

**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, 2008

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 10, 2008

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, 2008 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 2007 - 2008 fiscal year with an average daily enrollment of 8,782 students, or 190 students below the previous year's enrollment. The following details the changes in the District's student enrollment over the last five years.

<i>Average Daily Enrollment</i>		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2007-2008	8,782.0	(2.12%)
2006-2007	8,972.0	(3.00%)
2005-2006	9,278.0	2.00%
2004-2005	9,096.0	1.21%
2003-2004	8,987.0	2.63%

2. ECONOMIC CONDITION AND OUTLOOK: The Township of East Brunswick's total labor force decreased 1.77% from 27,119 in 2006 to 26,640 in 2007, as reported by the U.S. Department of Labor, Bureau of Labor Statistics. The employment rate for 2007 was 96.9% as compared with 96.5% in 2006, and the unemployment rate for 2007 decreased to 3.1% from 3.5% in 2006.

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 March 31, 2008 totaled \$10,725,782.00 and the total number of permits issued totaled 627 for the same period. The construction value and permits issued for the entire 2007 calendar year respectively totaled \$43,415,715.00 and 2,751 as compared to \$136,953,299.00 and 2,880 for the 2006 calendar year. This represents a decrease of 129 permits and a decrease in construction value of \$93,537,584.00, which is largely attributable to the completion of school construction projects.

Certificates of occupancy (COs) issued for new residential units were reported to be at 6, or 17% during the first three months of 2008 as compared with the first three months of 2007. It has been several years since Township officials first

emphasized that a substantial decline in the residential and commercial tax base growth of the East Brunswick community was expected; this outlook continues to be supported by the statistical data. The Township has experienced a high demand for new and re-sale housing, reflecting the ongoing desire of individuals to establish their residency in East Brunswick where the public schools are a primary factor in that decision. However, the current economic climate affecting home mortgages may certainly have an undesirable impact upon housing turnovers.

Local housing values continue to have experienced a downturn resulting from the economic uncertainties that have been experienced both nationally and statewide. 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.

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 for the upcoming 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. Extraordinary efforts were made to ensure that Memorial Elementary School students arrived at their temporary home school ready for instruction on the first school day in September 2008. Keeping in mind that the South River location is only a temporary solution, the District must make important decisions in the near future concerning the next steps for the fire-damaged Memorial Elementary School building.

On December 14, 2004, the East Brunswick community overwhelmingly approved a \$106.1 million referendum to alleviate the overcrowded and aging condition of its facilities and infrastructure at Hammarskjöld Middle School, Central Elementary School and Lawrence Brook Elementary School. This was the first of two planned referenda to redress the district's facilities issues.

The Central and Lawrence Brook projects were substantially completed in August 2007 and October 2007, respectively. The Hammarskjöld project was substantially completed in August 2008 with the exception of one wing connecting the 1996 addition to the new building. That wing is expected to be substantially completed by January 2009.

It is most important to note that \$24.7 million of \$106.1 million total for these three projects is being funded through state grants.

The District has been aggressive in pursuing the maximum level of State grant funds for all qualifying projects since State grants were first made available several years ago. This is evidenced by the information provided above, and has also been reported in prior audits and at public Board of Education meetings. As a result, East Brunswick has received more grant approvals both in number and total dollars than any other school district. This has resulted in substantial savings to East Brunswick taxpayers. The State recently approved new funding for school construction, which the District will pursue for future projects qualifying for those grants.

At Frost Elementary School, the boilers and heat piping replacement project commenced in May 2007. The boilers were aged and at the end of their useful life. As was the case in another school, the old piping system had become unreliable and was in constant need of repair. The boilers, which are energy-efficient, modular units, were installed and completed by school opening in September 2007. Meanwhile, the project's logistics made it impossible to fully replace all heat piping by that date. As a result, only a small portion of heat piping was replaced by September 2007. The second phase of the project to complete the heat piping replacement began when the school year ended in June 2008 and was completed in August 2008 just prior to school opening.

The stadium track and field replacement at East Brunswick High School commenced in the summer 2007. The condition of the old track and field had deteriorated to the extent that it could no longer simply be maintained; it also posed safety concerns for those utilizing those facilities. The project was substantially completed in November 2007 in time for the Thanksgiving Day festivities and track dedication. The final project provides an improved and safe environment for students and athletes who utilize the facility for physical education and sports programs.

The next phase of East Brunswick High School improvements to be undertaken involve the northwest quadrant fields, which encompass the existing baseball and practice football fields, as well as the adjoining parking lot. The project will commence in the fall of 2008 and will include two baseball fields, an all purpose game field, and an all purpose practice field. In addition, extensive improvements to storm drainage system and a fully re-designed parking area are included in the

project. These improvements are anticipated to be completed by the end of the 2008-2009 fiscal year.

East Brunswick High School's front parking lot also received attention with a series of improvements to address safety concerns and provide a needed facelift. The project, which was completed in August 2008, provides added curbing, repaving, and relining to provide a safer traffic flow for motorists and pedestrians alike.

At Churchill Junior High School, the second phase of extensive field improvements commenced. The work focused on the enhancement of topsoil and re-grading, and sod, seeding and fertilization of the fields. The project was substantially completed in September 2008, and the District anticipates the fields being returned to the school for use in the spring of 2009.

In addition, modifications to Churchill Junior High School's gymnasium were undertaken to improve the facility's multiple uses. The project included curtain relocation, basket relocation, and re-painting of the floor lines, all of which were substantially completed in September 2008.

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. Although the fiscal year 2009 budget has maintained some added funding for this purpose, it is still insufficient to fully address the District's technological systems. 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, 2008.

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.

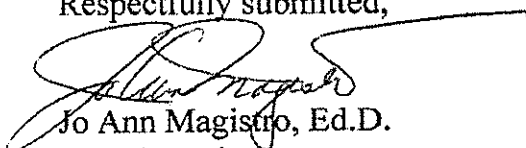
9. OTHER INFORMATION:


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 2007-2008 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. Giuliani
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 2007-2008 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* by the United States Department of Education. 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.
- “East Brunswick High School is without a doubt one of the finest high 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 students** performed admirably in the *2007 Advanced Placement Testing Program*.
- Sixty-five EBHS seniors were named *Edward J. Bloustein Distinguished Scholars*.
- Fourteen EBHS seniors were finalists in the *2008 National Merit Scholarship Competition*.
- Seventy-two EBHS juniors and seniors were inducted into the *National Honor Society*.
- Ninety EBHS students were inducted into *Mu Alpha Theta, the Math Honor Society*.
- Four EBHS juniors were selected to attend the prestigious *Governor’s School of New Jersey*, a unique summer residential program for artistically and academically talented students.
- Twenty-two 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 was the twentieth time out of a possible 21 that EBHS IPLE students represented the State of New Jersey in this national competition.

- Fifty-six students EBHS enrolled in the International Studies Classes attended the Rutgers Model United Nations (RUMUN) Conference where they were recognized for their “exemplary” performance.
- Sixty-one EBHS students participating in the *National High School Model United Nations* were recognized for their “admirable” performance.
- As a result of their performance at the *Harvard Model United Nations*, eight EBHS students were recognized for their “exceptional” work.
- The articles written by five Chittick fourth-grade students were selected to be part of the *2008 Student On-line Newspaper* on the *Celebrate NJ* website. Read what they think makes New Jersey great at http://www.celebratenj.org/sp_student.html.
- The EBHS Academic Team placed first in the *2008 National Academic Quiz Tournament (NAQT) New Jersey State Competition*.
- Seven students representing EBHS placed first at the *Junior Engineering Technical Society (JETS) State competition*.
- The EBHS Math Team placed third in the *State Math League Competition*.
- The EBHS Science Bowl Team placed first in the State for the fourth year in a row.
- An EBHS student was recognized by the *College Board’s National Hispanic Recognition Program*.
- Two teams of CJHS students placed first and second from among 366 teams statewide who participated in *The Stock Market Game*. Nationally the teams placed third and seventh.
- A Chittick Elementary School student placed third in the *Stock Market Game’s Northern Region Elementary School Division*.
- The CJHS Science Olympiad team placed third overall at the *Central New Jersey Regional Science Olympiad* competition held at Princeton University. Hammarskjold also sent a team for their first time and they placed in four events.
- The CJHS’ Math Team participated in *Math Counts*, a nationwide competitive team program for middle schools sponsored by education and business. Churchill’s team placed fourth in our region and one student qualified for the State competition.

- HMS students participated in the *New Jersey Math League*. The sixth grade finished in fifteenth place out of 201 schools. Individually, a sixth-grader placed second in Middlesex County. The seventh-graders placed eleventh out of 203 schools.
- A HMS student received a state level award from the *Johns Hopkins University Center for Talented Youth* in the *Mathematics and Verbal Talent Search Competition* for being among the highest scoring participants from New Jersey.
- For the second consecutive year the same EBHS student was among 20 students nationwide selected to participate in the *National Chemistry Olympiad*. As a result of her performance at the national level, she was one of four chosen to represent the United States at the *International Chemistry Olympiad* in Budapest, Hungary this year. This is the second time in three years that an EBHS student has gone to the international competition
- The works of two CJHS students were rated as “Outstanding” and “Prizeworthy” in the *New Jersey Council of Teachers of English (NJCTE) 2008 Student Writing Contest*.
- An HMS student was named one of the top-scoring students for the JHU-CTY examination qualifying her for the Mathematics and Verbal summer programs including “Introduction to Biomedical Sciences” at Dickinson College and “Individually Paced Mathematics Sequence” at Johns Hopkins University.
- At the Academic Challengers, the Hammarskjold six seventh-grade team members won first place out of 12 schools.

In Athletics...

- At the NJSIAA 2007 Sports Awards EBHS received the *GMC Sportsmanship Award*.
- Nine EBHS varsity cheerleaders were recognized by the *National Cheerleading Association* to be *All American Cheerleaders*.
- *Fall Accomplishments...*
 - The Girls Soccer Team was the *Red Division* and *GMC Champions*
 - The Girls Volleyball and Tennis Teams were the *GMC Tournament Champions*.
 - The Boys Soccer Team was a GMC Champion.
- *Winter Accomplishments...*

- Boys and Girls Winter Track Teams won the *Sportsmanship Award*.
- An EBHS Girls Winter Track Team member competed in the State Group IV Sectional 55 meters, the State Group IV Sectional 55 meter hurdles, and the Eastern States Championship Meet 55 Meter Hurdles and was the State Group IV Sectional 55 meter Champion, a State Group IV Sectional 55 meter hurdles Finalist, an Eastern States Championship Meet 55 meter hurdle Finalist and was named a Home News First Team All-Area 55 meters team member.
- An EBHS Girls Bowling Team member was the *2008 Individual Champion in the Central Jersey Classic Invitational* winning the Central Jersey sectional with a 258-679 and placing eighth overall in the NJSIAA finals, rolling a 618 series to lead East Brunswick in the Group IV State Championship games.
- EBHS Girls Bowling Team was the NJSIAA Group IV State Champion.
- *Spring Accomplishments...*
 - Boys volleyball, golf and tennis teams were the *Red Division Champions*.
 - Boys golf and tennis teams were the *GMC Tournament Champions*.
 - Two boys volleyball athletes were selected for the *All-State Volleyball Team* by *The Star Ledger*.
- Based on both their academic and extra-curricular achievements and because they ranked among the top two percent of all *Pop Warner* participants academically, two HMS sixth-grade students were recognized to be *Pop Warner All-American Scholars*.

In the Arts...

- Two EBHS students were accepted into both the *2008 New Jersey All-State Wind Ensemble* and performed at the New Jersey Performing Arts Center in Newark in February 2008.
- Nine EBHS students were accepted into the *2008 New Jersey All-State Orchestra* and performed with others from throughout the state in concerts at the New Jersey Education Association Convention in Atlantic City in November 2007 and at the New Jersey Performing Arts Center in Newark in February 2008.
- Three EBHS orchestra students were among 120 students from throughout the country accepted into the *2008 National High School Honors Orchestra*.
- Four EBHS choral students were accepted into the *2008 Eastern Division High School Honor Choir*.

- Ten EBHS students were accepted into the *New Jersey All-State Chorus*.
- One EBHS student and one CJHS student were accepted into the *New Jersey All-State Symphonic Band*.
- One EBHS student was accepted into the *All-State Women's Chorus*.
- Two CJHS students and three HMS students were among the top musicians accepted into the *2008 New Jersey All-State Intermediate Orchestra*.
- Two CJHS students were accepted into the *New Jersey All-State Orchestra*. Seventeen students were accepted into the *Central Jersey Regional Chorus*.
- Six students were accepted into the *Central Jersey Regional Band*.
- Eleven students were accepted into the *Central Jersey Regional Orchestra*.
- Fifteen elementary students were selected for the *CJMEA Intermediate Band*
- At *Festival Disney* in Orlando, Florida the EBHS Marching Band received a *Superior Rating* in their category and a *Silver Rating* overall in the marching band category. (2007-2008)
- An EBHS junior was selected to participate in the *Macy's Great American Marching Band* for the second year in a row.
- The EBHS Concert Choir received a "Superior Rating" and received a trophy for "Best Overall Choral Performance" at the *Heritage Music Festival*.
- An EBHS student placed second in the *Congressional Art Competition*.
- A Bowne-Munro third-grade student was one of the six winners in *Middlesex Water Company's "Tap into a Good Thing-Drink More Water"* poster contest.
- An EBHS junior received a Summer Institute scholarship from the *Marie Walsh Sharpe Art Foundation*.
- Sixty-three elementary students participated in district chorus, 268 participated in district band and 250 participated in district orchestra.

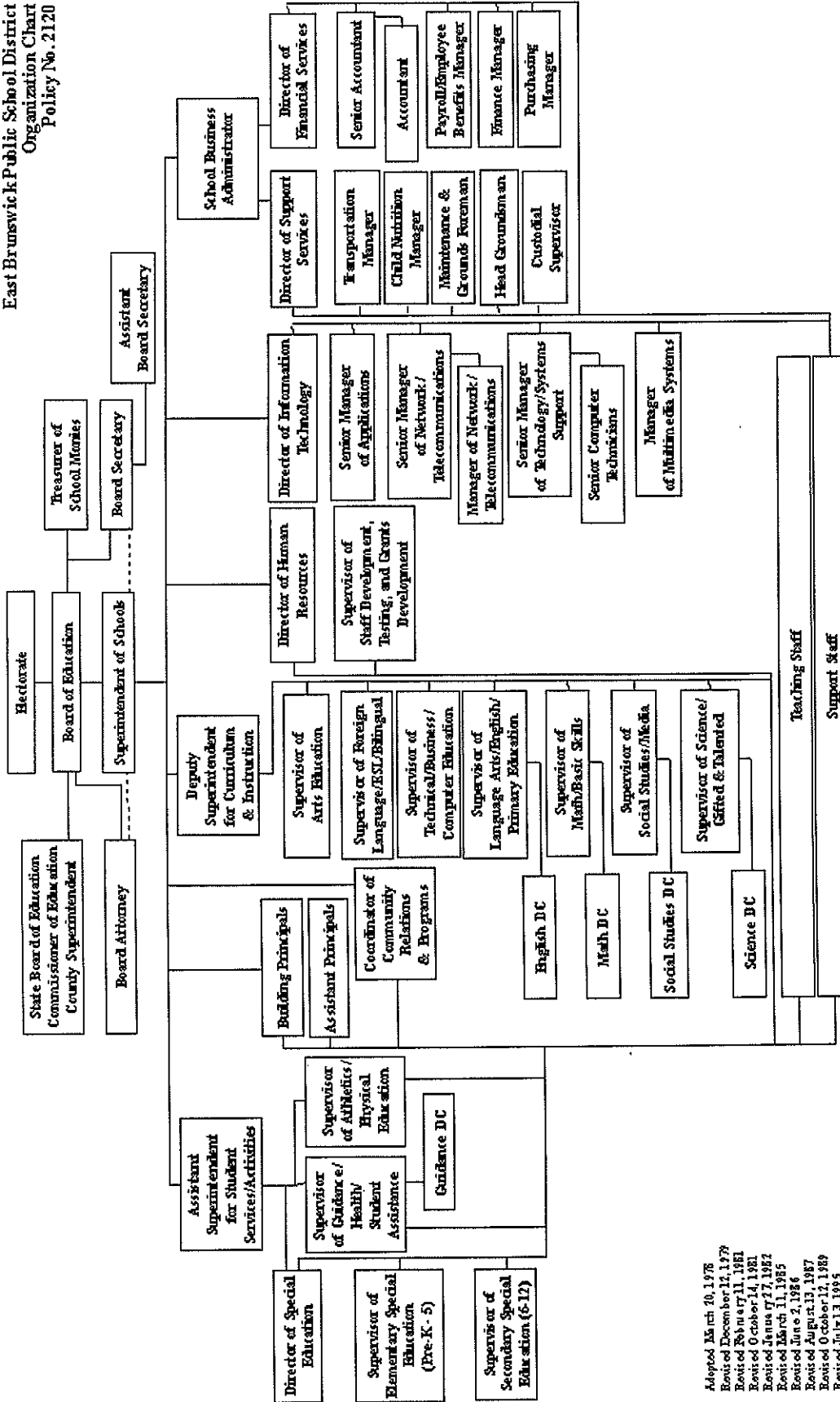
Staff Accomplishments...

- Two Hammarskjold Middle School teachers were chosen to participate in the *Rutger's Graduate School of Education South Africa Initiative*.
- An EBHS chemistry teacher, was selected to be *A Teacher Who Makes Magic* by radio station WMGQ, 98.3.

- The District's Business Administrator was chosen by the Middlesex County's Association of School Business Officials' to represent New Jersey's central region for the *School Business Officials' Meritorious Service Award*.
- A CJHS biology teacher who has been selected by the Rutgers Chapter of Sigma Xi, The Scientific Research Society, as one of three recipients of the *2008 Excellence in Science Teaching Award*.
- At the NJSIAA's annual banquet, the EBHS Boys' Volleyball Coach received an award for his achievements in coaching.
- The EBHS Athletic Trainer was the first athletic trainer to be inducted into *NJSIAA's Hall of Fame*.
- The Varsity Bowling Coach was selected the *Star Ledger Coach of the Year*.
- A CJHS drama/film teacher received a fellowship with Earthwatch Institute to study sharks and rays in Monterey, CA.

The record of achievement keeps the District hopeful that the 2008-2009 school year promises to be as productive as the previous year.

East Brunswick Public School District
 Organization Chart
 Policy No. 2120



Adopted March 20, 1978
 Revised December 12, 1979
 Revised February 11, 1981
 Revised October 14, 1981
 Revised June 27, 1982
 Revised March 11, 1985
 Revised June 2, 1986
 Revised August 12, 1987
 Revised October 12, 1989
 Revised July 13, 1995
 Revised May 7, 2003

EAST BRUNSWICK SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2008

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Todd Simmens, President.....	2011
Scott Luxenberg, Vice President.....	2010
Vicki Becker.....	2009
Holly Howard.....	2010
Michael Hughes.....	2010
Susan R. Karp, M.D.....	2009
Robert Shamy.....	2011
Meredith Shaw.....	2009
Katie Spiegler.....	2011

Other Officials

Jo Ann Magistro, Ed.D., Superintendent

Bernardo J. Giuliani, 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

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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, 2008, 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, 2008, 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.

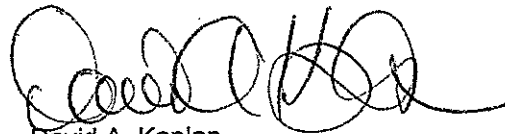
In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2008 on our consideration of the District’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

The Management Discussion and Analysis and Budgetary Comparison Information on pages 18 through 25 and 65 through 80 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.

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*, 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 10, 2008
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, 2008
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, 2008. 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 2007-2008 are as follows:

In total, net assets totaled \$94,186,981, which represents a 5.6% increase from 2007. This is due primarily to the completion of two major construction projects which were capitalized.

General revenues accounted for \$149,186,107 in revenue or 96% of all revenue. Program specific revenue in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$5,555,068 or 4% of total revenue of \$154,741,175.

Among major funds, the General Fund had \$138,786,317 in revenue and \$135,469,684 in expenditures. The General Fund's fund balance is \$14,904,957 as of June 30, 2008, an increase of \$2,937,456 over the June 30, 2007 balance.

Notification was received that the final state aid payment to the district in the amount of \$930,325 would again be delayed until the next school year. The State of New Jersey has taken this action each year since 2003 in order to avert a budget shortfall at the state level.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the District as a Whole

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 2008?" 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 30. 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.

The District as a Whole

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 2007 and 2008.

Table 1 – Comparative Summary of Net Assets

Assets	<u>2008</u>	<u>2007</u>
Current and Other Assets	\$ 38,598,253	\$ 70,789,254
Capital Assets	<u>180,078,050</u>	<u>146,834,004</u>
Total Assets	<u>\$ 218,676,303</u>	<u>\$ 217,623,258</u>
Liabilities		
Long-Term Liabilities	\$ 115,830,035	\$ 116,453,498
Other Liabilities	<u>8,659,287</u>	<u>11,984,490</u>
Total Liabilities	<u>\$ 124,489,322</u>	<u>\$ 128,437,988</u>
Net Assets		
Invested in Capital Assets, Net of Debt	\$ 75,194,595	\$ 70,658,904
Restricted	16,728,675	16,371,562
Unrestricted	<u>2,263,711</u>	<u>2,154,804</u>
Total Net Assets	<u>\$ 94,186,981</u>	<u>\$ 89,185,270</u>

The District's combined net assets were \$94,186,981 on June 30, 2008. This is an increase of 5.6% from the previous year. This is due primarily to the completion of two major construction projects that were capitalized.

Table 2 shows the comparative change in net assets for fiscal years 2008 and 2007.

Table 2 – Comparative Changes in Net Assets

	<u>2008</u>	<u>2007</u>	<u>% Change</u>
Revenues:			
Program Revenue:			
Charges for Services	\$ 2,947,339	\$ 2,930,011	1%
Operating Grants and Contributions	2,607,729	483,434	439%
General Revenue:			
Property Taxes	113,048,545	104,930,231	8%
Grants and Entitlements	34,105,906	56,831,620	-40%
Other	2,031,656	3,838,034	-47%
Total Revenues	<u>154,741,175</u>	<u>169,013,330</u>	<u>-8%</u>
Program Expense:			
Instruction	73,883,469	69,596,124	6%
Support Services:			
Pupils and Instructional Staff	28,454,066	26,503,132	7%
General Administration, School Administration, Business Operations and Maintenance of Facilities	27,858,564	23,569,428	18%
Pupil Transportation	10,646,274	10,093,494	5%
Enterprise Activities	3,818,292	3,638,199	5%
Special Schools	281,207	302,539	-7%
Debt Service	4,788,458	5,210,927	-8%
Total Expense	<u>149,730,330</u>	<u>138,913,843</u>	<u>8%</u>
Increase in Net Assets	5,010,845	30,099,487	-83%
Beginning Net Assets	<u>89,176,136</u>	<u>59,076,649</u>	<u>51%</u>
Ending Net Assets	<u>\$ 94,186,981</u>	<u>\$ 89,176,136</u>	<u>6%</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 2008. Federal, state and local grants and tuition and miscellaneous revenue accounted for the remainder.

The total cost of all programs and services was \$149,730,330. Instruction accounted for 49% 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 a \$448,230 subsidy from the general fund, exceeded expenses by \$8,000. Charges for services which are made up of the amount paid by students and other patrons for daily food service and catering, represent 72% of total revenue.

The Community Programs revenues exceeded expenses by \$33,905.

The ETTC Program expenses exceeded revenues by \$45,373.

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		
	2007-2008	2006-2007	% Change	2007-2008	2006-2007	% Change
Instruction	\$ 74,164,676	\$ 69,596,124	6.56%	\$ 72,085,395	\$ 67,051,557	7.51%
Support Services:						
Pupils and Instructional Staff	28,454,066	26,503,131	7.36%	28,401,466	26,459,492	7.34%
School Administration	6,697,842	5,934,646	12.86%	6,697,842	5,934,646	12.86%
General Administration	5,686,675	5,739,338	-0.92%	5,686,675	5,739,338	-0.92%
Operation and Maintenance of Facilities	15,474,047	11,895,444	30.08%	15,474,047	11,811,562	31.01%
Pupil Transportation	10,646,274	10,093,494	5.48%	10,567,347	10,093,494	4.69%
Debt Service	4,788,458	5,210,927	-8.11%	4,788,458	5,210,927	-8.11%
Total Expenses	\$ 145,912,038	\$ 134,973,104	8.10%	\$ 143,701,230	\$ 132,301,016	8.62%

Instruction expenses include activities directly associated with the teaching of pupils and the interactions between teacher and student, including extracurricular activities. In the 2007-2008 school year the District offered 23 advanced placement courses at the high-school level and approximately 512 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 87% of the student population participated in extracurricular activities during the 2007-2008 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 30. The modified accrual basis of accounting is used to account for these funds. All governmental funds had total revenue of \$151,411,863 and expenditures of \$184,827,122. The change in fund balance for the year was most significant in the Capital Projects Fund, which reflects a decrease of \$32,783,003 due mainly to expenditures for capital projects.

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, 2008 and 2007, as well as the amount and percentage of increase or decrease in relation to prior year revenue.

Comparative Summary of Revenues

Revenue	2007-2008		2006-2007		Increase/ (Decrease) from 2006-2007 to 2007-2008
	Amount	Percent of Total	Amount	Percent of Total	
Local Sources	\$ 115,147,749	76.05%	\$ 109,477,246	76.72%	\$ 5,670,503
State Sources	33,513,345	22.13%	32,890,362	21.07%	622,983
Federal Sources	<u>2,750,769</u>	<u>1.82%</u>	<u>2,871,204</u>	<u>2.21%</u>	<u>(120,435)</u>
Total	<u>\$ 151,411,863</u>	<u>100.00%</u>	<u>\$ 145,238,812</u>	<u>100.00%</u>	<u>\$ 6,173,051</u>

Local source revenue increased by \$8,124,656 mainly due to increased tax revenue necessary to operate the district.

The following schedule presents a summary of governmental fund expenditures for the fiscal years ended June 30, 2008 and 2007, along with percentage changes.

Comparative Summary of Expenditures

Expenditures	2007-2008		2006-2007		Increase/ (Decrease) from 2006-2007 to 2007-2008
	Amount	Percent of Total	Amount	Percent of Total	
Current Expense:					
Instruction	\$ 54,907,679	29.71%	\$ 52,786,126	35.76%	\$ 2,121,553
Undistributed Expenditures	81,612,293	44.16%	76,276,898	48.00%	5,335,395
Capital Outlay	38,726,462	20.95%	62,557,404	10.02%	(23,830,942)
Special Schools	211,810	0.11%	210,891	0.16%	919
Debt Service	<u>9,368,878</u>	<u>5.07%</u>	<u>9,267,354</u>	<u>6.06%</u>	<u>101,524</u>
Total	<u>\$ 184,827,122</u>	<u>100.00%</u>	<u>\$ 144,606,558</u>	<u>100.00%</u>	<u>\$ (16,271,551)</u>

The increase in Current – Instruction is attributed to the increased costs of salaries of teachers and other instructional programs, including those funded by grants.

The increase in Current – Undistributed Expenditures is attributed to the rising cost of support services for special needs students, contractual salaries, and utilities.

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

General Fund Budgeting 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 2008, the District amended its General Fund budget as needed. The District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. The School Business Administrator, Superintendent of Schools, and Board of Education, must approve transfers from one program to another. Transfers were required due to:

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

While the District's final budget for the General Fund anticipated that revenue and expenditures would roughly equal, the actual results for the year shows an increase in surplus of \$2,937,456.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2008, the District had \$211,858,804 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2008 balances compared to 2007.

Table 4 - Capital Assets at June 30

	<u>2008</u>	<u>2007</u>
Non-Depreciable Assets:		
Land/Sites	\$ 1,019,208	\$ 1,019,208
Construction in Progress	64,187,142	73,931,028
Depreciable Assets:		
Buildings and Improvements	135,070,092	90,149,540
Machinery and Equipment	<u>11,582,362</u>	<u>11,167,591</u>
Totals	<u>\$ 211,858,804</u>	<u>\$ 176,267,367</u>

Overall capital assets increased \$35,591,438 from fiscal year 2007 to fiscal year 2008 due to the expenditures related to the Hammarskjold Middle School project accounted for in construction in progress.

Debt Administration

At the end of fiscal year 2008, the District had \$88,766,000 in outstanding bond issues.

During fiscal year 2008, the District's long-term liabilities decreased by \$623,462. The decrease is a result of debt retirements of \$5,954,036 exceeding debt issuance of \$ 5,330,574.

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

For the Future

The East Brunswick Public Schools District is in excellent financial position. It has made significant strides in improving its fund balance position. While the District must continue to maintain a fund balance, which meets state regulations, the current economic climate makes this increasingly difficult to achieve.

The District is nearing completion of the Hammarskjöld Middle School construction project – the last of three schools approved in a \$106.1 million referendum to alleviate the overcrowded and aging condition of its facilities. The District's major focus for the fiscal year 2009 will be maintaining programs and services in the face of limited funding at State and local levels. The State implemented a new funding formula used in the fiscal year 2009 budget, which committed to provide increasing State aid in subsequent years. However, there is uncertainty as to whether the State will be in a position to fulfill that commitment in fiscal year 2010 and beyond. When coupled with new growth limitations on the local tax levy, the District's fiscal resources could be compromised.

While East Brunswick residents have been supportive of their schools and appreciate the quality education that is provided to students, the town's commercial ratable base has leveled off in recent years. In addition, the Township has not prevailed in a number of tax appeals filed by some of the largest commercial property taxpayers. Those appeals resulted in a tax base reduction. Ultimately, this has resulted in an increased tax burden upon property owners. The Township government continues to actively pursue several projects that are expected to stimulate growth and increase the town's ratable base although the projects have been slower than expected in coming to fruition.

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, 2008.

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF NET ASSETS
JUNE 30, 2008**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 12,346,480	\$ 623,688	\$ 12,970,167
Receivables, Net	10,536,562	47,303	10,583,865
Inventory		65,615	65,615
Restricted Assets:			
Restricted Cash and Cash Equivalents	8,891,854		8,891,854
Investments	2,482,295		2,482,295
Capital Reserve Account	3,604,457		3,604,457
Capital Assets, Non-Depreciable	65,206,350		65,206,350
Capital Assets, Depreciable, Net	<u>114,707,581</u>	<u>164,119</u>	<u>114,871,700</u>
 Total Assets	 <u>\$ 217,775,578</u>	 <u>\$ 900,725</u>	 <u>\$ 218,676,303</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 5,573,016	\$ 86,673	\$ 5,659,689
Accrued Salaries and Benefits	840,811	11,486	852,296
Accrued Interest Payable	1,145,690		1,145,690
Intergovernmental Payable	9,101		9,101
Deferred Revenue	890,988	101,523	992,511
Noncurrent Liabilities:			
Due Within One Year	7,331,424		7,331,424
Due Beyond One Year	<u>108,375,450</u>	<u>123,161</u>	<u>108,498,611</u>
 Total Liabilities	 <u>\$ 124,166,480</u>	 <u>\$ 322,842</u>	 <u>\$ 124,489,322</u>
<u>NET ASSETS</u>			
Invested in Capital Assets - Net of Related Debt	\$ 75,030,476	\$ 164,119	\$ 75,194,595
Restricted for:			
Debt Service	725,059		725,059
Capital Projects	2,245,266		2,245,266
Other Purposes	13,758,349		13,758,349
Unrestricted	<u>1,849,947</u>	<u>413,764</u>	<u>2,263,711</u>
 Total Net Assets	 <u>\$ 93,609,098</u>	 <u>\$ 577,883</u>	 <u>\$ 94,186,981</u>

See accompanying notes to financial statements.

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008**

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	\$ 57,705,173		\$ 2,079,281	(55,625,892)	\$	(55,625,892)
Special Education	12,629,815			(12,629,815)		(12,629,815)
Other Instruction	3,548,481			(3,548,481)		(3,548,481)
Support Services:		\$ 52,600		(6,580,365)		(6,580,365)
Tuition	6,632,965			(21,821,101)		(21,821,101)
Student and Instruction Related Services	21,821,101			(6,697,842)		(6,697,842)
School Administrative Services	6,697,842			(5,686,675)		(5,686,675)
General and Business Administrative Services	5,686,675			(15,474,047)		(15,474,047)
Plant Operations and Maintenance	15,474,047		78,927	(10,667,347)		(10,567,347)
Pupil Transportation	10,646,274			(272,254)		(272,254)
Special Schools	272,254			(8,953)		(8,953)
Charter Schools	8,953			(4,788,458)		(4,788,458)
Interest on Long-Term Debt	4,788,458					
Total Governmental Activities	145,912,038	52,600	2,158,208	(143,701,230)		(143,701,230)
Business-Type Activities:						
Food Service	2,984,123	2,094,372	449,521		(440,230)	(440,230)
ETTC Program	300,013	249,794			(50,219)	(50,219)
Adult and Community Program	534,156	550,573			16,417	16,417
Total Business-Type Activities	3,818,292	2,894,739	449,521		(474,032)	(474,032)
Total Primary Government	\$ 149,730,330	\$ 2,947,339	\$ 2,607,729	(143,701,230)	(474,032)	(144,175,262)
General revenues:						
Taxes:						
General Purposes				105,704,289		105,704,289
Debt Service				7,344,256		7,344,256
Federal and State Aid not Restricted				31,841,232		31,841,232
Federal and State Aid Restricted				2,264,674		2,264,674
Investment Earnings				855,104	22,335	877,439
Miscellaneous Income				1,154,217		1,154,217
Transfers				(448,230)	448,230	
Change in Net Assets				148,715,542	470,565	149,186,107
				5,014,312	(3,467)	5,010,845
Net Assets - Beginning				88,594,786	581,350	89,176,136
Net Assets - Ending				93,609,098	577,883	94,186,981

See accompanying notes to financial statements.

Fund Financial Statements

Governmental Funds

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BALANCE SHEET
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008**

	<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	\$ 11,824,611	\$ 550,729	\$ 3,163,341	\$ 521,869	\$ 16,060,550
Cash held by Escrow Agent		2,163,758	3,014,026		5,177,784
Investments			2,482,295		2,482,295
Intergovernmental Accounts Receivable -					
Federal		103,790			103,790
State	733,376		9,615,526		10,348,902
Accounts Receivable - Other	52,987		30,882		83,869
Due from Other Funds	2,619,953			203,191	2,823,144
Restricted Cash and Cash Equivalents	<u>3,604,457</u>				<u>3,604,457</u>
Total Assets	\$ <u>18,835,384</u>	\$ <u>2,818,278</u>	\$ <u>18,306,070</u>	\$ <u>725,059</u>	\$ <u>40,684,791</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 3,680,881	\$ 258,831	\$ 1,633,306		\$ 5,573,018
Accrued Liabilities	244,596	6,497	589,718		840,811
Interfunds Payable			2,823,144		2,823,144
Intergovernmental Accounts Payable:					
State		6,989			6,989
Federal		2,112			2,112
Deferred Revenue	<u>4,950</u>	<u>694,821</u>	<u>191,217</u>		<u>890,988</u>
Total Liabilities	<u>3,930,427</u>	<u>969,250</u>	<u>5,237,384</u>		<u>10,137,061</u>
Fund Balances:					
Reserved for:					
Encumbrances	718,944		5,694,005		6,412,949
Capital Reserve Account	3,604,457				3,604,457
Excess Surplus	2,525,718				2,525,718
Excess Surplus - Designated for Subsequent Year's Expenditures	4,590,734				4,590,735
Unreserved:					
General Fund	2,995,638				2,995,638
Designated for Subsequent Year's Expenditures	469,466	1,849,028	7,374,680	593,728	10,286,903
Debt Service Fund				131,331	131,331
Total Fund Balances	<u>14,904,957</u>	<u>1,849,028</u>	<u>13,068,685</u>	<u>725,059</u>	<u>30,547,730</u>
Total Liabilities and Fund Balance	\$ <u>18,835,384</u>	\$ <u>2,818,278</u>	\$ <u>18,306,070</u>	\$ <u>725,059</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 \$211,858,804 and the
accumulated depreciation is \$31,944,873 (See Note 5).

179,913,931

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).

(115,706,873)

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

(1,145,690)

Net assets of governmental activities

\$ 93,609,098

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, 2008**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources:					
Local tax levy	\$ 105,704,289			\$ 7,344,256	\$ 113,048,545
Tuition	52,600			712,377	52,600
Miscellaneous	1,188,196	\$ 146,032			2,046,604
Total - Local Sources	106,945,085	146,032		8,056,633	115,147,749
State Sources	31,841,232	1,178,044		494,069	33,513,345
Federal Sources		2,750,769			2,750,769
Total Revenues	138,786,317	4,074,845		8,550,702	151,411,863
Expenditures					
Current:		3,044,686			42,853,159
Regular Instruction	39,808,473				9,410,531
Special Education Instruction	9,410,531				2,643,989
Other Instruction	2,643,989				
Support Services and Undistributed Costs:					4,942,252
Tuition	4,942,252				16,259,000
Student and Instruction Related Services	14,820,170	1,438,830			4,990,592
School Administrative Services	4,990,592				4,379,376
Other Administrative Services	4,379,376				9,784,556
Plant Operations and Maintenance	9,784,556				7,932,587
Pupil Transportation	7,932,587				33,323,931
Unallocated Benefits	33,323,931				202,857
Special Schools	202,857				8,953
Transfer to Charter Schools	8,953				
Debt Service:				4,624,670	4,624,670
Principal				4,744,208	4,744,208
Interest	3,221,417	328,379	\$ 35,176,666		38,726,462
Capital Outlay				9,368,877	184,827,122
Total Expenditures	135,469,684	4,811,895	35,176,666	9,368,877	184,827,122
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	3,316,633	(737,050)	(35,176,666)	(818,176)	(33,415,259)
Other Financing Sources (Uses):		2,454,153	2,500,000		4,954,153
Lease Purchase Agreement			(37,282)		(37,282)
Prior Year's Receivables Cancelled				2	69,055
Transfers In	69,053				(517,285)
Transfers Out	(448,230)		(69,055)		
Total Other Financing Sources (Uses)	(379,177)	2,454,153	2,393,663	2	4,468,641
Net Change in Fund Balances	2,937,456	1,717,103	(32,783,003)	(818,174)	(28,946,618)
Fund Balance July 1, as adjusted	11,967,501	131,925	45,851,688	1,543,233	59,494,348
Fund Balance June 30	\$ 14,904,957	\$ 1,849,028	\$ 13,068,685	\$ 725,059	\$ 30,547,730

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, 2008

Total Net Change in Fund Balances - Governmental Funds(From B-2)	\$	(28,946,618)
<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	\$	(2,562,397)
Capital Outlays are reported in the governmental funds as expenditures.		35,482,863
		32,920,466
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.		5,954,036
Increase in Compensated Absences		(37,225)
Decrease in Accrued Interest on Debt Payable		77,806
Lease Purchase Proceeds are not reported in the Statement of Activities		(4,954,153)
Change in Net Assets of Governmental Activities	\$	5,014,312

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, 2008**

	Business-Type Activities Enterprise Funds			Totals
	Major Programs			
	Food Service	ETTC Program	Adult & Community Program	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 38,112	\$ 98,199	\$ 487,377	\$ 623,688
Accounts Receivable:				
State Sources	2,027			2,027
Federal Sources	23,081			23,081
Other Sources	10,120	7,395	4,680	22,195
Inventories	65,615			65,615
Total Current Assets	<u>138,955</u>	<u>105,594</u>	<u>492,057</u>	<u>736,606</u>
Noncurrent Assets:				
Furniture, Machinery and Equipment	515,907	8,868		524,775
Building Improvements		57,586		57,586
	515,907	66,454		582,361
Less: Accumulated Depreciation	<u>391,866</u>	<u>26,375</u>		<u>418,242</u>
Total Noncurrent Assets	<u>124,040</u>	<u>40,079</u>		<u>164,119</u>
Total Assets	<u>\$ 262,996</u>	<u>\$ 145,672</u>	<u>\$ 492,057</u>	<u>\$ 900,725</u>
LIABILITIES				
Current Liabilities:				
Deferred Revenue	\$ 60,289		\$ 101,523	\$ 101,523
Accounts Payable	9,667	\$ 6,320	20,063	86,673
Accrued Salaries			1,819	11,486
Total Current Liabilities	<u>69,956</u>	<u>6,320</u>	<u>123,405</u>	<u>199,682</u>
Noncurrent Liabilities:				
Compensated Absences	<u>68,999</u>	<u>33,503</u>	<u>20,658</u>	<u>123,161</u>
Total Noncurrent Liabilities	<u>68,999</u>	<u>33,503</u>	<u>20,658</u>	<u>123,161</u>
Total Liabilities	<u>\$ 138,955</u>	<u>\$ 39,823</u>	<u>\$ 144,064</u>	<u>\$ 322,842</u>
NET ASSETS				
Invested in Capital Assets Net of Related Debt	\$ 124,040	\$ 40,078		\$ 164,119
Unrestricted		65,771	347,994	413,764
Total Net Assets	<u>\$ 124,040</u>	<u>\$ 105,849</u>	<u>\$ 347,994</u>	<u>\$ 577,883</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, 2008**

	Business-Type Activities			Total Enterprise
	Enterprise Funds			
	Food Service	Major Programs ETTC Program	Adult & Community Program	
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 1,201,742			\$ 1,201,742
Daily Sales - Nonreimbursable Programs	892,630			892,630
Registration Fees		\$ 249,794	\$ 550,573	800,367
Total Operating Revenues	2,094,372	249,794	550,573	2,894,739
Operating Expenses:				
Cost of sales	1,291,299			1,291,299
Salaries	1,038,576	207,394	361,059	1,607,029
Employee benefits	403,489	54,627	61,182	519,298
Purchased professional and technical services	1,792	26,380		28,172
Other purchased services	72,512	4,622	92,249	169,383
Registrations/Training/ Travel	3,182	678	917	4,776
General supplies	158,342	2,010	18,749	179,101
Miscellaneous expenses	130	725		855
Depreciation	14,802	3,577		18,379
Total Operating Expenses	2,984,123	300,013	534,156	3,818,292
Operating Income (Loss)	(889,751)	(50,219)	16,417	(923,553)
Nonoperating Revenues:				
State Sources:				
State school lunch program	28,261			28,261
Federal Sources:				
National school lunch program	316,041			316,041
Food distribution program	105,218			105,218
Interest revenue		4,846	17,489	22,335
Total Nonoperating Revenues	449,521	4,846	17,489	471,855
Income (Loss) before Contributions and Transfers	(440,230)	(45,373)	33,905	(451,698)
Transfers in/(out)	448,230			448,230
Change in Net Assets	8,000	(45,373)	33,905	(3,467)
Total Net Assets - Beginning	116,040	151,222	314,088	581,350
Total Net Assets - Ending	\$ 124,040	\$ 105,849	\$ 347,994	\$ 577,883

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, 2008**

	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	\$ 2,096,236	\$ 288,329	\$ 643,379	\$ 3,027,945
Payments to Employees and Suppliers	(3,029,924)	(285,476)	(517,326)	(3,832,726)
Net Cash Provided by/(Used for) Operating Activities	(933,688)	2,854	126,053	(804,781)
<u>Cash Flows from Noncapital Financing Activities</u>				
State Sources	27,973			27,973
Federal Sources	417,157			417,157
Operating Transfers from/(to) Other Funds	448,230			448,230
Net Cash Provided by/(Used for) Noncapital Financing Activities	893,360			893,360
<u>Cash Flows from Investing Activities</u>				
Asset acquisitions	(22,802)			(22,802)
Interest		4,846	17,489	22,335
Net Increase/(Decrease) in Cash and Cash Equivalents	(63,130)	7,700	143,542	88,112
Balances - Beginning of Year	101,242	90,499	343,834	535,575
Balances - End of Year	\$ 38,112	\$ 98,199	\$ 487,377	\$ 623,688
<u>Reconciliation of Operating Income/ (Loss) to Net Cash Provided (Used) by Operating Activities</u>				
Operating Gain/(Loss)	\$ (889,751)	\$ (50,219)	\$ 16,417	\$ (923,553)
Adjustments to Reconcile Operating Loss to Cash Provided/(Used) by Operating Activities:				
Depreciation	14,802	3,577		18,379
Federal Commodities				
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	1,864	38,535	6,405	46,804
Increase/(Decrease) in accrued wages	7,864		(437)	7,427
(Decrease)/Increase in compensated absences payable	1,748	11,513	6,776	20,037
Increase/(Decrease) in deferred revenue			86,402	86,402
(Increase)/Decrease in Inventory	10,570			10,570
Increase/(Decrease) in accounts payable	(80,784)	(553)	10,491	(70,845)
Total Adjustments	(43,937)	53,072	109,637	118,772
Net Cash Provided (Used) by Operating Activities	\$ (933,688)	\$ 2,854	\$ 126,053	\$ (804,781)

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, 2008**

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>	<u>Deferred Benefit Trust</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 188,372	\$ 1,082,755	\$ 179,818
Accounts Receivable - Other		1,225	
Total Assets	<u>\$ 188,372</u>	<u>\$ 1,083,980</u>	<u>\$ 179,818</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 9,836	\$ 21,358	\$
Payable to Student Groups		465,797	
Payroll Deductions and Withholdings		596,825	
Total Liabilities	<u>\$ 9,836</u>	<u>\$ 1,083,980</u>	<u>\$</u>
<u>NET ASSETS</u>			
Held in Trust for Unemployment Claims and Other Purposes	\$ 178,536	\$	\$
Reserved for Deferred Benefits			179,818
Total Net Assets	<u>\$ 178,536</u>	<u>\$</u>	<u>\$ 179,818</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, 2008

	<u>Unemployment Compensation Trust</u>	<u>Deferred Benefit Trust</u>
<u>Additions</u>		
Contributions:		
Plan Members	\$ 111,682	
Board Contribution	10,000	
Other	10,763	
	<u>132,445</u>	
Total Contributions		
	<u>132,445</u>	
Investment Earnings:		
Interest	4,188	\$ 6,586
	<u>4,188</u>	<u>6,586</u>
Total Additions	<u>136,634</u>	<u>6,586</u>
<u>Deductions</u>		
Unemployment Claims and Assessment	47,587	
	<u>47,587</u>	
Total Deductions	<u>47,587</u>	
Change in Net Assets	89,047	6,586
Total Net Assets - Beginning	<u>89,489</u>	<u>173,232</u>
Total Net Assets - Ending	<u>\$ 178,536</u>	<u>\$ 179,818</u>

See accompanying notes to financial statements.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

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 2007-08 fiscal year of 8,782 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, 2008

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, 2008

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, 2008

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 retained earnings, 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, 2008

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 retained earnings 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, 2008

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 last state aid payment 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, 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets/Budgetary Control (Continued)

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources:		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules.	\$ 138,802,821	\$ 4,089,955
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, 2007		85,619
June 30, 2008		(100,729)
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, 2007	(930,325)	
June 30, 2008	916,498	
	138,788,994	4,074,845
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ 138,788,994	\$ 4,074,845
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 135,469,684	\$ 4,827,005
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, 2007		85,619
June 30, 2008		(100,729)
	135,469,684	4,811,895
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ 135,469,684	\$ 4,811,895

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2008

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, 2008

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, 2008.

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 2007-08 and 2006-07 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:

<u>Description</u>	<u>Estimated Lives</u>
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, 2008

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 district-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, 2008

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 estimated 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.

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

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

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

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2008

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

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

As of June 30, 2008, 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)	\$ 21,238,334
Proprietary Funds	623,688
Fiduciary Funds	1,450,945
	\$ 23,312,967

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, 2008

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of June 30, 2008 the District had the following investments and maturities.

Investment Type	Fair Value	Investment Maturities		
		Less than 1 year	1-5 years	Over 5 years
Blackrock Funds Money Market	\$ 2,482,295	\$ 2,482,295		

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 the District may invest in any one issuer.

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, 2007 to June 30, 2008 fiscal year is as follows:

Beginning balance, July 1, 2007	\$ 97,901
Increase:	
Interest earnings	6,237
Completed capital projects	65,318
Board approved transfer resolution of June 19, 2008	<u>3,435,000</u>
Ending balance, June 30, 2008	<u>\$ 3,604,457</u>

The June 30, 2008 LRFP balance of local support costs of uncompleted capital projects at June 30, 2008 exceeded the June 30, 2008 capital reserve balance.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2008

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, 2008:

Governmental Activities

	Balance <u>June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2008</u>
<u>Non-Depreciable Assets:</u>				
Sites	\$ 1,019,208	\$ -	\$ -	\$ 1,019,208
Construction in Progress	73,931,028	35,176,666	(44,920,552)	64,187,142
<u>Depreciable Assets:</u>				
Buildings and Improvements	90,149,540	44,921,816	(1,264)	135,070,092
Machinery and Equipment	<u>11,167,591</u>	<u>636,458</u>	<u>(221,686)</u>	<u>11,582,362</u>
Totals at Historical Cost	176,267,366	80,734,940	(45,143,503)	211,858,804
Less: Accumulated Depreciation	<u>29,593,058</u>	<u>2,562,397</u>	<u>(210,582)</u>	<u>31,944,873</u>
Governmental Activities, Capital Assets - Net	<u>\$ 146,674,308</u>	<u>\$ 78,172,543</u>	<u>\$ (44,932,921)</u>	<u>\$ 179,913,931</u>

Proprietary Activities

	Balance <u>June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2008</u>
<u>Depreciable Assets:</u>				
Machinery and Equipment	\$ 501,973	\$ 22,802		\$ 524,775
Building Improvements	<u>57,586</u>			<u>57,586</u>
Totals at Historical Cost	559,559	22,802		582,361
Less: Accumulated Depreciation Proprietary Activities	<u>399,863</u>	<u>18,378</u>		<u>418,241</u>
Governmental Activities, Capital Assets - Net	<u>\$ 159,695</u>	<u>\$ 4,424</u>	<u>\$ -</u>	<u>\$ 164,119</u>

Total depreciation expense for the fiscal year ended June 30, 2008 for governmental activities was \$ 2,562,397 and for business-type activities was \$ 18,378.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2008

6. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2008, the following changes occurred in long-term liabilities:

	Balance June 30, 2007	Issued	Retired	Balance June 30, 2008	Current Portion	Long-Term Portion
Compensated Absences Payable	\$ 3,537,656	\$ 57,263		\$ 3,594,919	\$ 137,793	\$ 3,457,126
Serial Bonds Payable	91,306,000		2,540,000	88,766,000	2,540,000	86,226,000
Capital Leases Payable	2,697,468	5,273,311	674,367	7,296,412	2,022,462	5,273,950
Lease Purchase Obligations Payable	18,912,374		2,739,670	16,172,704	2,631,169	13,541,535
	<u>\$ 116,453,498</u>	<u>\$ 5,330,574</u>	<u>\$ 5,954,036</u>	<u>\$ 115,830,034</u>	<u>\$ 7,331,424</u>	<u>\$ 108,498,611</u>
Detail:						
Governmental Activities				\$ 115,706,873	\$ 7,331,424	\$ 108,375,450
Business - Type Activities				<u>123,161</u>		<u>123,161</u>
				<u>\$ 115,830,034</u>	<u>\$ 7,331,424</u>	<u>\$ 108,498,611</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 outstanding Bonds mature annually from 2009 to 2011 in annual maturities 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 Bonds mature annually from 2008 to 2034 in amounts ranging from \$1,810,000 to \$3,620,000. The Bonds bear interest rates ranging from 4.25% to 4.625%.

The proceeds of the Bonds are being utilized to finance renovations and improvements to the Hammaiskjold 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, 2008

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 Bonds mature annually from 2009 to 2022 in amounts ranging from \$10,000 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.

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

Year Ending June 30,	Principal			Interest		
	2001 Series	2005 series	2007 Series	2001 Series	2005 series	2007 Series
2009	\$ 720,000	\$ 1,810,000	\$ 10,000	\$ 102,600	\$ 3,295,971	\$ 472,950
2010	720,000	1,810,000	10,000	68,400	3,219,046	472,550
2011	720,000	2,175,000	15,000	34,200	3,134,365	472,150
2012		2,175,000	735,000		3,041,928	471,550
2013		2,175,000	905,000		2,949,490	442,150
2014		2,175,000	900,000		2,857,053	405,950
2015		2,175,000	900,000		2,764,615	360,950
2016		2,540,000	905,000		2,664,421	315,950
2017		2,540,000	905,000		2,556,471	270,700
2018		2,540,000	1,085,000		2,448,521	225,500
2019		2,540,000	1,085,000		2,340,571	171,200
2020		2,540,000	1,075,000		2,232,621	127,800
2021		2,900,000	1,065,000		2,117,021	84,800
2022		2,900,000	1,055,000		1,993,771	42,200
2023		2,900,000			1,870,521	
2024		2,900,000			1,747,271	
2025		2,900,000			1,620,396	
2026		3,260,000			1,481,796	
2027		3,260,000			1,335,096	
2028		3,260,000			1,188,396	
2029		3,260,000			1,041,696	
2030		3,260,000			894,996	
2031		3,620,000			740,196	
2032		3,620,000			577,296	
2033		3,620,000			412,134	
2034		3,620,000			244,709	
2035		3,481,000			80,498	
	<u>\$ 2,160,000</u>	<u>\$ 75,956,000</u>	<u>\$ 10,650,000</u>	<u>\$ 205,200</u>	<u>\$ 50,850,870</u>	<u>\$ 4,336,400</u>

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2008

6. LONG-TERM LIABILITIES (CONTINUED)

A. Bonds Payable (Continued)

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

<u>Year Ending</u> <u>June 30,</u>	<u>Grand Totals All Issues</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 2,540,000	\$ 3,871,521	\$ 6,411,521
2010	2,540,000	3,759,996	6,299,996
2011	2,910,000	3,640,715	6,550,715
2012	2,910,000	3,513,478	6,423,478
2013	3,080,000	3,391,640	6,471,640
2014	3,075,000	3,263,002	6,338,002
2015	3,075,000	3,125,565	6,200,565
2016	3,445,000	2,980,371	6,425,371
2017	3,445,000	2,827,171	6,272,171
2018	3,625,000	2,674,021	6,299,021
2019	3,625,000	2,511,771	6,136,771
2020	3,615,000	2,360,421	5,975,421
2021	3,965,000	2,201,821	6,166,821
2022	3,955,000	2,035,971	5,990,971
2023	2,900,000	1,870,521	4,770,521
2024	2,900,000	1,747,271	4,647,271
2025	2,900,000	1,620,396	4,520,396
2026	3,260,000	1,481,796	4,741,796
2027	3,260,000	1,335,096	4,595,096
2028	3,260,000	1,188,396	4,448,396
2029	3,260,000	1,041,696	4,301,696
2030	3,260,000	894,996	4,154,996
2031	3,620,000	740,196	4,360,196
2032	3,620,000	577,296	4,197,296
2033	3,620,000	412,134	4,032,134
2034	3,620,000	244,709	3,864,709
2035	3,481,000	80,498	3,561,498
	<u>\$ 88,766,000</u>	<u>\$ 55,392,465</u>	<u>\$ 144,158,465</u>

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2008

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	\$ 8,841,945
---------------------------	--------------

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 under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2008 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2009	\$ 693,000
2010	693,000
2011	693,000
2012	693,000
2013	693,000
Thereafter	2,772,000
Total Minimum Lease Payments	\$ 6,237,000
Less: Amount representing interest	(1,167,676)
Present Value of Net Minimum Lease Payments	\$ 5,069,324

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2008

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, 2008

6. LONG-TERM LIABILITIES (CONTINUED)

B. Lease Purchase Obligations Payable (Continued)

1999 Agreement (Continued)

Future Minimum Lease Payments - Future minimum lease payments under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2008 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2009	\$ 1,050,000
2010	1,050,000
2011	1,050,000
2012	1,050,000
2013	1,050,000
Thereafter	<u>6,539,519</u>
Total Minimum Lease Payments	\$ 11,789,519
Less: Amount representing interest	<u>(2,560,948)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 9,228,571</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, 2008

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.

Future Minimum Lease Payment – Future minimum lease payments under the lease purchase agreement along with the present value of the minimum lease payments as of June 30, 2008 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2009	\$ 1,500,000
2010	374,811
Total Minimum Lease Payments	<u>\$ 1,874,811</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.

C. Capital Lease Obligations – Governmental Fund

The District entered into a Capital Lease Obligation during 2006-07 to lease equipment for use throughout the District. Interest is at 3.96%. Principal payments are due in five (5) annual installments consisting of \$ 673,367 which was repaid on September 8, 2006, and four (4) payments of \$674,367, due on July 8, commencing in 2007 and concluding in 2010.

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, commencing in 2009 and concluding in 2013. Interest is at 2.56%. The technology equipment lease of \$2,150,000 is due in three annual installments, due on May 11, commencing in 2009 and concluding in 2011. Interest is at 2.38%.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2008

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, 2008

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% 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, 2008, 2007 and 2006 were \$788,061, \$419,853 and \$217,842, respectively, for each of the three years equal to the required contributions for each year.

During the fiscal year ended June 30, 2008, the State of New Jersey contributed \$4,188,195 to the TPAF for normal benefits and \$3,903,494 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 \$4,267,917 during the year ended June 30, 2008 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, 2008

8. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 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. As of June 30, 2007, there were 75,860 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 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve of one half of 1% of the active State payroll.

The State made Post-Retirement (PRM) contributions \$592.7 million for TPAF and \$224.3 million for PERS in Fiscal Year 2007.

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 \$110.3 million toward Chapter 126 benefits for 11,747 eligible retired members in Fiscal Year 2007.

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, 2008

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, 2008, a liability existed for compensated absences in the proprietary fund types of \$123,161.

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
- Citistreet
- 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>
2007-2008	\$ 10,000	\$ 10,763	\$ 4,188	\$ 111,682	47,587	178,535
2006-2007	35,000	3,481	3,491	103,513	142,660	89,489
2005-2006		3,062	3,450	100,263	110,496	86,664

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2008

12. INTERFUND RECEIVABLES AND PAYABLES

The total interfund accounts receivable and payable for the District at June 30, 2008 is as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 2,619,953	\$ -
Capital Projects Fund		2,823,144
Debt Service Fund	203,191	
	<u>\$ 2,823,144</u>	<u>\$ 2,823,144</u>

The Capital Projects fund has an interfund payable to the General Fund for expenditure reimbursement and an interfund payable to the Debt Service Fund for interest earnings. These interfunds have been liquidated subsequent to year end.

13. INVENTORY

Inventory in the Enterprise Fund at June 30, 2008 of \$ 65,615 is 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 \$15,835,282 General Fund fund balance at June 30, 2008, \$718,944 is reserved for encumbrances; \$3,604,457 has been reserved in the Capital Reserve Account; \$469,466 has been appropriated and included as anticipated revenue for the year ending June 30, 2009; \$8,046,777 is reserved for excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$4,590,734 of the total reserve for excess surplus has been appropriated and included as revenue for the year ending June 30, 2009); and \$2,995,638 is unreserved and undesignated.

Debt Service Fund – Of the \$725,059 Debt Service fund balance at June 30, 2008 \$593,728 has been appropriated and included as anticipated revenue for the year ending June 30, 2009 and \$131,331 is unreserved and undesignated.

Capital Projects Fund – Of the \$13,068,685 capital projects fund balance at June 30, 2008, \$5,694,005 is reserved for encumbrances and \$7,374,680 is designated for subsequent years expenditures.

Special Revenue Fund – All of the \$1,849,028 special revenue fund balance at June 30, 2008 is designated for subsequent years expenditures.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2008

15. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). 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 resulting from the fiscal year ended June 30, 2008 was \$3,456,043.

The excess surplus is presented on a GAAP basis and a reconciliation to the budget basis as follows:

Excess surplus on a budgetary basis	C-1	\$	3,456,043
Less: \$930,325 State aid payment not recognized on a GAAP basis			930,325
Excess surplus on a GAAP basis	B-1	\$	2,525,718

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.

- C. **Rebate Liability** - The Capital Projects Fund reflects an accrued liability of \$589,718. This amount is the arbitrage liability for the school district's \$81,386,000 Series 2005 School Bonds, estimated through June 30, 2008.

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.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2008

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. SUBSEQUENT EVENTS

On August 6, 2008, the Board entered into a two year lease with Corpus Christie Church to provide facilities for displaced Memorial School students. Monthly lease payments of \$60,493 commenced on September 1, 2008, and are being reimbursed to the Board by the insurer. The period for which the insurer will reimburse the Board has not yet been determined.

On August 14, 2008 the Board entered into a \$2,690,000 lease purchase agreement with Commerce Commercial Leasing, LLC for the lease purchase of buses and various equipment. The lease is payable in five annual installments, commencing August 14, 2008.

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, 2008**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 105,704,289		\$ 105,704,289	\$ 105,704,289	
Tuition - individuals	4,161		4,161	6,237	2,076
Interest earned on capital reserve funds	763,455		763,455	1,181,958	418,503
Miscellaneous					
Total - local sources	<u>106,471,905</u>		<u>106,471,905</u>	<u>106,945,085</u>	<u>473,180</u>
State sources:					
Core curriculum standards aid	8,649,678		8,649,678	8,649,678	
Transportation aid	2,221,120		2,221,120	2,221,120	
Special education aid	6,196,136		6,196,136	6,196,136	
Bilingual education aid	202,496		202,496	202,496	
Special education extraordinary aid				504,250	504,250
Non-public school transportation aid	1,089,138		1,089,138	20,222	20,222
Additional formula aid	614,613		614,613	614,613	
Consolidated aid	477		477	477	
Full-day kindergarten supplemental aid					
On behalf TPAF pension contributions/post retirement medical benefits (non-budgeted)				8,091,689	8,091,689
Reimbursed TPAF social security contributions (non-budgeted)				4,267,917	4,267,917
Total - state sources	<u>18,973,658</u>		<u>18,973,658</u>	<u>31,857,736</u>	<u>12,884,078</u>
Total revenues	<u>125,445,563</u>		<u>125,445,563</u>	<u>138,802,821</u>	<u>13,357,258</u>

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Instructional programs:					
Regular programs:					
Salaries of teachers:					
Preschool	40,755	1,950	42,705	42,704	1
Kindergarten	790,389	(1,950)	788,439	705,176	83,263
Grades 1-5	12,175,076	430,578	12,605,654	12,605,653	1
Grades 6-8	9,936,115	(180,000)	9,756,115	9,755,632	483
Grades 9-12	13,982,998	(155,000)	13,827,998	13,827,317	681
Home instruction:					
Purchased professional/educational services	73,500		73,500	27,638	45,862
Undistributed instruction:					
Other salaries for instruction	245,602	25,886	271,488	271,488	
Purchased professional/educational services	169,585	159	169,744	168,903	842
Purchased technical services	48,925	5,172	54,097	49,835	4,262
Other purchased services	1,302,986	(191,393)	1,111,593	427,005	684,587
Registrations/Training/Travel	10,000	2,900	12,900	12,599	301
General supplies	1,625,355	46,342	1,671,697	1,568,751	102,946
Textbooks	371,207	(17,807)	353,400	339,314	14,086
Miscellaneous expenditures	8,090	(147)	7,943	6,458	1,486
Total regular programs	<u>40,780,583</u>	<u>(33,310)</u>	<u>40,747,273</u>	<u>39,808,473</u>	<u>938,800</u>
Special education:					
Learning/language disabilities:					
Salaries of teachers	529,746	(159,531)	370,215	344,018	26,197
Other salaries for instruction	303,102	(121,464)	181,638	153,875	27,763

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2008**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Instructional programs (continued):					
Special education (continued):					
Learning/language disabilities:					
(continued):					
Registrations/Training/Travel	200		200		178
General supplies	5,850	4,975	10,825	10,505	320
Textbooks	650	(275)	375	200	175
Total learning/language disabilities	839,548	(276,295)	563,253	508,620	54,633
Multiple disabilities:					
Salaries of teachers	296,891		296,891	286,996	9,895
Other salaries for instruction	139,209		139,209	89,531	49,678
Other purchased services	700	(199)	501	385	116
Textbooks	1,000	(1,000)			
General supplies	6,500	(1,508)	4,992	4,579	413
Total multiple disabilities	444,300	(2,707)	441,593	381,491	60,102
Resource room:					
Salaries of teachers	6,444,193	(73,379)	6,370,814	6,195,944	174,870
Other salaries for instruction	736,977	73,379	810,356	810,355	1
Other purchased services	200		200	146	54
General supplies	22,342	4,160	26,502	24,423	2,079
Textbooks	4,500	(3,500)	1,000		1,000
Total resource room	7,208,212	660	7,208,872	7,030,869	178,003
Autism:					
Salaries of teachers	567,247	(12,162)	555,085	361,343	193,742
Other salaries for instruction	331,247	12,162	343,409	343,409	
Other purchased services	200		200		200
General supplies	13,935	(6,348)	7,587	3,191	4,396
Total autism	912,629	(6,348)	906,281	707,943	198,338

**BOARD OF EDUCATION
 EAST BRUNSWICK SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FISCAL YEAR ENDED JUNE 30, 2008**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Instructional programs (continued):					
Special education (continued):					
Preschool disabilities - part-time:					
Salaries of teachers	\$ 90,759	\$ 122,813	\$ 213,572	\$ 213,571	\$ 1
Other salaries for instruction	103,850	(26,913)	76,937	68,341	8,596
Other purchased services		199	199	199	
General supplies	9,140	(407)	8,733	8,641	92
Total preschool disabilities - part-time	<u>203,749</u>	<u>95,692</u>	<u>299,441</u>	<u>290,753</u>	<u>8,688</u>
Preschool disabilities - full-time:					
Salaries of teachers	312,985	(125,846)	187,139	174,400	12,739
Other salaries for instruction	203,624	29,946	233,570	229,199	4,371
General supplies	1,300	508	1,808	1,807	1
Total preschool disabilities - full-time	<u>517,909</u>	<u>(95,392)</u>	<u>422,517</u>	<u>405,406</u>	<u>17,111</u>
Home instruction:					
Salaries of teachers	136,500		136,500	85,450	51,050
Total home instruction	<u>136,500</u>		<u>136,500</u>	<u>85,450</u>	<u>51,050</u>
Total special education	<u>10,262,847</u>	<u>(284,390)</u>	<u>9,978,457</u>	<u>9,410,531</u>	<u>567,925</u>

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Instructional programs (continued):					
Basic skills/remedial:					
Salaries of teachers	1,548,284		1,548,284	\$ 1,114,346	\$ 433,938
Other purchased services	1,400		1,400	30	1,370
General supplies	21,500	(687)	20,813	16,381	4,432
Total basic skills/remedial	<u>1,571,184</u>	<u>(687)</u>	<u>1,570,497</u>	<u>1,130,757</u>	<u>439,740</u>
Bilingual education:					
Instruction:					
Salaries of teachers	494,168		494,168	444,549	49,619
General supplies	4,400	(1,575)	2,825	2,223	602
Other expenditures	550	(114)	436		436
Total bilingual education	<u>499,118</u>	<u>(1,689)</u>	<u>497,429</u>	<u>446,772</u>	<u>50,657</u>
School sponsored cocurricular activities - instruction:					
Salaries	478,798		478,798	375,998	102,800
Purchased services	12,500	1,192	13,692	13,365	327
Supplies and materials	500	(44)	456	449	7
Other expenditures	7,000	(2,785)	4,215	3,288	927
Total school sponsored cocurricular activities	<u>498,798</u>	<u>(1,637)</u>	<u>497,161</u>	<u>393,100</u>	<u>104,061</u>
School sponsored athletics - instruction:					
Salaries	588,784		588,784	531,239	57,545
Purchased services	42,230	956	43,186	39,928	3,258
Other purchased services	2,700		2,700	2,009	691
Supplies and materials	33,492	1,925	35,417	35,318	99
Other expenditures	3,730	(956)	2,774	2,119	655
Fund transfers to cover deficit	42,824	19,924	62,748	62,748	
Total school sponsored athletic activities	<u>713,760</u>	<u>21,849</u>	<u>735,609</u>	<u>673,361</u>	<u>62,248</u>
Total instructional programs	<u>54,326,290</u>	<u>(299,864)</u>	<u>54,026,426</u>	<u>51,862,994</u>	<u>2,163,432</u>

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2008

	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	28,440	(15,954)	12,486	12,486	
Tuition to other LEAs within the state - special	1,361,848	(449,232)	912,616	855,252	\$ 57,365
Tuition to cssd & regional day schools		91,226	91,226	87,888	3,338
Tuition to private schools - disabled -in state	4,215,516	(159,426)	4,056,090	3,894,043	162,047
Tuition to private schools - disabled - o/s state		19,155	19,155	18,352	803
Tuition - state facilities	74,432		74,432	74,432	
Tuition - other	46,800	(46,800)			
Total instruction	5,727,036	(561,031)	5,166,005	4,942,252	223,753
Attendance and social work:					
Salaries	179,022		179,022	177,866	1,156
Other purchased services	1,012	(40)	972	694	278
Supplies and materials	850	12	862	345	517
Total attendance and social work	180,884	(28)	180,856	178,905	1,951
Health services:					
Salaries	1,074,141	(678)	1,073,463	1,043,020	30,443
Purchased professional/technical services	93,182		93,182	90,053	3,129
Other purchased services	5,874	11	5,885	2,373	3,512
Supplies and materials	19,800	(392)	19,408	17,195	2,213
Total health services	1,192,997	(1,059)	1,191,938	1,152,641	39,297
Other support services - students - related:					
Salaries	773,864	248,632	1,022,496	1,022,495	1
Purchased professional/educational services	1,108,954	20,393	1,129,347	1,096,104	33,243
Supplies and materials	4,000	(1,029)	2,971	2,943	28
Other purchased services	1,600	135	1,735	1,488	247
Total other support services - students - related	1,888,418	268,131	2,156,549	2,123,030	33,519

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2008**

	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	\$ 865,855	\$ (50,130)	\$ 815,725	\$ 815,725	\$ 61,245
Purchased professional/educational services	620,270	198,845	819,115	757,870	711
Supplies and materials	5,000		5,000	4,289	171
Other purchased services		350	350	179	975
Other expenditures	4,000		4,000	3,025	
Total other supp. services - students - extraordinary	1,495,125	149,085	1,644,190	1,581,088	63,102
Other support services - students - regular:					
Salaries of other professional staff	2,752,059	(1,070)	2,750,989	2,703,775	47,214
Salaries of secretarial/clerical assistants	415,285	1,070	416,355	416,355	
Other purchased professional/technical services	6,579		6,579	5,550	1,029
Other purchased services	13,467	260	13,727	11,911	1,816
Supplies and materials	15,241	(1,440)	13,801	12,235	1,566
Other expenditures	575		575	565	10
Total other support services - students - regular	3,203,206	(1,180)	3,202,026	3,150,392	51,634
Other support services - students - special:					
Salaries of other professional staff	2,368,556		2,224,530	2,184,425	40,105
Salaries of secretarial/clerical assistants	377,145	(144,026)	377,145	341,211	35,934
Purchased professional/educational services	13,000		13,000	12,675	325
Miscellaneous purchased services	8,975	(346)	8,629	7,661	968
Residential costs	72,300	(1,050)	71,250	71,249	1
Other purchased services	5,500	1,000	6,500	6,492	8
Supplies and materials	16,900		16,900	14,163	2,737
Total other support services - students - special	2,862,376	(144,422)	2,717,954	2,637,876	80,078
Improvement instructional services:					
Salaries of supervisors of instruction	433,453	100,934	534,387	534,387	1
Salaries of other professional staff	166,770	1,212	167,982	167,981	1
Salaries of secretarial/clerical assistants	221,479	(3,136)	218,343	201,900	16,443
Other salaries	42,104		42,104	41,888	216
Other purchased professional/technical services	2,000	(1,984)	16	16	16

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2008**

	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	\$ 61,249	\$ (4,376)	\$ 56,874	\$ 40,632	\$ 16,242
Supplies and materials	39,156	4	39,160	30,951	8,209
Other expenditures	12,300	(1,987)	10,313	7,731	2,582
Total improvement instructional services	978,511	90,668	1,069,179	1,025,470	43,709
Instructional staff training services:					
Salaries of supervisors of instruction	881,633		881,633	814,272	67,361
Salaries of other professional staff	37,800	(4,927)	32,873	32,873	
Salaries of secretarial/clerical assistants	299,309	4,927	304,236	304,235	1
Purchased professional/educational services	19,815	292	20,107	19,806	301
Other purchased services	75,150	(2,029)	73,121	51,753	21,368
Supplies and materials	3,000		3,000	3,000	
Total instructional staff training services	1,316,707	(1,737)	1,314,970	1,193,056	121,904
Educational media/library:					
Salaries	1,515,247	45,016	1,560,263	1,560,263	
Purchased professional/mechanical services	27,000	(1,500)	25,500	25,068	432
Other purchased services	5,150	985	6,135	4,293	1,842
Supplies and materials	204,720	(7,808)	196,912	187,970	8,942
Other expenditures		110	110	110	
Total educational media/library	1,752,117	36,803	1,788,920	1,777,703	11,217

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2008**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Support services - general administration:					
Salaries	\$ 660,601	\$	\$ 660,601	\$ 653,154	\$ 7,447
Legal services	247,000	77,894	324,894	193,738	131,156
Audit fees	38,000	35,750	73,750	36,500	37,250
Other purchased professional services	63,589	(1,526)	62,063	45,343	16,720
Purchased technical services	3,500	2,000	5,500	4,517	983
Communications/telephone	435,253	(69,939)	365,314	318,791	46,523
BOE - Other purchased services	11,500		11,500	3,340	8,160
Miscellaneous purchased services	42,010	17,917	59,927	28,896	31,031
Other purchased services	15,450		15,450	1,432	14,018
General supplies	31,180	(1,928)	29,252	16,993	12,259
BOE in-house training/meeting supplies	2,500	(1,216)	1,284	1,187	97
Miscellaneous expenditures	24,423	(1,100)	23,323	9,057	14,267
BOE membership dues/fees	33,000	1,216	34,216	34,216	
Total support services - general administration	1,608,006	59,068	1,667,074	1,347,162	319,912
Support services - school administration:					
Salaries of principals/assistant principals	2,524,420	(8,691)	2,515,729	2,500,039	15,690
Salaries of other professional staff	750,070		750,070	742,346	7,724
Salaries of secretarial and clerical assistants	1,540,035	8,691	1,548,726	1,548,725	1
Other purchased services	159,754	(11,644)	148,110	124,271	23,839
Supplies and materials	60,827	765	61,592	54,733	6,859
Other expenditures	16,575	3,903	20,478	20,478	
Total support services - school administration	5,051,681	(6,976)	5,044,705	4,990,592	54,113
Required maintenance for school facilities:					
Salaries	1,248,831	5,025	1,253,856	1,253,856	
Cleaning, repair and maintenance services	630,425	8,945	639,370	576,876	62,494
General supplies	190,400	122,922	313,322	259,773	53,549
Total required maintenance for school facilities	2,069,656	136,892	2,206,548	2,090,505	116,043

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2008**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
\$	2,325,276	\$ 141,242	\$ 2,466,518	\$ 2,466,518	
Salaries	30,000	18,761	48,761	48,761	
Purchased professional/technical services	2,236,257	(6,241)	2,230,016	1,771,602	458,414
Cleaning, repair and maintenance services	66,650		66,650	66,641	9
Rentals - land/buildings	154,059	1,380	155,439	79,652	75,787
Other purchased property services	539,913	(73,423)	466,490	448,283	18,207
Insurance	7,000		7,000	4,142	2,858
Other purchased services	249,820	25,189	275,009	257,919	17,090
General supplies	65,250	18,861	84,111	82,433	1,678
Miscellaneous purchased services	3,321,080	(89,285)	3,231,795	2,462,212	769,582
Energy (heat and electricity)	19,100	(13,211)	5,889	5,889	
Other expenditures					
Total operation and maintenance of plant services	9,014,405	23,273	9,037,678	7,694,051	1,343,626
Student transportation:					
Salaries for pupil transportation (between home and school) - regular	696,462	2,006	696,462	661,077	35,385
Purchased professional/technical services	73,000	(4,935)	68,065	62,239	5,826
Cleaning, repair and maintenance		20,527	20,527	20,526	1
Rental/Leasing - School Buses	154,647	(154,647)			
Lease Purchase Payments - School Buses					
Contracted services (between home and school) - vendors	2,484,223	(18,884)	2,465,339	2,461,762	3,577
Contracted services (other than between home and school) - vendors	533,865	(153,618)	380,247	358,664	21,583
Contracted services - jointure	35,000	(35,000)			
Contracted services (special education students) - vendors	1,997,896	(729,943)	1,267,953	1,261,384	6,569
Contracted services (special education students) - ESC's and CTSA's	1,511,580	1,171,546	2,683,126	2,676,872	6,254

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Student transportation (continued):					
Contracted services - aid in lieu of payments	\$ 330,400	(41,264)	\$ 289,136	\$ 255,262	\$ 33,874
Miscellaneous purchased services - transportation	1,167	55,350	56,517	56,428	89
Other purchased services	1,400	108	1,508	1,098	410
Supplies and materials	165,635	(47,458)	118,177	113,752	4,425
Other expenditures	875	642	1,517	1,517	
Total student transportation	7,986,150	64,430	8,050,580	7,932,567	117,993
Other support services:					
Salaries	4,270		4,270		4,270
Total other support services	4,270		4,270		4,270
Central services:					
Salaries	1,349,259	108,975	1,458,234	1,381,810	76,424
Purchased professional services	29,000	(7,680)	21,320	21,319	1
Purchased technical services	18,000	1,301	19,301	17,701	1,600
Miscellaneous purchased services	43,936	16,081	60,017	53,112	6,905
Other purchased services	10,000		10,000	8,928	1,072
Supplies and materials	54,313	(21,935)	32,378	31,736	642
Interest for lease purchase agreements	265,005		265,005	120,527	144,478
Miscellaneous expenditures	8,700	(1,254)	7,446	4,092	3,354
Total central services	1,776,213	95,488	1,873,701	1,639,225	234,476

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2008**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Administrative information technology:					
Salaries	\$ 1,052,900		\$ 1,052,900	\$ 986,264	\$ 66,636
Purchased professional services	129,947	39,811	169,758	122,028	47,730
Purchased technical services	236,139	(10,978)	225,161	209,597	15,564
Other purchased services	23,675	(4,000)	19,675	8,339	11,336
Supplies and materials	59,857	8,246	68,103	66,012	2,090
Other expenditures	760		760	749	11
Total admin. information technology	1,503,278	33,078	1,536,356	1,392,989	143,367
Unallocated benefits:					
Social security contributions	1,415,465	(109)	1,415,356	1,389,315	26,041
Unemployment compensation insurance	10,000		10,000	10,000	
TPAF Contributions - regular		109		109	
Other retirement contributions - regular	545,846	235,058	780,904	692,074	88,830
Workmen's compensation	493,514	(3,658)	489,856	481,751	8,105
Health benefits	18,928,775	(584,812)	18,343,963	17,888,800	455,163
Tuition reimbursements	170,000	3,240	173,240	145,140	28,100
Other employee benefits	370,000	7,583	377,583	357,137	20,446
	21,933,600	(342,589)	21,591,011	20,964,324	626,687
On-behalf TPAF pension contributions/post retirement medical benefits (non-budgeted)				8,091,689	(8,091,689)
Reimbursed TPAF social security contributions (non-budgeted)				4,267,917	(4,267,917)
Total undistributed expenditures	71,546,636	(102,127)	71,444,509	80,173,463	(8,728,956)
TOTAL EXPENDITURES - CURRENT EXPENSE	125,872,926	(401,991)	125,470,935	132,036,457	(6,565,524)

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2008**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CAPITAL OUTLAY:					
Interest Deposit to Capital Reserve	\$ 4,161	\$	\$ 4,161	\$ 4,161	\$
Equipment:					
Regular programs - instruction:					
Grades 1-5	3,000	2,853	5,853	5,649	204
Grades 6-8	5,400		5,400	4,391	1,009
Grades 9-12	47,415	(21,466)	25,949	25,948	1
Undistributed expenditures:					
Non-instructional expenditures:					
General administration		9,799	9,799	9,799	
Central services	6,000	6,617	6,617	6,617	
Support services - students - extraordinary services	3,000	(1,515)	1,485	2,714	3,286
Support services - instructional staff improvement	35,000		35,000	34,960	40
Administrative information technology	56,000	47,429	103,429	94,199	9,230
Other operation and maintenance of plant services					
Total equipment	155,815	43,717	199,532	184,276	15,256
Transportation services:					
Non-instructional equipment		15,084	15,084	15,084	
School buses - regular		155,395	155,395	155,395	
Total transportation services		170,479	170,479	170,479	
Facilities acquisition and construction services:					
Other purchased professional and technical services	95,000	448,073	543,073	408,126	134,946
Construction services	660,000	1,225,404	1,885,404	1,220,128	665,276
General supplies		9,100	9,100	2,838	6,262
Lease purchase agreement - principal	2,076,160	(388,165)	1,687,995	1,231,408	456,587
Total facilities acquisition and construction services	2,831,160	1,294,412	4,125,572	2,862,501	1,263,071
TOTAL EXPENDITURES - CAPITAL OUTLAY	2,991,136	1,508,608	4,499,744	3,221,417	1,278,327

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2008**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
SPECIAL SCHOOLS:					
Summer school - instruction:					
Salaries of teachers	187,411	2,322	189,733	180,244	9,490
Other salaries for instruction	21,180	(2,322)	18,858	8,701	10,157
General supplies	3,500		3,500	3,435	65
Total summer school - instruction	212,091		212,091	192,379	19,712
Summer school - support services:					
Salaries	23,660		23,660	10,478	13,182
Total summer school - support services	23,660		23,660	10,478	13,182
Total summer school	235,751		235,751	202,857	32,894
TOTAL EXPENDITURES - SPECIAL SCHOOLS	235,751		235,751	202,857	32,894
Transfer of funds to charter schools	26,859		26,859	8,953	17,906
TOTAL GENERAL FUND EXPENDITURES	129,126,672	1,106,617	130,233,289	135,469,684	(5,236,395)
Excess (deficiency) of revenues over expenditures	(3,681,109)	(1,106,617)	(4,787,726)	3,333,137	8,120,863
Other Financing Sources/(Uses):					
Operating Transfers In:					
Transfer from capital projects fund				69,053	69,053
Operating Transfers Out:	(236,548)	(211,683)	(448,231)	(448,230)	(1)
Transfer of funds to food service fund	(236,548)	(211,683)	(448,231)	(379,177)	69,052
Total Other Financing Sources/(Uses)					
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing (uses)	(3,917,657)	(1,318,300)	(5,235,957)	2,953,960	8,189,915
Fund Balance, July 1	12,881,322		12,881,322	12,881,322	
Fund Balance, June 30	8,953,665	(1,318,300)	7,635,365	15,835,282	8,189,915

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2008

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Reserve for Encumbrances				718,944	
Capital Reserve				3,604,457	
Excess Surplus				3,456,043	
Reserve for Excess Surplus - Designated for Subsequent Year's Designated for Subsequent Year's Expenditures				4,590,734	
Unrestricted Fund Balance				469,466	
				<u>2,995,638</u>	
			15,835,282		
Reconciliation to Governmental Funds Statements (GAAP) Last State Aid Payment not recognized on GAAP basis: 2007-2008				<u>(930,325)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 14,904,957</u>	

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BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Federal Sources	\$ 2,408,000	\$ 688,024	\$ 3,096,024	\$ 2,669,626	\$ (426,398)
State Sources	607,000	785,714	1,392,714	1,178,044	(214,670)
Other Sources	75,000	2,851,587	2,926,587	242,284	(2,684,303)
Total Revenues	3,090,000	4,325,325	7,415,325	4,089,955	(3,325,370)
Expenditures:					
Instruction:					
Salaries	529,047	406,499	935,545	565,787	369,758
Purchased Professional and Technical Services	6,947	11,997	18,944	11,831	7,113
Purchased Professional - Education Services	105,899	3,068	108,967	108,667	300
Other Purchased Services	1,390,773	235,308	1,626,081	1,604,042	22,039
Supplies and Materials	121,012	2,097,189	2,218,202	686,466	1,531,736
General Supplies	50,000	21,520	71,520	1,094	20,426
Textbooks		(1,544)	48,456	48,456	
Total Instruction	2,203,678	2,774,037	4,977,715	3,026,344	1,951,371
Support Services:					
Salaries	137,857	187,028	324,885	308,164	16,721
Personal Services - Employee Benefits	132,663	199,673	332,336	288,748	43,589
Purchased Professional - Educational Services	218,619	(23,516)	195,103	190,478	4,625
Purchased Professional and Technical Services	276,698	48,331	325,028	313,907	11,121
Other Purchased Prof.& Technical Services		50,155	50,155	50,155	0
Other Purchased Services	31,437	214,230	245,667	98,787	146,880
Contracted Services - Transportation	58,420	20,508	78,927	78,927	0
Registrations/Training/Travel	2,340	4,228	6,568	6,568	0
Travel		1,922	1,922	1,898	24
Supplies and Materials	20,366	199,915	220,280	91,609	128,672
General Supplies		3,156	3,156	535	3,156
Other Expenditures		1,070	1,070	535	535
Miscellaneous Expenditures		1,100	1,100	1,100	0
Total Support Services	878,399	907,798	1,786,197	1,373,053	413,144

**BOARD OF EDUCATION
 EAST BRUNSWICK SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Capital Outlay:					
Equipment:					
Undistributed Expenditures - Instruction	\$ 7,923	\$ 246,560	\$ 254,483	\$ 173,343	\$ 81,140
Regular Education - School Buses		350,000	350,000	202,020	147,980
Total Equipment	<u>7,923</u>	<u>596,560</u>	<u>604,483</u>	<u>375,363</u>	<u>229,120</u>
Facilities Acquisition and Construction Services:					
Construction Services		46,930	46,930	52,245	(5,315)
Total Facilities Acquisition and Construction Services		<u>46,930</u>	<u>46,930</u>	<u>52,245</u>	<u>(5,315)</u>
Total Expenditures		<u>4,325,325</u>	<u>7,415,325</u>	<u>4,827,005</u>	<u>2,588,320</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures				(737,051)	(737,051)
Other Financing Sources:					
Lease Purchase Agreement				2,454,153	
Fund Balance, July 1 (As Adjusted)	131,925		131,925	131,925	
Fund Balance, June 30	<u>\$ 131,925</u>	<u>\$</u>	<u>\$ 131,925</u>	<u>\$ 1,849,028</u>	<u>\$ (737,051)</u>

**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, 2008**

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 schedule	(C-1)	\$ 138,802,821	(C-2)	\$ 4,089,955
Difference - Budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized:				
2007				85,619
2008				(100,729)
State aid payments recognized for budgetary purposes, not recognized for GAAP statements:				
2007		(930,325)		
2008		<u>916,498</u>		
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	(B-2)	\$ <u>138,788,994</u>	(B-2)	\$ <u>4,074,845</u>
Uses/Outflows of Resources:				
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	(C-1)	\$ 135,469,684	(C-2)	\$ 4,827,005
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:				
2007				85,619
2008				(100,729)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	(B-2)	\$ <u>135,469,684</u>	(B-2)	\$ <u>4,811,895</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, 2006**

Exhibit E-1
Page 1 of 4

	New Jersey Non-Public										Title III				
	Adult Life Skills Program	Governor's Initiative on Autism	Textbooks	ESL	Transportation	Compensatory Education	Supplemental Instruction	Examination and Classification	Corrective Speech	Nursing	Technology	07/08	c/o 06/07	c/o 05/06	Supplemental 06/06
REVENUES															
State sources	\$ 254,106	\$ 565,765	\$ 48,456	\$ 16,139	\$ 15,758	\$ 64,596	\$ 26,432	\$ 49,091	\$ 36,090	\$ 66,931	\$ 34,680	\$ 607	\$ 77	\$ 2,900	\$ 2,067
Federal sources															
Other sources															
Total revenues	\$ 254,106	\$ 565,765	\$ 48,456	\$ 16,139	\$ 15,758	\$ 64,596	\$ 26,432	\$ 49,091	\$ 36,090	\$ 66,931	\$ 34,680	\$ 607	\$ 77	\$ 2,900	\$ 2,067
EXPENDITURES															
Instruction:															
Salaries	\$ 59,452	\$ 212,874		\$ 16,139	\$	\$ 64,596	\$ 26,432								\$ 41,244
Purchased professional/educational services															1,979
Other purchased services															
Tuition	965	48,868													
Supplies and materials			\$ 48,456												
General supplies															
Instructional equipment															
Textbooks															
Other Expenditures															
Total Instruction	\$ 60,417	\$ 261,741	\$ 48,456	\$ 16,139	\$ 15,758	\$ 64,596	\$ 26,432								\$ 60,969
Support services:															
Salaries	99,601	132,300													
Personnel services - employee benefits	29,345	161,582													
Purchased professional/educational services															
Other purchased services															
Transportation	63,169	7,085													
Travel					\$ 15,758										
Other purchased services	860	300													8
Supplies and materials	614	2,796													
Miscellaneous expenditures															
Total support services	\$ 193,689	\$ 304,023			\$ 15,758										\$ 3,654
Capital Outlay:															
Equipment:															
Undistributed Expenditures - Instruction															
Regular Education - School Buses															
Total Equipment															
Facilities acquisition and construction services:															
Construction services															
Total facilities acquisition and construction services															
Total expenditures	\$ 254,106	\$ 565,765	\$ 48,456	\$ 16,139	\$ 15,758	\$ 64,596	\$ 26,432	\$ 49,091	\$ 36,090	\$ 66,931	\$ 34,680	\$ 607	\$ 77	\$ 2,900	\$ 2,067
Excess/(deficiency) of revenues over/(under) expenditures															
Other Financing Sources/(Uses):															
Lease purchase agreement															
Total other financing sources and (uses)															
Excess/(deficiency) of revenues over/(under) expenditures and other financing sources															
Fund balances, July 1 (As Adjusted)															
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, 2008**

Exhibit E-1
Page 2 of 4

	Title V		Title V		Title I ESEA		Title II		Part D C/O	Part D C/O	Part D C/O		
	07/08	08/07	05/08	05/08	07/08	06/07	05/08	05/08					
REVENUES													
State sources	\$ 159	\$ 36	\$ 988	\$ 173,514	\$ 53,461	\$ 11,131	\$ 7,632	\$ 127,512	\$ 45,561	\$ 2,888	\$ 27	\$ 2	\$ 224
Federal sources													
Other sources	\$ 159	\$ 36	\$ 988	\$ 173,514	\$ 53,461	\$ 11,131	\$ 7,632	\$ 127,512	\$ 45,561	\$ 2,888	\$ 27	\$ 2	\$ 224
Total revenues													
EXPENDITURES													
Instruction:													
Salaries				\$ 128,463	\$ 1,528	\$ 7,273	\$ 288	\$ 86,965	\$ 24,144				\$ 124
Purchased professional/educational services													
Purchased professional/technical services													
Other purchased services					64	100							
Tuition													
Supplies and materials			\$ 988	1,762	40,164	1,676	7,334		\$	183			98
General supplies													
Instructional equipment													
Textbooks													
Other Expenditures													
Total Instruction			988	130,225	41,755	9,050	7,632	86,965	24,144	183			222
Support services:													
Salaries	\$ 87	\$ 18		13,667	6,756	1,445		4,371	951		15	\$ 2	
Personnel services - employee benefits	72	17		26,243	4,848	637		36,176	2,828		12		
Purchased professional/educational services													
Purchased professional/technical services													
Transportation													
Travel									17,638	552			
Other purchased services				1,921						2,143			
Supplies and materials				1,358									
General supplies													
Total support services	159	36		43,289	11,704	2,081		49,547	21,417	2,705	27	2	
Capital Outlay:													
Equipment:													
Undistributed Expenditures - Instruction													
Regular Education - School Buses													
Total Equipment													
Facilities acquisition and construction services:													
Construction services													
Total facilities acquisition and construction services													
Total expenditures	159	36	988	173,514	53,461	11,131	7,632	127,512	45,561	2,888	27	2	224
Excess/(deficiency) of revenues over/(under) expenditures													
Other Financing Sources/(Uses):													
Lease purchase agreement													
Total other financing sources and transfers													
Excess/(deficiency) of revenues over/(under) expenditures and transfers													
Fund balance, 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, 2008**

Exhibit E-1
Page 3 of 4

	I.D.E.A. Part B		Drug Free Schools		Foreign Language Assistance FY08	TOOL Overcoming Obstacles 0807	TOOL Overcoming Obstacles 0808	St. Barnabas Burn Foundation	OTHER LOCAL					
	Basic Regular Program 0708	Preschool 0807	Title IV 0907	0508					2007/ 2008	2008/ 2009				
REVENUES														
State sources	1,865,477 \$	39,060 \$	67,189 \$	11,519 \$	14,443 \$	6,371 \$	352 \$	241 \$	130,528 \$	40,771 \$	1 \$	43,252 \$	4,849 \$	438
Federal sources														
Other sources	1,865,477 \$	39,060 \$	67,189 \$	11,519 \$	14,443 \$	6,371 \$	352 \$	241 \$	130,528 \$	40,771 \$	1 \$	43,252 \$	4,849 \$	438
Total revenues														
EXPENDITURES														
Instruction:														
Salaries														
Purchased professional/educational services					1,800 \$	3,461							132	
Purchased professional/technical services	1,509,824 \$	9,015 \$	50,000 \$	5,765 \$	10,150	605							5,798	4,275 \$ 2
Other purchased services					207	261 \$	352 \$							
Tuition	9,189	20,306	17,189	5,754										
Supplies and materials														
General supplies														
Instructional equipment														
Textbooks														
Other Expenditures					12,157	4,327	352						6,503	4,849 2
Total Instruction	1,519,013	29,321	67,189	11,519	12,157	4,327	352	241	71,320				6,503	4,849 2
Support services:														
Salaries	15,464	2,638			188	35			29,570				419	438
Personal services - employee benefits	12,648	2,562			154	30			6,968				343	
Purchased professional/educational services														
Purchased professional/technical services	305,014	1,809							1,869				18,468	
Transportation									14,185 \$				40,771	
Travel					1,944	1,980			6,593				535	
Other purchased services	13,340	2,720							59,195				36,749	436
Supplies and materials														
General supplies	346,465	9,739			2,286	2,045								
Total support services														
Capital Outlay:														
Equipment:														
Undistributed Expenditures - Instruction														
Regular Education - School Buses														
Total Equipment														
Facilities acquisition and construction services:														
Construction services														
Total facilities acquisition and construction services														
Total expenditures	1,865,477	39,060	67,189	11,519	14,443	6,371	352	241	130,528	40,771	1	43,252	4,849	438
Excess/(deficiency) of revenues over/(under) expenditures														
Other Financing Sources/(Uses):														
Lease purchase agreement														
Total other financing sources and (uses)														
Excess/(deficiency) of revenues over/(under) expenditures and transfers														
Fund balances, July 1														
Fund balance, June 30														

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, 2008**

Project Title/Issue	Revised Budgetary Appropriations	GAAP Expenditures to Date		Transfers In/ (Out)	Unexpended Appropriations June 30, 2008
		Prior Years	Current Year		
Construction of additions and renovations to the East Brunswick High School, including furnishings and equipment	\$ 14,320,000	\$ 14,319,998	\$	\$ (2)	\$
Construction of additions and renovations to Churchill Junior High School	26,833,634	26,825,035	3,560		5,038
ILSA 2001 - High School	1,502,291	1,498,099	4,192		
ILSA 2003 - Churchill Junior High School	2,500,000	2,485,165	6,812		8,023
NJEDA - High School Project 02/03	1,417,674	1,415,609		(2,065)	
NJEDA - Remedial Site Work - Bowne Munroe	178,210	144,201		(34,009)	
NJEDA - High School - Culinary Arts	409,000	409,000			
NJEDA - High School - Sound System	74,869	51,611		(23,258)	
Bowne-Munroe Fire Alarm/PA Clock Replacement 05/06	722,386	10,214	141,426		570,746
Memorial Heating and Piping Replacement 05/06	350,217	8,900	339,647	(1,670)	
High School Emergency Generators 05/06	74,921	65,254	750	(8,051)	866
Bowne Munroe Boiler and Piping Project 05/06	1,542,292	963,730	365,160		213,402
Lawrence Brook 04/05	19,307,244	16,720,740	2,549,861		36,643
Central 04/05	20,777,530	19,447,397	1,272,690		57,443
Hammarkjold 04/05 (473,993.00)	66,495,877	32,609,924	26,454,207	(473,993)	6,957,753
High School Reroofing Project 04/05	6,458,018	3,646,372	921,645	(1,134,001)	756,000
Various Capital Projects 06/07	2,673,305	397,321	2,113,766	(38,581)	125,637
Security Systems 06/07	730,000		57,256		672,744
EBHS Athletic Fields 06/07	450,000		450,000		
Frost Heating and Piping Replacement 06/07	646,573	95,546	278,921		272,106
Churchill Underground Sprinkler System 05/07	219,500	211,547	7,953		
Capital Lease 2008	2,500,000				2,500,000
High School and Churchill Junior High School Athletic Fields 07/08	1,134,001		241,717		892,284
Totals	\$ 156,997,541	\$ 107,005,666	\$ 35,209,562	\$ (1,713,630)	\$ 13,058,685

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, 2008

Revenues and Other Financing Sources

Lease purchase agreements	\$ 2,500,000
Total revenues	<u>2,500,000</u>

Expenditures and Other Financing Uses

Purchased professional and technical services	1,291,410
Construction services	<u>33,885,256</u>
Total expenditures	<u>35,176,666</u>

Excess(deficiency) of revenues over (under) expenditures	(32,676,666)
--	--------------

Other financing sources/(uses):

Prior year's receivables cancelled	(37,282)
Transfer to general fund	(69,053)
Transfer to debt service fund	<u>(2)</u>

Excess(deficiency) of revenues over (under) expenditures including transfers	(32,783,003)
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Fund balance, beginning	<u>45,851,688</u>
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Fund balance, ending	<u>\$ 13,068,685</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
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

**Bowne-Munro Fire Alarm/PA/Clock System Replacement
05/06**

	<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	\$ 182,851	\$	\$ 182,851	\$ 182,851
Commissioner approved lease purchase	539,535		539,535	539,535
Transfer from capital outlay	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>722,386</u>	<u> </u>	<u>722,386</u>	<u>722,386</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	10,214	9,806	20,020	20,020
Construction services	<u> </u>	<u>131,620</u>	<u>131,620</u>	<u>131,620</u>
Total expenditures	<u>10,214</u>	<u>141,426</u>	<u>151,640</u>	<u>151,640</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 712,172</u>	<u>\$ (141,426)</u>	<u>\$ 570,746</u>	<u>\$ 570,746</u>

Additional Project Information:

Project Number	SP 1170-060-05-2000
Grant Date	10/31/2005
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 722,386
Additional Authorized Cost	
Revised Authorized Cost	\$ 722,386

Percentage Increase Over Original

Authorized Cost	
Percent of Completion	20.99%
Original Target Completion Date	2006
Revised Target Completion Date	2009

**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
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

Memorial Heating and Piping Replacement 05/06

	<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	\$ 89,752	\$	\$ 89,752	\$ 89,752
Bond proceeds and transfers				
Commissioner approved lease purchase	260,465		260,465	260,465
Interlocal service agreements				
Contributions from private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>350,217</u>		<u>350,217</u>	<u>350,217</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	8,900	4,998	13,898	13,898
Construction services		<u>334,649</u>	<u>334,649</u>	<u>334,649</u>
Total expenditures	<u>8,900</u>	<u>339,647</u>	<u>348,547</u>	<u>348,547</u>
Other Financing Uses				
Transfers Out		<u>1,670</u>	<u>1,670</u>	<u>1,670</u>
Total financing uses		<u>1,670</u>	<u>1,670</u>	<u>1,670</u>
Excess(deficiency) of revenues over (under) expenditures and transfers	<u>\$ 341,317</u>	<u>\$ (339,647)</u>	<u>\$</u>	<u>\$</u>

Additional Project Information:

Project Number	SP 1170-120-05-1000
Grant Date	11/4/2006
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$350,217
Additional Authorized Cost	
Revised Authorized Cost	\$350,217

Percentage Increase Over Original

Authorized Cost	
Percent of Completion	100.00%
Original Target Completion Date	2006
Revised Target Completion Date	2008

**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
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

High School Emergency Generators 05/06

	<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	\$ 30,968	\$	\$ 30,968	\$ 30,968
Bond proceeds and transfers				
Interlocal service agreements				
Transfer from capital outlay	10,000		10,000	10,000
Transfer from capital reserve	<u>33,953</u>		<u>33,953</u>	<u>33,953</u>
Total revenues	<u>74,921</u>		<u>74,921</u>	<u>74,921</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	9,250	750	10,000	10,000
Construction services	<u>56,004</u>		<u>56,004</u>	<u>56,004</u>
Total expenditures	<u>65,254</u>	<u>750</u>	<u>66,004</u>	<u>66,004</u>
Other Financing Uses				
Transfers Out			<u>8,051</u>	<u>8,051</u>
Total financing uses			<u>8,051</u>	<u>8,051</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 9,667</u>	<u>\$ (750)</u>	<u>\$ 866</u>	<u>\$ 866</u>

Additional Project Information:

Project Number	SP 1170-050-05-1000
Grant Date	8/3/2005
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 74,921
Additional Authorized Cost	
Revised Authorized Cost	\$ 74,921

Percentage Increase Over Original Authorized Cost	
Percent of Completion	88.10%
Original Target Completion Date	2006
Revised Target Completion Date	2006

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
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

Bowne-Munro Boiler & Piping Project 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	\$ 616,917	\$	\$ 616,917	\$ 616,917
Bond proceeds and transfers				
Interlocal service agreements				
Contributions from private sources				
Transfer from capital reserve	925,375		925,375	925,375
Transfer from capital outlay				
Total revenues	<u>1,542,292</u>		<u>1,542,292</u>	<u>1,542,292</u>
Expenditures and Other Financing Uses				
Legal services				
Purchased professional and technical services	70,180	3,211	73,391	73,391
Land and improvements				
Construction services	893,550	361,949	1,255,499	1,255,499
Equipment purchases				
Total expenditures	<u>963,730</u>	<u>365,160</u>	<u>1,328,890</u>	<u>1,328,890</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 578,562</u>	<u>\$ (365,160)</u>	<u>\$ 213,402</u>	<u>\$ 213,402</u>

Additional Project Information:

Project Number	SP 1170-060-05-1000
Grant Date	5/25/2005
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,542,292
Additional Authorized Cost	
Revised Authorized Cost	\$ 1,542,292

Percentage Increase Over Original

Authorized Cost	
Percent of Completion	86.16%
Original Target Completion Date	2006
Revised Target Completion Date	2009

**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
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

Lawrence Brook 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	\$ 6,030,864	\$	\$ 6,030,864	\$ 6,030,864
Bond proceeds	12,891,984		12,891,984	12,891,984
Interlocal service agreements				
Contributions from private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Reallocated from completed capital projects		<u>384,396</u>	<u>384,396</u>	<u>384,396</u>
Total revenues	<u>18,922,848</u>	<u>384,396</u>	<u>19,307,244</u>	<u>19,307,244</u>
Expenditures and Other Financing Uses				
Legal services	11,809		11,809	11,809
Purchased professional and technical services	1,679,706	181,731	1,861,437	1,861,437
Construction services	15,014,386	2,368,129	17,382,516	17,382,516
Equipment purchases				
Other expenditures	<u>14,839</u>		<u>14,839</u>	<u>14,839</u>
Total expenditures	<u>16,720,740</u>	<u>2,549,861</u>	<u>19,270,601</u>	<u>19,270,601</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 2,202,108</u>	<u>\$ (2,165,464)</u>	<u>\$ 36,643</u>	<u>\$ 36,643</u>

Additional Project Information:

Project Number	SP 1170-100-04-1000
Grant Date	7/27/2004
Bond Authorization Date	12/14/2004
Bonds Authorized	\$ 12,891,984
Bonds Issued	\$ 12,891,984
Original Authorized Cost	\$ 18,922,848
Additional Authorized Cost	\$ 384,396
Revised Authorized Cost	\$ 19,307,244

Percentage Increase Over Original Authorized Cost	
Percent of Completion	99.81%
Original Target Completion Date	2008
Revised Target Completion Date	2009

**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
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

Central 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	\$ 6,382,205	\$	\$ 6,382,205	\$ 6,382,205
Bond proceeds	14,305,728		14,305,728	14,305,728
Interlocal service agreements				
Contributions from private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Reallocated from completed capital projects		89,597	89,597	89,597
Total revenues	<u>20,687,933</u>	<u>89,597</u>	<u>20,777,530</u>	<u>20,777,530</u>
Expenditures and Other Financing Uses				
Legal services	13,165		13,165	13,165
Purchased professional and technical services	1,835,166	172,622	2,007,788	2,007,788
Construction services	17,578,758	1,100,068	18,678,826	18,678,826
Other expenditures	20,309		20,309	20,309
Total expenditures	<u>19,447,397</u>	<u>1,272,690</u>	<u>20,720,087</u>	<u>20,720,087</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 1,240,536</u>	<u>\$ (1,183,093)</u>	<u>\$ 57,443</u>	<u>\$ 57,443</u>
Additional Project Information:				
Project Number		SP 1170-070-04-1000		
Grant Date		8/23/2004		
Bond Authorization Date		12/14/2004		
Bonds Authorized				
Bonds Issued				
Original Authorized Cost		\$ 20,687,933		
Additional Authorized Cost		\$ 20,687,933		
Revised Authorized Cost				
Percentage Increase Over Original Authorized Cost				
Percent of Completion		99.72%		
Original Target Completion Date		2008		
Revised Target Completion Date		2008		

**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
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

Hammarskjold 04/05

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 12,307,152	\$	\$ 12,307,152	\$ 12,307,152
Bond proceeds	54,188,725		54,188,725	54,188,725
Transfer from capital outlay	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>66,495,877</u>	<u> </u>	<u>66,495,877</u>	<u>66,495,877</u>
Expenditures and Other Financing Uses				
Legal services	59,468		59,468	59,468
Purchased professional and technical services	4,600,929	783,359	5,384,289	5,384,289
Land and improvements				
Construction services	27,949,527	25,670,848	53,620,374	53,620,374
Equipment purchases	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>32,609,924</u>	<u>26,454,207</u>	<u>59,064,131</u>	<u>59,064,131</u>
Other Financing Uses				
Transfers Out	<u> </u>	473,993	473,993	473,993
Total financing uses	<u> </u>	<u>473,993</u>	<u>473,993</u>	<u>473,993</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 33,885,953</u>	<u>\$ (26,928,200)</u>	<u>\$ 6,957,753</u>	<u>\$ 6,957,753</u>

Additional Project Information:

Project Number	SP 1170-056-04-1000
Grant Date	8/25/2004
Bond Authorization Date	12/14/2004
Bonds Authorized	
Bonds Issued	
Original Authorized Cost	\$ 66,495,877
Additional Authorized Cost	
Revised Authorized Cost	\$ 66,495,877

Percentage Increase Over Original

Authorized Cost	
Percent of Completion	89.46%
Original Target Completion Date	2008
Revised Target Completion Date	2009

**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
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

High School Reroofing Project 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	\$ 2,583,207	\$	\$ 2,583,207	\$ 2,583,207
Commissioner approved lease purchase	<u>3,874,811</u>	<u> </u>	<u>3,874,811</u>	<u>3,874,811</u>
Total revenues	<u>6,458,018</u>	<u> </u>	<u>6,458,018</u>	<u>6,458,018</u>
Expenditures and Other Financing Uses				
Legal services	20,624		20,624	20,624
Purchased professional and technical services	460,124	25,780	485,904	485,904
Construction services	<u>3,165,625</u>	<u>895,865</u>	<u>4,061,490</u>	<u>4,061,490</u>
Total expenditures	<u>3,646,372</u>	<u>921,645</u>	<u>4,568,017</u>	<u>4,568,017</u>
Other Financing Uses				
Transfers Out	<u> </u>	<u>1,134,001</u>	<u>1,134,001</u>	<u>1,134,001</u>
Total financing uses	<u> </u>	<u>1,134,001</u>	<u>1,134,001</u>	<u>1,134,001</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 2,811,646</u>	<u>\$ (2,055,645)</u>	<u>\$ 756,000</u>	<u>\$ 756,000</u>

Additional Project Information:

Project Number	SP 1170-050-04-4000
Grant Date	8/24/2004
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 6,458,018
Additional Authorized Cost	
Revised Authorized Cost	\$ 6,458,018

Percentage Increase Over Original

Authorized Cost	
Percent of Completion	100.00%
Original Target Completion Date	2006
Revised Target Completion Date	2008

**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
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

High School Culinary Arts Labs

	<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	\$ 139,900	\$	\$ 139,900	\$ 139,900
Transfer from capital outlay	<u>269,100</u>	<u> </u>	<u>269,100</u>	<u>269,100</u>
Total revenues	<u>409,000</u>	<u> </u>	<u>409,000</u>	<u>409,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	32,000	<u> </u>	32,000	32,000
Construction services	<u>377,000</u>	<u> </u>	<u>377,000</u>	<u>377,000</u>
Total expenditures	<u>409,000</u>	<u> </u>	<u>409,000</u>	<u>409,000</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Additional Project Information:

Project Number	SP 1170-050-04-3000
Grant Date	8/25/2004
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$409,000
Additional Authorized Cost	
Revised Authorized Cost	\$409,000

Percentage Increase Over Original

Authorized Cost	
Percent of Completion	100.00%
Original Target Completion Date	2005
Revised Target Completion Date	2006

**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
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

High School Sound System

	<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	\$ 36,150	\$ (15,506)	\$ 20,644	\$ 20,644
Transfer from capital outlay	<u>54,225</u>	<u> </u>	<u>54,225</u>	<u>54,225</u>
Total revenues	<u>90,375</u>	<u>(15,506)</u>	<u>74,869</u>	<u>74,869</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	7,751		7,751	7,751
Construction services	<u>43,860</u>	<u> </u>	<u>43,860</u>	<u>43,860</u>
Total expenditures	<u>51,611</u>	<u> </u>	<u>51,611</u>	<u>51,611</u>
Other Financing Uses				
Transfers Out	<u> </u>	<u>23,258</u>	<u>23,258</u>	<u>23,258</u>
Total financing uses	<u> </u>	<u>23,258</u>	<u>23,258</u>	<u>23,258</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 38,764</u>	<u>\$ (38,764)</u>	<u>\$ </u>	<u>\$ </u>

Additional Project Information:

Project Number	SP 1170-050-04-2000
Grant Date	11/10/2003
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 74,869
Additional Authorized Cost	
Revised Authorized Cost	\$ 74,869

Percentage Increase Over Original Authorized Cost	
Percent of Completion	100.00%
Original Target Completion Date	2005
Revised Target Completion Date	2005

**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
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

Remedial Site Work - Bowne

	<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	\$ 79,994	\$ (21,776)	\$ 58,218	\$ 58,218
Transfer from capital outlay	<u>119,992</u>	<u> </u>	<u>119,992</u>	<u>119,992</u>
Total revenues	<u>199,986</u>	<u>(21,776)</u>	<u>178,210</u>	<u>178,210</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	13,441	<u> </u>	13,441	13,441
Construction services	<u>130,760</u>	<u> </u>	<u>130,760</u>	<u>130,760</u>
Total expenditures	<u>144,201</u>	<u> </u>	<u>144,201</u>	<u>144,201</u>
Other Financing Uses				
Transfers Out	<u> </u>	<u>34,009</u>	<u>34,009</u>	<u>34,009</u>
Total financing uses	<u> </u>	<u>34,009</u>	<u>34,009</u>	<u>34,009</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 55,786</u>	<u>\$ (55,786)</u>	<u>\$ </u>	<u>\$ </u>

Additional Project Information:

Project Number	SP 1170-060-04-1000
Grant Date	8/28/2003
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 178,210
Additional Authorized Cost	
Revised Authorized Cost	\$ 178,210

Percentage Increase Over Original Authorized Cost

Percent of Completion	100.00%
Original Target Completion Date	2005
Revised Target Completion Date	2005

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
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SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

**East Brunswick High School
Ceiling and Lighting Project**

	<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	\$ 503,692	\$	\$ 503,692	\$ 503,692
Transfer from capital outlay	913,982	_____	913,982	913,982
Total revenues	<u>1,417,674</u>	_____	<u>1,417,674</u>	<u>1,417,674</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	575		575	575
Construction services	1,415,034		1,415,034	1,415,034
Total expenditures	<u>1,415,609</u>	_____	<u>1,415,609</u>	<u>1,415,609</u>
Other Financing Uses				
Transfers Out	_____	2,065	2,065	2,065
Total financing uses	_____	<u>2,065</u>	<u>2,065</u>	<u>2,065</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 2,065</u>	<u>\$ (2,065)</u>	<u>\$ _____</u>	<u>\$ _____</u>

Additional Project Information:

Project Number	SP 1170-050-02-1108
Grant Date	8/26/2002
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,417,674
Additional Authorized Cost	
Revised Authorized Cost	\$ 1,417,674

Percentage Increase Over Original Authorized Cost	
Percent of Completion	100.00%
Original Target Completion Date	2005
Revised Target Completion Date	2005

**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
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

Church Hill Renovation and Addition

	<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	\$ 10,733,634	\$	\$ 10,733,634	\$ 10,733,634
Bond proceeds and transfers	16,100,000		16,100,000	16,100,000
Transfer from capital outlay				
Total revenues	<u>26,833,634</u>		<u>26,833,634</u>	<u>26,833,634</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	2,786,257 E		2,786,257	2,786,257
Land and improvements				
Construction services	24,038,778 E	3,560	24,042,338	24,042,338
Equipment purchases				
Total expenditures	<u>26,825,035</u>	<u>3,560</u>	<u>26,828,595</u>	<u>26,828,595</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 8,598</u>	<u>\$ (3,560)</u>	<u>\$ 5,038</u>	<u>\$ 5,038</u>

Additional Project Information:

Project Number	10-B	SP 201030
Grant Date		2001-2002
Bond Authorization Date		
Bonds Authorized		\$ 16,100,000
Bonds Issued		\$ 16,100,000
Original Authorized Cost		\$ 26,834,084
Additional Authorized Cost		
Revised Authorized Cost		\$ 26,834,084

Percentage Increase Over Original

Authorized Cost	
Percent of Completion	100.00%
Original Target Completion Date	2003
Revised Target Completion Date	2009

E = Estimated

BOARD OF EDUCATION
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SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

East Brunswick High School - ILSA 2001

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Interlocal service agreements	\$ 1,500,000	\$	\$ 1,500,000	\$ 1,500,000
Earnings on interlocal service agreements	2,291		2,291	2,291
Contributions from private sources				
Transfer from capital reserve				
Transfer from capital outlay				
Total revenues	<u>1,502,291</u>		<u>1,502,291</u>	<u>1,502,291</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	143,289 E		143,289	143,289
Land and improvements				
Construction services	1,350,000 E	4,192	1,354,192	1,354,192
Equipment purchases	<u>4,810</u>		<u>4,810</u>	<u>4,810</u>
Total expenditures	<u>1,498,099</u>	<u>4,192</u>	<u>1,502,291</u>	<u>1,502,291</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 4,192</u>	<u>\$ (4,192)</u>	<u>\$</u>	<u>\$</u>

Additional Project Information:

Project Number	10-C
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,500,000
Additional Authorized Cost	\$ 2,291
Revised Authorized Cost	\$ 1,502,291

Percentage Increase Over Original Authorized Cost	0.15%
Percent of Completion	100.00%
Original Target Completion Date	2004
Revised Target Completion Date	2008

E = Estimated

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SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

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	<u>2,500,000</u>		<u>2,500,000</u>	<u>2,500,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services				
Land and improvements				
Construction services	2,003,826	6,812	2,010,638	2,010,638
Supplies and materials	337,665		337,665	337,665
Equipment purchases	<u>143,673</u>		<u>143,673</u>	<u>143,673</u>
Total expenditures	<u>2,485,165</u>	<u>6,812</u>	<u>2,491,977</u>	<u>2,491,977</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 14,835</u>	<u>\$ (6,812)</u>	<u>\$ 8,023</u>	<u>\$ 8,023</u>

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	99.68%
Original Target Completion Date	2005
Revised Target Completion Date	2009

**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
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

High School Additions and Renovations
1999

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Lease purchase agreement	\$ 14,320,000	\$ _____	\$ 14,320,000	\$ 14,320,000
Total revenues	<u>14,320,000</u>	<u>_____</u>	<u>14,320,000</u>	<u>14,320,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	1,432,000	E	1,432,000	1,432,000
Construction services	<u>12,887,998</u>	<u>_____</u>	<u>12,887,998</u>	<u>12,887,998</u>
Total expenditures	<u>14,319,998</u>	<u>_____</u>	<u>14,319,998</u>	<u>14,319,998</u>
Other Financing Uses				
Transfers Out	<u>_____</u>	<u>_____</u>	<u>2</u>	<u>2</u>
Total financing uses	<u>_____</u>	<u>_____</u>	<u>2</u>	<u>2</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 2</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

Additional Project Information:

Project Number	199
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$14,320,000
Additional Authorized Cost	
Revised Authorized Cost	\$14,320,000

Percentage Increase Over Original

Authorized Cost	
Percent of Completion	100.00%
Original Target Completion Date	2003
Revised Target Completion Date	2006

E = Estimated

**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
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

**Churchill Underground Sprinkler System
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				
Interlocal service agreements				
Special purposes grant	50,000		50,000	50,000
Transfer from capital reserve				
Transfer from capital outlay	<u>169,500</u>		<u>169,500</u>	<u>169,500</u>
Total revenues	<u>219,500</u>		<u>219,500</u>	<u>219,500</u>
Expenditures and Other Financing				
Uses				
Purchased professional and technical services				
Construction services	<u>211,547</u>	<u>7,953</u>	<u>219,500</u>	<u>219,500</u>
Total expenditures	<u>211,547</u>	<u>7,953</u>	<u>219,500</u>	<u>219,500</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 7,953</u>	<u>\$ (7,953)</u>	<u>\$</u>	<u>\$</u>

Additional Project Information:

Project Number	
Grant Date	
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 219,500
Additional Authorized Cost	
Revised Authorized Cost	\$ 219,500

Percentage Increase Over Original Authorized Cost	
Percent of Completion	100.00%
Original Target Completion Date	2008
Revised Target Completion Date	2008

**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
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

Frost Heating and Piping Replacement
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	\$ 212,797	\$	\$ 212,797	\$ 212,797
Commissioner approved lease purchase	397,195		397,195	397,195
Transfer from capital outlay				
Reallocated from completed capital projects		36,581	36,581	36,581
Total revenues	609,992	36,581	646,573	646,573
Expenditures and Other Financing Uses				
Legal services				
Purchased professional and technical services	95,546	6,524	102,070	102,070
Land and improvements				
Construction services		272,397	272,397	272,397
Total expenditures	95,546	278,921	374,467	374,467
Excess(deficiency) of revenues over (under) expenditures	\$ 514,446	\$ (242,340)	\$ 272,106	\$ 272,106

Additional Project Information:

Project Number	SP 1170-130-05-1000
Grant Date	3/14/2007
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 36,581
Additional Authorized Cost	
Revised Authorized Cost	\$ 36,581

Percentage Increase Over Original Authorized Cost	
Percent of Completion	57.92%
Original Target Completion Date	2008
Revised Target Completion Date	2009

**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
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

EBHS Athletic Fields
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>450,000</u>	<u> </u>	<u>450,000</u>	<u>450,000</u>
Total revenues	<u>450,000</u>	<u> </u>	<u>450,000</u>	<u>450,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services				
Construction services	<u> </u>	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>
Total expenditures	<u> </u>	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 450,000</u>	<u>\$ (450,000)</u>	<u>\$ </u>	<u>\$ </u>

Additional Project Information:

Project Number	921
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$450,000.00
Additional Authorized Cost	
Revised Authorized Cost	\$450,000.00

Percentage Increase Over Original Authorized Cost

Percent of Completion	100.00%
Original Target Completion Date	2007
Revised Target Completion Date	2008

**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
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

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>730,000</u>	<u>730,000</u>
Total revenues	<u>730,000</u>	_____	<u>730,000</u>	<u>730,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services		57,256	57,256	57,256
Construction services	_____	_____	_____	_____
Total expenditures	_____	<u>57,256</u>	<u>57,256</u>	<u>57,256</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 730,000</u>	<u>\$ (57,256)</u>	<u>\$ 672,744</u>	<u>\$ 672,744</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	7.84%
Original Target Completion Date	2008
Revised Target Completion Date	2009

**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
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

**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
Transfer from capital outlay				
Total revenues	<u>2,673,305</u>		<u>2,673,305</u>	<u>2,673,305</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	118,432	76,256	194,687	194,687
Land and improvements				
Construction services	270,555	2,037,511	2,308,066	2,308,066
Supplies and materials	8,334		8,334	8,334
Equipment purchases				
Total expenditures	<u>397,321</u>	<u>2,113,766</u>	<u>2,511,087</u>	<u>2,511,087</u>
Other Financing Uses				
Transfers Out		36,581	36,581	36,581
Total financing uses		<u>36,581</u>	<u>36,581</u>	<u>36,581</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 2,275,984</u>	<u>\$ (2,150,347)</u>	<u>\$ 125,637</u>	<u>\$ 125,637</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	\$2,673,305.00
Additional Authorized Cost	
Revised Authorized Cost	\$2,673,305.00

Percentage Increase Over Original Authorized Cost

Percent of Completion	95.24%
Original Target Completion Date	2008
Revised Target Completion Date	2009

**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
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

High School and Churchill 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 Transfer from capital outlay Reallocated from completed capital projects		1,134,001	1,134,001	1,134,001
Total revenues		<u>1,134,001</u>	<u>1,134,001</u>	<u>1,134,001</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services Land and improvements Construction services Supplies and materials Equipment purchases		241,717	241,717	241,717
Total expenditures		<u>241,717</u>	<u>241,717</u>	<u>241,717</u>
Excess(deficiency) of revenues over (under) expenditures	\$	\$ <u>892,284</u>	\$ <u>892,284</u>	\$ <u>892,284</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	
Revised Authorized Cost	\$1,134,001

Percentage Increase Over Original

Authorized Cost	
Percent of Completion	21.32%
Original Target Completion Date	2009
Revised Target Completion Date	2009

**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
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

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				
Slate sources - SCC Grant				
Commissioner approved lease purchase				
Lease purchase agreements	\$	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Transfer from capital outlay	_____	_____	_____	_____
Total revenues	_____	_____ <u>2,500,000</u>	_____ <u>2,500,000</u>	_____ <u>2,500,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services				
Land and improvements				
Construction services				
Supplies and materials				
Equipment purchases	_____	_____	_____	_____
Total expenditures	_____	_____	_____	_____
Excess(deficiency) of revenues over (under) expenditures	\$ _____	\$ _____ <u>2,500,000</u>	\$ _____ <u>2,500,000</u>	\$ _____ <u>2,500,000</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	\$2,500,000
Revised Authorized Cost	

Percentage Increase Over Original Authorized Cost
Percent of Completion
Original Target Completion Date
Revised Target Completion Date

2009
2009

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.

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUND
STATEMENT OF NET ASSETS
JUNE 30, 2008**

	Business-Type Activities - Enterprise Fund			
	Major Programs			
	Food Service	ETTC	Adult & Community Program	Total Enterprise
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 38,112	\$ 98,199	\$ 487,377	\$ 623,688
Accounts receivable:				
State	2,027			2,027
Federal	23,081			23,081
Other	10,120	7,395	4,680	22,195
Inventories	65,615			65,615
Total current assets	138,955	105,594	492,057	736,606
Noncurrent assets:				
Furniture, machinery and equipment	515,907	8,868		524,775
Building improvements		57,586		57,586
	515,907	66,454		582,361
Less: accumulated depreciation	391,866	26,375		418,242
Total noncurrent assets	124,040	40,078		164,119
Total assets	\$ 262,996	\$ 145,672	\$ 492,057	\$ 900,725
<u>LIABILITIES</u>				
Current liabilities:				
Deferred revenue	\$ 60,289	\$ 6,320	\$ 101,523	\$ 101,523
Accounts payable	9,667		20,063	86,673
Accrued salaries			1,819	11,486
Total current liabilities	69,956	6,320	123,405	199,682
Noncurrent liabilities:				
Compensated absences	68,999	33,503	20,658	123,161
Total noncurrent liabilities	68,999	33,503	20,658	123,161
Total liabilities	\$ 138,955	\$ 39,823	\$ 144,064	\$ 322,842
<u>NET ASSETS</u>				
Invested in capital assets net of related debt	\$ 124,040	\$ 40,078		\$ 164,119
Unrestricted		65,771	347,994	413,764
Total net assets	\$ 124,040	\$ 105,849	\$ 347,994	\$ 577,883

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Business-Type Activities - Enterprise Fund			Total Enterprise
	Major Programs			
	Food Service	ETTC	Adult & Community Program	
OPERATING REVENUES:				
Local Sources:				
Daily sales - reimbursable programs:				
School lunch program	\$ 1,201,742	\$	\$	\$ 1,201,742
Daily sales - Non-reimbursable programs	892,630			892,630
special functions and miscellaneous				
Registration fees		249,794	550,573	800,367
Total operating revenues	<u>2,094,372</u>	<u>249,794</u>	<u>550,573</u>	<u>2,894,739</u>
OPERATING EXPENSES:				
Salaries	1,038,576	207,394	361,059	1,607,029
Employee benefits	403,489	54,627	61,182	519,298
Cost of sales	1,291,299			1,291,299
General supplies	158,342	2,010	18,749	179,101
Purchased professional and tech. services	1,792	26,380		28,172
Other purchased services	72,512	4,622	92,249	169,383
Registrations/Training/ Travel	3,182	678	917	4,776
Miscellaneous expenses	130	725		855
Depreciation	14,802	3,577		18,379
Total operating expenses	<u>2,984,123</u>	<u>300,013</u>	<u>534,156</u>	<u>3,818,292</u>
Operating income/(loss)	<u>(889,751)</u>	<u>(50,219)</u>	<u>16,417</u>	<u>(923,553)</u>
Nonoperating revenues/(expenses):				
State sources:				
State school lunch program	28,261			28,261
Federal sources:				
National school lunch program	316,041			316,041
Food distribution system	105,218			105,218
Interest revenue		4,846	17,489	22,335
Total nonoperating revenues/(expenses)	<u>449,521</u>	<u>4,846</u>	<u>17,489</u>	<u>471,855</u>
Net income/(loss) before operating transfers	<u>(440,230)</u>	<u>(45,373)</u>	<u>33,905</u>	<u>(451,698)</u>
Operating transfers:				
Operating transfer in/(out) - general fund	448,230			448,230
Change in net assets	8,000	(45,373)	33,905	(3,467)
Total net assets - beginning	116,040	151,222	314,088	581,350
Total net assets - ending	<u>\$ 124,040</u>	<u>\$ 105,849</u>	<u>\$ 347,994</u>	<u>\$ 577,883</u>

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2008**

	Business-Type Activities Enterprise Funds			
	Major Programs			Total Enterprise
	Food Service	ETTC Programs	Adult & Community Program	
<u>Cash Flows from Operating Activities</u>				
Receipts from Customers	\$ 2,096,236	\$ 288,329	\$ 643,379	\$ 3,027,945
Payments to Employees and Suppliers	(3,029,924)	(285,476)	(517,326)	(3,832,726)
Net Cash Provided by/(Used for) Operating Activities	(933,688)	2,854	126,053	(804,781)
<u>Cash Flows from Noncapital Financing Activities</u>				
State Sources	27,973			27,973
Federal Sources	417,157			417,157
Operating Transfers from/(to) Other Funds	448,230			448,230
Net Cash Provided by/(Used for) Noncapital Financing Activities	893,360			893,360
<u>Cash Flows from Investing Activities</u>				
Asset acquisitions	(22,802)			(22,802)
Interest		4,846	17,489	22,335
Net Increase/(Decrease) in Cash and Cash Equivalents	(63,130)	7,700	143,542	88,112
Balances - Beginning of Year	101,242	90,499	343,834	535,575
Balances - End of Year	\$ 38,112	\$ 98,199	\$ 487,377	\$ 623,688
<u>Reconciliation of Operating Income/ (Loss) to Net Cash Provided (Used) by Operating Activities</u>				
Operating Gain/(Loss)	\$ (889,751)	\$ (50,219)	\$ 16,417	\$ (923,553)
Adjustments to Reconcile Operating Loss to Cash Provided/(Used) by Operating Activities:				
Depreciation	14,802	3,577		18,379
Federal Commodities				
Change in Assets and Liabilities:				
(Increase)/Decrease in accounts receivable	1,864	38,535	6,405	46,804
(Decrease) in intergovernmental payable - federal				
(Decrease)/Increase in accrued wages	7,864		(437)	7,427
(Decrease)/ Increase in compensated absences payable	1,748	11,513	6,776	20,037
Increase/(Decrease) in deferred revenue			86,402	86,402
(Increase)/Decrease in inventory	10,570			10,570
Increase/(Decrease) in accounts payable	(80,784)	(553)	10,491	(70,845)
Total Adjustments	(43,937)	53,072	109,637	118,772
Net Cash Provided (Used) by Operating Activities	\$ (933,688)	\$ 2,854	\$ 126,053	\$ (804,781)

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, 2008**

	<u>Unemployment Compensation Trust</u>	<u>Deferred Benefit Trust</u>	<u>Agency Fund</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 188,372	\$ 179,818	\$ 1,082,755
Accounts Receivable - Other	<u> </u>	<u> </u>	<u>1,225</u>
Total Assets	<u>\$ 188,372</u>	<u>\$ 179,818</u>	<u>\$ 1,083,980</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 9,836	\$	\$ 21,358
Payable to Student Groups	<u> </u>	<u> </u>	<u>465,797</u>
Payroll Deductions and Withholdings	<u> </u>	<u> </u>	<u>596,825</u>
Total Liabilities	<u>\$ 9,836</u>	<u>\$</u>	<u>\$ 1,083,980</u>
<u>NET ASSETS</u>			
Held in Trust for Unemployment Claims and Other Purposes	\$ 178,536	<u> </u>	<u> </u>
Reserved for Deferred Benefits	<u> </u>	<u>\$ 179,818</u>	<u> </u>
	<u>\$ 178,536</u>	<u>\$ 179,818</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, 2008**

	<u>Unemployment Compensation Trust Fund</u>	<u>Deferred Benefit Trust</u>
<u>Additions</u>		
Contributions:		
Plan Members	\$ 111,682	
Board Contribution	10,000	
Other	<u>10,763</u>	<u> </u>
Total Contributions	132,445	
Investment Earnings:		
Interest	<u>4,188</u>	\$ <u>6,586</u>
Total Additions	<u>136,634</u>	<u>6,586</u>
<u>Deductions</u>		
Unemployment Claims and Assessment	<u>47,587</u>	<u> </u>
Total Deductions	<u>47,587</u>	<u> </u>
Change in Net Assets	89,047	6,586
Total Net Assets - Beginning	<u>89,489</u>	<u>173,232</u>
Total Net Assets - Ending	<u>\$ 178,536</u>	<u>\$ 179,818</u>

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Balance</u> <u>July 1, 2007</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2008</u>
<u>ELEMENTARY SCHOOLS</u>				
Bowne-Munroe	\$ 13,651	\$ 15,290	\$ 20,127	\$ 8,815
Central	8,949	12,613	11,324	10,237
Irwin	1,261	17,619	18,455	425
Lawrence Brook	5,621	23,575	23,518	5,677
Memorial	1,248	16,191	16,763	676
Murray A. Chittick	20,820	28,726	30,838	18,707
Robert Frost	6,737	16,096	15,805	7,028
Warnsdorfer	11,327	22,059	22,141	11,245
	<u>69,613</u>	<u>152,169</u>	<u>158,972</u>	<u>62,810</u>
Total elementary schools				
<u>JUNIOR HIGH SCHOOLS</u>				
Churchill	90,602	119,154	114,121	95,634
Hammarskjold	41,608	75,835	76,506	40,937
	<u>132,210</u>	<u>194,988</u>	<u>190,627</u>	<u>136,571</u>
Total junior high schools				
<u>SENIOR HIGH SCHOOLS</u>				
East Brunswick	274,856	561,085	551,814	284,127
E.B.H.S. Athletic Fund	1,321	89,025	87,925	2,422
	<u>276,177</u>	<u>650,111</u>	<u>639,738</u>	<u>286,549</u>
Total senior high schools				
Total all schools	<u>\$ 478,000</u>	<u>\$ 997,268</u>	<u>\$ 989,337</u>	<u>\$ 485,930</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, 2008

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ <u>536,039</u>	\$ <u>83,358,873</u>	\$ <u>83,298,086</u>	\$ <u>596,825</u>
Total Assets	\$ <u>536,039</u>	\$ <u>83,358,873</u>	\$ <u>83,298,086</u>	\$ <u>596,825</u>
<u>LIABILITIES</u>				
Payroll Deductions and Withholdings	\$ <u>536,039</u>	\$ <u>83,358,873</u>	\$ <u>83,298,086</u>	\$ <u>596,825</u>
Total Liabilities	\$ <u>536,039</u>	\$ <u>83,358,873</u>	\$ <u>83,298,086</u>	\$ <u>596,825</u>

Long-Term Debt

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
GENERAL LONG-TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30, 2008**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2007	Retired	Balance June 30, 2008
			Date	Amount				
School Bonds	5/16/2001	\$ 16,100,000.00	5/01/2009	720,000	4.750%	\$ 2,880,000	\$ 720,000	\$ 2,160,000
			5/01/2010	720,000	4.750%			
			5/01/2011	720,000	4.750%			
2001 Sub-total						<u>2,880,000</u>	<u>720,000</u>	<u>2,160,000</u>
School Bonds	3/8/2005	\$ 81,386,000.00	11/01/2008	1,810,000	4.250%	77,766,000	1,810,000	75,956,000
			11/01/2009	1,810,000	4.250%			
			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						<u>77,766,000</u>	<u>1,810,000</u>	<u>75,956,000</u>
School Refunding Bonds	3/15/2007	\$ 10,825,000.00	05/01/08	10,000	4.000%	10,660,000	10,000	10,650,000
			05/01/09	10,000	4.000%			
			05/01/10	10,000	4.000%			
			05/01/11	15,000	4.000%			
			05/01/12	735,000	4.000%			
			05/01/13	905,000	4.000%			
			05/01/14	900,000	5.000%			
			05/01/15	900,000	5.000%			
			05/01/16	905,000	5.000%			
			05/01/17	905,000	5.000%			
			05/01/18	1,085,000	4.000%			
			05/01/19	1,085,000	4.000%			
			05/01/20	1,075,000	4.000%			
			05/01/21	1,065,000	4.000%			
05/01/22	1,055,000	4.000%						
2007 Sub-total						<u>10,660,000</u>	<u>10,000</u>	<u>10,650,000</u>
Grand totals						<u>\$ 91,306,000</u>	<u>\$ 2,540,000</u>	<u>\$ 88,766,000</u>

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF LEASE PURCHASE OBLIGATIONS PAYABLE
JUNE 30, 2008

<u>Vendor</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance June 30, 2007</u>	<u>Retired</u>	<u>Balance June 30, 2008</u>
Construction to Various Schools Lease with East Brunswick Township (1996 Agreement)	4.36%	\$ 9,000,000	\$ 5,521,613	\$ 452,290	\$ 5,069,324
Additions and Renovations to High School - Lease with East Brunswick Township (1999 Agreement)	4.23%	14,320,000	9,860,950	632,380	9,228,570
Interlocal Services Agreement With East Brunswick Township (2003)	Variable	2,500,000	500,000	500,000	
Improvements to the High School - Lease With East Brunswick Township (2005)	Variable	6,458,018	2,874,811	1,000,000	1,874,811
Improvements to Bowne-Munro and Memorial Schools - Lease Purchase Agreement With the Township of East Brunswick 2006	Variable	800,000	155,000	155,000	
		<u>\$ 18,912,374</u>	<u>\$ 2,739,670</u>	<u>\$ 16,172,705</u>	

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>				
Local Sources:				
Tax Levy	\$ 7,344,256	\$ 7,344,256	\$ 7,344,256	\$
Miscellaneous Revenue	366,750	366,750	712,379	345,629
State Sources:				
Debt Service State Support	<u>494,069</u>	<u>494,069</u>	<u>494,069</u>	<u> </u>
Total Revenues	<u>8,205,075</u>	<u>8,205,075</u>	<u>8,550,704</u>	<u>345,629</u>
<u>Expenditures</u>				
Principal Payments - Comm Approved Lease Purchase Agrm.	2,084,670	2,084,670	2,084,670	0
Interest for Commissioner Approved Lease Purchase Agrm.	787,699	787,699	761,162	26,537
Interest on Bonds	4,022,623	4,012,623	3,983,046	29,577
Redemption of Bond Principal	<u>2,530,000</u>	<u>2,540,000</u>	<u>2,540,000</u>	<u> </u>
Total Expenditures	<u>9,424,992</u>	<u>9,424,992</u>	<u>9,368,877</u>	<u>56,115</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,219,917)	(1,219,917)	(818,174)	401,743
Fund Balance, July 1	<u>1,543,233</u>	<u>1,543,233</u>	<u>1,543,233</u>	<u> </u>
Fund Balance, June 30	<u>\$ 323,316</u>	<u>\$ 323,316</u>	<u>\$ 725,059</u>	<u>\$ 401,743</u>

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2008

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding June 30, 2007</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2008</u>
2006-2007 Chase Equipment Leasing	3.96%	\$ 3,370,834	\$ 2,697,468	\$ 5,273,311	\$ 674,367	\$ 7,296,412
		\$	\$	\$	\$	\$
			<u>2,697,468</u>	<u>5,273,311</u>	<u>674,367</u>	<u>7,296,412</u>
						<u>\$ 674,367</u>
						<u>6,622,045</u>
						<u>\$ 7,296,412</u>

Detail:

Current Portion

Long-term Portion

**Statistical Section
(Unaudited)**

EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
INTRODUCTION TO STATISTICAL TABLES (SECTION)

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-6 to J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.*

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

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
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
Restricted	1,133,908	3,161,264	8,806,957	6,552,455	16,371,563	18,892,433
Unrestricted (deficit)	(2,432,866)	3,593,079	2,698,653	2,827,885	1,733,149	1,849,947
Total governmental activities net assets	\$ 32,422,118	\$ 39,062,630	\$ 48,329,487	\$ 54,374,252	\$ 88,603,920	\$ 93,609,098
Business-type activities						
Invested in capital assets, net of related debt	\$ 132,318	\$ 116,206	\$ 119,699	\$ 144,577	\$ 159,695	\$ 164,119
Unrestricted	198,971	407,048	462,963	409,431	421,655	413,764
Total business-type activities net assets	\$ 331,289	\$ 523,254	\$ 582,661	\$ 554,007	\$ 581,350	\$ 577,883
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
Restricted	1,133,908	3,161,264	8,806,957	7,912,507	16,371,563	18,892,433
Unrestricted (deficit)	(2,233,895)	4,000,127	3,161,615	1,877,265	2,154,804	2,263,711
Total district net assets	\$ 32,753,407	\$ 39,585,884	\$ 48,912,148	\$ 54,928,260	\$ 89,185,270	\$ 94,186,981

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 Six Fiscal Years
 (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental activities						
Instruction						
Regular	\$ 41,775,529	\$ 43,111,466	\$ 46,338,123	\$ 48,203,380	\$ 50,681,033	\$ 57,705,173
Special education	9,769,230	12,139,103	11,039,852	11,844,714	12,470,045	12,629,815
Other instruction	3,276,547	4,373,743	6,171,735	6,786,530	6,445,046	3,548,481
Support Services:						
Tuition	6,888,544	4,905,459	4,765,539	5,691,056	6,155,305	6,632,965
Student & instruction related services	17,024,724	17,586,710	18,788,435	19,213,998	20,347,826	21,821,101
School administrative services	4,964,666	4,948,918	5,287,535	5,602,830	5,934,646	6,697,842
General and Business administrative services	4,977,178	4,039,656	4,378,253	5,789,599	5,739,338	5,686,675
Plant operations and maintenance	8,677,868	9,518,076	10,314,539	10,135,783	11,895,444	15,474,047
Pupil transportation	8,144,321	8,697,119	8,168,154	9,462,472	10,093,494	10,646,274
Special Schools	421,741	262,143	285,368	303,658	283,477	272,254
Charter Schools					19,062	8,953
Interest on long-term debt	1,623,997	1,672,310	2,662,048	4,990,441	5,210,927	4,788,458
Total governmental activities expenses	<u>107,544,346</u>	<u>111,254,702</u>	<u>118,199,581</u>	<u>128,024,459</u>	<u>135,275,644</u>	<u>145,912,038</u>
Business-type activities:						
Food service	2,317,729	2,319,380	2,586,246	2,650,684	2,851,668	2,984,123
ETTC Program	220,363	303,122	263,410	342,134	325,113	300,013
Adult and Community Program	184,456	254,588	335,650	422,431	461,418	534,156
Total business-type activities expense	<u>2,722,548</u>	<u>2,877,090</u>	<u>3,185,306</u>	<u>3,415,250</u>	<u>3,638,199</u>	<u>3,818,292</u>
Total district expenses	<u>\$ 110,266,893</u>	<u>\$ 114,131,792</u>	<u>\$ 121,384,887</u>	<u>\$ 131,439,709</u>	<u>\$ 138,913,843</u>	<u>\$ 149,730,330</u>
Program Revenues						
Governmental activities:						
Charges for services:						
Instruction (tuition)	\$ 48,093	\$ 3,792	\$ 35,644	\$ 64,101	\$ 43,640	\$ 52,600
Operating grants and contributions	3,878,172	3,585,592	4,252,838	3,610,352	2,628,449	
Total governmental activities program revenues	<u>3,926,265</u>	<u>3,589,383</u>	<u>4,288,482</u>	<u>3,674,454</u>	<u>2,672,089</u>	<u>52,600</u>

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

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
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
ETTC Program	201,851	231,942	240,163	313,200	242,971	249,794
Adult and Community Program	228,219	382,778	434,043	440,219	531,593	550,573
Operating grants and contributions	290,525	328,140	341,612	359,233	399,552	449,521
Total business type activities program revenues	<u>2,517,112</u>	<u>2,893,559</u>	<u>3,057,892</u>	<u>3,256,116</u>	<u>3,285,924</u>	<u>3,344,260</u>
Total district program revenues	\$ <u>6,443,376</u>	\$ <u>6,482,942</u>	\$ <u>7,346,374</u>	\$ <u>6,930,570</u>	\$ <u>5,958,012</u>	\$ <u>3,396,860</u>
Net (Expense)/Revenue						
Governmental activities	\$ (103,618,081)	\$ (107,665,319)	\$ (113,911,098)	\$ (124,350,006)	\$ (132,603,555)	\$ (145,859,438)
Business-type activities	(205,436)	16,469	(127,415)	(159,133)	(352,276)	(474,032)
Total district-wide net expense	\$ <u>(103,823,517)</u>	\$ <u>(107,648,850)</u>	\$ <u>(114,038,513)</u>	\$ <u>(124,509,139)</u>	\$ <u>(132,955,831)</u>	\$ <u>(146,333,470)</u>
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
Taxes levied for debt service		2,532,633	2,417,568	6,269,481	6,386,428	7,344,256
Unrestricted grants and contributions	22,533,341	25,981,408	26,091,125	27,088,686	31,532,595	31,841,232
Restricted grants and contributions	1,171,492	725,090	2,871,406	591,736	1,600,522	4,422,882
Investment earnings	42,944	265,649		2,819,913	3,364,699	855,104
Miscellaneous income	1,439,438	181,932	1,174,978	1,984,517	1,138,677	1,154,218
Transfers	(188,780)	(190,363)		(177,142)	(359,541)	(448,230)
Total governmental activities	\$ <u>104,949,347</u>	\$ <u>113,695,563</u>	\$ <u>123,177,956</u>	\$ <u>131,394,771</u>	\$ <u>142,207,182</u>	\$ <u>150,873,751</u>
Business-type activities:						
Investment earnings	\$ 10,663	\$ 7,966	\$ 10,464	\$ 17,812	\$ 20,077	\$ 22,335
Transfers	188,780	167,531	206,707	112,667	359,541	448,230
Total business-type activities	<u>199,444</u>	<u>175,497</u>	<u>217,171</u>	<u>130,479</u>	<u>379,618</u>	<u>470,565</u>
Total district-wide	\$ <u>105,148,791</u>	\$ <u>113,871,060</u>	\$ <u>123,395,126</u>	\$ <u>131,525,251</u>	\$ <u>142,586,800</u>	\$ <u>151,344,316</u>
Change in Net Assets						
Governmental activities	\$ 1,331,266	\$ 6,030,244	\$ 9,266,857	\$ 7,044,766	\$ 9,603,627	\$ 5,014,313
Business-type activities	(5,992)	191,966	89,756	(28,654)	27,343	(3,467)
Total district	\$ <u>1,325,274</u>	\$ <u>6,222,210</u>	\$ <u>9,356,613</u>	\$ <u>7,016,111</u>	\$ <u>9,630,970</u>	\$ <u>5,010,846</u>

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 Six Fiscal Years
 (modified accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
General Fund						
Reserved	\$ 612,619	\$ 1,721,905	\$ 5,823,191	\$ 6,655,251	\$ 7,938,692	\$ 11,439,853
Unreserved	1,732,642	3,625,348	2,698,747	3,710,804	4,028,809	3,465,104
Total general fund	\$ 2,345,262	\$ 5,347,253	\$ 8,521,938	\$ 10,366,055	\$ 11,967,501	\$ 14,904,957
All Other Governmental Funds						
Reserved	\$ 8,490,281	\$ 2,157,561	\$ 111,529,950	\$ 101,533,422	\$ 36,614,135	\$ 5,694,005
Unreserved, reported in:						
Special revenue fund (deficit)	(19,116)				141,060	1,948,257
Capital projects fund	90,322				9,237,554	7,374,680
Debt service fund		2	779,571	819,917	1,543,233	725,059
Total all other governmental funds	\$ 8,561,487	\$ 2,157,563	\$ 112,309,521	\$ 102,353,339	\$ 47,535,981	\$ 15,742,001

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 Six Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
Revenues						
Tax levy	\$ 79,950,913	\$ 86,731,847	\$ 93,040,447	\$ 99,087,061	\$ 104,930,231	\$ 113,048,545
Tuition charges	48,093	3,792	35,644	64,101	43,640	52,600
Interest earnings						
Board Contribution	1,174,579					
Miscellaneous	1,670,100	447,582	1,376,306	4,804,430	4,503,375	4,500,757
State sources	24,576,456	27,350,940	55,171,825	28,547,421	32,890,362	33,513,345
Federal sources	2,818,831	2,941,150	3,412,109	2,998,977	2,871,204	2,750,769
Total revenue	110,238,971	117,475,309	153,036,331	135,501,991	145,238,812	153,866,016
Expenditures						
Instruction						
Regular instruction	33,532,850	33,785,799	36,446,885	37,493,770	38,714,353	42,853,159
Special education instruction	7,755,459	9,513,230	8,683,308	9,039,671	9,277,018	9,410,531
Other instruction	2,601,139	3,427,636	4,854,330	5,179,356	4,794,755	2,643,989
Support Services:						
Tuition	5,468,581	3,844,334	3,748,297	4,328,974	4,579,204	4,942,252
Student & instruction related services	13,955,441	13,782,437	14,777,895	14,663,774	15,137,648	16,259,000
School Administrative services	3,941,279	3,878,392	4,158,869	4,275,978	4,425,370	4,990,592
Business administrative services	4,052,656	4,030,041	4,278,104	4,539,292	4,382,622	4,379,376
Plant operations and maintenance	6,889,064	7,459,171	8,112,819	7,735,446	9,250,571	9,784,556
Pupil transportation	6,465,500	6,815,799	6,424,597	7,221,587	7,904,302	7,932,587
Unallocated employee benefits	19,607,788	21,871,558	23,260,418	26,644,835	30,597,181	33,323,931
Special Schools	334,806	205,437	224,454	231,746	210,891	202,857
Charter Schools						8,953
Capital outlay	18,951,578	8,825,032	7,844,005	14,482,617	62,557,404	38,726,462
Debt service:						
Principal	1,414,327	1,452,021	1,491,332	3,342,328	4,550,082	4,624,670
Interest and other charges	1,637,118	1,574,679	1,510,625	5,427,185	4,717,272	4,744,208
Total expenditures	126,607,586	120,465,565	125,815,938	144,606,559	201,098,673	184,827,123
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)
Other Financing sources (uses)						
Capital leases (non-budgeted)			30,972	378,233		
Bond proceeds			81,386,000			
Cancellation of prior year's receivables		(16,590)	(36,644)			(37,282)
Lease purchase proceeds	2,500,000			800,000	2,673,305	2,500,000
Commissioner approved lease purchase					397,195	
Interlocal service agreements - Township			3,874,811			
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
Transfers out	(188,780)	(591,904)	(993,737)	(272,846)	(1,716,541)	(517,285)
Total other financing sources (uses)	2,311,220	(190,363)	86,106,249	982,304	2,691,897	2,014,488
Net change in fund balances	\$ (14,057,395)	\$ (3,180,619)	\$ 113,326,643	\$ (8,122,263)	\$ (53,167,964)	\$ (28,946,619)
Debt service as a percentage of noncapital expenditures	2.8%	2.7%	2.5%	6.7%	6.7%	6.4%

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rentals	Misc.	Annual Totals
1999		\$ 54,000		\$ 466,000	\$ 520,000
2000		35,966		1,467,857	1,503,823
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

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 ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Ratio to True Value	Aggregate True Value
1999 \$	23,829,200	\$ 1,371,041,100	\$ 3,255,000	\$ 351,563,900	\$ 116,853,600	\$ 33,814,700	\$ 1,900,357,500	\$ 9,856,471	\$ 1,910,213,971	3.13	53.37	\$ 3,560,722,316
2000	18,597,400	1,397,462,100	3,059,200	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	4,351,538,345
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	98,603,700	32,110,300	2,015,368,900	3,720,959	2,019,089,899	5.40	26.23	7,683,449,857
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

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

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

Reassessment occurs when ordered by the County Board of Taxation

^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	
	General		Total Direct	East Brunswick Township	Middlesex County	Municipal Open Space		Middlesex County Open Space
	Basic Rate ^a	Obligation Debt Service ^b						
1999 \$	3.100 \$	0.030 \$	3.130 \$	0.980 \$	0.740 \$	0.020 \$	4.890	
2000	3.210	0.080	3.290	0.980	0.750	0.020	5.060	
2001	3.470	0.080	3.550	1.010	0.780	0.020	5.380	
2002	3.790	0.070	3.860	1.041	0.830	0.021	5.820	
2003	4.040	0.130	4.170	1.100	0.860	0.020	6.220	
2004	4.280	0.130	4.410	1.110	0.890	0.020	6.510	
2005	4.630	0.120	4.750	1.190	0.900	0.020	6.960	
2006	4.720	0.310	5.030	1.270	0.960	0.020	7.370	
2007	5.078	0.320	5.398	1.402	0.975	0.020	7.910	
2008	5.240	0.395	5.635	1.495	1.020	0.020	8.290	

Source: District Records and Municipal Tax Collector

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

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

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

East Brunswick Public Schools
Principal Property Taxpayers,
Current Year and Ten Years Ago
Unaudited

Taxpayer	2008			1998		
	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		1.53%	\$ 38,556,000	1	2.08%
Tower I	19,050,500		0.95%	31,500,000	2	1.70%
Tower II	19,256,100		0.96%	31,000,000	3	1.67%
Mid State Mall	19,647,600		0.97%	19,154,000	4	1.03%
Tower Center Hotel	13,500,000		0.67%	10,500,000	5	0.57%
Wyndmoor Apartments	9,000,000		0.45%	9,687,000	6	0.52%
East Brunswick VF, LLC	9,630,000		0.48%	-	7	0.44%
Sam's Club				8,115,000	8	0.40%
L.P.E. Partners	9,038,400		0.45%	7,404,400		
Toll JM EB, LLC	8,093,000		0.40%	-		
CVEB	8,456,600		0.42%	-		
Belmont Associates (K Mart)				6,080,600	9	0.33%
Aetna Life Insurance Co.				5,650,700	10	0.30%
Total	\$ 146,524,600		7.27%	\$ 167,647,700		9.04%

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	
1999 \$	57,865,978 \$	57,865,978	100.00%	-
2000	61,447,183	61,447,183	100.00%	-
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%	-

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	Percentage of Personal Income ^a				
				Income ^a	Per Capita ^a			
1999	\$	95,723	\$	24,425,734	\$	24,521,457	*	525
2000		95,723		24,590,395		24,686,118	*	528
2001	\$	16,100,000		27,592,597		43,762,658	*	924
2002		16,100,000		25,068,056		41,222,372	*	862
2003		15,565,000		27,568,056		43,133,056	*	896
2004		15,030,000		22,376,305		37,406,305	*	776
2005		95,881,000	19,500	23,794,784		119,695,284	*	2,481
2006		93,536,000	388,170	23,947,328		117,871,497	*	2,474
2007		91,306,000	2,697,468	18,912,374		112,915,842	*	2,381
2008		88,766,000	7,296,412	16,172,705		112,235,117	*	*

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
1999	-	-	-	-	-
2000	-	-	-	-	-
2001	\$ 16,100,000	-	\$ 16,100,000	0.82%	\$ 340
2002	16,100,000	-	16,100,000	0.81%	337
2003	15,565,000	-	15,565,000	0.78%	323
2004	15,030,000	-	15,030,000	0.74%	312
2005	95,881,000	-	95,881,000	4.75%	1,988
2006	93,536,000	-	93,536,000	4.63%	1,963
2007	91,306,000	-	91,306,000	4.53%	1,925
2008	88,766,000	-	88,766,000	4.40%	*

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, 2008
 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 12/31/06)	\$ 103,983,842	100.000%	\$ 103,983,842
Other debt			
East Brunswick Sewerage Authority as of 12/31/07	5,905,000	100.000%	5,905,000
Middlesex County as of 12/31/07	560,146,131	7.003%	39,229,129
Middlesex County Utility Authority as of 8/1/07	233,280,000	5.212%	12,157,440
Subtotal, overlapping debt			161,275,411
East Brunswick Public Schools Direct Debt			<u>112,235,117</u>
Total direct and overlapping debt			<u>\$ 273,510,528</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 2008

Equalized valuation basis	
2007	\$ 8,042,174,381
2006	7,710,109,798
2005	7,110,609,996
	<u>\$ 22,862,894,175</u>

Average equalized valuation of taxable property	\$ 7,620,964,725
Debt limit (3 % of average equalization value)	228,628,942 ^a
Net bonded school debt	112,235,117
Legal debt margin	<u>\$ 116,393,825</u>

	Fiscal Year Ending June 30,									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 139,348,207	\$ 147,077,846	\$ 146,697,239	\$ 157,854,887	\$ 109,711,053	\$ 173,227,496	\$ 221,629,482	\$ 189,690,879	\$ 115,713,100	\$ 116,393,825
Total net debt applicable to limit	-	-	16,100,000	16,100,000	15,565,000	15,030,000	95,881,000	93,536,000	91,306,000	88,766,000
Legal debt margin	\$ 139,348,207	\$ 147,077,846	\$ 130,597,239	\$ 141,754,887	\$ 94,146,053	\$ 158,197,496	\$ 125,748,482	\$ 96,154,879	\$ 24,407,100	\$ 27,627,825

Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	10.97%	10.20%	14.19%	8.68%	43.26%	49.31%	78.91%	76.26%
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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 B 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
1999	46,668	-	33,898	2.9%
2000	46,756	-	36,480	2.4%
2001	47,371	-	37,792	2.8%
2002	47,811	-	37,994	4.2%
2003	48,166	-	38,349	4.1%
2004	48,206	-	39,672	3.4%
2005	48,241	-	41,050	3.2%
2006	47,649	-	44,022	3.5%
2007	47,430	-	*	3.1%
2008	*	-	*	*

Source: NJ Department of Labor and Workforce Development

* Information for the noted years was not available.

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	2008			1999		
	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
Bristol-Meyers Squibb	3,500-3,749	2	0.00%	n/a	n/a	n/a
Merrill Lynch & Company	2,750 - 2,999	3	0.00%	n/a	n/a	n/a
Novo Nordisk	2,750 - 2,999	4	0.00%	n/a	n/a	n/a
Prudential Insurance Company	2,750 - 2,999	5	0.00%	n/a	n/a	n/a
St. Peter's University Hospital	2,750 - 2,999	6	0.00%	n/a	n/a	n/a
Telcordia Technology	2,500-2,749	7	0.00%	n/a	n/a	n/a
J.F.K. Medical Center	2,500-2,749	8	0.00%	n/a	n/a	n/a
Silverline Building Products	2,250-2,299	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 2008

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 1999 was not available.

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

J-16

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

Source: District Personnel Records

Note: Only the last five years of information are presented as GASB 34 was implemented during fiscal year June 30, 2003.

East Brunswick Public Schools
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

Fiscal Year	Pupil/Teacher Ratio										Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	Junior High School	High School	Average Daily Enrollment (ADE) ^c			
1999	*	77,832,154.23	*	-	*	23:1	28:1	26:1	27:1	8,162.40	7,850.80	4.20%	96.18%
2000	8,354	82,758,634.44	9,906	-	*	23:1	25:1	27:1	28:1	8,417.92	8,087.10	3.13%	96.07%
2001	8,365	89,043,737.13	10,645	7.45%	*	23:1	26:1	27:1	27:1	8,670.02	8,282.09	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	8,944	104,710,123.81	11,840	7.89%	*	23:1	25:1	25:1	24:1	8,755.56	8,328.41	-0.41%	95.12%
2004	8,958	108,832,211.75	12,149	2.61%	705	22:1	25:1	25:1	25:1	8,986.68	8,622.75	2.64%	95.95%
2005	9,035	115,198,109.85	12,750	4.95%	766	23:1	25:1	25:1	25:1	9,096.13	8,719.82	1.22%	95.86%
2006	9,047	121,354,429.00	13,414	5.20%	782	21:1	22:1	21:1	24:1	9,277.69	9,020.44	2.00%	97.23%
2007	9,067	128,270,341.90	14,147	5.47%	781	21:1	22:1	21:1	25:1	8,971.55	8,608.08	-3.30%	95.95%
2008	8,846	135,469,684.00	15,314	8.25%	720	23:1	21:1	23:1	21:1	8,781.66	8,480.19	-2.12%	96.57%

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
 Unaudited

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
District Building										
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
Enrollment	*	324	310	304	312	320	310	299	295	312
Central (1949)										
Square Feet	40,067	40,067	40,067	40,067	40,067	40,067	40,067	40,067	73,266	73,266 *
Capacity (students)	*	452	452	452	452	452	452	452	552	552 **
Enrollment	*	476	476	468	469	463	468	441	429	444
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
Enrollment	*	582	561	551	535	574	539	560	603	501
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
Enrollment	*	531	519	561	579	570	557	528	538	479
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
Enrollment	*	503	527	515	535	507	525	536	517	424
Lawrence Brook (1959)										
Square Feet	37,004	37,004	37,004	37,004	37,004	37,004	37,004	37,004	67,267	67,267 *
Capacity (students)	*	465	465	465	465	465	465	465	532	532 **
Enrollment	*	458	456	443	457	461	459	451	447	521
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
Enrollment	*	359	340	370	374	377	375	378	384	389
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
Enrollment	*	549	500	553	543	558	569	588	551	531
Total Elementary Schools										
Square Feet	331,943	331,943	331,943	331,943	331,943	331,943	331,943	331,943	395,405	395,405
Capacity (students)	*	3,281	3,281	3,281	3,281	3,281	3,281	3,281	3,448	3,448
Enrollment	*	3,782	3,689	3,765	3,804	3,830	3,802	3,781	3,764	3,601

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<u>Middle School</u>										
Hamarskjold (1961)										
Square Feet	116,862	116,862	116,862	116,862	116,862	116,862	116,862	116,862	116,862	116,862
Capacity (students)	*	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288
Enrollment	*	1,330	1,432	1,472	1,440	1,474	1,504	1,468	1,409	1,414
<u>Junior High School</u>										
Churchill Jr. High (1962)										
Square Feet	87,000	87,000	87,000	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
Enrollment	*	1,355	1,318	1,385	1,529	1,541	1,484	1,501	1,534	1,506
<u>High School</u>										
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
Enrollment	*	1,887	1,926	2,049	2,071	2,113	2,245	2,297	2,254	2,176
<u>Other</u>										
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, 2008										
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.

* As per construction drawings (A000)

** As per Section 15 Grant Agreement (A-2)

East Brunswick Public Schools
 Schedule of Required Maintenance for School Facilities
 Last Seven Fiscal Years
 Unaudited

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

School Facilities	Project # (s)	2008	2007	2006	2005	2004	2003	2002*
East Brunswick High School	N/A	\$ 533,832	\$ 568,212	\$ 525,549	\$ 565,886	\$ 520,355	\$ 411,981	
Churchill Junior High School	N/A	426,848	494,977	441,724	468,456	474,606	288,103	
Hammarskjold School	N/A	242,166	230,222	206,420	219,617	198,029	157,563	
Bowne-Munro School	N/A	66,159	61,425	56,305	61,519	53,535	45,987	
Central School	N/A	153,963	80,487	76,238	75,151	65,858	54,165	
Inwin School	N/A	87,549	82,598	75,765	84,647	70,066	59,358	
Lawrence Brook School	N/A	139,809	75,300	65,812	72,728	67,546	51,543	
Memorial School	N/A	67,486	59,367	55,020	58,100	52,737	41,782	
Chittick School	N/A	106,422	95,834	85,025	95,403	80,004	67,368	
Frost School	N/A	102,292	105,829	89,017	93,710	80,850	69,408	
Warnsdorfer School	N/A	103,639	95,898	86,660	94,496	81,691	67,605	
Total School Facilities		2,030,165	1,950,149	1,763,535	1,889,713	1,745,277	1,314,863	-
Other Facilities		60,340	65,349	58,997	62,880	55,152	45,228	-
Grand Total		\$ 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.

East Brunswick Public Schools
 Insurance Schedule
 Last Ten Fiscal Years
 Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>MULTI-PERIL PACKAGE POLICY</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG		
POLICY NO. P-135Z		
ANNUAL PREMIUM: \$166,037		
<u>Section II - Commercial General Liability</u>		
Bodily Injury, Property Damage and Personal Injury	\$ 6,000,000	
Medical Expense	10,000	
Aggregate Child Molestation/Sexual Abuse	2,000,000	
<u>Section III - Crime</u>		
Money and Securities	25,000	\$ 500
Employee Dishonesty	1,000,000	1,000
Depositors Forgery	1,000,000	1,000
Computer Fraud	25,000	1,000
<u>SCHOOL BOARD LEGAL</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG		
POLICY NO. E-135Z		
ANNUAL PREMIUM: \$96,287		
Wrongful Acts Liability - Each Occurrence	6,000,000	15,000
Annual Aggregate	6,000,000	
<u>CATASTROPHIC POLICY</u>		
FIREMAN'S FUND		
POLICY NO. SHX90455726		
ANNUAL PREMIUM: \$39,356		
Limit of Insurance (Group Aggregate)	50,000,000	
<u>PROPERTY INSURANCE</u>		
PEPIP		
POLICY NO. P081654		
ANNUAL PREMIUM: \$147,433		
Blanket Building - Contents Coverage	303,510,175	25,000
Extra Expense	10,000,000	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	25,000,000	25,000

	<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	\$ 1,000,000	
Uninsured Motorist Coverage	1,000,000	
Comprehensive	ACV	\$ 1,000
Collision	ACV	1,000

ENVIRONMENTAL IMPAIRMENT

CHUBB GROUP
 POLICY NO. 37254099
 ANNUAL PREMIUM: \$8,050

Legal Liability	1,000,000 each loss 3,000,000 aggregate	10,000
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WORKERS COMPENSATION

EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG
 POLICY NO. W-135Z
 ESTIMATED DEPOSIT PREMIUM: \$502,075

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: \$21,941

Supplemental Coverage:		
Reimbursement of Salary - Max Weekly Benefit	1,750	

PRIMARY UMBRELLA

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

East Brunswick Public Schools
 Insurance Schedule
 Last Ten Fiscal Years
 Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>STUDENT ACCIDENT INSURANCE</u>		
McCLOSKEY INSURANCE POLICY NO. RENEWAL OF 07731017 ANNUAL PREMIUM: \$30,007		
Student Accident/Athletic Accident		Supplemental to primary family policy
<u>BUILDER'S RISK PROPERTY COVERAGE</u>		
SELECTIVE INSURANCE COMPANY POLICY NO. S1781524 ANNUAL PREMIUM: \$74,030		
Hammarskjold Middle School	\$ 54,950,000	\$ 10,000
<u>BONDS</u>		
SELECTIVE POLICY NO. B1005809 ANNUAL PREMIUM: \$1,800		
L. Mason Neely, Treasurer	750,000	
SELECTIVE INSURANCE POLICY NO. B1005007 ANNUAL PREMIUM: \$280		
Bernardo J. Giuliana, Business Administrator / Board Secretary	50,000	

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, 2008, which collectively comprise the District's basic financial statements have issued our report thereon dated October 10, 2008. 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any

**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 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.

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 10, 2008
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, 2008. 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, 2008.

Internal Control Over Compliance

The 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 financial reporting.

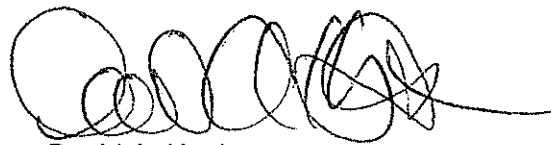
A control deficiency in an entity's internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not 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 10, 2008
Long Branch, New Jersey

EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance, June 30, 2007		Carryover Utilized	Adjustments	Cash Received	Expenditures	Balance, June 30, 2008		
				Deferred Revenue	(Accounts Receivable)					Deferred Revenue	Accounts Receivable	Due to Grantor
Enterprise Fund:												
U.S. Department of Agriculture:												
Passed-through State Department of Education:												
Food Distribution Program	10.56											
National School Lunch Program	10.56	7/1/06-6/30/07	306,202		(18,979)			105,218	(105,218)			
National School Lunch Program	10.56	7/1/07-6/30/08	316,041					292,960	(316,041)		(23,081)	
Total Enterprise Fund					(18,979)			417,157	(421,259)		(23,081)	
Special Revenue Fund:												
U.S. Department of Education:												
Passed-through State Department of Education:												
E.S.E.A. Title I 05/06, Carryover	84.01	9/1/06-8/31/07	281,457	7,632		(7,632)						
E.S.E.A. Title I 05/06, Carryover	84.01	9/1/07-8/31/08	281,457			7,632			(7,632)			
E.S.E.A. Title I 06/07	84.01	9/1/06-8/31/07	288,885	20,878		(20,878)				9,747		
E.S.E.A. Title I 06/07, Carryover	84.01	9/1/07-8/31/08	288,885			20,878			(11,131)			
E.S.E.A. Title I 07/08	84.01	9/1/07-8/31/08	276,016					276,016	(53,461)	222,555		
Title II 05/06, Part A, Carryover	84.17	9/1/06-8/31/07	184,162	4,379		(4,379)						1,491
Title II 05/06, Part A, Carryover	84.17	9/1/07-8/31/08	184,162			4,379			(2,888)			
Title II 06/07, Part A	84.17	9/1/06-8/31/07	179,948	49,785		(49,785)			(45,561)	4,224		
Title II 06/07, Part A, Carryover	84.17	9/1/07-8/31/08	179,948			49,785			(127,512)	52,679		
Title II 07/08, Part A	84.17	9/1/07-8/31/08	180,191					180,191				
Title II 05/06, Part D, Carryover	84.17	9/1/06-8/31/07	5,142	441		(441)						178
Title II 05/06, Part D, Carryover	84.17	9/1/07-8/31/08	5,142			441	(39)		(224)			
Title II 06/07, Part D	84.17	9/1/06-8/31/07	1,194	81		(81)			(2)	118		
Title II 06/07, Part D, Carryover	84.17	9/1/07-8/31/08	1,194			81	39		(27)	1,829		227
Title II 07/08, Part D	84.17	9/1/07-8/31/08	1,855					1,855				
Title III 05/06, Carryover	84.37	9/1/06/8/31/07	56,700	3,001		(3,001)						
Title III 05/06, Carryover	84.37	9/1/07-8/31/08	56,700			3,001			(2,774)			
Title III 06/07	84.37	9/1/06/8/31/07	47,315	38,122		(38,122)			(77)	38,045		
Title III 06/07, Carryover	84.37	9/1/07-8/31/08	47,315			38,122			(607)	40,066		
Title III 07/08	84.37	9/1/07-8/31/08	40,673					40,673				
Title III Supplemental, 05/06, Carryover	84.37	9/1/06/8/31/07	99,241	65,254		(65,254)						11
Title III Supplemental, 05/06, Carryover	84.37	9/1/07-8/31/08	99,241			65,254	(350)		(64,893)			
Title III Supplemental, 06/07	84.37	9/1/06-8/31/07	55,422	55,422		(55,422)						
Title III Supplemental, 06/07, Carryover	84.37	9/1/06/8/31/07	55,422			55,422	350		(2,067)	53,705		
Title III Supplemental, 07/08	84.37	9/1/07-8/31/08										

EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance, June 30, 2007			Cash Received	Expenditures	Balance, June 30, 2008		
				Deferred Revenue	(Accounts Receivable)	Due to Grantor			Deferred Revenue	(Accounts Receivable)	Due to Grantor
Title V 05/06, Carryover	84.30	9/1/06-8/31/07	20,866	999							
Title V 05/06, Carryover	84.30	9/1/07-8/31/08	20,866				(988)			11	
Title V 06/07	84.30	9/1/06-8/31/07	12,618	821					786		
Title V 06/07, Carryover	84.30	9/1/07-8/31/08	12,618				(36)				
Title V 07/08	84.30	9/1/07-8/31/08	10,878			10,878	(159)		10,719		
I.D.E.A. Part B, Basic Regular 06/07	84.03	9/1/06-8/31/07	1,815,598	39,060							
I.D.E.A. Part B, Basic Regular 06/07, Carryover	84.03	9/1/07-8/31/08	1,815,598				(39,060)				
I.D.E.A. Part B, Basic Regular 07/08	84.03	9/1/07-8/31/08	1,875,202			1,875,202	(1,865,477)		9,725		
I.D.E.A. Part B, Preschool 06/07	84.17	9/1/06-8/31/07	68,073	11,519							
I.D.E.A. Part B, Preschool 06/07, Carryover	84.17	9/1/07-8/31/08	68,073				(11,519)				
I.D.E.A. Part B, Preschool 07/08	84.17	9/1/07-8/31/08	68,296			68,296	(67,189)		1,107		
U.S. Department of Education (Continued):											
Passed-through State Department of Education (Continued):											
Safe & Drug Free Schools :											
Title IV 05/06	85.30	9/1/06-8/31/07	26,415	558							
Title IV, 05/06, Carryover	85.30	9/1/07-8/31/08	26,415				(12)			194	
Title IV 06/07	85.30	9/1/06-8/31/07	21,775	8,402					2,043		
Title IV, 06/07, Carryover	85.30	9/1/07-8/31/08	21,775				12				
Title IV, 07/08	85.30	9/1/07-8/31/08	23,388			23,388	(14,443)		8,945		
Adult Basic Education 07/08	84.00	9/1/07-8/31/08	173,514			135,517	(173,514)		(37,997)		
T.O.O.L.-Overcoming Obstacles 05/06	84.22	8/1/04-7/30/07	997,460			(50,636)				(38,495)	
Foreign Language Assistance 05/05	81.293B	9/15/05-9/14/05	38,104							(0)	
Total U.S. Department of Education				306,352	(56,706)		2,863,241	(2,730,976)	456,291	(76,492)	2,112
Total Special Revenue Fund				306,352	(56,706)		2,863,241	(2,730,976)	456,291	(76,492)	2,112
Total Federal Financial Assistance				\$ 306,352	\$ (75,665)	\$	\$ 3,280,399	\$ (3,152,235)	\$ 456,291	\$ (99,573)	\$ 2,112

**EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

State Grant/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Deferred Revenue	Balance, June 30, 2007		Adjustments	Cash Received	Repaid to Grantor	Expenditures	Accounts Receivable	Due to Grantor	Deferred Revenue	Budgetary Receivable	MEMO Cumulative Total Expenditure
					(Accounts Receivable)	Due to Grantor									
State Department of Education:															
General Fund:															
Core Curriculum Standards Aid	08-495-034-5120-022	7/1/07-6/30/08	\$ 8,649,678				\$ 8,225,552			\$ (8,649,678)				\$ (424,126)	\$ 8,649,678
Core Curriculum Standards Aid	07-495-034-5120-022	7/1/06-6/30/07	8,649,678		\$ (429,100)		429,100			(2,221,120)				(108,910)	2,221,120
Transportation Aid	07-495-034-5120-014	7/1/06-6/30/07	2,221,120		(110,187)		2,112,210			(6,186,136)				(303,819)	6,186,136
Special Education Aid	07-495-034-5120-011	7/1/07-6/30/07	6,195,136		(307,363)		5,892,317			(202,496)				(9,929)	202,496
Special Education Aid	07-495-034-5120-008	7/1/06-6/30/07	202,496		(10,046)		192,557			(614,613)				(30,137)	614,613
Bilingual Education Aid	07-495-034-5120-008	7/1/07-6/30/07	614,613		(30,480)		584,476			(1,089,138)				(53,403)	1,089,138
Consolidated Aid	07-495-034-5120-057	7/1/06-6/30/07	1,089,138		(26,615)		30,480			(20,222)				(20,222)	20,222
Additional Formula Aid	07-495-034-5120-058	7/1/06-6/30/07	536,521		(49,560)		26,615			(504,250)				(504,250)	504,250
Nonpublic School Transportation Aid	07-495-034-5120-014	7/1/07-6/30/08	20,222		(531,615)		49,560			(477)				(129,182)	477
Nonpublic School Transportation Aid	07-495-034-5120-014	7/1/06-6/30/07	49,560		(199,108)		4,059,013			(4,188,195)				(129,182)	4,188,195
Extraordinary Aid	07-495-034-5120-044	7/1/06-6/30/07	531,615				199,108			(23,666,325)				(1,563,978)	23,666,325
Full - Day Kindergarten Supplemental Aid	08-495-034-5120-074	7/1/07-6/30/08	477				23,796,451			(494,069)					494,069
On - Behalf T.P.A.F. FICA Contributions	08-100-034-5095-001	7/1/07-6/30/08	4,188,195				494,069			(494,069)					494,069
On - Behalf T.P.A.F. FICA Contributions	07-100-034-5095-001	7/1/06-6/30/07	4,099,525												
Total General Fund															
Debt Service Fund:															
Debt Service Aid	08-495-034-5120-017	7/1/07-6/30/08	494,069				494,069								494,069
Total Debt Service Fund															
Special Revenue Fund:															
N.J. Nonpublic Aid:															
Textbook Aid	08-100-034-5120-064	7/1/07-6/30/08	48,456				48,456			(48,456)				(48,456)	48,456
Nursing Services	08-100-034-5120-070	7/1/07-6/30/08	66,931				66,931			(66,931)				(66,931)	66,931
Technology	08-100-034-5120-373	7/1/07-6/30/08	34,680				34,680			(34,680)				(34,680)	34,680
Auxiliary Services:															
English as a Second Language	08-100-034-5120-067	7/1/07-6/30/08	16,139				16,139			(16,139)				(16,139)	16,139
Transportation	08-100-034-5120-068	7/1/07-6/30/08	15,758				15,758			(15,758)				(15,758)	15,758
Handicapped Services:															
Supplemental Instruction	08-100-034-5120-066	7/1/07-6/30/08	26,432				26,432			(26,432)				(26,432)	26,432
Compensatory Education	07-100-034-5120-067	7/1/06-6/30/07	72,704		\$ 31,808		\$ 31,808		\$ 31,808					(64,896)	64,896
Compensatory Education	07-100-034-5120-067	7/1/07-6/30/08	64,896				64,896			(64,896)		\$ 300		(64,896)	64,896
Examination and Classification	07-100-034-5120-065	7/1/06-6/30/07	41,645		295		49,091		295	(49,091)				(49,091)	49,091
Examination and Classification	08-100-034-5120-066	7/1/07-6/30/08	49,091		49,920		49,091			(49,091)				(49,091)	49,091
Corrective Speech	07-100-034-5120-066	7/1/06-6/30/07	81,840				42,780			(36,090)		6,690		(42,780)	36,090
Corrective Speech	08-100-034-5120-066	7/1/07-6/30/08	42,780				251								251
Home Instruction	07-100-034-5120-067	7/1/06-6/30/07	251		(251)										
Total State Department of Education							365,414	32,103	32,103	(358,174)		6,989		(365,163)	368,174

EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2007				Balance, June 30, 2008				MEMO Cumulative Total Expenditure							
				Deferred Revenue	(Accounts Receivable)	Due to Grantor	Adjustments	Cash Received	Repaid to Grantor	Expenditures	Accounts Receivable		Due to Grantor	Deferred Revenue	Budgetary Receivable				
State Department of Human Services: Special Revenue Fund: Adult Life Skills Autism	N/A N/A	7/1/07-6/30/08 4/1/07-6/30/08	254,106 599,931	97,530				\$ 254,106 440,935									\$ 254,106 565,765		
Total State Department of Human Services				97,530				695,042										819,871	
Total Special Revenue Fund				97,530	(251)	82,023		1,060,456	32,103	(1,178,044)					6,989			(392,462)	1,178,044
Capital Projects Fund: New Jersey Economic Development Authority	N/A	2004 - Current	68,366,795		(16,597,247)			6,944,439			(9,615,526)								
Total Capital Projects Fund					(16,597,247)			6,944,439			(9,615,526)								(78,325)
Enterprise Fund: State School Lunch Program	07-100-034-5120-122	7/1/05-6/30/07	28,055		(1,738)			1,738											
State School Lunch Program	09-100-034-5120-122	7/1/07-6/30/08	28,251					26,234			(2,027)								(28,261)
Total Enterprise Fund					(1,738)			27,972			(2,027)								(28,261)
Total State Financial Assistance				\$ 97,530	\$ (18,293,340)	\$ 82,023	\$ 37,782	\$ 32,323,387	\$ 32,103	\$ (25,386,689)	\$ (10,298,505)	\$ 6,989	\$ (2,083,025)	\$ 25,261,852					

TOWNSHIP OF EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
FISCAL YEAR ENDED JUNE 30, 2008

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, 2008

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(13,827) for the general fund and \$(15,110) 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	\$	\$ 31,841,232	\$ 31,841,232
Special Revenue Fund	2,750,769	1,178,044	3,928,813
Debt Service Fund		494,069	494,069
Food Service Fund	<u>421,259</u>	<u>28,261</u>	<u>449,520</u>
 Total Awards and Financial Assistance	 \$ <u>3,172,028</u>	 \$ <u>33,541,606</u>	 \$ <u>36,713,634</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, 2008.

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, 2008. 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, 2008

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified, dated
October 10, 2008

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 10, 2008

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>10.555</u>	<u>National School Lunch Program</u>
<u>84.027</u>	<u>IDEA , Part B, Basic Regular</u>

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

TOWNSHIP OF EAST BRUNSWICK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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 10, 2008

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>
<u>495-034-5120-022</u>	<u>Core Curriculum Standards Aid</u>
<u>495-034-5120-011</u>	<u>Transportation Aid</u>
<u>495-034-5095-002</u>	<u>Reimbursed TPAF FICA</u>
<u>495-034-5120-058</u>	<u>Additional Formula Aid</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Dollar threshold used to distinguish between Type A and Type B programs: \$ 774,178

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, 2008

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, 2007:

There were no prior year findings reported.