41.50	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	36.90	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	31.62	6,389,849,779
2006	17,124,700	1,505,091,200	2,854,000	362,714,600	100,762,600	33,814,700	2,022,361,800	4,111,796	2,026,473,596	5.03	28.41	7,118,485,744
2007	18,878,000	1,515,720,500	2,842,300	349,214,100	96,603,700	32,110,300	2,015,368,900	3,720,999	2,019,089,899	5.40	26.23	7,683,449,867
2008	17,546,800	1,525,964,300	3,012,800	342,894,700	95,344,300	32,988,700	2,017,751,600	3,641,776	2,021,393,376	5.64	25.06	8,051,682,362
2009	17,766,700	1,528,947,400	3,012,800	339,965,000	94,814,900	35,525,900	2,020,032,700	3,585,743	2,023,618,443	5.65	24.48	8,251,767,565
2010	14,551,600	1,555,083,900	2,896,600	337,851,900	94,190,800	28,205,900	2,012,600,700	3,275,529	2,015,876,229	5.69	24.54	8,201,306,846

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

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

*(rate per \$100 of assessed value)
Unaudited*

Year Ended December 31,	East Brunswick Public Schools				Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation		Total Direct	East Brunswick Township	Middlesex County	Municipal Open Space	Middlesex County Open Space	
		Debt Service ^b							
2001	3.470	0.080		3.550	1.010	0.780	0.020	0.020	5.380
2002	3.790	0.070		3.860	1.041	0.830	0.021	0.068	5.820
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

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	2010			2001		
	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	\$ 30,852,400	1	1.53%	\$ 42,064,300	1	2.14%
Tower II	19,256,100	2	0.96%	31,000,000	3	1.60%
Tower I	19,050,500	3	0.95%	31,500,000	2	1.58%
Mid State Mall	15,460,000	4	0.77%	19,154,000	4	0.97%
Hilton Hotel	13,500,000	5	0.67%	18,550,000	5	0.94%
East Brunswick VF, LLC	9,630,000	6	0.48%			
L.P.E. Partners	9,038,400	7	0.45%	8,115,000	8	0.41%
Wyndmoor Apartments	9,000,000	8	0.45%	9,687,000	6	0.49%
CVEB	8,456,600	9	0.42%			
Toll JM EB, LLC	8,093,000	10	0.40%			
Sam's Club				9,630,000	7	0.49%
Pinnacle Materials, Inc				7,404,400	9	0.38%
Belmont Associates (K Mart)				7,076,900	10	0.36%
Total	\$ 142,337,000		7.07%	\$ 184,181,600		9.36%

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	
2001 \$	66,806,679 \$	66,806,679	100.00%	-
2002	73,426,343	73,426,343	100.00%	-
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%	-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities				Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Lease Purchase Obligations				
2001 \$	16,100,000	\$ 70,062	\$ 27,592,597	\$ 43,762,658	* \$	933	
2002	16,100,000	54,317	25,068,056	41,222,372	*	873	
2003	15,565,000		27,568,056	43,133,056	*	907	
2004	15,030,000		22,376,305	37,406,305	*	783	
2005	95,881,000	19,500	23,794,784	119,695,284	*	2,506	
2006	93,536,000	388,170	23,947,328	117,871,497	*	2,471	
2007	91,306,000	2,697,468	18,912,374	112,915,842	*	2,395	
2008	88,766,000	7,296,412	16,172,705	112,235,117	*	*	
2009	86,226,000	8,111,436	13,541,536	107,878,972	*	*	
2010	97,646,000	5,442,744	11,987,065	115,075,809	*	*	

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.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding
- * 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

General Bonded Debt Outstanding

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2001	\$ 16,100,000	-	\$ 16,100,000	0.82%	\$ 343
2002	16,100,000	-	16,100,000	0.81%	341
2003	15,565,000	-	15,565,000	0.78%	327
2004	15,030,000	-	15,030,000	0.74%	315
2005	95,881,000	-	95,881,000	4.75%	2,007
2006	93,536,000	-	93,536,000	4.63%	1,961
2007	91,306,000	-	91,306,000	4.53%	1,936
2008	88,766,000	-	88,766,000	4.40%	*
2009	86,226,000	-	86,226,000	4.27%	*
2010	97,646,000	-	97,646,000	4.85%	*

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

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

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

East Brunswick Public Schools
 Ratios of Overlapping Governmental Activities Debt
 As of June 30, 2010
 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 12/31/09)	\$ 116,864,659	100.000%	\$ 116,864,659
Other debt			
Middlesex County as of 12/31/09	607,439,239	7.000%	42,520,746
Middlesex County Utility Authority as of 12/31/09	240,000,000	4.800%	11,520,000
Subtotal, overlapping debt			170,905,405
East Brunswick Public Schools Direct Debt			<u>115,075,809</u>
Total direct and overlapping debt			<u>\$ 285,981,214</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 2010

Equalized valuation basis	
2009	\$ 8,231,592,095
2008	8,242,449,346
2007	8,042,174,381
	<u>[A] \$ 24,516,215,822</u>

Average equalized valuation of taxable property	[A/3]	\$ 8,172,071,941
Debt limit (3 % of average equalization	[B]	245,162,158
Net bonded school debt	[C]	115,075,809
Legal debt margin	[B-C]	\$ 130,086,349

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 146,697,239	\$ 157,854,887	\$ 109,711,053	\$ 173,227,496	\$ 221,629,482	\$ 189,690,879	\$ 115,713,100	\$ 116,383,825	\$ 132,884,605	\$ 130,086,349
Total net debt applicable to limit	16,100,000	16,100,000	15,865,000	15,030,000	95,881,000	93,536,000	91,306,000	88,766,000	86,226,000	97,646,000
Legal debt margin	\$ 130,597,239	\$ 141,754,887	\$ 94,146,053	\$ 158,197,496	\$ 125,748,482	\$ 96,154,879	\$ 24,407,100	\$ 27,627,825	\$ 46,658,605	\$ 32,440,349
Total net debt applicable to the limit as a percentage of debt limit	10.97%	10.20%	14.19%	8.68%	43.26%	49.31%	78.91%	76.26%	64.85%	75.05%

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
2001	46,889 **	-	37,889 **	2.8%
2002	47,246 **	-	38,196 **	4.2%
2003	47,552 **	-	38,645 **	4.1%
2004	47,788 **	-	39,792 **	3.4%
2005	47,765 **	-	41,066 **	3.2%
2006	47,706 **	-	44,291 **	3.5%
2007	47,154 **	-	46,674 **	3.1%
2008	47,086	-	*	4.1%
2009	47,279	-	*	*
2010	47,280 **	-	*	*

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

Employer	2010			2001		
	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
Bristol-Meyers Squibb	3,500 - 3,749	2	0.00%	n/a	n/a	n/a
Novo Nordisk	2,750 - 2,999	3	0.00%	n/a	n/a	n/a
Prudential Insurance Company	2,750 - 2,999	4	0.00%	n/a	n/a	n/a
St. Peter's University Hospital	2,750 - 2,999	5	0.00%	n/a	n/a	n/a
Telcordia Technology	2,500 - 2,749	6	0.00%	n/a	n/a	n/a
J.F.K. Medical Center	2,500 - 2,749	7	0.00%	n/a	n/a	n/a
Silverline Building Products	2,250 - 2,299	8	0.00%	n/a	n/a	n/a
Abel HR Services	2,000 - 2,500	9	0.00%	n/a	n/a	n/a
Johnson & Johnson	2,000 - 2,249	10	0.00%	n/a	n/a	n/a

Source: Middlesex County Department of Economic Development, April 2010

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

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

J-16

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Instruction							
Regular	497.50	546.50	566.00	571.74	605.50	615.00	612.25
Special education	207.70	219.50	215.50	209.00	228.50	220.00	224.00
Support Services:							
Student & instruction related services	234.62	255.93	260.43	232.72	240.94	234.47	201.45
General administrative services	10.00	7.00	8.00	8.00	8.85	8.85	8.85
School administrative services	55.93	61.85	61.85	60.93	67.52	67.52	65.60
Business administrative services	22.00	23.00	23.00	23.50	27.50	27.92	27.92
Information Technology	18.00	21.00	18.00	15.00	17.00	19.00	21.00
Plant operations and maintenance	168.60	166.50	164.53	152.77	166.90	168.74	169.77
Pupil transportation	8.54	8.54	15.54	16.00	28.62	33.62	38.24
Food Service	44.35	47.28	46.57	42.35	44.45	45.46	37.52
Adult and Community Programs	4.00	4.00	4.00	4.00	4.00	4.00	4.50
ETTC	3.00	3.00	3.00	2.50	2.50	2.50	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>

Source: District Personnel Records

Note: Only the last seven years of information are 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	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Junior High School	High School				
2001	8,365	\$ 89,043,737.13	10,645	7.45%	*	23:1	26:1	27:1	27:1	8,670.02	8,262.09	2.99%	95.53%
2002	8,671	95,153,066.67	10,974	3.09%	*	24:1	23:1	24:1	24:1	8,792.01	8,389.91	1.41%	95.43%
2003	8,844	104,710,123.81	11,840	7.89%	*	23:1	25:1	24:1	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	8,364.48	-1.14%	96.04%

Sources: District records and ASSA

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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	310	304	312	320	310	299	295	312	297	286
Central (1949)										
Square Feet	40,067	40,067	40,067	40,067	40,067	40,067	73,266	73,266	73,266	73,266
Capacity (students)	452	452	452	452	452	452	552	552	552	552
Enrollment	476	468	469	463	468	441	429	444	443	449
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	561	551	535	574	539	560	603	501	495	489
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	519	561	579	570	557	528	538	479	504	502
Irwin (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	527	515	535	507	525	536	517	424	441	436
Lawrence Brook (1959)										
Square Feet	37,004	37,004	37,004	37,004	37,004	37,004	67,267	67,267	67,267	67,267
Capacity (students)	465	465	465	465	465	465	532	532	532	532
Enrollment	456	443	457	461	459	451	447	521	572	547
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	340	370	374	377	375	378	384	389	377	356
Warnsdorfer (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	500	553	543	558	569	588	551	531	500	462
Total Elementary Schools										
Square Feet	331,943	331,943	331,943	331,943	331,943	331,943	395,405	395,405	395,405	395,405
Capacity (students)	3,281	3,281	3,281	3,281	3,281	3,281	3,448	3,448	3,448	3,448
Enrollment	3,689	3,765	3,804	3,830	3,802	3,781	3,764	3,601	3,629	3,527

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Middle School										
Hammarskjold (1961)										
Square Feet	116,862	116,862	116,862	116,862	116,862	116,862	116,862	116,862	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	1,432	1,472	1,440	1,474	1,504	1,468	1,409	1,414	1,441	1,452
Junior High School										
Churchill Jr. High (1962)										
Square Feet	87,000	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	1,318	1,385	1,529	1,541	1,484	1,501	1,534	1,506	1,461	1,466
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	1,926	2,049	2,071	2,113	2,245	2,297	2,254	2,176	2,284	2,310
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, 2010										
Elementary =	8									
Middle School =	1									
Junior High School =	1									
High School =	1									
Other =	1									

Source: District records, ASSA, LRFP

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.

East Brunswick Public Schools
 General Fund
 Schedule of Required Maintenance
 Last Nine Fiscal Years
 Unaudited

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

School Facilities	Project# (s)	2010	2009	2008	2007	2006	2005	2004	2003	2002*
East Brunswick High School	N/A	\$ 613,587	\$ 714,920	\$ 533,832	\$ 568,212	\$ 525,549	\$ 565,886	\$ 520,355	\$ 411,981	
Churchill Junior High School	N/A	431,147	535,537	426,848	494,977	441,724	468,456	474,606	288,103	
Hammarskjold School	N/A	27,574	72,810	242,166	230,222	206,420	219,617	198,029	157,563	
Bowne-Munro School	N/A	80,515	95,882	66,159	61,425	56,305	61,519	53,535	45,987	
Central School	N/A	16,944	20,954	153,963	80,487	76,238	75,151	65,858	54,165	
Irwin School	N/A	113,467	122,496	87,549	82,598	75,765	84,647	70,066	59,358	
Lawrence Brook School	N/A	12,782	19,238	139,809	75,300	65,812	72,728	67,546	51,543	
Memorial School	N/A	69,650	88,410	67,486	59,367	55,020	58,100	52,737	41,782	
Chittick School	N/A	84,700	105,673	106,422	95,834	85,025	95,403	80,004	67,368	
Frost School	N/A	94,365	122,373	102,292	105,829	89,017	93,710	80,850	69,408	
Warmsdorfer School	N/A	89,314	106,286	103,639	95,898	86,660	94,496	81,691	67,605	
Total School Facilities		1,634,045	2,004,579	2,030,165	1,950,149	1,763,535	1,889,713	1,745,277	1,314,863	-
Other Facilities		36,532	44,732	60,340	65,349	58,997	62,880	55,152	45,228	
Grand Total		\$ 1,670,577	\$ 2,049,311	\$ 2,090,505	\$ 2,015,498	\$ 1,822,532	\$ 1,952,593	\$ 1,800,429	\$ 1,360,091	\$ -

Source: M1
 * Data not available for FY 2002.

	<u>Coverage</u>	<u>Deductible</u>
<u>MULTI-PERIL PACKAGE POLICY</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG POLICY NO. P-135AA ANNUAL PREMIUM: \$414,927		
<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	
<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	50,000	1,000
<u>SCHOOL BOARD LEGAL</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG POLICY NO. E-135AA ANNUAL PREMIUM: \$107,016		
Wrongful Acts Liability - Each Occurrence	11,000,000	15,000
Annual Aggregate	11,000,000	
<u>CATASTROPHIC POLICY</u>		
FIREMAN'S FUND POLICY NO. SHX91420240 ANNUAL PREMIUM: \$38,850		
Limit of Insurance (Group Aggregate)	50,000,000	
<u>PROPERTY INSURANCE</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG POLICY NO. P135AA ANNUAL PREMIUM: Included		
Blanket Building - Contents Coverage	376,216,125	25,000
Extra Expense	5,000,000	25,000
Flood & Earthquake	25,000,000	25,000
EDP	included	1,000
Energy Systems - Property Damage	100,000,000	25,000
Energy Systems - Extra Expense	5,000,000	25,000

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	ACV	\$ 1,000
Collision	ACV	1,000
<u>ENVIRONMENTAL IMPAIRMENT</u>		
CHUBB GROUP POLICY NO. 37254099 ANNUAL PREMIUM: \$8,050		
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-135AA ESTIMATED DEPOSIT PREMIUM: \$477,939		
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: \$22,640		
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		

Coverage

Deductible

STUDENT ACCIDENT INSURANCE

McCLOSKEY INSURANCE / NJSBAIG
 POLICY NO. RENEWAL OF 9731292
 ANNUAL PREMIUM: \$35,889

Student Accident/Athletic Accident

Supplemental to primary family policy - full excess

BONDS

SELECTIVE
 POLICY NO. B1005809
 ANNUAL PREMIUM: \$1,800

L. Mason Neely, Treasurer

\$ 750,000

SELECTIVE INSURANCE
 POLICY NO. B1005007
 ANNUAL PREMIUM: \$280

Bernardo J. Giuliani, Business Administrator / Board Secretary

100,000

Single Audit Section

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

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, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 15, 2010. 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 Division of Finance, Department of Education, State of New Jersey.

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 audit 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.

**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 Division of 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 October 15, 2010.

This report is intended solely for the information and use of the audit 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

October 15, 2010
Long Branch, New Jersey

**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**

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 Grant Compliance Supplement*, that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010. 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.

**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)**

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010.

Internal Control Over Compliance

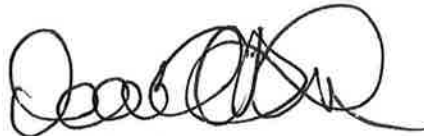
Management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the District's internal control 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 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 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 would not necessarily identify all deficiencies in internal control that might be 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.

**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)**

This report is intended solely for the information and use of the audit committee, management, the Township of East Brunswick Board of Education, the New Jersey State 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

October 15, 2010
Long Branch, New Jersey

EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance, June 30, 2009		Cash Received	Repaid to Grantor	Expenditures	Balance, June 30, 2010	
				Deferred Revenue	(Accounts Receivable)				Deferred Revenue	Accounts Receivable
General Fund:										
U.S. Department of Education:										
ARRA - Education Stabilization Fund	84.394	7/1/09-6/30/10	\$ 2,096,409	\$	\$	\$ 2,096,409	\$	(2,096,409)	\$	\$
ARRA - Education Stabilization Fund	84.397	7/1/09-6/30/10	81,156			81,156		(81,156)		
ARRA - Government Services Fund	93.778	7/1/09-6/30/10	41,561			41,561		(29,231)		(12,330)
Medicaid Aid	93.778	7/1/08-6/30/09	32,409	(8,054)		8,054				
Medicaid Aid				(8,054)				(2,206,796)		(12,330)
Total General Fund										
Enterprise Fund:										
U.S. Department of Agriculture:										
Passed-through State Department of Education:										
Food Distribution Program	10.555	7/1/09- 6/30/10	134,006			134,006		(134,006)		
National School Lunch Program	10.555	7/1/09- 6/30/10	416,623			387,024		(416,623)		(29,599)
National School Lunch Program	10.555	7/1/08- 6/30/09	346,150	(28,100)		28,100				
Total Enterprise Fund										
Special Revenue Fund:										
U.S. Department of Education:										
Passed-through State Department of Education:										
E.S.E.A. Title I 06/07, Carryover	84.010	9/1/08-8/31/09	288,886	370				(370)		
E.S.E.A. Title I 06/07, Carryover	84.010	9/1/09-8/31/10	288,886					370		
E.S.E.A. Title I 07/08	84.010	9/1/08-8/31/09	276,016	30,487				(30,487)		
E.S.E.A. Title I 07/08, Carryover	84.010	9/1/09-8/31/10	276,016					30,487		
E.S.E.A. Title I 08/09	84.010	9/1/08-8/31/09	301,947		(80,578)	191,395		(152,075)		(41,258)
E.S.E.A. Title I 09/10	84.010	9/1/09-8/31/10	255,493			41,222		(53,031)		(11,809)
Title II 06/07, Part A, Carryover	84.168	9/1/08-9/30/09	179,948		62		(62)			
Title II 07/08, Part A	84.168	9/1/08-8/31/09	180,191	23,619				(23,619)		
Title II 07/08, Part A, Carryover	84.168	9/1/09-8/31/10	180,191					23,619		41
Title II 08/09, Part A, Carryover	84.168	9/1/09-8/31/10	187,505		(49,215)	33,697		(27,496)		(49,014)
Title II 09/10, Part A	84.168	9/1/09-8/31/10	180,115			130,863		(173,303)		(42,420)
Title II 06/07, Part D, Carryover	84.168	9/1/08-8/31/09	1,194		70		(70)			
Title II 07/08, Part D	84.168	9/1/07-8/31/08	1,856	734				(734)		
Title II 07/08, Part D, Carryover	84.168	9/1/08-8/31/09	1,856					734		141
									534	593

**EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance, June 30, 2009			Cash Received	Repaid to Grantor	Expenditures	Balance, June 30, 2010		
				Deferred Revenue	(Accounts Receivable)	Due to Grantor				Deferred Revenue	Accounts Receivable	Due to Grantor
U.S. Department of Education:												
Pass-through State Department of Education (Continued):												
Title II 08/09, Part D, Carryover	84.168	9/1/09-8/31/10	\$ 2,507	\$ (99)	\$	\$	\$	\$ (1,509)	\$ (1,608)	\$		
Title II 09/10, Part D	84.168	9/1/09-8/31/10	2,577			158		(190)	(32)			
Title III, Part A 07/08	84.365	9/1/08-8/31/09	40,673	39,609								
Title III, Part A 07/08, Carryover	84.365	9/1/09-8/31/10	40,673					(39,483)			126	
Title III, Part A 08/09	84.365	9/1/08-8/31/09	43,904		(4,418)			(12,799)		(17,217)		
Title III, Part A 09/10	84.365	9/1/09-8/31/10	46,717			2,037		(8,430)		(6,393)		
Title III Supplemental, 06/07, Carryover	84.365	9/1/08-8/31/09	55,422		1,166		(1,166)					
Title V 06/07, Carryover	84.298	9/1/08-8/31/09	12,618		45		(45)					
Title V 07/08	84.298	9/1/08-8/31/09	10,878	19						(19)		
Title V 07/08, Carryover	84.298	9/1/09-8/31/10	10,878							19		
I.D.E.A. Part B, Basic Regular 07/08	84.027	9/1/08-8/31/09	1,875,202	37						(37)		
I.D.E.A. Part B, Basic Regular 07/08, Carryover	84.027	9/1/09-8/31/10	1,875,202					(37)				
I.D.E.A. Part B, Basic Regular 08/09	84.027	9/1/08-8/31/09	1,904,469		(257,952)				(83,580)		(1,897)	
I.D.E.A. Part B, Basic Regular 09/10	84.027	9/1/09-8/31/10	1,892,413								(412,906)	
ARRA - I.D.E.A. Part B, Basic Regular 09/10	84.391	9/1/09-8/31/11	2,023,750						(1,677,898)		(200,117)	
I.D.E.A. Part B, Preschool 07/08	84.173	9/1/08-8/31/09	68,073	1						(1)		
I.D.E.A. Part B, Preschool 07/08, Carryover	84.173	9/1/09-8/31/10	68,073							1	(1)	
I.D.E.A. Part B, Preschool 08/09	84.173	9/1/08-8/31/09	64,248	1,972						(1,972)		
I.D.E.A. Part B, Preschool 08/09, Carryover	84.173	9/1/09-8/31/10	64,248							1,972	(1,394)	
							9,000		(12,366)			

**EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance, June 30, 2009		Cash Received	Repaid to Grantor	Expenditures	Balance, June 30, 2010		
				Deferred Revenue	(Accounts Receivable)				Deferred Revenue	Accounts Receivable	Due to Grantor
U.S. Department of Education:											
Passed-through State Department of Education (Continued):											
I.D.E.A. Part B, Preschool 09/10	84.173	9/1/09-8/31/10	\$ 65,571	\$	\$	\$ 6,218	\$	\$ (8,960)	\$	\$ (2,742)	
ARRA - I.D.E.A. Part B, Preschool 09/10	84.392	9/1/09-8/31/11	73,671			4,765		(7,691)		(2,926)	
Title IV, 06/07, Carryover	86.298	9/1/08-8/31/09	21,775		59		(59)				
Title IV, 07/08	85.298	9/1/08-8/31/09	23,388	453				(449)			
Title IV, 07/08, Carryover	85.298	9/1/09-8/31/10	23,388		453					4	
Title IV, 08/09, Carryover	82.298	9/1/09-8/31/10	17,851		(8,283)			(3,188)		(11,471)	
Title IV, 09/10	85.298	9/1/09-8/31/10	15,841		(66,424)	3,594		(12,043)		(8,449)	
Adult Basic Education 08/09	84.002	9/1/08 - 8/31/09	182,900			66,424					
Adult Basic Education 09/10	84.002	9/1/09-8/31/10	177,963			128,236		(166,512)		(38,276)	
Adult Basic Education Supplemental 08/09	84.002	9/1/08 - 8/31/09	41,600		(6,904)	6,904					
Improving Partnerships and Active Collaboration for Teaching	84.367B	1/15/10-8/31/10	33,800			19,500		(33,800)		(14,300)	
Total U.S. Department of Education			97,301	(473,872)	1,403	3,075,531	(1,403)	(3,555,730)	182	(858,229)	1,275
Total Special Revenue Fund			97,301	(473,872)	1,403	3,075,531	(1,403)	(3,555,730)	182	(858,229)	1,275
Total Federal Financial Assistance			\$ 97,301	\$ (510,026)	\$ 1,403	\$ 5,851,841	\$ (1,403)	\$ (6,313,155)	\$ 182	\$ (900,158)	\$ 1,275

**EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Grant or State Project Number	Grant Period	Award Amount	Deferred Revenue	Balance, June 30, 2009		Cash Received	Repaid to Grantor	Balance, June 30, 2010		Deferred Revenue	Accounts Receivable	Due to Grantor	MEMO
				(Accounts Receivable)	Due to Grantor			Expenditures	Receivable				
General Fund:													Cumulative Total Expenditure
Equalization Aid	7/1/09-6/30/10	\$ 6,489,566	\$	\$	\$	\$ 5,489,661	\$	\$	\$	\$	\$	\$	\$ 6,489,566
Security Aid	7/1/09-6/30/10	459,600				388,765							(70,815)
Special Education Categorical Aid	7/1/09-6/30/10	4,462,995				3,775,342							(687,653)
Categorical Transportation	7/1/09-6/30/10	1,892,347				1,600,776							(291,571)
Nonpublic School Transportation Aid	7/1/09-6/30/09	63,228									(45,742)		45,742
Nonpublic School Transportation Aid	7/1/09-6/30/10	1,012,618				63,228					(1,012,618)		63,228
Extraordinary Aid	7/1/09-6/30/10	1,232,486				1,232,486							1,232,486
Extraordinary Aid	7/1/09-6/30/09	4,504,916				218,732							4,504,916
Reimbursed TPAF Social Security Contrib.	7/1/09-6/30/10	4,412,484				4,412,484							4,412,484
Reimbursed TPAF Social Security Contrib.	7/1/09-6/30/10	4,412,484									(4,412,484)		4,412,484
Total General Fund				(1,514,446)		17,161,494			(1,058,360)		(2,049,944)		24,575,984
Debt Service Fund:													
Debt Service Aid	7/1/09-6/30/10	494,069				494,069							494,069
Total Debt Service Fund						494,069			(494,069)				494,069
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Textbook Aid	7/1/09-6/30/10	47,263				47,263							47,263
Nursing Services	7/1/09-6/30/10	56,047				56,047							56,047
Auxiliary Services:													
English as a Second Language	7/1/09-6/30/09	20,605	1			21,531	(1)					6,651	14,680
English as a Second Language	7/1/09-6/30/10	21,531				19,676							19,676
Transportation	7/1/09-6/30/10	19,676.00											
Handicapped Services:													
Supplemental Instruction	7/1/09-6/30/09	31,388				29,468	(4,955)						19,115
Supplemental Instruction	7/1/09-6/30/10	29,468				72,937							45,110
Compensatory Education	7/1/09-6/30/10	72,937											
Examination and Classification	7/1/09-6/30/09	45,307				48,612	(8,337)						33,813
Examination and Classification	7/1/09-6/30/10	48,612				40,352							35,271
Corrective Speech	7/1/09-6/30/10	40,352											4,943
Home Instruction	7/1/09-6/30/10	4,947									(4,943)		29,909
Technology-Infused Math Education	3/1/09 - 6/31/09	150,000				65,371	(11,119)				(4,943)		29,909
Total State Department of Education				(24,343)		401,257	(24,412)		(4,943)			64,911	305,827
Total State Department of Education				(24,343)		401,257	(24,412)		(4,943)			64,911	305,827
Adult Life Skills													
Adult Life Skills	7/1/09-6/30/10	193,861				193,861							193,861
Total State Department of Human Services						193,861							193,861
Total Special Revenue Fund				(24,343)		595,118	(24,412)		(4,943)			64,911	499,688

**EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2009			Balance, June 30, 2010			MEMO Cumulative Total Expenditure
				Deferred Revenue	(Accounts Receivable)	Due to Grantor	Expenditures	Accounts Receivable	Due to Grantor	
Capital Projects Fund:										
Memorial School Replacement	SP-1170-120-08-00AZ	Open	\$ 4,238,520	\$	\$	\$	(605,019)	\$	\$	\$ 605,019
Chittick Roof Replacement	SP-1170-125-08-02BA	Open	373,649				(137,428)			137,428
EBHS Security System	SP-1170-050-09-02AY	Open	156,000				(19,075)			19,075
Churchill Security System	SP-1170-055-09-02AZ	Open	156,000				(15,390)			15,390
Wiernsdorfer										
Public Address / Fire Alarm / Clock	SP-1170-050-08-02TP	Open	226,600				(71,087)			71,087
EBHS Auditorium Renovation	SP-1170-138-09-02AY	Open	344,400				(342,868)			342,868
Total Capital Projects Fund							(1,190,668)			1,190,668
Enterprise Fund:										
National School Lunch Program	09-100-034-5120-122	7/1/08-6/30/09	27,704	(2,263)						27,704
National School Lunch Program	10-100-034-5120-122	7/1/09-6/30/10	29,762				(29,762)	(2,113)		29,762
Total Enterprise Fund							(29,762)	(2,113)		57,466
Total State Financial Assistance				\$ 13,293	\$ (1,541,052)	\$ (24,412)	\$ (20,989,739)	\$ (2,256,284)	\$ 64,911	\$ (2,049,944)

TOWNSHIP OF EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
FISCAL YEAR ENDED JUNE 30, 2010

Note 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 Board'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.

Note 2. **BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board'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.

Note 3. **RELATIONSHIP TO 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 payment 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. 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 basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with NJSA 18A:22-4.2.

TOWNSHIP OF EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
FISCAL YEAR ENDED JUNE 30, 2010

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$94,809) for the general fund and \$431,381 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	\$ 2,219,136	\$ 24,624,578	\$ 26,843,714
Special Revenue Fund	3,525,916	524,331	4,050,247
Capital Projects Fund		5,495,169	5,495,169
Debt Service Fund		494,069	494,069
Food Service Fund	<u>550,629</u>	<u>29,762</u>	<u>580,391</u>
 Total Awards and Financial Assistance	 <u>\$ 6,295,681</u>	 <u>\$ 31,167,909</u>	 <u>\$ 37,463,590</u>

Note 4. **RELATIONSHIP TO FEDERAL AND STATE REPORTS**

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

Note 5. **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, 2010.

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, 2010. These amounts are not subject to New Jersey OMB Circular 04-04.

TOWNSHIP OF EAST BRUNSWICK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified, dated October 15, 2010

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 October 15, 2010

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>84.391</u>	<u>ARRA - IDEA Part B Basic Regular</u>
<u>84.392</u>	<u>ARRA - IDEA Part B Preschool</u>
<u>84.394</u>	<u>ARRA - Education Stabilization</u>
<u>84.397</u>	<u>ARRA - Government Services</u>

Dollar threshold used to distinguish between Type A and Type B Programs: \$300,000

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, 2010

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 October 15, 2010

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</u>
495-034-5120-078	Equalization Aid
495-034-5120-017	Debt Service Aid
495-034-5120-084	Security Aid

Dollar threshold used to distinguish between Type A and Type B programs: \$ 629,692

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, 2010

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, 2009:

None.