Comprehensive Annual Financial Report

of the

Township of South Brunswick School District

County of Middlesex

South Brunswick, New Jersey

For the Fiscal Year Ended June 30, 2010

Prepared by

Township of South Brunswick, Board of Education
Finance Department

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INTRODUCTORY SECTION

SOUTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

Joanne Kerekes
Assistant Superintendent for
Curriculum & Instruction

Gary P. McCartney, Ed. D.
Superintendent of Schools

Anthony N. Tonzini, Jr., CPA
Business Administrator/
Board Secretary

November 29, 2010

Honorable President and
Members of the Board of Education
South Brunswick Township
P.O. Box 181
Monmouth Junction, NJ 08852

Dear Board Members:

The comprehensive annual financial report of the South Brunswick Township Board of Education for the fiscal year ended June 30, 2010, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. 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 general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, P.L. 104 - 156 and the U. S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and the New Jersey OMB's Circular 04 -04, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1) Reporting Entity and Its Services: South Brunswick Township Schools is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The South Brunswick Board of Education 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 as well as special education for handicapped youngsters. The following details the changes in the student enrollment of the District over the last nine years.

Fiscal Year	Average Daily Student Enrollment	Increase/ Decrease	Percent Change
2001-02	7,836	398	5.4
2002-03	8,173	337	4.3
2003-04	8,315	142	1.7
2004-05	8,581	266	3.2
2005-06	8,769	188	2.2
2006-07	8,792	23	0.3
2007-08	8,845	53	0.6
2008-09	8,990	145	1.6
2009-10	8,954	(36)	(0.4)

The preliminary enrollment projection for 2010 - 2011 is 9,024 students or an increase of 70 students. This includes a projected Kindergarten class of 618.

2) Economic Condition and Outlook: On December 9, 2003, the registered voters of South Brunswick Township approved a $46,000,000 referendum by a margin of almost 2 to 1 (1,488 votes for and 809 against). The passage of the referendum has allowed the Board of Education to renovate and add on to the five older elementary schools in the District, has allowed for upgraded HVAC in Crossroads North Middle School and Crossroads South Middle School gymnasiums, and an eight classroom addition at Crossroads North Middle School. Phase I of the project was completed in September 2005 with renovations and additions to Brunswick Acres and Greenbrook Schools. Phase II was completed in September 2006 with renovations and additions to Cambridge, Constable and Monmouth Junction Schools. Phase III was completed in August 2007 with additional classroom space added to Crossroads North School. The final phase included renovations and a two classroom addition to Crossroads North and was completed in December, 2009.

Because of New Jersey's poor fiscal condition, funding for the 2009 - 10 school year was negatively impacted and state funding for future budgets remains a prominent concern. On February 11, 2010, Governor Christie issued Executive Order No. 14, which declared a fiscal emergency in the State of New Jersey. The result was reduced funding to school districts by $475 million for the 2009 - 10 school year. The South Brunswick School District lost $4.7 million in unreserved fund balance and 25% of its capital reserve and emergency reserve balances for a total revenue shortfall of $5.35 million. At the same time, funding for fiscal year 2011 was reduced by 25%, necessitating personnel reductions of 112 full time equivalent positions across the district for the 2010 - 11 school year.

The current economic downturn of both our nation and state will make it necessary for us to keenly monitor operations at all levels, most notably financially. The current economic conditions are likely to have a direct impact with respect to the state funding of any future budgets. The District administration will continue to implement budgets with an eye towards reducing expenditures and maximizing revenues wherever possible. Likewise, the Board will continue with its one major goal. That goal is stated as follows:

WHEREAS, the SOUTH BRUNSWICK BOARD OF EDUCATION reaffirms its mission as follows:

The South Brunswick Township Public Schools will prepare students to be lifelong learners, critical thinkers, effective communicators, and wise decision-makers. This will be accomplished through the use of the New Jersey Core Curriculum Content Standards (NJCCS) at all grade levels. The schools will maintain an environment that promotes intellectual challenge, creativity, social and emotional growth, and the healthy physical development of each student; and

WHEREAS, the SOUTH BRUNSWICK BOARD OF EDUCATION is proud of the South Brunswick tradition of furnishing innovative child-centered programs; and

WHEREAS, the SOUTH BRUNSWICK BOARD OF EDUCATION, in order to meet the needs of the children in the community, to enable them to continue their education or training beyond high school, to prepare them to be productive citizens in the 21st century, and in order to fulfill its mission, believes that it should seek to raise the academic achievement level of its students;

NOW, THEREFORE, BE IT RESOLVED that the SOUTH BRUNSWICK BOARD OF EDUCATION hereby establishes that its first priority is high academic performance and achievement for all students in South Brunswick; and

BE IT FURTHER RESOLVED, that the SOUTH BRUNSWICK BOARD OF EDUCATION use objective indicators of student performance to measure the District's progress toward the goal of high academic performance and achievement; and

BE IT FURTHER RESOLVED, that in order to achieve this goal it will be necessary

- for the Board of Education to articulate clearly and consistently this goal to the community,
- to foster widespread community support for this goal,
- to develop action plans at each school, and
- to reallocate and focus resources; and

BE IT FURTHER RESOLVED, that as part of the Superintendent's annual evaluation, the SOUTH BRUNSWICK BOARD OF EDUCATION will consider the District's progress toward the goal of high academic performance and achievement as measured by agreed upon indicators.

All activities for the 2010 - 11 school year will continue to focus on achieving this Board goal.

3) 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 the 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.

4) 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 funds, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects funds. 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance on June 30, 2010.

5) 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 1.

6) Debt Administration: The District Finance Committee recommended the refinancing of two (2) 1997 Bond issues. After receiving approval from the Local Finance Board, the District refinanced Series 1997 AA Bonds and issued Series 2007 AA Refunding School Bonds on May 8, 2007. These bonds resulted in a net present value savings of more than $3 million. The 1997 Series A Bonds were also refinanced in July 2007, resulting in additional savings to the taxpayers of South Brunswick Township. The Administration continues to monitor the current market conditions with the financial advisor and will look for the appropriate opportunity for significant savings in the future.

7) 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, student accident insurance and fidelity bonds. The District likewise belongs to various consortiums in an effort to spread risk and reduce premium costs.

8) Other Information: Independent Audit - State statute requires an annual audit of Independent Certified Public Accountants or Registered Municipal Accountants. The accounting firm of Suplee, Clooney and Company, CPA was selected by the Board audit committee. In addition to meeting the requirements set forth in state statute, 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 Letter 04-04 OMB. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

9) Acknowledgments: We would like to express our appreciation to the members of the South 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 efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

Gary P. McCartney, Ed.D.
Superintendent of Schools

Anthony N. Tonzini, Jr., CPA
Business Administrator/
Board Secretary

SOUTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
SOUTH BRUNSWICK, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2010

Members of the Board of Education	Term Expires
Dr. Matthew Speesler, President	2011
Dr. Stephen F. Parker, Vice-President	2012
Mr. Martin Abschutz	2011
Mr. Daniel J. Boyle	2013
Miss Elizabeth Chang	2012
Mr. Harry J. Delgado	2013
Mr. Barry Nathanson	2012
Mr. Arthur L. Robinson	2011
Mrs. Deborah Taylor	2013

Other Officials

Dr. Gary P. McCartney, Superintendent

Mr. Anthony N. Tonzini, Jr., Business Administrator/Board Secretary

Mrs. Wendy Bukowski, Treasurer

Mr. David Carroll, Board Attorney

BOARD OF EDUCATION
TOWNSHIP OF SOUTH BRUNSWICK, COUNTY OF MIDDLESEX

CONSULTANTS AND ADVISORS

JUNE 30, 2010

ARCHITECT

The Spiezle Architectural Group
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BOND COUNSEL

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Attorneys At Law
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Newark, NJ 07102

NEGOTIATIONS CONSULTANT

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PO Box 377
Columbus, NJ 08022

BOARD OF EDUCATION
TOWNSHIP OF SOUTH BRUNSWICK, COUNTY OF MIDDLESEX
OFFICIAL DEPOSITORIES

Bank of America
24 Summerfield Blvd.
Dayton, NJ 08810

Brunswick Bank and Trust
527 Ridge Road
Monmouth Junction, NJ 08852

Bank of New York
385 Rifle Camp Road
North Patterson, NJ 07427

MBIA CLASS
4 Falls Road
Medford, NJ 08055

NJ ARM
252 Nassau Street
Princeton, NJ 08542

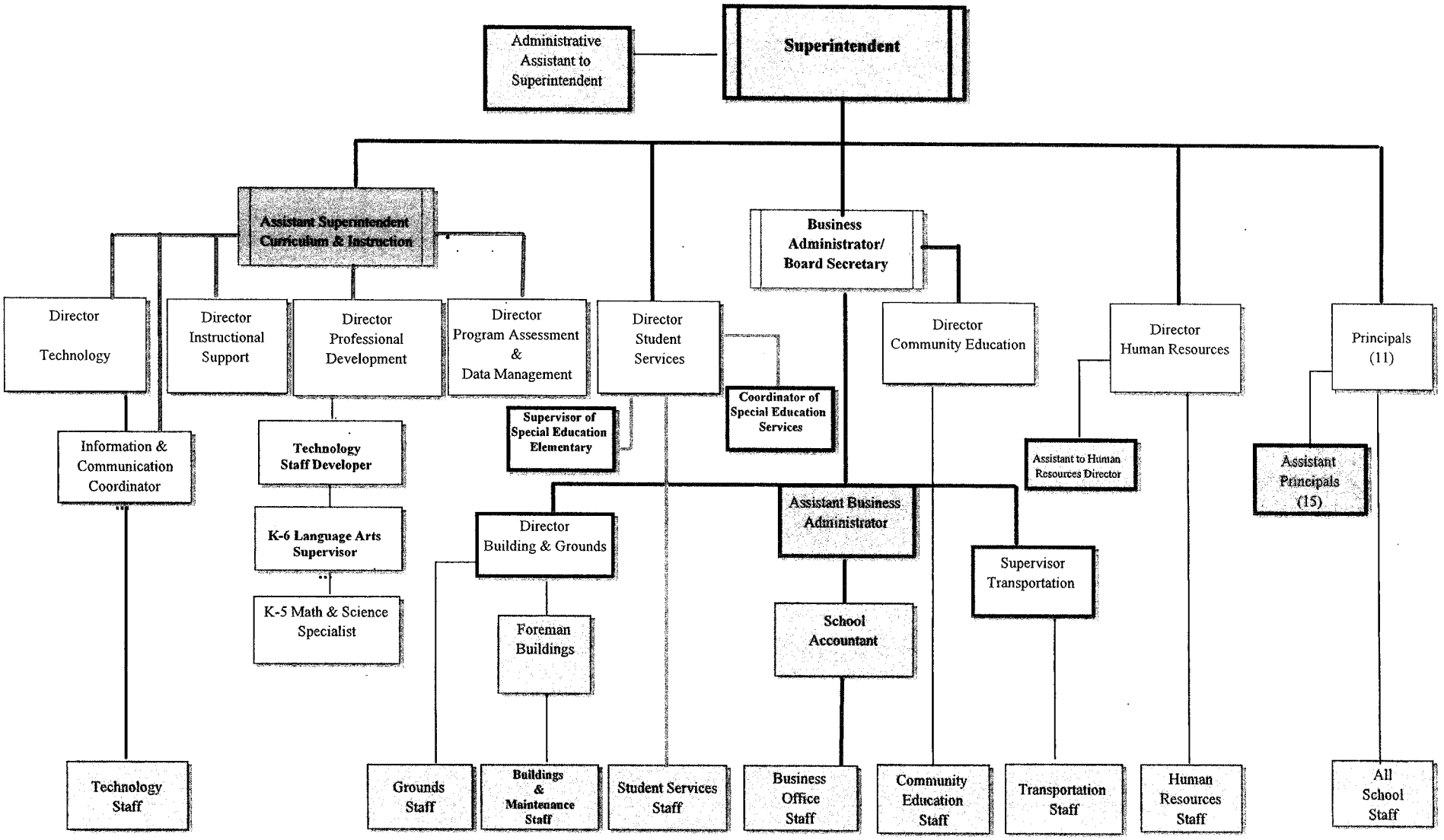
NJ Cash Management Fund
Department of Treasury
Division of Investment

PNC Bank
359 Georges Road
Dayton, NJ 08810

TD Bank North
1 Royal Road, Suite 1st Floor
Flemington, NJ 08822

Wachovia Bank
3510 Route 27
Kendall Park, NJ 08831

South Brunswick Board of Education
Organizational Chart
2009 - 2010



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FINANCIAL SECTION

SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Township of South Brunswick School District
County of Middlesex
Monmouth Junction, New Jersey 08852

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 Township of South Brunswick School District, County of Middlesex, New Jersey as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey and the provisions of U. S. Office of Management and Budget (OMB) Circular A-133 "Audits of State, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of South Brunswick School District, County of Middlesex, New Jersey as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2010 on our consideration of the Township of South Brunswick School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the required supplementary information, as listed in the foregoing table of contents, respectively, are not a required part of the basic financial statements but are supplementary information required by the U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of South Brunswick School District's basic financial statements. The introductory section, combining and individual fund schedules and statements, other schedules, statistical tables and the schedules of expenditures of federal awards and state financial assistance as listed in the table of contents 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"; New Jersey OMB's Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" and State of New Jersey, Department of Education, Division of Finance and are not a required part of the basic financial statements of the Township of South Brunswick School District, County of Middlesex, New Jersey. Such information, except for the introductory section and that portion marked unaudited on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Suplee, Clooney & Company
CERTIFIED PUBLIC ACCOUNTANTS

Robert S. Raymond
PUBLIC SCHOOL ACCOUNTANT NO. 93

November 19, 2010

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

SOUTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
Monmouth Junction, New Jersey

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

UNAUDITED

The discussion and analysis of the South Brunswick Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34-*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2009/2010) and the prior year (2008/2009) is required to be presented in MD&A.

Financial Highlights

The 2009-10 school year showed a minimal decline in the student population within the South Brunswick Township Public Schools. Continued investment in the infrastructure included various roof replacements and new HVAC equipment in various school buildings.

Enhanced security measures were taken to protect students and staff in our before and after school programs. Phase IV of the conversion to VoIP for phone service as well as improvements to the wiring infrastructure for data transmission was completed at the High School.

The state of finances for the State of New Jersey had a major impact on the condition of finances for the South Brunswick School District. The State identified all restricted and non-restricted fund balances in the school districts and made a decision to withhold State Aid in an equal amount. In South Brunswick, the result was the loss of $5,350,833 representing the local community share as well as the State share of fund balance.

The 2009-10 budget had gone under stringent review from inception. The mid-year announcement of financial cutbacks called for even more severe actions. No midyear vacancies were filled unless for an absolute emergency. Almost all spending was stopped other than for ongoing services.

A realignment and rebid of some transportation routes fortunately offset about $750,000 of the shortfall in revenue.

Reporting the School District as a Whole (Government-wide Financial Statements)

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and Statement of Activities provides information about the activities of the whole school district, presenting both an aggregate view of the school district's finances and longer term view of those finances. Fund financial statements provide the next level of detail. For governmental activities and business-type activities, 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 school district's individual funds with all funds presented. In the case of the South Brunswick Township School District, the General Fund is by far the most significant fund. The governmental activities are mainly supported by taxes and intergovernmental revenues, while the business-type activities are intended to recover all or a significant portion of their costs through user fees and charges.

While this document contains all of the funds used by the school district to provide programs and activities, the view of the school district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2009-2010". The Statement of Net Assets and the Statement of Activities answers this question. The Statement of Net Assets includes all assets and liabilities, while the Statement of Activities shows the cost of program services and the charges for those services and the grants offsetting those services. They use the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when the timing of the related cash is received or paid.

These two statements report the school district's net assets and changes to those assets. This change in net assets is important because it tells the reader that, for the school district as a whole, the financial position of the school district has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the school district's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

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

Governmental Activities – These activities report on the school district's programs and services including instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities, grant programs, and capital outlay. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and the Debt Service Fund.

Business Type Activities – These activities provide for a charge for goods or services to recover the expenses of the goods and services provided. The Food Service operations and Community Education programs are reported here.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's activities that are segregated for specific activities or objectives. The School District uses many funds to account for a multitude of financial transactions. These funds are divided into three categories: Governmental, Proprietary and Fiduciary Funds.

Governmental Funds

The School District maintains four individual governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, 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 School District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements. The school district adopts an annual appropriated budget for its general, special revenue and debt service funds. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found in Exhibits B-1 through B-3 of this report.

Proprietary Funds

The school district maintains one proprietary fund, which consists of two enterprise funds that reports on the food service operations and the community education programs. This fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

The basic proprietary fund financial statements can be found in Exhibits B-4 through B-6 of this report.

Fiduciary Funds

The school district's fiduciary funds are used to account for resources held for the benefit of parties outside the government. These funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the school district's activities. The accounting method used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found in Exhibits B-7 through B-8 of this report.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents statistical and single audit information and schedules relative to the school district and/or its serving community.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

Table 1 provides a summary of the School District's net assets for fiscal years 2010 and 2009

Table 1 Net Assets

	2009-2010			2008-2009		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
ASSETS						
Current and Other Assets	$ 17,985,249	$ 2,252,799	$ 20,238,048	$ 21,222,396	$ 2,131,345	$ 23,353,741
Capital Assets	$ 146,489,355	$ 338,914	$ 146,828,269	$ 147,183,683	$ 397,696	$ 147,581,379
TOTAL ASSETS	$ 164,474,604	$ 2,591,713	$ 167,066,317	$ 168,406,079	$ 2,529,041	$ 170,935,120
LIABILITIES:						
Long-term Liabilities	$ 101,542,654	$ 136,433	$ 101,679,087	$ 104,468,258	$ 112,613	$ 104,580,871
Other Liabilities	$ 4,776,128	$ 1,084,402	$ 5,860,530	$ 7,458,886	$ 1,148,625	$ 8,607,511
TOTAL LIABILITIES	$ 106,318,782	$ 1,220,835	$ 107,539,617	$ 111,927,144	$ 1,261,238	$ 113,188,382
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	$ 50,803,355	$ 338,914	$ 51,142,269	$ 47,499,772	$ 397,696	$ 47,897,468
Restricted	$ 8,801,160		$ 8,801,160	$ 10,611,882		$ 10,611,882
Unrestricted	$ (1,448,693)	$ 1,031,964	$ (416,729)	$ (1,632,719)	$ 870,107	$ (762,612)
TOTAL NET ASSETS	$ 58,155,822	$ 1,370,878	$ 59,526,700	$ 56,478,935	$ 1,267,803	$ 57,746,738

The deficit number of ($1,448,693) in unrestricted net assets in part reflects the State's withholding of an additional State Aid payment which can not be reflected as a receivable as the State does not recognize it as a payable.

The impact of the State reduction in State Aid payments in order to capture the District's restricted and unrestricted surplus funds can be seen in the reduction of $3,237,147 in Current and other assets and the decrease of $1,810,722 in restricted net assets.

The increase of $3.3 million invested in Capital Assets reflects the completion of the Crossroads North referendum project in addition to current year projects which included approximately $411,000 in equipment and wiring infrastructure to complete the High School's final phase in the conversion to VoIP. Several paving and roofing projects were also completed during the year.

Table 2 shows changes in net assets for fiscal year 2010.

Table 2
Changes in Net Assets

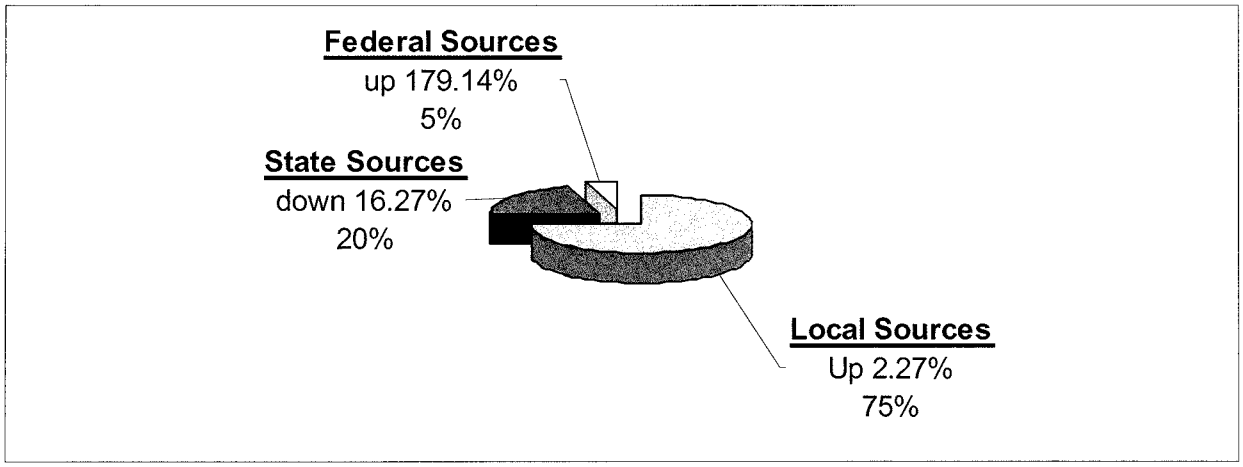
	2009-10			2008-2009		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues						
Program Revenues:						
Charges for Services		$ 5,260,596	$ 5,260,596		$ 5,368,049	$ 5,368,049
Operating Grants and Contributions	$ 13,454,115	695,897	14,150,012	$ 11,191,706	581,885	11,773,591
General Revenues:						
Property Taxes, Levied for General Purposes	96,009,320		96,009,320	93,923,003		93,923,003
Property Taxes, Levied for Debt Service	7,921,890		7,921,890	7,357,742		7,357,742
Federal and State Aid Grants Not Resticted	20,407,708		20,407,708	22,790,844		22,790,844
State Aid Grants Restricted			-	898,072		898,072
Other Revenues	692,799	5,214	698,013	1,034,641	18,709	1,053,350
Transfers						
Total revenues	138,485,832	5,961,707	144,447,539	137,196,008	600,594	143,164,651
Expenses:						
Instruction Services	76,134,969		76,134,969	72,488,664		72,488,664
Support Services	55,945,472		55,945,472	55,578,749		55,578,749
Interest on Long-Term Debt	4,491,377		4,491,377	4,915,994		4,915,994
Other Expenses	237,127		237,127	233,887		233,887
Food Service Options		3,029,761	3,029,761		3,025,529	3,025,529
Children's Community Enrichment Programs		2,828,871	2,828,871		2,906,767	2,906,767
Total Expenses	136,808,945	5,858,632	142,667,577	133,217,294	5,932,296	139,149,590
Change in Net Assets	1,676,887	103,075	1,779,962	3,978,714	36,347	4,015,061
Net Assets July 1,	56,478,935	1,267,803	57,746,738	52,500,221	1,231,456	53,731,677
Net Assets, June 30,	$ 58,155,822	$ 1,370,878	$ 59,526,700	$ 56,478,935	$ 1,267,803	$ 57,746,738

Table 2 presents a picture of the changing pattern of revenue sources supporting the education program. A one time influx of $2,262,409 from the American Recovery and Reinvestment Act (ARRA) funds is reflected in the increase in Operating Grants and Contributions. This was offset by a reduction of $2,383,136 in other Federal and State Aid. Other revenues dropped by $341,842 as there were fewer funds for investment and interest rates remained at record lows.

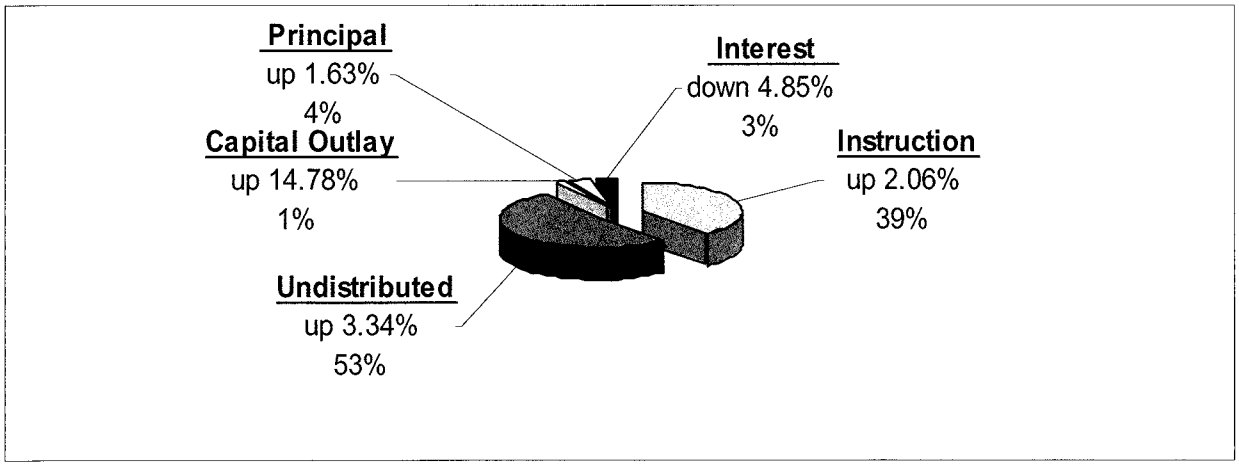
Operating expenses were again kept tight with an increase only in instructional services. The cost of support services was kept flat through the initial elimination of 25 positions through reduction and attrition as well as not filling additional openings which occurred throughout the year.

Governmental Activities

SOURCES OF REVENUES



DISTRIBUTION OF EXPENDITURES



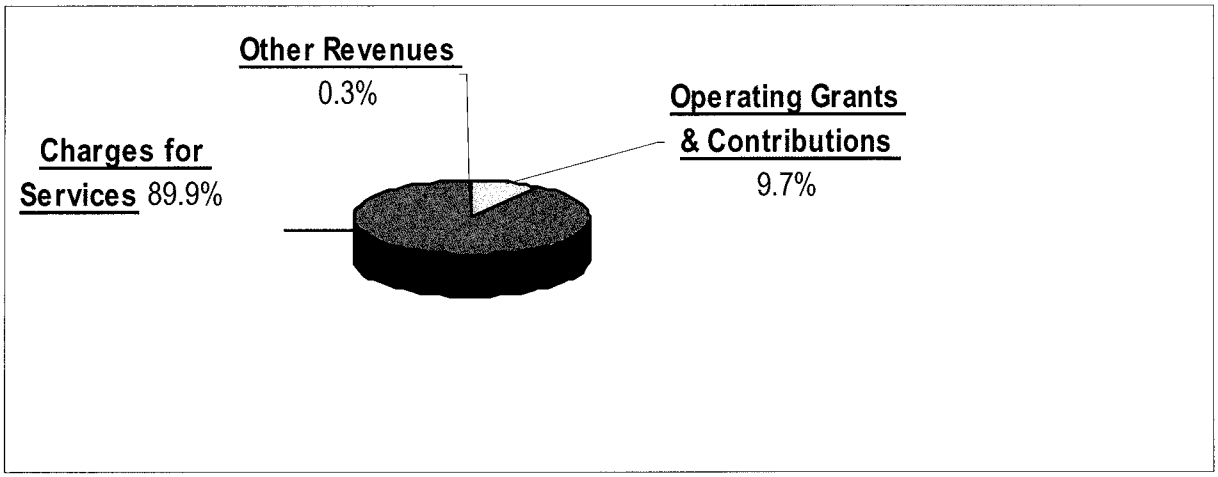
Business-Type Activities

Revenues for the District's business-type activities (food service program and childrens' community enrichment programs) were comprised of charges for services and federal and state reimbursements.

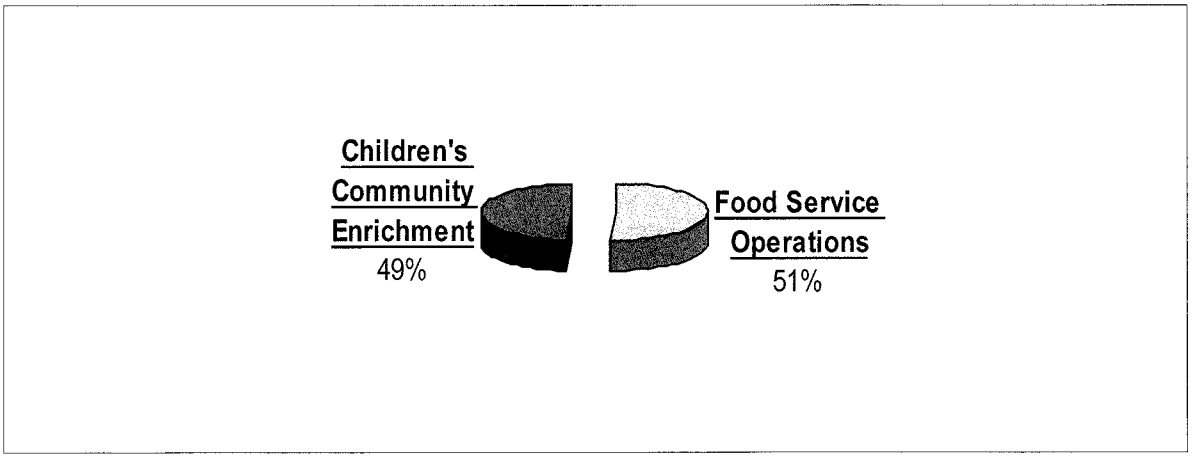
Charges for services are amounts paid by patrons for daily food service operations and the community interest programs.

Federal and state operating grant revenues are for the reimbursement for meals, including payments for free and reduced priced lunches and donated commodities.

Revenues by Source – Business-type Activities



Expenses – Business-type Activities



The School District's Funds

Governmental funds (i.e. general fund, special revenue fund, capital projects fund, and debt service fund) presented in the fund-based statements are accounted for using the modified accrual basis of accounting. Total revenues amounted to $138,484,405 and expenditures were $140,200,601. The net change in overall fund balance for the year was a decrease of $2,133,878.

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. Table 3 presents a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2010, and the amount and percentage of increases and decreases in relation to prior year revenues.

TABLE 3
REVENUES OF THE GOVERNMENTAL FUNDS (EXHIBIT B-2)

Revenue	Amount	Percent of Total	Inc/(Dec) FY 2009	Percent Inc/(Dec)
Local Sources	$ 104,668,586	75.58%	$ 2,327,409	2.27%
State Sources	27,196,844	19.64%	(5,283,167)	-16.27%
Federal Sources	6,618,975	4.78%	4,247,776	179.14%
Total	$ 138,484,405	100.00%	$ 1,292,018	0.94%

Table 4 represents a summary of the combined general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2010, and the percentage of increases and decreases in relation to prior year amounts.

TABLE 4
EXPENDITURES OF THE GOVERNMENTAL FUNDS (EXHIBIT B-2)

Expenditures	Amount	Percent of Total	Inc/(Dec) FY 2009	Percent Inc/(Dec)
Current:				
Instruction	$ 54,410,999	38.81%	$ 1,098,494	2.06%
Undistributed	73,811,020	52.65%	2,384,929	3.34%
Capital Outlay	2,062,242	1.47%	265,586	14.78%
Debt Service:				
Principal	5,285,000	3.77%	85,000	1.63%
Interest	4,631,340	3.30%	(236,050)	-4.85%
Total	$ 140,200,601	100.00%	$ 3,597,959	2.63%

GENERAL FUND BUDGETING HIGHLIGHTS

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

Over the course of the year, the District revised the annual operation budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these significant revisions include expenditures for Instruction, Special Education, Transportation and the Operation and Maintenance of Plant Facilities. The detail of individual program budget revisions is reflected in Exhibit C-1 of the CAFR.

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instruction staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

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

Operation and maintenance of facilities involve keeping the school grounds, buildings and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

FUND BALANCES

Table 5 shows a comparison of the fund balances in each of the District's Governmental and Business-type activities funds.

TABLE 5
NET CHANGES IN FUND BALANCE

Governmental Funds:	
General Fund	(2,133,878.00)
Special Revenue Fund	
Capital Projects Fund	(1,502,801.00)
Debt Service Fund	(157,701.00)
Business-type Activities:	
Food Service Enterprise Fund	9,391.00
Children's Community Enrichment Programs	93,684.00

The decrease in the Capital Projects fund reflects the expenditures associated with Crossroads North projects.

CAPITAL ASSETS

At the end of the fiscal year 2010, the School District had $146,828,269 invested in land, buildings, furniture, equipment, and vehicles. Table 6 shows fiscal year 2010 balances compared to 2009.

Table 6

Capital Assets (Net of Depreciation) at June 30

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	7,894,664	7,894,664			7,894,664	7,894,664
Construction in Progress	2,781,569	632,166			2,781,569	632,166
Site Improvements	1,729,865	1,679,677			1,729,865	1,679,677
Building and Building Improvements	130,301,851	133,102,109			130,301,851	133,102,109
Machinery and Equipment	3,781,406	3,875,067	338,914	397,696	4,120,320	4,272,763
Total	$146,489,355	$147,183,683	$338,914	$397,696	$146,828,269	$147,581,379
Increase/ Decrease	($694,328)		($58,782)		($753,110)	

Overall capital assets decreased from fiscal year 2009 to fiscal year 2010 reflecting the effects of depreciation over the period.

Additional information on the District's capital assets can be found in the Notes to the basic financial statements.

DEBT ADMINISTRATION

In the governmental funds, at June 30, 2010, the School District had $101,542,654 outstanding long term debt representing $2.9 million reduction from the prior year.

The Business-type activities had $136,433 of outstanding debt at June 30, 2010 representing the amount due for compensated absences.

State statutes limit the amount of general obligation debt a governmental entity may issue. The District's limit is 4 percent of its equalized valuation basis. Additional information on the District's long-term debt can be found in the notes to the basic financial statements.

For the Future

The South Brunswick School District is in stable financial condition, however, the fiscal condition of New jersey does provide some level of concern which could ultimately impact the local tax payers. Additional concerns are the requirements of S1701 that the free appropriations fund balance be kept at or below 2% and the need to remain within a continually restrictive CAP limit in spite of our continued District growth.

The District is proud of its community support and will continue to proactively face the challenges to provide appropriate staff, instructional supplies, equipment and the facilities associated with increasing enrollment. Staff development for non-tenured teachers representing 15% of the total teaching force in addition to investments to plan and disseminate instructional strategies to meet the goals of No Child Left Behind will continue to be a District priority.

In conclusion, the South Brunswick Township School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. Questions regarding this report or if additional information is needed, kindly contact Mr. Anthony N. Tonzini Jr. CPA Business Administrator at the South Brunswick Township Board of Education, PO Box 181, Monmouth Junction, NJ 08852.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2010.

DISTRICT-WIDE FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

EXHIBIT "A-1"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2010

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	$9,280,739.00	$2,112,956.00	$11,393,695.00
Cash on hand with fiscal agent	458,748.00		458,748.00
Receivables, net	3,694,770.00	67,013.00	3,761,783.00
Prepaid expenses	500.00	22,659.00	23,159.00
Inventory		50,171.00	50,171.00
Interfund receivable	259,357.00		259,357.00
Deferred Bond Issuance Costs	950,664.00		950,664.00
Restricted assets:			
Restricted cash and cash equivalents	3,340,471.00		3,340,471.00
Capital assets:			
Land and Construction in Progress	10,676,233.00		10,676,233.00
Other capital assets, net of depreciation	135,813,122.00	338,914.00	136,152,036.00
Total Assets	164,474,604.00	2,591,713.00	167,066,317.00
LIABILITIES			
Accounts payable	2,816,903.00	152,074.00	2,968,977.00
Interfund payables		257,061.00	257,061.00
Payable to state government	14,643.00		14,643.00
Payable to federal government	68.00		68.00
Deferred revenue	70,595.00	675,267.00	745,862.00
Other	78,326.00		78,326.00
Accrued liability to pay Workers Compensation Claims	992,351.00		992,351.00
Accrued interest on bonds	803,242.00		803,242.00
Noncurrent liabilities:			
Due within one year:			
Bonds payable	5,350,000.00		5,350,000.00
Due beyond one year:			
Compensated absences payable	3,005,654.00	136,433.00	3,142,087.00
Bonds and capital leases payable	93,187,000.00		93,187,000.00
Total liabilities	106,318,782.00	1,220,835.00	107,539,617.00
NET ASSETS			
Invested in capital assets, net of related debt	50,803,355.00	338,914.00	51,142,269.00
Restricted for:			
Capital projects fund	859.00		859.00
Debt service fund (deficit)	(785,357.00)		(785,357.00)
Other purposes	9,585,658.00		9,585,658.00
Unrestricted (deficit)	(1,448,693.00)	1,031,964.00	(416,729.00)
Total net assets	$58,155,822.00	$1,370,878.00	$59,526,700.00

See accompanying notes to financial statements.

EXHIBIT "A-2"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Programs Revenues: Charges for Services	Programs Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental Activities:						
Instruction:						
Regular	$ 55,324,209.00	$	$ 3,848,707.00	$ (51,475,502.00)	$	$ (51,475,502.00)
Special	15,330,283.00		3,732,570.00	(11,597,713.00)		(11,597,713.00)
Other Instruction	5,480,477.00		387,148.00	(5,093,329.00)		(5,093,329.00)
Support services:						
Tuition	3,291,372.00			(3,291,372.00)		(3,291,372.00)
Student & instruction related services	14,617,892.00		2,147,495.00	(12,470,397.00)		(12,470,397.00)
General administrative services	2,140,518.00		53,138.00	(2,087,380.00)		(2,087,380.00)
School administrative services	8,054,434.00		592,109.00	(7,462,325.00)		(7,462,325.00)
Central services	2,250,289.00		159,414.00	(2,090,875.00)		(2,090,875.00)
Administration information technology	935,670.00		68,320.00	(867,350.00)		(867,350.00)
Plant operations and maintenance	15,623,182.00		630,064.00	(14,993,118.00)		(14,993,118.00)
Pupil transportation	9,032,115.00			(9,032,115.00)		(9,032,115.00)
Interest on Long-Term Debt	4,491,377.00		1,835,150.00	(2,656,227.00)		(2,656,227.00)
Unallocated amortization (net)	75,180.00			(75,180.00)		(75,180.00)
Unallocated depreciation	161,947.00			(161,947.00)		(161,947.00)
Total governmental activities	136,808,945.00		13,454,115.00	(123,354,830.00)		(123,354,830.00)
Business-type activities						
Food Service	3,029,761.00	2,343,255.00	695,897.00		9,391.00	9,391.00
Community School	2,828,871.00	2,917,341.00			88,470.00	88,470.00
Total business-type activities	5,858,632.00	5,260,596.00	695,897.00		97,861.00	97,861.00
Total primary government	$ 142,667,577.00	$ 5,260,596.00	$ 14,150,012.00	$ (123,354,830.00)	$ 97,861.00	$ (123,256,969.00)
General Revenues:						
Taxes:						
Property taxes, levied for general purposes, net				96,009,320.00		96,009,320.00
Taxes levied for debt service				7,921,890.00		7,921,890.00
Federal and state aid not restricted				20,407,708.00		20,407,708.00
Miscellaneous income				692,799.00	5,214.00	698,013.00
Total general revenues and special items				125,031,717.00	5,214.00	125,036,931.00
Change in net assets				1,676,887.00	103,075.00	1,779,962.00
Net Assets - beginning				56,478,935.00	1,267,803.00	57,746,738.00
Net Assets ending				$ 58,155,822.00	$ 1,370,878.00	$ 59,526,700.00

See accompanying notes to financial statements.

MAJOR FUND FINANCIAL STATEMENTS

The individual fund financial statements and schedules present more detailed information for the individual fund in a format that segregates information by the fund type.

EXHIBIT "B-1"
SHEET 1

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	$ 9,262,854.00	$	$	$ 17,885.00	$ 9,280,739.00
Cash, Capital Reserve	3,340,471.00				3,340,471.00
Cash on Hand with Fiscal Agent	458,748.00				458,748.00
Other receivables	139,155.00				139,155.00
Prepaid expenses	500.00				500.00
Due from other funds	870,083.00	444.00			870,527.00
Receivables from other governments	711,613.00	691,172.00	2,152,830.00		3,555,615.00
Total assets	$ 14,783,424.00	$ 691,616.00	$ 2,152,830.00	$ 17,885.00	$ 17,645,755.00
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	2,563,019.00	141,551.00	112,333.00		2,816,903.00
Interfund payables		471,868.00	139,302.00		611,170.00
Payable to state government		14,643.00			14,643.00
Payable to federal government		68.00			68.00
Deferred revenue	7,109.00	63,486.00			70,595.00
Other	78,326.00				78,326.00
Accrued liability to pay Workers Compensation Claims	992,351.00				992,351.00
Total liabilities	3,640,805.00	691,616.00	251,635.00		4,584,056.00
Fund balances:					
Reserved for:					
Encumbrances	974,575.00				974,575.00
Emergency reserve account	650,000.00				650,000.00
Capital reserve account	3,340,471.00				3,340,471.00
Excess surplus - Designated for Subsequent Years Expenditure	3,000,000.00				3,000,000.00
Excess surplus	2,595,187.00				2,595,187.00
Unreserved, reported in:					
General fund:					
Undesignated	582,386.00				582,386.00
Capital projects fund			1,901,195.00		1,901,195.00
Debt service fund:					
Designated for subsequent years expenditures				16,286.00	16,286.00
Undesignated				1,599.00	1,599.00
Total fund balances	11,142,619.00		1,901,195.00	17,885.00	13,061,699.00
Total liabilities and fund balances	$ 14,783,424.00	$ 691,616.00	$ 2,152,830.00	$ 17,885.00	

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

Total Fund Balances (Brought Forward)		$13,061,699.00
Amounts Reported for Governmental Activities in the Statement of Net Assets (A-1) are different because:		
Cost associated with the issuance of various Bonds are expensed in the Governmental Funds in the the year the bonds are issued, but are capitalized on the Statement of Net Assets		
Bond Issuance Costs	$2,789,337.00	
Accumulated Amortization	(1,838,673.00)	
		950,664.00
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of Assets	219,430,003.00	
Accumulated Depreciation	(72,940,648.00)	
		146,489,355.00
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Compensated Absences	(3,005,654.00)	
Bonds Payable	(98,537,000.00)	
		(101,542,654.00)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accrued Interest Payable	(803,242.00)	
		(803,242.00)
Net Assets of Governmental Activities		$58,155,822.00

See accompanying notes to financial statements.

EXHIBIT "B-2"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	$96,009,320.00			$7,921,890.00	$103,931,210.00
Tuition	204,312.00				204,312.00
Transportation	61,845.00				61,845.00
Interest on capital reserve	7,662.00				7,662.00
Miscellaneous	417,381.00	$46,004.00	$1,427.00	172.00	464,984.00
Total revenues - local sources	96,700,520.00	46,004.00	1,427.00	7,922,062.00	104,670,013.00
State sources	24,969,004.00	392,690.00		1,835,150.00	27,196,844.00
Federal sources	3,029,842.00	3,589,133.00			6,618,975.00
Total revenues	124,699,366.00	4,027,827.00	1,427.00	9,757,212.00	138,485,832.00
EXPENDITURES:					
Current expense:					
Regular instruction	38,713,723.00				38,713,723.00
Special instruction	8,798,065.00	2,821,633.00			11,619,698.00
Other Instruction	4,077,578.00				4,077,578.00
Support services:					
Tuition	3,291,372.00				3,291,372.00
Student & instruction related services	9,933,601.00	1,206,194.00			11,139,795.00
General administrative services	1,692,227.00				1,692,227.00
School administrative services	5,775,201.00				5,775,201.00
Central services	1,669,312.00				1,669,312.00
Administration information technology	686,990.00				686,990.00
Plant operations and maintenance	13,242,455.00				13,242,455.00
Pupil transportation	7,786,687.00				7,786,687.00
Allocated benefits	1,288,456.00				1,288,456.00
Unallocated benefits	27,238,535.00				27,238,535.00
Debt Service:					
Principal				5,285,000.00	5,285,000.00
Interest				4,631,340.00	4,631,340.00
Capital outlay	2,062,242.00		2,079,601.00		4,141,843.00
Total expenditures	126,256,444.00	4,027,827.00	2,079,601.00	9,916,340.00	142,280,212.00
Excess (deficiency) of revenues over (under) expenditures	(1,557,078.00)		(2,078,174.00)	(159,128.00)	(3,794,380.00)
Other financing sources (uses):					
Transfers in/(out)	(576,800.00)		575,373.00	1,427.00	
Total other financing sources (uses)	(576,800.00)		575,373.00	1,427.00	
Net change in fund balances	(2,133,878.00)		(1,502,801.00)	(157,701.00)	(3,794,380.00)
Fund balances, July 1, 2009	13,276,497.00	$-0-	3,403,996.00	175,586.00	16,856,079.00
Fund balances, June 30, 2010	$11,142,619.00	$-0-	$1,901,195.00	$17,885.00	$13,061,699.00

See accompanying notes to financial statements.

EXHIBIT "B-3"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Total net change in fund balances - governmental funds (from B-2)			($3,794,380.00)
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			(4,705,962.00)
Capital outlays	$4,141,843.00		
Less: Capital outlays not capitalized	(130,209.00)		
		$4,011,634.00	
			4,011,634.00
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.			5,285,000.00
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.			
Payment of capital lease payable			579,082.00
In the statement of activities, interest on long-term debt is accrued, regardless of when due In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.			139,963.00
Bond Issue costs are reported in the Governmental Funds as expenditures in the year the bonds are issued. However, on the Statement of Activities the costs are amortized over the life of the Bonds.			
Amortization Expense			(75,180.00)
In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).			
Increase in Compensated Absences			236,730.00
Change in net assets of governmental activities			$1,676,887.00

See accompanying notes to financial statements.

OTHER FUNDS

EXHIBIT "B-4"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	BUSINESS-TYPE ACTIVITIES		
	FOOD SERVICE FUND	CHILDRENS' COMMUNITY ENRICHMENT FUND	TOTAL ENTERPRISE
ASSETS:			
Current assets:			
Cash and cash equivalents	$18,746.00	$2,094,210.00	$2,112,956.00
Accounts receivable - other	12,043.00	15,456.00	27,499.00
Intergovermental receivables			
State	2,996.00		2,996.00
Federal	36,518.00		36,518.00
Inventories	50,171.00		50,171.00
Prepaid expenses		22,659.00	22,659.00
Total current assets	120,474.00	2,132,325.00	2,252,799.00
Noncurrent assets:			
Furniture, machinery & equipment	1,302,102.00	258,179.00	1,560,281.00
Less accumulated depreciation	(1,105,076.00)	(116,291.00)	(1,221,367.00)
Total noncurrent assets	197,026.00	141,888.00	338,914.00
Total assets	317,500.00	2,274,213.00	2,591,713.00
LIABILITIES			
Current liabilities:			
Accounts payable	128,305.00	23,769.00	152,074.00
Interfund payable		257,061.00	257,061.00
Deferred revenue	110,610.00	564,657.00	675,267.00
Compensated absences		136,433.00	136,433.00
Total current liabilities	238,915.00	981,920.00	1,220,835.00
Total liabilities	238,915.00	981,920.00	1,220,835.00
NET ASSETS			
Invested in capital assets, net	197,026.00	141,888.00	338,914.00
Unrestricted (deficit)	(118,441.00)	1,150,405.00	1,031,964.00
Total net assets	$78,585.00	$1,292,293.00	$1,370,878.00

See accompanying notes to financial statements.

EXHIBIT "B-5"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BUSINESS-TYPE ACTIVITIES		
	FOOD SERVICE FUND	CHILDRENS' COMMUNITY ENRICHMENT FUND	TOTAL ENTERPRISE
OPERATING REVENUES:			
Charges for services:			
Daily sales - Reimbursable Programs	$1,291,746.00		$1,291,746.00
Daily sales - Non-Reimbursable Programs	1,043,832.00		1,043,832.00
Special Functions	7,677.00		7,677.00
Program fees		$2,917,341.00	2,917,341.00
Total operating revenues	2,343,255.00	2,917,341.00	5,260,596.00
OPERATING EXPENSES:			
Salaries	884,060.00	1,788,366.00	2,672,426.00
Employee Benefits	272,477.00	641,069.00	913,546.00
Other Purchase Service	266,743.00	123,093.00	389,836.00
General Supplies	239,440.00	243,451.00	482,891.00
Depreciation	63,060.00	32,892.00	95,952.00
Cost of sales	1,303,981.00		1,303,981.00
Total operating expenses	3,029,761.00	2,828,871.00	5,858,632.00
Operating (loss)	(686,506.00)	88,470.00	(598,036.00)
NONOPERATING REVENUES: (EXPENSES)			
State Sources:			
State School Lunch Program	37,486.00		37,486.00
Federal Sources:			
National School Lunch Program	444,343.00		444,343.00
National food distribution commodities	214,068.00		214,068.00
Interest on Investments		5,214.00	5,214.00
Total nonoperating revenues	695,897.00	5,214.00	701,111.00
Change in net assets	9,391.00	93,684.00	103,075.00
Total net assets - beginning	69,194.00	1,198,609.00	1,267,803.00
Total net assets - ending	$78,585.00	$1,292,293.00	$1,370,878.00

See accompanying notes to financial statements.

EXHIBIT "B -6"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BUSINESS-TYPE ACTIVITIES		
	FOOD SERVICE FUND	CHILDRENS' COMMUNITY ENRICHMENT FUND	TOTAL ENTERPRISE
Cash flows from operating activities:			
Receipts from customers	$2,374,906.00	$2,901,946.00	$5,276,852.00
Payments to employees	(884,060.00)	(1,788,366.00)	(2,672,426.00)
Payments to employee benefits	(272,477.00)	(617,249.00)	(889,726.00)
Payments to suppliers	(1,518,066.00)	(358,672.00)	(1,876,738.00)
Net cash provided by (used for) operating activities)	(299,697.00)	137,659.00	(162,038.00)
Cash flows from noncapital financing activities:			
State Sources	37,486.00		37,486.00
Federal Sources	444,343.00		444,343.00
Interfund Activity	(126,216.00)	6,611.00	(119,605.00)
Operating subsidies and transfers to other funds			
Net cash provided by noncapital financing activities	355,613.00	6,611.00	362,224.00
Cash flows from capital and related financing activities:			
Purchases of capital assets	(37,170.00)		(37,170.00)
Net cash provided by (used for) capital and related financing activities	(37,170.00)		(37,170.00)
Cash flows from investing activities:			
Interest		5,214.00	5,214.00
Net cash provided by (used for) investing activities		5,214.00	5,214.00
Net increase in cash and cash equivalents	18,746.00	149,484.00	168,230.00
Cash and cash equivalents, July 1, 2009		1,944,726.00	1,944,726.00
Cash and cash equivalents, June 30, 2010	$18,746.00	$2,094,210.00	$2,112,956.00
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	(686,506.00)	88,470.00	(598,036.00)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	63,060.00	32,892.00	95,952.00
Federal commodities	214,068.00		214,068.00
Change in assets and liabilities:			
(Increase)/Decrease in Accounts Receivable - Other	3,122.00	5,644.00	8,766.00
(Increase) decrease in inventories	35,243.00		35,243.00
(Increase) decrease in prepaid expenses		2,547.00	2,547.00
Increase (Decrease) in accounts payable	42,787.00	5,325.00	48,112.00
Increase (Decrease) in deferred revenue	28,529.00	(21,039.00)	7,490.00
Increase (Decrease) in compensated absences		23,820.00	23,820.00
	386,809.00	49,189.00	435,998.00
Net cash provided by (used for) operating activities	($299,697.00)	$137,659.00	($162,038.00)

See accompanying notes to financial statements.

EXHIBIT "B -7"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Unemployment Compensation Fund	Private Purpose Award Fund	Agency Funds
ASSETS			
Cash and cash equivalents	$442,583.00	$123,159.00	$1,135,518.00
Intrafund receivable	39,903.00		
Total Assets	482,486.00	123,159.00	1,135,518.00
LIABILITIES			
Accounts payable	46,119.00		
Interfund payable			2,296.00
Intrafunds payable			39,903.00
Payroll deductions and withholdings			708,240.00
Due to student groups			385,079.00
Total Liabilities	46,119.00		1,135,518.00
NET ASSETS			
Held in trust for unemployment claims	436,367.00		
Reserved for awards and other purposes		123,159.00	
Total Net Assets	$436,367.00	$123,159.00	$-0-

See accompanying notes to financial statements.

EXHIBIT "B -8"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Private Purpose Award Funds	Unemployment Compensation Fund
ADDITIONS:		
Contributions:		
Plan Members		$121,589.00
Other	$5,000.00	446,500.00
Total contributions	5,000.00	568,089.00
Investment earnings:		
Interest	1,239.00	337.00
Net investment earnings	1,239.00	337.00
Total additions	6,239.00	568,426.00
DEDUCTIONS:		
Awards granted	4,092.00	
Unemployment claims		322,233.00
Total deductions	4,092.00	322,233.00
Change in net assets	2,147.00	246,193.00
Net assets beginning of year	121,012.00	190,174.00
Net assets end of year	$123,159.00	$436,367.00

See accompanying notes to financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of South Brunswick School District (the "District") have been prepared in conformity with U.S. 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 more significant of the Board's accounting policies are described below.

Reporting Entity

The Township of South Brunswick School District is a Type II District located in Middlesex County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled *"Determining Whether Certain Organizations are Component Units" (GASB 39)* as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.

2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.

3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools, intermediate schools and a high school. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

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

District-wide 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 overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net assets presents the financial condition of the governmental and business-type activity of the District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as generally revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal 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. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

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

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles 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; in certain instances approval by the County Superintendent of Schools may be required.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Governments (other than major capital projects or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund

Enterprise Fund - The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations and the Childrens' Community Enrichment programs. These funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

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 are as follows:

Proprietary Funds:	
Equipement	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Fiduciary Fund Types

Agency Funds – The agency funds are used to account for assets held by the district on behalf of others and are custodial in nature. The agency funds included in this category are as follows:

Unemployment Compensation Insurance Trust Fund - A trust fund used to account for assets to finance the costs of unemployment benefits. Since the Board has adopted the direct reimbursement method, the District is under obligation to appropriate sufficient funds out of its general fund and hold them in trust for this purpose.

Payroll and Student Activities Funds (Agency) - These are agency funds 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.

Private Purpose Trust Funds – These trust funds are used to account for assets donated by individuals that will provide for the payment of awards and other purposes.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting – Measurement Focus

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

Districtwide, Proprietary, and Fiduciary Fund Financial Statements: The Districtwide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Val Orem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions 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. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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. 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. All budget amendments and transfers must be approved by School Board resolution.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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 generally accepted accounting principles (GAAP) with the exception of the legally mandated (NJSA 18A:22-44.2) revenue recognition of one or more deferred state aid payments for budgetary purposes only due to the state deferral of such payments into the subsequent budget year 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 records.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

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 and capital projects 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.

Interfunds

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.

Inventories and Prepaid Expenses

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future period, other than those recorded in the enterprise fund, are recorded as an expenditure in the year of purchase.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District has an established formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

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 policy. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after four years of service. The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated on the probability the employee will, in the future meet required conditions to receive a cash payment at termination. Salary-related payments for the employer's share of social security and medicare taxes are included.

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. Compensated absences are a reconciling item between the fund level and district-wide presentations

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

Fund balance reserves are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designation of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unreserved fund balances represent the amount available for future budgetary operations.

Unrestricted retained earnings represent the remains of the District's equity in the cumulative earnings of the proprietary funds.

Deferred Revenue

Deferred revenue in the general and special revenue funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is allowable under generally accepted accounting principles.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund 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 funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long term debt is recognized as a liability on the fund financial statements when due.

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 balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves

The District reserves those portions of fund balance which are legally segregated for a specific future use of which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances and excess surplus in accordance with N.J.S.A. 18A:7F-7.

Revenues – Exchange and Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the District, these revenues are sales in the Enterprise Funds. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent of occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, deposits in the New Jersey Asset and Rebate Management Program and short-term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than $25,000,000.00. Under (GUDPA), 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 the deposits to the governmental unit.

The Township of South Brunswick School District had the following cash and cash equivalents at June 30, 2010.

Fund Type:	Cash in Bank	N.J. A.R.M.	Total
Governmental	$5,213,925.00	$7,407,285.00	$12,621,210.00
Proprietary	2,112,956.00		2,112,956.00
Fiduciary	1,628,676.00	72,584.00	1,701,260.00
	$8,955,557.00	$7,479,869.00	$16,435,426.00

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2010, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank $265,205.00 was covered by Federal Depository Insurance and $8,690,352 was covered by NJ GUDPA. The New Jersey Asset and Rebate Management Program (NJARM) is an investment pool and is not insured by either FDIC or GUDPA.

Investments

The purchase of investments by the Board is strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.

4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts.

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

8. Agreements for the repurchase of fully collateralized securities if:

    a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
    b. the custody of collateral is transferred to a third party;
    c. the maturity of the agreement is not more than 30 days;
    d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and;
    e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2010 the District has $7,479,869 on deposit with the New Jersey Asset and Rebate Management Program. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1, and existing investment practices of the Investment Council of the NJARM, the District is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: CHANGE IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

Governmental Activities	Beginning Balance	Additions	Transfers/ Deletions	Ending Balance
Capital assets not being depreciated:				
Land	$ 7,894,664.00	$	$	$ 7,894,664.00
Construction in Progress	632,166.00	3,237,558.00	1,088,155.00	2,781,569.00
Total Capital assets not being depreciated	8,526,830.00	3,237,558.00	1,088,155.00	10,676,233.00
Site Improvements	3,224,400.00	187,434.00		3,411,834.00
Building and Building Improvements	190,648,036.00	900,721.00		191,548,757.00
Machinery and Equipment	13,189,516.00	774,076.00	170,413.00	13,793,179.00
Totals as historical cost	207,061,952.00	1,862,231.00	170,413.00	208,753,770.00
Total Gross assets (Memo only)	$ 215,588,782.00	$ 5,099,789.00	$ 1,258,568.00	$ 219,430,003.00
Less: Accumulated Depreciation for:				
Site Improvements	$ (1,544,723.00)	$ (137,246.00)	$	$ (1,681,969.00)
Building and Building Improvements	(57,545,927.00)	(3,700,979.00)		(61,246,906.00)
Machinery and Equipment	(9,314,449.00)	(867,737.00)	(170,413.00)	(10,011,773.00)
Total depreciation	(68,405,099.00)	(4,705,962.00)	(170,413.00)	(72,940,648.00)
Total Capital assets being depreciated net of accumulated depreciation	138,656,853.00	(2,843,731.00)		135,813,122.00
Governmental activities capital assets, net	$ 147,183,683.00	$ 393,827.00	$ 1,088,155.00	$ 146,489,355.00
Business-type activities:				
Equipment	$ 1,523,111.00	$ 37,170.00	$	$ 1,560,281.00
Less: Accumulated Depreciation	(1,125,415.00)	(95,952.00)		(1,221,367.00)
Proprietary fund capital assets, net	$ 397,696.00	$ (58,782.00)	$	$ 338,914.00

NOTE 3: CHANGE IN CAPITAL ASSETS

Depreciation Expense was charged to governmental expenses as follows:

Instruction:		
Regular	$	3,262,330.00
Special		444,021.00
Other		7,901.00
Support Services:		
General Administrative Services		232,781.00
School Administrative Services		262,614.00
Pupil Transportation		223,637.00
Plant Operations & Maintenance		110,731.00
Unallocated		161,947.00
	$	4,705,962.00

NOTE 4: LONG-TERM DEBT

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

At June 30, 2010, the District had bonds or notes authorized but not issued in the amount of $859.00.

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2010.

	Bonds Payable	Capital Leases Payable	Compensated Absences Payable	Total
Balance June 30, 2009	$ 103,822,000.00	$ 579,082.00	$ 3,242,384.00	$ 107,643,466.00
Deletions	5,285,000.00	579,082.00	236,730.00	6,100,812.00
Balance June 30, 2010	$ 98,537,000.00	$ -0-	$ 3,005,654.00	$ 101,542,654.00
Amounts due within one year	$ 5,350,000.00			

NOTE 4: LONG-TERM DEBT (CONTINUED)

Bonds Payable

The annual requirements to amortize all debt outstanding as of June 30, 2010, with interest payments on issued debt, are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2011	$ 5,350,000.00	$ 4,396,415.00	$ 9,746,415.00
2012	6,085,000.00	4,138,227.50	10,223,227.50
2013	5,515,000.00	3,862,727.50	9,377,727.50
2014	5,645,000.00	3,594,402.50	9,239,402.50
2015	5,760,000.00	3,328,142.50	9,088,142.50
2016	5,870,000.00	3,063,732.50	8,933,732.50
2017	5,980,000.00	2,792,132.50	8,772,132.50
2018	6,090,000.00	2,513,282.50	8,603,282.50
2019	6,190,000.00	2,227,622.50	8,417,622.50
2020	6,280,000.00	1,941,177.50	8,221,177.50
2021	6,370,000.00	1,654,780.00	8,024,780.00
2022	6,455,000.00	1,363,452.50	7,818,452.50
2023	6,535,000.00	1,066,418.75	7,601,418.75
2024	6,610,000.00	768,086.25	7,378,086.25
2025	6,685,000.00	470,118.75	7,155,118.75
2026	1,720,000.00	281,565.00	2,001,565.00
2027	1,760,000.00	203,265.00	1,963,265.00
2028	1,800,000.00	123,165.00	1,923,165.00
2029	1,837,000.00	41,332.50	1,878,332.50
	$ 98,537,000.00	$ 37,830,046.25	$ 136,367,046.25

NOTE 4: LONG-TERM DEBT (CONTINUED)

General obligation school and refunding bonds payable with their outstanding balances are comprised of the following individual issues:

Issue	Amount Outstanding June 30, 2010	Bonds Authorized But Not Issued
$36,055,000.00 in Refunding Bonds (1999 Series) dated March 15, 2002, due in remaining annual installments ranging between $200,000.00 and $2,615,000.00 beginning December 1, 2008 and ending December 1, 2024 with interest from 4.00% to 4.80%	$35,190,000.00	
$33,117,000.00 in General Obligation Bonds dated April 15, 2004, due in remaining annual installments ranging between $1,040,000.00 and $1,837,000.00 beginning August 1, 2008 and ending August 1, 2028 with interest from 4.125% to 4.50%	28,117,000.00	$859.00
$36,330,000.00 in Refunding Bonds (2008 Series) dated May 10, 2007, due in remaining annual installments ranging between $1,390,000.00 and $2,390,000.00 beginning February 1, 2009 and ending February 1, 2025 with interest from 3.856% to 5.00%	33,560,000.00	-0-
$4,270,000.00 in Refunding Bonds (2008 Series) dated July 10, 2007, due in remaining annual installments ranging between $835,000.00 and $885,000.00 beginning August 1, 2008 and ending August 1, 2012 with interest at 4.00%	1,670,000.00	-0-
	$98,537,000.00	$859.00

NOTE 4: LONG-TERM DEBT (CONTINUED)

Defeasement of Debt

The District defeased certain general obligations bonds by placing the proceeds of the new bonds in an irrevocable trust with an escrow agent to provide for all future debt service on the old bonds. Accordingly, the trust account assets and liabilities are not included in the Districts financial statements. At June 30, 2010 $30,230,000.00 of advanced refunding bonds remained outstanding and are considered to be defeased.

On February 26, 2007 the District adopted a refunding Bond Ordinance and resolution authorizing Refunding School Bonds in an amount not to exceed $43,000,000.00, providing for the refunding of all or a portion of the outstanding Refunding School Bonds of the School District, dated July 1, 1997, issued in the original principal amount of $50,050,000.00. The refunding bonds were issued to achieve cost savings by prepaying all or a portion of the outstanding refunding school bonds originally issued.

On April 18, 2007, Bond purchase contracts in the total amount of $40,600,000.00 were entered into by the District and RBC Capital Markets (the underwriter). Under the terms of these contracts, the underwriter agreed to purchase $4,270,000.00 aggregate principal amount of Refunding School Bonds, Series 1997A (the "Bonds") and $36,330,000.00 aggregate principal amount of Refunding School Bonds 2008AA (the "Bonds") The total purchase price, reflecting the par amount of the bonds less an underwriter discount of $243,600.00, plus a premium of $1,549,832.55 was $4,265,821.90 for the Refunding School Bonds Series 2007A and $37,640,410.65 for the Refunding School Bonds Series 2007AA.

The closing date for the $4,270,000.00 Refunding School Bonds Series 1997A was July 10, 2007, The proceeds of $4,265,822.00 were placed in an escrow account and invested to provide for all future debt service payments on the refunded bonds and to pay for all costs and expenses incurred by the District in connection with the issuance and sale of the refunding bonds. Accordingly the escrow account assets and liabilities for the defeased bonds are not included in the Districts Financial Statements.

The Board currently refunded the Refunding School Bonds Series 1997A and 1997AA to reduce its total debt service payments in the future by approximately $3,460,000.00 and to obtain an economic gain (the difference between the present value of the debt service payments on the old and new debt) of approximately $3,070,000.00 or 7.474% of the refunded principal.

NOTE 5: PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which 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 as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. 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 as of January 1, 1955 under the provision of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits 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 of 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 1/60 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).

NOTE 5: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions - 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 provision 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.

Significant Legislation - Chapter 89- P.L. 2008- Members of either system who became members before July 1, 2007 may retire at age 55 years with 25 years of service or at age 60 with any number of years of service without a reduction in the amount of retirement allowance the members' receive. There is a reduction in such an allowance if the member is under 55 with 25 years of service. There is also a reduction in an allowance for members of either system who became members on or after July 1, 2007 and who retire between age 55 and 60 years with 25 or more years of service.

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF.

Three-Year Trend Information for PERS

Year June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	$1,444,319.00	100.00%	$1,444,319.00
2009	$1,289,898.00	100.00%	$1,289,898.00
2008	$986,058.00	100.00%	$986,058.00

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

Year June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	None	100.00%	None
2009	None	100.00%	None
2008	$3,740,546.00	100.00%	$3,740,546.00

During the fiscal year ended June 30, 2010, the State of New Jersey contributed $3,361,800.00 to the TPAF for post-retirement medical benefits and $178,996.00 for the non-contributory insurance premiums on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District $4,050,342.00 during the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

NOTE 6: OTHER POST-RETIREMENT BENEFITS

For eligible retired employees, the School District participates in the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 *et seq.*, to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on state disability retirement. P.L. 2007, Chapter 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2009, there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State made post-retirement (PRM) contributions of $1.38 billion for fiscal year 2009 and $3.22 million for fiscal year 2008.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid $116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

NOTE 6: OTHER POST-RETIREMENT BENEFITS (CONTINUED)

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2010, 2009 and 2008 were $3,361,800, $3,275,741 and $2,081,208, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

NOTE 7: LITIGATION

The Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the Board's financial position.

NOTE 8: CONTINGENCIES

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2009-2010 fiscal year were subject to the U.S. OMB A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal reimbursements and is subject to certain related federal regulations. These federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board management does not believe such an audit would result in material amounts of disallowed costs.

NOTE 9: 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 insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the commercial coverage in any of the past three years. 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 table on the following page is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the District's expendable trust fund for the current and previous two years:

Fiscal Year	Interest Earnings	Contributions	Amount Reimbursed	Ending Balance
2009-10	$ 337.00	$ 568,089.00	$ 322,233.00	$ 436,367.00
2008-09	548.00	204,284.00	169,803.00	190,174.00
2007-08	10,614.00	189,857.00	222,381.00	155,145.00

NOTE 10: FUND BALANCE APPROPRIATED

General Fund – Of the $11,142,619 General Fund fund balance at June 30, 2010, $974,575 is reserved for encumbrances, $650,000 has been reserved in the Emergency Reserve Account, $3,340,471 has been reserved in the Capital Reserve Account; $5,595,187 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7, of which $ 3,000,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2011; and $582,386 is unreserved and undesignated.

Debt Service Fund – Of the $17,885 in Debt Service Fund fund balance at June 30, 2010, $16,286 has been appropriated and included as anticipated revenue in the 2010-2011 Budget and $1,599 is unreserved and undesignated.

NOTE 11: CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004,c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget.

General Fund Expenditures Fiscal Year Ended June 30, 2010	$126,256,444
Add:	
Transfer from Capital Reserve to Capital Projects Fund	$576,800
Less:	
On-behalf TPAF Pension and Social Security Reimbursement	$7,591,138
Adjusted General Fund Expenditures	$119,242,106
Excess Surplus Percentage	2.00%
2% of Adjusted 2009-10 General Fund Expenditures	$2,384,842
Add: Allowable Adjustments	$691,017
Maximum Unreserved/Undesignated Fund Balance	$3,075,859
Actual Unreserved/Undesignated Fund Balance	$5,671,046
General Fund Expenditures: Excess Surplus	$2,595,187

Based on this calculation, the Township of South Brunswick School District has $2,595,187 excess fund balance resulting from the year ended June 30, 2010.

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

FUND	INTERFUND RECEIVABLE	INTERFUND PAYABLE
General Fund	$ 870,083.00	$
Special Revenue Fund	444.00	471,868.00
Capital Projects Fund		139,302.00
Childrens' Community Enrichment Fund		257,061.00
Payroll Agency Fund		2,296.00
	$ 870,527.00	$ 870,527.00

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

NOTE 13: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of South Brunswick Board of Education on October 2, 2000 in the amount of $10.00 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 of Education, 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 (June 1 to June 30) of any unanticipated revenue or unexpended line item appropriations, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special election dates authorized by N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

NOTE 13: CAPITAL RESERVE ACCOUNT (CONTINUED)

Capital Reserve Account

Beginning balance, July 1, 2009		$2,412,509.00
Budgeted increase in Capital Reserve (net)	$347,100.00	
District contribution per resolution	1,150,000.00	
Transferred from Capital Projects Fund	300.00	
Interest earned	7,662.00	
		1,505,062.00
		3,917,571.00
Withdrawals		
Transfer to Capital Projects		577,100.00
Ending balance, June 30, 2010		$3,340,471.00

NOTE 14: DEFERRED COMPENSATION

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans permit 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. Since the Board does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2010.

NOTE 15: INVENTORY

Inventory in the Food Service Fund at June 30, 2010 consisted of the following:

Food and Supplies	$50,171.00

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

NOTE 16: COMPENSATED ABSENCES

District employees earn sick leave per the terms of the various labor agreements negotiated by the Board. Unused sick leave may be carried forward without limitation and upon retirement from the District those employees who have completed 15 years of service in the District, will receive payment for accumulated unused sick leave at rates and percentages in accordance with the various agreements.

Twelve month District employees are entitled to accumulate vacation time, the carryover of which is unlimited for non-unit employees and limited for members of the administrative unit, and will be paid upon separation from service at the District.

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net assets. As of June 30, 2010, a liability existed for compensated absences for governmental fund-types in the district- wide Statement of Net Assets of $3,005,654.00.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2010 a liability existed for compensated absences in the proprietary funds of $136,433.00.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

NOTE 17: EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the Township of South Brunswick Board of Education in the amount of $400,000.00 in the 2008-2009 school year for the accumulation of funds for use as emergency expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve is used to accumulate funds in accordance with *N.J.S.A.* 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of $250,000 or 1 percent of the general fund budget not to exceed $1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both.

NOTE 17: EMERGENCY RESERVE ACCOUNT (CONTINUED)

The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent.

During the Fiscal Year ended June 30, 2010 the District has the following activity in the Emergency Reserve Account:

Beginning balance, July 1, 2009	$400,000.00
Increased by:	
Board Resolution dated June 7. 2010	250,000.00
Ending balance, June 30, 2010	$650,000.00

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES					
Local sources:					
Local tax levy	$ 96,009,320.00	$	$ 96,009,320.00	$ 96,009,320.00	$
Tuition	202,230.00		202,230.00	204,312.00	2,082.00
Transportation fees from other LEAs				61,845.00	61,845.00
Interest earned on capital reserve funds	16,300.00		16,300.00	7,662.00	(8,638.00)
Unrestricted miscellaneous revenues	747,770.00		747,770.00	417,381.00	(330,389.00)
Total revenues-local sources	96,975,620.00		96,975,620.00	96,700,520.00	(275,100.00)
State sources:					
Extraordinary aid				635,803.00	635,803.00
Categorical special education aid	5,132,371.00		5,132,371.00	5,132,371.00	
Equalization aid	16,387,107.00	(7,017,996.00)	9,369,111.00	9,369,111.00	
Categorical security aid	723,829.00	(253,340.00)	470,489.00	470,489.00	
Categorical Transportation aid	3,008,208.00	(1,052,873.00)	1,955,335.00	1,955,335.00	
Non public transportation aid				55,214.00	55,214.00
Reimbursed TPAF social security contributions (non-budgeted)				4,050,342.00	4,050,342.00
On-behalf TPAF post retirement medical (non-budgeted)				3,540,796.00	3,540,796.00
Total - state sources	25,251,515.00	(8,324,209.00)	16,927,306.00	25,209,461.00	8,282,155.00
Federal sources:					
Medicaid reimbursement	25,443.00		25,443.00	56,466.00	31,023.00
ARRA-ESF		2,862,562.00	2,862,562.00	2,862,562.00	
ARRA-GSF		110,814.00	110,814.00	110,814.00	
Total - federal sources	25,443.00	2,973,376.00	2,998,819.00	3,029,842.00	31,023.00
Total revenues	122,252,578.00	(5,350,833.00)	116,901,745.00	124,939,823.00	8,038,078.00
EXPENDITURES					
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Kindergarten	2,740,492.00	(450,311.00)	2,290,181.00	2,276,419.00	13,762.00
Grades 1-5	12,977,783.00	(329,882.00)	12,647,901.00	12,639,047.00	8,854.00
Grades 6-8	9,030,657.00	(66,450.00)	8,964,207.00	8,956,983.00	7,224.00
Grades 9-12	12,467,197.00	(303,900.00)	12,163,297.00	12,163,126.00	171.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Regular programs - Undistributed Instruction:					
Other Salaries for Instruction	832,272.00	(53,448.00)	778,824.00	774,983.00	3,841.00
Purchased Professional Educational Services	21,000.00	(9,000.00)	12,000.00	11,988.00	12.00
Purchased Technical Services	58,100.00	(11,500.00)	46,600.00	44,002.00	2,598.00
Other Purchased Services (400-500 series)	706,452.00	(95,053.00)	611,399.00	585,937.00	25,462.00
General Supplies	1,027,303.00	(135,219.00)	892,084.00	822,132.00	69,952.00
Textbooks	394,931.00	58,764.00	453,695.00	437,869.00	15,826.00
Other Objects	825.00	1,112.00	1,937.00	1,237.00	700.00
Total Regular Programs	40,257,012.00	(1,394,887.00)	38,862,125.00	38,713,723.00	148,402.00
Learning and/or Language Disabilities:					
Salaries of Teachers	513,792.00	59,000.00	572,792.00	571,653.00	1,139.00
Other Salaries for Instruction	318,981.00	33,000.00	351,981.00	351,619.00	362.00
General Supplies	6,000.00	4,513.00	10,513.00	9,728.00	785.00
Textbooks	850.00		850.00		850.00
Total Learning and/or Language Disabilities	839,623.00	96,513.00	936,136.00	933,000.00	3,136.00
Visual Impairments:					
Other Objects		2,500.00	2,500.00	1,007.00	1,493.00
Total Visual Impairments		2,500.00	2,500.00	1,007.00	1,493.00
Multiple Disabilities:					
Salaries of Teachers	275,283.00	(5,000.00)	270,283.00	267,413.00	2,870.00
Other Salaries for Instruction	97,891.00	(10,000.00)	87,891.00	81,960.00	5,931.00
General Supplies	1,200.00	4,166.00	5,366.00	4,452.00	914.00
Total Multiple Disabilities	374,374.00	(10,834.00)	363,540.00	353,825.00	9,715.00
Resource Room/ Resource Center:					
Salaries of Teachers	5,397,480.00	124,695.00	5,522,175.00	5,520,509.00	1,666.00
Other Salaries for Instruction	595,253.00	(58,100.00)	537,153.00	537,151.00	2.00
Purchased Professional- Educational Services		363.00	363.00	363.00	
General Supplies	46,250.00	(20,749.00)	25,501.00	18,609.00	6,892.00
Textbooks	3,250.00	655.00	3,905.00	3,359.00	546.00
Total Resource Room/ Resource Center	6,042,233.00	46,864.00	6,089,097.00	6,079,991.00	9,106.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Autism:					
Salaries of Teachers	599,445.00	(105,800.00)	493,645.00	489,452.00	4,193.00
Other Salaries for Instruction	454,764.00	(7,585.00)	447,179.00	446,886.00	293.00
General Supplies	4,800.00	(892.00)	3,908.00	3,905.00	3.00
Total Autism	1,059,009.00	(114,277.00)	944,732.00	940,243.00	4,489.00
Preschool Disabilities - Part Time:					
Salaries of Teachers	171,425.00	4,300.00	175,725.00	175,630.00	95.00
Other Salaries for Instruction	26,476.00		26,476.00	26,104.00	372.00
General Supplies	5,700.00	(3,800.00)	1,900.00	1,794.00	106.00
Total Preschool Disabilities - Part Time	203,601.00	500.00	204,101.00	203,528.00	573.00
Preschool Disabilities - Full Time:					
Salaries of Teachers	131,609.00	1,000.00	132,609.00	132,514.00	95.00
Other Salaries for Instruction	46,500.00	7,400.00	53,900.00	53,564.00	336.00
Total Preschool Disabilities - Full Time	178,109.00	8,400.00	186,509.00	186,078.00	431.00
Home Instruction:					
Salaries of Teachers	41,000.00	17,000.00	58,000.00	57,597.00	403.00
Purchased Professional- Educational Services	84,000.00	(41,000.00)	43,000.00	42,796.00	204.00
Total Home Instruction	125,000.00	(24,000.00)	101,000.00	100,393.00	607.00
Total Special Education - Instruction	8,821,949.00	5,666.00	8,827,615.00	8,798,065.00	29,550.00
Basic Skills/ Remedial - Instruction:					
Salaries of Teachers	2,544,194.00	(396,950.00)	2,147,244.00	2,147,113.00	131.00
Other Salaries for Instruction	88,901.00	(6,377.00)	82,524.00	82,098.00	426.00
General Supplies	1,500.00	(1,500.00)			
Total Basic Skills/ Remedial - Instruction	2,634,595.00	(404,827.00)	2,229,768.00	2,229,211.00	557.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Bilingual education - instruction:					
Salaries of Teachers	234,909.00	3,650.00	238,559.00	236,210.00	2,349.00
General Supplies	5,200.00	(1,000.00)	4,200.00	3,512.00	688.00
Total Bilingual Education - Instruction	240,109.00	2,650.00	242,759.00	239,722.00	3,037.00
School Sponsored Co/Extra Curricular Activities - Instruction:					
Salaries	500,450.00	(124,012.00)	376,438.00	376,437.00	1.00
Purchased Services (300-500 series)	53,450.00	3,540.00	56,990.00	46,548.00	10,442.00
Supplies and Materials	75,070.00	(24,272.00)	50,798.00	30,363.00	20,435.00
Other Objects	1,250.00	4,697.00	5,947.00	5,888.00	59.00
Total School Sponsored Co/Extra Curricular Activities - Instruction	630,220.00	(140,047.00)	490,173.00	459,236.00	30,937.00
School Sponsored Athletics - Instruction:					
Salaries	974,883.00	(38,000.00)	936,883.00	832,716.00	104,167.00
Purchased Services (300-500 series)	148,590.00	(16,274.00)	132,316.00	82,735.00	49,581.00
Supplies and Materials	177,475.00	(13,083.00)	164,392.00	148,003.00	16,389.00
Other Objects	1,825.00	7,610.00	9,435.00	8,545.00	890.00
Transfers to Cover Deficit (Agency Funds)	86,520.00		86,520.00	73,850.00	12,670.00
Total School Sponsored Athletics - Instruction	1,389,293.00	(59,747.00)	1,329,546.00	1,145,849.00	183,697.00
Community Services Programs/Operations					
Salaries	6,000.00	(4,782.00)	1,218.00	96.00	1,122.00
Purchased Services (300-500 series)		4,782.00	4,782.00	3,464.00	1,318.00
Total Community Services Programs/Operations	6,000.00		6,000.00	3,560.00	2,440.00
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the State - Regular	9,200.00	120.00	9,320.00	9,317.00	3.00
Tuition to other LEAs within the State - Special	138,500.00	114,769.00	253,269.00	253,268.00	1.00
Tuition to CSSD & Regular Day Schools	327,000.00	(80,462.00)	246,538.00	172,169.00	74,369.00
Tuition to Private Schools for the Disabled W/I State	2,978,229.00	(39,111.00)	2,939,118.00	2,781,815.00	157,303.00
Tuition to Private Schools for the Disabled & Other LEA'S-Spl, O/S State	168,000.00	(167,960.00)	40.00		40.00
Tuition - State Facilities	22,771.00		22,771.00	22,771.00	
Tuition - Other	177,000.00	(124,920.00)	52,080.00	52,032.00	48.00
Total Undistributed Expenditures - Instruction	3,820,700.00	(297,564.00)	3,523,136.00	3,291,372.00	231,764.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expenditures - Attendance & Social Work:					
Salaries	83,185.00	(5,500.00)	77,685.00	77,599.00	86.00
Total Undistributed Expenditures - Attendance & Social Work	83,185.00	(5,500.00)	77,685.00	77,599.00	86.00
Undistributed Expenditures - Health Services:					
Salaries	1,221,257.00	46,671.00	1,267,928.00	1,263,667.00	4,261.00
Purchased Professional and Technical Services	46,500.00	(14,087.00)	32,413.00	25,742.00	6,671.00
Supplies and Materials	39,108.00	(456.00)	38,652.00	35,413.00	3,239.00
Total Undistributed Expenditures - Health Services	1,306,865.00	32,128.00	1,338,993.00	1,324,822.00	14,171.00
Undistributed Expend. - Speech, OT, PT & Related Services:					
Salaries	858,046.00	3,000.00	861,046.00	860,988.00	58.00
Purchased professional - Educational Services	40,500.00	(17,400.00)	23,100.00	21,909.00	1,191.00
Supplies and materials	42,570.00	(19,997.00)	22,573.00	22,537.00	36.00
Total Undistributed Expend. - Speech, OT, PT & Related Services	941,116.00	(34,397.00)	906,719.00	905,434.00	1,285.00
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	2,199,127.00	(225,214.00)	1,973,913.00	1,971,376.00	2,537.00
Other Purchased Services (400-500 series)	3,000.00	2,753.00	5,753.00	5,572.00	181.00
Supplies and Materials	161,550.00	(88,410.00)	73,140.00	71,487.00	1,653.00
Total Undistributed Expenditures - Guidance	2,363,677.00	(310,871.00)	2,052,806.00	2,048,435.00	4,371.00
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	2,464,518.00	(54,401.00)	2,410,117.00	2,406,420.00	3,697.00
Salaries of Secretarial and Clerical Assistants	173,668.00	(7,500.00)	166,168.00	165,755.00	413.00
Purchased Professional - Educational Services	10,000.00	(10,000.00)			
Other Purchased Professional & Technical Services	112,000.00	(25,055.00)	86,945.00	86,944.00	1.00
Miscellaneous Purchased Services (400-500 series o/than resid. cost)	750.00		750.00	636.00	114.00
Supplies and Materials	25,650.00	6,994.00	32,644.00	32,271.00	373.00
Other Objects	500.00		500.00	500.00	
Total Undistributed Expenditures - Child Study Teams	2,787,086.00	(89,962.00)	2,697,124.00	2,692,526.00	4,598.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expenditures - Improvement of Instr. Serv.					
Salaries of Supervisors of Instruction	673,126.00	(6,405.00)	666,721.00	665,862.00	859.00
Purchased Professionals - Educational Services	66,632.00	(56,544.00)	10,088.00	7,818.00	2,270.00
Other Purchased Services (400-500 series)	35,000.00	(16,540.00)	18,460.00	15,466.00	2,994.00
Supplies and Materials	18,500.00	(7,278.00)	11,222.00	11,172.00	50.00
Total Undistributed Expenditures - Improvement of Instr. Serv.	793,258.00	(86,767.00)	706,491.00	700,318.00	6,173.00
Undistributed Expend. - Educational Media Serv./School Library:					
Salaries	790,124.00	5,000.00	795,124.00	792,505.00	2,619.00
Purchased Professional and Technical Services		8,450.00	8,450.00	8,450.00	
Supplies and Materials	512,599.00	(155,602.00)	356,997.00	353,135.00	3,862.00
Total Undistributed Expend. - Educational Media Serv./School Library	1,302,723.00	(142,152.00)	1,160,571.00	1,154,090.00	6,481.00
Undistributed Expend.- Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	568,552.00	922.00	569,474.00	566,539.00	2,935.00
Salaries of Other Professional Staff	172,175.00	(19,100.00)	153,075.00	153,016.00	59.00
Salaries of Secretarial and Clerical Assistants	52,855.00	(1,700.00)	51,155.00	51,067.00	88.00
Other Salaries	13,200.00	25,062.00	38,262.00	37,962.00	300.00
Purchased Professional - Educational Services	124,500.00	(80,575.00)	43,925.00	40,401.00	3,524.00
Other Purchased Services (400-500 series)	28,900.00	(10,648.00)	18,252.00	10,944.00	7,308.00
Supplies and Materials	9,500.00	167,911.00	177,411.00	170,448.00	6,963.00
Other Objects	5,000.00	(5,000.00)			
Total Undistributed Expend.- Instructional Staff Training Services	974,682.00	76,872.00	1,051,554.00	1,030,377.00	21,177.00
Undistributed Expend.-Support Services-General Administration:					
Salaries	456,834.00	7,700.00	464,534.00	464,515.00	19.00
Legal Services	142,500.00	(41,588.00)	100,912.00	80,339.00	20,573.00
Audit Fees	45,000.00	(2,525.00)	42,475.00	42,475.00	
Other Purchased Professional Services	57,000.00	(3,000.00)	54,000.00	52,305.00	1,695.00
Purchased Technical Services	11,500.00	(1,844.00)	9,656.00	6,356.00	3,300.00
Communications/Telephone	366,300.00	251,323.00	617,623.00	583,753.00	33,870.00
BOE Other Purch Serv	13,000.00	(4,851.00)	8,149.00	4,583.00	3,566.00
Misc. Purchased Services (400-500 series, O/T 530 & 585)	376,741.00	3,942.00	380,683.00	378,147.00	2,536.00
General Supplies	76,733.00	(29,150.00)	47,583.00	35,723.00	11,860.00
Miscellaneous Expenditures	4,200.00	65.00	4,265.00	4,151.00	114.00
BOE Membership Dues and Fees	46,941.00	(5,475.00)	41,466.00	39,880.00	1,586.00
Total Undistributed Expend.-Support Services-General Administration	1,596,749.00	174,597.00	1,771,346.00	1,692,227.00	79,119.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend.-Support Services- School Administration:					
Salaries of Principals/Assistant Principals	3,056,977.00	(90,300.00)	2,966,677.00	2,965,741.00	936.00
Salaries of Other Professional Staff	420,561.00	(72,090.00)	348,471.00	325,979.00	22,492.00
Salaries of Secretarial and Clerical Assistants	2,522,662.00	(140,164.00)	2,382,498.00	2,379,331.00	3,167.00
Other Purchased Services (400-500 series)	126,300.00	(40,292.00)	86,008.00	42,514.00	43,494.00
Supplies and Materials	29,100.00	19,940.00	49,040.00	47,308.00	1,732.00
Other Objects		14,614.00	14,614.00	14,328.00	286.00
Total Undistributed Expend.-Support Services- School Administration	6,155,600.00	(308,292.00)	5,847,308.00	5,775,201.00	72,107.00
Undistributed Expend. - Central Services					
Salaries	1,539,502.00	(30,000.00)	1,509,502.00	1,507,789.00	1,713.00
Purchased Professional Services	9,500.00	(500.00)	9,000.00	5,320.00	3,680.00
Purchased Technical Services	116,002.00	(20,566.00)	95,436.00	94,792.00	644.00
Miscellaneous Purchased Services (400-500 series, O/T 594)	107,951.00	(32,864.00)	75,087.00	49,816.00	25,271.00
Interest on Lease Purchase Agreements	6,812.00		6,812.00	6,811.00	1.00
Other Objects	5,500.00	126.00	5,626.00	4,784.00	842.00
Total Undistributed Expend. - Central Services	1,785,267.00	(83,804.00)	1,701,463.00	1,669,312.00	32,151.00
Undistributed Expend. - Admin. Info. Technology:					
Salaries	685,965.00	(4,500.00)	681,465.00	681,267.00	198.00
Other Purchased Services (400-500 series)	3,500.00	2,030.00	5,530.00	5,523.00	7.00
Other Objects	500.00		500.00	200.00	300.00
Total Undistributed Expend. - Admin. Info. Technology	689,965.00	(2,470.00)	687,495.00	686,990.00	505.00
Undistributed Expend.-Required Maintenance for School Facilities:					
Salaries	1,223,083.00	(80,000.00)	1,143,083.00	1,135,791.00	7,292.00
Cleaning, Repair and Maintenance Services	1,349,253.00	(568,887.00)	780,366.00	735,205.00	45,161.00
General Supplies	263,000.00	34,800.00	297,800.00	274,396.00	23,404.00
Total Undistributed Expend.-Required Maintenance for School Facilities	2,835,336.00	(614,087.00)	2,221,249.00	2,145,392.00	75,857.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend.-Custodial Services:					
Salaries	4,979,885.00	(300,259.00)	4,679,626.00	4,621,425.00	58,201.00
Purchased Professional and Technical Services	136,000.00	25,863.00	161,863.00	141,263.00	20,600.00
Cleaning, Repair and Maintenance Services	462,256.00	79,840.00	542,096.00	434,833.00	107,263.00
Rental of Land & Bldg. Other than Lease Purch. Agreement	318,250.00	35,938.00	354,188.00	349,155.00	5,033.00
Other Purchased Property Services	138,600.00	(18,000.00)	120,600.00	118,068.00	2,532.00
Insurance	233,671.00	(5,597.00)	228,074.00	228,040.00	34.00
Miscellaneous Purchased Services	61,000.00	(59,812.00)	1,188.00	1,187.00	1.00
General Supplies	574,000.00	399,446.00	973,446.00	879,310.00	94,136.00
Energy (Electricity)	4,414,390.00	(497,529.00)	3,916,861.00	3,688,714.00	228,147.00
Other Objects	24,400.00	3,700.00	28,100.00	27,753.00	347.00
Total Undistributed Expend.-Custodial Services:	11,342,452.00	(336,410.00)	11,006,042.00	10,489,748.00	516,294.00
Care and Upkeep of Grounds:					
Salaries	441,720.00	(168,633.00)	273,087.00	267,205.00	5,882.00
Cleaning, Repair and Maintenance Services	112,500.00	100,000.00	212,500.00	191,956.00	20,544.00
General Supplies	82,000.00	45,800.00	127,800.00	127,241.00	559.00
Total Care and Upkeep of Grounds	636,220.00	(22,833.00)	613,387.00	586,402.00	26,985.00
Security:					
Salaries	49,100.00	(28,000.00)	21,100.00	20,913.00	187.00
Total Security:	49,100.00	(28,000.00)	21,100.00	20,913.00	187.00
Total Undistributed Expend.- Oper. & Maintence of Plant Serv.	14,863,108.00	(1,001,330.00)	13,861,778.00	13,242,455.00	619,323.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend.-Student Transportation Services:					
Salaries for Pupil Transportation (bet. home & school)-Reg	878,866.00	(65,000.00)	813,866.00	791,070.00	22,796.00
Salaries for Pupil Transportation (bet. home & school)-Special Ed.	1,363,790.00	(126,764.00)	1,237,026.00	1,231,191.00	5,835.00
Salaries for Pupil Transportation (other than bet. home & school)	392,101.00	(140,000.00)	252,101.00	243,791.00	8,310.00
Other Purchased Professional and Technical Services	25,223.00	2,029.00	27,252.00	21,923.00	5,329.00
Cleaning, Repair and Maintenance Services	106,653.00	3,603.00	110,256.00	110,131.00	125.00
Lease Purchase Payments - School Buses	144,059.00		144,059.00	144,058.00	1.00
Contracted Services (between home and school) - Vendors	3,419,187.00	(512,245.00)	2,906,942.00	2,894,471.00	12,471.00
Contracted Services (other than between home and school) - Vendors	419,185.00	(48,905.00)	370,280.00	318,542.00	51,738.00
Contracted Services (between home and school) - Joint Agreements	121,703.00	(96,500.00)	25,203.00	13,260.00	11,943.00
Contracted Services - Special Ed. Students- Vendors	25,461.00	18,900.00	44,361.00	44,321.00	40.00
Contracted Services - Special Ed. Students - Joint Agreements	1,414,169.00	(192,932.00)	1,221,237.00	1,198,018.00	23,219.00
Contracted Services - Aid in Lieu of Payments- Non-Public Schools	280,598.00	(20,000.00)	260,598.00	257,954.00	2,644.00
Miscellaneous Purchased Services - Transportation	32,800.00	(3,699.00)	29,101.00	20,321.00	8,780.00
General Supplies	380,000.00	129,902.00	509,902.00	496,027.00	13,875.00
Other Objects	2,200.00	466.00	2,666.00	1,609.00	1,057.00
Total Undistributed Expend.-Student Transportation Services	9,005,995.00	(1,051,145.00)	7,954,850.00	7,786,687.00	168,163.00
Student Transportation Services:					
Social Security Contributions	203,155.00		203,155.00	167,810.00	35,345.00
Health Benefits	1,070,710.00	68,000.00	1,138,710.00	1,120,646.00	18,064.00
Total Student Transportation Services	1,273,865.00	68,000.00	1,341,865.00	1,288,456.00	53,409.00
Total Allocated Benefits	1,273,865.00	68,000.00	1,341,865.00	1,288,456.00	53,409.00
Unallocated Benefits:					
Group Insurance		324.00	324.00	323.00	1.00
Social Security Contributions - Other	1,792,000.00	(103,160.00)	1,688,840.00	1,508,524.00	180,316.00
Other Retirement Contributions - Regular	1,700,850.00	(250,100.00)	1,450,750.00	1,329,445.00	121,305.00
Unemployment Compensation	175,000.00	271,500.00	446,500.00	446,500.00	
Workmen's Compensation	603,417.00	673,924.00	1,277,341.00	811,818.00	465,523.00
Health Benefits	15,664,655.00	(171,788.00)	15,492,867.00	15,482,166.00	10,701.00
Tuition Reimbursement	95,000.00	(26,000.00)	69,000.00	68,621.00	379.00
Total Unallocated Benefits	20,030,922.00	394,700.00	20,425,622.00	19,647,397.00	778,225.00
Total Personal Services - Employee	21,304,787.00	462,700.00	21,767,487.00	20,935,853.00	831,634.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Reimbursed TPAF social security contributions (non-budgeted)				4,050,342.00	(4,050,342.00)
On-behalf TPAF post retirement medical (non-budgeted)				3,540,796.00	(3,540,796.00)
TOTAL UNDISTRIBUTED EXPENDITURES	69,774,763.00	(2,667,957.00)	67,106,806.00	72,604,836.00	(5,498,030.00)
TOTAL GENERAL CURRENT EXPENSE	123,753,941.00	(4,659,149.00)	119,094,792.00	124,194,202.00	(5,099,410.00)
CAPITAL OUTLAY:					
Increase in Capital Reserve	347,100.00		347,100.00		347,100.00
Interest Deposit to Capital Reserve	16,300.00		16,300.00		16,300.00
EQUIPMENT:					
Grades 1-5	125,000.00	(122,197.00)	2,803.00	2,795.00	8.00
Grades 6-8	150,000.00	(142,403.00)	7,597.00	7,193.00	404.00
Grades 9-12	207,000.00	(137,839.00)	69,161.00	13,547.00	55,614.00
Special Education - Instruction					
Multiple Disablities		3,472.00	3,472.00	3,472.00	
Vocational Programs:					
School - Sponsored and Other Instructional Programs		19,877.00	19,877.00	19,876.00	1.00
Undistributed:					
Undistributed Expenditures - Gen. Admin.		749,303.00	749,303.00	411,579.00	337,724.00
Undistributed Expenditures - Central Services		4,308.00	4,308.00	4,308.00	
Undist. Expend. - Custodial Services		49,377.00	49,377.00	49,376.00	1.00
Undist. Expend. - Care & Upkeep of Grounds		27,770.00	27,770.00	27,770.00	
School Buses - Regular	285,000.00	45,540.00	330,540.00	234,160.00	96,380.00
TOTAL EQUIPMENT	767,000.00	497,208.00	1,264,208.00	774,076.00	490,132.00
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	247,500.00	26,254.00	273,754.00	110,568.00	163,186.00
Construction Services	1,122,600.00	(21,401.00)	1,101,199.00	875,721.00	225,478.00
Supplies and Materials	10,300.00	161,876.00	172,176.00	171,669.00	507.00
Lease Purchase Agreements - Principal	130,268.00		130,268.00	130,208.00	60.00
	1,510,668.00	166,729.00	1,677,397.00	1,288,166.00	389,231.00
TOTAL CAPITAL OUTLAY	2,641,068.00	663,937.00	3,305,005.00	2,062,242.00	1,242,763.00
TOTAL EXPENDITURES	126,395,009.00	(3,995,212.00)	122,399,797.00	126,256,444.00	(3,856,647.00)

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,142,431.00)	(1,355,621.00)	(5,498,052.00)	(1,316,621.00)	4,181,431.00
Other financing sources (use)					
Transfer of funds:					
Transfer to/from capital projects fund	(577,100.00)		(577,100.00)	(576,800.00)	(300.00)
Total other financing sources	(577,100.00)		(577,100.00)	(576,800.00)	(300.00)
Excess/Deficit of Revenues and other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources	(4,719,531.00)	(1,355,621.00)	(6,075,152.00)	(1,893,421.00)	4,181,131.00
Fund Balances, July 1,	15,529,513.00		15,529,513.00	15,529,513.00	
Fund Balances, June 30,	$ 10,809,982.00	$ (1,355,621.00)	$ 9,454,361.00	$ 13,636,092.00	$ 4,181,131.00

Recapitulation:		
Reserve for Encumbrances	$	974,575.00
Excess Surplus - Designated for Subsequent Year's Expenditures		3,000,000.00
Reserve for Excess Surplus		2,595,187.00
Capital Reserve		3,340,471.00
Emergency Reserve		650,000.00
Unrestricted Fund Balance		3,075,859.00
		13,636,092.00
Reconciliation to Governmental Funds Statements (GAAP):		
Last State Aid Payment not recognized on GAAP basis		(2,493,473.00)
Fund Balance per Governmental Funds (GAAP)	$	11,142,619.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - ARRA ESF
FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES					
Federal sources:					
ARRA-ESF		$2,862,562.00	$2,862,562.00	$2,862,562.00	
Total - federal sources		2,862,562.00	2,862,562.00	2,862,562.00	
Total revenues		2,862,562.00	2,862,562.00	2,862,562.00	
EXPENDITURES					
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Grades 9-12		2,862,562.00	2,862,562.00	2,862,562.00	
Total Regular Programs		$2,862,562.00	$2,862,562.00	$2,862,562.00	

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - ARRA GSF
FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES					
Federal sources:					
ARRA-GSF		$110,814.00	$110,814.00	$110,814.00	
Total - federal sources		110,814.00	110,814.00	110,814.00	
Total revenues		110,814.00	110,814.00	110,814.00	
EXPENDITURES					
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Grades 9-12		110,814.00	110,814.00	110,814.00	
Total Regular Programs		$110,814.00	$110,814.00	$110,814.00	

Exhibit "C-2"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
State Aid	$ 335,502.00	$ 76,146.00	$ 411,648.00	$ 392,690.00	$ (18,958.00)
Federal Aid	2,159,971.00	2,894,039.00	5,054,010.00	3,589,133.00	(1,464,877.00)
Local Sources		60,087.00	60,087.00	46,004.00	(14,083.00)
Total Revenues	2,495,473.00	3,030,272.00	5,525,745.00	4,027,827.00	(1,497,918.00)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	387,951.00	638,055.00	1,026,006.00	518,354.00	507,652.00
Other Salaries for Instruction		8,436.00	8,436.00	8,436.00	
Purchased Professional and Technical Services	266,191.00	61,036.00	327,227.00	310,239.00	16,988.00
Tuition		2,180,498.00	2,180,498.00	1,828,659.00	351,839.00
General Supplies		96,080.00	96,080.00	94,970.00	1,110.00
Textbooks	40,785.00	14,030.00	54,815.00	54,815.00	
Other Objects		13,336.00	13,336.00	6,160.00	7,176.00
Total Instruction	694,927.00	3,011,471.00	3,706,398.00	2,821,633.00	884,765.00
Support Services:					
Salaries of Principals/Assistant Principals/Program Directors		202,563.00	202,563.00	97,178.00	105,385.00
Salaries of Other Professional Staff	1,755,840.00	(1,627,613.00)	128,227.00	100,612.00	27,615.00
Other Salaries		17,374.00	17,374.00	13,866.00	3,508.00
Personal Services - Employee Benefits		139,423.00	139,423.00	68,895.00	70,528.00
Purchased Professional and Technical Services		198,487.00	198,487.00	135,169.00	63,318.00
Purchased Professional - Educational Services	28,526.00	301,078.00	329,604.00	270,481.00	59,123.00
Other Purchased Services (400-500 Series)		64,872.00	64,872.00	44,210.00	20,662.00
Supplies and Materials	16,180.00	715,692.00	731,872.00	469,308.00	262,564.00
Miscellaneous Expenditures		6,925.00	6,925.00	6,475.00	450.00
Total Support Services	1,800,546.00	18,801.00	1,819,347.00	1,206,194.00	613,153.00
Total Expenditures	2,495,473.00	3,030,272.00	5,525,745.00	4,027,827.00	1,497,918.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	$	$	$	$	$

EXHIBIT "C-3"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Note A - Explanation of difference between budgetary inflows and outflows and GAAP Revenues and Expenditures

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	$124,939,823.00	$4,027,827.00
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	N/A	
The last State aid payment of the current year 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)	(2,493,473.00)	
The last State aid payment of the prior year is recognized as revenue under GAAP when the State recognizes the related expense (GASB 33). (This revenue was recognized during the previous fiscal year for budgetary purposes.)	2,253,016.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	$124,699,366.00	$4,027,827.00
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	$126,256,444.00	$4,027,827.00
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 the supplies are received for financial reporting purposes.	N/A	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$126,256,444.00	$4,027,827.00

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Nonpublic Nursing Services Aid Chapter 226 L. 1991 2008-09	N.J. Nonpublic Textbook Aid Chapter 194 L. 1979	N.J. Nonpublic Handicapped Services Chapter 193, L. 1977			N.J. Nonpublic Auxiliary Services Chapter 192, L. 1977	
			Examination and Classi-fication	Corrective Speech	Supplementary Instruction	Compensatory Education	English as a Second Language
Revenues:							
State Aid	$65,002.00	$54,815.00	$23,218.00	$39,755.00	$15,929.00	$85,413.00	$30,338.00
Federal Aid							
Miscellaneous							
Total Revenues	65,002.00	54,815.00	23,218.00	39,755.00	15,929.00	85,413.00	30,338.00
Expenditures:							
Instruction:							
Salaries of Teachers							
Other Salaries for Instruction							
Purchased Professional and Technical Services	61,880.00		23,218.00	39,755.00	15,929.00	85,413.00	30,338.00
Tuition							
General Supplies							
Textbooks		54,815.00					
Other Objects							
Total Instruction	61,880.00	54,815.00	23,218.00	39,755.00	15,929.00	85,413.00	30,338.00
Support Services:							
Salaries of Principals/Assistant Principals/Program Directors							
Salaries of Other Professional Staff							
Other Salaries							
Personal Services - Employee Benefits							
Purchased Professional and Technical Services							
Purchased Professional - Educational Services							
Other Purchased Services (400-500 Series)							
Supplies and Materials	3,122.00						
Miscellaneous Expenditures							
Total Support Services	3,122.00						
Total Expenditures	$65,002.00	$54,815.00	$23,218.00	$39,755.00	$15,929.00	$85,413.00	$30,338.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)							

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	N.J. Nonpublic Auxiliary Services Chapter 192, L. 1977		Family Friendly Centers Initiative	Municipal Alliance Grants	Municipal Alliance Grants	Environmental Awareness Grant	REBEL2 Program
	Home Instruction	Trans-portation	2009-10	EPIC Carryover 2009	EPIC 2010	Crossroads Middle School 2009-10	High School Carryover 2007-08
Revenues:							
State Aid	$2,785.00	$19,421.00	$45,463.00	$5,465.00	$1,185.00	$889.00	$12.00
Federal Aid							
Miscellaneous							
Total Revenues	2,785.00	19,421.00	45,463.00	5,465.00	1,185.00	889.00	12.00
Expenditures:							
Instruction:							
Salaries of Teachers							
Other Salaries for Instruction							
Purchased Professional and Technical Services	2,785.00	19,421.00		2,300.00			
Tuition							
General Supplies							
Textbooks							
Other Objects			1,600.00				
Total Instruction	2,785.00	19,421.00	1,600.00	2,300.00			
Support Services:							
Salaries of Principals/Assistant Principals/Program Directors							
Salaries of Other Professional Staff							
Other Salaries			10,074.00	416.00	219.00		
Personal Services - Employee Benefits							
Purchased Professional and Technical Services							
Purchased Professional - Educational Services			27,414.00				
Other Purchased Services (400-500 Series)			436.00	50.00			
Supplies and Materials			199.00	2,699.00	966.00	889.00	12.00
Miscellaneous Expenditures			5,740.00				
Total Support Services			43,863.00	3,165.00	1,185.00	889.00	12.00
Total Expenditures	$2,785.00	$19,421.00	$45,463.00	$5,465.00	$1,185.00	$889.00	$12.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)							

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	REBEL2 Program High School 2009-10	REBEL2 Program Crossroads North School 2009-10	REBEL2 Program Crossroads South School 2009-10	NCLB: Title I, Part A Carryover Summer 2009 2007-08	NCLB: Title I, Part A Summer 2009 Carryover 2008-09	NCLB: Title I, Part A Carryover 2008-09	NCLB: Title I, Part A 2009-10
Revenues:							
State Aid	$1,000.00	$1,000.00	$1,000.00				
Federal Aid				$45,905.00	$145,954.00	$10,804.00	$60,574.00
Miscellaneous							
Total Revenues	1,000.00	1,000.00	1,000.00	45,905.00	145,954.00	10,804.00	60,574.00
Expenditures:							
Instruction:							
Salaries of Teachers				40,101.00	135,543.00	6,954.00	54,103.00
Other Salaries for Instruction							
Purchased Professional and Technical Services							
Tuition							
General Supplies							
Textbooks							
Other Objects							
Total Instruction				40,101.00	135,543.00	6,954.00	54,103.00
Support Services:							
Salaries of Principals/Assistant Principals/Program Directors	1,000.00	1,000.00	1,000.00				
Salaries of Other Professional Staff							
Other Salaries							
Personal Services - Employee Benefits				3,061.00	10,263.00	532.00	6,471.00
Purchased Professional and Technical Services				1,300.00			
Purchased Professional - Educational Services							
Other Purchased Services (400-500 Series)				1,201.00			
Supplies and Materials				242.00	148.00	3,318.00	
Miscellaneous Expenditures							
Total Support Services	1,000.00	1,000.00	1,000.00	5,804.00	10,411.00	3,850.00	6,471.00
Total Expenditures	$1,000.00	$1,000.00	$1,000.00	$45,905.00	$145,954.00	$10,804.00	$60,574.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)							

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	NCLB: Title II, Part A Carryover Summer 2009 2007-08	NCLB: Title II, Part A Summer 2009 2008-09	NCLB: Title II, Part A Carryover 2008-09	NCLB: Title II, Part A 2009-10	NCLB: Title II, Part D Carryover Summer 2009 2007-08	NCLB: Title II, Part D Summer 2009 2008-09	NCLB: Title II, Part D Carryover 2008-09
Revenues:							
State Aid							
Federal Aid	$16,567.00	$53,228.00	$33,556.00	$50,984.00	$1,053.00	$71.00	$1,630.00
Miscellaneous							
Total Revenues	16,567.00	53,228.00	33,556.00	50,984.00	1,053.00	71.00	1,630.00
Expenditures:							
Instruction:							
Salaries of Teachers	15,390.00	44,315.00		34,754.00	928.00		
Other Salaries for Instruction							
Purchased Professional and Technical Services							
Tuition							
General Supplies							
Textbooks							
Other Objects							
Total Instruction	15,390.00	44,315.00		34,754.00	928.00		
Support Services:							
Salaries of Principals/Assistant Principals/Program Directors							
Salaries of Other Professional Staff							
Other Salaries							
Personal Services - Employee Benefits	1,177.00	3,123.00	268.00	4,007.00	71.00		
Purchased Professional and Technical Services		1,800.00	310.00	8,659.00			
Purchased Professional - Educational Services							
Other Purchased Services (400-500 Series)		3,795.00		2,606.00	54.00	71.00	
Supplies and Materials		195.00	32,978.00	958.00			1,630.00
Miscellaneous Expenditures							
Total Support Services	1,177.00	8,913.00	33,556.00	16,230.00	125.00	71.00	1,630.00
Total Expenditures	$16,567.00	$53,228.00	$33,556.00	$50,984.00	$1,053.00	$71.00	$1,630.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)							

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	NCLB: Title III, Part A Carryover Summer 2009 2007-08	NCLB: Title III, Part A Summer 2009 2008-09	NCLB: Title III, Part A Carryover 2008-09	NCLB: Title III, Part A 2009-10	NCLB: Title III, Part A Immigrant 2008-09	NCLB: Title IV, Part A 2009-10	I.D.E.I.A. Part B, Basic Carryover 2008-09
Revenues:							
State Aid							
Federal Aid	$1,162.00	$12,372.00	$18,562.00	$23,816.00	$8,285.00	$16,180.00	$38,164.00
Miscellaneous							
Total Revenues	1,162.00	12,372.00	18,562.00	23,816.00	8,285.00	16,180.00	38,164.00
Expenditures:							
Instruction:							
Salaries of Teachers	964.00	3,707.00	13,343.00	18,188.00	4,874.00	7,000.00	
Other Salaries for Instruction							
Purchased Professional and Technical Services							
Tuition							
General Supplies	17.00						213.00
Textbooks							
Other Objects							
Total Instruction	981.00	3,707.00	13,343.00	18,188.00	4,874.00	7,000.00	213.00
Support Services:							
Salaries of Principals/Assistant Principals/Program Directors							
Salaries of Other Professional Staff							
Other Salaries							595.00
Personal Services - Employee Benefits	74.00	283.00	1,950.00	2,551.00		536.00	
Purchased Professional and Technical Services				537.00		7,979.00	7,535.00
Purchased Professional - Educational Services							23,321.00
Other Purchased Services (400-500 Series)	107.00		419.00	318.00			2,718.00
Supplies and Materials		8,382.00	2,850.00	2,222.00	3,411.00	665.00	3,782.00
Miscellaneous Expenditures							
Total Support Services	181.00	8,665.00	5,219.00	5,628.00	3,411.00	9,180.00	37,951.00
Total Expenditures	$1,162.00	$12,372.00	$18,562.00	$23,816.00	$8,285.00	$16,180.00	$38,164.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)							

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	I.D.E.I.A. Part B, Basic 2009-10	I.D.E.I.A. Part B, Basic Carryover 2007-08	I.D.E.I.A. Part B, Basic Carryover 2008-09	I.D.E.I.A. Part B, Preschool 2009-10	I.D.E.I.A. Part B, Basic A.R.R.A. 7/1-9/30/10 2009-10	I.D.E.I.A. Part B, Basic A.R.R.A. 10/1-6/30/10 2009-10	I.D.E.I.A. Part B, Preschool A.R.R.A. 7/1-9/30/10 2009-10
Revenues:							
State Aid							
Federal Aid	$1,684,598.00	$6,122.00	$4,016.00	$56,182.00	$123,017.00	$896,644.00	$23,433.00
Miscellaneous							
Total Revenues	1,684,598.00	6,122.00	4,016.00	56,182.00	123,017.00	896,644.00	23,433.00
Expenditures:							
Instruction:							
Salaries of Teachers					56,199.00	26,740.00	2,631.00
Other Salaries for Instruction							
Purchased Professional and Technical Services	7,000.00				22,200.00		
Tuition	1,430,873.00			52,612.00		345,174.00	
General Supplies	3,892.00						4,838.00
Textbooks							
Other Objects							
Total Instruction	1,441,765.00			52,612.00	78,399.00	371,914.00	7,469.00
Support Services:							
Salaries of Principals/Assistant Principals/Program Directors					5,362.00	69,909.00	
Salaries of Other Professional Staff	73,840.00					3,528.00	
Other Salaries							
Personal Services - Employee Benefits	10,788.00				4,709.00	12,543.00	202.00
Purchased Professional and Technical Services	69,316.00			3,570.00		26,325.00	
Purchased Professional - Educational Services	87,195.00	6,122.00	4,016.00			74,949.00	
Other Purchased Services (400-500 Series)							15,762.00
Supplies and Materials	1,694.00				34,547.00	337,476.00	
Miscellaneous Expenditures							
Total Support Services	242,833.00	6,122.00	4,016.00	3,570.00	44,618.00	524,730.00	15,964.00
Total Expenditures	$1,684,598.00	$6,122.00	$4,016.00	$56,182.00	$123,017.00	$896,644.00	$23,433.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)							

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	I.D.E.I.A. Part B, Preschool A.R.R.A. 10/1-6/30/10 2009-10	Tech-Prep Grant Program 2009-10	Tech-Prep Grant Program Carryover 2008-09	N.J. School Boards Assn. Insurance Group Safety Program 2009-10	BMS / Rider Univ. Enhancement of Teaching Carryover 2007-08	Exxon Mobile Education Alliance Program Cambridge School 2009-10	Exxon Mobile Education Alliance Pgm Brunswick Acres Carryover 2008-09
Revenues:							
State Aid							
Federal Aid	$19,157.00	$168,709.00	$68,388.00				
Miscellaneous				$5,000.00	$1,351.00	$750.00	$500.00
Total Revenues	19,157.00	168,709.00	68,388.00	5,000.00	1,351.00	750.00	500.00
Expenditures:							
Instruction:							
Salaries of Teachers	4,418.00	21,782.00	13,967.00		1,000.00		
Other Salaries for Instruction							
Purchased Professional and Technical Services							
Tuition							
General Supplies		84,168.00	1,842.00				
Textbooks							
Other Objects							
Total Instruction	4,418.00	105,950.00	15,809.00		1,000.00		
Support Services:							
Salaries of Principals/Assistant Principals/Program Directors		14,476.00	3,931.00				
Salaries of Other Professional Staff	278.00	4,783.00	17,588.00				
Other Salaries							
Personal Services - Employee Benefits	358.00	3,138.00	2,790.00				
Purchased Professional and Technical Services		7,838.00					
Purchased Professional - Educational Services	2,303.00	25,918.00	19,243.00				
Other Purchased Services (400-500 Series)	179.00	5,018.00	6,125.00	5,000.00	351.00		
Supplies and Materials	11,621.00	1,388.00	2,902.00			750.00	500.00
Miscellaneous Expenditures		200.00					
Total Support Services	14,739.00	62,759.00	52,579.00	5,000.00	351.00	750.00	500.00
Total Expenditures	$19,157.00	$168,709.00	$68,388.00	$5,000.00	$1,351.00	$750.00	$500.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)							

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Exxon Mobile Education Alliance Program Constable School 2009-10	Islamic Society of Central Jersey United We Serve Initiative 2009-10	Rider University Connect-Ed Professional Learning Community 2008-10	Dow Chemical Company F.I.S.H. Year 2 Carryover 2008-09	Dow Chemical Company F.I.S.H. Year 3 2009-10	Totals 2010
Revenues:						
State Aid						$392,690.00
Federal Aid						3,589,133.00
Miscellaneous	$750.00	$5,253.00	$11,653.00	$4,076.00	$16,671.00	46,004.00
Total Revenues	750.00	5,253.00	11,653.00	4,076.00	16,671.00	4,027,827.00
Expenditures:						
Instruction:						
Salaries of Teachers			11,453.00			518,354.00
Other Salaries for Instruction					8,436.00	8,436.00
Purchased Professional and Technical Services						310,239.00
Tuition						1,828,659.00
General Supplies						94,970.00
Textbooks						54,815.00
Other Objects					4,560.00	6,160.00
Total Instruction			11,453.00		12,996.00	2,821,633.00
Support Services:						
Salaries of Principals/Assistant Principals/Program Directors					500.00	97,178.00
Salaries of Other Professional Staff						100,612.00
Other Salaries					3,157.00	13,866.00
Personal Services - Employee Benefits						68,895.00
Purchased Professional and Technical Services						135,169.00
Purchased Professional - Educational Services						270,481.00
Other Purchased Services (400-500 Series)						44,210.00
Supplies and Materials	750.00	4,718.00	200.00	4,076.00	18.00	469,308.00
Miscellaneous Expenditures		535.00				6,475.00
Total Support Services	750.00	5,253.00	200.00	4,076.00	3,675.00	1,206,194.00
Total Expenditures	$750.00	$5,253.00	$11,653.00	$4,076.00	$16,671.00	$4,027,827.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)						

CAPITAL PROJECTS FUND DETAIL STATEMENTS

EXHIBIT "F-1"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2010

Revenues and Other Financing Sources:	
Interest on Investments	$1,427.00
Total revenues	1,427.00
Expenditures and Other Financing Uses:	
Purchased professional and technical services	16,277.00
Construction services	2,054,446.00
Equipment purchases	8,878.00
Total expenditures	2,079,601.00
Excess (deficiency) of revenues over (under) expenditures	(2,078,174.00)
Other financing sources (uses):	
Transfers	575,373.00
Total other financing sources (uses)	575,373.00
Net change in fund balances	(1,502,801.00)
Fund balance - beginning	3,404,855.00
Fund balance - ending	$1,902,054.00

EXHIBIT "F-1a"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ADDITIONS AND ALTERATIONS TO BRUNSWICK ACRES ELEMENTARY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SCC Grant	$ 2,348,855.00	$	$ 2,348,855.00	$ 2,348,855.00
Bond proceeds and transfers	4,825,723.00		4,825,723.00	4,825,723.00
Total revenues	7,174,578.00		7,174,578.00	7,174,578.00
Expenditures and Other Financing Uses:				
Purchased professional and technical services	703,591.00		703,591.00	704,429.00
Construction services	6,146,344.00		6,146,344.00	6,188,792.00
Equipment purchases	133,720.00		133,720.00	133,720.00
Other Expenditures	140,895.00		140,895.00	147,637.00
Total expenditures	7,124,550.00		7,124,550.00	7,174,578.00
Excess (deficiency) of revenues over (under) expenditures	$ 50,028.00	$	$ 50,028.00	

Additional project information:	
Project Number	4860-055-03-1446
Grant Date	1/22/2004
Bond Authorization Date	12/9/2003
Bonds Authorized	4,825,723.00
Bonds Issued	4,825,723.00
Original Authorized Cost	7,163,447.00
Additional Authorized Cost	11,131.00
Revised Authorized Cost	7,174,578.00
Percentage Increase over Original Authorized Cost	N/A
Percentage completion	100%
Original target completion date	9/1/2004
Revised target completion date	1/1/2007

EXHIBIT "F-1b"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ADDITIONS AND ALTERATIONS TO CAMBRIDGE ELEMENTARY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SCC Grant	$ 2,472,293.00	$	$ 2,472,293.00	$ 2,701,665.00
Bond proceeds and transfers	5,526,003.00	(1,395,374.00)	4,130,629.00	4,130,629.00
Total revenues	7,998,296.00	(1,395,374.00)	6,602,922.00	6,832,294.00
Expenditures and Other Financing Uses:				
Purchased professional and technical services	602,808.00		602,808.00	847,961.00
Construction services	5,294,210.00		5,294,210.00	5,629,207.00
Equipment purchases	133,026.00		133,026.00	144,020.00
Other Expenditures	150,689.00		150,689.00	211,106.00
Total expenditures	6,180,733.00		6,180,733.00	6,832,294.00
Excess (deficiency) of revenues over (under) expenditures	$ 1,817,563.00	$ (1,395,374.00)	$ 422,189.00	$

Additional project information:	
Project Number	9860-060-03-1447
Grant Date	1/22/2004
Bond Authorization Date	12/9/2003
Bonds Authorized	6,150,403.00
Bonds Issued	6,150,403.00
Original Authorized Cost	8,852,068.00
Additional Authorized Cost	-2,019,774.00
Revised Authorized Cost	6,832,294.00
Percentage Increase over Original Authorized Cost	-22.00%
Percentage completion	100%
Original target completion date	9/1/2006
Revised target completion date	12/1/2006

EXHIBIT "F-1c"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ADDITIONS AND ALTERATIONS TO CONSTABLE ELEMENTARY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SCC Grant	$ 2,773,776.00	$	$ 2,773,776.00	$ 2,773,776.00
Bond proceeds and transfers	7,865,092.00		7,865,092.00	7,865,092.00
Total revenues	10,638,868.00		10,638,868.00	10,638,868.00
Expenditures and Other Financing Uses:				
Purchased professional and technical services	791,342.00		791,342.00	892,019.00
Construction services	9,022,237.00		9,022,237.00	9,233,881.00
Equipment purchases	256,504.00		256,504.00	336,500.00
Other Expenditures	167,459.00		167,459.00	176,468.00
Total expenditures	10,237,542.00		10,237,542.00	10,638,868.00
Excess (deficiency) of revenues over (under) expenditures	$ 401,326.00	$	$ 401,326.00	$

Additional project information:	
Project Number	4860-070-13-1448
Grant Date	1/22/2004
Bond Authorization Date	12/9/2003
Bonds Authorized	7,865,092.00
Bonds Issued	7,865,092.00
Original Authorized Cost	10,638,868.00
Additional Authorized Cost	
Revised Authorized Cost	10,638,868.00
Percentage Increase over Original Authorized Cost	N/A
Percentage completion	100%
Original target completion date	9/1/2006
Revised target completion date	12/1/2006

EXHIBIT "F-1d"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ADDITIONS AND ALTERATIONS TO GREENBROOK ELEMENTARY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SCC Grant	$ 2,511,391.00	$	$ 2,511,391.00	$ 2,511,391.00
Bond proceeds and transfers	7,185,020.00		7,185,020.00	7,185,020.00
Total revenues	9,696,411.00		9,696,411.00	9,696,411.00
Expenditures and Other Financing Uses:				
Purchased professional and technical services	861,573.00		861,573.00	1,019,340.00
Construction services	7,882,212.00		7,882,212.00	8,084,449.00
Equipment purchases	172,939.00		172,939.00	362,351.00
Other Expenditures	170,024.00		170,024.00	230,271.00
Total expenditures	9,086,748.00		9,086,748.00	9,696,411.00
Excess (deficiency) of revenues over (under) expenditures	$ 609,663.00	$	$ 609,663.00	$

Additional project information:	
Project Number	4860-095-03-1450
Grant Date	1/22/2004
Bond Authorization Date	N/A
Bonds Authorized	7,614,824.00
Bonds Issued	7,614,824.00
Original Authorized Cost	10,126,215.00
Additional Authorized Cost	(429,804.00)
Revised Authorized Cost	9,696,411.00
Percentage Increase over Original Authorized Cost	-4.24%
Percentage completion	100%
Original target completion date	9/1/2006
Revised target completion date	1/1/2007

EXHIBIT "F-1e"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ADDITIONS AND ALTERATION TO MONMOUTH JUNCTION ELEMENTARY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SCC Grant	$ 1,414,008.00	$	$ 1,414,008.00	$ 1,414,008.00
Bond proceeds and transfers	3,881,465.00		3,881,465.00	3,881,465.00
Total revenues	5,295,473.00		5,295,473.00	5,295,473.00
Expenditures and Other Financing Uses:				
Purchased professional and technical services	533,003.00		533,003.00	535,931.00
Construction services	4,402,443.00		4,402,443.00	4,451,610.00
Equipment purchases	209,532.00		209,532.00	209,532.00
Other Expenditures	91,580.00		91,580.00	98,400.00
Total expenditures	5,236,558.00		5,236,558.00	5,295,473.00
Excess (deficiency) of revenues over (under) expenditures	$ 58,915.00	$	$ 58,915.00	$

Additional project information:	
Project Number	4860-110-03-1451
Grant Date	1/22/2004
Bond Authorization Date	12/9/2003
Bonds Authorized	3,881,465.00
Bonds Issued	3,881,465.00
Original Authorized Cost	4,876,800.00
Additional Authorized Cost	418,673.00
Revised Authorized Cost	5,295,473.00
Percentage Increase over Original Authorized Cost	8.58%
Percentage completion	100%
Original target completion date	9/1/2006
Revised target completion date	12/1/2006

EXHIBIT "F-1f"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ADDITIONS AND ALTERATIONS TO CROSSROADS NORTH MIDDLE SCHOOL
FOR THE YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SCC Grant	$1,076,030.00		$1,076,030.00	$1,126,733.00
Bond Proceeds and Transfers	2,898,299.00	$1,395,374.00	4,293,673.00	4,293,673.00
Total revenues	3,974,329.00	1,395,374.00	5,369,703.00	5,420,406.00
Expenditures and Other Financing Uses:				
Purchased professional and technical services	491,879.00	16,277.00	508,156.00	528,182.00
Construction services	3,383,714.00	1,379,720.00	4,763,434.00	4,786,631.00
Equipment purchases	39,786.00	8,878.00	48,664.00	49,531.00
Other Expenditures	56,062.00		56,062.00	56,062.00
Total expenditures	3,971,441.00	1,404,875.00	5,376,316.00	5,420,406.00
Excess (deficiency) of revenues over (under) expenditures	$2,888.00	($9,501.00)	($6,613.00)	$ -

Additional project information:	
Project Number	4860-150-03-1452
Grant Date	1/22/2004
Bond Authorization Date	12/9/2003
Bonds Authorized	2,803,899.00
Bond Issued	2,803,899.00
Original Authorized Cost	1,243,832.00
Additional Authorized Cost	4,176,574.00
Revised Authorized Cost	5,420,406.00
Percentage Increase over Original Authorized Cost	335.78%
Percentage completion	99.00%
Original target completion date	9/1/2007
Revised target completion date	12/1/2010

EXHIBIT "F-1g"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ADDITIONS AND ALTERATION TO CROSSROADS SOUTH MIDDLE SCHOOL
FOR THE YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SCC Grant	$380,088.00		$380,088.00	$453,706.00
Bond proceeds and transfers	936,257.00		936,257.00	936,257.00
Total revenues	1,316,345.00		1,316,345.00	1,389,963.00
Expenditures and Other Financing Uses:				
Purchased professional and technical services	385,068.00		385,068.00	505,595.00
Construction services	523,170.00		523,170.00	828,828.00
Other Expenditures	41,981.00		41,981.00	55,540.00
Total expenditures	950,219.00		950,219.00	1,389,963.00
Excess (deficiency) of revenues over (under) expenditures	$366,126.00		$366,126.00	

Additional project information:	
Project Number	4860-075-03-1449
Grant Date	1/22/2004
Bond Authorization Date	12/9/2003
Bonds Authorized	936,257.00
Bonds Issued	936,257.00
Original Authorized Cost	3,546,763.00
Additional Authorized Cost	(2,156,800.00)
Revised Authorized Cost	1,389,963.00
Percentage Increase over Original Authorized Cost	-60.81%
Percentage completion	68%
Original target completion date	9/1/2007
Revised target completion date	12/1/2010

EXHIBIT "F-1h"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
HVAC IMPROVEMENTS AT CROSSROADS SOUTH MIDDLE SCHOOL
FOR THE YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	$ 500,000.00	$	$ 500,000.00	$ 500,000.00
Total revenues	500,000.00		500,000.00	500,000.00
Expenditures and Other Financing Uses:				
Construction services	402,074.00	97,926.00	500,000.00	500,000.00
Total expenditures	402,074.00	$ 97,926.00	$ 500,000.00	$ 500,000.00
Excess (deficiency) of revenues over (under) expenditures	$97,926.00	($97,926.00)		

Additional project information:	
Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	500,000.00
Additional Authorized Cost	
Revised Authorized Cost	500,000.00
Percentage Increase over Original Authorized Cost	
Percentage completion	100%
Original target completion date	FY2009
Revised target completion date	N/A

EXHIBIT "F-1i"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
HVAC IMPROVEMENTS AT CROSSROADS SOUTH MIDDLE SCHOOL
FOR THE YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	$ -	$ 326,800.00	$ 326,800.00	$ 326,800.00
Total revenues		326,800.00	326,800.00	326,800.00
Expenditures and Other Financing Uses:				
Construction services	-	326,800.00	326,800.00	326,800.00
Total expenditures	$ -	$ 326,800.00	$ 326,800.00	$ 326,800.00
Excess (deficiency) of revenues over (under) expenditures				

Additional project information:	
Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	326,800.00
Additional Authorized Cost	
Revised Authorized Cost	326,800.00
Percentage Increase over Original Authorized Cost	N/A
Percentage completion	100%
Original target completion date	FY 2010
Revised target completion date	N/A

EXHIBIT "F-1j"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ROOF REPLACEMENT AT MONMOUTH JUNCTION ELEMENTARY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	$	$ 250,000.00	$ 250,000.00	$ 250,000.00
Total revenues		250,000.00	250,000.00	250,000.00
Expenditures and Other Financing Uses:				
Construction services		250,000.00	250,000.00	250,000.00
Total expenditures		$ 250,000.00	$ 250,000.00	$ 250,000.00
Excess (deficiency) of revenues over (under) expenditures				

Additional project information:	
Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	250,000.00
Additional Authorized Cost	
Revised Authorized Cost	250,000.00
Percentage Increase over Original Authorized Cost	N/A
Percentage completion	100%
Original target completion date	FY 2010
Revised target completion date	N/A

EXHIBIT "F-2"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
AS OF JUNE 30, 2010

ISSUE/PROJECT TITLE	ORIGINAL DATE	APPROPRIATIONS AUTHORIZED	APPROPRIATIONS RECOGNIZED	EXPENDITURES TO DATE PRIOR YEAR	EXPENDITURES TO DATE CURRENT YEAR	(MEMO ONLY) UNEXPENDED PROJECT BALANCE
Bonded Projects						
Referendum #5						
Construction of renovations and additions at the Brunswick Acres Elementary School, Cambridge Elementary School, Constable Elementary School, Greenbrook Elementary School, Monmouth Junction Elementary School and Crossroads Middle School South and renovations at Crossroads Middle School North, including acquisition and installation of furnishings,equipment and site work.						
Bonded Share	12/9/2003	$33,117,859.00	$33,117,859.00	$29,819,680.00	$1,396,125.00	$1,902,054.00
New Jersey Economic Development Agency	12/9/2003	13,330,134.00	12,976,441.00	12,976,441.00		
Local Projects:						
HVAC Improvements at Crossroads South Middle School	FY2010	326,800.00	326,800.00		326,800.00	
Roof Replacement at Monmouth Junction Elementary School	FY2010	250,000.00	250,000.00		250,000.00	
Totals			$46,671,100.00	$42,796,121.00	$1,972,925.00	$1,902,054.00

Reconciliation to GAAP:

Unexpended project balance	$1,902,054.00
Bonds Authorized but not Issued	(859.00)
Unreserved capital fund balance - GAAP	$1,901,195.00

PROPRIETARY FUND DETAIL STATEMENTS

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

Food Services Fund: This fund provides for the operation of food services within the District.

Children's Community Enrichment Fund: This fund provides for the operation of the Children's Community Enrichment Program provided by the District.

EXHIBIT "G-1"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2010

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	FOOD SERVICE FUND	CHILDRENS' COMMUNITY ENRICHMENT FUND	TOTAL
ASSETS:			
Current assets:			
Cash and cash equivalents	$18,746.00	$2,094,210.00	$2,112,956.00
Accounts receivable - other	12,043.00	15,456.00	27,499.00
Intergovernmental Receivables:			
State	2,996.00		2,996.00
Federal	36,518.00		36,518.00
Inventories	50,171.00		50,171.00
Prepaid Expenses		22,659.00	22,659.00
Total current assets	120,474.00	2,132,325.00	2,252,799.00
Noncurrent assets:			
Furniture, machinery & equipment	1,302,102.00	258,179.00	1,560,281.00
Less accumulated depreciation	(1,105,076.00)	(116,291.00)	(1,221,367.00)
Total noncurrent assets	197,026.00	141,888.00	338,914.00
Total assets	317,500.00	2,274,213.00	2,591,713.00
LIABILITIES			
Current liabilities:			
Accounts payable	128,305.00	23,769.00	152,074.00
Interfund payable		257,061.00	257,061.00
Deferred revenue	110,610.00	564,657.00	675,267.00
Compensated absences		136,433.00	136,433.00
Total current liabilities	238,915.00	981,920.00	1,220,835.00
Total liabilities	238,915.00	981,920.00	1,220,835.00
NET ASSETS			
Invested in capital assets,net	197,026.00	141,888.00	338,914.00
Unrestricted/(deficit)	(118,441.00)	1,150,405.00	1,031,964.00
Total net assets	$78,585.00	$1,292,293.00	$1,370,878.00

EXHIBIT "G-2"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	FOOD SERVICE FUND	CHILDRENS' COMMUNITY ENRICHMENT FUND	TOTAL
OPERATING REVENUES:			
Charges for services:			
Daily sales - Reimbursable Programs	$1,291,746.00		$1,291,746.00
Daily sales - Non-Reimbursable Programs	1,043,832.00		1,043,832.00
Special Functions	7,677.00		7,677.00
Program fees		$2,917,341.00	2,917,341.00
Total operating revenues	2,343,255.00	2,917,341.00	5,260,596.00
OPERATING EXPENSES:			
Salaries	884,060.00	1,788,366.00	2,672,426.00
Employee Benefits	272,477.00	641,069.00	913,546.00
Other Purchase Service	266,743.00	123,093.00	389,836.00
General Supplies	239,440.00	243,451.00	482,891.00
Depreciation	63,060.00	32,892.00	95,952.00
Cost of sales	1,303,981.00		1,303,981.00
Total operating expenses	3,029,761.00	2,828,871.00	5,858,632.00
Operating income (loss)	(686,506.00)	88,470.00	(598,036.00)
NONOPERATING REVENUES: (EXPENSES)			
State Sources:			
State School Lunch Program	37,486.00		37,486.00
Federal Sources:			
National School Lunch Program	444,343.00		444,343.00
National food distribution commodities	214,068.00		214,068.00
Interest on Investments		5,214.00	5,214.00
Total nonoperating revenues	695,897.00	5,214.00	701,111.00
Income	9,391.00	93,684.00	103,075.00
Change in net assets	9,391.00	93,684.00	103,075.00
Total net assets - July 1, 2009	69,194.00	1,198,609.00	1,267,803.00
Total net assets - June 30, 2010	$78,585.00	$1,292,293.00	$1,370,878.00

EXHIBIT "G -3"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	FOOD SERVICE FUND	CHILDRENS' COMMUNITY ENRICHMENT FUND	TOTAL
Cash flows from operating activities:			
Receipts from customers	$2,374,906.00	$2,901,946.00	$5,276,852.00
Payments to employees	(884,060.00)	(1,788,366.00)	(2,672,426.00)
Payments to employee benefits	(272,477.00)	(617,249.00)	(889,726.00)
Payments to suppliers	(1,518,066.00)	(358,672.00)	(1,876,738.00)
Net cash provided by (used for) operating activities)	(299,697.00)	137,659.00	(162,038.00)
Cash flows from noncapital financing activities:			
State Sources	37,486.00		37,486.00
Federal Sources	444,343.00		444,343.00
Interfund Activity	(126,216.00)	6,611.00	(119,605.00)
Net cash provided by noncapital financing activities:	355,613.00	6,611.00	362,224.00
Cash flows from capital and related financing activities:			
Purchases of capital assets	(37,170.00)		(37,170.00)
Net cash provided by (used for) capital and related financing activities	(37,170.00)		(37,170.00)
Cash flows from investing activities:			
Interest		5,214.00	5,214.00
Net cash provided by (used for) investing activities		5,214.00	5,214.00
Net increase in cash and cash equivalents	18,746.00	149,484.00	168,230.00
Cash and cash equivalents, July 1, 2009		1,944,726.00	1,944,726.00
Cash and cash equivalents, June 30, 2010	$18,746.00	$2,094,210.00	$2,112,956.00
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	($686,506.00)	$88,470.00	($598,036.00)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	63,060.00	32,892.00	95,952.00
Federal commodities	214,068.00		214,068.00
Change in assets and liabilities:			
(Increase)/Decrease in Accounts Receivable - Other	3,122.00	5,644.00	8,766.00
(Increase) decrease in inventories	35,243.00		35,243.00
(Increase) decrease in prepaid expenses		2,547.00	2,547.00
Increase (Decrease) in accounts payable	42,787.00	5,325.00	48,112.00
Increase (Decrease) in deferred revenue	28,529.00	(21,039.00)	7,490.00
Increase (Decrease) in compensated absences		23,820.00	23,820.00
	386,809.00	49,189.00	435,998.00
Net cash provided by (used for) operating activities	($299,697.00)	$137,659.00	($162,038.00)

FIDUCIARY FUND DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the district for a specific purpose:

Unemployment Compensation Insurance Fund: This trust fund is used to pay unemployment compensation claims as they arise.

Scholarship Funds: These private purpose funds are used to account for assets held by the district for grants to students where there are no restrictions regarding the use of principal and income.

Agency Funds are used to account for assets held by the district as an agent for another party:

Student Activity Fund: These agency fund is used to account for student funds held at the schools

Payroll Fund: This agency fund is used to account for the payroll transactions of the school district.

EXHIBIT "H-1"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
TRUST AND AGENCY FUNDS
JUNE 30, 2010

	AGENCY FUNDS		TRUST FUNDS		
	STUDENT ACTIVITY	PAYROLL AGENCY	PRIVATE PURPOSE AWARD FUNDS	UNEMPLOYMENT COMPENSATION	TOTALS
ASSETS					
Cash and cash equivalents	$385,079.00	$750,439.00	$123,159.00	$442,583.00	$1,701,260.00
Intrafunds receivable				39,903.00	39,903.00
Total assets	385,079.00	750,439.00	123,159.00	482,486.00	1,741,163.00
LIABILITIES					
Accounts Payable				46,119.00	46,119.00
Interfunds Payable		2,296.00			2,296.00
Intrafunds Payable		39,903.00			39,903.00
Payroll deductions and withholdings		708,240.00			708,240.00
Due to student groups	385,079.00				385,079.00
Total liabilities	385,079.00	750,439.00		46,119.00	1,181,637.00
NET ASSETS					
Held in trust for unemployment claims				436,367.00	436,367.00
Reserved for Scholarships			123,159.00		123,159.00
Total net assets	$-0-	$-0-	$123,159.00	$436,367.00	$559,526.00

EXHIBIT "H-2"
SHEET #1

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	PRIVATE PURPOSE AWARD FUNDS							
	CARLTON ROSE	ANNE MARIE SMITH	BARBARA NOSTRAND	RICHARD SHERMAN	KINGSTON SCHOOL	MIKE ELKO	GERALDINE M. PRIEST	ADAM ABDULLA
ADDITIONS:								
Contributions:								
Plan Members								
Other	$5,000.00							
Total contributions	5,000.00							
Investment earnings:								
Interest	885.00	$1.00		$6.00	$2.00	$294.00	$1.00	
Net investment earnings	885.00	1.00		6.00	2.00	294.00	1.00	
Total additions	5,885.00	1.00		6.00	2.00	294.00	1.00	
DEDUCTIONS								
Awards	2,991.00	500.00	106.00					
Unemployment claims								
Total deductions	2,991.00	500.00	106.00					
Change in net assets	2,894.00	(499.00)	(106.00)	6.00	2.00	294.00	1.00	
Net assets beginning of year	102,395.00	615.00	106.00	4,324.00	1,440.00	$3,510.00	$533.00	$100.00
Net assets end of year	$105,289.00	$116.00		$4,330.00	$1,442.00	$3,804.00	$534.00	$100.00

EXHIBIT "H-2"
SHEET #2

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	PRIVATE PURPOSE AWARD FUNDS					STATE UNEMPLOYMENT COMPENSATION	
	TOM FLANAGAN	ASHLEIGH DEOLIVEIRA	KEYNOTE SPEAKER	JOSEPH ABBAMONT SR	TOTAL	TRUST FUND	TOTAL
ADDITIONS:							
Contributions:							
Plan Members						$121,589.00	$121,589.00
Other					$5,000.00	446,500.00	451,500.00
Total contributions					5,000.00	568,089.00	573,089.00
Investment earnings:							
Interest	$2.00	$5.00		43.00	1,239.00	337.00	1,576.00
Net investment earnings	2.00	5.00		43.00	1,239.00	337.00	1,576.00
Total additions	2.00	5.00		43.00	6,239.00	568,426.00	574,665.00
DEDUCTIONS							
Awards			495.00		4,092.00		4,092.00
Unemployment claims						322,233.00	322,233.00
Total deductions			495.00		4,092.00	322,233.00	326,325.00
Change in net assets	2.00	5.00	(495.00)	43.00	2,147.00	246,193.00	248,340.00
Net assets end of year	1,626.00	3,289.00	1,227.00	1,847.00	121,012.00	190,174.00	311,186.00
Net assets end of year	$1,628.00	$3,294.00	$732.00	$1,890.00	$123,159.00	$436,367.00	$559,526.00

EXHIBIT "H-3"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BALANCE JUNE 30, 2009	CASH RECEIPTS	CASH DISBURSE-MENTS	BALANCE JUNE 30, 2010
PROGRAMS:				
Brooks Crossing	$8,966.00	$43,795.00	$41,035.00	$11,726.00
Brunswick Acres	5,152.00	26,600.00	27,506.00	4,246.00
Cambridge	45,461.00	9,760.00	25,603.00	29,618.00
Constable	8,498.00	15,529.00	16,121.00	7,906.00
Dayton and Deans		10,087.00	10,025.00	62.00
Greenbrook	11,065.00	9,982.00	11,321.00	9,726.00
Indian Fields	12,117.00	25,379.00	28,635.00	8,861.00
Monmouth Junction	2,750.00	12,150.00	13,842.00	1,058.00
	94,009.00	153,282.00	174,088.00	73,203.00
MIDDLE SCHOOLS:				
Crossroads North	45,265.00	259,642.00	267,974.00	36,933.00
Crossroads South	23,012.00	299,986.00	292,598.00	30,400.00
Crossroads South Athletic	7,902.00	8,057.00	15,956.00	3.00
	76,179.00	567,685.00	576,528.00	67,336.00
HIGH SCHOOL AND ATHLETIC FUND				
High School	231,261.00	747,713.00	739,959.00	239,015.00
Athletic Fund	6,768.00	95,267.00	96,510.00	5,525.00
	238,029.00	842,980.00	836,469.00	244,540.00
Total all schools	$408,217.00	$1,563,947.00	$1,587,085.00	$385,079.00

EXHIBIT "H-4"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BALANCE JULY 1, 2009	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2010
ASSETS:				
Cash and cash equivalents	$201,708.00	$84,920,215.00	$84,371,484.00	$750,439.00
Interfund receivable	213.00		213.00	
Total assets	201,921.00	84,920,215.00	84,371,697.00	750,439.00
LIABILITIES:				
Payroll deductions and withholdings	201,217.00	36,536,109.00	36,029,086.00	708,240.00
Net payroll		48,342,398.00	48,342,398.00	
Interfunds payable	704.00	1,592.00		2,296.00
Intrafund payable		40,116.00	213.00	39,903.00
Total liabilities	$201,921.00	$84,920,215.00	$84,371,697.00	$750,439.00

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under serial bonds and capital leases.

EXHIBIT "I-1"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2010

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES DATE	MATURITIES AMOUNT	RATE OF INTEREST	BALANCE JULY 1, 2009	RETIRED	BALANCE JUNE 30, 2010
Acquisition of Land and Construction Thereon of a new Elementary School, the Construction of Additions and Renovations to the Current Upper Elementary School Building and the Construction of an Addition and Renovations to the High School.	12/01/99	$46,990,000.00			5.500%	$1,765,000.00	$1,765,000.00	
Refunding School Bonds, Series March 15, 2002	03/15/02	36,055,000.00	12/01/10	2,030,000.00	4.750%			
			12/01/11	2,080,000.00	5.000%			
			12/01/12	2,135,000.00	5.000%			
			12/01/13	2,195,000.00	5.000%			
			12/01/14	2,240,000.00	4.300%			
			12/01/15	2,280,000.00	4.375%			
			12/01/16	2,320,000.00	4.500%			
			12/01/17	2,360,000.00	4.500%			
			12/01/18	2,395,000.00	4.600%			
			12/01/19	2,435,000.00	4.700%			
			12/01/20	2,470,000.00	4.750%			
			12/01/21	2,510,000.00	4.750%			
			12/01/22	2,545,000.00	4.750%			
			12/01/23	2,580,000.00	4.800%			
			12/01/24	2,615,000.00	4.800%	35,400,000.00	210,000.00	$35,190,000.00
Construct renovations and additions at Brunswick Acres, Cambridge, Constable, Greenbrook and Monmouth Junction Elementary Schools and Crossroads Middle School North and renovations at Crossroads Middle School. Including the acquisition and installation of furnishings, equipment and site work.	04/15/04	33,117,000.00	08/01/2010	1,120,000.00	4.125%			
			08/01/2011	1,160,000.00	4.125%			
			08/01/2012	1,200,000.00	4.125%			
			08/01/2013	1,240,000.00	4.125%			
			08/01/2014	1,280,000.00	4.125%			
			08/01/2015	1,320,000.00	4.125%			
			08/01/2016	1,360,000.00	4.125%			
			08/01/2017	1,400,000.00	4.250%			
			08/01/2018	1,440,000.00	4.250%			
			08/01/2019	1,480,000.00	4.250%			
			08/01/2020	1,520,000.00	4.250%			
			08/01/2021	1,560,000.00	4.300%			
			08/01/2022	1,600,000.00	4.500%			
			08/01/2023	1,640,000.00	4.500%			
			08/01/2024	1,680,000.00	4.500%			
			08/01/2025	1,720,000.00	4.500%			
			08/01/2026	1,760,000.00	4.500%			
			08/01/2027	1,800,000.00	4.500%			
			08/01/2028	1,837,000.00	4.500%	29,197,000.00	1,080,000.00	28,117,000.00

EXHIBIT "I-1"
SHEET # 2

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2010

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	ANNUAL MATURITIES AMOUNT	INTEREST RATE	BALANCE JULY 1, 2009	RETIRED	BALANCE JUNE 30, 2010
Refunding School Bonds, Series May 10, 2007AA	5/10/2007	$36,330,000.00	02/01/2011	1,365,000.00	4.000%			
			02/01/2012	2,010,000.00	5.000%			
			02/01/2013	2,180,000.00	5.000%			
			02/01/2014	2,210,000.00	5.000%			
			02/01/2015	2,240,000.00	5.000%			
			02/01/2016	2,270,000.00	5.000%			
			02/01/2017	2,300,000.00	5.000%			
			02/01/2018	2,330,000.00	5.000%			
			02/01/2019	2,355,000.00	5.000%			
			02/01/2020	2,365,000.00	4.500%			
			02/01/2021	2,380,000.00	4.500%			
			02/01/2022	2,385,000.00	4.500%			
			02/01/2023	2,390,000.00	4.500%			
			02/01/2024	2,390,000.00	4.125%			
			02/01/2025	2,390,000.00	4.125%	34,940,000.00	1,380,000.00	33,560,000.00
Refunding School Bonds, Series July 10, 2007A	7/10/2007	4,270,000.00	08/01/11	835,000.00	4.00%			
			08/01/12	835,000.00	4.00%	2,520,000.00	850,000.00	1,670,000.00
						$103,822,000.00	$5,285,000.00	$98,537,000.00

EXHIBIT "I-2"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
AS OF JUNE 30, 2010

SERIES	DATE OF LEASE	TERM OF LEASE	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL LEASE	AMOUNT OUTSTANDING JUNE 30, 2009	DECREASE	AMOUNT OUTSTANDING JUNE 30, 2010
Heating Systems - Cambridge and Brunswick Acres Schools	04/15/99	10 Years	5.230%	$ 967,042.00	$ 130,207.00	$ 130,207.00	$
Buses and Food Service Equipment	07/25/06	4 Years	3.890%	288,000.00	167,413.00	167,413.00	
Buses, Vans, Computers, Textbooks, Phone System	06/22/07	4 Years	3.900%	1,314,000.00	713,493.00	713,493.00	
					$ 1,011,113.00	$ 1,011,113.00	$

EXHIBIT "I-3"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2010				
	ORIGINAL BUDGET	BUDGET TRANSFER	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Local sources:					
Local tax levy	$7,921,890.00		$7,921,890.00	$7,921,890.00	
Interest				172.00	$172.00
State sources:					
Debt service aid type II	1,835,150.00		1,835,150.00	1,835,150.00	
Total revenues	9,757,040.00		9,757,040.00	9,757,212.00	172.00
EXPENDITURES:					
Regular debt service:					
Interest	4,631,340.00		4,631,340.00	4,631,340.00	
Redemption of principal	5,285,000.00		5,285,000.00	5,285,000.00	
Total regular debt service-expenditures	9,916,340.00		9,916,340.00	9,916,340.00	
Excess (deficiency) of revenues over (under) expenditures	(159,300.00)		(159,300.00)	(159,128.00)	172.00
Other financing sources:					
Transfers in/(out)				1,427.00	1,427.00
	(159,300.00)		(159,300.00)	(157,701.00)	1,599.00
Fund balance, July 1	175,586.00		175,586.00	175,586.00	
Fund balance, June 30	$16,286.00		$16,286.00	$17,885.00	$1,599.00

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STATISTICAL SECTION (UNAUDITED)

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TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STATISTICAL SECTION

Contents | Page

Financial Trends:

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time. J-1 to J-4

Revenue Capacity:

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax. J-5 to J-9

Debt Capacity:

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future. J-10 to J-13

Demographic and Economic Information:

These schedules offer demomgraphic and economic indicators to help the reader understand the environment within which the district's financial activities take place. J-14 to J-15

Operating Information:

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs. J-16 to J-20

Sources

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

EXHIBIT "J-1"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
NET ASSETS BY COMPONENT
UNAUDITED

	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities								
Invested in capital assets, net of related debt	$50,803,355.00	$47,499,772.00	$44,131,631.00	$40,790,487.00	$34,617,157.00	$26,578,754.00	$20,434,370.00	$19,378,514.00
Restricted	8,801,160.00	10,601,882.00	8,727,039.00	3,509,819.00	2,033,561.00	4,303,111.00	3,075,159.00	4,105,262.00
Unrestricted	(1,448,693.00)	(1,622,719.00)	(359,199.00)	1,568,340.00	98,227.00	1,845,612.00	1,182,921.00	(754,392.00)
Total governmental activities net assets	$58,155,822.00	$56,478,935.00	$52,499,471.00	$45,868,646.00	$36,748,945.00	$32,727,477.00	$24,692,450.00	$22,729,384.00
Business-type activities								
Invested in capital assets, net of related debt	$338,914.00	$397,696.00	$477,861.00	$528,844.00	$355,784.00	$401,158.00	$458,744.00	$503,261.00
Unrestricted	1,031,964.00	870,107.00	753,595.00	515,911.00	509,447.00	408,897.00	135,329.00	(167,572.00)
Total business-type activities net assets	$1,370,878.00	$1,267,803.00	$1,231,456.00	$1,044,755.00	$865,231.00	$810,055.00	$594,073.00	$335,689.00
District-wide								
Invested in capital assets, net of related debt	$51,142,269.00	$47,897,468.00	$44,609,492.00	$41,319,331.00	$34,972,941.00	$26,979,912.00	$20,893,114.00	$19,881,775.00
Restricted	8,801,160.00	10,601,882.00	8,727,039.00	3,509,819.00	2,033,561.00	4,303,111.00	3,075,159.00	4,105,262.00
Unrestricted	(416,729.00)	(752,612.00)	394,396.00	2,084,251.00	607,674.00	2,254,509.00	1,318,250.00	(921,964.00)
Total district net assets	$59,526,700.00	$57,746,738.00	$53,730,927.00	$46,913,401.00	$37,614,176.00	$33,537,532.00	$25,286,523.00	$23,065,073.00

Source: CAFR Schedule A-1

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CHANGES IN NET ASSETS
UNAUDITED

	2010	2009	2008	2007	2006	2005	2004	2003
EXPENSES								
Governmental activities								
Instruction								
Regular	$55,324,209.00	$52,927,826.00	$53,170,838.00	$52,130,069.00	$51,450,009.00	$47,519,683.00	$44,493,209.00	$40,586,237.00
Special education	15,330,283.00	13,910,000.00	13,573,180.00	13,540,547.00	10,151,761.00	8,604,523.00	9,123,146.00	7,639,707.00
Other instruction	5,480,477.00	5,650,838.00	5,617,164.00	5,891,321.00	5,671,563.00	5,273,326.00	3,860,236.00	4,139,317.00
Adult/continuing education programs								143,245.00
Support Services:								
Tuition	3,291,372.00	3,478,852.00	3,527,618.00	3,698,148.00	3,039,787.00	3,472,890.00	3,435,664.00	3,241,509.00
Student & instruction related services	14,617,892.00	13,376,777.00	13,500,768.00	12,189,819.00	11,663,569.00	11,591,180.00	11,220,148.00	11,168,387.00
General administrative services	2,140,518.00	1,944,739.00	1,628,235.00	1,579,141.00	1,666,906.00	1,529,590.00	1,735,660.00	4,020,611.00
School administrative services	8,054,434.00	8,408,878.00	8,483,495.00	7,472,268.00	7,385,889.00	6,605,553.00	5,939,834.00	5,623,252.00
Central services/Admin. Info. Technology	3,185,959.00	3,252,071.00	3,239,296.00	2,758,861.00	3,030,832.00	2,405,434.00		
Plant operations and maintenance	15,623,182.00	15,597,729.00	15,997,925.00	15,018,793.00	14,173,709.00	12,272,792.00	12,223,076.00	11,495,220.00
Student transportation services	9,032,115.00	9,519,703.00	9,318,972.00	8,619,470.00	7,650,684.00	7,148,208.00	6,680,399.00	6,490,152.00
Business and other support services							1,891,471.00	
Interest on long-term debt	4,491,377.00	4,915,994.00	4,603,992.00	4,882,126.00	5,888,337.00	6,073,645.00	5,295,010.00	5,160,203.00
Unallocated amortization	75,180.00	84,507.00	158,880.00	10,069.00	79,437.00	94,913.00	23,920.00	92,083.00
Unallocated depreciation	161,947.00	149,380.00	141,201.00	139,726.00	156,605.00	131,545.00	123,215.00	114,785.00
Total governmental activities expenses	$136,808,945.00	$133,217,294.00	$132,961,564.00	127,930,358.00	122,009,088.00	112,723,282.00	106,044,988.00	99,914,708.00
Business-type activities:								
Food Service	3,029,761.00	3,025,529.00	2,971,184.00	2,798,656.00	2,763,252.00	2,638,925.00	2,331,387.00	2,200,608.00
Community School	2,828,871.00	2,906,767.00	3,137,897.00	2,877,033.00	2,735,174.00	2,472,954.00	2,311,971.00	2,361,738.00
Total business-type activities expense	5,858,632.00	5,932,296.00	6,109,081.00	5,675,689.00	5,498,426.00	5,111,879.00	4,643,358.00	4,562,346.00
Total district expenses	142,667,577.00	139,149,590.00	139,070,645.00	133,606,047.00	127,507,514.00	117,835,161.00	110,688,346.00	104,477,054.00
PROGRAM REVENUES								
Governmental activities:								
Operating grants and contributions	13,454,114.99	11,191,706.00	13,349,009.00	13,118,230.00	9,772,769.00	8,607,678.00	7,825,135.00	3,190,882.00
Total governmental activities program revenues	13,454,114.99	11,191,706.00	13,349,009.00	13,118,230.00	9,772,769.00	8,607,678.00	7,825,135.00	3,190,882.00
Business-type activities:								
Charges for services								
Food Service	2,343,255.00	2,430,407.00	2,454,994.00	2,203,973.00	2,211,672.00	2,161,172.00	1,954,769.00	1,725,357.00
Community School	2,917,341.00	2,937,642.00	3,195,427.00	3,057,534.00	2,834,686.00	2,772,441.00	2,636,697.00	2,412,930.00
Operating grants and contributions	695,897.00	581,885.00	513,421.00	445,221.00	483,656.00	383,591.00	305,122.00	290,443.00
Total business type activities program revenues	5,956,493.00	5,949,934.00	6,163,842.00	5,706,728.00	5,530,014.00	5,317,204.00	4,896,588.00	4,428,730.00
Total district program revenues	19,410,607.99	17,141,640.00	19,512,851.00	18,824,958.00	15,302,783.00	13,924,882.00	12,721,723.00	7,619,612.00
NET (EXPENSE)/REVENUE								
Governmental activities	(123,354,830.01)	(122,025,588.00)	(119,612,555.00)	(114,812,128.00)	(112,236,319.00)	(104,115,604.00)	(98,219,853.00)	(96,723,826.00)
Business-type activities	97,861.00	17,638.00	54,761.00	31,039.00	31,588.00	205,325.00	253,230.00	(133,616.00)
Total district-wide net expense	(123,256,969.01)	(122,007,950.00)	(119,557,794.00)	(114,781,089.00)	(112,204,731.00)	(103,910,279.00)	(97,966,623.00)	(96,857,442.00)

EXHIBIT "J-2"
SHEET #2

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CHANGES IN NET ASSETS
UNAUDITED

	2010	2009	2008	2007	2006	2005	2004	2003
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS								
Governmental activities:								
Property taxes levied for general purposes, net	96,009,320.00	93,923,003.00	94,583,349.00	89,910,441.00	81,551,449.00	78,178,742.00	71,882,910.00	67,624,295.00
Taxes levied for debt service	7,921,890.00	7,357,742.00	8,403,341.00	8,290,872.00	8,294,899.00	7,826,234.00	7,101,791.00	5,298,649.00
Unrestricted grants and contributions	20,407,708.00	22,790,844.00	20,367,838.00	19,488,777.00	20,325,613.00	19,337,193.00	18,807,051.00	21,141,464.00
Disposal of capital assets	-	(7,232.00)	(1,000.00)	(216,035.00)	(95,089.00)	(10,225.00)	(72,194.00)	
State aid restricted		898,072.00	1,620,008.00	4,167,700.00	4,638,834.00	4,986,871.00	1,172,206.00	1,284,286.00
Miscellaneous income	692,799.00	1,041,873.00	1,293,731.00	2,396,200.00	1,542,081.00	1,609,423.00	1,075,484.00	807,676.00
Transfers			(84,408.00)	(106,126.00)				
Total governmental activities	125,031,717.00	126,004,302.00	126,182,859.00	123,931,829.00	116,257,787.00	111,928,238.00	99,967,248.00	96,156,370.00
Business-type activities:								
Transfers in (out)			84,408.00	106,126.00				
Miscellaneous Income	5,214.00	18,709.00	47,532.00	42,359.00	23,588.00	10,657.00	5,154.00	8,033.00
Total business-type activities	5,214.00	18,709.00	131,940.00	148,485.00	23,588.00	10,657.00	5,154.00	8,033.00
Total district-wide	125,036,931.00	126,023,011.00	126,314,799.00	124,080,314.00	116,281,375.00	111,938,895.00	99,972,402.00	96,164,403.00
CHANGE IN NET ASSETS								
Governmental activities	1,676,886.99	3,978,714.00	6,570,304.00	9,119,701.00	4,021,468.00	7,812,634.00	1,747,395.00	(567,456.00)
Business-type activities	103,075.00	36,347.00	186,701.00	179,524.00	55,176.00	215,982.00	258,384.00	(125,583.00)
Total district	$1,779,961.99	$4,015,061.00	$6,757,005.00	$9,299,225.00	$4,076,644.00	$8,028,616.00	$2,005,779.00	($693,039.00)

Source: CAFR Schedule A-2

EXHIBIT "J-3"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
UNAUDITED

	2010	2009	2008	2007	2006	2005	2004	2003
General Fund								
Reserved	$10,560,233.00	$12,698,193.00	$10,291,478.00	$3,862,979.00	$2,647,734.00	$6,014,297.00	$4,600,338.00	$2,823,139.00
Unreserved	582,386.00	578,304.00	1,912,763.00	4,810,072.00	3,639,953.00	4,051,597.00	4,137,869.00	4,847,892.00
Total general fund	11,142,619.00	13,276,497.00	12,204,241.00	8,673,051.00	6,287,687.00	10,065,894.00	8,738,207.00	7,671,031.00
All Other Governmental Funds								
Reserved	-	106,676.00	122,317.00	760,144.00	2,924,725.00	15,399,201.00	3,211,304.00	1,462,714.00
Unreserved, reported in:								
Special revenue fund								(17,411.00)
Capital projects fund	1,901,195.00	3,297,320.00	3,284,007.00	3,714,620.00	4,239,181.00	11,100,779.00	29,595,809.00	676,273.00
Debt service fund	17,885.00	175,586.00	1,146,494.00	766,806.00	1,255,458.00			
Total all other governmental funds	$1,919,080.00	$3,579,582.00	$4,552,818.00	$5,241,570.00	$8,419,364.00	$26,499,980.00	$32,807,113.00	$2,121,576.00

Source: CAFR Schedule B-1

EXHIBIT "J-4"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
UNAUDITED

	2010	2009	2008	2007	2006	2005	2004	2003
Revenues								
Tax levy	$103,931,210.00	$101,280,745.00	$102,986,690.00	$98,201,313.00	$89,846,348.00	$86,004,976.00	$78,984,701.00	$72,922,944.00
Tuition charges	204,312.00	232,797.00	337,766.00	170,879.00	74,255.00	55,655.00	70,381.00	154,660.00
Transportation fees from other LEA's	61,845.00							
Interest on capital reserve	7,662.00	33,174.00	30,247.00	39,559.00	34,342.00	25,261.00	14,655.00	18,681.00
Miscellaneous	464,984.00	807,509.00	1,067,802.00	1,434,686.00	1,449,515.00	1,634,572.00	999,010.00	708,710.00
State sources	27,196,844.00	32,480,011.00	33,017,710.00	34,504,922.00	32,584,644.00	31,010,244.00	26,067,885.00	24,092,080.00
Federal sources	6,618,975.00	2,371,199.00	2,302,625.00	2,253,123.00	2,140,516.00	1,816,140.00	1,736,507.00	1,450,610.00
Total revenue	138,485,832.00	137,205,435.00	139,742,840.00	136,604,482.00	126,129,620.00	120,546,848.00	107,873,139.00	99,347,685.00
Expenditures								
Instruction								
Regular Instruction	38,713,723.00	38,436,785.00	36,474,673.00	34,877,644.00	36,185,022.00	34,235,790.00	32,304,137.00	30,454,564.00
Special education instruction	11,619,698.00	10,603,437.00	10,064,919.00	9,756,868.00	7,151,974.00	6,221,539.00	5,637,776.00	5,905,704.00
Other instruction	4,077,578.00	4,272,283.00	4,051,780.00	4,144,535.00	4,174,957.00	3,913,717.00	3,505,244.00	3,396,336.00
Support Services:								
Tuition	3,291,372.00	3,478,852.00	3,527,618.00	3,698,148.00	3,039,787.00	3,472,890.00	3,435,664.00	3,241,509.00
Student & instruction related services	11,139,795.00	10,265,697.00	10,196,921.00	9,941,685.00	9,583,093.00	9,428,470.00	9,307,998.00	8,510,425.00
General administrative services	1,692,227.00	1,476,644.00	1,405,036.00	1,361,135.00	1,446,849.00	1,435,601.00	1,604,899.00	1,448,702.00
School Administrative services	5,775,201.00	6,159,683.00	5,892,733.00	5,793,212.00	5,714,402.00	5,221,514.00	4,355,428.00	4,118,281.00
Business and other support services							1,938,744.00	1,608,841.00
Central services/Administration Information Technology	2,356,302.00	2,349,904.00	2,304,271.00	2,149,590.00	2,157,007.00	1,911,616.00		
Plant operations and maintenance	13,242,455.00	13,981,974.00	13,882,894.00	13,211,236.00	12,697,443.00	10,926,378.00	10,660,912.00	9,881,846.00
Student transportation services	7,786,687.00	8,225,898.00	7,960,766.00	7,260,591.00	6,697,998.00	6,132,981.00	5,974,106.00	5,769,999.00
Allocated employee benefits	1,288,456.00	1,168,049.00	1,179,498.00	1,217,251.00	982,664.00	1,020,867.00		
Unallocated employee benefits	27,238,535.00	24,319,390.00	26,527,272.00	26,235,561.00	22,172,930.00	19,039,318.00	18,243,402.00	15,859,345.00
Capital outlay	4,141,843.00	2,298,984.00	4,490,446.00	7,167,370.00	27,708,598.00	12,887,728.00	4,498,278.00	13,587,770.00
Debt service:								
Principal	5,285,000.00	5,200,000.00	5,635,000.00	5,280,000.00	4,950,000.00	3,895,000.00	3,810,000.00	3,715,000.00
Interest and other charges	4,631,340.00	4,867,390.00	4,589,445.00	5,698,378.00	5,963,119.00	5,890,584.00	5,003,699.00	5,215,971.00
Total expenditures	142,280,212.00	137,104,970.00	138,183,272.00	137,793,204.00	150,625,843.00	125,633,993.00	110,280,287.00	112,714,293.00
Excess (Deficiency) of revenues over (under) expenditures	(3,794,380.00)	100,465.00	1,559,568.00	(1,188,722.00)	(24,496,223.00)	(5,087,145.00)	(2,407,148.00)	(13,366,608.00)
Other Financing sources (uses)								
Capital leases (non-budgeted)			1,357,842.00	401,533.00	1,905,761.00	783,771.00	914,153.00	387,000.00
Bond proceeds			4,270,000.00	36,330,000.00				
Premium on sale of bonds			21,442.00	1,528,391.00				
Cost of issuance			(12,039.00)	(147,979.00)				
Payment to refunded bonds escrow agent			(4,239,788.00)	(37,492,432.00)				
Bond selling expenditures			(25,620.00)	(217,980.00)				
Long-Term debt issued							33,117,000.00	
Transfers in (out)			(84,408.00)					
Non-Allowable program income		(945.00)	(1,550.00)	(3,641.00)	(3,475.00)	(707.00)	(702.00)	(433.00)
Administrative cost transfer		(500.00)	(3,009.00)	(1,600.00)	(500.00)			
Total other financing sources (uses)		(1,445.00)	1,282,870.00	396,292.00	1,901,786.00	783,064.00	34,030,451.00	386,567.00
Net change in fund balances	($3,794,380.00)	$99,020.00	$2,842,438.00	($792,430.00)	($22,594,437.00)	($4,304,081.00)	$31,623,303.00	($12,980,041.00)
Debt service as a percentage of noncapital expenditures	7.18%	7.47%	7.65%	8.40%	8.88%	8.68%	8.33%	9.01%

Source: CAFR Schedule B-2

EXHIBIT "J-5"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
UNAUDITED

Fiscal Year Ended June 30,	Tuition	Interest On Investments	Rentals	Transportation Fees	Miscellaneous	Total
2010	$204,312.00	$84,760.00	$106,474.00	$61,845.00	$281,412.00	$738,803.00
2009	155,165.00	333,974.00	103,646.00		167,581.00	760,366.00
2008	199,909.00	729,257.00	94,500.00		73,103.00	1,096,769.00
2007	150,387.00	782,295.00	102,800.00		190,589.00	1,226,071.00
2006	110,547.00	567,917.00	59,868.00		158,417.00	896,749.00
2005	265,435.00	312,354.00	100,813.00		174,141.00	852,743.00
2004	70,381.00	108,615.00	81,256.00		624,139.00	884,391.00
2003	154,660.00	137,275.00	51,549.00		268,225.00	611,709.00
2002	185,446.00	161,029.00	63,235.00		285,318.00	695,028.00
2001	135,340.00	304,746.00	36,028.00		848,837.00	1,324,951.00

Source: District Records

EXHIBIT "J-6"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
UNAUDITED

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
2010	$112,477,300	$2,362,994,700	$15,500,500	$4,770,100	$294,634,000	$983,555,200	$93,962,200	$3,867,894,000	$9,957,747	$3,877,851,747	2.681	$8,379,296,100
2009	134,221,800	2,345,564,300	15,712,000	4,730,300	304,457,400	1,031,629,200	93,542,200	3,929,857,200	8,967,022	3,938,824,222	2.605	8,467,549,028
2008	150,909,900	2,309,240,500	15,611,700	4,683,900	307,432,400	1,029,656,100	94,573,900	3,912,108,400	8,051,905	3,920,160,305	2.605	8,292,906,628
2007	146,564,700	2,289,275,800	16,109,700	4,864,500	304,252,400	1,061,855,200	100,011,800	3,922,934,100	7,715,751	3,930,649,851	2.560	8,347,286,542
2006	128,456,600	2,235,275,600	22,318,300	5,650,500	296,465,700	1,056,579,500	99,965,000	3,844,711,200	16,069,194	3,860,780,394	2.314	7,931,601,455
2005	114,339,000	2,195,018,100	24,453,800	5,941,400	293,707,400	1,055,921,700	99,965,000	3,789,346,400	16,618,665	3,805,965,065	2.134	5,696,176,531
2004	107,317,300	2,163,746,900	24,642,800	8,277,500	322,976,400	1,133,010,700	99,965,000	3,859,936,600	17,003,479	3,876,940,079	1.974	5,044,169,053
2003	111,061,900	2,132,881,400	18,588,700	11,444,100	310,827,400	1,143,628,000	99,965,000	3,828,396,500	19,820,800	3,848,217,300	1.855	4,335,738,675
2002	112,185,600	2,082,892,900	18,810,800	6,505,500	304,812,400	1,119,805,900	97,097,000	3,742,110,100	17,065,469	3,759,175,569	1.760	3,850,326,029
2001	139,133,000	1,986,182,500	18,632,600	6,528,500	279,432,600	1,081,215,400	96,315,600	3,607,440,200	16,486,342	3,623,926,542	1.660	3,330,568,639

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

EXHIBIT "J-7"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
UNAUDITED

Calandar Year Ended June 30,	South Brunswick Township Board of Education			Overlapping Rates					Total Direct and Overlapping Tax Rate
	Basic Rate [a]	General Obiligation Debt Service [b]	Total Direct	South Brunswick Township	Middlesex County	Fire District 1			
						1	2	3	
2010	2.477	0.204	2.681	0.760	0.641	0.079	0.038	0.051	4.250
2009	2.416	0.189	2.605	0.709	0.627	0.076	0.035	0.050	4.102
2008	2.347	0.212	2.559	0.665	0.613	0.073	0.035	0.051	3.996
2007	2.347	0.212	2.559	0.625	0.531	0.075	0.035	0.050	3.875
2006	2.221	0.220	2.441	0.616	0.513	0.075	0.030	0.050	3.725
2005	2.118	0.197	2.315	0.562	0.483	0.070	0.030	0.050	3.510
2004	1.943	0.197	2.140	0.510	0.490	0.065	0.030	0.048	3.283
2003	1.812	0.158	1.970	0.500	0.490	0.060	0.030	0.046	3.096
2002	1.721	0.139	1.860	0.450	0.430	0.058	0.030	0.046	2.874
2001	1.610	0.140	1.750	0.450	0.410	0.059	0.030	0.050	2.749

Source: District Records and Municipal Tax Collector
(Rates are per $100 of assessed value)

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 calcu

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.

EXHIBIT "J-8"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2010			2001		
Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Forsgate Industrial Complex	$142,954,300	1	3.69%	$ 148,000,000	1	4.48%
Dow Jones & Company, Inc.	59,239,700	2	1.53%	109,000,000	2	3.30%
AMB Property Corporation	45,943,000	3	1.18%	66,000,000	3	2.00%
Heller SBIP and Heller XI Part.	42,256,800	4	1.09%	36,000,000	6	1.09%
Dalew /Wyeth-Ayerst	39,149,600	5	1.01%	39,000,000	5	1.18%
Royal Oaks Apartments, LLC	33,121,000	6	0.85%			
Allianz Life Insurance Co. Of No. America	28,982,900	7	0.75%			
Windsor South Ridge LLC	29,072,700	8	0.75%	23,000,000	8	0.70%
CNJ Company IV LLC	23,855,200	9	0.62%			
Eight Fifty Three – M, LLC	23,565,100	10	0.61%			
South View Asociates				43,000,000	4	1.30%
MW Associates- Morris/Wakefern				28,000,000	7	0.84%
Canon				20,000,000	9	0.61%
BASF				16,000,000	10	0.48%
Total top 10	$ 468,140,300		12.07%	$ 528,000,000		15.98%

Source: Municipal Tax Assessor

EXHIBIT "J-9"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS,
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	
2010	$103,931,210	$103,931,210	100.00%	
2009	101,280,745	101,280,745	100.00%	
2008	102,986,689	102,986,689	100.00%	
2007	98,201,313	98,201,313	100.00%	
2006	89,846,348	89,846,348	100.00%	
2005	84,899,562	84,899,562	100.00%	
2004	78,764,231	78,764,231	100.00%	
2003	72,922,944	72,922,944	100.00%	
2002	58,541,523	58,541,523	100.00%	
2001	61,104,577	61,104,577	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 is the amount voted upon or certified prior to the end of the school year.

EXHIBIT "J-10"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities: General Obligation Bonds	Governmental Activities: Capital Leases	Total District	Percentage of Personal Income (a)	Per Capita (a)
2010	$ 98,537,000.00	$	$ 98,537,000.00	0.05%	2,388.37
2009	103,822,000.00	1,011,115.00	104,833,115.00	0.05%	2,563.97
2008	109,022,000.00	2,052,969.00	111,074,969.00	0.04%	2,756.41
2007	114,522,000.00	1,856,274.00	116,378,274.00	0.04%	2,909.46
2006	120,427,000.00	2,587,753.00	123,014,753.00	0.03%	3,074.98
2005	125,377,859.00	1,736,132.00	127,113,991.00	0.03%	3,197.03
2004	129,272,858.00	1,680,500.00	130,953,358.00	0.03%	3,302.48
2003	99,965,000.00	1,294,532.00	101,259,532.00	0.04%	2,570.76
2002	103,680,000.00	1,205,309.00	104,885,309.00	0.04%	2,695.03
2001	104,740,000.00	1,445,259.00	106,185,259.00	0.03%	2,794.42

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.

EXHIBIT "J-11"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
2010	$98,537,000.00	-0-	$98,537,000.00	2.548%	$2,409.98
2009	103,822,000.00	-0-	103,822,000.00	2.642%	2,576.42
2008	109,022,000.00	-0-	109,022,000.00	2.787%	2,725.55
2007	114,522,000.00	-0-	114,522,000.00	2.919%	2,862.69
2006	120,427,000.00	-0-	120,427,000.00	3.132%	3,028.85
2005	125,377,859.00	-0-	125,377,859.00	3.309%	3,161.88
2004	129,272,858.00	-0-	129,272,858.00	3.349%	3,281.95
2003	99,965,000.00	-0-	99,965,000.00	2.611%	2,568.61
2002	103,680,000.00	-0-	103,680,000.00	2.771%	2,728.49
2001	104,740,000.00	-0-	104,740,000.00	2.903%	2,775.75

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.

EXHIBIT "J-12"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2009
UNAUDITED

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
South Brunswick Township	$102,051,436.00	100.00%	$102,051,436.00
Other debt			
Middlesex County	607,439,232.00	7.50%	45,539,112.00
Middlesex County Utilities Authority	257,322,416.00	4.08%	10,498,755.00
Stony Brook Regional Sewerage Authority	23,188,458.00	37.87%	8,781,469.00
Subtotal, overlapping debt			$158,089,303.00
South Brunswick School District Direct Debt			98,537,000.00
Total direct and overlapping debt			$256,626,303.00

Source: Township of South Brunswick Chief Financial Officer, Middlesex County Treasurer's Office and Middlesex County Utilities Authority.

(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.

EXHIBIT "J-13"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
UNAUDITED

Legal Debt Margin Calculation for Calendar Year 2009:

Equalized Valuation Basis

Calendar Year	
2009	$8,458,582,006.00
2008	8,284,854,723.00
2007	8,339,570,791.00
	$25,083,007,520.00
Average Equalized Valuation of Taxable Property	$8,361,002,506.67
Debt Limit (4% (a) of average equalization value)	334,440,100.27
Total Net Debt Applicable to Limit	98,537,000.00
Legal Debt Margin	$235,903,100.27

	Fiscal Year Ending June 30,									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Debt Limit	$334,440,100.27	$327,290,195.81	$202,183,549.51	$272,381,490.71	$236,761,667.36	$211,172,125.00	$185,781,539.00	$162,840,683.00	$143,761,274.00	$130,829,276.00
Total Net Debt Applicable To Limit	98,537,000.00	103,822,000.00	109,022,000.00	109,022,000.00	120,427,000.00	125,377,859.00	129,272,858.00	99,965,000.00	103,680,000.00	104,740,000.00
Legal Debt Margin	$235,903,100.27	$93,161,549.51	$93,161,549.51	$163,359,490.71	$116,334,667.36	$85,794,266.00	$56,508,681.00	$62,875,683.00	$40,081,274.00	$26,089,276.00
Total Net Debt Applicable to the Limit as a % of Debt Limit	29.46%	31.72%	53.92%	40.03%	50.86%	59.37%	69.58%	61.39%	72.12%	80.06%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation
(a) Limit set by N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

EXHIBIT "J-14"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2009	41,257	1,999,066,678.00	$48,454.00	7.10%
2008	40,887	1,981,138,698.00	48,454.00	3.20%
2007	40,297	1,915,719,380.00	47,540.00	2.80%
2006	40,000	1,792,920,000.00	44,823.00	3.20%
2005	40,005	1,652,526,540.00	41,308.00	4.10%
2004	39,760	1,592,308,480.00	40,048.00	3.10%
2003	39,653	1,548,013,467.00	39,039.00	3.70%
2002	39,389	1,519,312,508.00	38,572.00	3.80%
2001	38,918	1,489,742,122.00	38,279.00	2.50%
2000	37,999	1,397,755,216.00	36,784.00	2.10%

Source:
(a) Population information provided by the NJ Dept. of Labor and Workforce Development.
(b) Personal income has been estimated based upon the muncipal population and per capita personal income presented.
(c) Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
(d) Unemployement data provided by the NJ Dept. of Labor and Workforce Development.

EXHIBIT "J-15"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2009			2000		
Employer	# of Employees	Rank (Optional)	Percentage of Total Employment	# of Employees	Rank (Optional)	Percentage of Total Employment
South Brunswick Board of Education	1322	1	5.95%	N/A		
South Brunswick Township	414	2	1.86%	N/A		
AT&T	200	3	0.90%	N/A		
Bloomberg, Inc.	182	4	0.82%	N/A		
Dow Jones	170	5	0.76%	N/A		
NEC Laboratories	150	6	0.67%	N/A		
Russ Berrie	120	7	0.54%	N/A		
Thompson, Inc	115	8	0.52%	N/A		
Verispan	100	9	0.45%	N/A		
Alco Industries	90	10	0.40%	N/A		
	2,863		12.88%	0		0.00%

Source: Municipal Records

EXHIBIT "J-16"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
UNAUDITED

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Instruction:										
Regular	673.7	680.7	678.7	681.7	698.4	685.8	679.8	643.2	594.9	560
Special education	196.2	196.2	195.7	196.0	187.5	178.8	163.6	155.4	157.3	142
Support Services:										
Student & instruction related services	87	88.8	88.8	91.8	94.4	89.5	85.2	81.5	74.6	67.6
General adminsitrative services	25	30.6	30.6	31.6	33.6	30.0	29.0	26.0	25.0	23
School administrative services	110.5	118.1	118.1	118.1	118.7	116.1	110.9	107.7	97.8	84
Central services	8	9.0	9.0	9.0	9.0	9.0	9.0	9.0	8.0	8
Plant operations and maintenance	117.6	119.6	119.6	122.6	127.4	123.8	121.6	116.6	106.2	85
Pupil transportation	81	81.0	81.0	81.0	79.0	77.0	75.0	71.0	57.0	57
Total	1299	1324	1,322	1,332	1,348	1,310	1,274	1,210	1,121	1026.6

Source: District Personnel Records

EXHIBIT "J-17"

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
OPERATING STATISITICS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Pupil/Teacher Ratio			Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2010	8,966	$128,222,029.00	$14,300.92	2.69%	783	1:13	1:11	1:12	8,954	8,572	-0.40%	95.70%
2009	8,957	124,738,596.00	13,926.38	-2.60%	785	1:13	1:11	1:12	8,990	8,599	1.64%	95.70%
2008	8,822	126,143,641.00	14,298.76	4.32%	779	1:13	1:11	1:12	8,845	8,483	0.59%	95.90%
2007	8,790	120,478,812.00	13,706.35	5.03%	775	1:13	1:11	1:12	8,793	8,410	0.26%	95.64%
2006	8,802	114,864,275.00	13,049.79	8.70%	783	1:14	1:11	1:12	8,770	8,357	2.20%	95.29%
2005	8,576	102,960,681.00	12,005.68	3.01%	760	1:14	1:11	1:11	8,581	8,173	3.20%	95.25%
2004	8,320	96,968,310.00	11,654.84	4.95%	784	1:14	1:10	1:11	8,315	7,926	1.74%	95.31%
2003	8,151	90,522,139.00	11,105.65	10.90%	742	1:13	1:11	1:11	8,173	7,781	4.29%	95.20%
2002	7,906	79,172,505.00	10,014.23	4.09%	739	1:13	1:13	1:12	7,837	7,453	5.35%	95.10%
2001	7,460	71,770,770.00	9,620.75	2.40%	761	1:13	1:13	1:12	7,439	7,054	4.86%	94.83%

Sources: District records
Note: Enrollment based on annual October district count.
(a) Operating expenditures equal total expenditures less debt service and capital outlay.
(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).

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION - LAST TEN FISCAL YEARS
UNAUDITED

District Building	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Elementary										
Brooks Crossing (2002)										
Square Feet		82,104	82,104	82,104	82,104	82,104	82,104	82,104	82,104	82,104
Capacity (students)		853	853	853	853	853	853	853	853	853
Enrollment			788	863	903	905	788	793	815	841
Brooks Crossing at Deans(1929)										
Square Feet	28,110	28,110	28,110	28,110	28,110	28,110	28,110	28,110	28,110	28,110
Capacity (students)										
Enrollment	192	209	*	*	*	*	*	*	*	*
Brunswick Acres (1975										
Square Feet	50,280	50,280	50,280	50,280	50,280	63,258	63,258	63,258	63,258	63,258
Capacity (students)	569	569	569	569	569	641	641	641	641	641
Enrollment [a]	453	481	503	458	458	558	554	542	540	556
Cambridge										
Square Feet	49,630	49,630	49,630	49,630	49,630	49,630	59,500	59,500	59,500	59,500
Capacity (students)	637	637	637	637	637	637	637	637	637	637
Enrollment	508	518	525	543	596	604	556	544	546	571
Constable										
Square Feet	40,160	40,160	40,160	40,160	40,160	40,160	70,973	70,973	70,973	70,973
Capacity (students)	431	431	431	431	431	431	681	681	681	681
Enrollment	367	345	392	382	361	359	551	572	596	568
Greenbrook										
Square Feet	31,010	31,010	31,010	31,010	31,010	64,312	64,312	64,312	64,312	64,312
Capacity (students)	450	450	450	450	450	667	667	667	667	667
Enrollment	375	393	446	429	453	479	458	471	479	462
Indian Fields(1992)										
Square Feet	82,450	82,450	82,450	82,450	82,450	82,450	82,450	82,450	82,450	82,450
Capacity (students)	824	824	824	824	824	824	824	824	824	824
Enrollment	638	653	816	837	848	853	765	723	711	680
Indian Fields at Dayton(1928)										
Square Feet	23,350	23,350	23,350	23,350	23,350	23,350	23,350	23,350	23,350	23,350
Capacity (students)										
Enrollment	143	160	*	*	*	*	*	*	*	*
Monmouth Junction										
Square Feet	28,445	28,445	28,445	28,445	28,445	28,445	48,625	48,625	48,625	48,625
Capacity (students)	485	485	485	485	485	485	506	506	506	506
Enrollment	508	573	488	472	482	417	438	402	363	385

* - Enrollments are included in the Administrative Base School

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION - LAST TEN FISCAL YEARS
UNAUDITED

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Middle School										
Crossroads North(1967)										
Square Feet	110,000	131,239	131,239	131,239	131,239	131,239	131,239	131,239	131,239	131,239
Capacity (students)	750	900	900	900	900	900	900	900	900	900
Enrollment	1,037	1,089	1,272	829	777	835	854	863	898	1,011
Crossroads South(1959)										
Square Feet										
Capacity (students)	197,710	197,710	197,710	197,710	197,710	197,710	197,710	197,710	197,710	197,710
Enrollment	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
	963	1,229	1,244	1,114	1,180	1,170	1,201	1,173	1,219	1,153
High School										
South Brunswick High School(1997)										
Square Feet										
Capacity (students)	365,000	365,000	365,000	472,000	472,000	472,000	472,000	472,000	472,000	472,000
Enrollment	2,100	2,100	2,100	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Other	1618	1942	2058	2189	2370	2470	2554	2644	2657	2739
Maintenance Annex										
Square Feet										
	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000

* - Enrollments are included in the Administrative Base School

Number of Schools at June 30, 2010
- Elementary = 9
- Middle School = 2
- High School = 1
- Other = 1

Source: District records, ASSA

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.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST NINE FISCAL YEARS
UNAUDITED

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

School Facilities	Project # (s)	2010	2009	2008	2007	2006	2005	2004	2003	2002
Brooks Crossing Elementary	N/A	107,180	93,025	101,267	93,252	108,520	175,462	120,146	141,053	
Brunswick Acres Elementary	4860-055-03-1446	178,829	153,380	177,224	150,353	158,494	134,396	123,601	133,691	83,694
Cambridge Elementary	4860-060-03-1447	112,943	151,871	165,635	125,704	120,907	104,228	145,432	120,598	82,162
Constable Elementary	4860-070-03-1448	107,471	114,562	98,832	192,105	90,951	115,329	104,094	158,663	66,600
Indian Fields @ Dayton Elementary	N/A	42,904	49,569	19,854	55,036	35,069	48,236	29,660	22,051	38,701
Brooks Crossing @ Deans Elementary	N/A	12,221	23,565	68,119	28,150	80,397	65,322	64,510	32,479	46,791
Greenbrook Elementary	4860-055-03-1450	125,484	133,547	163,892	120,336	124,501	78,565	74,254	75,689	53,632
Indian Fields Elementary	N/A	135,777	130,707	155,369	150,696	136,840	210,851	133,284	222,041	140,622
Monmouth Junction Elementary	4860-055-03-1451	104,385	149,855	207,159	162,644	80,659	91,905	114,230	125,695	69,596
Crossroads North Middle	4860-055-03-1452	241,876	341,324	327,280	284,065	265,641	193,733	173,652	186,925	218,456
Crossroads South Middle	4860-055-03-1449	298,850	408,287	404,639	345,902	376,767	289,009	248,575	263,831	329,100
High School	N/A	613,980	741,759	605,285	566,743	634,576	444,132	479,965	412,548	602,571
Total School Facilities		2,081,900	2,491,452	2,494,554	2,274,986	2,213,322	1,951,168	1,811,403	1,895,264	1,731,925
Other Facilities		67,709	176,224	24,662	11,743	24,063	16,543	10,446	15,467	33,290
Grand Total		2,149,609	2,667,676	2,519,216	2,286,729	2,237,385	1,967,711	1,821,849	1,910,731	1,765,215

** School not open
Source District Records

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
INSURANCE SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED

Type	Coverage	Deductible	Carrier	Policy #
Property				SAIF NJSA 18A:18B-1
Blanket, building and contents	$ 376,466,760			
Extra expense	5,000,000			
Demolition/Increased cost of construction	5,000,000			
Deductible		10,000		
Flood	25,000,000			
Musical instruments	Included			
Miscellaneous equipment	Included			
Computer equipment	included			SAIF NJSA 18A:18B-1
Energy Systems	100,000,000			
Spoilage	500,000			
Extra expense	5,000,000			
Deductible		10,000		
School Board Legal			NJSBAIG	E808AB
Limit of liability	10,000,000	15,000		
Primary Umbrella				SAIF NJSA 18A:18B-1
Limit of liability	5,000,000			
Self-insured retention	none			
Catastrophe Access			Fireman's Fund	SHX14506778
Limit of liability - Group Limit	50,000,000			
Environmental Impairment Liability				ACE(SAIF) PPLG23566527005
Limit of liability - Each Loss	1,000,000	10,000		
Limit of liability - Aggregate	25,000,000			
Commercial Liability				SAIF NJSA 18A:18B-1
Bodily Injury & Property Damage *(Each Occurrence)*	$ 5,000,000			
Personal Injury/Advertising	$ 5,000,000			
Medical Expense	5,000			
Employee Benefits Liability	$ 5,000,000			
Crime				SAIF NJSA 18A:18B-1
Money & Securities-inside	50,000	$ 500		
Money & Securities-outside	50,000	$ 500		
Employee Dishonesty	100,000	$ 1,000		
Depositories Forgery	50,000	$ 500		

Continued

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
INSURANCE SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED

Type	Coverage	Deductible	Carrier	Policy #
Business Auto				SAIF NJSA 18A:18B-1
Bodily Injury & Property Damage	5,000,000			
Personal Injury Protection	Statutory			
Medical Payments (PIP)	10,000			
Uninsured/Underinsured	5,000,000			
Comprehensive Deductible		1,000		
Collision Deductible		1,000		
Compulsory Student Accident			Bollinger	PB066
Limit of Liability	5,000,000			
Athletics	5,000,000			
Bonds				
Board Secretary/Business Administrator	500,000		Selective	B1017375
Treasurer of School Monies	500,000		NJSBAIG	PB808AB
Excess Workers Comp				
Limit of Liability- Section "B" Employers L	1,000,000		Midwest Employers	EWC007742
Section "A"	Statutory			
Supplemental Wage Reimbursement			Chubb	99061529
Weekly Wage Maximum	$1,750	7 days		

SINGLE AUDIT SECTION

SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
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EXHIBIT "K-1"

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

Honorable President and Members
of the Board of Education
Township of South Brunswick School District
County of Middlesex
Monmouth Junction, New Jersey 08852

We have audited the basic financial statements of the Township of South Brunswick School District, County of Middlesex, New Jersey as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated November 19, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards, 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 Township of South Brunswick School District, County of Middlesex, New Jersey internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements but not for the purpose of expressing an opinion on the effectiveness of the Township of South Brunswick School District, County of Middlesex internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township of South Brunswick School District, County of Middlesex'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 combination of deficiencies, in internal control, such that there is a 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 the internal control over financial reporting was limited for the purposed 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of South Brunswick School District's basic 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 basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and the Board of Education of the Township of South Brunswick School District, the New Jersey State Department of Education and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Suplee, Clooney & Company
CERTIFIED PUBLIC ACCOUNTANTS

November 19, 2010

PUBLIC SCHOOL ACCOUNTANT NO. 93

SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
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EXHIBIT "K-2"

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

Honorable President and Members
of the Board of Education
Township of South Brunswick School District
County of Middlesex
Monmouth Junction, New Jersey 08852

Compliance

We have audited the compliance of the Township of South Brunswick School District with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the New Jersey State Grant Compliance Supplement that are applicable to each of its major federal and state programs for the year ended June 30, 2010. Township of South Brunswick School 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 Township of South Brunswick School District's management. Our responsibility is to express an opinion on Township of South Brunswick School District's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions 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 Township of South Brunswick School 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 Township of South Brunswick School District's compliance with those requirements.

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

Internal Control Over Compliance

The management of the Township of South Brunswick School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Township of South Brunswick School 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of South Brunswick School 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 a 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 management and the Board of Education of the Township of South Brunswick School District, the New Jersey State Department of Education and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Suplee, Clooney & Company
CERTIFIED PUBLIC ACCOUNTANTS

Robert S. Capparuolo
PUBLIC SCHOOL ACCOUNTANT NO. 93

November 19, 2010

EXHIBIT "K-3"
SCHEDULE A

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD FROM	GRANT PERIOD TO	BALANCE AT JUNE 30, 2009	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE AT JUNE 30, 2010 (ACCOUNTS RECEIVABLE)	BALANCE AT JUNE 30, 2010 DEFERRED REVENUE	BALANCE AT JUNE 30, 2010 DUE TO GRANTOR AT
General Fund														
U.S. Department of Education														
ARRA - SFSF-ESF	84.394	N/A	2,862,562.00	7/1/09	6/30/10	$	$	$ 2,862,562.00	$ (2,862,562.00)	$	$	$	$	$
ARRA - SFSF-GSF	84.397	N/A	110,814.00	7/1/09	6/30/10			110,814.00	(110,814.00)					
Medical Assistance Program (SEMI)	93.778	N/A	56,446.00	7/1/09	6/30/10			39,171.00	(56,466.00)			(17,295.00)		
								3,012,547.00	(3,029,842.00)			(17,295.00)		
Special Revenue Funds														
U.S. Department of Education														
Passed-through State Department of Education:														
Title I, Part A	84.010A	NCLB486010	189,957.00	9/1/09	8/31/10			18,281.00	(60,574.00)			(42,293.00)		
Title I, Part A	84.010A	NCLB486009	214,842.00	9/1/08	8/31/09	(32,772.00)	(156,758.00)	79,523.00				(110,007.00)		
Title I, Part A Summer 2009	84.010A	NCLB486009	214,842.00	9/1/08	8/31/09		145,954.00		(145,954.00)					
Title I, Part A Carryover Summer 2009	84.010A	NCLB486006	214,020.00	9/1/06	8/31/07		45,905.00		(45,905.00)					
Title I, Part A Carryover	84.010A	NCLB486009	214,842.00	9/1/08	8/31/09		10,804.00		(10,804.00)					
Title I, Part A, Carryover	84.010A	NCLB486008	214,020.00	9/1/07	8/31/08	46,204.00	(45,905.00)							
Title II, Part A	84.281A	NCLB486010	151,202.00	9/1/09	8/31/10			32,213.00	(50,984.00)		(299.00)			
Title II, Part A	84.281A	NCLB486009	156,284.00	9/1/08	8/31/09	(28,690.00)	(102,129.00)	52,180.00				(18,771.00)		
Title II, Part A Carryover	84.281A	NCLB486008	153,033.00	9/1/07	8/31/08	16,812.00	(16,567.00)					(78,639.00)		
Title II, Part A Carryover Summer 2008	84.281A	NCLB486007	153,016.00	9/1/06	8/31/07	179.00					(245.00)			
Title II, Part A Carryover Summer 2009	84.281A	NCLB486006	153,033.00	9/1/07	8/31/08		16,567.00		(16,567.00)		(179.00)			
Title II, Part A Summer 2009	84.281A	NCLB486009	153,033.00	9/1/07	8/31/08		53,228.00		(53,228.00)					
Title II, Part A Carryover	84.281A	NCLB486009	153,033.00	9/1/07	8/31/08		48,901.00		(33,556.00)				15,345.00	
Title II, Part D Summer 2007	84.318	NCLB486007	980.00	9/1/06	8/31/07	38.00					(38.00)			
Title II, Part D Carryover	84.318	NCLB486008	1,456.00	9/1/07	8/31/08	1,121.00	(1,121.00)							
Title II, Part D Carryover Summer 2009	84.318	NCLB486008	1,456.00	9/1/07	8/31/08		1,121.00		(1,053.00)					68.00
Title II, Part D	84.318	NCLB486009	1,784.00	9/1/08	8/31/09		(1,784.00)					(1,784.00)		
Title II, Part D Summer 2009	84.318	NCLB486009	1,784.00	9/1/08	8/31/09		71.00		(71.00)					
Title II, Part D Carryover	84.318	NCLB486009	1,784.00	9/1/08	8/31/09		1,713.00		(1,630.00)				83.00	
Title II, Part D	84.318	NCLB486010	1,915.00	9/1/09	8/31/10									
Title III, Part A	84.365	NCLB486010	39,793.00	9/1/09	8/31/10			15,612.00	(23,816.00)			(8,204.00)		
Title III, Part A Carryover Summer 2008	84.365	NCLB486007	38,932.00	9/1/06	8/31/07	2,031.00					(2,031.00)			
Title III, Part A Carryover	84.365	NCLB486008	31,664.00	9/1/07	8/31/08	1,162.00	(1,162.00)							
Title III, Part A Carryover Summer 2009	84.365	NCLB486008	31,664.00	9/1/07	8/31/08		1,162.00		(1,162.00)					
Title III, Part A	84.365	NCLB486009	34,747.00	9/1/08	8/31/09	(335.00)	(31,677.00)	8,009.00				(24,003.00)		
Title III, Part A Summer 2009	84.365	NCLB486009	34,747.00	9/1/09	8/31/09		12,372.00		(12,372.00)					
Title III, Part A Carryover	84.365	NCLB486009	34,747.00	9/1/08	8/31/09		19,305.00		(18,562.00)				743.00	
Title III Part A	84.365	NCLB486009	50,849.00	9/1/08	8/31/09	(16,417.00)	(8,285.00)	16,417.00				(8,285.00)		
Title III, Part A Carryover	84.365	NCLB486009	50,849.00	9/1/08	8/31/09		8,285.00		(8,285.00)					
Title V, Part A Carryover Summer 2008	84.298A	NCLB486007	12,422.00	9/1/06	8/31/07	265.00					(265.00)			
Title IV, Part A	84.186A	NCLB486009	16,941.00	9/1/08	8/31/09	(10,726.00)	(77.00)	9,319.00				(1,484.00)		
Title IV, Part A Carryover	84.186A	NCLB486008	22,445.00	9/1/07	8/31/08		77.00						77.00	
Title IV, Part A	84.186A	NCLB486010	16,180.00	9/1/09	8/31/10			8,644.00	(16,180.00)			(7,536.00)		
Tech-Prep Grant Program	84.243	08000169	229,000.00	9/1/07	8/31/08	158.00					(158.00)			
Tech-Prep Grant Program	84.243	08000168	373,789.00	9/1/08	8/31/09	31,659.00	(68,388.00)	40,359.00			(3,630.00)			
Tech-Prep Grant Program	84.243	08000169	373,789.00	9/1/08	8/31/9		68,388.00		(68,388.00)					
Tech-Prep Grant Program	84.243	08000168	240,000.00	9/1/09	8/31/10			195,427.00	(168,709.00)				26,718.00	
ARRA -I.D.E.A. Part B, Basic - Summer	84.391	ARRA486010	123,017.00	7/1/09	9/30/10			123,017.00	(123,017.00)					
ARRA -I.D.E.A. Part B, Basic	84.391	ARRA486010	1,939,306.00	10/1/09	6/30/10			811,414.00	(896,644.00)			(85,230.00)		
ARRA -I.D.E.A. Part B, Preschool - Summer	84.392	ARRA486010	23,433.00	7/1/09	9/30/10			23,433.00	(23,433.00)					
ARRA -I.D.E.A. Part B, Preschool	84.392	ARRA486010	52,110.00	10/1/09	6/30/10			17,834.00	(19,157.00)			(1,323.00)		
I.D.E.A. Part B, Basic Regular Carryover	84.027	FT486008	1,643,320.00	9/1/07	8/31/08	150.00					(150.00)			
I.D.E.A. Part B, Basic Regular	84.027	FT486009	1,696,070.00	9/1/08	8/31/09	(390,811.00)	(43,862.00)	357,845.00				(76,828.00)		
I.D.E.A. Part B, Basic Carryover	84.027	FT486009	1,696,070.00	9/1/08	8/31/09		43,862.00		(38,164.00)				5,698.00	
I.D.E.A. Part B, Basic Regular	84.027	FT486010	1,727,942.00	9/1/09	8/31/10			1,471,950.00	(1,684,598.00)			(212,648.00)		
I.D.E.A. Part B, Preschool	84.173	PS486008	63,352.00	9/1/07	8/31/08	6,122.00	(6,122.00)							
I.D.E.A. Part B, Preschool Carryover	84.173	PS486008	63,352.00	9/1/07	8/31/08		6,122.00		(6,122.00)					
I.D.E.A. Part B, Preschool	84.173	PS486007	59,770.00	9/1/08	8/31/09	(6,668.00)	(5,105.00)	3,336.00				(8,457.00)		
I.D.E.A. Part B, Preschool Carryover	84.173	PS486007	59,770.00	9/1/08	8/31/09		5,105.00		(4,016.00)				1,089.00	
I.D.E.A. Part B, Preschool	84.173	PS486007	60,201.00	9/1/09	8/31/10			54,471.00	(56,182.00)			(1,711.00)		
Total U.S. Department of Education						(380,538.00)		3,339,264.00	(3,589,133.00)		(6,995.00)	(667,203.00)	49,753.00	68.00
Enterprise Funds														
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Food Donations	10.550	N/A	214,068.00	7/1/09	6/30/10			211,822.00	(183,824.00)				27,998.00	
Food Donations	10.550	N/A	184,816.00	7/1/08	6/30/09	30,244.00			(30,244.00)					
National School Lunch Program	10.555	N/A	444,343.00	7/1/09	6/30/10			407,825.00	(444,343.00)			(36,518.00)		
National School Lunch Program	10.555	N/A	373,769.00	7/1/08	6/30/09	(31,110.00)		31,110.00						
Total U.S. Department of Agriculture						(868.00)		650,757.00	(658,411.00)			(36,518.00)	27,998.00	
Total Federal Financial Assistance						$ (381,404.00)	$ -0-	$ 7,002,568.00	$ (7,277,386.00)	$	$ (6,995.00)	$ (741,016.00)	$ 77,751.00	$ 68.00

See accompanying notes to schedules of financial assistance.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD FROM	GRANT PERIOD TO	BALANCE AT JUNE 30, 2009 (ACCOUNTS RECEIVABLE)	BALANCE AT JUNE 30, 2009 DEFERRED REVENUE	BALANCE AT JUNE 30, 2009 DUE TO GRANTOR	BALANCE AT JUNE 30, 2009 CARRYOVER AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR BALANCES	BALANCE AT JUNE 30, 2010 (ACCOUNTS RECEIVABLE)	BALANCE AT JUNE 30, 2010 DEFERRED REVENUE	BALANCE AT JUNE 30, 2010 DUE TO GRANTOR AT	MEMO BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education																
General Funds:																
Transportation Aid	10-495-034-5120-014	1,955,335.00	7/1/09	6/30/10	$	$	$	$	1,892,607.00	$ (1,955,335.00)	$ (62,728.00)	$	$	$	$ 288,030.18	$ (1,955,335.00)
Special Education Aid	10-495-034-5120-089	5,132,371.00	7/1/09	6/30/10					4,826,951.00	(5,132,371.00)	(305,420.00)				756,022.75	(5,132,371.00)
Equalization Aid	10-495-034-5120-078	9,369,111.00	7/1/09	6/30/10					9,498,517.00	(9,369,111.00)	129,406.00				1,380,114.79	(9,369,111.00)
Security Aid	10-495-034-5120-084	470,489.00	7/1/09	6/30/10					468,774.00	(470,489.00)	(1,715.00)				69,305.28	(470,489.00)
Nonpublic Transportation Aid	09-495-034-5120-044	55,276.00	7/1/08	6/30/09	(55,276.00)				55,276.00							
Nonpublic Transportation Aid	10-495-034-5120-044	55,214.00	7/1/09	6/30/10						(55,214.00)		(55,214.00)				(55,214.00)
Extraordinary Special Education Costs Aid	09-100-034-5120-473	521,016.00	7/1/08	6/30/09	(521,016.00)				521,016.00							
Extraordinary Special Education Costs Aid	10-100-034-5120-473	635,803.00	7/1/09	6/30/10						(635,803.00)		(635,803.00)				(635,803.00)
Reimbursed TPAF Social Security Contribution	10-495-034-5095-002	4,050,342.00	7/1/09	6/30/10					4,050,342.00	(4,050,342.00)						(4,050,342.00)
					(576,292.00)				21,313,483.00	(21,668,665.00)	(240,457.00)	(691,017.00)			2,493,473.00	(21,668,665.00)
Special Revenue Funds:																
Pass Through State Department of Education:																
N.J. Nonpublic Aid:																
Textbook Aid	10-100-034-5120-064	54,815.00	7/1/2009	6/30/2010					54,815.00	(54,815.00)						(54,815.00)
Auxiliary Services:																
Compensatory Education	10-100-034-5120-067	88,292.00	7/1/2009	6/30/2010					88,292.00	(85,413.00)				2,879.00		(85,413.00)
Compensatory Education	09-100-034-5120-067	92,566.00	7/1/2008	6/30/2009			18,911.00				(18,911.00)					
Home Instruction	10-100-034-5120-067	2,785.00	7/1/2009	6/30/2010						(2,785.00)		(2,785.00)				(2,785.00)
Home Instruction	09-100-034-5120-067	536.00	7/1/2008	6/30/2009	(536.00)				536.00							
English as a Second Language	10-100-034-5120-067	30,338.00	7/1/2008	6/30/2009					30,338.00	(30,338.00)						(30,338.00)
Transportation	10-100-034-5120-068	19,421.00	7/1/2008	6/30/2009					19,421.00	(19,421.00)						(19,421.00)
Handicapped Services:																
Supplementary Instruction	10-100-034-5120-066	23,096.00	7/1/2009	6/30/2010					23,096.00	(15,929.00)				7,167.00		(15,929.00)
Supplementary Instruction	09-100-034-5120-066	28,910.00	7/1/2008	6/30/2009			4,956.00				(4,956.00)					
Examination & Classification	10-100-034-5120-066	26,321.00	7/1/2009	6/30/2010					26,321.00	(23,218.00)				3,103.00		(23,218.00)
Examination & Classification	09-100-034-5120-066	32,797.00	7/1/2008	6/30/2009			380.00				(380.00)					
Corrective Speech	10-100-034-5120-066	41,249.00	7/1/2008	6/30/2009					41,249.00	(39,755.00)				1,494.00		(39,755.00)
Nursing Services Aid	10-100-034-5120-070	65,002.00	7/1/2009	6/30/2010					65,002.00	(65,002.00)						(65,002.00)
Passed Through South Brunswick Township:																
Municipal Alliance Grants:																
Every Parent Influences Children	Not Available	5,500.00	1/1/2009	12/31/2009				(5,465.00)	5,465.00							
Every Parent Influences Children Carryover	Not Available	5,500.00	1/1/2009	12/31/2009				5,465.00		(5,465.00)						(5,465.00)
Every Parent Influences Children	Not Available	5,500.00	1/1/2010	12/31/2010						(1,185.00)		(1,185.00)				(1,185.00)
Passed-through NJ Department of Health and Senior Services:																
REBEL2 Program - Crossroads North School:																
2008-09	Not Available	1,000.00	9/1/2008	6/15/2009	(500.00)				500.00							
2009-10	Not Available	1,000.00	9/1/2009	6/15/2010					1,000.00	(1,000.00)						(1,000.00)
REBEL2 Program - Crossroads South School:																
2009-10	Not Available	1,000.00	9/1/2009	6/15/2010					1,000.00	(1,000.00)						(1,000.00)
REBEL2 Program - High School:																
2007-08 Carryover	Not Available	1,000.00	9/1/2007	6/15/2008		12.00		(12.00)								
2007-08 Carryover	Not Available	1,000.00	9/1/2007	6/15/2008				12.00		(12.00)						(12.00)
2008-09	Not Available	1,000.00	9/1/2008	6/15/2009	(500.00)				500.00							
2009-10	Not Available	1,000.00	9/1/2009	6/15/2010					1,000.00	(1,000.00)						(1,000.00)
Passed-through Department of Children and Families, Division of Prevention and:																
Community Partnerships:																
Family Friendly Centers Initiative:																
2009-10	10-100-016-1630-024	45,463.00	7/1/2009	6/30/2010					45,463.00	(45,463.00)						(45,463.00)
Passed-through County of Middlesex, Department of Planning, Division of Solid Waste Management:																
Environmental Awareness:																
2009-10 Crossroads Middle School	Not Available	889.00	7/1/2009	6/30/2010					889.00	(889.00)						(889.00)
					(1,536.00)	12.00	24,247.00		404,687.00	(392,690.00)	(24,247.00)	(3,970.00)		14,643.00		(392,690.00)
Capital Projects Fund:																
Educational Facilities Construction and Financing Act	Various	13,383,375.00	Continuous		(2,152,830.00)							(2,152,830.00)				
Debt Service Fund:																
Debt Service Aid - Type II	10-100-034-5120-125	1,835,150.00	7/1/09	6/30/10					1,835,150.00	(1,835,150.00)						(1,835,150.00)
State Department of Agriculture:																
Enterprise Fund:									1,835,150.00	(1,835,150.00)						(1,835,150.00)
National School Lunch Program (State Share)	08-100-034-5120-122	37,486.00	7/1/09	6/30/10					34,490.00	(37,486.00)						(37,486.00)
National School Lunch Program (State Share)	09-100-034-5120-122	34,155.00	7/1/08	6/30/09	(2,802.00)				2,802.00			(2,996.00)				
					(2,802.00)				37,292.00	(37,486.00)		(2,996.00)				(37,486.00)
Total State Financial Assistance Subject to Single Audit					(2,733,460.00)	12.00	24,247.00		23,590,812.00	(23,933,991.00)	(264,704.00)	(2,850,813.00)		14,643.00	2,493,473.00	(23,933,991.00)
General Fund:																
On-Behalf TPAF Non Contributory Insurance	10-495-034-5095-007	178,996.00	07/01/09	06/30/10					178,996.00	(178,996.00)						(178,996.00)
On-Behalf TPAF Post-Retirement Medical Benefits	10-495-034-5095-001	3,361,800.00	07/01/09	06/30/10					3,361,800.00	(3,361,800.00)						(3,361,800.00)
Total State Financial Assistance					$ (2,733,460.00)	$ 12.00	$ 24,247.00	$	$ 27,131,608.00	$ (27,474,787.00)	$ (264,704.00)	$ (2,850,813.00)	$	$ 14,643.00	$ 2,493,473.00	$ (27,474,787.00)

See accompanying notes to schedules of financial assistance.

Township of South Brunswick School District
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2010

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions 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 1 of the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is ($240,457.00) for the general fund and ($-0-) for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	$3,029,842.00	$24,969,004.00	$27,998,846.00
Special Revenue Fund	3,589,133.00	392,690.00	3,981,823.00
Debt Service Fund		1,835,150.00	1,835,150.00
Food Service Fund	658,411.00	37,486.00	695,897.00
Total Awards & Financial Assistance	$7,277,386.00	$27,234,330.00	$34,511,716.00

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2010. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2010.

NOTE 6: ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a state single audit, and therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of state financial assistance reported in the Commission's basic financial statements and the amounts subject to state single audit and major program determination

EXHIBIT "K-6"

Township of South Brunswick School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

Section I – Summary of Auditor's Results

Financial Statements

(1)	Type of Auditor's Report Issued:	Unqualified
(2)	Internal Control Over Financial Reporting:	
	(a) Material weakness identified?	No
	(b) Significant deficiencies identified that are not considered to be material weaknesses?	N/A
(3)	Noncompliance material to basic financial statements noted?	No

Federal Program(s)

(1)	Internal Control Over Major Federal Programs:	
	(a) Material weakness identified?	None Reported
	(b) Significant deficiencies identified that are not considered to be material weaknesses?	N/A
(2)	Type of Auditor's Report issued on compliance for major federal program(s)?	Unqualified
(3)	Any audit findings disclosed that are required to be reported in accordance with Section.510(a) of Circular OMB A-133?	None Reported

Township of South Brunswick School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

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

Federal Program(s) (Continued)

(4) Identification of Major Federal Program(s):

Program	Grant Number	Grant Period From	Grant Period To	Type	Award Amount	Expended FY '10
ARRA - SFSF - ESF	84.394	7/1/09	6/30/10	A	$2,862,562.00	$2,862,562.00
ARRA - SFSF - GSF	84.397	7/1/09	6/30/10	B	110,814.00	110,814.00
IDEA Part B	84.027	9/1/09	8/31/10	A	1,727,942.00	1,684,598.00
IDEA Part B - extended	84.027	9/1/08	8/31/09	B	43,862.00	38,164.00
IDEA Preschool	84.173	9/1/09	8/31/10	B	60,201.00	56,182.00
IDEA Preschool - ext.	84.173	9/1/08	8/31/09	B	11,227.00	10,138.00
IDEA Part B - ARRA	84.391	9/1/09	8/31/10	A	2,062,323.00	1,019,661.00
IDEA Preschool - ARRA	84.392	9/1/09	8/31/10	B	75,543.00	42,590.00
School Lunch Program	10.555	7/1/09	6/30/10	A	444,343.00	444,343.00

(5) Program Threshold Determination:
Type A Federal Program Threshold > $300,000.00
Type B Federal Program Threshold <= $300,000.00

(6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

Township of South Brunswick School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

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

State Program(s)

(1) Internal Control Over Major State Programs:

(a)	Material weakness identified?	None Reported
(a)	Significant deficiencies identified that are not considered to be material weaknesses?	N/A

(2) Type of Auditor's Report issued on compliance for major state program(s)? Unqualified

(3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04? None Reported

(4) Identification of Major State Program(s):

Program	Grant Number	Grant Period From	Grant Period To	Type	Award Amount	Expended FY '10
Extraordinary Special Education Aid	10-100-034-5120-473	7/1/09	6/30/10	A	$635,803.00	$635,803.00
Special Education Aid	10-495-034-5120-089	7/1/09	6/30/10	A	$5,132,371.00	$5,132,371.00
Equalization Aid	10-495-034-5120-078	7/1/09	6/30/10	A	$9,369,111.00	$9,369,111.00
Security Aid	10-495-034-5120-084	7/1/09	6/30/10	A	$470,489.00	$470,489.00
Debt Service Aid	10-495-034-5120-017	7/1/09	6/30/10	A	$1,835,150.00	$1,835,150.00

(5) Program Threshold Determination:
Type A State Program Threshold > $718,020.00
Type B State Program Threshold <= $718,020.00

(6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

Township of South Brunswick School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards

Internal Control Findings

None Reported

Compliance Findings

None Reported

Section III – Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs – None Reported

State Programs – None Reported

EXHIBIT "K-7"

Township of South Brunswick School District

Schedule of Prior Year Audit Findings

Not Applicable