

**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, 2011

Prepared by

Bernardo J. Giuliana

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

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Introductory Section

East Brunswick Public Schools

760 Route 18
East Brunswick, New Jersey 08816

September 19, 2011

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, 2011 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 2010 - 2011 fiscal year with an average daily enrollment of 8,496 students, or 213 students less than the previous year's enrollment. The following details the changes in the District's student enrollment over the last five years.

<i>Average Daily Enrollment</i>		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-2011	8,496.0	(2.45%)
2009-2010	8,709.0	(1.15%)
2008-2009	8,810.0	0.32%
2007-2008	8,782.0	(2.12%)
2006-2007	8,972.0	(3.00%)

2. ECONOMIC CONDITION AND OUTLOOK: The Township of East Brunswick's total labor force decreased 1.53% from 26,452 in 2009 to 26,048 in 2010, as reported by the U.S. Department of Labor, Bureau of Labor Statistics. The employment rate for 2010 was 92.9% as compared with 92.4% in 2009, and the unemployment rate for 2010 decreased to 7.1% from 7.6% in 2009.

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 February 28, 2011 totaled \$5,033,069.00 and the total number of permits issued totaled 354 for the same period. The construction value and permits issued for the entire 2010 calendar year respectively totaled \$37,435,294.00 and 2,470 as compared to \$30,241,699.00 and 2,733 for the 2009 calendar year. This represents a decrease of 263 permits and an increase in construction value of \$7,193,595.00.

Certificates of occupancy (COs) issued for new residential units were reported to be at 2, or 15% during the first two months of 2011 as compared with the calendar

year 2010. While the demand for new housing is low, re-sale housing in East Brunswick continues to be reflective of the ongoing desire of individuals to establish their residency where the excellent public schools are the primary factor in that decision. Moreover, the nearly 24% increase in construction value indicates that property owners' are committed to invest in East Brunswick properties. Low home mortgage rates have been beneficial to the home buyer, yet, conversely, the more stringent mortgage qualification requirements have made home purchases more difficult.

Although the unemployment rate has seen a slight decrease, it should not be construed to minimize the general economic conditions experienced both nationally and in New Jersey and East Brunswick, in particular. Unemployment continues to remain at high levels, and the State and national economic forecasts do not support any substantive improvement in the near future. This singly important issue must be underscored as it affects general economic viability locally, state-wide and nationally.

State legislation has established caps on local property tax increases, which are intended to limit property tax growth. The caps and limited State aid funds have resulted in deep cuts in services to students and the community. New Jersey continues to have a need for property tax reform. The District is conscious of this and will continue to act prudently in its fiscal decisions. However, this issue must be addressed. We again urge New Jersey residents to express the expectations they have of their elected State officials with regard to property tax reform.

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

substantially reduce the tax levy. The end result was an across-the-board staff reduction affecting administrative, support, and classroom staff by nearly 100 positions.

3. MAJOR INITIATIVES: On July 10, 2008, Memorial Elementary School suffered a devastating fire, which destroyed a series of classrooms and rendered the entire school facility unusable beginning with the 2008-2009 school year. The District was immediately forced into crisis mode having to determine the best solution to temporarily housing the nearly 400 students displaced by the fire. Within a month of the fire, the District was able to secure a lease for the Corpus Christi school facility in neighboring South River with students receiving instruction at the facility beginning in September 2008. Since then, the District has been in “recovery mode.” A bond referendum to replace the fire-damaged Memorial Elementary School building was approved by the voters on September 29, 2009. Since then, the District has been working with its building professionals to prepare plans for a new school. Currently, the project continues to move forward with a planned September 2012 occupancy.

The District has been aggressive in pursuing the maximum level of State grant funds for all qualifying projects since State’s school facilities grants were reinstated in 2008. To date, East Brunswick has been successful in receiving grant approvals on all qualifying projects and for the maximum qualifying amount. The grant funds have benefitted East Brunswick taxpayers by reducing the local financial obligation for the projects.

While limited funds have been available for needed capital improvements, the District has planned for projects funded through short-term lease-purchase financing having a payback period of no more than five years and federal ARRA funds. In addition, the District has received Safety Grants from the New Jersey School Boards Insurance Group. Those grants focus on District safety and security through physical improvements. The projects undertaken and in-process or completed during the past year include security systems upgrades at Churchill Junior High School and East Brunswick High School; the roof replacement at Chittick Elementary School; art room renovations at East Brunswick High School; various classroom floor replacements at Bowne-Munro, Chittick, Frost, Irwin, and Warnsdorfer Elementary Schools and Churchill Junior High School; multi-purpose room floor replacements at Frost and Warnsdorfer Elementary Schools; the replacement and/or resurfacing of playgrounds at Bowne-Munro, Chittick, Irwin, and Warnsdorfer Elementary Schools; the rehabilitation of the Lawrence Brook Elementary School playground; demolition of the Memorial Elementary School

building on Innes Road; installation of auditorium roof-top units at East Brunswick High School; and, rehabilitation of the child development room at East Brunswick High School.

Finally, technology has a significant role in instruction and is integrated throughout the District's operations. In fact, it is important to recognize that technology is not a frill. Rather, it is a necessity since it is infused in nearly every aspect of every day life. In addition, technology is not stagnant; it is ever emerging with advancements released nearly every day. Budget constraints have significantly affected the level of support for the District's investment in technology. This District will continue to be challenged by this issue and in finding ways to appropriately fund this area and provide appropriate hands-on technology to students who are expected to be productive contributors to society in the 21st century.

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

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

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

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets

are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are accounted for in the capital projects fund when applicable. The final budget amount, as amended for the fiscal year, is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as reported as reservations of fund balance at June 30, 2011.

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:

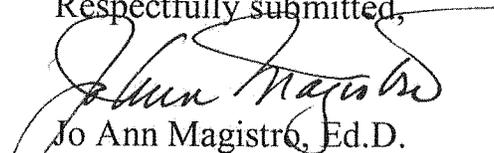
A) Independent Audit - State statute 18A:23-1 requires an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of DAK CPA was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit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

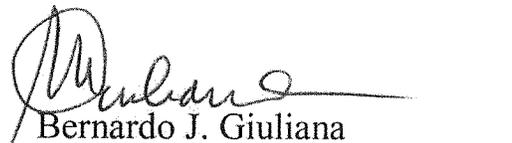
B) Continued Excellence in Academics, Athletics and the Arts - During the 2010-2011 school year, the District continued to advance its reputation for excellence through a variety of accomplishments and achievements. See the accomplishments and achievements section for a number of those successes.

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

Respectfully submitted,



Jo Ann Magistro, Ed.D.
Superintendent



Bernardo J. Giuliana
School Business Administrator/
Board Secretary

ACCOMPLISHMENTS AND ACHIEVEMENTS

The District is proud to report the many successes and accomplishments that our students have achieved. The 2010-2011 school year achievements are listed below.

For Excellence in Academics...

- Robert Frost Elementary School received the prestigious designation of 2010 Blue Ribbon Lighthouse School from Blue Ribbon Schools of Excellence, Inc. The award was officially presented to Principal Beth Warren at the Blue Ribbon Schools Blueprint for Excellence National Conference in December 2010.
- Central Elementary School received the prestigious designation of 2011 Blue Ribbon Lighthouse School from Blue Ribbon Schools of Excellence, Inc. The award will be officially presented to Principal Nicole Tibbetts at the Blue Ribbon Schools Blueprint for Excellence National Conference in December 2011.
- East Brunswick is the only district in the state having ten schools with Blue Ribbon status. In addition to Frost and Central, the schools are: Bowne-Munro, Chittick, Irwin, Lawrence Brook and Warnsdorfer Elementary Schools, Hammarskjold Middle School, Churchill Junior High School and East Brunswick High School.
- “EBHS is without a doubt one of the finest schools in the nation. It is a school that has a very strong academic program, supported by ample financial resources, and guided by excellent leadership.” Quote taken from the Middle States Association of Colleges and Schools Accreditation for Growth Validation Team.
- Twenty-one EBHS students were named Semi-finalists in the 2011 National Merit Scholarship Program. According to an article in The Home News Tribune, “Considerably more East Brunswick High School students achieved this honor than in neighboring high schools.” This is a tribute to all of our staff for the instruction given to our students from Kindergarten to Grade 12. Of the 21 Semi-finalists, 20 were named Finalists in the 2011 National Merit Scholarship Program.
- Thirty-seven EBHS students were named Commended Students in the 2011 National Merit Scholarship Program.
- Two hundred and thirty-two (232) EBHS seniors were named Presidential Scholars.
- At the State conference in November, the EBHS Family Career and Community Leaders of America Club (FCCLA) achieved the following:
 - A Gold Medal in the Banner Competition.
 - A Bronze Medal in the area of Lessons in Leadership.
 - 2 Silver Medals in the Passion for Fashion category.
 - In the Apple Bake Off, one student received a Gold Medal, First Place in the State and a \$1,000 scholarship to the Culinary Institute of America. Another student received a Silver Medal.
 - A Gold Medal and First Place in the State for the Tune into FCCLA video.
 - In Regional Science Olympiad competition teams from all three secondary schools qualified for the State competition. Both the HMS and the CJHS teams placed third overall. The EBHS team, tied for third, lost the tiebreaker and placed fourth.

For Excellence in Academics - Continued

- The EBHS Advanced Placement IPLE Class (26 students) placed first in the New Jersey We the People: The Citizen and the Constitution Competition earning them the honor of representing New Jersey at the national competition in Washington DC. This is the 23rd time out of a possible 24 that our IPLE students will represent the State of New Jersey at this competition.
- The 26 students in the EBHS Advanced Placement IPLE Class went on to place third at the National We the People: the Citizen and the Constitution Competition where they vied with more than 1,200 students representing all fifty states and the District of Columbia.
- Ninety-seven (97) EBHS juniors and seniors were inducted into the National Honor Society, the nation's premier organization for recognizing outstanding students. They maintained at least a 3.6 GPA and excelled above and beyond in the areas of leadership, service to their community and character. (100 members of the Class of 2011 are NHS members.)
- One hundred and thirty-four (134) EBHS students in the International Studies program participated and received recognition for their superior performance at the Rutgers Model UN, the Philadelphia Model UN and/or the National High School Model UN.
- Fifty-two (52) EBHS students attending the Rutgers Model Congress were recognized for exemplary written work and oral presentation and were named the Outstanding Large Delegation.
- At the NJ Junior Engineering Technical Society (JETS) competition two EB teams (grades 9/10 and grades 11/12) placed first. The grade 9-10 team placed second in the nation out of a total of 312 teams.
- In State level competition the CJHS Science Olympiad Team placed first in the Awesome Aquifers category.
- In state level competition the EBHS Science Olympiad Team placed first in the Ecology category in the high school division.
- Seven EBHS first year Chemistry students placed first in the State in the Chemistry I category in the New Jersey Science League, a competition that consists of four 50 minute written exams in seven content areas.
- Twenty-one (21) EBHS students enrolled in the Waxman Scholars program had their research on a new organism named *Wolffia Australiana* published in the National Center for Biotechnology Information (NCBI) database that disseminates biomedical information for the better understanding of molecular processes affecting human health and disease.
- Five EBHS students who participated in the 61st annual Merck State Science Day placed first in the Integrated Science category consisting of 115 questions on different areas of science; one member of the team finished first in the State individually on the Integrated Science test.
- The EBHS Robotics Team won the title of Tournament Champion at the 2011 VEX Round Up New Jersey State Championship.
- Three EBHS juniors were selected to attend the prestigious Governor's School in the Sciences.

For Excellence in Academics-Continued

- One CJHS eighth grader was named a New Jersey Geographic Bee Semi-finalist by the National Geographic Society.
- One CJHS student won Second Prize in the 2011 Hunt for History Contest.
- Students from the EBHS Future Business Leaders of America (FBLA) won the Middlesex County Consumer Bowl sponsored by the New Jersey Office of Attorney General Division of Consumer Affairs with a score of 125 to 85.
- At the Family Career and Community Leaders of America (FCCLA) State Leadership Conference the EBHS FCCLA Club received three gold, two silver and two bronze medals. In addition to a gold medal in the category of cake decorating, one student received an \$1800 scholarship to The Restaurant School at Walnut Hill College.
- The graduation rate for the EBHS Class of 2011 was 99.5%. The post graduate plans for the 775 graduates include: 76% to attend four year colleges/universities, 20% to attend two year colleges, 2% to other higher education and 2% to armed forces or the work force.
- At EBHS 1,033 Advanced Placement (AP) exams were administered with a 93% success rate of a score of 3 or higher, the score needed for students to receive college credit. Offering AP courses does not cost the district additional money. In fact in addition to paying the exam fee, parents can save in tuition fees (estimated to be as much as \$988,581 for a NJ State institution) and many students fulfill college graduation requirements in less than four years.
- Likewise, EBHS seniors filled 793 seats in college level math, English and business courses at a possible estimated savings in tuition of \$1,110,439.
- The mean GPA of the EBHS Class of 2011 is a 3.3 with 94 members boasting a 4.0 or better GPA.
- Five Elementary TAG students (two Frost, one Irwin and 2 Lawrence Brook) were finalists in the Kid's Science Challenge, a competition for students to design/invent new musical instruments, sporting equipment, or microbial agents.
- A Warnsdorfer fourth grader won the What My State Means to Me essay contest sponsored by Senator Buono.
- A fourth grade student at Memorial Elementary School placed sixth in the nation and first in New Jersey in the InvestWrite National Essay Contest.

In Athletics...

- **Season Summaries**

	Fall	Winter	Spring	Overall
Record	101 – 36 – 2	89 – 51 – 2	89 – 70	279 – 157 – 4
Winning %	73%	63%	56%	63%
Division Record	77 – 16 – 2	46 – 24 – 2	60 – 46	183 – 86 – 4

- **Team Champions**

Conference	Division	Sectional	State
Girls Soccer	Girls Soccer	Boys Bowling	Boys Winter Track
Girls Tennis	Boys Soccer		
	Boys Cross Country		
	Girls Cross Country		
	Softball		

In Athletics-Continued

- Both the Boys and Girls Junior Varsity Soccer Teams were Invitational Tournament Champions.
- Girls Tennis Coach Brian McInerney was named GMC Coach of the Year.
- Gymnastics Coach Kara Scefcyk was named GMC Coach of the Year.
- The Boys Junior Varsity Basketball Team was undefeated for the season.
- The Boys Freshman, Junior Varsity and Varsity Basketball Teams won the Brunswick Invitational Basketball Tournament held at their respective levels.
- One member of the Boys Bowling Team bowled a perfect 300.
- A member of the Girls Bowling Team bowled a 299.
- The Boys Bowling Team came in second at the Bishop Ahr Invitational Tournament.
- One member of the Girls Bowling Team was named NJSIAA Girls Individual State Bowling Champion after bowling a 267 in the step-ladder final.
- The Boys Winter Track Team received the Sportsmanship award by the GMC Coaches.
- In Boys Winter Track individual athletes were GMC Champions in the 55M, 400M, Shot Put and 4 x 4 Relay. Individual athletes were named State Sectional Champions in the 400M, Shot Put and 4 x 4 Relay. In Central Jersey Group IV competition individual track athletes won the Shot Put, 1600M Relay and the 400M Dash, setting a state record of 49.33 seconds.
- Two members of the Varsity Wrestling Team earned the title of Individual GMC Champion.
- Boys Winter Track Team Coach Kevin McEvoy was named Division Coach of the Year by the GMC Coaches.
- Coach Jeff Elias was selected as our states Coach of the Year in the sport of Boys Bowling for the National Federation of High Schools Association Award.
- Coach Donald Mandy was selected as our states Coach of the Year in the sport of Boys Outdoor Track & Field for the National Federation of High Schools Association Award.
- Supervisor of Physical Education and Athletics, Frank Noppenberger was named Athletic Director of the Year for State of New Jersey by the Athletic Directors Association of New Jersey.
- A total of 188 EBHS student athletes were named to the All GMC Academic Team for
- having earned both a varsity letter AND a 3.0 or higher GPA.
- An EBHS senior (Varsity Soccer and Varsity Basketball) was among the woman high school and college athletes honored at the Star Ledger's annual New Jersey Celebrates National Girls and Women in Sports Day.
- One hundred eighty-three (183) EBHS senior letter winners are going onto higher education.
- Twelve (12) EBHS senior athletes were offered scholarships or athletic grants totaling more than \$920,000.
- An EBHS senior outfielder was chosen # 77 by the Colorado Rockies in the 2011
- Major League Baseball Draft. He was also named First Team All-State by the media.

In the Arts...

- EBHS is recognized as a New Jersey Model School for the Arts due to the rich program and high level of student participation in the visual and performing arts, humanities and dance.
- An EBHS sophomore, was selected to represent New Jersey in the Macy's Great American Marching Band. He was among 204 band members, four from each of the 50 states and the District of Columbia to lead the 84th Macy's Thanksgiving Day Parade,
- The works of two EBHS students was displayed at the Emerging Artists Show at the James Howe Gallery at Kean University sponsored by the Art Administrators of NJ. Two of these works Honorable Mention.
- An EBHS junior and aspiring photographer placed first in the Photography Division of the 2011 Congressional Art Competition for New Jersey's Twelfth District. The student's photo sequence will hang in Congressman Rush Holt's office for the ensuing year.
- The works of three EBHS students received Gold Key Awards in the Northern New Jersey Regional Scholastics Art and Writing Awards.
- Twenty (20) EBHS seniors went on to pursue college degrees in theatre, music or visual arts.
- All of the EBHS performing groups received silver or Superior Ratings in adjudicated festivals.
- The EBHS drama program's performances of Guys and Dolls and Pride and Prejudice were critically acclaimed and 12 Acting 3 Honors students performed solo shows.
- District-wide 128 student musicians were selected to participate in Regional, State and National ensembles.
- Central Jersey Music Educators Association (CJMEA):
 - 6 Elementary Honors Band
 - 28 Elementary Honors Orchestra
 - 8 Intermediate Band
 - 17 Intermediate Orchestra
 - 4 Intermediate Chorus
 - 17 Chorus
 - 11 Orchestra
 - 9 Symphonic Band
 - 1 Wind Ensemble
- NJ All-State:
 - 7 Intermediate Orchestra
 - 5 Orchestra
 - 6 Symphonic Band
 - 4 Chorus
 - 1 Women's Chorus
- All Eastern/National:
 - 2 Orchestra
 - 1 Chorus
 - 1 International Golden Key Festival

Excellence for Service to the Community...

One Hammarsjold seventh grade student (representing Middlesex County) was one of twenty one students from throughout New Jersey to be named a Distinguished Honoree for 2011 by the Wallenberg Foundation of New Jersey. The Wallenberg Foundation recognizes young people whose actions have made their world a more tolerant and accepting place.

- The EBHS Football Team and Powder Puff Players volunteered their time to connect with students at the NJ Institute for Disabilities' Lakeview School, spending one-on-one time together with the students, sharing recreational activities and leading other games and crafts.
- The EBHS Girls Volleyball team held a Breast Cancer Awareness match. We are grateful to St. Peter's Hospital who assists in the promotion of Breast Cancer education.
- The Frost Garden Club under the direction of advisor Vickie Albert freshened up the landscaping at the administration building with fall plantings. We are grateful to the children, their parents and Vickie for completing this beautification project.
- At the first of two blood drives held each year by the EBHS National Honor Society (advisors Rachel Moran and Liz Finelli) 143 pints of blood were donated.
- As his Boy Scout Eagle Leadership Project, Ian Luxenberg restored the North Courtyard at CJHS.
- Students from the Singing for Musical Theatre classes at EBHS, under the direction of Kathleen Spadafino provided entertainment for the annual Senior Volunteer Luncheon that recognizes community members for their service to the Meals on Wheels program.
- EBHS students in all cooking classes, Chef's Lab, Everyday Foods and Foods Workshop (Paula Cavallaro, Ronnie Goldstein, Bess Greenberg, Rachel Kirson, Kathy Suleski, Natalie Taranto, Joan Winters), created platters of holiday cookies for the East Brunswick Senior Center.
- Due to efforts at each of our twelve buildings and the generosity of our educational community, literally hundreds of children and many entire families had a joyous holiday season with plenty of food and gifts.
- Two (2) EBHS students were honored for their exemplary volunteer service with a state-level Certificate of Excellence from the 2011 Prudential Spirit of Community Awards program.
- At Memorial Elementary School the Student Council collected printer cartridges and cell phones for recycling. They earned a three in one printer and \$90. The Student Council partnered with the Chorus and collected pet food for an animal shelter. They were able to donate several boxes.
- Students and staff throughout the district donated a variety of items, along with cash to cover the mailing, to the troops in the Bravo Company Aviation Unit out of the 10th Mountain Division based in Fort Drum, New York currently stationed at Bagram Airfield in Bagram, Afghanistan. Operation EB Bear was led by Irwin phys. Ed. Teacher Anthony Alexander and the Irwin community as part of their PBSIS Road to Success initiative.
- EBHS students hosted the annual Senior Senior Prom for East Brunswick's senior citizens. The Student Council and teachers Chris Argenziano, Kerri McQuade, Stephanie McQuade and Audrey Nelson coordinated the event. Many clubs and individuals gave time, food and monetary donations to make this event special.
- The Lawrence Brook Student Council sponsored "Helping Hands for Japan" to support victims of Japan's devastating Tsunami/earthquake. Though the Student Council's goal was \$1,000 they proudly sent \$1,786 to the Red Cross for continued relief efforts in Japan.

Excellence for Service to the Community-Continued

- Students in the Community Programs Adult Citizenship and ESL classes joined together in a service project to reach out to members of our military serving in Afghanistan. The students wrote beautiful personal letters and sent some “comforts of home” to show their appreciation and thanks to these brave people who are protecting our freedom. The local VFW graciously agreed to ship the full cartons.
- The Warnsdorfer Student Council collected over \$1,750 to help the victims of Japan’s earthquake/Tsunami.

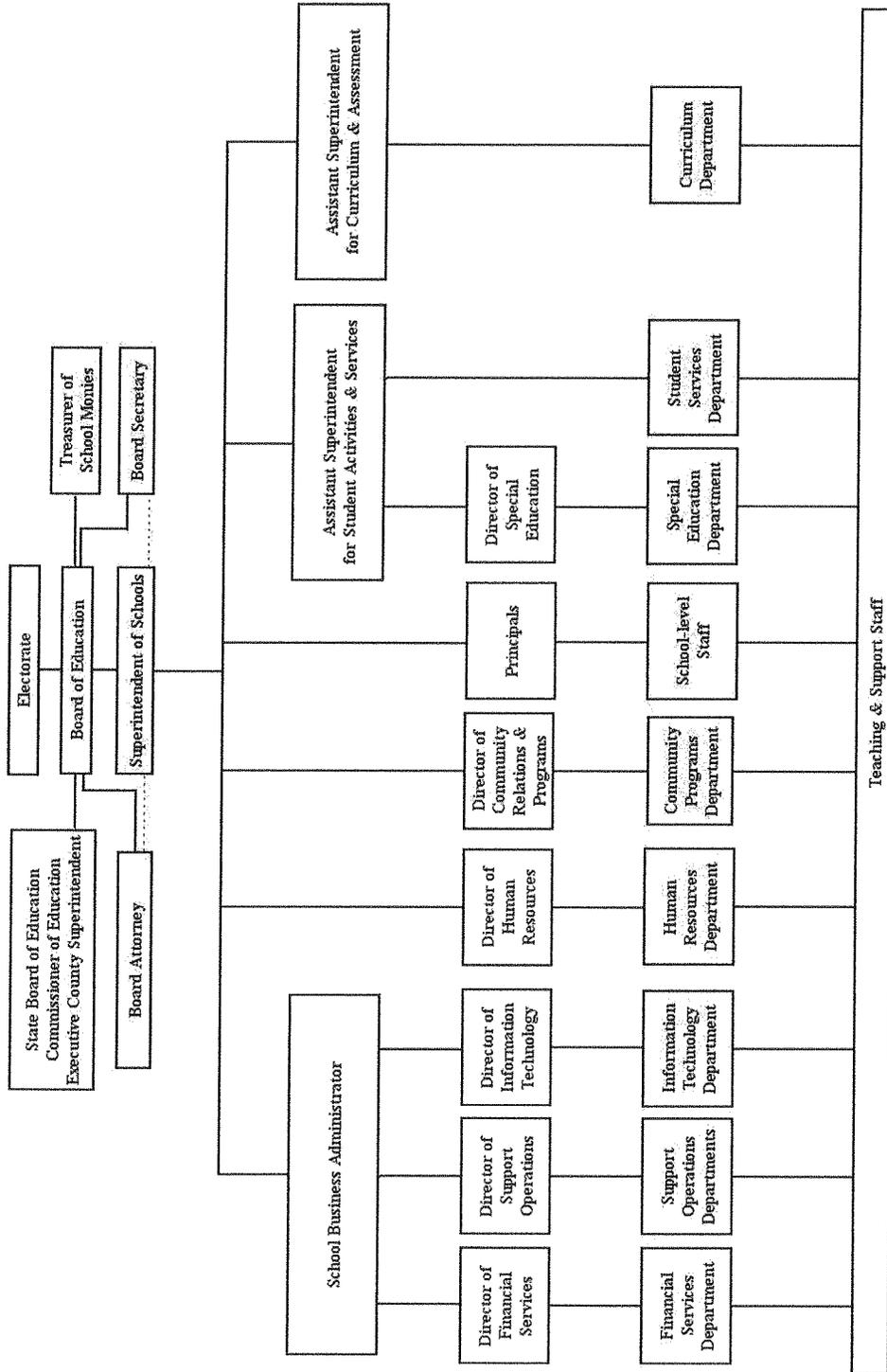
Staff Accomplishments...

- EBHS chemistry teacher Dr. Paul Kimmel received a letter of commendation from MIT recognizing his outstanding teaching abilities.
- EBHS Social Studies Teacher and Boys Winter Track Coach, Kevin McEvoy was named A Teacher Who Makes Magic by WMGQ. Kevin has been a social studies teacher at EBHS since 1977.
- HMS art teacher, Antonia Germanos-Penza, featured in the Lincoln CenterInstitute’s E-News applied for and received a Dana Fellowship from LCI to take a 10-week online course. This experience greatly enhanced teaching and learning in Antonia’s classes at Hammarskjold. Antonia also shared her knowledge and expertise with 30 visual arts and theater specialists as a newly certified Lincoln Center Institute presenter during an East Brunswick Schools professional development day.
- Frost School’s Vickie Albert was among ten women to be honored at the Middlesex County’s “Citizen of the Year” sponsored by the Middlesex Commission on the Status of Women.
- EBHS French teacher Ruth Chang who was selected by the Northeast Conference on the Teaching of Foreign Language (NECTFL) to receive a Mead Fellowship Fellows Program award. Ruth was given a full scholarship to attend the 2011 NECTFL Conference.
- HMS social studies teacher Anthony Ruzala who was selected by Learning Forward (formerly the National Staff Development Council) to participate in the Teacher Leader Community Advisory Board Grant. Anthony will be among an elite team of teachers from across the country to receive extensive professional development in the areas of curriculum leadership, media and advocacy.

The record of achievement keeps the District hopeful that the 2011-2012 school year promises to be as productive as the previous year.

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1110. ORGANIZATIONAL CHART



This organizational structure is effective July 1, 2011.

EAST BRUNSWICK SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2011

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

Other Officials

Jo Ann Magistro, Ed.D., Superintendent

Bernardo J. Giuliana, School Business Administrator/Board Secretary

Evelyn H. Ogden, Ed.D., Assistant Superintendent

Jo-Ellen Basaman, Assistant Superintendent of Student Activities/Services (Retired 6/30/11)

L. Mason Neely, Treasurer

EAST BRUNSWICK SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

ARCHITECT

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

ATTORNEY

Matthew J. Giacobbe, Esq.
Cleary, Giacobbe, Alfieri, Jacobs, LLC
7 James Street
Florham Park, NJ 07932

AUDIT FIRM

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

INSURANCE BROKER

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

OFFICIAL DEPOSITORIES

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

Financial Section

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business – type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Township of East Brunswick School District (the "District"), in the County of Middlesex, New Jersey, as of and for the fiscal year ended June 30, 2011, 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2011 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 21 through 26 and 67 through 80 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The introductory section, combining and individual fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



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

DAK CPA

DAK CPA Certified Public Accountants

September 19, 2011
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, 2011
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, 2011. 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 2010-2011 are as follows:

In total, net assets totaled \$108,424,280, which represents a 5.8% increase from 2010. This is due to the positive change in net assets that occurred this year.

Governmental activities general revenues accounted for \$131,707,159 in revenue or 97% of all revenue. Program specific revenue in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$6,557,408 or 3% of total revenue of \$146,284,530.

Among major funds, the General Fund had \$133,711,000 in revenue and \$129,987,812 in expenditures. The General Fund's fund balance is \$11,208,005 as of June 30, 2011, an increase of \$2,042,607 from the June 30, 2010 balance.

Notification was received that the two June 2011 state aid payments to the district in the total amount of \$1,301,222 would be delayed until the next school year. While, the State of New Jersey has taken action to withhold the final June payment each year since 2003, it expanded the withholding to both June payments in FY 2010, in order to avert a budget shortfall at the state level. In addition, significant reductions in General Fund State source revenues occurred during this fiscal year.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

District-wide Financial Statements

Statement of Net Assets and the Statement of Activities

This document contains all funds used by the District to provide programs and activities, viewing the District as a whole and reports the culmination of all financial transactions. The report answers the question, "How we did financially during fiscal year 2011?" The Statement of Net Assets and the Statement of Activities together provide the summary of District reporting, with includes all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenue and expenditures regardless of when cash is received or paid.

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

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statement

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

Governmental Funds

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

Enterprise Fund

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

Notes to the Financial Statements

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

District-wide Analysis

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

Table 1 provides a summary of the District's net assets for 2011 and 2010.

Table 1 – Comparative Summary of Net Assets

Assets	<u>2011</u>	<u>2010</u>
Current and Other Assets	\$ 33,815,958	\$ 35,665,433
Capital Assets	<u>194,194,764</u>	<u>190,989,554</u>
Total Assets	<u>\$ 228,010,722</u>	<u>\$ 226,654,987</u>
Liabilities		
Long-Term Liabilities	\$ 106,795,009	\$ 112,334,662
Other Liabilities	<u>12,791,433</u>	<u>11,884,138</u>
Total Liabilities	<u>\$ 119,586,442</u>	<u>\$ 124,218,800</u>
Net Assets		
Invested in Capital Assets, Net of Debt	\$ 84,087,211	\$ 90,984,330
Restricted	23,296,846	9,585,029
Unrestricted	<u>1,040,223</u>	<u>1,866,828</u>
Total Net Assets	<u>\$ 108,424,280</u>	<u>\$ 102,436,187</u>
Detail of Total Net Assets:		
Governmental Activities	\$ 107,867,790	\$ 101,889,411
Business-type Activities	<u>556,490</u>	<u>546,776</u>
	<u>\$ 108,424,280</u>	<u>\$ 102,436,187</u>

The District's combined net assets were \$108,424,280 on June 30, 2011. This is an increase of 5.8% from the previous year. This is due primarily to capital projects activity.

Table 2 shows the comparative change in net assets for fiscal years 2011 and 2010.

Table 2 – Comparative Changes in Net Assets

	<u>2011</u>	<u>2010</u>	<u>% Change</u>
Revenues:			
Program Revenue:			
Charges for Services	\$ 4,555,343	\$ 3,886,305	17%
Operating Grants and Contributions	6,974,322	4,850,142	44%
General Revenue:			
Property Taxes	115,390,924	113,895,698	1%
Grants and Entitlements	22,057,827	30,603,504	-28%
Other	1,879,527	1,174,583	60%
Total Revenues	<u>150,857,943</u>	<u>154,410,232</u>	<u>-2%</u>
Program Expense:			
Instruction	73,572,845	75,145,467	-2%
Support Services:			
Pupils and Instructional Staff	21,270,905	26,468,411	-20%
General Administration, School Administration, Business Operations and Maintenance of Facilities	30,989,481	27,890,115	11%
Pupil Transportation	8,899,046	9,802,207	-9%
Enterprise Activities	4,563,699	4,155,159	10%
Special and Charter Schools	816,189	133,822	510%
Debt Service	4,680,945	4,336,393	8%
Total Expense	<u>144,793,110</u>	<u>147,931,574</u>	<u>-2%</u>
Change in Net Assets Before Extraordinary Items	6,064,833	6,478,658	-6%
Extraordinary Items	<u>(76,740)</u>	<u>(156,121)</u>	<u>-51%</u>
Change in Net Assets After Extraordinary Items	5,988,093	6,322,537	-5%
Beginning Net Assets	<u>102,436,187</u>	<u>96,113,650</u>	<u>7%</u>
Ending Net Assets	<u>\$ 108,424,280</u>	<u>\$ 102,436,187</u>	<u>6%</u>

Governmental Activities

Property taxes as approved by the voters of the Township of East Brunswick made up 76.5% of total revenue for the fiscal year 2011. Federal, state and local grants and tuition and miscellaneous revenue accounted for the remainder.

The total cost of all programs and services was \$144,793,110. Instruction accounted for 50.8% of total expenditures.

General fund state source revenues realized were significantly less than final budget amounts, due to mid-year state aid reductions.

Business-Type Activities

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

Child Nutrition revenue, which included no subsidy from the general fund, was less than expenses by \$23,039. 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 Adult and Community Programs revenues exceeded expenses by \$307,516. A \$400,000 transfer to the General Fund brought the net decrease in net assets to \$ 92,484.

The ETTC Program revenues exceeded expenses by \$125,327.

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		
	2010-11	2009-2010	% Change	2010-11	2009-2010	% Change
Instruction	\$ 73,572,845	\$ 75,145,466	-2.09%	\$ 67,177,728	\$ 70,875,715	-5.22%
Support Services:						
Pupils and Instructional Staff	22,087,094	26,602,237	-16.97%	21,924,803	26,523,788	-17.34%
School Administration	6,818,701	7,028,984	-2.99%	6,818,701	7,028,984	-2.99%
General Administration	9,199,308	6,158,466	49.38%	9,199,308	6,158,466	49.38%
Operation and Maintenance of Facilities	14,971,472	14,702,662	1.83%	14,971,472	14,702,662	1.83%
Pupil Transportation	8,899,046	9,802,207	-9.21%	8,899,046	9,802,207	-9.21%
Debt Service	4,680,945	4,336,393	7.95%	4,680,945	4,336,393	7.95%
Total Expenses	\$ 140,229,411	\$ 143,776,415	-2.47%	\$ 133,672,002	\$ 139,428,215	-4.13%

Instruction expenses include activities directly associated with the teaching of pupils and the interactions between teacher and student, including extracurricular activities. In the 2010-11 school year the District administered 1,033 Advanced Placement (AP) exams with a 93% success rate.

Extracurricular activities include expenses for co-curricular and athletic programs offered by the District. In addition to providing students with opportunities to participate in clubs, activities and athletics, these programs help motivate, improve skills, instill school spirit, and foster leadership among our students. Over half of the student population participated in extracurricular activities during the 2010-2011 school year.

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

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

Operation and maintenance of facilities activities include costs associated with keeping the school grounds, buildings and equipment in an effective working condition.

Pupil transportation includes costs related to the transportation of students to and from school, to school curricular and athletic activities and field trips as provided by state law.

The School District's Funds

Information about the District's major funds begins on page 28. The modified accrual basis of accounting is used to account for these funds. All governmental funds had total revenue of \$147,601,400 and expenditures of \$150,034,369. The change in fund balance for the year was most significant in the Capital Projects Fund, which reflects an decrease of \$4,199,789 due mainly to capital expenditures related to the Memorial School. The General Fund had a net change in fund balance of \$2,042,607.

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, 2011 and 2010, as well as the amount and percentage of increase or decrease in relation to prior year revenue.

Comparative Summary of Revenues

Revenue	2010-2011		2009-2010		Increase/ (Decrease) from 2009-2010 to 2010-2011
	Amount	Percent of Total	Amount	Percent of Total	
Local Sources	\$ 119,148,456	80.72%	\$ 115,748,157	75.84%	\$ 3,400,299
State Sources	24,595,645	16.66%	31,138,147	20.40%	(6,542,502)
Federal Sources	3,857,299	2.61%	5,745,052	3.76%	(1,887,753)
Total	\$ 147,601,400	100.00%	\$ 145,238,812	100.00%	\$ 2,362,588

State source revenue decreased by \$6,542,502 due to a reduction in state aid.

The following schedule presents a summary of governmental fund expenditures for the fiscal years ended June 30, 2011 and 2010, along with percentage changes.

Comparative Summary of Expenditures

Expenditures	2010-2011		2009-2010		Increase/ (Decrease) from 2009-2010 to 2010-2011
	Amount	Percent of Total	Amount	Percent of Total	
Current Expense:					
Instruction	\$ 55,945,559	37.29%	\$ 56,755,742	35.74%	\$ (810,183)
Undistributed Expenditures	75,195,040	50.12%	79,556,096	48.00%	(4,361,056)
Capital Outlay	9,118,270	6.08%	12,252,448	10.02%	(3,134,178)
Special Schools	70,417	0.05%	84,431	0.16%	(14,014)
Charter School	721,423	0.48%	20,691	0.02%	700,732
Debt Service	8,983,659	5.99%	8,420,057	6.06%	563,602
Total	\$ 150,034,369	100.00%	\$ 157,089,465	100.00%	\$ (7,055,097)

The decreases in Current Expense – Instruction, Undistributed Expenditures and Capital Outlay are attributed budgetary constraints stemming from reductions in state aid.

The increase in Charter School is attributed to the inception year of the Charter School being 2010-2011.

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

General Fund Budgetary Highlights

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

During the course of the fiscal year 2011, the District amended its General Fund budget as needed. The District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. The School Business Administrator, Superintendent of Schools, and Board of Education, must approve transfers from one program to another. Transfers were required due to:

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

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

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2011, the District had \$229,496,153 invested in governmental activities funds land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2011 balances compared to 2010.

Table 4 - Capital Assets at June 30

	<u>2011</u>	<u>2010</u>
Non-Depreciable Assets:		
Land/Sites	\$ 1,019,208	\$ 1,019,208
Construction in Progress	7,200,013	8,347,939
Depreciable Assets:		
Buildings and Improvements	214,189,296	207,660,996
Machinery and Equipment	<u>7,087,636</u>	<u>13,233,747</u>
Totals	<u>\$ 229,496,153</u>	<u>\$ 230,261,890</u>

Overall capital assets decreased \$765,737 from fiscal year 2010 to fiscal year 2011 due to the write off of fully depreciated assets.

Overall capital assets decreased \$765,737 from fiscal year 2010 to fiscal year 2011 due to the write off of fully depreciated assets.

The District also had \$409,419 invested in Proprietary Capital Assets, not included above, consisting of Machinery, Equipment and Building Improvements. Write offs of fully depreciated assets occurred in the Proprietary Capital Assets category as well.

Debt Administration

At the end of fiscal year 2011, the District had \$94,636,000 in outstanding bond issues.

During fiscal year 2011, the District's long-term liabilities decreased by \$4,871,515. The decrease is a result of debt retirements of \$6,730,532 being more than debt issuance of \$ 1,859,017.

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

For the Future

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

The NJ Department of Education's actions affecting the 2010-2011 school district budget resulted in across-the-board reductions in staff for a total loss of nearly 100 positions. While the District's major focus has been to maintain programs and services, it has become increasingly difficult to do so. In fact, the staff reductions directly impacted classrooms, as well as administrative and support areas. In addition, additional staff reductions were necessary in order to arrive at a final 2011-2012 school district budget. The State's ability to fund its state aid obligation continues to be of concern. The District's "look ahead" is that the State's financial condition, and the general economic outlook, will continue to have an adverse affect upon local school budgets.

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

Requests for Information

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

Basic Financial Statements

District-wide Financial Statements

The district-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2011.

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 17,475,540	\$ 473,847	\$ 17,949,387
Receivables, Net	7,645,490	222,367	7,867,857
Inventory		72,100	72,100
Restricted Assets:			
Restricted Cash and Cash Equivalents	1,048,756		1,048,756
Capital Reserve Account	6,877,858		6,877,858
Capital Assets, Non-Depreciable	8,219,221		8,219,221
Capital Assets, Depreciable, Net	<u>185,689,928</u>	<u>285,615</u>	<u>185,975,543</u>
 Total Assets	 <u>\$ 226,956,793</u>	 <u>\$ 1,053,928</u>	 <u>\$ 228,010,722</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 4,124,977	\$ 191,307	\$ 4,316,284
Accrued Salaries and Benefits	370,584	22,793	393,377
Accrued Interest Payable	1,010,936		1,010,936
Intergovernmental Payable	53,666		53,666
Deferred Revenue	203,509	143,188	346,697
Noncurrent Liabilities:			
Due Within One Year	6,670,473		6,670,473
Due Beyond One Year	<u>106,654,859</u>	<u>140,150</u>	<u>106,795,009</u>
 Total Liabilities	 <u>\$ 119,089,003</u>	 <u>\$ 497,438</u>	 <u>\$ 119,586,442</u>
<u>NET ASSETS</u>			
Invested in Capital Assets - Net of Related Debt	\$ 83,801,596	\$ 285,615	\$ 84,087,211
Restricted for:			
Debt Service	108,444		108,444
Capital Projects	16,639,816		16,639,816
Other Purposes	6,548,586		6,548,586
Unrestricted	<u>769,348</u>	<u>270,875</u>	<u>1,040,223</u>
 Total Net Assets	 <u>\$ 107,867,790</u>	 <u>\$ 556,490</u>	 <u>\$ 108,424,280</u>

See accompanying notes to financial statements.

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011**

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	\$ 56,358,268		\$ 6,395,117	\$ (49,963,150)	\$	\$ (49,963,150)
Special Education	12,957,610			(12,957,610)		(12,957,610)
Other Instruction	4,256,967			(4,256,967)		(4,256,967)
Support Services:						
Tuition	6,286,150	\$ 162,291		(6,103,859)		(6,103,859)
Student and Instruction Related Services	15,004,755			(15,004,755)		(15,004,755)
School Administrative Services	6,818,701			(6,818,701)		(6,818,701)
General and Business Administrative Services	9,199,308			(9,199,308)		(9,199,308)
Plant Operations and Maintenance	14,971,472			(14,971,472)		(14,971,472)
Pupil Transportation	8,899,046			(8,899,046)		(8,899,046)
Special Schools	94,766			(94,766)		(94,766)
Charter Schools	721,423			(721,423)		(721,423)
Interest on Long-Term Debt	4,680,945			(4,680,945)		(4,680,945)
Total Governmental Activities	140,229,411	162,291	6,395,117	(133,672,002)		(133,672,002)
Business-Type Activities:						
Food Service	2,537,836	1,935,376	579,205		\$ (23,255)	(23,255)
ETTC Program	295,590	420,712			125,122	125,122
Adult and Community Programs	1,730,273	2,036,964			306,691	306,691
Total Business -Type Activities	4,563,699	4,393,052	579,205		408,558	408,558
Total Primary Government	\$ 144,793,110	\$ 4,555,343	\$ 6,974,322	(133,672,002)	408,558	(133,263,444)
General revenues:						
Taxes:						
General Purposes				106,788,787		106,788,787
Debt Service				8,602,137		8,602,137
Federal and State Aid not Restricted				13,638,048		13,638,048
Federal and State Aid Restricted				8,419,779		8,419,779
Investment Earnings				32,816	1,156	33,972
Miscellaneous Income/(Expense)				1,821,002	(400,000)	1,821,002
Transfers				424,553		424,553
Change in Net Assets before Extraordinary Item				139,727,121	(398,844)	139,328,277
Extraordinary Item - Memorial School Fire Loss				6,055,119	9,714	6,064,833
Change in Net Assets after Extraordinary Item				(76,740)		(76,740)
Net Assets - Beginning				5,978,379	9,714	5,988,093
Net Assets - Ending				101,889,411	546,776	102,436,187
Net Assets - Ending				\$ 107,867,790	\$ 556,490	\$ 108,424,280

See accompanying notes to financial statements.

Fund Financial Statements

Governmental Funds

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011**

	<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	\$ 4,950,519	\$	\$ 12,416,576	\$ 108,444	\$ 17,475,540
Cash held by Escrow Agent	184,658	779,153	84,945		1,048,756
Intergovernmental Accounts Receivable -					
Federal	4,901	1,085,209			1,090,110
State	1,395,282	9,743	4,500,317		5,905,342
Interfunds Receivable	615,500				615,500
Accounts Receivable - Other	40,663		609,375		650,038
Restricted Cash and Cash Equivalents	<u>6,877,858</u>				<u>6,877,858</u>
Total Assets	<u>\$ 14,069,381</u>	<u>\$ 1,874,107</u>	<u>\$ 17,611,213</u>	<u>\$ 108,444</u>	<u>\$ 33,663,144</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 2,481,145	\$ 672,483	\$ 971,348	\$	\$ 4,124,977
Accrued Liabilities	368,831	1,753			370,584
Interfunds Payable		615,500			615,500
Intergovernmental Accounts Payable:					
State		53,666			53,666
Federal					
Deferred Revenue	<u>11,400</u>	<u>192,061</u>	<u>49</u>		<u>203,509</u>
Total Liabilities	<u>2,861,376</u>	<u>1,535,464</u>	<u>971,397</u>		<u>5,368,236</u>
Fund Balances:					
Restricted for:					
Capital Reserve	6,877,858				6,877,858
Debt Service				87,774	87,774
Excess Surplus	70,486				70,486
Excess Surplus - Designated for Subsequent Year's Expenditures	54,541				54,541
Assigned to:					
Year-End Encumbrances	1,267,721		16,639,816		17,907,537
Designated for Subsequent Year's Expenditures	1,157,115	338,644		20,670	1,516,428
Unassigned	<u>1,780,284</u>				<u>1,780,284</u>
Total Fund Balances	<u>11,208,005</u>	<u>338,644</u>	<u>16,639,816</u>	<u>108,444</u>	<u>28,294,908</u>
Total Liabilities and Fund Balance	<u>\$ 14,069,381</u>	<u>\$ 1,874,107</u>	<u>\$ 17,611,213</u>	<u>\$ 108,444</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 \$229,496,153 and the accumulated depreciation is \$35,587,003 (See Note 5).

193,909,149

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).

(113,325,332)

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

(1,010,936)

Net assets of governmental activities

\$ 107,867,790

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, 2011**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources:					
Local tax levy	\$ 106,788,787	\$	\$	\$ 8,602,137	\$ 115,390,924
Tuition	162,291				162,291
Miscellaneous	548,618	2,414,082	609,375	23,166	3,595,241
Total - Local Sources	107,499,696	2,414,082	609,375	8,625,303	119,148,456
State Sources	24,129,848	201,351	(155,513)	419,959	24,595,645
Federal Sources	77,615	3,779,684			3,857,299
Total Revenues	131,707,159	6,395,117	453,862	9,045,262	147,601,400
Expenditures					
Current:					
Regular Instruction	39,931,866	3,222,164			43,154,030
Special Education Instruction	9,628,331				9,628,331
Other Instruction	3,163,198				3,163,198
Support Services and Undistributed Costs:					
Tuition	3,235,953	1,420,196			4,656,149
Student and Instruction Related Services	11,152,274				11,152,274
School Administrative Services	4,721,103				4,721,103
Other Administrative Services	6,835,673				6,835,673
Plant Operations and Maintenance	11,167,779				11,167,779
Pupil Transportation	6,972,249				6,972,249
Unallocated Benefits	29,689,813				29,689,813
Special Schools	70,417				70,417
Transfer to Charter Schools	721,423				721,423
Debt Service:					
Principal				4,240,233	4,240,233
Interest				4,743,426	4,743,426
Capital Outlay	2,697,733	1,728,686	4,691,851		9,118,270
Total Expenditures	129,987,812	6,371,047	4,691,851	8,983,659	150,034,369
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	1,719,347	24,071	(4,237,989)	61,603	(2,432,969)
Other Financing Sources/(Uses):					
Transfers In	400,000		38,200		438,200
Transfers Out		(13,647)			(13,647)
Total Other Financing Sources/(Uses)	400,000	(13,647)	38,200		424,553
Net Change in Fund Balances before Extraordinary Items	2,119,347	10,424	(4,199,789)	61,603	(2,008,416)
Extraordinary Items:					
Memorial School Fire Loss	(76,740)				(76,740)
Total Extraordinary Items	(76,740)				(76,740)
Net Change in Fund Balances with Extraordinary Items	2,042,607	10,424	(4,199,789)	61,603	(2,085,156)
Fund Balance July 1	9,165,398	328,220	20,839,605	46,841	30,380,064
Fund Balance June 30	\$ 11,208,005	\$ 338,644	\$ 16,639,816	\$ 108,444	\$ 28,294,908

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, 2011

Total Net Change in Fund Balances - Governmental Funds(From B-2)	\$	(2,085,156)
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Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:

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

Depreciation Expense	\$	(4,941,875)
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Capital Outlays		<u>8,054,510</u>
-----------------	--	------------------

3,112,635

Repayment of Debt Principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

6,730,533

Increase in Compensated Absences

(80,614)

Decrease in Accrued Interest on Debt Payable

62,481

Lease Purchase Proceeds are not reported in the Statement of Activities

(1,761,500)

Change in Net Assets of Governmental Activities

\$ 5,978,379

See accompanying notes to financial statements.

Proprietary Fund

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011**

	Business-Type Activities			Totals
	Enterprise Funds			
	Major Programs			
	Food Service	ETTC Program	Adult & Community Programs	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 136,849	\$ 106,687	\$ 230,311	\$ 473,847
Accounts Receivable:				
State Sources	5,917			5,917
Federal Sources	84,840			84,840
Other Sources	2,054	46,750	82,806	131,610
Inventory	72,100			72,100
Total Current Assets	<u>301,760</u>	<u>153,437</u>	<u>313,116</u>	<u>768,313</u>
Noncurrent Assets:				
Furniture, Machinery and Equipment	331,315		20,518	351,833
Building Improvements		57,586		57,586
	331,315	57,586	20,518	409,419
Less: Accumulated Depreciation	<u>92,858</u>	<u>27,353</u>	<u>3,593</u>	<u>123,804</u>
Total Noncurrent Assets	<u>238,457</u>	<u>30,233</u>	<u>16,925</u>	<u>285,615</u>
Total Assets	<u>\$ 540,217</u>	<u>\$ 183,670</u>	<u>\$ 330,041</u>	<u>\$ 1,053,928</u>
LIABILITIES				
Current Liabilities:				
Deferred Revenue	\$ 53,292		\$ 89,896	\$ 143,188
Accounts Payable	162,730	\$ 1,713	26,864	191,307
Accrued Salaries and Benefits	7,317		15,476	22,793
Total Current Liabilities	<u>223,339</u>	<u>1,713</u>	<u>132,236</u>	<u>357,288</u>
Noncurrent Liabilities:				
Compensated Absences	58,661	26,627	54,862	140,150
Total Noncurrent Liabilities	<u>58,661</u>	<u>26,627</u>	<u>54,862</u>	<u>140,150</u>
Total Liabilities	<u>\$ 282,000</u>	<u>\$ 28,340</u>	<u>\$ 187,098</u>	<u>\$ 497,438</u>
NET ASSETS				
Invested in Capital Assets Net of Related Debt	\$ 238,457	\$ 30,233	\$ 16,925	\$ 285,615
Unrestricted	19,760	125,097	126,018	270,875
Total Net Assets	<u>\$ 258,217</u>	<u>\$ 155,330</u>	<u>\$ 142,943</u>	<u>\$ 556,490</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, 2011**

	Business-Type Activities Enterprise Funds			
	Major Programs			Total Enterprise
	Food Service	ETTC Program	Adult & Community Programs	
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 1,235,082			\$ 1,235,082
Daily Sales - Nonreimbursable Programs	574,593			574,593
Special functions	118,726			118,726
Registration Fees		\$ 420,712	\$ 2,036,964	2,457,676
Miscellaneous	6,975			6,975
Total Operating Revenues	1,935,376	420,712	2,036,964	4,393,052
Operating Expenses:				
Cost of sales	1,152,710			1,152,710
Salaries	871,426	120,017	1,205,611	2,197,054
Employee benefits	310,510	31,317	186,094	527,921
Purchased professional and technical services	1,064	137,550		138,614
Other purchased services	66,559	2,388	284,799	353,746
Registrations/Training/ Travel		602	869	1,471
General supplies	111,353	37	50,389	161,779
Miscellaneous expenses		800	1,040	1,840
Depreciation	24,214	2,879	1,471	28,564
Total Operating Expenses	2,537,836	295,590	1,730,273	4,563,699
Operating Income (Loss)	(602,460)	125,122	306,691	(170,647)
Nonoperating Revenues:				
State Sources:				
State school lunch program	24,683			24,683
Federal Sources:				
National school lunch program	448,270			448,270
School breakfast program	7,551			7,551
Food distribution program	98,701			98,701
Interest revenue	216	115	825	1,156
Total Nonoperating Revenues	579,421	115	825	580,361
Income (Loss) before Contributions and Transfers	(23,039)	125,237	307,516	409,714
Transfers in/(out)			(400,000)	(400,000)
Change in Net Assets	(23,039)	125,237	(92,484)	9,714
Total Net Assets - Beginning	281,256	30,093	235,427	546,776
Total Net Assets - Ending	\$ 258,217	\$ 155,330	\$ 142,943	\$ 556,490

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, 2011**

	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	\$ 1,989,821	\$ 412,492	\$ 1,988,858	\$ 4,391,171
Payments to Employees	(885,431)	(132,059)	(1,180,508)	(2,197,998)
Payments to Suppliers	(1,409,111)	(180,900)	(508,847)	(2,098,858)
Net Cash Provided by/(Used for) Operating Activities	(304,721)	99,533	299,503	94,315
<u>Cash Flows from Noncapital Financing Activities</u>				
State Sources	20,879			20,879
Federal Sources	400,583			400,583
Operating Transfers from/(to) Other Funds			(400,000)	(400,000)
Net Cash Provided by/(Used for) Noncapital Financing Activities	421,462		(400,000)	21,462
<u>Cash Flows from Investing Activities</u>				
Asset (acquisitions)/dispositions	(100,331)		(7,627)	(107,958)
Interest	216	115	825	1,156
Net Increase/(Decrease) in Cash and Cash Equivalents	16,626	99,648	(107,299)	8,975
Balances - Beginning of Year	120,223	7,039	337,610	464,872
Balances - End of Year	\$ 136,849	\$ 106,687	\$ 230,311	\$ 473,847
<u>Reconciliation of Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities</u>				
Operating Gain/(Loss)	\$ (602,460)	\$ 125,122	\$ 306,691	\$ (170,647)
Adjustments to Reconcile Operating Loss to Cash Provided/(Used) by Operating Activities:				
Depreciation	24,214	2,879	1,471	28,564
Federal Commodities	98,701			98,701
Change in Assets and Liabilities:				
(Increase)/Decrease in accounts receivable	1,153	(8,220)	(66,096)	(73,163)
Increase/(Decrease) in accrued salaries	(14,508)	(370)	(10,651)	(25,529)
Increase/(Decrease) in compensated absences payable	503	(11,672)	35,753	24,584
Increase/(Decrease) in deferred revenue	53,292		17,990	71,282
(Increase)/Decrease in inventory	17,414			17,414
Increase/(Decrease) in accounts payable	116,970	(8,206)	14,345	123,109
Total Adjustments	297,739	(25,589)	(7,188)	264,962
Net Cash Provided (Used) by Operating Activities	\$ (304,721)	\$ 99,533	\$ 299,503	\$ 94,315

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, 2011

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>	<u>Deferred Benefit Trust</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ <u>256,194</u>	\$ <u>1,081,777</u>	\$ <u>118,232</u>
Total Assets	\$ <u><u>256,194</u></u>	\$ <u><u>1,081,777</u></u>	\$ <u><u>118,232</u></u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 33,870	\$	\$
Payable to Student Groups		478,359	
Payroll Deductions and Withholdings		<u>603,418</u>	
Total Liabilities	\$ <u><u>33,870</u></u>	\$ <u><u>1,081,777</u></u>	\$ <u><u></u></u>
<u>NET ASSETS</u>			
Held in Trust for Unemployment Claims and Other Purposes Reserved for Deferred Benefits	\$ <u>222,324</u>	\$	\$ <u>118,232</u>
Total Net Assets	\$ <u><u>222,324</u></u>	\$ <u><u></u></u>	\$ <u><u>118,232</u></u>

See accompanying notes to financial statements.

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	Unemployment Compensation Trust	Deferred Benefit Trust
<u>Additions</u>		
Contributions:		
Plan Members	\$ 114,633	\$
Board Contribution	649,856	
Other	5,128	
Total Contributions	<u>769,617</u>	
Investment Earnings:		
Interest	396	370
Total Additions	<u>770,013</u>	<u>370</u>
<u>Deductions</u>		
Unemployment Claims and Assessment	634,553	
Transfer to Qualified Benefit Plan		22,000
Total Deductions	<u>634,553</u>	<u>22,000</u>
Change in Net Assets	135,459	(21,630)
Total Net Assets - Beginning	<u>86,865</u>	<u>139,862</u>
Total Net Assets - Ending	<u>\$ 222,324</u>	<u>\$ 118,232</u>

See accompanying notes to financial statements.

Notes to Financial Statements

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

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 2010-11 fiscal year of 8,792 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, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation (Continued)

1. District-Wide Financial Statements (Continued)

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

2. Fund Financial Statements

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

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

B. Fund Accounting

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

1. Governmental Funds

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

General Fund – The General Fund is the general operating fund of the District. It is used to account for and report all financial resources not accounted for and reported in another fund. 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, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

1. Governmental Funds (Continued)

General Fund (Continued)

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

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

Special Revenue Fund – The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

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

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

2. Proprietary Fund Type

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

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

2. Proprietary Fund Type (Continued)

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

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

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

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

3. Fiduciary Funds

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

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

Agency Funds – Agency Funds are used to account for the assets that the District holds on behalf of others as their agent. Agency Funds are custodial in nature and do not involve measurement of results of operations. Agency Funds include payroll and student activities funds.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus

1. District-Wide Financial Statements

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

2. Fund Financial Statements

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

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

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

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

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

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

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

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitations of N.J.A.C. 6A:23A-2.3 (et. seq.). The Board of Education made no supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America (GAAP) with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2011

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.	\$ 130,998,437	\$ 6,036,063
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, 2010		444,765
June 30, 2011		(85,712)
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, 2010	2,009,944	
June 30, 2011	<u>(1,301,222)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 131,707,159</u>	<u>\$ 6,395,116</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 129,987,812	\$ 6,011,994
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, 2010		444,765
June 30, 2011		<u>(85,712)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 129,987,812</u>	<u>\$ 6,371,047</u>

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2011

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, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (continued)

2. Inventories

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

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

3. Tuition Receivable

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

4. Tuition Payable

Tuition charges for the fiscal years 2010-11 and 2009-10 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

5. Short-Term Interfund Receivables/Payables

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

6. Capital Assets

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

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

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

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

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (continued)

7. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

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

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

8. Accrued Liabilities and Long-Term Obligations

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

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

9. Net Assets

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

See Note 5 for additional information relating to capital assets.

10. Deferred Revenue

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

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (continued)

11. Fund Equity

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

12. Non-Monetary Transactions

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

13. Management Estimates

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

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Investments are stated at fair value. The District classifies certificates of deposit that have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments, and are stated at cost.

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund and the New Jersey Arbitrage Rebate Management Fund. FDIC covers deposits up to \$250,000.

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

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

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2011

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

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

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

As of June 30, 2011, 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)	\$ 25,402,156
Proprietary Funds	473,847
Fiduciary Funds	1,456,202
	\$ 27,332,205

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, 2011

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

There were no investments as defined above on hand at June 30, 2011.

Concentration of Credit Risk:

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

4. CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6A:26-9.1(d)1*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the period July 1, 2010 to June 30, 2011 fiscal year is as follows:

Beginning balance, July 1, 2010	\$	2,577,136
Increase:		
Interest earnings		4,122
Board approved transfer resolution of June 30, 2011		5,000,000
		7,581,258
Decrease:		
Board approved withdrawal - July 23, 2010		5,000
Board approved withdrawal - June 10, 2011		698,398
		6,877,858
Ending balance, June 30, 2011	\$	6,877,858

The June 30, 2011 LRFP balance of local support costs of uncompleted capital projects at June 30, 2011 exceeded the June 30, 2011 capital reserve balance. The withdrawals from the capital reserve were for uses in DOE approved facilities projects, consistent with the district's Long Range Facilities Plan.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2011

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, 2011:

Governmental Activities

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
<u>Non-Depreciable Assets:</u>				
Sites	\$ 1,019,208	\$ -	\$ -	\$ 1,019,208
Construction in Progress	8,347,939	6,361,184	7,509,110	7,200,013
<u>Depreciable Assets:</u>				
Buildings and Improvements	207,660,996	7,503,935	975,635	214,189,296
Machinery and Equipment	13,233,747	167,197	6,313,308	7,087,636
Totals at Historical Cost	230,261,890	14,032,316	14,798,053	229,496,153
Less: Accumulated Depreciation	38,246,829	4,941,875	7,601,700	35,587,004
Governmental Activities Assets - Net	<u>\$ 192,015,061</u>	<u>\$ 9,090,441</u>	<u>\$ 7,196,353</u>	<u>\$ 193,909,149</u>

Proprietary Activities

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
<u>Depreciable Assets:</u>				
Machinery and Equipment	\$ 607,814	\$ 107,958	\$ 363,939	\$ 351,833
Building Improvements	57,586			57,586
Totals at Historical Cost	665,400	107,958	363,939	409,419
Less: Accumulated Depreciation Proprietary Activities	459,179	28,564	363,939	123,804
Proprietary Activities, Capital Assets - Net	<u>\$ 206,221</u>	<u>\$ 79,394</u>	<u>\$ -</u>	<u>\$ 285,615</u>

Total depreciation expense for the fiscal year ended June 30, 2011 for governmental activities was \$4,941,875 and for business-type activities was \$28,564. Depreciation for governmental activities was charged as follows in the Statement of Activities: Instruction \$2,718,263, Support Services \$2,220,146 and Special Schools \$3,466.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2011

6. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2011, the following changes occurred in long-term liabilities:

	Balance June 30, 2010	Issued	Retired	Balance June 30, 2011	Current Portion	Long-Term Portion
Compensated Absences Payable	\$ 3,235,825	\$ 97,517	\$	\$ 3,333,342	\$ 40,779	\$ 3,292,563
Serial Bonds Payable	97,646,000		3,010,000	94,636,000	3,010,000	91,626,000
Capital Leases Payable	5,442,754	1,761,500	2,490,299	4,713,955	2,336,720	2,377,235
Lease Purchase Obligations Payable	11,987,062		1,230,233	10,756,828	1,282,974	9,473,854
	<u>\$ 118,311,641</u>	<u>\$ 1,859,017</u>	<u>\$ 6,730,532</u>	<u>\$ 113,440,125</u>	<u>\$ 6,670,473</u>	<u>\$ 106,769,652</u>
Detail:						
Governmental Activities				\$ 113,324,562	\$ 6,670,473	\$ 106,654,089
Business - Type Activities				<u>115,563</u>		<u>115,563</u>
				<u>\$ 113,440,125</u>	<u>\$ 6,670,473</u>	<u>\$ 106,769,652</u>

A. Bonds Payable

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

2001 Issue

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

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

2005 Issue

On March 8, 2005 the District issued \$81,386,000 School Bonds. The remaining outstanding Bonds mature annually from 2011 to 2034 in amounts ranging from \$2,175,000 to \$3,620,000. The Bonds bear interest rates ranging from 4.25% to 4.625%.

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

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

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2011

6. LONG-TERM LIABILITIES (CONTINUED)

A. Bonds Payable (Continued)

2007 Issue

On March 15, 2007 the District issued \$10,825,000 Refunding School Bonds. The remaining outstanding Bonds mature annually from 2012 to 2022 in amounts ranging from \$735,000 to \$1,085,000. The Bonds bear interest rates ranging from 4.00% to 5.00%. The bonds were issued to advance refund \$10,545,000 of the District's outstanding 2001 bonds.

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

2010 Issue

On May 12, 2010 the District issued \$13,960,000 School Bonds. The remaining outstanding Bonds mature annually from 2012 to 2040 in amounts ranging from \$100,000 to \$880,000. The Bonds bear interest rates ranging from 4.00% to 4.50%. The bonds were issued to finance a portion of the replacement of the Memorial Elementary School, including acquisition of furnishings and equipment and site work.

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

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

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

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>
2012	\$ 3,010,000	\$ 4,094,547	\$ 7,104,547
2013	3,180,000	3,968,709	7,148,709
2014	3,175,000	3,836,071	7,011,071
2015	3,175,000	3,694,634	6,869,634
2016	3,740,000	3,545,440	7,285,440
2017	3,755,000	3,380,440	7,135,440
2018	3,950,000	3,214,890	7,164,890
2019	3,965,000	3,039,640	7,004,640
2020	3,970,000	2,874,690	6,844,690
2021	4,335,000	2,701,890	7,036,890
2022	4,345,000	2,521,240	6,866,240
2023	3,310,000	2,340,190	5,650,190
2024	3,325,000	2,200,540	5,525,540
2025	3,345,000	2,056,665	5,401,665
2026	3,725,000	1,900,265	5,625,265
2027	3,750,000	1,734,965	5,484,965
2028	3,770,000	1,568,665	5,338,665
2029	3,795,000	1,401,565	5,196,565
2030	3,820,000	1,233,465	5,053,465
2031	4,205,000	1,054,865	5,259,865
2032	4,235,000	867,102	5,102,102
2033	4,260,000	675,803	4,935,803
2034	4,290,000	481,178	4,771,178
2035	4,181,000	288,492	4,469,492
2036	735,000	178,244	913,244
2037	770,000	146,088	916,088
2038	800,000	112,400	912,400
2039	840,000	77,400	917,400
2040	880,000	39,600	919,600
	<u>\$ 94,636,000</u>	<u>\$ 55,229,677</u>	<u>\$ 149,865,677</u>

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2011

6. LONG-TERM LIABILITIES (CONTINUED)

B. Lease Purchase Obligations Payable

1996 Agreement

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

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

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

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

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

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2011

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, 2011

6. LONG-TERM LIABILITIES (CONTINUED)

B. Lease Purchase Obligations Payable (Continued)

1999 Agreement (Continued)

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

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

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

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2011

6. LONG-TERM LIABILITIES (CONTINUED)

C. Capital Lease Obligations – Governmental Fund

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

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

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

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

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

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2011

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, 2011

7. PENSION PLANS (CONTINUED)

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

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

The Board's actuarially determined contribution to PERS for the years ended June 30, 2011, 2010 and 2009 were \$1,663,034, \$1,139,483, and \$1,034,653, respectively, for each of the three years equal to the required contributions for each year.

During the fiscal year ended June 30, 2011, the State of New Jersey contributed \$186,402 to the TPAF for normal benefits and \$3,959,177 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 \$4,274,200 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2011

8. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the state in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State 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 \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

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, 2011

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, 2011 a liability existed for compensated absences in the proprietary fund types of \$140,150.

10. DEFERRED COMPENSATION

The District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Sections 401(a) 403(b) and 457(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

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

11. RISK MANAGEMENT

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

Property and Liability Insurance: The District maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

<u>Fiscal Year</u>	<u>Board Contributions</u>	<u>Other Contributions</u>	<u>Interest</u>	<u>Employee Contributions</u>	<u>Deductions</u>	<u>Ending Balance</u>
2010-2011	\$ 649,856	\$ 5,128	\$ 396	\$ 114,633	\$ 634,553	\$ 222,324
2009-2010	90,057	11,621	486	117,640	275,650	86,865
2008-2009	10,000	12,909	2,910	117,969	179,612	142,711

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2011

12. INTERFUND RECEIVABLES AND PAYABLES

The total interfund accounts receivable and payable for the District at June 30, 2011 is as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund		\$ 615,500
Special Revenue Fund	\$ 615,500	
	<u>\$ 615,500</u>	<u>\$ 615,500</u>

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

13. INVENTORY

Inventory in the Enterprise Fund at June 30, 2011 of \$72,100 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 BALANCES

General Fund - Of the \$11,208,005 General Fund fund balance at June 30, 2011, \$1,267,721 is assigned for encumbrances; \$6,877,858 has been restricted for the Capital Reserve Account; \$1,157,115 has been assigned and included as anticipated revenue for the year ending June 30, 2012; \$125,027 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$54,541 of the total restricted for excess surplus has been appropriated and included as revenue for the year ending June 30, 2012); and \$1,780,284 is unassigned.

Debt Service Fund - Of the \$108,444 Debt Service fund balance at June 30, 2011, \$20,670 is assigned in accordance with NJSA 7F-41c(2) and is anticipated revenue for the year ending June 30, 2012 and \$87,774 is restricted fund balance.

Capital Projects Fund - All of the \$16,639,816 capital projects fund balance at June 30, 2011, is assigned for encumbrances. The School District has purchase orders outstanding with vendors in this amount and expects vendors to deliver the goods and services in the upcoming year.

Special Revenue Fund - All of the \$338,644 special revenue fund balance at June 30, 2011, is assigned as designated for subsequent years expenditures.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2011

15. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess surplus fund balance at June 30, 2011 is \$70,486. The excess surplus at June 30, 2010 was \$54,541. Pursuant to provisions of Executive Order No.14, None of that amount was approved by the Commissioner of the Department of Education for withdrawal to address any budget shortfall in the general fund due to the 10-11 withholding of state aid.

16. CONTINGENT LIABILITIES

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

17. DEFERRED BENEFIT TRUST

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

18. RECENTLY ENACTED REGULATIONS

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

The provisions of GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions", has been implemented during this fiscal year.

EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2011

19. ECONOMIC DEPENDENCY

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

20. OTHER MATTERS – EXTRAORDINARY ITEMS

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

21. TRANSFERS TO CAPITAL OUTLAY

During the year ending June 30, 2011, the District transferred \$38,200 to the capital outlay accounts. The transfer was made from the capital reserve account to supplement a capital project previously approved by the voters in the budget certified for taxes pursuant to N.J.A.C. 6A:23A-8.4.

22. SUBSEQUENT EVENTS

For purposes of this Note, events occurring through the date of the independent auditor's report, September 19, 2011 were considered.

The District entered into a \$120,500 capital lease for school buses, in August, 2011. The lease has a five year term ending in 2015 and bears interest at 3.725% per annum.

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, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 106,788,787	\$	\$ 106,788,787	\$ 106,788,787	\$
Tuition - individuals				29,250	29,250
Tuition - other leas				133,041	133,041
Interest earned on capital reserve funds				4,122	4,122
Miscellaneous	438,366		438,366	544,496	106,130
Total - local sources	107,227,153		107,227,153	107,499,696	272,543
State sources:					
Extraordinary aid	500,000		500,000	1,099,557	599,557
Categorical special education aid	1,494,542	3,286,245	4,780,787	4,780,787	
Equalization aid	12,322,678	(3,286,245)	9,036,433	9,036,433	
Homeless reimbursement				33,982	33,982
Non-public school transportation aid				50,588	50,588
On behalf TPAF pension contributions/post retirement medical benefits (non-budgeted)				4,145,579	4,145,579
Reimbursed TPAF social security contributions (non-budgeted)					
Total - state sources	14,317,220		14,317,220	23,421,126	9,103,906
Federal sources:					
Medicaid initiative	45,939		45,939	77,615	31,676
Total - federal sources	45,939		45,939	77,615	31,676
Total revenues	121,590,312		121,590,312	130,998,437	9,408,125

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Instructional programs:					
Regular programs:					
Salaries of teachers:					
Preschool teachers	\$ 44,867	\$ 140,526	\$ 185,393	\$ 185,393	\$
Preschool aides		102,477	102,477	102,477	
Kindergarten	638,622	179,095	817,717	817,717	
Grades 1-5	13,019,001	(1,062,192)	11,956,809	11,795,880	160,929
Grades 6-8	10,732,477	(346,399)	10,386,078	10,265,653	120,425
Grades 9-12	13,381,027	(82,368)	13,898,659	13,677,953	220,706
Home instruction:					
Salaries of teachers		9,685	9,685	9,685	
Purchased professional/educational services	40,000	(2,685)	37,315	32,859	4,456
Undistributed instruction:					
Other salaries for instruction	288,894	(31,077)	257,817	257,817	
Purchased professional/educational services	169,386	(1,344)	168,042	149,134	18,908
Purchased technical services	55,023	(4,540)	50,483	42,821	7,662
Other purchased services	1,277,182	(1,491)	1,275,691	1,262,458	13,233
Registrations/Training/Travel	14,000	(792)	13,208	2,922	10,286
General supplies	1,257,997		1,257,997	1,171,468	86,529
Textbooks	178,597	(10,657)	167,940	153,087	14,853
Other objects	9,383	(301)	9,082	4,542	4,540
Total regular programs	41,706,456	(1,112,063)	40,594,393	39,931,866	662,527
Special education:					
Learning/language disabilities:					
Salaries of teachers	478,526	(167,887)	310,639	263,775	46,864
Other salaries for instruction	208,205	(72,976)	135,229	130,775	4,454
Registrations/Training/Travel	200		200	200	
General supplies	3,320	(265)	3,055	2,577	478
Total learning/language disabilities	690,251	(241,128)	449,123	397,127	51,996

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Instructional programs (continued):					
Special education (continued):					
Multiple disabilities:					
Salaries of teachers	\$ 276,938	\$ (27,424)	\$ 249,514	\$ 231,855	\$ 17,659
Other salaries for instruction	197,718	(48,135)	149,583	149,583	99
Registrations/Training/Travel	450		450	351	2,528
General supplies	8,400	(4,160)	4,240	1,712	2,528
Total multiple disabilities	483,506	(79,719)	403,787	383,501	20,286
Resource room:					
Salaries of teachers	5,772,412	385,776	6,158,188	6,158,188	
Other salaries for instruction	933,729	138,697	1,072,426	1,072,426	
Registrations/Training/Travel	700	292	992	992	
General supplies	19,560	(1,130)	18,430	15,899	2,531
Textbooks	1,500	(250)	1,250	735	515
Total resource room	6,727,901	523,385	7,251,286	7,248,240	3,046
Autism:					
Salaries of teachers	663,542	(25,267)	638,275	638,275	
Other salaries for instruction	298,757	107,943	406,700	406,700	
Registrations/Training/Travel	1,200		1,200		1,200
General supplies	5,151	185	5,336	4,983	353
Total autism	968,650	82,861	1,051,511	1,049,958	1,553
Preschool disabilities - part-time:					
Salaries of teachers	241,746	(53,287)	188,459	50,539	137,920
Other salaries for instruction	71,012	(2,469)	68,543	46,242	22,301
General supplies	2,309	(700)	1,609	1,043	566
Total preschool disabilities - part-time	315,067	(56,456)	258,611	97,824	160,787
Preschool disabilities - full-time:					
Salaries of teachers	101,225	105,129	206,354	206,354	
Other salaries for instruction	231,428	(118,610)	112,818	112,818	
General supplies	1,690	(450)	1,240	870	370
Total preschool disabilities - full-time	334,343	(13,931)	320,412	320,042	370
Home instruction:					
Salaries of teachers	100,000	36,151	36,151	36,151	1,810
Purchased professional/educational services		(2,702)	97,298	95,488	
Total home instruction	100,000	33,449	133,449	131,639	1,810
Total special education	9,619,718	248,461	9,868,179	9,628,331	239,848

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2011**

	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	\$ 583,355	\$ 1,069,221	\$ 1,652,576	\$ 1,652,576	\$
Other purchased services	200	516	516	516	200
Registrations/Training/Travel	22,731	(817)	21,914	18,203	3,711
General supplies					
Total basic skills/remedial	606,286	1,068,920	1,675,206	1,671,295	3,911
Bilingual education:					
Instruction:					
Salaries of teachers	577,811	(86,018)	491,793	491,793	
Other purchased services		159	159	159	
General supplies	8,150	(35)	8,115	7,414	701
Textbooks	5,830	(1,038)	4,792	4,542	250
Other expenditures	282	(159)	123	123	123
Total bilingual education	592,073	(87,091)	504,982	503,908	1,074
School sponsored cocurricular activities - instruction:					
Salaries	266,306	14,881	281,187	281,187	
Purchased services	14,000		14,000	14,000	
Supplies and materials	500	(250)	250		250
Other expenditures	5,500	(418)	5,082	4,770	312
Total school sponsored cocurricular activities	286,306	14,213	300,519	299,957	562
School sponsored athletics - instruction:					
Salaries	548,700	451	549,151	549,151	
Purchased services	50,971	7,059	58,030	53,706	4,324
Registrations/Training/Travel		571	571	571	
Supplies and materials	25,171	(1,872)	23,299	22,650	649
Other objects	3,500		3,500	3,500	
Fund transfers to cover deficit	43,845	14,615	58,460	58,460	
Total school sponsored athletic activities	672,187	20,824	693,011	688,038	4,973
Total instructional programs	53,483,026	153,264	53,636,290	52,723,395	912,895

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2011**

	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	\$ 33,341	\$	\$ 33,341	\$ 9,107	\$ 24,234
Tuition to other LEAs within the state - special	1,866,745		1,866,745	1,198,051	668,694
Tuition to cssd & regional day schools		171,473	171,473	171,473	
Tuition to private schools - disabled -in state	2,525,117	(171,473)	2,353,644	1,791,322	562,322
Tuition - state facilities	66,000		66,000	66,000	
Tuition - other	55,100		55,100		55,100
Total instruction	4,546,303		4,546,303	3,235,953	1,310,350
Attendance and social work:					
Salaries	121,814	(1,634)	120,180	118,758	1,422
Other purchased services	852		852	770	82
Supplies and materials	535	(150)	385	385	
Total attendance and social work	123,201	(1,784)	121,417	119,913	1,504
Health services:					
Salaries	1,085,154	4,309	1,089,463	1,089,463	
Purchased professional/technical services	106,182	5,095	111,277	93,395	17,882
Other purchased services	4,652		4,652	3,646	1,006
Registrations/Training/Travel	1,500		1,500		1,500
Supplies and materials	18,999	(227)	18,772	18,000	772
Total health services	1,216,487	9,177	1,225,664	1,204,504	21,160
Other support services - students - related:					
Salaries	1,327,288	(31,348)	1,295,940	1,241,405	54,535
Purchased professional/educational services	729,046	(39,095)	689,951	654,001	35,950
Supplies and materials	3,750	(117)	3,633	2,382	1,251
Registrations/Training/Travel	2,000	(3)	1,997	536	1,461
Total other support services - students - related	2,062,084	(70,563)	1,991,521	1,896,324	93,197

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2011**

	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	\$ 847,393	\$ 2,765	\$ 850,158	\$ 850,158	\$ 47,582
Purchased professional/educational services	561,510	7,800	569,310	521,728	
Supplies and materials	3,000	849	3,849	3,849	
Registrations/Training/Travel	200	2	202	202	
Other expenditures	6,500	(2,880)	3,620	3,620	
Total other supp. services - students - extraordinary	1,418,603	8,536	1,427,139	1,379,557	47,582
Other support services - students - guidance					
Salaries of other professional staff	2,939,921	(264,848)	2,675,073	2,641,141	33,932
Salaries of secretarial/clerical assistants	409,377	(29,080)	380,297	376,343	3,954
Other purchased professional/technical services	3,500		3,500	2,547	953
Other purchased services	10,744	13,834	24,578	24,328	250
Registrations/Training/Travel	2,500		2,500	1,096	1,404
Supplies and materials	12,740	(244)	12,496	11,956	540
Other expenditures	675		675	555	120
Total other support services - students - guidance	3,379,457	(280,338)	3,099,119	3,057,966	41,153
Other support services - students - child study teams:					
Salaries of other professional staff	2,169,370	(15,509)	2,153,861	2,107,867	45,994
Salaries of secretarial/clerical assistants	325,591		325,591	311,334	14,257
Purchased professional/educational services	12,000		12,000	12,000	
Registrations/Training/Travel	6,575		6,575	2,706	3,869
Miscellaneous purchased services	8,400	98	8,498	8,496	2
Supplies and materials	12,575	(1,895)	10,680	10,190	490
Total other support services - students - child study teams	2,534,511	(17,306)	2,517,205	2,452,593	64,612
Improvement of instructional services:					
Salaries of supervisors of instruction	563,596	35,416	599,012	599,012	
Salaries of other professional staff	179,677	1	179,678	179,678	
Salaries of secretarial/clerical assistants	200,695	(7,943)	192,752	192,752	
Other salaries	45,026	(45,026)			

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Improvement instructional services (continued):					
Other purchased services	\$ 22,228	\$ (152)	\$ 22,076	\$ 21,876	\$ 200
Registrations/Training/Travel	15,555	5,683	21,238	18,028	3,210
Supplies and materials	24,847	(936)	23,911	16,493	7,418
Other expenditures	10,400	1,189	11,589	11,578	11
Total improvement of instructional services	<u>1,062,024</u>	<u>(11,768)</u>	<u>1,050,256</u>	<u>1,039,417</u>	<u>10,839</u>
Instructional staff training services:					
Salaries of supervisors of instruction	890,892		890,892	861,375	29,517
Salaries of other professional staff	37,800		37,800	3,668	34,132
Salaries of secretarial/clerical assistants	277,488		277,488	267,470	10,018
Purchased professional/educational services	14,833		14,833	11,841	2,992
Other purchased services	21,650		21,650	21,650	
Registrations/Training/Travel	40,350	(204)	40,146	13,569	26,577
Supplies and materials	3,000		3,000	108	2,892
Total instructional staff training services	<u>1,286,013</u>	<u>(204)</u>	<u>1,285,809</u>	<u>1,179,681</u>	<u>106,128</u>
Educational media/library:					
Salaries	1,092,905	65,289	1,158,194	1,158,194	
Purchased professional/technical services	31,000	(5,547)	25,453	24,866	587
Other purchased services	3,190	960	4,150	3,523	627
Registrations/Training/Travel	2,062		2,062	414	1,648
Supplies and materials	185,868	612	186,480	181,471	5,009
Other expenditures	110	(110)			
Total educational media/library	<u>1,315,135</u>	<u>61,204</u>	<u>1,376,339</u>	<u>1,368,468</u>	<u>7,871</u>

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Support services - general administration:					
Salaries	\$ 672,309	\$ (7,239)	\$ 665,070	\$ 647,436	\$ 17,634
Legal services	205,625	37,703	243,328	243,328	
Audit fees	40,000	37,000	77,000	37,625	39,375
Other purchased professional services	54,762	(15,235)	39,527	30,138	9,389
Purchased technical services	6,600	247	6,847	5,791	1,056
Communications/telephone	331,231	(43,176)	288,055	244,282	43,773
BOE - Registrations/Training/Travel	10,500		10,500	462	10,038
Miscellaneous purchased services	25,825	817	26,642	18,349	8,293
Registrations/Training/Travel	9,450	80	9,530	5,616	3,914
General supplies	8,640	3,993	12,633	8,129	4,504
BOE in-house training/meeting supplies	1,284	1,284	2,568	810	474
Miscellaneous expenditures	12,823	1	12,824	5,750	7,074
BOE membership dues/fees	34,966		34,966	34,138	828
Total support services - general administration	1,414,015	14,191	1,428,206	1,281,854	146,352
Support services - school administration:					
Salaries of principals/assistant principals	2,308,633	(87,768)	2,220,865	2,164,299	56,566
Salaries of other professional staff	818,968	1,938	820,906	820,906	
Salaries of secretarial and clerical assistants	1,673,191	(85,569)	1,587,622	1,548,162	39,460
Other purchased services	108,494	(529)	107,965	106,860	1,105
Registrations/Training/Travel	29,000	(10,083)	18,917	6,578	12,339
Supplies and Materials	58,206	(6,538)	51,668	45,327	6,341
Other expenditures	23,500	6,880	30,380	28,971	1,409
Total support services - school administration	5,019,992	(181,669)	4,838,323	4,721,103	117,220
Required maintenance for school facilities:					
Salaries	909,599		909,599	802,899	106,700
Cleaning, repair and maintenance services	549,576	(18,227)	531,349	413,158	118,191
General supplies	328,000	1,050	329,050	275,242	53,808
Total required maintenance for school facilities	1,787,175	(17,177)	1,769,998	1,491,299	278,699

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Custodial services:					
Salaries	\$ 1,312,817	\$ 6,875	\$ 1,319,692	\$ 1,319,692	\$ 23,948
Purchased professional/technical services	70,800	19,800	90,600	66,652	4,267
Cleaning, repair and maintenance services	2,368,747	11,366	2,380,113	2,375,846	7,291
Rentals - land/buildings	725,922		725,922	718,631	4,336
Other purchased property services	118,157	(10,962)	107,195	102,859	16,654
Insurance	656,276		656,276	639,622	4,078
Registrations/Training/Travel	4,500		4,500	422	11,622
General supplies	145,731	354	146,085	134,463	86,448
Energy (electricity)	2,122,011		2,122,011	2,035,563	35,111
Salaries of non-instructional aides	670,985	(96,263)	574,722	539,611	2,682
Other expenditures	7,100	(190)	6,910	4,228	326,148
Energy (natural gas)	951,098		951,098	624,950	
Total custodial services	9,154,144	(69,020)	9,085,124	8,562,539	522,585
Care and upkeep of grounds:					
Salaries	478,927	(9,594)	469,333	469,333	
Cleaning, repair and maintenance services	133,080	(59,436)	73,644	61,359	12,285
General supplies	125,032	30,631	155,663	155,663	
Total care and upkeep of grounds	737,039	(38,399)	698,640	686,355	12,285
Security:					
Salaries	310,516	22,990	333,506	333,506	
Cleaning, repair and maintenance services	116,700	(2,467)	114,233	88,069	26,164
General supplies	1,750	4,826	6,576	6,011	565
Total security	428,966	25,349	454,315	427,586	26,729

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Student transportation services:					
Salaries - Non-instructional Aides	\$ 109,624	\$ (44,653)	\$ 64,971	\$ 52,316	\$ 12,655
Salaries for pupil transportation (between home and school) - regular	1,068,762		1,068,762	1,031,990	36,772
Purchased professional/technical services		5,321	5,321		5,321
Cleaning, repair and maintenance	140,614	73,260	213,874	213,874	
Rental/Leasing - School Buses	13,500	(1,939)	11,561		11,561
Lease Purchase Payments - School Buses	396,610	(3,668)	392,942	391,673	1,269
Contracted services (between home and school) - vendors	1,512,404	(59,000)	1,453,404	1,361,442	91,962
Contracted services (other than between home and school) - vendors	371,729	9	371,738	335,025	36,713
Contracted services (special education students) - vendors	1,077,173		1,077,173	1,050,893	26,280
Contracted services (special education students) - ESC's and CTSAs	2,622,758		2,622,758	2,153,353	469,405
Contracted services - aid in lieu of payments	287,300		287,300	132,384	154,916
Miscellaneous purchased services - transportation	38,457	261	38,718	38,652	66
Registrations/Training/Travel	3,000		3,000	457	2,543
Supplies and materials	900		900	90	810
Transportation supplies	339,598	(19,842)	319,756	208,025	111,731
Other expenditures	2,175	400	2,575	2,075	500
Total student transportation services	7,984,604	(49,851)	7,934,753	6,972,249	962,504
Central services:					
Salaries	1,349,934	(87,643)	1,312,291	1,277,978	34,313
Purchased professional services	25,175		25,175	22,852	2,323
Purchased technical services	18,000		18,000	17,608	392
Miscellaneous purchased services	39,950	2,815	42,765	28,202	14,563
Registrations/Training/Travel	9,500	632	10,132	6,726	3,406
Supplies and materials	36,321	2,786	39,107	24,967	14,140
Interest for lease purchase agreements	216,414		216,414	112,665	103,749
Miscellaneous expenditures	5,200		5,200	4,905	295
Total central services	1,700,494	(31,410)	1,669,084	1,495,903	173,181

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Administrative information technology:					
Salaries	\$ 1,185,989		\$ 1,185,989	\$ 1,161,715	\$ 24,274
Purchased professional services	107,440	(13,487)	93,953	93,381	572
Purchased technical services	171,615	18,321	189,936	187,439	2,497
Other purchased services	10,775	(180)	10,595	10,595	
Registrations/Training/Travel	5,500		5,500	1,073	4,427
Supplies and materials	65,121	(9,238)	55,883	54,839	1,044
Other expenditures	760	(35)	725	725	
Total admin. information technology	1,547,200	(4,619)	1,542,581	1,509,767	32,814
Unallocated benefits:					
Social security contributions	1,491,514	(128,178)	1,362,336	1,362,336	
Unemployment compensation insurance	649,856		649,856	649,856	
Other retirement contributions - regular	1,192,745	350,543	1,543,288	1,543,288	
Workmen's compensation	472,300	4,669	476,969	476,969	
Health benefits	16,473,472	306,391	16,779,863	16,759,352	20,511
Tuition reimbursements	178,900	(94,211)	84,689	84,689	
Other employee benefits	394,718	58,826	453,544	393,544	60,000
Total unallocated benefits	20,853,505	497,040	21,350,545	21,270,034	80,511
On-behalf TPAF pension contributions/post retirement medical benefits (non-budgeted)				4,145,579	(4,145,579)
Reimbursed TPAF social security contributions (non-budgeted)				4,274,200	(4,274,200)
Total undistributed expenditures	69,570,952	(158,611)	69,412,341	73,774,844	(4,362,503)
TOTAL EXPENDITURES - CURRENT EXPENSE	123,053,978	(5,347)	123,048,631	126,498,239	(3,449,608)

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CAPITAL OUTLAY:					
Equipment:					
Support services:					
Improvement of instructional services					
General administration					
Central services					
Administration information technology					
Allowable maintenance for school facilities					
Care and upkeep of grounds					
Transportation services:					
Equipment					
School buses - regular					
Total equipment					
Facilities acquisition and construction services:					
Architectural/engineering services					
Construction services					
Supplies and materials					
Lease purchase agreements - principal					
Other objects					
Capital outlay transfers to capital projects fund					
Total facilities acquisition and construction services					
TOTAL EXPENDITURES - CAPITAL OUTLAY					

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
SPECIAL SCHOOLS:					
Summer school - instruction:					
Salaries of teachers	\$ 20,724	\$ 33,990	\$ 54,714	\$ 54,714	
Other salaries for instruction	18,440	(6,689)	11,751	11,751	
General supplies	3,734	(3,734)			
Total summer school - instruction	42,898	23,567	66,465	66,465	
Summer school - support services:					
Salaries	4,080	(128)	3,952	3,952	
Total summer school - support services	4,080	(128)	3,952	3,952	
Total summer school	46,978	23,439	70,417	70,417	
TOTAL EXPENDITURES - SPECIAL SCHOOLS	46,978	23,439	70,417	70,417	
Transfer of funds to charter schools	1,243,215		1,243,215	721,423	521,792
TOTAL GENERAL FUND EXPENDITURES	127,169,614	1,468,072	128,637,686	129,987,812	(1,350,126)
Excess (deficiency) of revenues over expenditures	(5,579,302)	(1,468,072)	(7,047,374)	1,010,625	8,057,999
Other Financing Sources/(Uses), Transfers and Extraordinary Items:					
Extraordinary Items:					
Memorial School fire loss				76,740	(76,740)
Operating Transfers In:				400,000	
Transfer from enterprise fund	400,000		400,000		
Total Other Financing Sources/(Uses) and Transfers and Extraordinary Items	400,000		400,000	323,260	(76,740)
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing (uses)	(5,179,302)	(1,468,072)	(6,647,374)	1,333,885	7,981,259
Fund Balance - July 1, 2010	11,175,342		11,175,342	11,175,342	
Fund Balance - June 30, 2011	\$ 5,996,040	\$ (1,468,072)	\$ 4,527,968	\$ 12,509,227	\$ 7,981,259

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital Reserve				6,877,858	
Excess Surplus				54,541	
Excess Surplus - Designated for Subsequent Year's Expenditures				70,486	
Assigned Fund Balance:					
Year-end Encumbrances				1,267,721	
Designated for Subsequent Year's Expenditures				1,157,115	
Unassigned Fund Balance				3,081,505	
			12,509,227		
Reconciliation to Governmental Funds Statements (GAAP)				(1,301,222)	
Last State Aid Payments not recognized on GAAP basis:					
2010-2011				11,208,005	
Fund Balance per Governmental Funds (GAAP)				\$ 11,208,005	

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
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Federal Sources	\$ 2,171,000	\$ 2,038,286	\$ 4,209,286	\$ 3,791,246	\$ (418,040)
State Sources	430,000	(6,386)	423,614	201,351	(222,263)
Other Sources	75,000	2,786,207	2,861,207	2,043,466	(817,741)
Total Revenues	2,676,000	4,818,107	7,494,107	6,036,063	(1,458,043)
Expenditures:					
Instruction:					
Salaries	437,365	305,008	742,373	578,037	164,336
Purchased Professional - Education Services	90,000	9,357	99,357	60,267	39,090
Purchased Services	1,315,664	702,017	2,017,681	1,950,221	67,459
Registrations/Training/Travel	776	(26)	750	750	0
Supplies and Materials	91,064	836,471	927,535	581,776	345,759
General Supplies		17,018	17,018	5	17,013
Textbooks	50,514	(8,953)	41,562	41,160	402
Total Instruction	1,985,383	1,860,893	3,846,276	3,211,466	634,810
Support Services:					
Salaries	56,478	15,184	71,661	50,674	20,987
Personal Services - Employee Benefits	138,403	39,003	177,406	143,101	34,304
Purchased Professional - Educational Services	127,587	(18,364)	109,223	116,359	(7,136)
Purchased Professional and Technical Services	290,585	863,977	1,154,561	939,677	214,885
Expenditures (Continued) :					
Purchased Services	6,889	92,175	99,064	75,439	23,625
Contracted Services - Transportation		12,194	12,194	12,194	0
Registrations/Training/Travel	2,528	979	3,507	1,288	2,219
Supplies and Materials	38,843	84,705	123,548	71,594	51,953
General Supplies		121	121		121
Equipment	10,580	(10,580)			
Miscellaneous Expenditures		1,984	1,984	1,984	
Total Support Services	671,891	1,081,377	1,753,269	1,412,310	340,959

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (Continued):					
Capital Outlay:					
Equipment:					
Instructional	\$ 18,726	\$ 90,630	\$ 109,356	\$ 91,931	\$ 17,425
Non-instructional		548,096	548,096	502,634	45,462
Regular Education - School Buses		264,242	264,242	252,000	12,242
Total Equipment	18,726	902,968	921,694	846,565	75,129
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services		51,780	51,780	51,780	51,780
Construction Services		921,088	921,088	541,652	379,436
Total Facilities Acquisition and Construction Services		972,868	972,868	541,652	431,216
Total Expenditures	2,676,000	4,818,106	7,494,107	6,011,994	1,482,112
Excess of revenues over expenditures				24,070	24,070
Other financing sources and transfers:				(13,647)	(13,647)
Transfer to escrow agent					
Excess of revenues over expenditures and transfers				10,423	10,423
Fund Balance, July 1	328,221		328,221	328,221	
Fund Balance, June 30	\$ 328,221	\$	\$ 328,221	\$ 349,067	\$ 20,847

**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, 2011**

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/Inflows of Resources:				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	(C-1)	\$ 130,998,437	(C-2)	\$ 6,036,063
Difference - Budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized:				
2010				444,765
2011				(85,712)
State aid payments recognized for budgetary purposes, not recognized for GAAP statements:				
2010		2,009,944		
2011		<u>(1,301,222)</u>		
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	(B-2)	\$ <u>131,707,159</u>	(B-2)	\$ <u>6,395,117</u>
Uses/Outflows of Resources:				
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	(C-1)	\$ 129,987,812	(C-2)	\$ 6,011,994
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:				
2010				444,765
2011				(85,712)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	(B-2)	\$ <u>129,987,812</u>	(B-2)	\$ <u>6,371,047</u>

Other Supplementary Information

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, 2011

Exhibit E-1
Page 1 of 5

	PBSIS	Textbooks	ESL	Transportation	New Jersey Non-Public					Home Instruction	Nursing	Corrective Speech	10/11	E.S.E.A. Title III	
					Compensatory Education	Supplemental Instruction	Examination and Classification	Carryover 09/10	Carryover 08/09						
REVENUES															
State sources	650	\$ 36,093	\$ 10,245	\$ 12,194	\$ 28,467	\$ 11,812	\$ 21,217	\$ 28,163	\$ 42,767	\$ 9,743	\$ 6,949	\$ 32,044	\$ 25,719		
Federal sources															
Other sources															
Total revenues	650	\$ 36,093	\$ 10,245	\$ 12,194	\$ 28,467	\$ 11,812	\$ 21,217	\$ 28,163	\$ 42,767	\$ 9,743	\$ 6,949	\$ 32,044	\$ 25,719		
EXPENDITURES															
Instruction:															
Salaries		\$	\$ 10,245	\$	\$ 28,467	\$ 11,812	\$	\$	\$	\$ 9,743		\$ 29,206	\$ 23,690		
Purchased prof/educational services															
Other purchased services															
Supplies and materials													186		
General supplies											5,871				
Textbooks		36,093													
Total instruction		36,093	10,245		28,467	11,812				9,743	5,871	29,392	23,690		
Support services:															
Salaries													88		
Personnel services - employee benefits	650										645				
Purchased prof/educational services											433				2,029
Purchased prof/technical services															
Transportation				12,194											
Travel															
Other purchased services															
Supplies and materials															
Miscellaneous expenditures															
Total support services	650			12,194				28,163	42,767		1,078	2,652	2,029		
Capital Outlay:															
Equipment:															
Instructional equipment															
Non-instructional equipment															
School buses - regular															
Construction services															
Total capital outlay															
Total expenditures	650	36,093	10,245	12,194	28,467	11,812	21,217	28,163	42,767	9,743	6,949	32,044	25,719		
Excess/(deficiency) of revenues over/(under) expenditures															
Other Financing Sources and Transfers:															
Transfer to escrow agent															
Excess/(deficiency) of revenues over/(under) expenditures and transfers															
Fund balances, July 1															
Fund balances, June 30															

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Exhibit E-1
Page 2 of 5

I.D.E.A. Part B

	Title IV		Title I/ESEA		Title II			ARRA			Basic Regular Program 09/09	
	09/10	10/11	10/11	09/10	Part A 10/11	Part A C/O 09/10	Part A C/O 08/09	Part A C/O 07/08	Part D 10/11	Part D C/O 09/10		Basic Regular Program 09/10
REVENUES												
State sources	\$ 3,354	\$ 235,394	\$ 166,721	\$ 1,497	\$ 15,662	\$ 41	\$ 21	\$ 971,893	\$ 1,800,572	\$ 52,761	\$ 1	
Federal sources												
Other sources												
Total revenues	\$ 3,354	\$ 235,394	\$ 166,721	\$ 1,497	\$ 15,662	\$ 41	\$ 21	\$ 971,893	\$ 1,800,572	\$ 52,761	\$ 1	

EXPENDITURES

Instruction:												
Salaries	\$ 170	\$ 153,792	\$ 151,556	\$ 94,692	\$ 14,464	\$ 1,430	\$ 24,185	\$ 2,933				
Purchased professional/educational services												
Other purchased services												
Supplies and materials	3,120	14,590										
General supplies												
Textbooks												
Total instruction	3,289	168,383	151,556	94,692	14,464				505,130	1,443,436	27,118	
Support services:												
Salaries	30	6,840	1,297	874	15	12	123	28,611	5,333	3,808		
Personnel services - employee benefits	36	60,172	13,869	599	10	9		19,204	18,040			
Purchased prof/educational services												
Purchased prof/technical services												
Transportation												
Travel												
Other purchased services				24					2,940	463		1
Supplies and materials												
Miscellaneous expenditures												
Total support services	65	67,012	15,166	1,497	1,198	41	21	466,763	353,561	25,643	1	
Capital Outlay:												
Equipment:												
Instructional equipment												
Non-instructional equipment												
School buses - regular												
Construction services												
Total capital outlay												
Total expenditures	3,354	235,394	166,721	1,497	15,662	41	21	971,893	1,800,572	52,761	1	
Excess/(deficiency) of revenues over/(under) expenditures												
Transfer to escrow agent												
Excess/(deficiency) of revenues over/(under) expenditures and transfers												
Fund balances, July 1												
Fund balance, June 30												

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Exhibit E-1
Page 3 of 5

	ARRA		I.D.E.A Part B		Adult Basic Education		Improving Partnerships and Active Collaboration for Teaching		Other Local		2004/ 2005/ 2006/ 2007	2005/ 2006/ 2007	2004/ 2005
	Preschool 09/10	Preschool 10/11	Preschool 09/10	Preschool 10/11	2010/ 2011	2009/ 2010	2008/ 2009	2007/ 2008					
REVENUES													
State sources	\$ 65,826	\$ 59,324	\$ 52,367	\$ 80	\$ 147,398	\$ 26,400	\$	\$	\$	\$	\$	\$	\$
Federal sources													
Other sources													
Total revenues	\$ 65,826	\$ 59,324	\$ 52,367	\$ 80	\$ 147,398	\$ 26,400	\$ 84,676	\$ 75,941	\$ 1,294	\$ 148	\$ 12	\$ 2,099	\$ 565

EXPENDITURES

Instruction:													
Salaries	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Purchased professional/educational services													
Other purchased services	27,873	323	816	80	2,737	7,324	1,206	612	113	12	12	93	
Supplies and materials													
General supplies					5,067								
Textbooks													
Total instruction	27,873	323	816	80	116,446	7,324	1,206	612	113	12	12	93	
Support services:													
Salaries					9,445		1,634	18					565
Personnel services - employee benefits					19,212		1,112	8					
Purchased prof./educational services													
Purchased prof./technical services	37,953	59,001	51,552			26,400							
Transportation													
Travel					967		322						
Other purchased services					24		68,755	656				23	
Supplies and materials					1,304		2,913						
Miscellaneous expenditures													
Total support services	37,953	59,001	51,552		30,952	26,400	74,736	682	35	1,984	2,007	565	
Capital Outlay:													
Equipment:													
Instructional equipment													
Non-instructional equipment													
School buses - regular													
Construction services					39,252		17,520						
Total capital outlay					56,772	26,400	75,941	1,294	148	12	2,099	565	
Total expenditures	65,826	59,324	52,367	80	147,398	26,400	75,941	1,294	148	12	2,099	565	
Excess/(deficiency) of revenues over/(under) expenditures													
Transfer to escrow agent													
Excess/(deficiency) of revenues over/(under) expenditures and transfers													
Fund balances, July 1													
Fund balance, June 30													

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Exhibit E-1
Page 4 of 5

	2010	2009	Inland Container	CYS	PTA Grants 10-11	PTA Grants 08-10	PTA Grants 08-09	PTA Grants 05-06	PTA Grants 04-05	PTA Grants 03-04
REVENUES										
State sources	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Federal sources										
Other sources		379	5	1,501	45,987	2,967	2,195	103	80	278
Total revenues	\$ 63,377	\$ 379	\$ 5	\$ 1,501	\$ 45,987	\$ 2,967	\$ 2,195	\$ 103	\$ 80	\$ 278
EXPENDITURES										
Instruction:										
Salaries	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Purchased prof./educational services				396						
Other purchased services	9,300			1,100	2,463					
Supplies and materials	38,862	379	5	5	14,643	2,236	2,195			
General supplies										
Textbooks										
Total instruction	48,152	379	5	1,501	17,106	2,236	2,195			
Support services:										
Salaries										
Personnel services - employee benefits										
Purchased prof./educational services	5,000									
Purchased prof./technical services										
Transportation										
Travel										
Other purchased services					2,000			103	80	278
Supplies and materials					17,464	731				
Miscellaneous expenditures										
Total support services	5,000				19,464	731		103	80	278
Capital Outlay:										
Equipment:										
Instructional equipment	10,225									
Non-instructional equipment										
School buses - regular										
Construction services					9,416					
Total capital outlay	10,225				9,416					
Total expenditures	63,377	379	5	1,501	45,987	2,967	2,195	103	80	278
Excess/(deficiency) of revenues over/(under) expenditures										
Transfer to escrow agent										
Excess/(deficiency) of revenues over/(under) expenditures and transfers										
Fund balances, July 1										
Fund balances, June 30										

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Exhibit E-1
Page 5 of 5

	2001 Agreement	2006 Agreement	2008 Agreement	2009 Agreement	2010 Capital Lease	2011 Capital Lease	2011 Capital Lease	Total
REVENUES								
State sources	\$	\$	\$	\$	\$	\$	\$	\$
Federal sources								201,351
Other sources				46		361,500	1,400,313	3,791,246
Total revenues	\$	\$	\$	\$ 46	\$	\$ 361,500	\$ 1,400,313	\$ 6,036,063
EXPENDITURES								
Instruction:	\$	\$	\$	\$	\$	\$	\$	\$
Salaries								578,037
Purchased professional/educational services								60,267
Other purchased services								1,950,221
Supplies and materials			77,353			15,014	329,249	581,776
General supplies								5
Textbooks								41,160
Total instruction			77,353			15,014	329,249	3,211,466
Support services:								
Salaries								50,674
Personnel services - employee benefits								143,101
Purchased prof./educational services								116,359
Purchased prof./technical services								939,677
Transportation								12,194
Travel								1,288
Other purchased services			1,700				5,749	75,439
Supplies and materials								71,594
Miscellaneous expenditures								1,984
Total support services			1,700		496		5,749	1,412,310
Capital Outlay:								
Equipment:								
Instructional equipment								91,931
Non-instructional equipment			73,071			52,539	25,592	143,101
School buses - regular						41,947	348,384	502,634
Construction services				55,009		252,000	459,707	252,000
Total capital outlay			73,071	55,009	346,486	833,662	1,388,217	1,388,217
Total expenditures			152,124	55,009	496	361,500	1,166,661	6,011,993
Excess/(deficiency) of revenues over/(under) expenditures			(152,124)	(54,963)	(496)		231,653	24,070
Transfer to escrow agent								(13,646)
Excess/(deficiency) of revenues over/(under) expenditures and transfers			(165,770)	(54,963)	(496)		231,653	10,424
Fund balances, July 1	27,434	18,646	165,769	103,633	12,739			328,221
Fund balances, June 30	\$ 27,434	\$ 18,646	\$ 48,670	\$ 48,670	\$ 12,243	\$	\$ 231,653	\$ 338,645

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, 2011**

<u>Project Title/Issue</u>	Revised Budgetary Appropriations	GAAP Expenditures to Date		Current Year Transfers In/ (Out)	Unexpended Appropriations June 30, 2011
		Prior Years	Current Year		
Hammarskjold 04/05	\$ 66,574,686	\$ 66,509,089	\$ 35,322	\$	\$ 30,275
Security Systems 06/07	730,000	596,405			133,595
Capital Lease 2008	2,647,980	2,622,980	25,000		
Memorial Elementary School Replacement 09/10	20,426,895	1,512,550	3,296,556		15,617,789
Chittick School Roof Replacement 09/10	1,123,649	343,571	342,357		437,721
High School Security System 09/10	558,000	47,688	507,861	50	2,501
Churchill Junior High School Security System 09/10	519,775	38,476	478,801	(50)	2,448
Warnsdorfer PA/Fire Alarm/Clock 09/10	248,805	177,718			71,087
High School Auditorium Renovations 09/10	<u>1,207,523</u>	<u>857,169</u>	<u>5,954</u>		<u>344,400</u>
Totals	<u>\$ 96,537,313</u>	<u>\$ 75,205,646</u>	<u>\$ 4,691,851</u>	<u>\$</u>	<u>\$ 16,639,816</u>

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Revenues and Other Financing Sources

State sources - SCC Grant	\$ (155,513)
Transfer from capital outlay	38,200
Miscellaneous revenue	<u>609,375</u>
Total revenues	<u>492,062</u>

Expenditures and Other Financing Uses

Architectural/engineering services	645,838
Purchased professional and technical services	53,151
Construction services	3,975,454
Other expenditures	<u>17,408</u>
Total expenditures	<u>4,691,851</u>

Excess(deficiency) of revenues over (under) expenditures	(4,199,789)
Fund balance, beginning	<u>20,839,605</u>
Fund balance, ending	<u>\$ 16,639,816</u>

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Hammarskjold 04/05

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 12,307,152	\$	\$ 12,307,152	\$ 12,307,152
Bond proceeds	54,188,725		54,188,725	54,188,725
Reallocated from completed projects	<u>78,809</u>		<u>78,809</u>	<u>78,809</u>
Total revenues	<u>66,574,686</u>		<u>66,574,686</u>	<u>66,574,686</u>
Expenditures and Other Financing Uses				
Legal services	59,468		59,468	59,468
Purchased professional and technical services	5,931,814		5,931,814	5,931,814
Construction services	<u>60,043,814</u>	<u>35,322</u>	<u>60,079,136</u>	<u>60,079,136</u>
Total expenditures	<u>66,035,096</u>	<u>35,322</u>	<u>66,070,418</u>	<u>66,070,418</u>
Other Financing Uses				
Transfers Out	<u>473,993</u>		<u>473,993</u>	<u>473,993</u>
Total other financing uses	<u>473,993</u>		<u>473,993</u>	<u>473,993</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 65,597</u>	<u>\$ (35,322)</u>	<u>\$ 30,275</u>	<u>\$ 30,275</u>

Additional Project Information:

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

Percentage Increase Over Original

Authorized Cost	
Percent of Completion	99.95%
Original Target Completion Date	2008
Revised Target Completion Date	2011

**BOARD OF EDUCATION
 EAST BRUNSWICK SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
 BUDGETARY BASIS
 CAPITAL PROJECTS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Security Systems
 06/07**

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

Additional Project Information:

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

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

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Capital Lease 2008
07/08

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant				
Commissioner approved lease purchase				
Lease purchase agreements	\$ 2,500,000	\$	\$ 2,500,000	\$ 2,500,000
Transfer from special revenue fund	<u>147,980</u>	<u></u>	<u>147,980</u>	<u>147,980</u>
Total revenues	<u>2,647,980</u>	<u></u>	<u>2,647,980</u>	<u>2,647,980</u>
Expenditures and Other Financing Uses				
Construction services	<u>2,622,980</u>	<u>25,000</u>	<u>2,647,980</u>	<u>2,647,980</u>
Total expenditures	<u>2,622,980</u>	<u>25,000</u>	<u>2,647,980</u>	<u>2,647,980</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 25,000</u>	<u>\$ (25,000)</u>	<u>\$</u>	<u>\$</u>

Additional Project Information:

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

Percentage Increase Over Original

Authorized Cost	5.92%
Percent of Completion	100.00%
Original Target Completion Date	2009
Revised Target Completion Date	2011

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Memorial Elementary School Replacement
09/10**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 4,238,520	\$	\$ 4,238,520	\$ 4,238,520
Bond proceeds and transfers	13,960,000		13,960,000	13,960,000
Transfer from capital reserve	1,619,000		1,619,000	1,619,000
Miscellaneous		609,375	609,375	609,375
	<u>19,817,520</u>	<u>609,375</u>	<u>20,426,895</u>	<u>20,426,895</u>
Total revenues				
Expenditures and Other Financing Uses				
Legal services	34,194		34,194	34,194
Architectural/engineering services	1,365,313	535,316	1,900,629	1,900,629
Purchased professional and technical services	69,443	53,151	122,594	122,594
Construction services	43,598	2,690,681	2,734,279	2,734,279
	<u>1,512,548</u>	<u>3,296,556</u>	<u>4,809,104</u>	<u>4,809,104</u>
Total expenditures				
Excess(deficiency) of revenues over (under) expenditures	\$ <u>18,304,972</u>	\$ <u>(2,687,182)</u>	\$ <u>15,617,791</u>	\$ <u>15,617,789</u>

Additional Project Information:

Project Number	924
Grant Date	1/4/2010
Bond Authorization Date	5/12/2010
Bonds Authorized	\$ 17,956,480
Bonds Issued	\$ 13,960,000
Original Authorized Cost	\$ 23,814,000
Additional Authorized Cost	\$ (3,387,105)
Revised Authorized Cost	\$ 20,426,895

Percentage Increase Over Original Authorized Cost

Percent of Completion	23.54%
Original Target Completion Date	2012
Revised Target Completion Date	2012

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Chittick Roof Replacement
09/10**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 373,649	\$	\$ 373,649	\$ 373,649
Commissioner approved lease purchase	750,000	_____	750,000	750,000
Total revenues	<u>1,123,649</u>	<u>_____</u>	<u>1,123,649</u>	<u>1,123,649</u>
Expenditures and Other Financing Uses				
Architectural/engineering services	46,493	56,559	103,052	103,052
Construction services	297,078	285,798	582,876	582,876
Total expenditures	<u>343,571</u>	<u>342,357</u>	<u>685,928</u>	<u>685,928</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 780,078</u>	<u>\$ (342,357)</u>	<u>\$ 437,721</u>	<u>\$ 437,721</u>

Additional Project Information:

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

Percentage Increase Over Original Authorized Cost	
Percent of Completion	61.04%
Original Target Completion Date	2011
Revised Target Completion Date	2011

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**East Brunswick High School Security System
09/10**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 156,000	\$	\$ 156,000	\$ 156,000
Transfer from special revenue fund	100,000		100,000	100,000
Transfer from capital reserve	143,991		143,991	143,991
Transfer from capital outlay	<u>138,909</u>	<u>19,100</u>	<u>158,009</u>	<u>158,009</u>
Total revenues	<u>538,900</u>	<u>19,100</u>	<u>558,000</u>	<u>558,000</u>
Expenditures and Other Financing Uses				
Architectural/engineering services	47,688	27,831	75,519	75,519
Construction services		480,030	480,030	480,030
Total expenditures	<u>47,688</u>	<u>507,861</u>	<u>555,549</u>	<u>555,549</u>
Other Financing Sources				
Transfers In		<u>50</u>	<u>50</u>	<u>50</u>
Total other financing sources		<u>50</u>	<u>50</u>	<u>50</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 491,212</u>	<u>\$ (488,711)</u>	<u>\$ 2,501</u>	<u>\$ 2,501</u>

Additional Project Information:

Project Number	926
Grant Date	6/4/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$538,900
Additional Authorized Cost	\$19,150
Revised Authorized Cost	\$558,050

Percentage Increase Over Original Authorized Cost

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

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 156,000	\$	\$ 156,000	\$ 156,000
Transfer from special revenue fund	100,000		100,000	100,000
Transfer from capital reserve	134,000		134,000	134,000
Transfer from capital outlay	<u>110,675</u>	<u>19,100</u>	<u>129,775</u>	<u>129,775</u>
Total revenues	<u>500,675</u>	<u>19,100</u>	<u>519,775</u>	<u>519,775</u>
Expenditures and Other Financing Uses				
Architectural/engineering services	38,476	26,131	64,607	64,607
Construction services	<u> </u>	<u>452,670</u>	<u>452,670</u>	<u>452,670</u>
Total expenditures	<u>38,476</u>	<u>478,801</u>	<u>517,277</u>	<u>517,277</u>
Other Financing Uses				
Transfers Out	<u> </u>	<u>(50)</u>	<u>(50)</u>	<u>(50)</u>
Total other financing uses	<u> </u>	<u>(50)</u>	<u>(50)</u>	<u>(50)</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 462,199</u>	<u>\$ (459,751)</u>	<u>\$ 2,448</u>	<u>\$ 2,448</u>

Additional Project Information:

Project Number	927
Grant Date	6/4/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$500,675
Additional Authorized Cost	\$19,050
Revised Authorized Cost	\$519,725

Percentage Increase Over Original

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

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 226,600	\$ (155,513)	\$ 71,087	\$ 71,087
Transfer from special revenue fund	<u>177,718</u>	<u> </u>	<u>177,718</u>	<u>177,718</u>
Total revenues	<u>404,318</u>	<u>(155,513)</u>	<u>248,805</u>	<u>248,805</u>
Expenditures and Other Financing Uses				
Architectural/engineering services	38,718		38,718	38,718
Construction services	<u>139,000</u>	<u> </u>	<u>139,000</u>	<u>139,000</u>
Total expenditures	<u>177,718</u>	<u> </u>	<u>177,718</u>	<u>177,718</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 226,600</u>	<u>\$ (155,513)</u>	<u>\$ 71,087</u>	<u>\$ 71,087</u>

Additional Project Information:

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

Percentage Increase Over Original Authorized Cost

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

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**High School Auditorium Renovations
09/10**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 344,400	\$	\$ 344,400	\$ 344,400
Transfer from special revenue fund	<u>863,123</u>	<u> </u>	<u>863,123</u>	<u>863,123</u>
Total revenues	<u>1,207,523</u>	<u> </u>	<u>1,207,523</u>	<u>1,207,523</u>
Expenditures and Other Financing Uses				
Architectural/engineering services	69,239		69,239	69,239
Construction services	<u>787,930</u>	<u>5,954</u>	<u>793,884</u>	<u>793,884</u>
Total expenditures	<u>857,169</u>	<u>5,954</u>	<u>863,123</u>	<u>863,123</u>
Excess(deficiency) of revenues over (under) expenditures	<u>\$ 350,354</u>	<u>\$ (5,954)</u>	<u>\$ 344,400</u>	<u>\$ 344,400</u>

Additional Project Information:

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

Percentage Increase Over Original Authorized Cost

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

Fiduciary Funds Detail Statements

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

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	<u>Unemployment Compensation Trust</u>	<u>Deferred Benefit Trust</u>	<u>Agency Fund</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ <u>256,194</u>	\$ <u>118,232</u>	\$ <u>1,081,777</u>
Total Assets	\$ <u><u>256,194</u></u>	\$ <u><u>118,232</u></u>	\$ <u><u>1,081,777</u></u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 33,870	\$	\$
Payable to Student Groups			478,359
Payroll Deductions and Withholdings			<u>603,418</u>
Total Liabilities	\$ <u><u>33,870</u></u>	\$ <u><u></u></u>	\$ <u><u>1,081,777</u></u>
<u>NET ASSETS</u>			
Held in Trust for Unemployment Claims and Other Purposes	\$ 222,324	\$	\$
Reserved for Deferred Benefits		<u>118,232</u>	
	\$ <u><u>222,324</u></u>	\$ <u><u>118,232</u></u>	\$ <u><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, 2011

	Unemployment Compensation <u>Trust Fund</u>	Deferred Benefit Trust
<u>Additions</u>		
Contributions:		
Plan Members	\$ 114,633	\$
Board Contribution	649,856	
Other	5,128	
	<u>769,617</u>	<u> </u>
Total Contributions	769,617	
Investment Earnings:		
Interest	396	370
	<u>396</u>	<u>370</u>
Total Additions	<u>770,013</u>	<u>370</u>
<u>Deductions</u>		
Unemployment Claims and Assessment	634,553	
Transfer to Qualified Benefit Plan		22,000
	<u>634,553</u>	<u>22,000</u>
Total Deductions	634,553	22,000
Change in Net Assets	135,459	(21,630)
Total Net Assets - Beginning	<u>86,865</u>	<u>139,862</u>
Total Net Assets - Ending	<u>\$ 222,324</u>	<u>\$ 118,232</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, 2011**

	Balance July 1, 2010	Cash Receipts	Cash Disbursements	Balance June 30, 2011
<u>ELEMENTARY SCHOOLS</u>				
Bowne-Munroe	\$ 6,916	\$ 12,014	\$ 12,961	\$ 5,970
Central	7,137	12,596	12,316	7,418
Irwin	343	13,195	13,412	125
Lawrence Brook	6,921	21,406	20,701	7,626
Memorial	606	14,907	13,668	1,844
Murray A. Chittick	13,345	20,549	16,270	17,624
Robert Frost	5,466	10,533	9,913	6,086
Warnsdorfer	13,247	14,119	13,966	13,399
	<u>53,981</u>	<u>119,319</u>	<u>113,207</u>	<u>60,092</u>
<u>JUNIOR HIGH SCHOOL</u>				
Churchill	109,970	90,216	78,539	121,647
Hammarskjold	36,421	110,446	112,045	34,822
	<u>146,391</u>	<u>200,662</u>	<u>190,585</u>	<u>156,469</u>
<u>SENIOR HIGH SCHOOLS</u>				
East Brunswick	251,353	579,747	569,302	261,798
E.B.H.S. Athletic Fund	268	94,874	95,141	1
	<u>251,621</u>	<u>674,621</u>	<u>664,443</u>	<u>261,798</u>
Total all schools	<u>\$ 451,993</u>	<u>\$ 994,601</u>	<u>\$ 968,235</u>	<u>\$ 478,359</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, 2011

	Balance <u>July 1, 2010</u>	Additions	Deletions	Balance <u>June 30, 2011</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 583,344	\$ 85,604,364	\$ 85,584,290	\$ 603,418
Total Assets	<u>\$ 583,344</u>	<u>\$ 85,604,364</u>	<u>\$ 85,584,290</u>	<u>\$ 603,418</u>
<u>LIABILITIES</u>				
Net Payroll	\$ 5,856	\$ 46,849,642	\$ 46,849,642	\$ 5,856
Payroll Deductions and Withholdings	<u>577,488</u>	<u>38,754,722</u>	<u>38,734,648</u>	<u>597,562</u>
Total Liabilities	<u>\$ 583,344</u>	<u>\$ 85,604,364</u>	<u>\$ 85,584,290</u>	<u>\$ 603,418</u>

Long-Term Debt

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2011**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2010	Retired	Balance June 30, 2011
			Date	Amount				
School Bonds	5/16/2001	\$ 16,100,000.00				\$ 720,000	\$ 720,000	\$
2001 Sub-total						720,000	720,000	
School Bonds	3/8/2005	81,386,000.00	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%			
						72,336,000	2,175,000	70,161,000
2005 Sub-total						72,336,000	2,175,000	70,161,000
School Refunding Bonds	3/15/2007	10,825,000.00	5/01/2012	735,000	4.000%			
			5/01/2013	905,000	4.000%			
			5/01/2014	900,000	5.000%			
			5/01/2015	900,000	5.000%			
			5/01/2016	905,000	5.000%			
			5/01/2017	905,000	5.000%			
			5/01/2018	1,085,000	4.000%			
			5/01/2019	1,085,000	4.000%			
			5/01/2020	1,075,000	4.000%			
			5/01/2021	1,065,000	4.000%			
			5/01/2022	1,055,000	4.000%			
						10,630,000	15,000	10,615,000
2007 Sub-total						10,630,000	15,000	10,615,000
School Bonds	5/12/2010	13,960,000.00	5/15/2012	100,000	4.000%			
			5/15/2013	100,000	4.000%			
			5/15/2014	100,000	4.000%			
			5/15/2015	100,000	4.000%			
			5/15/2016	295,000	4.000%			
			5/15/2017	310,000	4.000%			
			5/15/2018	325,000	4.000%			
			5/15/2019	340,000	4.000%			
			5/15/2020	355,000	4.000%			
			5/15/2021	370,000	4.000%			
			5/15/2022	390,000	4.000%			
			5/15/2023	410,000	4.000%			
			5/15/2024	425,000	4.000%			
			5/15/2025	445,000	4.000%			
			5/15/2026	465,000	4.000%			
			5/15/2027	490,000	4.000%			
			5/15/2028	510,000	4.000%			
			5/15/2029	535,000	4.000%			
			5/15/2030	560,000	4.250%			
			5/15/2031	585,000	4.250%			
			5/15/2032	615,000	4.250%			
			5/15/2033	640,000	4.250%			
			5/15/2034	670,000	4.250%			
			5/15/2035	700,000	4.250%			
			5/15/2036	735,000	4.375%			
			5/15/2037	770,000	4.375%			
			5/15/2038	800,000	4.375%			
			5/15/2039	840,000	4.500%			
			5/15/2040	880,000	4.500%			
2010 Sub-total						13,960,000	100,000	13,860,000
Grand totals						\$ 97,646,000	\$ 3,010,000	\$ 94,636,000

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF LEASE PURCHASE OBLIGATIONS PAYABLE
JUNE 30, 2011

<u>Project</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance June 30, 2010</u>	<u>Retired</u>	<u>Balance June 30, 2011</u>
Construction of Various Schools Lease with East Brunswick Township (1996 Agreement)	4.36%	\$ 9,000,000	\$ 4,104,733	\$ 514,057	\$ 3,590,676
Additions and Renovations to High School - Lease with East Brunswick Township (1999 Agreement)	4.23%	14,320,000	<u>7,882,332</u>	<u>716,176</u>	<u>7,166,156</u>
			<u>\$ 11,987,065</u>	<u>\$ 1,230,233</u>	<u>\$ 10,756,832</u>

**BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>				
Local Sources:				
Tax Levy	\$ 8,602,137	\$ 8,602,137	\$ 8,602,137	\$
Miscellaneous Revenue			23,166	23,166
State Sources:				
Debt Service Aid	<u>419,959</u>	<u>419,959</u>	<u>419,959</u>	<u></u>
Total Revenues	<u>9,022,096</u>	<u>9,022,096</u>	<u>9,045,262</u>	<u>23,166</u>
<u>Expenditures</u>				
Principal Payments - Comm Approved Lease Purchase Agrm.	1,230,234	1,230,234	1,230,233	1
Interest for Commissioner Approved Lease Purchase Agrm.	512,767	512,767	512,767	
Interest on Bonds	4,295,266	4,295,266	4,230,659	64,607
Redemption of Bond Principal	<u>3,010,000</u>	<u>3,010,000</u>	<u>3,010,000</u>	<u></u>
Total Expenditures	<u>9,048,267</u>	<u>9,048,267</u>	<u>8,983,659</u>	<u>64,608</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(26,171)	(26,171)	61,603	87,774
Fund Balance, July 1	<u>46,841</u>	<u>46,841</u>	<u>46,841</u>	<u></u>
Fund Balance, June 30	<u>\$ 20,670</u>	<u>\$ 20,670</u>	<u>\$ 108,444</u>	<u>\$ 87,774</u>
Detail:				
Restricted:				
Debt Service			\$ 87,774	
Assigned:				
Designated for Subsequent Year's Expenditures			<u>20,670</u>	
			<u>\$ 108,444</u>	

BOARD OF EDUCATION
EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2011

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding June 30, 2010</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2011</u>
2008-09 TD Equipment Lease	3.22%	\$ 2,690,000	\$ 1,753,715	\$	\$ 566,146	\$ 1,187,569
2006-08 Chase Equipment Leasing	Various	8,090,000	2,799,718		1,640,899	1,158,819
2009-10 Ford Motor Credit	7.30%	55,757	42,982		9,638	33,344
2009-10 TD Chittick Roof Project	3.09%	750,000	590,734		141,012	449,722
2009-10 TD Equipment Lease School Buses	3.22%	325,000	255,595		60,740	194,855
2010-11 TD Equipment Lease School Buses/Instruments/Loader	3.31%	361,500		361,500	71,854	289,646
2010-11 TD Equipment Lease Technology Equipment	2.66%	1,400,000		1,400,000		1,400,000
			\$ 5,442,744	\$ 1,761,500	\$ 2,490,289	\$ 4,713,955

Detail:
 Current Portion \$ 2,336,720
 Long-term Portion 2,377,235
 \$ 4,713,955

**Statistical Section
(Unaudited)**

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

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
Invested in capital assets, net of related debt	\$ 33,721,076	\$ 32,308,286	\$ 36,823,877	\$ 44,993,912	\$ 70,499,208	\$ 72,866,718	\$ 86,461,666	\$ 90,778,110	\$ 83,801,596
Restricted	1,133,908	3,161,264	8,806,957	6,552,455	16,371,563	18,892,433	7,169,912	11,594,973	23,296,846
Unrestricted (deficit)	(2,432,866)	3,593,079	2,698,653	2,827,885	1,733,149	1,849,947	1,770,518	1,526,272	769,348
Total governmental activities net assets	\$ 32,422,118	\$ 39,062,630	\$ 48,329,487	\$ 54,374,252	\$ 88,603,920	\$ 93,609,098	\$ 95,402,096	\$ 103,899,355	\$ 107,867,790
Business-type activities									
Invested in capital assets, net of related debt	\$ 132,318	\$ 116,206	\$ 119,699	\$ 144,577	\$ 159,695	\$ 164,119	\$ 210,710	\$ 206,220	\$ 285,615
Unrestricted	198,971	407,048	462,963	409,431	421,655	413,784	501,154	340,556	270,675
Total business-type activities net assets	\$ 331,289	\$ 523,254	\$ 582,661	\$ 554,007	\$ 581,350	\$ 577,883	\$ 711,864	\$ 546,776	\$ 556,490
District-wide									
Invested in capital assets, net of related debt	\$ 33,853,394	\$ 32,424,492	\$ 36,943,576	\$ 45,138,489	\$ 70,658,904	\$ 73,030,837	\$ 86,672,376	\$ 90,984,330	\$ 84,087,211
Restricted	1,133,908	3,161,264	8,806,957	7,912,507	16,371,563	18,892,433	7,169,912	11,594,973	23,296,846
Unrestricted (deficit)	(2,233,895)	4,000,127	3,161,615	1,877,265	2,154,804	2,263,711	2,271,672	1,866,828	1,040,223
Total district net assets	\$ 32,753,407	\$ 39,585,884	\$ 48,912,148	\$ 54,928,260	\$ 89,185,270	\$ 94,186,981	\$ 96,113,959	\$ 104,446,131	\$ 108,424,280

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 Nine Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental activities									
Instruction									
Regular	\$ 41,775,529	\$ 43,111,466	\$ 46,338,123	\$ 48,203,380	\$ 50,681,033	\$ 57,705,173	\$ 59,100,982	\$ 57,817,859	\$ 56,358,288
Special education	9,769,230	12,139,103	11,039,852	11,844,714	12,470,045	12,629,815	13,046,829	12,903,642	12,957,610
Other instruction	3,276,547	4,373,743	6,171,735	6,786,530	6,445,046	3,548,481	3,383,252	4,423,965	4,256,967
Support Services:									
Tuition	6,888,544	4,905,459	4,765,539	5,691,056	6,155,305	6,632,965	5,768,671	6,892,491	6,266,150
Student & instruction related services	17,024,724	17,586,710	18,788,435	19,213,998	20,347,826	21,821,101	21,437,378	19,635,924	15,004,755
School administrative services	4,964,666	4,948,918	5,287,535	5,602,830	5,934,646	6,697,842	6,937,981	7,028,984	6,818,701
General and Business administrative services	4,977,178	4,039,656	4,378,253	5,789,599	5,739,338	5,686,875	5,903,282	6,158,466	9,199,308
Plant operations and maintenance	8,677,858	9,518,076	10,314,539	10,135,783	11,895,444	15,474,047	14,920,747	14,702,662	14,971,472
Pupil transportation	8,144,321	8,697,119	8,168,154	9,462,472	10,093,494	10,646,274	9,814,283	9,802,207	8,899,046
Special Schools	421,741	262,143	285,368	303,658	283,477	272,254	32,257	113,131	94,766
Charter Schools	1,623,997	1,672,310	2,662,048	4,990,441	19,062	8,953	9,984	20,691	721,423
Interest on long-term debt	107,544,346	111,254,702	118,199,581	128,024,459	5,210,927	4,788,458	4,738,656	4,336,393	4,680,945
Total governmental activities expenses	110,266,893	114,131,792	121,384,887	131,439,709	138,913,843	149,730,330	149,602,680	147,931,574	144,793,110
Business-type activities:									
Food service	2,317,729	2,319,380	2,586,246	2,650,684	2,851,668	2,984,123	2,902,032	2,463,097	2,537,836
ETTC Program	220,363	303,122	263,410	342,134	325,113	300,013	307,824	289,885	295,590
Adult and Community Program	184,456	254,588	335,650	422,431	461,418	534,156	1,298,423	1,402,177	1,790,273
Total business-type activities expense	2,722,548	2,877,090	3,185,306	3,415,250	3,638,199	3,818,292	4,508,279	4,155,159	4,563,699
Total district expenses	\$ 110,266,893	\$ 114,131,792	\$ 121,384,887	\$ 131,439,709	\$ 138,913,843	\$ 149,730,330	\$ 149,602,680	\$ 147,931,574	\$ 144,793,110
Program Revenues									
Governmental activities:									
Charges for services:									
Instruction (tuition)	\$ 48,093	\$ 3,792	\$ 35,644	\$ 64,101	\$ 43,640	\$ 52,600	\$ 34,904	\$ 78,449	\$ 162,291
Operating grants and contributions	3,878,172	3,585,592	4,252,838	3,610,352	2,628,449	2,158,208	209,349	2,224,838	6,395,117
Total governmental activities program revenues	3,926,265	3,589,383	4,288,482	3,674,454	2,672,089	2,210,808	244,253	2,303,287	6,557,408

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

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities:									
Charges for services:									
Food service	\$ 1,796,517	\$ 1,950,699	\$ 2,042,075	\$ 2,143,465	\$ 2,111,808	\$ 2,094,372	\$ 2,147,958	\$ 2,002,810	\$ 1,935,376
ETTC Program	201,851	231,942	240,163	313,200	242,971	249,794	245,649	274,573	420,712
Adult and Community Program	228,219	382,778	434,043	440,219	531,593	550,573	1,544,496	1,530,473	2,036,964
Operating grants and contributions	290,525	328,140	341,612	359,233	399,532	449,521	497,605	580,391	579,205
Total business type activities program revenues	2,517,112	2,893,559	3,057,892	3,256,116	3,285,924	3,344,260	4,435,708	4,388,247	4,972,257
Total district program revenues	6,443,376	6,482,942	7,346,374	6,930,570	5,958,012	5,555,068	4,679,961	6,691,534	11,529,665
Net (Expense)/Revenue									
Governmental activities	\$ (103,618,081)	\$ (107,665,319)	\$ (113,911,098)	\$ (124,350,006)	\$ (132,603,555)	\$ (143,701,230)	\$ (144,850,048)	\$ (141,473,128)	\$ (133,672,002)
Business-type activities	(205,436)	16,469	(127,415)	(159,133)	(352,276)	(474,032)	(72,571)	233,068	408,558
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>\$ (144,175,262)</u>	<u>\$ (144,922,619)</u>	<u>\$ (141,240,040)</u>	<u>\$ (133,263,444)</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	\$ 106,086,288	\$ 106,086,288	\$ 106,788,787
Taxes levied for debt service	22,533,341	2,532,633	2,417,568	6,269,481	6,386,428	7,344,256	8,651,094	7,809,410	8,602,137
Unrestricted grants and contributions	1,171,492	25,981,408	26,091,125	27,088,686	31,532,595	31,841,232	28,380,583	24,624,578	13,638,048
Restricted grants and contributions	42,944	725,090	2,871,406	591,736	1,600,522	4,422,882	3,948,755	10,033,783	8,419,779
Investment earnings	1,439,438	265,649	1,174,978	2,819,913	3,364,699	855,104	432,502	113,024	32,816
Miscellaneous income	(188,780)	(190,363)	1,174,978	1,984,517	1,138,677	1,154,218	(994,489)	903,614	1,744,262
Transfers	104,949,347	(188,780)	(177,142)	(177,142)	(359,541)	(448,230)	(339,748)	400,000	424,553
Total governmental activities	<u>\$ 183,695,363</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>	<u>\$ 146,164,985</u>	<u>\$ 149,970,897</u>	<u>\$ 139,650,382</u>
Business-type activities:									
Investment earnings	\$ 10,663	\$ 7,966	\$ 10,464	\$ 17,812	\$ 20,077	\$ 22,335	\$ 13,128	\$ 1,824	\$ 1,156
Transfers	188,780	167,531	206,707	112,667	359,541	448,230	193,423	(400,000)	(400,000)
Total business-type activities	<u>199,443</u>	<u>175,497</u>	<u>217,171</u>	<u>130,479</u>	<u>379,618</u>	<u>470,565</u>	<u>206,552</u>	<u>(398,176)</u>	<u>(398,844)</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>	<u>\$ 146,371,537</u>	<u>\$ 149,572,521</u>	<u>\$ 139,251,538</u>
Change in Net Assets									
Governmental activities	\$ 1,331,266	\$ 6,030,244	\$ 9,266,857	\$ 7,044,766	\$ 9,603,627	\$ 7,172,521	\$ 1,314,937	\$ 8,497,569	\$ 5,978,379
Business-type activities	(5,992)	191,966	89,756	(28,654)	27,343	(3,467)	133,981	(165,088)	9,714
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>\$ 7,169,054</u>	<u>\$ 1,448,918</u>	<u>\$ 8,332,481</u>	<u>\$ 5,988,093</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 Nine Fiscal Years
(modified accrual basis of accounting)
Unaudited**

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
General Fund										
Reserved	\$ 612,619	\$ 1,721,905	\$ 5,823,191	\$ 6,655,251	\$ 7,938,692	\$ 11,439,853	\$ 9,818,204	\$ 7,906,176	\$ 9,427,721	
Unreserved	1,732,642	3,625,348	2,698,747	3,710,804	4,028,809	3,465,104	3,446,187	3,269,166	1,780,284	
Total general fund	\$ 2,345,262	\$ 5,347,253	\$ 8,521,938	\$ 10,366,055	\$ 11,967,501	\$ 14,904,957	\$ 13,264,391	\$ 11,175,342	\$ 11,208,005	
All Other Governmental Funds										
Reserved	\$ 8,490,281	\$ 2,157,561	\$ 111,529,950	\$ 101,533,422	\$ 36,614,135	\$ 5,694,005	\$ 3,221,962	\$ 2,538,494	\$ 17,086,904	
Unreserved, reported in:	(19,116)				141,060	1,948,257	1,793,774	328,220		
Special revenue fund (deficit)					9,237,554	7,374,680	631,478	18,301,111		
Capital projects fund					1,543,233	725,059	157,502	46,841		
Debt service fund	90,322	2	779,571	819,917						
Total all other governmental funds	\$ 8,561,487	\$ 2,157,563	\$ 112,309,521	\$ 102,353,339	\$ 47,535,981	\$ 15,742,001	\$ 5,804,716	\$ 21,214,666	\$ 17,086,904	

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.

Implementation of GASB 54 will begin prospectively.

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

	Fiscal Year Ending June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues									
Tax levy	\$ 79,950,913	\$ 86,731,847	\$ 93,040,447	\$ 99,087,061	\$ 104,930,231	\$ 113,048,545	\$ 114,737,382	\$ 113,895,698	\$ 115,390,924
Tuition charges	48,093	3,792	35,644	64,101	43,640	52,600	34,904	78,449	162,291
Interest earnings									
Board Contribution	1,174,579	447,582	1,376,306	4,804,430	4,503,375	4,500,757	2,165,724	2,580,085	3,595,241
Miscellaneous	1,670,100	27,350,940	55,171,825	28,547,421	32,890,362	33,513,345	29,781,346	31,138,147	24,595,645
State sources	2,818,831	2,941,150	3,412,109	2,998,977	2,871,204	2,750,769	2,813,562	5,745,052	3,857,299
Federal sources	110,238,971	117,475,309	153,036,331	135,501,991	145,238,812	153,866,016	149,532,918	153,437,431	147,601,400
Total revenue									
Expenditures									
Instruction									
Regular instruction	33,532,850	33,785,799	36,446,885	37,493,770	38,714,353	42,853,159	45,417,776	43,844,668	43,154,030
Special education instruction	7,755,459	9,513,230	8,683,308	9,039,671	9,277,018	9,410,531	9,840,464	9,630,116	9,828,331
Other instruction	2,601,139	3,427,636	4,854,330	5,179,356	4,794,755	2,643,989	2,551,790	3,301,649	3,163,198
Support Services:									
Tuition	5,468,581	3,844,334	3,748,297	4,328,974	4,579,204	4,942,252	4,377,299	5,099,156	4,656,149
Student & instruction related services	13,955,441	13,782,437	14,777,895	14,663,774	15,137,648	16,259,000	16,168,967	14,654,484	11,152,274
School Administrative services	3,941,279	3,878,392	4,158,869	4,275,978	4,425,370	4,990,592	5,232,915	5,245,800	4,721,103
Business administrative services	4,052,656	4,030,041	4,278,104	4,539,292	4,382,622	4,379,376	4,588,725	4,596,124	6,835,673
Plant operations and maintenance	6,889,064	7,459,171	8,112,819	7,735,446	9,250,571	9,784,556	10,492,528	11,016,147	11,167,779
Pupil transportation	6,465,500	6,815,799	6,424,597	7,221,587	7,904,302	7,932,587	7,938,887	7,626,405	6,972,249
Unallocated employee benefits	19,607,788	21,871,558	23,280,418	26,644,835	30,597,181	33,323,931	30,301,813	31,297,289	29,689,813
Special Schools	334,806	205,437	224,454	231,746	210,891	202,857	24,330	84,431	70,417
Charter Schools	18,951,578	8,825,032	7,844,005	14,482,617	62,557,404	38,726,462	15,264,412	20,691	721,423
Capital outlay						8,953	9,984	20,691	9,118,270
Debt service:									
Principal	1,414,327	1,452,021	1,491,332	3,342,328	4,550,082	4,624,670	5,171,189	4,094,473	4,240,233
Interest and other charges	1,637,118	1,574,679	1,510,625	5,427,185	4,717,272	4,744,208	4,541,551	4,325,584	4,743,426
Total expenditures	<u>126,607,586</u>	<u>120,465,565</u>	<u>125,815,938</u>	<u>144,606,559</u>	<u>201,098,673</u>	<u>184,827,123</u>	<u>161,822,610</u>	<u>157,089,465</u>	<u>150,034,369</u>
Excess (Deficiency) of revenues over (under) expenditures	(16,368,615)	(2,990,256)	27,220,394	(9,104,568)	(55,859,861)	(30,961,107)	(12,289,692)	(3,652,034)	(2,432,969)
Other Financing sources (uses)									
Capital leases (non-budgeted)			30,972	378,233					
Bond proceeds			81,386,000					13,960,000	
Cancellation of prior year's receivables		(16,590)	(36,644)			(37,282)	(943,379)		
Lease purchase proceeds	2,500,000			800,000	2,673,305	2,500,000	2,690,000	750,000	
Transfer out to escrow agent			3,874,811		397,195			(127,519)	
Interlocal service agreements - Township									(76,740)
Insurance recoveries - Memorial School									
Memorial School fire loss									
Accrued interest			138,647				607,195	(156,121)	
Transfers to Charter School		(4,038)	(4,709)	(18,786)	(19,062)		(1,350,977)		
Transfers in		422,168	1,710,908	95,704	1,357,000	69,055	598,998	3,787,416	438,200
Transfers out	(188,780)	(591,904)	(983,737)	(272,846)	(1,716,541)	(517,285)	(790,766)	(1,240,841)	(13,647)
Total other financing sources (uses)	<u>2,311,220</u>	<u>(190,363)</u>	<u>86,106,249</u>	<u>982,304</u>	<u>2,691,897</u>	<u>2,014,488</u>	<u>811,071</u>	<u>16,972,935</u>	<u>347,813</u>
Net change in fund balances	<u>\$ (14,057,395)</u>	<u>\$ (3,180,619)</u>	<u>\$ 113,326,643</u>	<u>\$ (8,122,263)</u>	<u>\$ (53,167,964)</u>	<u>\$ (28,946,619)</u>	<u>\$ (11,478,621)</u>	<u>\$ 13,320,901</u>	<u>\$ (2,085,156)</u>
Debt service as a percentage of noncapital expenditures	2.8%	2.7%	2.5%	6.7%	6.7%	6.4%	6.6%	5.8%	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

J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u> <u>Revenue</u>	<u>Rentals</u>	<u>Misc.</u>	<u>Annual</u> <u>Totals</u>
2002	\$	\$ 26,487	\$	\$ 391,977	\$ 418,464
2003	161,762	48,093	48,652	1,134,790	1,393,296
2004	265,586	3,792	56,141	30,813	356,332
2005	398,999	35,644	75,892	85,848	596,383
2006	2,819,913	64,101		1,984,517	4,868,531
2007	1,034,096	43,640	101,545	345,291	1,524,571
2008	855,104	52,600	101,446	224,285	1,233,435
2009	432,502	34,904	109,661	387,682	964,749
2010	113,024	78,449	82,301	428,775	702,549
2011	32,816	162,291	110,300	405,503	710,908

Source: District Records

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

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
2002 \$	19,938,800	\$ 1,426,099,600	\$ 2,515,800	\$ 382,759,100	\$ 111,821,300	\$ 33,814,700	\$ 1,976,949,300	\$ 6,458,169	1,983,407,469	3.86	45.43	\$ 4,351,638,345
2003	23,795,000	1,450,365,800	2,845,500	380,589,400	111,135,800	33,814,700	2,002,546,200	6,080,384	2,008,626,584	4.17	41.50	4,825,412,530
2004	18,710,900	1,481,859,100	2,866,400	385,686,700	110,709,900	33,814,700	2,033,647,700	5,137,447	2,038,785,147	4.41	36.90	5,511,240,379
2005	17,435,400	1,498,193,000	2,898,700	364,725,700	102,989,500	33,814,700	2,020,067,000	4,724,877	2,024,791,877	4.75	31.62	6,389,849,779
2006	17,124,700	1,505,091,200	2,854,000	362,714,600	100,762,600	33,814,700	2,022,361,800	4,111,796	2,026,473,596	5.03	28.41	7,118,485,744
2007	18,878,000	1,515,720,500	2,842,300	349,214,100	96,603,700	32,110,300	2,015,368,900	3,720,989	2,019,089,899	5.40	26.23	7,683,449,867
2008	17,546,800	1,525,964,300	3,012,800	342,884,700	95,344,300	32,988,700	2,017,751,600	3,641,776	2,021,393,376	5.64	25.06	8,051,682,362
2009	17,766,700	1,528,947,400	3,012,800	339,965,000	94,814,900	35,525,900	2,020,032,700	3,585,743	2,023,618,443	5.65	24.48	8,251,767,565
2010	14,551,600	1,535,083,900	2,896,600	337,851,900	94,190,800	28,025,900	2,012,600,700	3,275,529	2,015,876,229	5.69	24.54	8,201,306,846
2011	14,084,400	1,517,338,100	2,846,900	309,543,500	93,318,800	24,317,200	1,961,448,900	3,056,266	1,964,505,166	5.91	25.16	7,795,901,828

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

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.
 Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

(rate per \$100 of assessed value)

Unaudited

Year Ended December 31,	East Brunswick Public Schools			Overlapping Rates			Total Direct and Overlapping Tax Rate	
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	East Brunswick Township	Middlesex County	Municipal Open Space		Middlesex County Open Space
2002	3.790	0.070	3.860	1.041	0.830	0.021	0.068	5.820
2003	4.040	0.130	4.170	1.100	0.860	0.020	0.070	6.220
2004	4.280	0.130	4.410	1.110	0.890	0.020	0.080	6.510
2005	4.630	0.120	4.750	1.190	0.900	0.020	0.100	6.960
2006	4.720	0.310	5.030	1.270	0.960	0.020	0.090	7.370
2007	5.078	0.320	5.398	1.402	0.975	0.020	0.115	7.910
2008	5.240	0.395	5.635	1.495	1.020	0.020	0.120	8.290
2009	5.242	0.407	5.649	1.692	1.086	0.020	0.123	8.570
2010	5.281	0.407	5.688	1.715	1.131	0.019	0.082	8.635
2011	5.474	0.433	5.907	1.843	1.208	0.020	0.119	9.097

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	2011			2002		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Brunswick Square Mall	\$ 30,266,800	1	1.54%	\$ 42,064,300	1	2.12%
Tower II	12,580,000	3	0.64%	31,000,000	3	1.56%
Tower I	12,374,400	4	0.63%	31,500,000	2	1.59%
Mid State Mall	15,460,000	2	0.79%	19,154,000	4	0.97%
Hilton Hotel	5,032,000	10	0.26%	18,550,000	5	0.94%
East Brunswick VF, LLC	9,500,000	5	0.48%	9,630,000	7	
L.P.E. Partners	9,038,400	7	0.46%	7,404,400	9	0.37%
Wyndmoor Apartments	9,000,000	6	0.46%	10,400,000	6	0.52%
CVEB	8,456,600	8	0.43%			
Toll JM EB, LLC	8,093,000	9	0.41%			
Sam's Club				8,115,000	8	0.41%
Belmont Associates (K Mart)				6,080,600	10	0.31%
Total	\$ 119,801,200		6.11%	\$ 183,898,300		8.79%

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	
2002 \$	73,426,343	\$ 73,426,343	100.00%	-
2003	79,950,913	79,950,913	100.00%	-
2004	86,731,847	86,731,847	100.00%	-
2005	93,040,447	93,040,447	100.00%	-
2006	99,087,061	99,087,061	100.00%	-
2007	104,930,231	104,930,231	100.00%	-
2008	105,704,289	105,704,289	100.00%	-
2009	106,086,288	106,086,288	100.00%	-
2010	106,086,288	106,086,288	100.00%	-
2011	106,788,787	106,788,787	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						Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b		Capital Leases	Lease Purchase Obligations	Total District	* \$		
2002	\$ 16,100,000	\$ 54,317	\$ 25,068,056	\$ 41,222,372		* \$	873	
2003	15,565,000		27,568,056	43,133,056		*	907	
2004	15,030,000		22,376,305	37,406,305		*	783	
2005	95,881,000	19,500	23,794,784	119,695,284		*	2,506	
2006	93,536,000	388,170	23,947,328	117,871,497		*	2,471	
2007	91,306,000	2,697,468	18,912,374	112,915,842		*	2,395	
2008	88,766,000	7,296,412	16,172,705	112,235,117		*	2,384	
2009	86,226,000	8,111,436	13,541,536	107,878,972		*	2,282	
2010	97,646,000	5,442,744	11,987,065	115,075,809		*	2,434	
2011	94,636,000	4,713,955	10,756,832	110,106,787		*	N/A	

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		
2001	16,100,000	-	16,100,000	0.82%	343
2002	16,100,000	-	16,100,000	0.81%	341
2003	15,565,000	-	15,565,000	0.78%	327
2004	15,030,000	-	15,030,000	0.74%	315
2005	95,881,000	-	95,881,000	4.75%	2,007
2006	93,536,000	-	93,536,000	4.63%	1,961
2007	91,306,000	-	91,306,000	4.53%	1,936
2008	88,766,000	-	88,766,000	4.40%	1,885
2009	86,226,000	-	86,226,000	4.27%	1,824
2010	97,646,000	-	97,646,000	4.85%	2,065
2011	94,636,000	-	94,636,000	4.82%	N/A

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, 2011
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 12/31/10)	\$ 122,140,432	100.000%	\$ 122,140,432
Other debt			
Middlesex County as of 12/31/10	639,968,200	7.000%	44,797,774
Middlesex County Utility Authority as of 12/31/10	251,059,148	7.000%	17,574,000
Subtotal, overlapping debt			184,512,206
East Brunswick Public Schools Direct Debt			<u>110,106,787</u>
Total direct and overlapping debt			<u><u>\$ 294,618,993</u></u>

Sources: District Records, East Brunswick Township Official Statement

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

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

Legal Debt Margin Calculation for
 Fiscal Year 2011

Equalized valuation basis	
2010	\$ 7,999,207,870
2009	8,231,592,095
2008	8,242,449,346
[A]	<u>\$ 24,473,249,311</u>

Average equalized valuation of taxable property	[A/3]	\$ 8,157,749,770
Debt limit (3 % of average equalization)	[B]	244,732,493
Net bonded school debt	[C]	110,106,787
Legal debt margin	[B-C]	<u>\$ 134,625,706</u>

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 157,854,887	\$ 109,711,053	\$ 173,227,496	\$ 221,529,482	\$ 189,690,879	\$ 115,713,100	\$ 116,393,825	\$ 132,884,605	\$ 130,086,349	\$ 134,625,706
Total net debt applicable to limit	16,100,000	15,565,000	15,030,000	95,881,000	93,536,000	91,306,000	88,766,000	86,226,000	97,646,000	94,636,000
Legal debt margin	<u>\$ 141,754,887</u>	<u>\$ 94,146,053</u>	<u>\$ 158,197,496</u>	<u>\$ 125,748,482</u>	<u>\$ 96,154,879</u>	<u>\$ 24,407,100</u>	<u>\$ 27,627,825</u>	<u>\$ 46,658,605</u>	<u>\$ 32,440,349</u>	<u>\$ 39,989,706</u>
Total net debt applicable to the limit as a percentage of debt limit	10.20%	14.19%	8.88%	43.26%	49.31%	78.91%	76.26%	64.89%	75.06%	70.30%

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

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

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

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2002	47,246 **	-	38,572 **	4.2%
2003	47,552 **	-	39,039 **	4.1%
2004	47,788 **	-	40,048 **	3.4%
2005	47,765 **	-	41,308 **	3.2%
2006	47,706 **	-	44,823 **	3.5%
2007	47,154 **	-	47,540 **	3.1%
2008	47,086	-	49,076	4.1%
2009	47,279	-	47,392	7.6%
2010	47,280 **	-	*	7.1%
2011	47,241 **	-	*	7.6%

Source: NJ Department of Labor and Workforce Development

* Information for the noted years was not available.

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

Note: Per capita personal income is disclosed at the county level. Personal income and per capita personal income information was not available at the district level.

East Brunswick Public Schools
Principal Employers
Current Year and Ten Years Ago
Unaudited

Employer	2011			2002		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Robert Wood Johnson Hospital	5,000 - 5,249	1	0.00%	n/a	n/a	n/a
Bristol-Meyers Squibb	3,500 - 3,749	2	0.00%	n/a	n/a	n/a
Novo Nordisk	2,750 - 2,999	3	0.00%	n/a	n/a	n/a
Prudential Insurance Company	2,750 - 2,999	4	0.00%	n/a	n/a	n/a
St. Peter's University Hospital	2,750 - 2,999	5	0.00%	n/a	n/a	n/a
Telcordia Technology	2,500 - 2,749	6	0.00%	n/a	n/a	n/a
J.F.K. Medical Center	2,500 - 2,749	7	0.00%	n/a	n/a	n/a
Silverline Building Products	2,250 - 2,299	8	0.00%	n/a	n/a	n/a
Abel HR Services	2,000 - 2,500	9	0.00%	n/a	n/a	n/a
Johnson & Johnson	2,000 - 2,249	10	0.00%	n/a	n/a	n/a

Source: Middlesex County Department of Economic Development, April 2010

Note: Top ten employers by number of employees was not available at the district level, therefore we have presented the current year information at the county level. We have also presented the number of employees as a range, as an exact number of employees was unavailable. Information for the year 2001 was not available.

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

J-16

Unaudited

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

Source: District Personnel Records

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

East Brunswick Public Schools
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

Fiscal Year	Pupil/Teacher Ratio												
	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	Junior High School	High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2002	8,671	\$ 95,153,066.67	\$ 10,974	3.09%	*	24:1	23:1	24:1	24:1	8,792.01	8,389.91	1.41%	95.43%
2003	8,844	104,710,123.81	11,840	7.89%	*	23:1	25:1	25:1	24:1	8,755.56	8,328.41	-0.41%	95.12%
2004	8,958	108,832,211.75	12,149	2.61%	705	22:1	25:1	25:1	25:1	8,986.68	8,622.75	2.64%	95.95%
2005	9,035	115,198,109.85	12,750	4.95%	766	23:1	25:1	25:1	25:1	9,096.13	8,719.82	1.22%	95.86%
2006	9,047	121,354,429.00	13,414	5.20%	782	21:1	22:1	21:1	24:1	9,277.69	9,020.44	2.00%	97.23%
2007	9,067	128,270,341.90	14,147	5.47%	781	21:1	22:1	21:1	25:1	8,971.55	8,608.08	-3.30%	95.95%
2008	8,846	135,469,684.00	15,314	8.25%	720	23:1	21:1	23:1	21:1	8,781.66	8,480.19	-2.12%	96.57%
2009	8,876	136,731,783.00	15,405	0.59%	706	21:1	24:1	23:1	21:1	8,809.58	8,381.17	0.32%	95.14%
2010	8,783	136,416,960.00	15,532	0.83%	715	21:1	24:1	21:1	25:1	8,709.20	8,364.48	-1.14%	96.04%
2011	8,631	131,932,439.38	15,286	-1.58%	696	22:1	24:1	22:1	25:1	8,495.63	8,142.89	-2.45%	95.85%

Sources: District records and ASSA

Note: Enrollment based on annual October district count.

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

East Brunswick Public Schools
 School Building Information
 Last Ten Fiscal Years

District/Building	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Elementary										
Bowne-Munro (1952)										
Square Feet	32,011	32,011	32,011	32,011	32,011	32,011	32,011	32,011	32,011	32,011
Capacity (students)	242	242	242	242	242	242	242	242	242	242
Enrollment	304	312	320	310	299	295	312	297	286	256
Central (1949)										
Square Feet	40,067	40,067	40,067	40,067	40,067	73,266	73,266	73,266	73,266	73,266
Capacity (students)	452	452	452	452	452	552	552	552	552	552
Enrollment	468	469	463	468	441	429	444	443	449	428
Chittick (1969)										
Square Feet	49,127	49,127	49,127	49,127	49,127	49,127	49,127	49,127	49,127	49,127
Capacity (students)	383	383	383	383	383	383	383	383	383	383
Enrollment	551	535	574	539	560	603	501	495	489	494
Frost (1966)										
Square Feet	49,971	49,971	49,971	49,971	49,971	49,971	49,971	49,971	49,971	49,971
Capacity (students)	438	438	438	438	438	438	438	438	438	438
Enrollment	561	579	570	557	528	538	479	504	502	491
Irwin (1957)										
Square Feet	43,033	43,033	43,033	43,033	43,033	43,033	43,033	43,033	43,033	43,033
Capacity (students)	376	376	376	376	376	376	376	376	376	376
Enrollment	515	535	507	525	536	517	424	441	436	409
Lawrence Brook (1959)										
Square Feet	37,004	37,004	37,004	37,004	37,004	67,267	67,267	67,267	67,267	67,267
Capacity (students)	465	465	465	465	465	532	532	532	532	532
Enrollment	443	457	461	459	451	447	521	572	547	524
Memorial (1956)										
Square Feet	30,759	30,759	30,759	30,759	30,759	30,759	30,759	30,759	30,759	30,759
Capacity (students)	446	446	446	446	446	446	446	446	446	446
Enrollment	370	374	377	375	378	384	389	377	356	348
Warnsdorfer (1968)										
Square Feet	49,971	49,971	49,971	49,971	49,971	49,971	49,971	49,971	49,971	49,971
Capacity (students)	479	479	479	479	479	479	479	479	479	479
Enrollment	553	543	558	569	588	551	531	500	462	461
Total Elementary Schools										
Square Feet	331,943	331,943	331,943	331,943	331,943	395,405	395,405	395,405	395,405	395,405
Capacity (students)	3,281	3,281	3,281	3,281	3,281	3,448	3,448	3,448	3,448	3,448
Enrollment	3,765	3,804	3,830	3,802	3,781	3,764	3,601	3,629	3,527	3,411

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Middle School										
Hammarskjold (1961)	116,862	116,862	116,862	116,862	116,862	116,862	116,862	233,000	233,000	233,000
Square Feet	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288
Capacity (students)	1,472	1,440	1,474	1,504	1,468	1,409	1,414	1,441	1,452	1,388
Enrollment										
Junior High School										
Churchill Jr. High (1962)	205,549	205,549	205,549	205,549	205,549	205,549	205,549	205,549	205,549	205,549
Square Feet	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325
Capacity (students)	1,385	1,529	1,541	1,484	1,501	1,534	1,506	1,461	1,466	1,469
Enrollment										
High School										
East Brunswick High (1958)	257,727	257,727	257,727	257,727	257,727	257,727	257,727	257,727	257,727	257,727
Square Feet	1,582	1,582	1,582	1,582	1,582	1,582	1,582	1,582	1,582	1,582
Capacity (students)	2,049	2,071	2,113	2,245	2,297	2,254	2,176	2,284	2,310	2,234
Enrollment										
Other										
Administration Building	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Square Feet										

Number of Schools at June 30, 2011

Elementary = 8

Middle School = 1

Junior High School = 1

High School = 1

Other = 1

Source: District records, ASSA, LRFP

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

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

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

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

School Facilities	Project # (s)	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002*
East Brunswick High School	N/A	\$ 357,072	\$ 410,530	\$ 714,920	\$ 533,832	\$ 588,212	\$ 525,549	\$ 565,886	\$ 520,355	\$ 411,981	
Churchill Junior High School	N/A	273,595	302,575	535,537	426,848	494,977	441,724	468,456	474,606	288,103	
Hammarskjold School	N/A	323,944	343,687	72,810	242,166	230,222	206,420	219,617	198,029	157,563	
Bowne-Munro School	N/A	40,757	47,494	95,882	66,159	61,425	56,305	61,519	53,535	45,987	
Central School	N/A	93,848	104,944	20,954	153,963	80,467	76,238	75,151	65,858	54,165	
Irwin School	N/A	57,905	77,816	122,496	87,549	82,598	75,765	84,647	70,066	59,358	
Lawrence Brook School	N/A	84,485	93,577	19,238	139,809	75,300	65,812	72,728	67,546	51,543	
Memorial School	N/A	39,151	42,919	88,410	67,486	59,367	55,020	58,100	52,737	41,782	
Chittick School	N/A	65,862	67,929	105,673	106,422	95,834	85,025	95,403	80,004	67,368	
Frost School	N/A	62,304	69,193	122,373	102,292	105,829	89,017	93,710	80,850	69,408	
Warnsdorfer School	N/A	62,304	70,227	106,286	103,639	95,898	86,660	94,496	81,691	67,605	
Total School Facilities		1,461,226	1,630,891	2,004,579	2,030,165	1,950,149	1,763,535	1,889,713	1,745,277	1,314,863	-
Other Facilities		37,051	39,686	44,732	60,340	65,349	58,997	62,880	55,152	45,228	-
Grand Total		\$ 1,498,278	\$ 1,670,577	\$ 2,049,311	\$ 2,090,505	\$ 2,015,498	\$ 1,822,532	\$ 1,952,593	\$ 1,800,429	\$ 1,360,091	\$ -

Source: M1
 * Data not available for FY 2002.

	Coverage	\$	Deductible
<u>MULTI-PERIL PACKAGE POLICY</u>			
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG			
POLICY NO. P-135AB			
ANNUAL PREMIUM: \$472,712.86			
<u>Section II - Commercial General Liability</u>			
Bodily Injury, Property Damage and Personal Injury	\$	11,000,000	
Medical Expense		10,000	
Aggregate Child Molestation/Sexual Abuse		11,000,000	
<u>Section III - Crime</u>			
Money and Securities		50,000	\$ 500
Employee Dishonesty		1,000,000	1,000
Depositors Forgery		1,000,000	1,000
Computer Fraud		1,000,000	1,000
<u>SCHOOL BOARD LEGAL</u>			
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG			
POLICY NO. E-135AB			
ANNUAL PREMIUM: \$117,818			
Wrongful Acts Liability - Each Occurrence		11,000,000	15,000
Annual Aggregate		11,000,000	
<u>CATASTROPHIC POLICY</u>			
FIREMAN'S FUND			
POLICY NO. SHX00014506778			
ANNUAL PREMIUM: \$38,344			
Limit of Insurance (Group Aggregate)		50,000,000	
<u>PROPERTY INSURANCE</u>			
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG			
POLICY NO. P135AB			
ANNUAL PREMIUM: Included			
Blanket Building - Contents Coverage		376,216,125	10,000
Extra Expense		50,000,000	10,000
Flood & Earthquake		25,000,000	25,000
EDP		included	1,000
Energy Systems - Property Damage		100,000,000	10,000
Energy Systems - Extra Expense		5,000,000	10,000

Source: District Records

	<u>Coverage</u>	<u>Deductible</u>
<u>AUTOMOBILE POLICY AND GARAGE KEEPERS</u>		
INCLUDED IN MULTI-PERIL PACKAGE POLICY BY EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG		
Bodily Injury and Property Damage	\$ 11,000,000	
Uninsured Motorist Coverage	1,000,000	
Comprehensive	ACV	\$ 1,000
Collision	ACV	1,000
<u>ENVIRONMENTAL IMPAIRMENT</u>		
CHUBB GROUP POLICY NO. 37254099 ANNUAL PREMIUM: \$8,050		
Legal Liability	1,000,000 each loss 3,000,000 aggregate	10,000
<u>WORKERS COMPENSATION</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG POLICY NO. W-135AB ESTIMATED DEPOSIT PREMIUM: \$437,570.25		
A. Worker's Compensation Insurance Under New Jersey State Laws		
B. Employer's Liability		
Bodily Injury - Each Accident	2,000,000	
Bodily Injury By Disease - Each Employee	2,000,000	
CHUBB INSURANCE POLICY NO. 99061516 ANNUAL PREMIUM: \$19,822		
Supplemental Coverage:		
Reimbursement of Salary - Max Weekly Benefit	1,750	
<u>PRIMARY UMBRELLA</u>		
INCLUDED IN MULTI-PERIL PACKAGE POLICY BY EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG		

	<u>Coverage</u>	<u>Deductible</u>
<u>STUDENT ACCIDENT INSURANCE</u>		
McCLOSKEY INSURANCE / NJSBAIG POLICY NO. 10731292-0 ANNUAL PREMIUM: \$39,707		
Student Accident/Athletic Accident		Supplemental to primary family policy - full excess
 <u>BONDS</u>		
SELECTIVE POLICY NO. B1005809 ANNUAL PREMIUM: \$1,800		
L. Mason Neely, Treasurer	\$ 750,000	
 SELECTIVE INSURANCE POLICY NO. B1005007 ANNUAL PREMIUM: \$280		
Bernardo J. Giuliani, Business Administrator / Board Secretary		100,000
 <u>BUILDERS RISK PROPERTY COVERAGE (MEMORIAL SCHOOL)</u>		
SELECTIVE INSURANCE COMPANY POLICY NO. S1949396 ANNUAL PREMIUM: \$17,408		
9-1-2010 / 2011	23,814,000	10,000

Single Audit Section

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Township of East Brunswick School District (the "District"), in the County of Middlesex, New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 19, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the District in a separate report dated September 19, 2011.

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

September 19, 2011
Long Branch, New Jersey

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

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

Compliance

We have audited the Board of Education of the Township of East Brunswick School District, in the County Middlesex, State of New Jersey (the "District") compliance 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 could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

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

Compliance - Continued

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

September 19, 2011
Long Branch, New Jersey

EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance, June 30, 2010		Cash Received	Repaid to Grantor	Expenditures	Balance, June 30, 2011	
				Deferred Revenue	(Accounts Receivable)				Deferred Revenue	Due to Grantor
General Fund:										
U.S. Department of Education:										
Medicaid Aid	93.778	7/1/09-6/30/10	\$ 41,561	\$	\$	12,330		\$	\$	\$
Medicaid Aid	93.778	7/1/10-6/30/11	77,615			72,714		(77,615)	(4,901)	
Total General Fund				(12,330)		85,044		(77,615)	(4,901)	
Enterprise Fund:										
U.S. Department of Agriculture:										
Passed-through State Department of Education:										
Food Distribution Program	10.555	7/1/10-6/30/11	98,701			98,701		(98,701)		
National School Lunch Program	10.555	7/1/09-6/30/10	416,623	(29,599)		29,599				
National School Lunch Program	10.555	7/1/10-6/30/11	448,270			365,005		(448,270)	(83,265)	
National School Breakfast Program	10.553	7/1/10-6/30/11	7,551			5,976		(7,551)	(1,575)	
Total Enterprise Fund				(29,599)		499,281		(554,522)	(84,840)	
Special Revenue Fund:										
U.S. Department of Education:										
Passed-through State Department of Education:										
E.S.E.A. Title I, Part A 08/09	84.010A	9/1/08-8/31/09	301,947	(41,258)		41,258				
E.S.E.A. Title I, Part A 09/10	84.010A	9/1/09-8/31/10	255,493	(11,809)		178,530		(166,721)		
E.S.E.A. Title I, Part A 10/11	84.010A	9/1/10-8/31/11	267,517			162,615		(235,394)	(72,779)	
Title II 07/08, Part A, Carryover	84.367A	9/1/09-8/31/10	180,191		534		(41)			
Title II 07/08, Part A, Carryover	84.367A	9/1/09-8/31/10	180,191				41		(534)	
Title II 08/09, Part A, Carryover	84.367A	9/1/09-8/31/10	187,505	(43,014)		58,676		(15,662)		
Title II 09/10, Part A	84.367A	9/1/09-8/31/10	180,115	(42,420)		43,894		(1,497)	(23)	
Title II 10/11, Part A	84.367A	9/1/10-8/31/11	184,291			83,923		(127,197)	(43,274)	
Title II 07/08, Part D, Carryover	84.318X	9/1/08-8/31/09	1,856		593					(734)

EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance, June 30, 2010		Carryover Utilized	Cash Received	Repaid to Grantor	Expenditures	Deferred Revenue	Balance, June 30, 2011	
				Deferred Revenue	(Accounts Receivable)						Deferred Revenue	(Accounts Receivable)
U.S. Department of Education:												
Passed-through State Department of Education (Continued):												
Title II 08/09, Part D, Carryover	84-318X	9/1/09-8/31/10	\$ 2,507	\$ (1,608)	\$	\$	\$ 1,608	\$	\$	\$	\$	\$
Title II 09/10, Part D	84-318X	9/1/09-8/31/10	2,577	(32)		53		(21)				
Title II 10/11, Part D	84-318X	9/1/10-8/31/11	615			18		(26)				(8)
Title III, Part A 07/08, Carryover	84-365A	9/1/09-8/31/10	40,673		126			(126)				
Title III, Part A 08/09	84-365A	9/1/08-8/31/09	43,904	(17,217)		42,936		(25,719)				
Title III, Part A 09/10	84-365A	9/1/09-8/31/10	46,717	(6,393)		37,457		(32,045)				(981)
Title III, Part A 10/11	84-365A	9/1/10-8/31/11	63,174			6,023		(6,949)				(926)
Title V, Part A 07/08, Carryover	84-298A	9/1/09-8/31/10	10,878		19			(19)				
I.D.E.A. Part B, Basic Regular 08/09	84-027A	9/1/08-8/31/09	1,904,469	(1,897)		1,897						(8,142)
I.D.E.A. Part B, Basic Regular 09/10	84-027A	9/1/09-8/31/10	1,892,413	(412,906)		470,488		(65,724)				(596,357)
I.D.E.A. Part B, Basic Regular 10/11	84-027A	9/1/10-8/31/11	1,906,454			1,204,215		(1,800,572)				(304,606)
ARRA - I.D.E.A. Part B, Basic Regular 09/10	84-391	9/1/09-8/31/11	2,023,750	(200,117)		900,671		(1,005,160)				
I.D.E.A. Part B, Preschool 08/09, Carryover	84-173A	9/1/09-8/31/10	64,248	(1,394)		1,474		(80)				
I.D.E.A. Part B, Preschool 09/10	84-173A	9/1/09-8/31/10	65,571	(2,742)		63,258		(55,294)		5,222		
I.D.E.A. Part B, Preschool 10/11	84-173A	9/1/10-8/31/11	67,043			59,401		(59,324)		77		
ARRA - I.D.E.A. Part B, Preschool 09/10	84-392	9/1/09-8/31/11	73,671	(2,926)		49,256		(65,626)				(19,496)
Title IV, 07/08, Carryover	84-186	9/1/09-8/31/10	23,388		4			(4)				
Title IV, 08/09, Carryover	84-186	9/1/09-8/31/10	17,851	(11,471)		11,471						
Title IV, 09/10	84-186	9/1/09-8/31/10	15,841	(8,449)		8,684		(3,354)				(3,119)

EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance, June 30, 2010		Carryover Utilized	Cash Received	Repaid to Grantor	Expenditures	Balance, June 30, 2011		
				Deferred Revenue	(Accounts Receivable)					Deferred Revenue	Accounts Receivable	Due to Grantor
U.S. Department of Education:												
Passed-through State Department of Education (Continued):												
Adult Basic Education 09/10	84.002A	7/1/09-6/30/11	\$ 177,963	\$	(38,276)	\$	\$ 38,276	\$	\$	\$	\$	
Adult Basic Education 10/11	84.002A	7/1/10-6/30/11	166,900			115,500			(147,397)		(31,897)	
Improving Partnerships and Active Collaboration for Teaching	84.367A	1/15/10-8/31/10	33,800		(14,300)	19,500			(5,200)			
Improving Partnerships and Active Collaboration for Teaching	84.367A	1/15/11-8/31/11	26,400			22,800			(26,400)		(3,600)	
Total U.S. Department of Education				182	(858,228)	1,275	3,623,882	(1,417)	(3,845,603)	5,299	(1,085,208)	
Total Special Revenue Fund				182	(858,228)	1,275	3,623,882	(1,417)	(3,845,603)	5,299	(1,085,208)	
Total Federal Financial Assistance				\$ 182	\$ (900,157)	\$ 1,275	\$ 4,208,208	\$ (1,417)	\$ (4,477,740)	\$ 5,299	\$ (1,174,949)	

EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2010			Balance, June 30, 2011			MEMO Budgetary Receivable	MEMO Cumulative Total Expenditure
				Deferred Revenue	(Accounts Receivable)	Due to Grantor	Expenditures	Accounts Receivable	Due to Grantor		
General Fund:											
Equalization Aid	11-495-034-5120-078	7/1/10-6/30/11	9,036,433	\$	\$	\$	\$	\$	\$	\$	
Special Education Categorical Aid	11-495-034-5120-089	7/1/10-6/30/11	4,780,787				8,190,639				
Nonpublic School Transportation Aid	10-495-034-5120-014	7/1/09-6/30/11	45,742		(45,742)		4,325,359				
Nonpublic School Transportation Aid	11-495-034-5120-014	7/1/10-6/30/11	50,588				45,742				
Extraordinary Aid	10-100-034-5120-473	7/1/09-6/30/10	1,012,618		(1,012,618)		1,012,618				
Extraordinary Aid	11-100-034-5120-473	7/1/10-6/30/11	1,099,557				1,099,557				
Homeless Reimbursement	n/a	7/1/10-6/30/11	33,982				(33,982)				
TPAF Social Security Reimbursements	11-100-034-5095-002	7/1/10-6/30/11	4,274,200				4,063,045				
					(1,058,380)		17,637,403		(1,395,282)		
Total General Fund										20,333,907	
Debt Service Fund:											
Debt Service Aid	11-495-034-5120-017	7/1/10-6/30/11	419,959				419,959			419,959	
Total Debt Service Fund										419,959	
Total Revenue Fund:											
N.J. Nonpublic Aid:											
Auxiliary Services:											
English as a Second Language	10-100-034-5120-067	7/1/09-6/30/10	21,531			6,851				14,680	
English as a Second Language	11-100-034-5120-067	7/1/10-6/30/11	20,492				20,492			10,245	
Compensatory Education	10-100-034-5120-067	7/1/09-6/30/10	72,937			27,827				45,110	
Compensatory Education	11-100-034-5120-067	7/1/10-6/30/11	46,887				46,887			28,467	
Transportation	11-100-034-5120-068	7/1/10-6/30/11	12,194				12,194			12,194	
Other Non-Public:											
Supplemental Instruction	10-100-034-5120-066	7/1/09-6/30/10	29,468			10,353				19,115	
Supplemental Instruction	11-100-034-5120-066	7/1/10-6/30/11	22,235				22,235			11,812	
Textbook Aid	11-100-034-5120-064	7/1/10-6/30/11	36,093				36,093			36,093	
Nursing Services	11-100-034-5120-070	7/1/10-6/30/11	42,767			14,799				42,767	
Examination and Classification	10-100-034-5120-066	7/1/09-6/30/10	48,612				42,767			33,813	
Examination and Classification	11-100-034-5120-066	7/1/09-6/30/10	31,089				31,099			21,217	
Corrective Speech	10-100-034-5120-066	7/1/09-6/30/10	40,362			5,081				35,271	
Corrective Speech	11-100-034-5120-066	7/1/10-6/30/11	32,857				32,857			28,163	
Home Instruction	10-100-034-5120-069	7/1/09-6/30/10	4,943				4,943			4,943	
Home Instruction	11-100-034-5120-069	7/1/10-6/30/11	9,743		(4,943)				(9,743)	9,743	
Positive Behavior Support in Schools Initiative											
		9/1/10-6/30/11	650				650			650	
Total State Department of Education					(4,943)	64,911	250,217		(9,743)	354,283	
Total Special Revenue Fund					(4,943)	64,911	250,217		(9,743)	354,283	

**EAST BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2010				Balance, June 30, 2011				MEMO Cumulative Total Expenditure	
				Deferred Revenue	(Accounts Receivable)	Due to Grantor	Cash Received	Repaid to Grantor	Expenditures	Accounts Receivable	Due to Grantor		Deferred Revenue
Capital Projects Fund:													
Memorial School Replacement	SP-1170-120-09-0QAZ	Open	\$ 8,170,758	\$	\$ (605,019)	\$	\$ 605,019	\$	\$ (1,318,622)	\$	\$	\$	\$ 1,923,642
Chitrick Roof Replacement	SP-1170-125-09-0ZBA	Open	449,460	(137,428)		137,428		(136,943)					274,371
EBHS Security System	SP-1170-050-09-0ZAY	Open	292,000	(19,075)		19,075		(203,144)					222,219
Churchill Security System	SP-1170-055-09-0ZAZ	Open	207,910	(15,390)		15,390		(191,520)					206,910
Wamsdorfer													
Public Address / Fire Alarm / Clock	SP-1170-138-09-0ZBB	Open	99,522	(71,087)		71,087		(2,382)					71,087
EBHS Auditorium Renovation	SP-1170-138-09-0ZAY	Open	483,009	(342,866)		342,868		(2,382)					344,400
Total Capital Projects Fund				(1,190,867)		1,190,867		(1,852,612)					3,042,631
Enterprise Fund:													
National School Lunch Program	11-100-010-3350-023	7/1/09-6/30/10	29,762	(2,113)		2,113		(24,683)					27,704
National School Lunch Program	10-100-010-3350-023	7/1/10-6/30/11	24,683			18,766							29,762
Total Enterprise Fund				(2,113)		20,879		(24,683)					57,466
Total State Financial Assistance				\$ (2,256,283)		\$ 19,519,335		\$ (64,911)		\$ (21,774,152)		\$ (3,263,553)	\$ (1,301,222)
													\$ 24,208,246

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

TOWNSHIP OF EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2011

1. **GENERAL**

The accompanying schedules of federal awards and state financial assistance include federal and state award activity of the Board of Education, Township of East Brunswick School District. The Board of Education is defined in Note 1 to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

2. **BASIS OF ACCOUNTING**

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

3. **RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

TOWNSHIP OF EAST BRUNSWICK SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2011

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$708,722 for the general fund and \$359,053 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	\$ 77,615	\$ 24,129,848	\$ 24,207,463
Special Revenue Fund	3,779,684	201,351	3,981,035
Capital Projects Fund		(155,513)	(155,513)
Debt Service Fund		419,959	419,959
Enterprise Fund	<u>554,522</u>	<u>24,683</u>	<u>579,205</u>
Total Awards and Financial Assistance	\$ <u>4,411,821</u>	\$ <u>24,620,328</u>	\$ <u>29,032,149</u>

4. **OTHER**

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

TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011.

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, 2011. These amounts are not subject to Single Audit.

TOWNSHIP OF EAST BRUNSWICK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified, dated September 19, 2011

Internal control over financial reporting:

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

2. Significant deficiency(ies) identified? yes ✓ no

Noncompliance material to financial statements noted? yes ✓ no

Federal Awards

Internal control over major programs:

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

2. Were significant deficiency(ies) identified? yes ✓ no

Type of auditor's report issued on compliance for major programs: Unqualified, dated September 19, 2011

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010A</u>	<u>Title I, Part A, ESEA</u>
<u>84.027A</u>	<u>IDEA , Part B, Basic Regular</u>
<u>84.391</u>	<u>ARRA - IDEA, Part B, Basic Regular</u>
<u>84.392</u>	<u>ARRA - IDEA, Preschool</u>
<u>84.173A</u>	<u>IDEA, Preschool</u>

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

TOWNSHIP OF EAST BRUNSWICK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011

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

Unqualified, dated
September 19, 2011

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

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>495-034-5120-078</u>	<u>Equalization Aid</u>
<u>100-034-5120-473</u>	<u>Extraordinary Aid</u>
<u>100-034-5095-002</u>	<u>TPAF - Social Security Reimbursements</u>
<u>495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>SP -1170-120-09-0QAZ</u>	<u>Memorial School Replacement</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$ 653,225

Auditee qualified as low-risk auditee?

yes No

TOWNSHIP OF EAST BRUNSWICK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011

Section II - Schedule of Financial Statement Findings

None.

**Section III – Schedule of Federal 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, 2010:

None.