

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**BOARD OF EDUCATION  
TOWNSHIP OF NORTH BRUNSWICK,  
COUNTY OF MIDDLESEX, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Prepared by**

**Susan Irons  
Business Administrator and  
The School Business Administrator's Staff**

**Of the North Brunswick Township Board of Education**

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## INTRODUCTORY SECTION

# NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

Administrative Offices:  
Maple Meade School Building, Old Georges Road  
Post Office Box 6016  
North Brunswick, N.J. 08902  
Tele. (732) 289-3000

District Web Site: [www.nbtschools.org](http://www.nbtschools.org)

Brian Zychowski, Ed. D.  
Superintendent of Schools  
Fax: (732) 297-8567

Susan Irons  
Business Administrator/Board Secretary  
Fax: (732) 297-6590

## LETTER OF TRANSMITTAL

October 19, 2011

Honorable President and  
Members of the Board of Education  
North Brunswick Township School District  
North Brunswick, New Jersey 08902

Dear Board Members:

It is with pleasure that we submit the Comprehensive Annual Financial Report (CAFR) of the North Brunswick Township School District for the fiscal year ended June 30, 2011. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, 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 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 as follows:

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes and an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;

- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School District generally presented on a multi-year basis;
- The Single Audit Section – The District is required to undergo an annual audit in conformity with the provisions of the Single Audit act of 1986, as amended the U.S. Office of Management and Budget Circular A-133, "Audit of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs if any, is included in the single audit section of this report.

**1. REPORTING ENTITY AND ITS SERVICES**

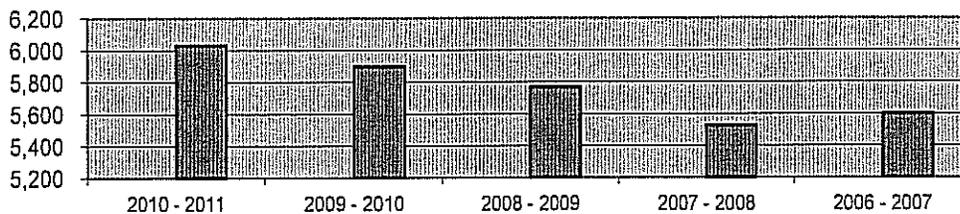
The North Brunswick Township School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds of the District are included in this report. The North Brunswick Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of programs and services appropriate to grades pre -K through 12. These include regular education programs for the very able students (including gifted and talented), as well as special education for handicapped youngsters in and out of the District. Four elementary schools, a middle school and a high school comprise the District's educational facilities.

The District's enrollment at October 15, 2010 was 6,031 students, which is a 2.26% increase above the previous October 15 count. The following details the changes in enrollment over the last five years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010 - 2011	6,031	2.26%
2009 - 2010	5,898	2.27%
2008 - 2009	5,767	4.32%
2007 - 2008	5,528	(1.34%)
2006 - 2007	5,603	1.49%

**District Enrollment**



## **2. ECONOMIC CONDITION AND OUTLOOK**

The value of the township's tax ratable base decreased approximately \$15.5 million for the 2010-2011 fiscal year and has decreased approximately \$13 million for the 2011-2012 fiscal year. A tax levy cap of 2% has recently been enacted for all New Jersey school districts, which will further limit the amount of revenue that can be raised through taxation.

## **3. LONG TERM FINANCIAL PLANNING/MAJOR INITIATIVES**

The Board has currently completed a capital project, which included the replacement and repair of roofs at four schools that will be partially funded through NJ Schools Development Authority grants. The Board's currently evaluating Americans With Disabilities compliance work at the Maple Meade administration building, and a major district-wide solar/roofing replacement project. District administrators are also evaluating the long term financial impact of increased state mandated initiatives and decreased levels of state funding.

## **4. INTERNAL ACCOUNTING CONTROLS**

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure 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 periodic evaluation by the District management.

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

## **5. BUDGETARY CONTROLS**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservation of fund balance at June 30, 2011.

## **6. ACCOUNTING SYSTEM AND REPORTS**

The 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 and is in compliance with GASB Statement 34 standards. The funds and account groups are explained in "Notes to the Financial Statements", Note 1.

**7. DEBT ADMINISTRATION**

The District's outstanding debt issues included \$59,142,000 of general obligation bonds as of June 30, 2011.

**8. CASH MANAGEMENT**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

**9. RISK MANAGEMENT**

The District carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The District is exposed to various risk of loss related to torts, theft of; damage to and destruction of assets; error and omission; injuries to employees; and natural disaster.

**10. OTHER INFORMATION**

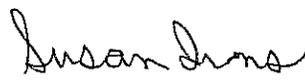
Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Gerard Stankiewicz, CPA, RMA, of the accounting firm of Samuel Klein and Company, Certified Public Accountants was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and New Jersey OMB's Circular 04-04. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**11. ACKNOWLEDGEMENTS**

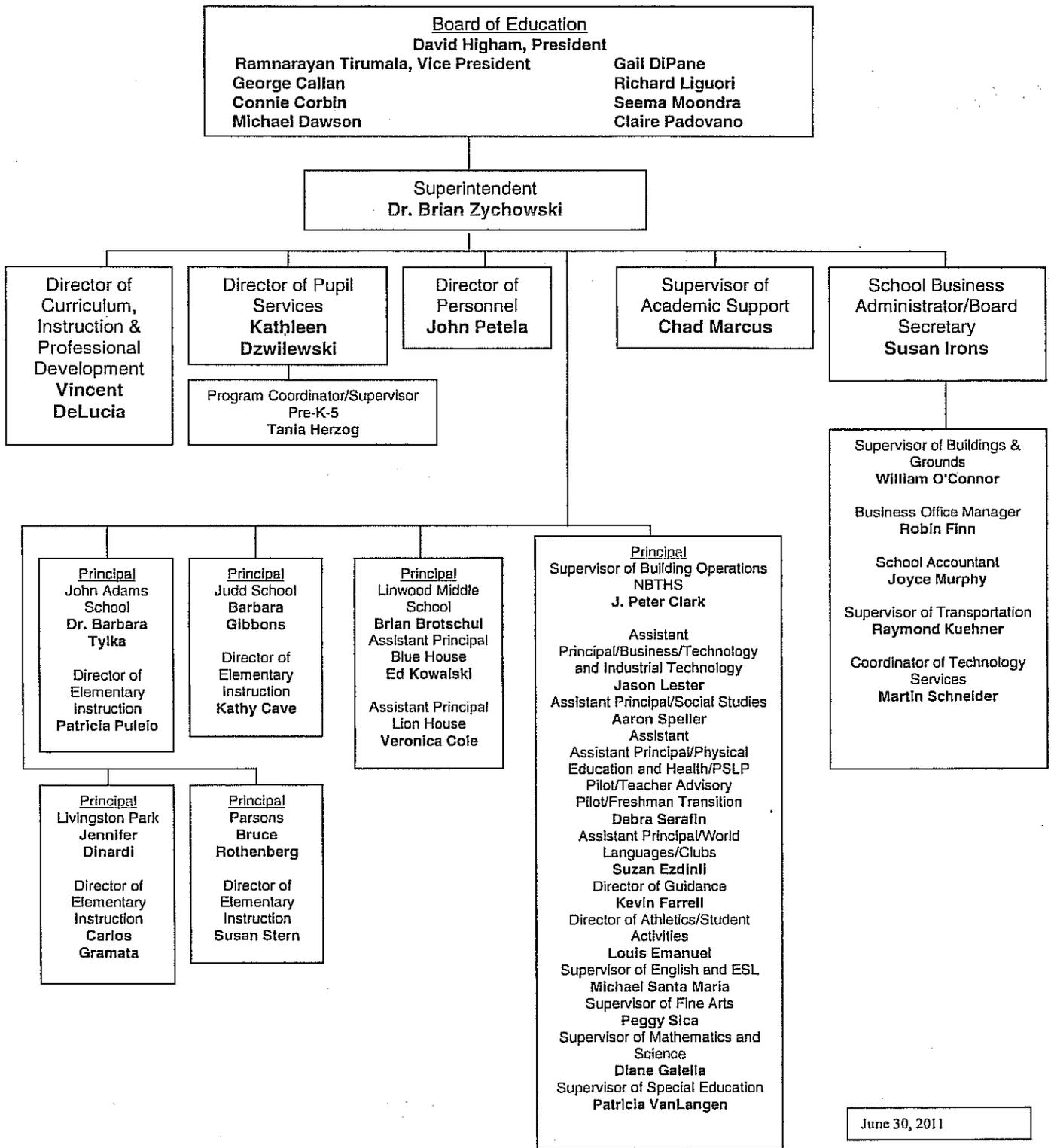
We would like to express our appreciation of the members of the North Brunswick Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial 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,

  
Dr. Brian Zychowski  
Superintendent

  
Susan Irons  
Business Administrator/Board Secretary

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
Organizational Chart 2010-2011**



June 30, 2011

**NORTH BRUNSWICK TOWNSHIP BOARD OF EDUCATION  
NORTH BRUNSWICK, NEW JERSEY**

**ROSTER OF OFFICIALS**

June 30, 2011

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
David Higham, President	2013
Ramnarayan Tirumala, Vice-President	2014
George Callan	2013
Connie Corbin	2014
Michael Dawson	2012
Gail DiPane	2012
Richard Liguori	2013
Seema Moondra	2014
Claire Padovano	2012

**Other Officials**

Dr. Brian Zychowski, Superintendent  
Susan Irons, Business Administrator/Board Secretary  
Gerald Seneski, Treasurer of School Funds  
Anthony Vignuolo, Esquire

**NORTH BRUNSWICK TOWNSHIP BOARD OF EDUCATION  
NORTH BRUNSWICK, NEW JERSEY**

**JUNE 30, 2011**

**Consultants and Advisors**

**Audit Firm**

Gerard Stankiewicz, CPA  
Samuel Klein and Company  
36 West Main Street  
Suite 301  
Freehold, NJ 07728

**Attorney**

Anthony Vignuolo, Esq.  
Borrus, Goldin, Foley, Vignuolo, Hyman & Stahl  
PO Box 7463  
North Brunswick, NJ 08902

**Official Depository**

TD Bank  
286 Milltown Road  
East Brunswick, NJ 08816

**Bond Counsel**

McManimon & Scotland, L.L.C.  
1037 Raymond Boulevard  
Newark, NJ 07102

**FINANCIAL SECTION**

**SAMUEL KLEIN AND COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

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FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 301  
FREEHOLD, N.J. 07728-2291  
PHONE (732) 780-2600  
FAX (732) 780-1030

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
North Brunswick Township Board of Education  
County of Middlesex, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business type activities each major fund and the aggregate remaining fund information of the Board of Education of the North Brunswick Township School District, County of Middlesex, State of New Jersey, as of and for the year ended June 30, 2011 which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Board of Education of the North Brunswick Township School District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities each major fund and the aggregate remaining fund information of the Board of Education of the North Brunswick Township School District, as of June 30, 2011, and the respective changes in financial position and cash flows where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2011, on our consideration of the Board of Education of the North Brunswick Township 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.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

The Management Discussion and Analysis and Budgetary Comparison Information on pages 10 through 20 and 65 through 76 are not a required part of the financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the North Brunswick Township School District Board of Education's financial statements. The accompanying introductory section, other supplementary information such as the combining fund and individual financial fund statements, long term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and long term debt schedules have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in the relation to the financial statements taken as a whole. The introductory section, financial schedules and statistical tables have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular Letter 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



Gerard Stankiewicz  
Certified Public Accountant  
Licensed Public School Accountant #912

  
SAMUEL KLEIN AND COMPANY

Freehold, New Jersey  
October 19, 2011

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

# NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

Administrative Offices:  
Maple Meade School Building, Old Georges Road  
Post Office Box 6016  
North Brunswick, N.J. 08902  
Tele. (732) 289-3000

District Web Site: [www.nbtschools.org](http://www.nbtschools.org)

Brian Zychowski, Ed. D.  
Superintendent of Schools  
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Susan Irons  
Business Administrator/Board Secretary  
E-Mail: [sirons@nbtschools.org](mailto:sirons@nbtschools.org)  
Fax: (732) 297-6590

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

### UNAUDITED

#### Management's Discussion and Analysis

The discussion and analysis of North 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, 2011. 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 enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34- Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999. Certain comparative information between the current year (2010-2011) and the prior year (2009-2010) is required to be presented in MD&A. The District has elected to prepare comparative data which includes prior year's financial statements.

#### Financial Highlights

Key financial highlights for 2010-2011 are as follows:

- General revenues accounted for \$87,261,523 in revenue or 95.95% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and accounted for \$6,763,130 or 4.05% to total revenues of \$90,949,177.
- Total net assets of governmental activities increased by \$2,224,204.
- The School District had \$91,671,878 in expenses, of which only \$6,763,130 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes of \$71,777,940) along with Federal and State aid were not adequate to provide for these programs. The state withheld \$746,221 of the District's State aid allocation during the 2010-2011 year, however, it was remitted subsequent to June 30, 2011.
- The Governmental – General Fund had \$81,338,270 in revenues and \$80,435,975 in expenditures. The General Fund's fund balance net of a transfer to the capital projects fund decreased \$411,957 compared to 2010.

# NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

### UNAUDITED – (CONTINUED)

#### **Using this Comprehensive Annual Financial Report (CAFR)**

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

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

#### **Reporting the School District as a Whole**

##### **Comparative Statement of Net Assets and Comparative Statement of Activities**

While this document contains the large number of 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 2011?". The Comparative Statement of Net Assets and the Comparative Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when 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 Comparative Statement of Net Assets and the Comparative Statement of Activities, the School District is divided into two kinds of activities:

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

**Business Type Activities** — This service is provided on a charge for goods or services basis to recover all the expenses of the goods and services provided. The Food Service enterprise fund is reported as a business activity.

# NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

### UNAUDITED – (CONTINUED)

#### **Reporting the School District's Most Significant Funds**

##### **Fund Financial Statement**

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

##### **Governmental Funds**

The School District's activities are reported in 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. 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 differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

##### **Enterprise Fund**

The enterprise fund uses the same basis of accounting as business-type activities. Therefore, these statements are essentially the same.

##### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found on pages 33 to 64 of this report.

##### **The School District as a Whole**

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.

# NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

### UNAUDITED – (CONTINUED)

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

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

**Table 1 – Comparative Summary of Net Assets**

Assets	<u>2011</u>	<u>2010</u>
Current and Other Assets	\$ 9,139,088	\$ 8,648,250
Capital Assets, Net	<u>105,369,018</u>	<u>107,956,271</u>
<b>Total Assets</b>	<b><u>\$ 114,508,106</u></b>	<b><u>\$ 116,604,521</u></b>
<b>Liabilities</b>		
Long-Term Liabilities	\$ 58,235,227	\$ 61,687,191
Other Liabilities	<u>7,342,291</u>	<u>8,339,516</u>
<b>Total Liabilities</b>	<b><u>\$ 65,577,518</u></b>	<b><u>\$ 70,026,707</u></b>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Debt	\$ 47,989,417	\$ 45,312,991
Restricted	2,298,717	3,774,522
Unrestricted - Other	<u>(1,357,545)</u>	<u>(2,509,699)</u>
<b>Total Net Assets</b>	<b><u>\$ 48,930,589</u></b>	<b><u>\$ 46,577,814</u></b>

The District's combined net assets were \$48,930,589 on June 30, 2011. This is an increase of \$2,352,775 or 5.05% from the prior year and is primarily related to an increase in revenues and reduction in expenses.

# NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

### UNAUDITED – (CONTINUED)

Table 2 shows the comparative changes in net assets from fiscal year 2011 and 2010.

**Table 2 – Comparative Changes in Net Assets**

	<u>2011</u>	<u>2010</u>	<u>Total % Change</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 2,018,440	\$ 2,107,143	-4.21%
Operating Grants and Contributions	4,744,690	3,864,191	22.79%
General Revenues:			
Property Taxes	71,777,940	68,846,705	4.26%
Grants and Entitlements	15,032,569	16,046,272	-6.32%
Other	<u>451,014</u>	<u>1,332,907</u>	-66.16%
Total Revenues	<u>\$ 94,024,653</u>	<u>\$ 92,197,218</u>	1.98%
Program Expenses:			
Instruction	\$ 49,307,964	\$ 50,495,094	-2.35%
Support Services:			
Tuition	2,818,109	3,162,045	-10.88%
Student and Instruction Related	10,587,389	10,960,787	-3.41%
Other Administration	3,331,728	3,302,398	0.89%
General Administration	3,655,573	3,875,200	-5.67%
Operations and Maintenance of Facilities	10,121,944	10,181,775	-0.59%
Pupil Transportation	5,483,252	5,792,096	-5.33%
Interest on Debt	2,968,672	2,676,629	10.91%
Business Activities	2,946,905	3,191,116	-7.65%
Other	<u>450,342</u>	<u>416,733</u>	8.06%
Total Expense	<u>\$ 91,671,878</u>	<u>\$ 94,053,873</u>	-2.53%
Increase/(Decrease) in Net Assets	2,352,775	(1,856,655)	
Beginning Net Assets	<u>46,577,814</u>	<u>48,434,469</u>	
Ending Net Assets	<u>\$ 48,930,589</u>	<u>\$ 46,577,814</u>	

# NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

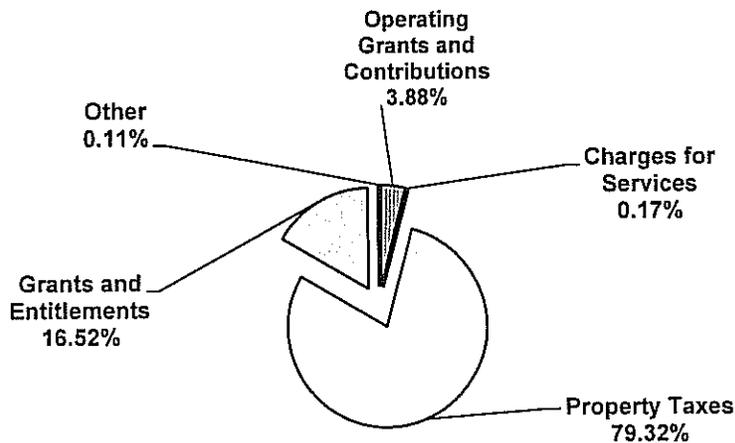
## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

UNAUDITED – (CONTINUED)

### Governmental Activities

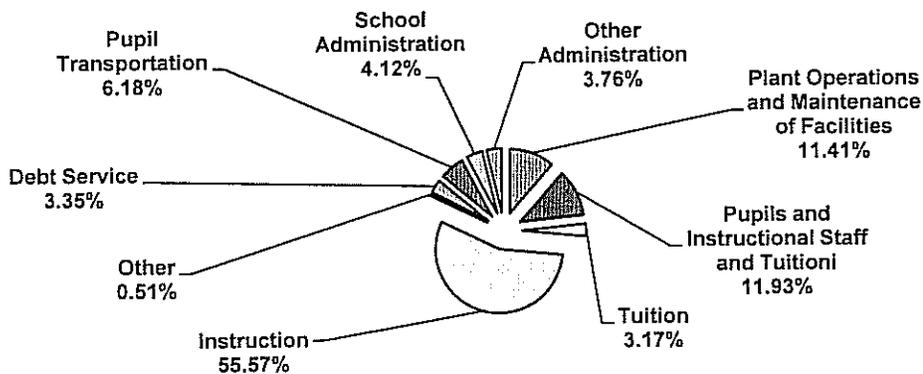
#### Revenue for Fiscal Year 2011

The unique nature of property taxes in New Jersey creates the legal requirement to annually seek voter approval for the School District operations. Property taxes of \$71,777,940 made up 79.32% of revenue for governmental activities for the North Brunswick School District for fiscal year 2011. The District's total revenues were \$90,949,177 for the year ended June 30, 2011. Federal, state and local grants accounted for another 16.52% of revenue.



#### Expenses for Fiscal Year 2011

The total cost of all programs and services was \$88,724,973.



# NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

### UNAUDITED – (CONTINUED)

#### Business-Type Activities

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

Food service revenues exceeded expenses by \$3,950.

Charges for services represent \$1,407,422, or 53.75% of revenue. This represents amounts paid by patrons for daily food service, as well as special functions.

Federal and state reimbursement for meals, including payments for free and reduced priced lunches and donated commodities was \$1,214,623.

#### Governmental Activities

The Comparative Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**Table 3 - Comparative Statement of Activities**

	Total Cost of Services			Net Cost of Services		
	2010-2011	2009-2010	% Change	2010-2011	2009-2010	% Change
Regular Instruction	\$ 35,648,397	36,301,673	-1.80%	\$ 32,808,535	34,130,131	-3.87%
Special Education	9,266,801	8,246,705	12.37%	9,266,801	8,246,705	12.37%
Other Special Education	3,085,874	4,314,135	-28.47%	3,085,874	4,314,135	-28.47%
Other Instruction	1,306,892	1,632,581	-19.95%	1,306,892	1,632,581	-19.95%
Tuition	2,818,109	3,162,045	-10.88%	2,708,115	3,097,674	-12.58%
Student and Instruction Related Services	10,587,389	10,960,787	-3.41%	9,897,184	10,420,953	-5.03%
General and Business Administrative Services	3,331,728	3,302,398	0.89%	3,331,728	3,302,398	0.89%
School Administrative Services	3,655,573	3,875,200	-5.67%	3,655,573	3,875,200	-5.67%
Plant Operations and Maintenance	10,121,944	10,181,775	-0.59%	10,121,944	10,181,775	-0.59%
Pupil Transportation	5,483,252	5,792,096	-5.33%	5,435,659	5,769,215	-5.78%
Charter Schools	450,170	416,436	8.10%	450,170	416,436	8.10%
Scholarship	172	297	-42.09%	172	297	-42.09%
Interest and Fiscal Charges	2,968,672	2,676,629	10.91%	2,968,672	2,676,629	10.91%
<b>Total Expenses</b>	<b>\$ 88,724,973</b>	<b>\$ 90,862,757</b>	<b>-2.35%</b>	<b>\$ 85,037,319</b>	<b>\$ 88,064,129</b>	<b>-3.44%</b>

# NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

### UNAUDITED – (CONTINUED)

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

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

Tuition relates to the expenses for placing students in one of the districts private special needs schools.

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 school activities, as provided by State law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School district.

"Other" includes special school.

#### The School District's Funds

All 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 \$91,741,002 and expenditures were \$90,571,033.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a comparative summary of the revenues of the general fund, special revenue fund and debt service fund for the fiscal years ended June 30, 2011 and June 30, 2010, and the amount of increase and decreases in relation to prior year revenues.

#### Comparative Summary of Revenues

Revenue	2010-2011		2009-2010		Increase/ (Decrease) from 2009-2010 to 2010-2011
	Amount	Percent of Total	Amount	Percent of Total	
Local Sources	\$ 72,464,467	79.75%	\$ 69,856,135	78.77%	\$ 2,608,332
State Sources	14,932,360	16.43%	14,848,209	19.22%	84,151
Federal Sources	3,467,340	3.82%	3,851,218	2.01%	(383,878)
	<u>\$ 90,864,167</u>	<u>100.00%</u>	<u>\$ 88,555,562</u>	<u>100.00%</u>	<u>\$ 2,308,605</u>

# NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

### UNAUDITED – (CONTINUED)

Local revenues increased by \$2,608,332. The increase in local revenue mostly in the area of property taxes was an effort to offset a reduction of state aid for 2010-2011.

Federal revenues decreased primarily due to a reduction of American Reinvestment and Recovery Act (ARRA) funds.

The following schedule presents a comparative summary of general fund, special revenue fund and debt service fund expenditures for the fiscal years ended June 30, 2011 and June 30, 2010, and the increases and decreases in relation to prior year amounts.

### Comparative Summary of Expenditures

Expenditures	2010-2011		2009-2010		Increase/ (Decrease) from 2009-2010 to 2010-2011
	Amount	Percent of Total	Amount	Percent of Total	
Current Expenses:					
Instruction	\$ 35,007,815	38.91%	\$ 36,898,731	37.51%	\$ (1,890,916)
Undistributed Expenditures	47,387,915	52.69%	47,525,840	53.09%	(137,925)
Capital Outlay	1,578,808	1.75%	2,299,613	2.83%	(720,805)
Debt Service:					
Principal	3,360,000	3.73%	3,030,000	2.99%	330,000
Interest	2,626,596	2.92%	2,941,726	3.58%	(315,130)
	<u>\$ 89,961,134</u>	<u>100.00%</u>	<u>\$ 92,695,910</u>	<u>100.00%</u>	<u>\$ (2,734,776)</u>

Changes in expenditures were the results of varying factors. Current expense decreased due to reduction in personnel.

### 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.

# NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

### UNAUDITED – (CONTINUED)

Over the course of the year, the District revised via transfer the annual operating budget several times to prevent over-expenditures in specific line item accounts.

#### Capital Assets

At the end of the fiscal year 2011, the School District had \$140,586,549 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2011 balances compared to 2010.

**Table 4 - Capital Assets (Net of Depreciation) at June 30**

	<u>2011</u>	<u>2010</u>
Land	\$ 14,000	\$ 14,000
Buildings and Improvements	102,155,273	104,424,965
Machinery and Equipment	<u>3,150,297</u>	<u>3,462,652</u>
Totals	<u>\$ 105,319,570</u>	<u>\$ 107,901,617</u>

Overall capital assets, net decreased by \$2,582,047 from fiscal year 2010 to fiscal year 2011. The decrease in capital assets, net is due primarily to depreciation expense for the year exceeding the capital additions.

#### Debt Administration

At June 30, 2011, the School District had \$61,884,476 of outstanding debt. Of this amount \$2,742,476 is for compensated absences \$59,142,000 is for serial bonds for school construction.

#### For the Future

The school district is proud of the support that the community demonstrated by approving its budget for the 2011-2012 school year. However, state aid to schools is a primary area of concern. The district is substantially underfunded according to the state aid formula and is spending below the adequacy amount determined by the state. Enrollment also continues to increase, particularly in the lower grades. These challenges could have a significant impact on the district's operations over the next five years.

# NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

### UNAUDITED – (CONTINUED)

The North Brunswick Township School District has committed itself to financial excellence for many years. In addition, the School district's systems 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 the School Business Administrator/Board Secretary, at the North Brunswick Township School District, P.O. Box 6016, North Brunswick Township, NJ 08902.

Respectfully submitted,



Dr. Brian A. Zychowski  
Superintendent



Susan Irons  
School Business Administrator

**BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**BOARD OF EDUCATION**  
**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2011**

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 1,392,348	\$ 639,557	\$ 2,031,905
Receivables - Net	2,272,298	141,273	2,413,571
Inventory		52,680	52,680
Restricted Assets:			
Cash and Cash Equivalents	1,811,518		1,811,518
Cash - Capital Reserve Account	2,792,811		2,792,811
Receivables - Grant	36,603		36,603
Capital Assets, Net	<u>105,319,570</u>	<u>49,448</u>	<u>105,369,018</u>
Total Assets	<u>\$ 113,625,148</u>	<u>\$ 882,958</u>	<u>\$ 114,508,106</u>
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 2,315,121	\$ 21,947	\$ 2,337,068
Accrued Liability for Arbitrage	40,156		40,156
Other Current Liabilities	33,795	7,316	41,111
Payable to Federal Government	6,446		6,446
Deferred Revenue	48,874	67,590	116,464
Accrued Interest Payable	1,151,798		1,151,798
General Long-Term Debt:			
Due Within One Year	3,649,248		3,649,248
Due Beyond One Year	<u>58,235,227</u>		<u>58,235,227</u>
Total Liabilities	<u>\$ 65,480,665</u>	<u>\$ 96,853</u>	<u>\$ 65,577,518</u>
<b><u>NET ASSETS</u></b>			
Invested in Capital Assets - Net of Related Debt	\$ 47,939,969	\$ 49,448	\$ 47,989,417
Restricted for:			
Capital Projects	2,181,293		2,181,293
Other Purposes	117,424		117,424
Unrestricted	<u>(2,094,202)</u>	<u>736,657</u>	<u>(1,357,545)</u>
Total Net Assets	<u>\$ 48,144,484</u>	<u>\$ 786,105</u>	<u>\$ 48,930,589</u>

See accompanying notes to financial statements.

**BOARD OF EDUCATION**  
**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>						
Instruction:						
Regular	\$ 35,648,397		\$ 2,839,862	\$ (32,808,535)		\$ (32,808,535)
Special Education	9,266,801			(9,266,801)		(9,266,801)
Other Special Education	3,085,874			(3,085,874)		(3,085,874)
Other Instruction	1,306,892			(1,306,892)		(1,306,892)
Support Services:						
Tuition	2,818,109	\$ 109,994		(2,708,115)		(2,708,115)
Student and Instruction Related Services	10,587,389		690,205	(9,897,184)		(9,897,184)
Other Administrative Services	3,331,728			(3,331,728)		(3,331,728)
School Administrative Services	3,655,573			(3,655,573)		(3,655,573)
Plant Operations and Maintenance	10,121,944			(10,121,944)		(10,121,944)
Pupil Transportation	5,483,252	47,593		(5,435,659)		(5,435,659)
Charter Schools	450,170			(450,170)		(450,170)
Scholarships	172			(172)		(172)
Interest on Long Term Debt	2,968,672			(2,968,672)		(2,968,672)
<b>Total Governmental Activities</b>	<b>\$ 88,724,973</b>	<b>\$ 157,587</b>	<b>\$ 3,530,067</b>	<b>\$ (85,037,319)</b>		<b>\$ (85,037,319)</b>
<b>Business-Type Activities:</b>						
Food Service	\$ 2,618,095	\$ 1,407,422	\$ 1,214,623		\$ 3,950	\$ 3,950
School Facilities	155,924	250,605			94,681	94,681
Integrated Pre-K	109,307	153,946			44,639	44,639
Summer Enrichment	63,579	48,880			(14,699)	(14,699)
<b>Total Business-Type Activities</b>	<b>\$ 2,946,905</b>	<b>\$ 1,860,853</b>	<b>\$ 1,214,623</b>		<b>\$ 128,571</b>	<b>\$ 128,571</b>
<b>Total Primary Government</b>	<b>\$ 91,671,878</b>	<b>\$ 2,018,440</b>	<b>\$ 4,744,690</b>	<b>\$ (85,037,319)</b>	<b>\$ 128,571</b>	<b>\$ (84,908,748)</b>
<b>General Revenues</b>						
Property Taxes Levied for:						
General Purposes				\$ 65,791,344		\$ 65,791,344
Debt Service				5,986,596		5,986,596
Federal and State Aid Not Restricted				14,995,966		14,995,966
Federal and State Aid Restricted (SCC)				36,603		36,603
Investment Earnings				39,488		39,488
Miscellaneous Income				411,526		411,526
<b>Total General Revenues</b>				<b>\$ 87,261,523</b>		<b>\$ 87,261,523</b>
<b>Change in Net Assets</b>				<b>\$ 2,224,204</b>	<b>\$ 128,571</b>	<b>\$ 2,352,775</b>
<b>Net Assets - Beginning</b>				<b>\$ 45,920,280</b>	<b>\$ 657,534</b>	<b>\$ 46,577,814</b>
<b>Net Assets - Ending</b>				<b>\$ 48,144,484</b>	<b>\$ 786,105</b>	<b>\$ 48,930,589</b>

See accompanying notes to financial statements.

**FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

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

ASSETS

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Permanent Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Cash and Cash Equivalents	\$ 2,526,603		\$ 44,828	\$ 1,766,690	\$ 12,547	\$ 4,350,668
Intergovernmental Accounts Receivable	653,979	\$ 1,618,319		876,660		3,148,958
Interfund Receivable	708,703					708,703
Restricted Cash and Cash Equivalents	<u>2,181,293</u>					<u>2,181,293</u>
Total Assets	<u>\$ 6,070,578</u>	<u>\$ 1,618,319</u>	<u>\$ 44,828</u>	<u>\$ 2,643,350</u>	<u>\$ 12,547</u>	<u>\$ 10,389,622</u>

LIABILITIES AND FUND BALANCE

Liabilities:						
Cash and Cash Equivalents Overdraft		\$ 535,284				\$ 535,284
Accounts Payable	\$ 1,994,371	320,750				2,315,121
Accrued Liability for Arbitrage			\$ 40,156			40,156
Other Current Liabilities	33,795					33,795
Intergovernmental Accounts Payable		6,446				6,446
Interfund Payable		707,965		738		708,703
Deferred Revenue	<u>1,000</u>	<u>47,874</u>				<u>48,874</u>
Total Liabilities	<u>\$ 2,029,166</u>	<u>\$ 1,618,319</u>	<u>\$ 44,828</u>	<u>\$ 40,894</u>		<u>\$ 3,688,379</u>
Fund Balances						
Committed Year-End Encumbrances	\$ 72,596			\$ 1,839,954		\$ 1,912,550
Restricted - Capital Reserve Account	2,181,293					2,181,293
Assigned - Designated for Subsequent Year's Expenditures				762,502	\$ 8,094	770,596
Unassigned:						
General Fund	1,787,523					1,787,523
Debt Service Fund					4,453	4,453
Permanent Fund			\$ 44,828			44,828
Total Fund Balances	<u>\$ 4,041,412</u>		<u>\$ 44,828</u>	<u>\$ 2,602,456</u>	<u>\$ 12,547</u>	<u>\$ 6,701,243</u>
Total Liabilities and Fund Balance	<u>\$ 6,070,578</u>	<u>\$ 1,618,319</u>	<u>\$ 44,828</u>	<u>\$ 2,643,350</u>	<u>\$ 12,547</u>	<u>\$ 10,389,622</u>

BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2011

	Total Governmental Funds
Total Fund Balances above	\$ 6,701,243
Amounts reported for governmental activities in the Statement of Net Assets (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of capital assets is \$140,586,549 and the accumulated depreciation is \$35,266,979. (see Note 5)	105,319,570
Long-term liabilities, including bonds, loans, leases payable and compensated absence are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 7)	(61,884,474)
Certain liabilities are not due and payable in the current period, and therefore are not reported in the funds:	
Accrued Interest Payable	(1,151,798)
(Accrued interest is a current liability that will be paid from the debt service fund. Therefore, the liability reduces the restricted for debt service net asset balance.)	
Construction Grants are reported in governmental funds as revenues, however, in the Statement of Activities grant awards are not recognized as revenue until related expenditures are incurred. (SCC Grant of \$876,660 less Cumulative Expenditures of \$36,603.)	(840,057)
Net assets of governmental activities (A-1)	\$ 48,144,484

**BOARD OF EDUCATION**  
**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	General Fund	Special Revenue Fund	Permanent Fund	Capital Projects Fund	Debt Service Fund	Total Government Funds
<b>REVENUES</b>						
Local sources:						
Local tax levy	\$ 65,791,344				\$ 5,986,596	\$ 71,777,940
Interest on Investments	9,513		175	738		913
Interest earned on capital reserve funds	549,943					9,513
Miscellaneous	\$ 126,333					676,276
<b>Total - Local Sources</b>	<b>\$ 66,350,800</b>	<b>\$ 126,333</b>	<b>\$ 175</b>	<b>738</b>	<b>\$ 5,986,596</b>	<b>\$ 72,464,642</b>
State Sources	14,903,947			876,660		15,809,020
Federal Sources	83,523	3,383,817				3,467,340
<b>Total Revenues</b>	<b>\$ 81,338,270</b>	<b>\$ 3,538,563</b>	<b>\$ 175</b>	<b>877,398</b>	<b>\$ 5,986,596</b>	<b>\$ 91,741,002</b>
<b>EXPENDITURES</b>						
Current:						
Regular Instruction	\$ 22,905,851	\$ 2,522,481				\$ 25,428,332
Special Education Instruction	6,498,827			613,068		6,498,827
Other Special Instruction	2,164,130					2,164,130
Other Instruction	916,526					916,526
Support Services and Undistributed Costs:						
Tuition	2,818,109					2,818,109
Student and Instruction Related Services	6,915,921					7,528,989
Other Administrative Services	2,370,149					2,370,149
School Administrative Services	2,563,661					2,563,661
Plant Operations and Maintenance	7,098,540					7,098,540
Pupil Transportation	3,845,416					3,845,416
Employee Benefits	20,318,363					20,318,363
Transfer to Charter Schools	450,170					450,170
Scholarships			172			172
Debt Service:						
Principal					\$ 3,360,000	3,360,000
Interest					2,626,596	2,626,596
Capital Outlay	1,570,312	8,496		609,727		2,188,535
<b>Total Expenditures</b>	<b>\$ 80,435,975</b>	<b>\$ 3,538,563</b>	<b>\$ 172</b>	<b>609,727</b>	<b>\$ 5,986,596</b>	<b>\$ 90,571,033</b>

BOARD OF EDUCATION  
 NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
 COUNTY OF MIDDLESEX  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General Fund	Special Revenue Fund	Permanent Fund	Capital Projects Fund	Debt Service Fund	Total Government Funds
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 902,295	\$	3	\$ 267,671	\$	\$ 1,169,969
Other Financing Sources/(Uses):						
Transfer In/(Out)	\$ 738					
Interest earned	(1,314,990)			1,314,990 (738)		
Capital Reserve Transfer to Capital Projects Fund					\$ 4,452	\$ 4,452
Proceeds of Prior Year Refunding Bonds					\$ 4,452	\$ 4,452
Total Other Financing Sources (Uses)	\$ (1,314,252)			\$ 1,314,252	\$ 4,452	\$ 4,452
Net Change in Fund Balances	\$ (411,957)	\$	3	\$ 1,581,923	\$ 4,452	\$ 1,174,421
Fund Balance - July 1	4,453,369		44,825	1,020,533	8,095	5,526,822
Fund Balance - June 30	\$ 4,041,412	\$	\$ 44,828	\$ 2,602,456	\$ 12,547	\$ 6,701,243

BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ 1,174,421
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 depreciated expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Capital outlay	\$ 2,015,503	
Capital outlays-lease principal already capitalized	(1,118,034)	
Depreciation expense	<u>(3,479,517)</u>	(2,582,048)
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.		
		3,360,000
Repayment of lease principal is an expenditure in the governmental funds, but the payment reduces long-term debt in the statement of net assets and is not reported in the statement of activities.		
		1,118,034
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The increase in accrued interest is a deduction in the reconciliation.		
		(135,442)
In the statement of activities, certain operating expenses, e.g. compensated absences (vacations) are measured by the amounts earned during the year. In the 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 reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.		
		85,516
Construction Grants are reported in governmental funds as revenues; however, in the Statement of Activities grant awards are not recognized as revenue until related expenditures are incurred.		
		(840,057)
Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds		
		<u>43,780</u>
Change in Net Assets of Governmental Activities		<u>\$ 2,224,204</u>

**PROPRIETARY FUNDS –  
ENTERPRISE FUNDS**

BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
PROPRIETARY FUNDS - ENTERPRISE FUND  
STATEMENT OF NET ASSETS  
JUNE 30, 2011

		Business-Type Activities <u>Enterprise Funds</u>
		<u>Total Enterprise</u>
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$	639,556
Accounts Receivable:		
State Sources		1,762
Federal Sources		68,542
Other		54,143
Inventories		<u>52,680</u>
Total Current Assets	\$	<u>816,683</u>
<u>NONCURRENT ASSETS</u>		
Furniture, Machinery and Equipment	\$	595,180
Less: Accumulated Depreciation		<u>545,732</u>
Total Noncurrent Assets	\$	<u>49,448</u>
Total Assets	\$	<u><u>866,131</u></u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts Payable	\$	21,947
Deferred Revenue		67,590
Other		<u>7,316</u>
Total Liabilities	\$	<u><u>96,853</u></u>
<u>NET ASSETS</u>		
Invested in Capital Assets - Net of Related Debt	\$	49,448
Unrestricted		<u>719,830</u>
Total Net Assets	\$	<u><u>769,278</u></u>

**BOARD OF EDUCATION**  
**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**PROPRIETARY FUNDS - ENTERPRISE FUND**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Business-Type Activities <u>Enterprise Funds</u> <u>Total Enterprise</u>
<b><u>OPERATING REVENUES</u></b>	
Local Sources:	
Daily sales - reimbursable programs:	
School lunch program	\$ 507,047
School breakfast program	21,285
School after school snack program	20,926
Daily sales - non-reimbursable programs	857,130
Tuition and services	404,302
Interest on Investments	1,035
	\$ 1,811,725
<b><u>OPERATING EXPENSES</u></b>	
Cost of sales	1,190,765
Salaries	1,005,087
Employee benefits	175,057
Insurance	81,054
General Supplies	204,843
Management fee	115,861
Depreciation	7,291
Administration Fee	109,821
Other	24,824
	\$ 2,914,603
Operating loss	\$ (1,102,878)
<b><u>NONOPERATING REVENUES</u></b>	
State sources:	
State school lunch program	\$ 26,503
Federal sources:	
National school lunch program	802,201
National breakfast program	251,558
School snack program	5,582
Food distribution program	128,779
	\$ 1,214,623
Change in net assets	\$ 111,745
Total net assets - beginning	657,533
Total net assets - ending	\$ 769,278

**BOARD OF EDUCATION**  
**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**PROPRIETARY FUNDS - ENTERPRISE FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Business-Type Activities</u> <u>Enterprise Funds</u>
	<u>Total Enterprise</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers	\$ 1,881,251
Payments to Employees	(1,118,226)
Payments for Employee Benefits	(256,111)
Payments to Suppliers	<u>(1,642,452)</u>
Net Cash Used by Operating Activities	<u>(1,135,538)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
State Sources	\$ 28,620
Federal Sources	<u>1,061,751</u>
Net Cash Provided by Noncapital Financing Activities	<u>\$ 1,090,371</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Purchase of Capital Assets	<u>\$ (2,085)</u>
Net Cash Used by Capital and Related Financing Activities	<u>\$ (2,085)</u>
Net increase in cash and cash equivalents	\$ (47,252)
Cash and cash equivalents - beginning of year	<u>686,808</u>
Cash and cash equivalents - end of year	<u><u>\$ 639,556</u></u>
Reconciliation of Operating Loss to Net Cash <u>Used by Operating Activities</u>	
Operating Loss	<u>\$ (1,102,878)</u>
Adjustments to Reconcile Operating Loss to Cash Used by Operating Activities:	
Depreciation	\$ 7,291
Federal Commodities	128,779
Change in Assets and Liabilities:	
Decrease in Accounts Receivable	23,231
(Increase) in Inventories	(24,438)
Decrease in Prepaid Expenses	1,335
(Decrease) in Accounts Payable	(173,192)
Increase in Other Current Liabilities	5,274
(Decrease) in Deferred Revenue	<u>(940)</u>
Total Adjustments	<u>(32,660)</u>
Net Cash Used by Operating Activities	<u><u>\$ (1,135,538)</u></u>

**FIDUCIARY FUNDS**

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

	<u>Trust Funds</u>	<u>Agency Fund</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ <u>546,514</u>	\$ <u>761,121</u>
Total Assets	\$ <u><u>546,514</u></u>	\$ <u><u>761,121</u></u>
<u>LIABILITIES</u>		
Payable to Student Groups		\$ 308,939
Payroll Deductions and Withholdings	_____	<u>452,182</u>
Total Liabilities	<u>_____</u>	\$ <u><u>761,121</u></u>
<u>NET ASSETS</u>		
Held in Trust for Unemployment Claims and Other Purposes	\$ 496,705	
Unreserved	<u>49,809</u>	
Total Net Assets	\$ <u><u>546,514</u></u>	

**BOARD OF EDUCATION**  
**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**COMBINING STATEMENT OF CHANGES IN NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2011**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Trust Fund</u>
<b><u>ADDITIONS</u></b>		
Contributions:		
Plan Members	\$ 73,273	
General Fund Contribution	500,000	
Interest Earned	<u>1,385</u>	\$ <u>212</u>
Total Contributions	\$ <u>574,658</u>	\$ <u>212</u>
Total Additions	\$ <u>574,658</u>	\$ <u>212</u>
<b><u>DEDUCTIONS</u></b>		
Unemployment Claims	\$ 292,797	
Scholarships Awarded	<u>                    </u>	\$ <u>4,971</u>
Total Deductions	\$ <u>292,797</u>	\$ <u>4,971</u>
Change in Net Assets	\$ 281,861	\$ (4,759)
Total Net Assets - Beginning of the Year	\$ <u>214,844</u>	\$ <u>54,568</u>
Total Net Assets - Ending of the Year	\$ <u><u>496,705</u></u>	\$ <u><u>49,809</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2011**

**1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

The North Brunswick Township School District (the "District") is a Type II district located in the County of Middlesex, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (the "Board"). The Board is comprised of nine (9) members elected to three (3) year terms. The purpose of the District is to educate students in grades pre-K-12. The District had an approximate enrollment at June 30, 2011 of 6,031 students.

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

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the District's accounting policies are described below.

**A. Basis of Presentation**

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

**1. Government-Wide Financial Statements**

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Basis of Presentation (Continued)**

**1. Government-Wide Financial Statements (Continued)**

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

**2. Fund Financial Statements**

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

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

**B. Fund Accounting**

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

**1. Governmental Funds**

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

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

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

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

B. **Fund Accounting (Continued)**

1. **Governmental Funds (Continued)**

**General Fund (Continued)**

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

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

**Special Revenue Fund** – The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

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

2. **Proprietary Fund Type**

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Fund Accounting (Continued)**

**2. Proprietary Fund Type (Continued)**

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

The District's Enterprise Fund is comprised of the following:

**Food Service**: This fund provides for the cafeteria operation in all schools within the school district.

**Summer Enrichment**: This fund provides for the Summer Enrichment program.

**School Facilities**: This fund provides for usage of school facilities within the school district.

**Integrated Pre-K**: The fund provides for the attendance of regular education students within the preschool program.

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

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

**3. Fiduciary Funds**

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Fund Accounting (Continued)**

**3. Fiduciary Funds (Continued)**

**Private Purpose Scholarship Funds**

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

**Nonexpendable Trust Fund** - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

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

**C. Measurement Focus**

**1. Government-Wide Financial Statements**

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

**2. Fund Financial Statements**

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus (Continued)**

**2. Fund Financial Statements (Continued)**

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

Fiduciary funds are reported using the economic resources measurement focus.

**D. Basis of Accounting**

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

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

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

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

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2009**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C 6A:23A-2.3 (et seq.).

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

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Budgets/Budgetary Control (Continued)**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources:		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules.	\$ 80,846,816	\$ 3,538,563
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.	None	None
State aid payment recognized per GAAP standards in the current year previously recognized for budgetary purposes.	1,237,675	None
The last State aid payment is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	\$ <u>(746,221)</u>	<u>None</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ <u>81,338,270</u>	\$ <u>3,538,563</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 80,435,975	\$ 3,538,563
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	<u>None</u>	<u>None</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ <u>80,435,975</u>	\$ <u>3,538,563</u>

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Encumbrances**

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

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

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

**G. Assets, Liabilities and Equity**

**1. Cash, Cash Equivalents and Investments**

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

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

2. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, are recorded in the enterprise funds. All expenses in the other funds are recorded as expenditures during the year of purchase.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

3. Allowance for Uncollectible Accounts

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

4. Tuition Receivable

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

5. Tuition Payable

Tuition charges for the fiscal years 2009-10 and 2010-2011 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

6. Short-Term Interfund Receivables/Payables

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

7. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$2,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

**7. Capital Assets (Continued)**

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

<u>Asset Class</u>	<u>Estimated Lives</u>
School Buildings	50 years
Building Improvements	20 years
Electrical/Plumbing	30 years
Vehicles	6-8 years
Office and Computer Equipment	5-20 years
Instructional Equipment	5-10 years
Grounds Equipment	5-15 years
Food Service Equipment	7-20 years

**8. Compensated Absences**

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

The entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

9. Accrued Liabilities and Long-Term Obligations

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

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

10. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings 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.

11. Deferred Revenue

Deferred revenue in the general and special revenue fund represent program revenues that have been received but not yet earned.

12. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

13. Fund Balance Reserves

The School District reserves those portions of fund balance which are legally segregated for a specific future use or 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.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

**14. Proprietary Funds Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise fund, (the Food Service) are charges to customers for sales of food service. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**15. Rebatable Arbitrage**

Rebatable arbitrage results from investing the proceeds of borrowed funds either directly or indirectly into investments that are higher in yield than the bond yield incurred on the borrowed funds. In accordance with GASB 34, rebatable arbitrage is treated like a claim or judgment. All interest income is reported as revenue of the capital projects fund. The liability, if any, is recorded as an accrued arbitrage rebate.

**16. Non-Monetary Transactions**

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

**17. Allocation of 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. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified and allocated by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is reported separately on the Statement of Activities. No expenses were allocated as "Indirect Expenses".

**18. Extraordinary and Special Items**

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

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

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and Cash Equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less. Cash equivalents are defined as short-term, highly liquid securities that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only securities with original maturities of three (3) months or less meet this definition.

Investments are stated at cost, which approximates market. The District classifies certificates of deposit that have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments. The District is in compliance with GASB Statement No. 3 as amended by GASB Statement No. 40.

**A. Deposits**

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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

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

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

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

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

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**A. Deposits (Continued)**

As of June 30, 2011, cash and cash equivalents (Deposits) of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking Accounts - Interest Bearing	\$ 8,774,166
New Jersey Arbitrage Management Program (NJARM)	335
MBIA Asset Management	467,877
Certificate of Deposit	30,349
	\$ 9,272,727
 Reconciliation:	
Governmental Funds	\$ 7,047,710
Proprietary Funds	639,557
Fiduciary Funds	1,585,460
	\$ 9,272,727

Of the total amount deposits of \$2,181,293 has been earmarked towards the Capital Reserve Account (see Note 14).

**Allocation of Cash and Cash Equivalents**

Unrestricted	\$ 3,082,938
Restricted	6,189,789
	\$ 9,272,727

Risk Analysis – The NJ ARM and MBIA accounts are collateralized by U.S. government securities (both U.S. Treasury and Federal Agency) and other permitted money market instruments and not exposed to custodial credit risk. The checking accounts were on deposit in a bank which had the Government Unit Deposit Protection Act coverage ("GUDPA") as of June 30, 2011 which minimizes credit risk.

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

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**B. Investments**

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

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

The District had no securities as of June 30, 2011 that would be considered investments as defined by GASB No. 3 as amended by GASB No. 40.

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

**4. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE**

Intergovernmental Accounts Receivable at June 30, 2011 consisted of Federal source, State source, transportation, a capital project grant for the elementary school roofing, a local project and other revenue. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund</u> <u>Financial</u> <u>Statements</u>	<u>Business</u> <u>Type</u> <u>Activities</u>
General Fund		
State Aid:		
Extraordinary Special Education Aid	\$ 432,376	
TPAF Wage Freeze Aid	49,259	
FICA reimbursement	133,170	
Non Public Transportation	<u>39,174</u>	
	<u>\$ 653,979</u>	
Special Revenue Fund		
Federal Aid:		
Title 1 Part A	\$ 159,718	
Title 1 Part A Carryover	4	
ARRA Title 1 Part A	6,264	
Title 1 School Improvements	24,930	
ARRA Title 1 School Improvement	772	
Title II Part A Carryover	60	
Title II Part A	41,769	
Title II Part D	108	
title III Part A	3,822	
Title III Part A Carryover	12,975	
Title III Immigrant 10-11	2,323	
Title III Immigrant 09-10	21,642	
IDEA Part B Basic Regular	275,861	
IDEA Part B Basic Regular Carryover	98,420	
ARRA IDEA Part B Basic Regular Carryover	370,840	
IDEA Part B Preschool	3,937	
ARRA IDEA Part B Preschool	16,613	
Childrens Health Insurance Program Reauthorization Act	3,894	
Local Aid:		
Soil Remediation	<u>574,367</u>	
	<u>\$ 1,618,319</u>	

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

**4. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE (CONTINUED)**

	Governmental Fund Financial <u>Statements</u>	Business Type <u>Activities</u>
Capital Projects Fund		
NJ School Construction Corporation (SCC)	\$ <u>36,603</u>	
	\$ <u>2,308,901</u>	
Proprietary Fund:		
Enterprise Fund		
State Source		\$ <u>1,762</u>
Federal Source		\$ <u>68,542</u>

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

**5. CAPITAL ASSETS, NET**

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers (Retirements)</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 14,000			\$ 14,000
Construction in Progress		\$ 89,675		89,675
Total capital assets not being depreciated	<u>14,000</u>	<u>89,675</u>		<u>103,675</u>
Capital assets being depreciated:				
Building and Building Improvements	\$ 133,948,271	622,398		\$ 134,570,669
Machinery and Equipment	<u>5,726,808</u>	<u>185,397</u>		<u>5,912,205</u>
Total at historical cost	<u>139,675,079</u>	<u>807,795</u>		<u>140,482,874</u>
Less accumulated depreciation for:				
Building and Building Improvements	(29,523,306)	(2,981,765)		(32,505,071)
Machinery and Equipment	<u>(2,264,156)</u>	<u>(497,752)</u>		<u>(2,761,908)</u>
Total accumulated depreciation	<u>(31,787,462)</u>	<u>(3,479,517)</u>		<u>(35,266,979)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>107,887,617</u>	<u>(2,671,722)</u>		<u>105,215,895</u>
Governmental activities capital assets, net	<u>\$ 107,901,617</u>	<u>\$ (2,582,047)</u>		<u>\$ 105,319,570</u>
<u>Business-Type Activities:</u>				
Furniture, machinery and equipment	\$ 593,095	\$ 2,085		\$ 595,180
Totals at historical cost	<u>593,095</u>	<u>2,085</u>		<u>595,180</u>
Less accumulated depreciation for:				
Furniture, machinery and equipment	(538,441)	(7,291)		(545,732)
Total accumulated depreciation	<u>(538,441)</u>	<u>(7,291)</u>		<u>(545,732)</u>
Business type activities capital assets, net	<u>\$ 54,654</u>	<u>\$ (5,206)</u>		<u>\$ 49,448</u>
<u>Detail of additions</u>				
Governmental Activities:				
General Fund		\$ 279,246.00		
Special Revenue Fund		8,496.00		
Capital Projects Fund		<u>609,728.00</u>		
		<u>\$ 897,470.00</u>		

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

**5. CAPITAL ASSETS, NET (CONTINUED)**

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 1,515,533
Special Education Instruction	387,331
Other Special Instruction	128,983
Other Instruction	54,625
Support Services and Undistributed Cost:	
Student and Instruction Related Services	448,729
School Administrative Services	152,795
General and Business Administrative Services	139,259
Plant Operations and Maintenance	423,074
Pupil Transportation	<u>229,188</u>
Total	<u>\$ 3,479,517</u>

**6. INVENTORY**

The value of Federal donated commodities as reflected on Schedule A of \$128,779 (required by the Single Audit Act) is the difference between market value and cost of the commodities at the date of the purchase and has been included as an item of nonoperating revenue in the financial statements. As of June 30, 2011, the federal donated commodities food inventory of \$4,976 was included in the year end food and supplies amount of \$52,680.

**7. LONG-TERM DEBT**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Long-Term Portion</u>
<b>Governmental Activities:</b>						
Bonds Payable -						
General Obligation						
Debt	\$ 62,502,000		\$ 3,360,000	\$ 59,142,000	\$ 3,375,000	\$ 55,767,000
Compensated						
Absences Payable	\$ 2,827,992	\$ 143,102	\$ 228,618	\$ 2,742,476	\$ 274,248	\$ 2,468,228
Capital Leases	1,118,034		1,118,034			
	<u>\$ 3,946,026</u>	<u>\$ 143,102</u>	<u>\$ 1,346,652</u>	<u>\$ 2,742,476</u>	<u>\$ 274,248</u>	<u>\$ 2,468,228</u>
	<u>\$ 66,448,026</u>	<u>\$ 143,102</u>	<u>\$ 4,706,652</u>	<u>\$ 61,884,476</u>	<u>\$ 3,649,248</u>	<u>\$ 58,235,228</u>

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

**7. LONG-TERM DEBT (CONTINUED)**

**A. Bonds and loans payable currently outstanding are summarized as follows:**

School District Bonds, Series 2002

The proceeds of the Bonds were used to finance the construction of additions and renovations to the North Brunswick Township High School, including acquisition and installation of furnishings and equipment and site work. Authorized and issued \$22,149,000 dated July 15, 2002. During year ended June 30, 2010, \$18,199,000 of this issue was refunded. Remaining maturities ranging from \$600,000 to \$750,000 with an interest rate of 4.25% with a final maturity on July 15, 2012.

\$ 1,350,000

School District Bonds, Series 2005

The proceeds of the bonds were used to construct additions, renovations and alternations to John Adams Elementary School, Livingston Park Elementary School, Judd Elementary School, Parsons Elementary School and Linwood Middle School and make the necessary onsite and offsite improvements and purchase the necessary furniture and equipment associated with such improvements. Authorized and issued \$24,781,000 dated January 15, 2005. Remaining annual maturities ranging from \$150,000 to \$4,776,000. Final maturity is due January 15, 2025 with interest rates on remaining maturities ranging from 4.375% to 4.625%.

\$ 24,231,000

Redemption: The bonds maturing prior to January 15, 2016 are not subject to redemption prior to their stated maturities. The bonds maturing on or after January 15, 2016 are redeemable at the option of the Board in whole or in part, on any date on or after January 15, 2015 at par, plus unpaid accrued interest to the date fixed for redemption.

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

**7. LONG-TERM DEBT (CONTINUED)**

**A. Bonds and loans payable currently outstanding are summarized as follows: (Continued)**

School District Bonds, Series 2006

Additional school bonds to fund the completion of the North Brunswick Township High School project. Acquisition of land and construction of a new elementary school Authorized and Issued \$7,391,000 dated March 15, 2006. Remaining annual maturities ranging from \$300,000 to \$506,000. Final maturity is due on March 15, 2026 with interest rates on remaining maturities ranging from 4.0% to 4.10%.

\$ 6,056,000

Redemption: The bonds maturing prior to March 15, 2017 are not subject to redemption prior to their stated maturities. The bonds maturing on or after March 15, 2017 are redeemable at the option of the Board in whole or in part, on any date on or after March 15, 2016 at par, plus unpaid accrued interest to the date fixed for redemption.

School District Bonds, Series 2007

Refinancing of \$18,420,000 of 1997 Series Bonds due on or after February 1, 2009 where were issued for acquisition of land and construction of a new elementary school Authorized and Issued \$18,350,000 dated February 1, 2007. Annual remaining maturities of \$2,275,000 to \$2,610,000. Final maturity is due on February 1, 2015 with interest rates on remaining maturities ranging from 4.25% to 5.0%.

\$ 9,775,000

Redemption: The bonds are not subject to redemption prior to their stated maturities.

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

**7. LONG-TERM DEBT (CONTINUED)**

**A. Bonds and loans payable currently outstanding are summarized as follows: (Continued)**

School District Bonds, Series 2010

Refinancing of \$18,199,000 of 2002 Series Bonds due on or after July 15, 2022 to finance the construction of additions and renovations to the North Brunswick Township High School, including acquisition and installation of furnishings and equipment and site work, Authorized and Issued \$17,865,000 dated March 25, 2010. Annual remaining maturities of \$730,000 to \$2,350,000. Final maturity is due on July 15, 2022 with interest rates on remaining maturities ranging from 3.0% to 5.0%.

\$ 17,730,000

Redemption: The bonds are not subject to redemption prior to their stated maturities.

	<b>TOTAL</b>	<b>\$ <u>59,142,000</u></b>
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The Bonds are general obligations of the Board and are secured by a pledge of the full faith and credit of the Board for the payment of the principal thereof and the interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes to be levied on all taxable real property in the school district, without limitation as to rate or amount. The Bonds are additionally secured by the provisions of the New Jersey School Bond Reserve Act.

The District, in conjunction with the issuance of the Bonds, has agreed to undertake and provide certain information to Bondholders on a continuing basis. The Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) "Continuing Disclosure" requirements, which the District has adopted, requires that various financial information about the District and the Municipality be provided annually to various information repositories. The requirement effective for the fiscal years ended June 30, 1998 through June 30, 2010 has been complied with.

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

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

**7. LONG-TERM DEBT (CONTINUED)**

**B. Debt Service Requirements**

Debt service requirements on serial bonds payable at June 30, 2011 are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 3,375,000	\$ 2,631,875	\$ 6,006,875
2013	3,645,000	2,468,437	6,113,437
2014	3,810,000	2,300,900	6,110,900
2015	4,170,000	2,139,837	6,309,837
2016	3,565,000	1,931,187	5,496,187
	<u>18,565,000</u>	<u>11,472,236</u>	<u>30,037,236</u>
2017	3,715,000	1,779,487	5,494,487
2018	3,880,000	1,621,287	5,501,287
2019	4,040,000	1,456,187	5,496,187
2020	4,220,000	1,279,100	5,499,100
2021	4,415,000	974,025	5,389,025
	<u>20,270,000</u>	<u>7,110,086</u>	<u>27,380,086</u>
2022	4,620,000	710,587	5,330,587
2023	4,840,000	605,985	5,445,985
2024	5,065,000	493,820	5,558,820
2025	5,276,000	262,136	5,538,136
2026	506,000	20,746	526,746
	<u>20,307,000</u>	<u>2,093,274</u>	<u>22,400,274</u>
Total	<u>\$ 59,142,000</u>	<u>\$ 20,675,596</u>	<u>\$ 79,817,596</u>

**C. Bonds Authorized But Not Issued**

As of June 30, 2011, the District had a bond authorization which had not been issued. The authorization for \$1,200,000 was approved by the voters in November, 1994, was designed to purchase property for a proposed elementary school. The property identified in the referendum is no longer available for sale and the District will be required to seek voter approval for an alternate site.

**D. Defeasance**

On March 25, 2010 the Board issued \$17,865,000 (refer to Note 7A) in general obligation bonds to advance refund \$18,199,000 of outstanding 2002 Series Bonds callable on or after July 15, 2012. The net proceeds which included a premium of \$2,081,589.15 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 2002 Series Bonds, which were included in the refunding. As a result, the related portion of the 2002 Series Bonds are considered defeased and the liability for these bonds has been removed from the District's records. The transaction was done at an economic savings to the District in accordance with the State of New Jersey Local Finance Board requirements and their present value savings criteria.

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

**7. LONG-TERM DEBT (CONTINUED)**

**E. Capital Lease Obligations Payable**

Lease/Purchase Agreements – Equipment and Vehicles

The District is leasing school buses and equipment. All capital leases are for terms of five to ten years.

**F. Operating Lease Obligation**

The District leases twenty three (23) copy machines of various sizes and capability which is part of a revolving lease plan that requires the Board to pay \$15,715 per month plus a factor for each copy over a certain amount for sixty (60) months, commencing October 1, 2007. All machines have been included in the Capital Assets, Net of the District and the lease payments charged to the operating budget. The minimum annual lease payments are \$182,585.

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

**Teachers' Pension and Annuity Fund (TPAF):** The Teachers' Pension and Annuity Fund was established 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 provisions 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.

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

**8. PENSION PLANS (CONTINUED)**

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

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

**Contribution Requirements:** The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contribution employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The various pension funds provide for employee contributions based on 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both PERS and TPAF. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the TPAF and PERS. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premium.

During the year ended June 30, 2011 for TPAF, which is a cost sharing plan with special funding situations, the annual pension costs equals annual required contribution. For PERS, which is a cost sharing multi-employer pension plan, the annual pension costs differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

**Three-Year Trend Information for PERS**

<u>Year Funding</u>	<u>Annual Pension Cost</u>			<u>Net Cost to District</u>	<u>Percentage of APC Contributed</u>
	<u>Normal</u>	<u>Accrued</u>	<u>Group Life Insurance</u>		
June 30, 2011	\$ 345,339	\$ 550,274	\$ 68,021	\$ 963,634	100%
June 30, 2010	279,783	359,488	88,653	727,923	100%
June 30, 2009	255,285	295,270	68,435	618,990	100%

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

**8. PENSION PLANS (CONTINUED)**

**Contribution Requirements (Continued):**

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

<u>Year Funding</u>	<u>Pension</u>					<u>Post Retirement Medical</u>	<u>TPAF FICA</u>
	<u>Cost (APC)</u>	<u>APC Contributed</u>	<u>Normal &amp; Accrued</u>	<u>NCGI Premium</u>			
June 30, 2011	\$ None	100%	\$ None	\$ 114,364	\$ 2,429,095	\$ 2,667,423	
June 30, 2010	None	100%	None	118,376	2,223,275	2,821,008	
June 30, 2009	None	100%	None	110,131	2,101,016	2,610,463	

During the fiscal year ended June 30, 2011, the State of New Jersey contributed \$114,364 to the TPAF for normal pension insurance and \$2,429,095 for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,667,423 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 24.

Legislation enacted during 1993 provided early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The Board assumed the increased cost for the early retirement as it affected their district.

**9. POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010 there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve of one half of 1% of the active State payroll.

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

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

**10. 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. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of Net Assets in the current and long-term liabilities. The current portion of the compensated absence balance of the governmental funds is shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2011 no liability existed for compensated absences in the proprietary fund types.

**11. DEFERRED COMPENSATION**

**A. IRS Code Section 403(b)**

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

AIG Valic	LPL Financial
AXA Equitable	New York Life Insurance Company/
Financial Resources & Retirement Advisory, Inc.	Mainstay Investments
Lincoln Investment Planning Inc.	MetLife
	Security Benefit

**B. IRS Code Section 457**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan which is administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrator is AIG – VALIC Financial Resource.

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

**12. 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. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Interest</u> <u>Earned</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2011	\$ 500,000	\$ 1,385	\$ 73,273	\$ 292,797	\$ 496,705
2010	None	1,814	110,459	163,803	214,844
2009	None	3,200	108,771	134,730	266,374

**Health Benefits:** The Board of Education has procured medical insurance coverage for its employees under a "minimum premium plan". This arrangement allows the Board to retain funds that would normally be paid either at the inception of the coverage period, or in accordance with a premium payment schedule included in the coverage agreement. Instead, subject to the indemnification provisions of the insurance coverage, the Board makes payments to its provider based on loss experience. The amount of supplemental premium due on each monthly premium due date shall be calculated in accordance with the following formula:

(a) An amount equal to the estimated liability for incurred, but unreported, claims at the close of the preceding policy year; plus

(b) The unpaid portion, if any, of the maximum monthly payments from the beginning of the subsequent policy year to the date as of which item (a) is revised.

At June 30, 2011 the Board has an accrued liability for medical claims in the General Fund in the amount of \$1,711,273 for this purpose. Subsequent to June 30, 2011 the District converted its coverage to a traditional coverage plan which requires monthly premiums per employee.

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

**13. INTERFUND BALANCES AND TRANSFERS**

The interfund receivable/payable as of June 30, 2011 will be liquidated in the normal course of business in the succeeding year.

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 708,703	
Special Revenue Fund		\$ 707,965
Capital Projects Fund		738

**14. RESTRICTED – CAPITAL RESERVE ACCOUNT**

A Capital Reserve Account was established by the Board by inclusion on October 10, 2000 and June 25, 2011 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. During the fiscal year ended June 30, 2011, the District had interest earnings of \$9,514 for the year bringing the total reserve to \$2,181,293.

Analysis of Capital Reserve Activity since Inception:

Contributions from Board		
Prior to June 30, 2010	\$ 3,327,400	
During year ended June 30, 2011	<u>1,200,000</u>	\$ 4,527,400
Interest Earned		
Prior to June 30, 2010	\$ 123,409	
During year ended June 30, 2011	<u>9,514</u>	\$ 132,923
Less Withdrawals:		
Prior to June 30, 2010	\$ 1,117,853	
During year ended June 30, 2011	<u>1,361,177</u>	<u>\$ 2,479,030</u>
Balance June 30, 2011		<u><u>\$ 2,181,293</u></u>

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board Resolution at year end, if any, Unanticipated Revenue or Unexpended Line Item Appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

**15. FUND BALANCE APPROPRIATED**

**General Fund** - Of the \$4,041,412 General Fund fund balance at June 30, 2011, \$72,596 is committed for year-end encumbrances; \$2,181,293 is restricted for the Capital Reserve Account, and \$1,787,523 is unassigned.

**Debt Service Fund** – Of the \$12,547 Debt Service Fund fund balance at June 30, 2011, \$4,453 is unassigned and \$8,094 is assigned – designated for subsequent year's expenditures.

**Capital Projects Fund** – Of the \$2,602,456 Capital Projects Fund fund balance at June 30, 2011 \$1,839,954 is committed for year-end encumbrances and \$762,502 is assigned – designated for subsequent year's expenditures.

**16. CONTINGENT LIABILITIES AND COMMITMENTS**

- A. **Grant Programs** – The school district participates in federal, state and locally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.
- B. **Pending Litigation** – As of the date of this report, in the opinion of the management, there was no litigation pending of which, in the event of an adverse or unfavorable outcome, would materially impair the financial position of the District. There were several matters pending that are being handled by the Board's insurance carrier which should not have any adverse impact.
- C. **Contracts** – The Board awarded contracts for improvements and renovations to the elementary schools. The balance of the contracts remaining equals the reserve for encumbrances in the Capital Projects Fund.
- D. **Interlocal Services Agreement** – The District has an agreement with the Township for reimbursement for unforeseen soil remediation at the High School. The Township adopted an Improvement Authorization to provide funds and the District actually awarded and managed the related contracts. The agreement also requires payment back to the Township for debt service.

**17. CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS**

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was no excess fund balance as a result of the 2009-2010 or 2010-2011 school years at June 30, 2011.

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

**18. RECONCILIATION OF FUND BALANCE – GENERAL FUND**

The Surpluses are presented on a GAAP basis and reconciliation to the budget basis is follows:

			Restricted	
	<u>Total</u>	<u>Unassigned</u>	<u>Emergency Reserve</u>	<u>Maintenance Reserve</u>
Balance on a Budget Basis on the General Fund Budgetary Basic Comparison -	\$ 2,533,744	\$ 1,801,610	\$ 207,134	\$ 525,000
Less: Allocation of state aid payment not recognized on a GAAP basis	<u>746,221</u>	<u>14,087</u>	<u>207,134</u>	<u>525,000</u>
	<u>\$ 1,787,523</u>	<u>\$ 1,787,523</u>	<u>\$ None</u>	<u>\$ None</u>

**19. ECONOMIC DEPENDENCY**

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

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**BUDGETARY COMPARISON SCHEDULES**

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 65,791,344		\$ 65,791,344	\$ 65,791,344	\$ 59,456
Miscellaneous	500,000		500,000	559,456	
Total - local sources	\$ 66,291,344		\$ 66,291,344	\$ 66,350,800	\$ 59,456
State sources:					
Extraordinary aid	\$ 250,000		\$ 250,000	\$ 432,376	\$ 182,376
Categorical Special Education Aid	2,120,429	\$ 1,223,447	3,343,876	3,343,876	
Equalization Aid	6,860,373	(1,223,447)	5,636,926	5,336,926	
TPAF Wage Freeze Aid				49,259	49,259
Non Public Transportation Aid				39,174	39,174
On behalf - TPAF - Pension Contribution (Non-budgeted)				114,364	114,364
On behalf - TPAF - Post Retirement Medical (Non-budgeted)				2,429,095	2,429,095
Reimbursed TPAF social security contributions (Non-budgeted)				2,667,423	2,667,423
Total - state sources	\$ 8,930,802		\$ 8,930,802	\$ 14,412,493	\$ 5,481,691
Federal sources:					
Medical Assistance Program:					
Semi aid	\$ 71,650		\$ 71,650	\$ 83,523	\$ 11,873
Total - federal sources	\$ 71,650		\$ 71,650	\$ 83,523	\$ 11,873
<b>TOTAL REVENUES</b>	\$ 75,293,796		\$ 75,293,796	\$ 80,846,816	\$ 5,553,020

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Transfer of funds to charter schools	\$ 420,000	\$ 32,000	\$ 452,000	\$ 450,170	\$ 1,830
Subtotal transfer of funds to charter schools	\$ 420,000	\$ 32,000	\$ 452,000	\$ 450,170	\$ 1,830
Regular programs - Instruction:					
Salaries of teachers:					
Kindergarten	\$ 1,316,714	\$ (87,000)	\$ 1,229,714	\$ 1,227,595	\$ 2,119
Grades 1 - 5	6,945,901	530,455	7,476,356	7,469,111	7,245
Grades 6 - 8	4,842,875	401,225	5,244,100	5,227,729	16,371
Grades 9 - 12	7,615,685	(184,538)	7,431,147	7,420,737	10,410
	\$ 20,721,175	\$ 660,142	\$ 21,381,317	\$ 21,345,172	\$ 36,145
Regular programs - home instruction:					
Salaries of teachers	\$ 70,000		\$ 70,000	\$ 46,547	\$ 23,453
Purchased professional - education services	10,000	20,000	30,000	14,119	15,881
	\$ 80,000	\$ 20,000	\$ 100,000	\$ 60,666	\$ 39,334
Total regular programs - home instruction	\$ 131,365	\$ 129,610	\$ 260,975	\$ 250,665	\$ 10,110
Regular programs - undistributed instruction:					
Other salaries for instruction	361,000	66,400	427,400	361,119	66,281
Purchased professional - educational services	904,890	(57,290)	847,600	726,982	120,618
General supplies	159,881	5,256	165,137	139,249	25,888
Textbooks	18,905	1,151	20,056	19,428	628
Other objects					
	\$ 1,576,041	\$ 147,497	\$ 1,723,538	\$ 1,500,013	\$ 223,525
Total regular programs - undistributed instruction	\$ 22,377,216	\$ 827,639	\$ 23,204,855	\$ 22,905,851	\$ 299,004
Total regular programs - Instructions	\$ 1,007,360	\$ (50,440)	\$ 956,920	\$ 956,694	\$ 226
Special education instruction:	413,409	(47,268)	366,141	363,607	2,534
Learning and/or language disabilities:	5,770	(802)	4,968	2,813	2,155
Salaries of teachers	5,408	(303)	5,105	2,440	2,665
Other salaries for instruction					
General supplies					
Textbooks					
	\$ 1,431,947	\$ (98,813)	\$ 1,333,134	\$ 1,325,554	\$ 7,580
Total learning and/or language disabilities	\$ 127,218		\$ 127,218	\$ 127,210	\$ 8
Behavioral Disabilities:	33,967		33,967	25,279	8,688
Salaries of teachers					
Other salaries for instruction					
	\$ 161,185		\$ 161,185	\$ 152,489	\$ 8,696
Total resource room/resource center					

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Resource room/resource center:					
Salaries of teachers	\$ 4,232,970	\$ (234,000)	\$ 3,998,970	\$ 3,894,990	\$ 103,980
Other salaries for instruction	595,668	32,000	627,668	627,213	455
General supplies	8,795	2,251	11,046	9,424	1,622
Textbooks	1,952		1,952	1,116	836
<b>Total resource room/resource center</b>	<b>\$ 4,839,385</b>	<b>\$ (199,749)</b>	<b>\$ 4,639,636</b>	<b>\$ 4,532,743</b>	<b>\$ 106,893</b>
Preschool disabilities - part-time:					
Salaries of teachers	\$ 66,365	\$ (3,000)	\$ 63,365	\$ 51,256	\$ 12,109
Other salaries for instruction	12,539	12,000	24,539	20,344	4,195
General supplies	850		850	849	1
<b>Total preschool disabilities-part-time</b>	<b>\$ 79,754</b>	<b>\$ 9,000</b>	<b>\$ 88,754</b>	<b>\$ 72,449</b>	<b>\$ 16,305</b>
Preschool disabilities - full time					
Salaries of teachers	\$ 219,296	\$ (54,000)	\$ 165,296	\$ 132,962	\$ 32,334
Other salaries for instruction	163,275		163,275	148,269	15,006
<b>Total preschool disabilities-full-time</b>	<b>\$ 382,571</b>	<b>\$ (54,000)</b>	<b>\$ 328,571</b>	<b>\$ 281,231</b>	<b>\$ 47,340</b>
Home instruction:					
Salaries of teachers	\$ 135,000	\$ (20,000)	\$ 115,000	\$ 98,629	\$ 16,371
Purchased professional-educational services	50,000		50,000	35,732	14,268
<b>Total home instruction</b>	<b>\$ 185,000</b>	<b>\$ (20,000)</b>	<b>\$ 165,000</b>	<b>\$ 134,361</b>	<b>\$ 30,639</b>
<b>Total special education - instruction</b>	<b>\$ 7,079,842</b>	<b>\$ (363,562)</b>	<b>\$ 6,716,280</b>	<b>\$ 6,498,827</b>	<b>\$ 217,453</b>
Basic skills/remedial - instruction:					
Salaries of Teachers	\$ 2,422,225	\$ (841,063)	\$ 1,581,162	\$ 1,484,240	\$ 96,922
Other salaries for instruction		60,000	60,000	43	59,957
General supplies	27,000	1,979	28,979	17,364	11,615
<b>Total basic skills/remedial - instruction</b>	<b>\$ 2,449,225</b>	<b>\$ (779,084)</b>	<b>\$ 1,670,141</b>	<b>\$ 1,501,647</b>	<b>\$ 168,494</b>
Bilingual education - instruction:					
Salaries of teachers	\$ 666,417	\$ (100,000)	\$ 766,417	\$ 641,099	\$ 125,318
Other salaries for instruction	40,045		40,045	13,395	26,650
General supplies	13,512	(2,966)	10,546	7,989	2,557
Textbooks	2,000	(2,000)			
<b>Total bilingual education - instruction</b>	<b>\$ 921,974</b>	<b>\$ (104,966)</b>	<b>\$ 817,008</b>	<b>\$ 662,483</b>	<b>\$ 154,525</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
School sponsored co/extra - curricular activities - Instructions:					
Salaries	\$ 205,696	\$ 4,345	\$ 210,041	\$ 209,658	\$ 383
Supplies and materials	22,518	(5,145)	17,373	11,279	6,094
	\$ 228,214	\$ (800)	\$ 227,414	\$ 220,937	\$ 6,477
Total school sponsored co/extra - curricular activities - Instruction					
School sponsored athletics - Instruction:					
Salaries	\$ 331,575	\$ 137,638	\$ 469,213	\$ 459,722	\$ 9,491
Purchased services (300-500 Series)	101,000	19,062	120,062	119,399	663
Supplies and materials	108,450	6,313	112,763	92,411	20,352
Other objects	25,000	2,400	27,400	24,057	3,343
	\$ 564,025	\$ 165,413	\$ 729,438	\$ 695,589	\$ 33,849
Total school sponsored athletic activities					
Total special programs	\$ 4,163,438	\$ (719,437)	\$ 3,444,001	\$ 3,080,656	\$ 363,345
Total instructional programs	\$ 33,620,496	\$ (255,360)	\$ 33,365,136	\$ 32,485,334	\$ 879,802
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state - regular	\$ 140,000	\$ 60,942	\$ 200,942	\$ 167,550	\$ 33,392
Tuition to other LEAs within the state - special	679,900	(327,746)	352,154	329,607	22,547
Tuition to CSSD and regular day schools	126,000		126,000	78,000	48,000
Tuition to private schools-disabled within the state	2,274,458	(78,474)	2,195,984	2,054,466	141,518
Tuition - state facilities	184,922		184,922	184,922	
Tuition - other	75,000		75,000	3,564	71,436
	\$ 3,480,280	\$ (345,278)	\$ 3,135,002	\$ 2,818,109	\$ 316,893
Total undistributed expenditures - instruction					
Attendance and social work:					
Salaries	\$ 5,000		\$ 5,000	\$ 3,094	\$ 1,906
Purchased professional and technical services	5,000		5,000	2,740	2,260
Other purchased services (400-500 Series)	5,000	(2,495)	2,505		2,505
	\$ 15,000	\$ (2,495)	\$ 12,505	\$ 5,834	\$ 6,671
Total attendance and Social Work					
Health services:					
Salaries	\$ 524,710	\$ (160)	\$ 524,550	\$ 520,660	\$ 3,890
Purchased professional and technical services		7,795	7,795	4,095	3,700
Other purchased services (400-500 Series)		160	160	160	
Supplies and materials	14,500		14,500	14,350	150
	\$ 539,210	\$ 7,795	\$ 547,005	\$ 539,465	\$ 7,540
Total health services					

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Other support services - student-related services:					
Guidance:					
Salaries	\$ 565,692	\$ (13,000)	\$ 552,692	\$ 502,631	\$ 50,061
Purchased professional - educational services	64,000	65,000	129,000	122,320	6,680
Travel	500		500		500
Supplies and materials	4,500		4,500	4,440	60
<b>Total other support services - student-related services</b>	<b>\$ 634,692</b>	<b>\$ 52,000</b>	<b>\$ 686,692</b>	<b>\$ 629,391</b>	<b>\$ 57,301</b>
Other support services - student extra services					
Salaries	\$ 455,579	\$ (12,830)	\$ 442,749	\$ 437,722	\$ 5,027
Purchased professional - educational services	293,700	112,250	405,950	255,343	150,607
Supplies and Materials		850	850	385	465
<b>Total other support services - student-extra services</b>	<b>\$ 749,279</b>	<b>\$ 100,270</b>	<b>\$ 849,549</b>	<b>\$ 693,450</b>	<b>\$ 156,099</b>
Other support services - students - regular:					
Child study team:					
Salaries of other professional staff	\$ 966,609		\$ 966,609	\$ 946,036	\$ 20,573
Salaries of secretarial & clerical assistants	138,353		138,353	92,933	45,420
Supplies and materials	10,573	\$ (2,037)	8,536	5,965	2,571
Other Objects		325	325	325	
<b>Total other support services - students - regular</b>	<b>\$ 1,115,535</b>	<b>\$ (1,712)</b>	<b>\$ 1,113,823</b>	<b>\$ 1,045,259</b>	<b>\$ 68,564</b>
Other support services - students - special:					
Salaries of other professional staff	\$ 1,781,731	\$ (93,000)	\$ 1,688,731	\$ 1,665,912	\$ 2,819
Salaries of secretarial & clerical assistants	364,231		364,231	262,534	81,697
Purchased professional - educational services	45,000	(190)	44,810	22,704	22,106
Other purchased professional and technical services	2,900		2,900	1,212	1,688
Miscellaneous purchased services (400-500 Series other than residential costs)	8,000		8,000	1,930	6,070
Supplies and materials	68,900	2,150	71,050	61,514	9,536
Other objects	1,750	2,750	4,500	3,676	824
<b>Total other support services - students - special</b>	<b>\$ 2,272,112</b>	<b>\$ (88,290)</b>	<b>\$ 2,183,822</b>	<b>\$ 2,059,462</b>	<b>\$ 124,340</b>
Improvement of instructional services:					
Salaries of supervisors of instruction	\$ 1,125,017	\$ 170,893	\$ 1,295,910	\$ 1,249,243	\$ 46,667
Salaries of other professional staff	57,288	(30,447)	26,841	26,841	
Salaries of secretarial & clerical assistants	50,133	(15,000)	35,133	35,133	
Purchased professional - educational services	40,000	(20,000)	20,000	20,000	
Other purchased services (400-500 Series)	450	1,157	1,607	779	828
Supplies and materials	3,400	(1,100)	2,300	1,261	1,039
Other objects		4,550	4,550	1,835	2,715
<b>Total improvement of instructional services</b>	<b>\$ 1,276,288</b>	<b>\$ 110,953</b>	<b>\$ 1,386,341</b>	<b>\$ 1,253,118</b>	<b>\$ 133,223</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Educational media services/school library:					
Salaries	\$ 439,669	\$ 60,305	\$ 499,974	\$ 494,007	\$ 5,967
Other purchased services (400-500 Series)	2,400	2,400	2,400	2,400	
Supplies and materials	64,775	1,372	66,147	65,593	554
<b>Total educational media services/school library</b>	<b>\$ 504,444</b>	<b>\$ 64,077</b>	<b>\$ 568,521</b>	<b>\$ 562,000</b>	<b>\$ 6,521</b>
Instructional staff training services:					
Salaries of supervisors of instruction	\$ 27,361	\$ 1,650	\$ 29,011	\$ 28,993	\$ 18
Salaries of other professional staff	99,950		99,950	28,399	71,551
Salaries of secretarial & clerical assistants	38,215	2,055	40,270	40,270	
Purchased professional - educational services	25,000	(3,675)	21,325	15,373	5,952
Other purchased prof. and tech. services	32,450	(4,979)	27,471	11,412	16,059
Other purchased services (400-500 Series)	1,000	3,402	4,402	3,475	927
<b>Total instructional staff training services</b>	<b>\$ 223,976</b>	<b>\$ (1,047)</b>	<b>\$ 222,929</b>	<b>\$ 127,922</b>	<b>\$ 95,007</b>
Support services - general administration:					
Salaries	\$ 280,789	\$ 1,524	\$ 282,313	\$ 282,313	\$ 4,021
Legal services	100,000	68,482	168,482	164,461	42,000
Audit fee	45,000	(3,000)	42,000		6,200
Architects/Engineering services	10,000	24,800	24,800	18,600	
Other purchased professional services	16,500	3,365	13,365	13,365	
Purchased technical services	288,200	20,022	36,522	36,522	
Communications/telephone	14,369	14,369	282,569	253,617	28,952
BOE other purchased services	18,000	(7,687)	10,313	5,442	4,871
Other purchased services (400-500)	37,000	(6,980)	30,020	19,853	10,167
General supplies	69,800	(24,579)	45,221	42,362	2,859
Judgments Against the School District	5,000	(5,000)			
BOE membership dues and fees	30,000	(63)	29,937	28,624	1,313
<b>Total support services - general administration</b>	<b>\$ 880,289</b>	<b>\$ 85,253</b>	<b>\$ 965,542</b>	<b>\$ 865,159</b>	<b>\$ 100,383</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Support services - school administration:					
Salaries of principals/assistant principals	\$ 1,673,446	\$ (84,000)	\$ 1,589,446	\$ 1,537,697	\$ 51,749
Salaries of other professional staff	183,396	(19,532)	163,864	131,567	32,297
Salaries of secretarial and clerical assistants	784,991	21,532	806,523	782,612	23,911
Purchased professional and technical services	13,000	(232)	12,768	12,767	1
Other purchased services (400-500 Series)	12,500		12,500	198	12,302
Supplies and materials	104,313	7,720	112,033	86,801	25,232
Other objects	7,000	7,850	14,850	12,019	2,831
<b>Total support services - school administration</b>	<b>\$ 2,778,646</b>	<b>\$ (66,652)</b>	<b>\$ 2,711,994</b>	<b>\$ 2,563,661</b>	<b>\$ 148,333</b>
Central services:					
Salaries	\$ 916,289	\$ (100)	\$ 916,189	\$ 860,856	\$ 55,333
Purchased professional services	18,000	100	18,100	18,100	
Purchased technical services	40,000	(26,326)	13,674	1,068	12,606
Miscellaneous purchased services (400-500 Series)	7,000	2,867	9,867	3,360	6,507
Supplies and materials	7,500	1,833	9,333	6,803	2,530
Interest on lease purchase agreements	33,601		33,601	33,601	
Other Objects		5,230	5,230	5,094	136
<b>Total central services</b>	<b>\$ 1,022,390</b>	<b>\$ (16,396)</b>	<b>\$ 1,005,994</b>	<b>\$ 928,882</b>	<b>\$ 77,112</b>
Admin. info. technology:					
Salaries	\$ 480,576	\$ (4,600)	\$ 475,976	\$ 419,452	\$ 56,524
Purchased technical services	100,000	19,000	119,000	111,308	7,692
Other purchased services (400-500 Series)	5,000	2,362	7,362	6,585	777
Supplies and materials	40,000	922	40,922	38,763	2,159
<b>Total admin. info. technology</b>	<b>\$ 625,576</b>	<b>\$ 17,684</b>	<b>\$ 643,260</b>	<b>\$ 576,108</b>	<b>\$ 67,152</b>
Required maintenance for school facilities:					
Salaries	\$ 1,081,626	\$ (5,000)	\$ 1,076,626	\$ 958,522	\$ 118,104
Cleaning, repair and maintenance services	253,047	25,510	278,557	267,818	10,739
General supplies	183,500	34,253	217,753	206,043	11,710
<b>Total required maintenance for school facilities</b>	<b>\$ 1,518,173</b>	<b>\$ 54,763</b>	<b>\$ 1,572,936</b>	<b>\$ 1,432,383</b>	<b>\$ 140,553</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Other operation and maintenance of plant:					
Salaries	\$ 2,190,124	\$ (214,561)	\$ 1,975,563	\$ 1,960,240	\$ 15,323
Salaries of non-instructional aids	446,286		446,286	439,192	7,094
Purchased professional and technical services	6,000	(1,500)	4,500	4,490	10
Cleaning, repair and maintenance services	63,400	(7,900)	55,500	46,166	9,334
Other purchased property services	90,000	41,100	131,100	128,830	2,270
Insurance	373,242	16,562	389,804	388,836	968
Travel	3,200		3,200	449	2,751
Miscellaneous purchased services	11,800	(8,000)	3,800	1,400	2,400
General supplies	274,650	18,345	292,995	262,493	30,502
Energy (Natural Gas)	785,263	(438,708)	346,555	344,697	1,858
Energy (Electricity)	1,737,723	8,752	1,746,475	1,745,992	483
Total other operation and maintenance of plant	\$ 5,981,688	\$ (585,910)	\$ 5,395,778	\$ 5,322,785	\$ 72,993
Total operation and maintenance of plant services	\$ 7,489,861	\$ (531,147)	\$ 6,958,714	\$ 6,765,168	\$ 213,546
Care and upkeep of grounds					
Salaries	\$ 227,066	\$ 10,100	\$ 237,166	\$ 235,261	\$ 1,895
General supplies	10,000	2,400	12,400	11,104	1,296
Total care and upkeep of grounds	\$ 237,066	\$ 12,500	\$ 249,566	\$ 246,365	\$ 3,191
Security:					
Salaries	\$ 51,750	\$ 2,850	\$ 54,600	\$ 54,186	\$ 414
Purchased technical services	5,000	(2,600)	2,400	2,400	0
General supplies	46,450		46,450	42,821	3,629
Total security	\$ 103,200	\$ 250	\$ 103,450	\$ 97,007	\$ 6,443
Student transportation services:					
Salaries of Pupil transportation (between home and school) - regular	\$ 319,522	\$ (19,729)	\$ 299,793	\$ 285,039	\$ 14,754
Salaries of Pupil transportation (between home and school) - special education	332,422	97,000	429,422	417,094	12,328
Other purchased professional and technical services	9,769	531	10,300	10,229	71
Cleaning, repair and maintenance services	20,100	10,000	30,100	24,838	5,262
Contracted services (between home and school) - vendors	1,346,155	24,151	1,370,306	1,359,270	11,036
Contracted services (other than between home and school) - vendors	181,903	113,407	295,310	197,532	97,778
Contracted services (between home and school) - joint agreements	334,031	(132,650)	201,381	179,520	21,861
Contracted services (special education students) - vendors	1,429,022	(372,001)	1,057,021	1,047,488	9,533
Contracted services - aid in lieu of payments - nonpublic schools	150,150	26,700	176,850	175,541	1,309
Travel	600	1,200	1,800	912	888
Supplies and materials	146,828	8,269	155,097	144,089	11,008
Miscellaneous expenditures	18,000	(10,000)	8,000	3,864	4,136
Total student transportation services	\$ 4,280,502	\$ (253,122)	\$ 4,035,380	\$ 3,845,416	\$ 189,964

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Unallocated benefits - Employee benefits:					
Social security contribution	\$ 684,690	\$ 22,500	\$ 907,190	\$ 907,127	\$ 63
Other retirement contributions - regular	788,535	181,099	969,634	965,524	4,110
Workmen's compensation	378,877	(26,000)	352,877	343,520	9,357
Health benefits	10,720,750	1,018,760	11,739,510	11,733,327	6,183
Tuition reimbursement	100,000	27,256	127,256	126,459	797
Other employee benefits	190,228	79,000	269,228	285,841	3,367
Unemployment compensation	945,929	(159,399)	786,530	765,683	20,847
<b>Total unallocated benefits</b>	<b>\$ 14,009,009</b>	<b>\$ 1,143,216</b>	<b>\$ 15,152,225</b>	<b>\$ 15,107,481</b>	<b>\$ 44,744</b>
On behalf - TPAF - Pension Contribution (Non-budgeted)					
On behalf - TPAF - Post Retirement Medical (Non-budgeted)					
Reimbursed TPAF social security contributions (Non-budgeted)					
<b>Total on behalf - Contributions</b>				\$ 114,364	\$ (114,364)
<b>Total personal services - employee benefits</b>	<b>\$ 14,009,009</b>	<b>\$ 1,143,216</b>	<b>\$ 15,152,225</b>	<b>\$ 2,429,095</b>	<b>(2,429,095)</b>
<b>Total undistributed expenditures</b>	<b>\$ 42,255,345</b>	<b>\$ 286,949</b>	<b>\$ 42,542,294</b>	<b>\$ 2,667,423</b>	<b>(2,667,423)</b>
<b>TOTAL EXPENDITURES - CURRENT EXPENSE</b>	<b>\$ 76,295,841</b>	<b>\$ 63,589</b>	<b>\$ 76,359,430</b>	<b>\$ 5,210,882</b>	<b>(5,210,882)</b>
<b>CAPITAL OUTLAY:</b>					
<b>Equipment:</b>					
Regular programs - instruction:					
Grades 1-5	\$ 3,400	(2,834)	\$ 566	\$ 566	\$ 566
Undistributed expenditures:					
Support services - students - special	6,000	(17,000)	6,000	2,570	3,430
Admin info tech	150,000		133,000	132,882	18
School fac equipment	39,150	2,500	41,650	41,349	301
<b>Total equipment</b>	<b>\$ 198,550</b>	<b>\$ (17,334)</b>	<b>\$ 181,216</b>	<b>\$ 176,901</b>	<b>\$ 4,315</b>
<b>Facilities acquisition and construction services:</b>					
Other purchased professional and technical services	\$ 25,000	\$ 56,000	\$ 81,000	\$ 44,410	\$ 36,590
Construction services	72,000	(31,000)	41,000	36,748	4,252
Land and Improvements		21,187	21,187	21,187	
Lease purchase agreements - principal	1,118,034		1,118,034	1,118,034	
Other Objects	173,032		173,032	173,032	
<b>Total facilities acquisition and construction services</b>	<b>\$ 1,388,066</b>	<b>\$ 46,187</b>	<b>\$ 1,434,253</b>	<b>\$ 1,393,411</b>	<b>\$ 40,842</b>
<b>TOTAL EXPENDITURES - CAPITAL OUTLAY</b>	<b>\$ 1,586,616</b>	<b>\$ 28,853</b>	<b>\$ 1,615,469</b>	<b>\$ 1,570,312</b>	<b>\$ 45,157</b>
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$ 77,882,457</b>	<b>\$ 92,442</b>	<b>\$ 77,974,899</b>	<b>\$ 80,435,975</b>	<b>(2,461,076)</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Excess/(deficiency) of revenues over/(under) expenditures	\$ (2,588,661)	\$ (92,442)	\$ (2,681,103)	\$ 410,841	\$ (3,091,944)
Other financing sources/(uses):					
Operating Transfers in/(out)				738	(738)
Capital projects fund interest earned				(1,314,990)	1,314,990
Capital Reserve Transfer to Capital Projects Fund					
Total other financing sources/(uses)				\$ (1,314,252)	\$ 1,314,252
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing sources/(uses)	\$ (2,588,661)	\$ (92,442)	\$ (2,681,103)	\$ (903,411)	\$ 1,777,692
Fund balance, July 1	\$ 5,691,044		\$ 5,691,044	\$ 5,691,044	
Fund balance, June 30	\$ 3,102,383	\$ (92,442)	\$ 3,009,941	\$ 4,787,633	\$ 1,777,692
Fund balance appropriated per budget	\$ 2,588,661				
Less: Increase in capital reserve	(500)				
	\$ 2,588,161				
Detail of budget transfers:					
Reserved for encumbrances - prior year	\$ 46,255				
Capital Reserve Appropriation	46,187				
	\$ 92,442				
Recapitulation of fund balance:					
Committed year-end encumbrances				\$ 72,596	
Restricted fund balance:					
Emergency reserve				207,134	
Maintenance reserve				525,000	
Capital reserve				2,181,293	
Unassigned fund balance				1,801,610	
				\$ 4,787,633	
Reconciliation to governmental funds statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				746,221	
Fund balance per governmental funds (GAAP)				\$ 4,041,412	

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

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal Sources	\$ 2,295,081	\$ 2,113,658	\$ 4,408,739	\$ 3,383,817	\$ 1,024,922
State Sources	17,539	87,426	104,965	28,413	76,552
Local Sources	215,000	20,481	235,481	126,333	109,147
<b>Total Revenues</b>	<b>\$ 2,527,620</b>	<b>\$ 2,221,565</b>	<b>\$ 4,749,185</b>	<b>\$ 3,538,563</b>	<b>\$ 1,210,621</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	\$ 591,445	\$ 519,203	\$ 1,110,648	\$ 738,931	\$ 371,717
Other Salaries for Instruction		55,492	55,492	36,103	19,389
Purchased Professional and Technical Services	10,139	108,773	118,912	72,950	45,962
Other Purchased Services	1,403,636	(190,497)	1,213,139	1,177,729	35,410
General Supplies		881,357	881,357	493,471	387,886
Textbooks	3,386	(89)	3,297	3,297	
Other Objects		6,645	6,645		6,645
<b>Total Instruction</b>	<b>\$ 2,008,606</b>	<b>\$ 1,380,884</b>	<b>\$ 3,389,490</b>	<b>\$ 2,522,481</b>	<b>\$ 867,009</b>
<b>Support Services:</b>					
Salaries of Other Professional Staff		\$ 205,325	\$ 205,325	\$ 183,299	22,026
Personal Services - Salaries		73,444	73,444	21,233	52,211
Salaries of Supervisors of Instruction	\$ 300,000	(199,850)	100,150	83,382	16,768
Personal Services - Employee Benefits		484,191	484,191	394,518	89,673
Purchased Professional and Technical Services	219,014	72,706	291,720	238,555	53,165
Other Purchased Professional and Technical Services		69,340	69,340	58,722	10,618
Travel		500	500		500
Supplies and Materials		21,503	21,503	10,888	10,615
Other Objects		20,000	20,000	16,989	3,011
<b>Total Support Services</b>	<b>\$ 519,014</b>	<b>\$ 747,159</b>	<b>\$ 1,266,173</b>	<b>\$ 1,007,586</b>	<b>258,587</b>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment		\$ 93,524	\$ 93,524	\$ 8,496	85,027
<b>Total Facilities Acquisition and Construction Services</b>		<b>\$ 93,524</b>	<b>\$ 93,524</b>	<b>\$ 8,496</b>	<b>85,027</b>
<b>Total Expenditures</b>	<b>\$ 2,527,620</b>	<b>\$ 2,221,567</b>	<b>\$ 4,749,187</b>	<b>\$ 3,538,563</b>	<b>\$ 1,210,623</b>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<u>Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures</u>		<u>General Fund</u>		<u>Special Revenue Fund</u>
<b>Sources/Inflows of Resources:</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1 \$	80,846,816	C-2 \$	3,538,563
<b>Difference - Budget to GAAP:</b>				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		None		None
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		1,237,675		None
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		<u>(746,221)</u>		<u>None</u>
<b>Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.</b>	<b>B-2 \$</b>	<b><u>81,338,270</u></b>	<b>B-2 \$</b>	<b><u>3,538,563</u></b>
<b>Uses/Outflows of Resources:</b>				
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	C-1 \$	80,435,975	C-2 \$	3,538,563
<b>Difference - Budget to GAAP:</b>				
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>None</u>		<u>None</u>
<b>Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.</b>	<b>B-2 \$</b>	<b><u>80,435,975</u></b>	<b>B-2 \$</b>	<b><u>3,538,563</u></b>

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**

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

	Title II		I.D.E.A. Part B				Totals 2011
	Part A 2010-2011	Part A Carryover 2009-2010	Part D - Tech 2010-2011	Regular Program 2010-2011	Regular Program Carryover	ARRA Carry Over Program	
<b>REVENUES:</b>							
State sources	\$ 28,413						\$ 28,413
Federal sources	1,105,692	130,230	979	1,115,009	240,671	883,202	3,363,817
Local sources	126,333						126,333
<b>Total revenues</b>	\$ 1,260,438	\$ 130,230	\$ 979	\$ 1,115,009	\$ 240,671	\$ 883,202	\$ 3,538,563
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of teachers	\$ 73,351			112,867	43,691	36,103	\$ 266,012
Other salaries for instruction	391,308			99,754	18,960		490,062
Purchased professional and technical services	72,950			959,816	92,381		1,177,289
Other purchased services	56,103			63,977	217,268	17,355	494,471
Supplies and materials	103,591						
Textbooks	3,297						3,297
<b>Total instruction</b>	\$ 787,396			\$ 1,072,683	\$ 200,049	\$ 371,055	\$ 2,522,481
Support services:							
Personal services - salaries	\$ 2,000	106,216	\$ 847	\$ 35,000	\$ 30,234		\$ 183,299
Salaries of program director	21,167		66				21,233
Salaries of supervisors of instruction	17,357			66,025			83,382
Personal services-employee benefits	236,339	20,012	68	26,137	4,972	97,882	394,510
Purchased professional/technical services	123,112			16,989	650	114,793	238,555
Other Purchased Property Services	53,537	4,000				1,185	16,989
Other Purchased Professional/technical services	10,827		60				58,722
Supplies and materials							10,867
<b>Total support services</b>	\$ 464,340	\$ 130,230	\$ 979	\$ 43,126	\$ 40,622	\$ 309,119	\$ 1,007,566
Facilities acquisition and construction services:							
Instructional equipment	\$ 5,498					2,998	\$ 8,496
<b>Total facilities acquisition and construction services</b>	\$ 5,498					2,998	\$ 8,496
<b>Total expenditures</b>	\$ 1,257,144	\$ 130,230	\$ 979	\$ 1,115,009	\$ 240,671	\$ 883,202	\$ 3,538,563

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

	Total Brought Forward (Exh. E-1b)	Title I				ARRA				Totals Certified Forward 2011	
		Title I-A Part A	Title I-A Carryover 2009-2010	ARRA Title I-A Carryover 2009-2009	ARRA Title I-A Title I-D	Title I-SIA Carryover 2009-2010	ARRA Title I-SIA Carryover 2009-2010	Title I-D Carryover 2009-2010	School Title I-D 2010-2011		
<b>REVENUES:</b>											
State sources	\$ 28,413										\$ 28,413
Federal sources	143,714	\$ 428,509	\$ 170,406	\$ 6,923	\$ 33,488	\$ 107,452	\$ 24,930	\$ 10,510	\$ 170,003	\$ 8,738	1,105,092
Local sources	126,333										126,333
<b>Total revenues</b>	\$ 298,460	\$ 428,509	\$ 170,406	\$ 6,923	\$ 33,488	\$ 107,452	\$ 24,930	\$ 10,510	\$ 170,003	\$ 8,738	\$ 1,266,438
<b>EXPENDITURES:</b>											
Instruction:											
Salaries of teachers	\$ 12,386					\$ 7,078	\$ 53,887				\$ 73,351
Salaries of other professional staff	953	\$ 233,984	\$ 44,924			1,858			\$ 108,609		381,308
Other salaries for instruction											
Purchased professional and technical services	6,522	65,976	450								72,950
Other purchased services	25,580	30,523									56,103
Supplies and materials	59,781	34,212	29,071		2,259	25,419	24,930	10,519	7,401		193,301
Textbooks	3,297										3,297
<b>Total instruction</b>	\$ 108,519	\$ 394,677	\$ 74,445		\$ 9,336	\$ 81,164	\$ 24,930	\$ 10,519	\$ 117,910		\$ 787,308
Support services:											
Personal services - salaries	\$ 2,000									\$ 8,738	\$ 2,000
Salaries of program director	2,716	\$ 9,713									21,167
Salaries of supervisors of instruction	17,357										17,357
Personal services-employee benefits	18,004	53,094	65,203		20,757	26,208			52,993		236,339
Purchased professional/technical services	111,857		7,850		3,405						123,112
Other Purchased Property Services											
Other Purchased Professional/technical services	32,285	2,025	16,283	2,944							53,537
Supplies and materials	223		6,525	3,079							10,827
<b>Total support services</b>	\$ 184,443	\$ 64,832	\$ 95,951	\$ 6,923	\$ 24,162	\$ 26,208			\$ 52,993	\$ 8,738	\$ 464,340
Facilities acquisition and construction services:											
Instructional equipment	\$ 5,498										\$ 5,498
<b>Total facilities acquisition and construction services</b>	\$ 5,498										\$ 5,498
<b>Total expenditures</b>	\$ 298,460	\$ 428,509	\$ 170,406	\$ 6,923	\$ 33,488	\$ 107,452	\$ 24,930	\$ 10,519	\$ 170,003	\$ 8,738	\$ 1,257,144

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

	Total Brought Forward (Exh. E-1c)	Title III				Perkins Grant	CHIPRA Grant	Totals Carried Forward 2011
		Part A 2010-2011	Part A Carryover 2009-2010	Immigrant 2010-2011	Immigrant Carryover 2009-2010			
<b>REVENUES:</b>								
State sources	\$ 28,413							\$ 28,413
Federal sources		\$ 5,122	\$ 18,745	\$ 3,243	\$ 34,937	\$ 23,721	\$ 55,894	\$ 143,714
Local sources	126,333							126,333
Total revenues	\$ 154,746	\$ 5,122	\$ 18,745	\$ 3,243	\$ 34,937	\$ 23,721	\$ 55,894	\$ 298,460
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of teachers	\$ 500				\$ 11,866			\$ 12,386
Salaries of other professional staff	953							953
Other salaries for instruction								
Purchased professional and technical services	6,522							6,522
Other purchased services	25,580							25,580
Supplies and materials	5,731	\$ 420	\$ 13,265		22,142	\$ 18,223		56,781
Textbooks	3,297							3,297
Total instruction	\$ 42,583	\$ 420	\$ 13,265		\$ 34,028	\$ 18,223		\$ 108,519
Support services:								
Personal services - salaries	\$ 2,000							\$ 2,000
Salaries of program director		\$ 1,336		\$ 1,300				2,710
Salaries of supervisors of instruction							\$ 17,357	17,357
Personal services-employee benefits		3,366		1,663	\$ 909	\$ 2,052	9,814	18,004
Purchased professional/technical services	109,957		\$ 1,800					111,857
Other Purchased Property Services								
Other Purchased Professional/technical services	205		3,580				28,500	32,285
Supplies and materials							223	223
Total support services	\$ 112,163	\$ 4,702	\$ 5,480	\$ 3,243	\$ 909	\$ 2,052	\$ 55,894	\$ 184,443
Facilities acquisition and construction services:								
Instructional equipment								\$ 5,498
Total facilities acquisition and construction services								\$ 5,498
Total expenditures	\$ 154,746	\$ 5,122	\$ 18,745	\$ 3,243	\$ 34,937	\$ 23,721	\$ 55,894	\$ 298,460

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

	Chapter 192 Auxiliary Nonpublic Education	Chapter 226 Nonpublic Nursing Services	New Jersey - Nonpublic Chapter 193 Handicapped Supplemental Instruction	Exam. and Class.	Corrective Speech	Nonpublic Textbooks	PSLP 2010-2011	Carryover 2009-2010	Local Grants	Soil Remediation	Totals Carried Forward 2011
<b>REVENUES:</b>											
State sources	\$ 2,093	\$ 122	\$ 973	\$ 2,552	\$ 782	\$ 3,297	\$ 14,683	\$ 5			\$ 20,413
Federal sources											
Local sources									\$ 26,533	\$ 99,800	126,333
Total revenues	\$ 2,093	\$ 122	\$ 973	\$ 2,552	\$ 782	\$ 3,297	\$ 14,683	\$ 5	\$ 26,533	\$ 99,800	\$ 154,746
<b>EXPENDITURES:</b>											
Instruction:											
Salaries of teachers							\$ 500				\$ 500
Salaries of other professional staff									\$ 953		953
Other salaries for instruction											
Purchased professional and technical services	\$ 2,083	\$ 122	\$ 973	\$ 2,552	\$ 782				25,580		6,522
Other purchased services							5,731				25,580
Supplies and materials											5,731
Textbooks						\$ 3,297					3,297
Total instruction	\$ 2,083	\$ 122	\$ 973	\$ 2,552	\$ 782	\$ 3,297	\$ 6,231		\$ 26,533		\$ 42,583
Support services:											
Personal services - salaries							\$ 2,000				\$ 2,000
Salaries of program director											
Salaries of supervisors of instruction											
Personal services-employee benefits							6,251			\$ 99,800	106,957
Purchased professional/technical services								\$ 5			205
Other Purchased Property Services											
Other Purchased Professional/technical services											
Supplies and materials											
Total support services	\$ 3,806						\$ 6,451	\$ 5		\$ 99,800	\$ 112,163
Facilities acquisition and construction services:											
Instructional equipment											
Total facilities acquisition and construction services											
Total expenditures	\$ 3,806	\$ 122	\$ 973	\$ 2,552	\$ 782	\$ 3,297	\$ 14,683	\$ 5	\$ 26,533	\$ 99,800	\$ 154,746

**CAPITAL PROJECTS FUND**

BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2011</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Construction of High School Addition and Remodeling	01/22/02	\$ 30,490,000	\$ 30,327,379	\$ 120,467	\$ 42,154
High School Soil Remediation	12/13/05	7,391,802	6,533,890	399,586	458,326
Roof Projects:					
John Adams	06/09/10	41,750		5,465	36,285
Parsons	06/09/10	619,000		20,324	598,676
Linwood	06/09/10	1,006,900		43,580	963,320
Livingston Park	06/09/10	524,000		20,306	503,694
		\$ 40,073,452	\$ 36,861,269	\$ 609,728	\$ 2,602,455

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

<b>Revenues and Other Financing Sources</b>	
State sources - SCC Grant	\$ 876,660
Interest on investments	<u>738</u>
Total revenues	\$ <u>877,398</u>
<b>Expenditures and Other Financing Uses</b>	
Legal fees	\$ 115,210
Purchased professional and technical services	381,675
Construction services	<u>112,843</u>
Total expenditures	\$ <u>609,728</u>
Excess(deficiency) of revenues over (under) expenditures	\$ 267,670
Other financing sources/(uses):	
transfer in/(out):	
interest earned	(738)
transfer from capital reserve - local share	<u>1,314,990</u>
Net change in fund balance	\$ 1,581,922
Fund balance, beginning	<u>1,020,533</u>
Fund balance, ending	\$ <u><u>2,602,455</u></u>
<b>Analysis of Balance:</b>	
Bond proceeds	\$ 500,480
Grant proceeds	840,057
Local portion	<u>1,261,918</u>
	\$ <u><u>2,602,455</u></u>

**BOARD OF EDUCATION**  
**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE**  
**AND PROJECT STATUS - BUDGETARY BASIS**  
**CONSTRUCTION OF HIGH SCHOOL ADDITION AND REMODELING**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State sources - SCC Grant	\$ 7,840,534		\$ 7,840,534	\$ 7,840,534
Bond proceeds	22,149,000		22,149,000	22,149,000
Transfer from capital outlay	<u>500,466</u>		<u>500,466</u>	<u>500,466</u>
<b>Total revenues</b>	<b>\$ <u>30,490,000</u></b>		<b>\$ <u>30,490,000</u></b>	<b>\$ <u>30,490,000</u></b>
<b>Expenditures and Other Financing Uses</b>				
Salaries	\$ 162,784		\$ 162,784	\$ 162,784
Employee Benefits	44,895		44,895	44,895
Legal Fees	129,386		129,386	129,386
Purchase Technical Services	238,150		238,150	238,150
Purchase Professional/Technical Services	2,491,054		2,491,054	2,491,054
Other Purchased Services	165		165	165
Construction Services	26,844,834	\$ 120,467	26,965,301	26,965,301
Supplies and Material	<u>416,111</u>		<u>416,111</u>	<u>416,111</u>
<b>Total expenditures</b>	<b>\$ <u>30,327,379</u></b>	<b>\$ <u>120,467</u></b>	<b>\$ <u>30,447,846</u></b>	<b>\$ <u>30,447,846</u></b>
<b>Excess (deficiency) of revenues over/(under) expenditures</b>	<b>\$ <u>162,621</u></b>	<b>\$ <u>(120,467)</u></b>	<b>\$ <u>42,154</u></b>	<b>\$ <u>42,154</u></b>

## Additional project information:

Project Number	202205
Grant Date	11/26/2001
Bond Authorization Date	1/22/2002
Bonds Authorized	\$ 22,149,000
Bonds Issued	\$ 22,149,000
Original Authorized Cost	\$ 29,990,000
Additional Authorized Cost	\$ 500,000
Revised Authorized Cost	\$ 30,490,000

Percentage Increase over Original Authorized Cost	1.67%
Percentage completion	99.86%
Original target completion date	1/1/2005
Revised target completion date	9/1/2006

BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
ROOF REPAIRS AND ASSOCIATED WORK AT JOHN ADAMS ELEMENTARY SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State sources - SCC Grant		\$ 20,700	\$ 20,700	\$ 20,700
Transfer from capital reserve		21,050	21,050	21,050
Total revenues		\$ 41,750	\$ 41,750	\$ 41,750
Expenditures and Other Financing Uses				
Legal Fees				
Purchase Technical Services				
Purchase Professional/Technical Services		\$ 5,465	\$ 5,465	\$ 5,465
Other Purchased Services				
Construction Services				
Supplies and Material				
Contingency				
Total expenditures		\$ 5,465	\$ 5,465	\$ 5,465
Excess (deficiency) of revenues over/(under) expenditures		\$ 36,285	\$ 36,285	36,285
Additional project information:				
Project Number	3620-060-09-1001			
Grant Date	6/9/2010			
Bonds Authorized	\$ -			
Additional Authorized Cost	\$ 41,750			
Revised Authorized Cost	\$ 41,750			
Percentage Increase over Original Authorized Cost	0.00			
Percentage completion	13.09%			
Original target completion date	9/1/2011			
Revised target completion date				

**BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
ROOF REPAIRS AND ASSOCIATED WORK AT PARSONS ELEMENTARY SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State sources - SCC Grant		\$ 207,200	\$ 207,200	\$ 207,200
Transfer from capital reserve		411,800	411,800	411,800
<b>Total revenues</b>		<b>\$ 619,000</b>	<b>\$ 619,000</b>	<b>\$ 619,000</b>
<b>Expenditures and Other Financing Uses</b>				
Legal Fees				
Purchase Technical Services				
Purchase Professional/Technical Services		\$ 20,324	\$ 20,324	\$ 20,324
Other Purchased Services				
Construction Services				
Supplies and Material				
Contingency				
<b>Total expenditures</b>		<b>\$ 20,324</b>	<b>\$ 20,324</b>	<b>\$ 20,324</b>
<b>Excess (deficiency) of revenues over/(under) expenditures</b>		<b>\$ 598,676</b>	<b>\$ 598,676</b>	<b>\$ 598,676</b>

Additional project information:

Project Number	3620-055-05-1000
Grant Date	6/9/2010
Bonds Authorized	\$ -
Additional Authorized Cost	\$ 619,000
Revised Authorized Cost	\$ 619,000

Percentage Increase over Original Authorized Cost	0.00
Percentage completion	3.29%
Original target completion date	9/1/2011
Revised target completion date	

**BOARD OF EDUCATION**  
**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE**  
**AND PROJECT STATUS - BUDGETARY BASIS**  
**ROOF REPAIRS AND ASSOCIATED WORK AT LINWOOD MIDDLE SCHOOL,**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant		\$ 430,760	\$ 430,760	\$ 430,760
Transfer from capital reserve		576,140	576,140	576,140
Total revenues		<u>\$ 1,006,900</u>	<u>\$ 1,006,900</u>	<u>\$ 1,006,900</u>
Expenditures and Other Financing Uses				
Legal Fees				
Purchase Technical Services				
Purchase Professional/Technical Services		\$ 43,580	\$ 43,580	\$ 43,580
Other Purchased Services				
Construction Services				
Supplies and Material				
Contingency				
Total expenditures		<u>\$ 43,580</u>	<u>\$ 43,580</u>	<u>\$ 43,580</u>
Excess (deficiency) of revenues over/(under) expenditures		<u>\$ 963,320</u>	<u>\$ 963,320</u>	<u>\$ 963,320</u>

## Additional project information:

Project Number	3620-065-09-1002
Grant Date	6/9/2010
Bonds Authorized	\$ -
Additional Authorized Cost	\$ 1,006,900
Revised Authorized Cost	\$ 1,006,900

Percentage Increase over Original Authorized Cost	0.00
Percentage completion	4.33%
Original target completion date	9/1/2011
Revised target completion date	

BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
ROOF REPAIRS AND ASSOCIATED WORK AT LIVINGSTON PARK ELEMENTARY SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State sources - SCC Grant		\$ 218,000	\$ 218,000	\$ 218,000
Transfer from capital reserve		306,000	306,000	306,000
<b>Total revenues</b>		<b>\$ 524,000</b>	<b>\$ 524,000</b>	<b>\$ 524,000</b>
<b>Expenditures and Other Financing Uses</b>				
Legal Fees				
Purchase Technical Services				
Purchase Professional/Technical Services		\$ 20,306	\$ 20,306	\$ 20,306
Other Purchased Services				
Construction Services				
Supplies and Material				
Contingency				
<b>Total expenditures</b>		<b>\$ 20,306</b>	<b>\$ 20,306</b>	<b>\$ 20,306</b>
<b>Excess (deficiency) of revenues over/(under) expenditures</b>		<b>\$ 503,694</b>	<b>\$ 503,694</b>	<b>\$ 503,694</b>

## Additional project information:

Project Number	3620-070-09-1003
Grant Date	6/9/2010
Bonds Authorized	\$ -
Additional Authorized Cost	\$ 524,000
Revised Authorized Cost	\$ 524,000
Percentage Increase over Original Authorized Cost	\$ 524,000
Percentage completion	3.88%
Original target completion date	9/1/2011
Revised target completion date	

**BOARD OF EDUCATION**  
**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE**  
**AND PROJECT STATUS - BUDGETARY BASIS**  
**HIGH SCHOOL SOIL REMEDIATION**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond proceeds	\$ 7,391,000		\$ 7,391,000	\$ 7,391,000
Transfer from capital outlay	802		802	802
<b>Total revenues</b>	<b>\$ 7,391,802</b>		<b>\$ 7,391,802</b>	<b>\$ 7,391,802</b>
<b>Expenditures and Other Financing Uses</b>				
Salaries	\$ 160,360		\$ 160,360	\$ 160,360
Employee Benefits	90,687		90,687	90,687
Legal Fees	8,250	\$ 115,210	123,460	123,460
Purchase Professional/Technical Services	179,862	292,000	471,862	471,862
Other Purchased Services	63,650		63,650	63,650
Construction Services	5,988,030	(7,624)	5,980,406	5,980,406
Supplies and Material	43,051		43,051	43,051
<b>Total expenditures</b>	<b>\$ 6,533,890</b>	<b>\$ 399,586</b>	<b>\$ 6,933,476</b>	<b>\$ 6,933,476</b>
<b>Excess (deficiency) of revenues over/(under) expenditures</b>	<b>\$ 857,912</b>	<b>\$ (399,586)</b>	<b>\$ 458,326</b>	<b>\$ 458,326</b>

## Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	12/13/2005
Bonds Authorized	\$ 7,391,000
Bonds Issued	\$ 7,391,000
Original Authorized Cost	\$ 7,391,802
Additional Authorized Cost	
Revised Authorized Cost	\$ 7,391,802

Percentage Increase over Original Authorized Cost	
Percentage completion	100.00%
Original target completion date	1/1/2005
Revised target completion date	9/1/2006

**PROPRIETARY FUNDS –  
ENTERPRISE FUND**

BOARD OF EDUCATION  
 NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
 COUNTY OF MIDDLESEX  
 PROPRIETARY FUNDS - ENTERPRISE FUND  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2011

<u>ASSETS</u>	<u>Food Service</u>	<u>School Facilities</u>	<u>Integrated Pre-K</u>	<u>Summer Enrichment</u>	<u>Total Enterprise</u>
Current assets:					
Cash and cash equivalents	\$ 325,496	\$ 46,660	\$ 216,680	\$ 50,720	\$ 639,556
Accounts receivable:					
State	1,762				1,762
Federal	68,542				68,542
Other	21,842	32,301			54,143
Inventories	52,680				52,680
Total current assets	<u>\$ 470,322</u>	<u>\$ 78,961</u>	<u>\$ 216,680</u>	<u>\$ 50,720</u>	<u>\$ 816,683</u>
<u>NON-CURRENT ASSETS</u>					
Furniture, machinery and equipment	\$ 595,180				\$ 595,180
Less: accumulated depreciation	545,732				545,732
Total non-current assets	<u>\$ 49,448</u>				<u>\$ 49,448</u>
Total assets	<u>\$ 519,770</u>	<u>\$ 78,961</u>	<u>\$ 216,680</u>	<u>\$ 50,720</u>	<u>\$ 866,131</u>
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	\$ 21,947				\$ 21,947
Deferred Revenue			\$ 16,870	\$ 50,720	67,590
Other	7,316				7,316
Total liabilities	<u>\$ 29,263</u>		<u>\$ 16,870</u>	<u>\$ 50,720</u>	<u>\$ 96,853</u>
<u>NET ASSETS</u>					
Invested in capital assets net of related debt	\$ 49,448				\$ 49,448
Unrestricted	441,059	78,961	199,810		719,830
Total net assets	<u>\$ 490,507</u>	<u>\$ 78,961</u>	<u>\$ 199,810</u>		<u>\$ 769,278</u>

BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
PROPRIETARY FUND - ENTERPRISE FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Business-Type Activities Enterprise Fund				
	Food Service	School Facilities	Integrated Pre-K	Summer Enrichment	Total Enterprise
<b>OPERATING REVENUES</b>					
Local Sources:					
Daily sales - reimbursable programs:					
School lunch program	\$ 507,047				\$ 507,047
School breakfast program	21,285				21,285
School after school snack program	20,926				20,926
Daily sales - non-reimbursable programs	857,130	201,476	153,946	48,860	857,130
Tuition and services	1,035				404,302
Interest on Investments					1,035
Total operating revenues	\$ 1,407,423	\$ 201,476	\$ 153,946	\$ 48,860	\$ 1,811,725
<b>OPERATING EXPENSES</b>					
Cost of sales					
Salaries	1,190,765				1,190,765
Employee benefits	741,186	102,716	108,207	52,978	1,005,087
Insurance	175,057				175,057
General Supplies	81,054	1,364		6,419	81,054
Management fee	197,060				204,843
Depreciation	115,861				115,861
Administration Fee	7,291				7,291
Other	109,821	19,542	1,100	4,182	109,821
Total operating expenses	\$ 2,618,095	\$ 123,622	\$ 109,307	\$ 63,579	\$ 2,914,603
Operating income/(loss)	\$ (1,210,672)	\$ 77,854	\$ 44,639	\$ (14,699)	\$ (1,102,678)
<b>NONOPERATING REVENUES</b>					
State sources:					
State school lunch program	\$ 26,503				\$ 26,503
Federal sources:					
National school lunch program	802,201				802,201
National breakfast program	251,558				251,558
School snack program	5,582				5,582
Food distribution program	128,779				128,779
Total nonoperating revenues	\$ 1,214,623				\$ 1,214,623
Income/(loss) before contributions and transfers	\$ 3,951	\$ 77,854	\$ 44,639	\$ (14,699)	\$ 111,745
Operating transfers:					
Intra fund - operating transfer in/(out)			(13,411)	13,411	
Change in net assets	\$ 3,951	\$ 77,854	\$ 31,228	\$ (1,288)	\$ 111,745
Total net assets - beginning	486,556	1,107	168,582	1,288	657,533
Total net assets - ending	\$ 490,507	\$ 78,961	\$ 199,810		\$ 769,278

**BOARD OF EDUCATION**  
**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**PROPRIETARY FUNDS - ENTERPRISE FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Business-Type Activities Enterprise Fund		
	Food Service	Other Community Programs	Total Enterprise
<u>Cash Flows from Operating Activities</u>			
Receipts from Customers	\$ 1,440,377	\$ 440,874	\$ 1,881,251
Payments to Employees	(822,023)	(296,203)	(1,118,226)
Payments for Employee Benefits	(256,111)		(256,111)
Payments to Suppliers	(1,609,477)	(32,975)	(1,642,452)
Net Cash Provided by/(Used for) Operating Activities	\$ (1,247,234)	\$ 111,696	\$ (1,135,538)
<u>Cash Flows from Noncapital Financing Activities</u>			
State Sources	\$ 28,620		\$ 28,620
Federal Sources	1,061,751		1,061,751
Net Cash Provided by/(Used for) Noncapital Financing Activities	\$ 1,090,371		\$ 1,090,371
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Purchases of Capital Assets	\$ (2,085)		\$ (2,085)
Net Cash Provided by/(Used for) Capital and Related Financing Activities	\$ (2,085)		\$ (2,085)
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ (158,948)	\$ 111,696	(47,252)
Balances - Beginning of Year	484,444	202,364	686,808
Balances - End of Year	\$ 325,496	\$ 314,060	639,556
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities			
Operating Gain/(Loss)	\$ (1,210,672)	\$ 107,794	\$ (1,102,878)
Adjustments to Reconcile Operating Loss to Cash Provided/(Used) by Operating Activities:			
Depreciation	\$ 7,291		\$ 7,291
Federal Commodities	128,779		128,779
Change in Assets and Liabilities:			
Decrease in Accounts Receivable	18,022	\$ 5,209	23,231
(Increase) in Inventories	(24,438)		(24,438)
Decrease in Prepaid Expenses		1,335	1,335
(Decrease) in Accounts Payable	(171,489)	(1,703)	(173,192)
Increase in Other Current Liabilities	5,274		5,274
(Decrease) in Deferred Revenue		(940)	(940)
Total Adjustments	\$ (36,561)	\$ 3,901	\$ (32,660)
Net Cash Provided by/(Used for) by Operating Activities	\$ (1,247,233)	\$ 111,695	\$ (1,135,538)

**FIDUCIARY FUNDS**

BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
TRUST AND AGENCY FUNDS  
JUNE 30, 2011

	Trust		Agency				Total Agency Funds
	Unemployment Compensation	Private Purpose	Total Trust Funds	Student Activity	Flexible Spending	Payroll	
<u>ASSETS</u>							
Cash and Cash Equivalents	\$ 496,705	\$ 49,809	\$ 546,514	\$ 308,939	\$ 10,409	\$ 441,773	\$ 761,121
Total Assets	\$ 496,705	\$ 49,809	\$ 546,514	\$ 308,939	\$ 10,409	\$ 441,773	\$ 761,121
<u>LIABILITIES</u>							
Payable to Student Groups				\$ 308,939			\$ 308,939
Payroll Deductions and Withholdings					\$ 10,409	\$ 441,773	\$ 452,182
Total Liabilities				\$ 308,939	\$ 10,409	\$ 441,773	\$ 761,121
<u>NET ASSETS</u>							
Held in Trust for Unemployment Claims and Other Purposes Unreserved	\$ 496,705	\$ 49,809	\$ 496,705				
Total Net Assets	\$ 496,705	\$ 49,809	\$ 546,514				

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

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Trust Fund</u>
<b><u>ADDITIONS</u></b>		
Contributions:		
Plan Members	\$ 73,273	
General Fund Contribution	500,000	
Interest Earned	<u>1,385</u>	\$ <u>212</u>
Total Contributions	\$ <u>574,658</u>	\$ <u>212</u>
Total Additions	\$ <u>574,658</u>	\$ <u>212</u>
<b><u>DEDUCTIONS</u></b>		
Unemployment Claims	\$ 292,797	
Scholarships Awarded	<u>                    </u>	\$ <u>4,971</u>
Total Deductions	\$ <u>292,797</u>	\$ <u>4,971</u>
Change in Net Assets	\$ 281,861	\$ (4,759)
Total Net Assets - Beginning of the Year	<u>214,844</u>	<u>54,568</u>
Total Net Assets - Ending of the Year	\$ <u><u>496,705</u></u>	\$ <u><u>49,809</u></u>

**BOARD OF EDUCATION**  
**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**STUDENT ACTIVITY AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Balance</u> <u>July 1, 2010</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2011</u>
Elementary Schools:				
Judd	\$ 4,863	\$ 67,343	\$ 58,174	\$ 14,032
John Adams	2,387	13,647	12,499	3,535
Livingston Park	7,952	26,818	15,281	19,489
Parsons	<u>11,248</u>	<u>32,698</u>	<u>32,263</u>	<u>11,683</u>
Total Elementary Schools	\$ <u>26,450</u>	\$ <u>140,506</u>	\$ <u>118,216</u>	\$ <u>48,740</u>
Middle School:				
Linwood	\$ 79,102	\$ 70,251	\$ 81,935	\$ 67,418
Athletic Account	<u>17</u>	<u>7,066</u>	<u>7,078</u>	<u>5</u>
Total Middle School	\$ <u>79,119</u>	\$ <u>77,317</u>	\$ <u>89,013</u>	\$ <u>67,423</u>
Senior High School:				
High School	\$ 190,308	\$ 490,010	\$ 500,489	\$ 179,829
School Store	1,131	12,380	12,593	918
Athletic Account	<u>5,751</u>	<u>81,683</u>	<u>75,405</u>	<u>12,029</u>
Total Senior High School	\$ <u>197,190</u>	\$ <u>584,073</u>	\$ <u>588,486</u>	\$ <u>192,777</u>
Total All Schools	\$ <u><u>302,759</u></u>	\$ <u><u>801,895</u></u>	\$ <u><u>795,715</u></u>	\$ <u><u>308,939</u></u>

BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 667,276	\$ 49,774,874	\$ 49,989,968	\$ 452,182
Interfund Receivable - General Fund	<u>9,006</u>		<u>9,006</u>	
Total Assets	<u>\$ 676,282</u>	<u>\$ 49,774,874</u>	<u>\$ 49,998,974</u>	<u>\$ 452,182</u>
<u>LIABILITIES</u>				
Payroll Deductions and Withholdings	\$ 668,070	\$ 19,634,623	\$ 19,860,920	\$ 441,773
Flexible Spending Account	7,451	77,502	74,544	10,409
Net Pay		30,996,615	30,996,615	
Interfund Payable - Unemployment Fund	<u>761</u>		<u>761</u>	
Total Liabilities	<u>\$ 676,282</u>	<u>\$ 50,708,740</u>	<u>\$ 50,932,839</u>	<u>\$ 452,182</u>

## LONG-TERM DEBT

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

Issue	Date of Original Issue	Original Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance	
						July 1, 2010	June 30, 2011
High School Addition and Renovations	7/15/2002	\$ 22,149,000	7/15/2011	\$ 600,000	4.250%		
			7/15/2012	750,000	4.250%	\$ 1,950,000	\$ 600,000
Elementary Schools and Middle School Additions and Renovations	1/15/2005	24,781,000	1/15/2011	\$ 150,000	4.375%		
			1/15/2012	200,000	4.500%		
			1/15/2013	200,000	4.500%		
			1/15/2014	250,000	4.500%		
			1/15/2015	250,000	4.500%		
			1/15/2016	1,520,000	4.500%		
			1/15/2017	1,580,000	4.500%		
			1/15/2018	1,640,000	4.500%		
			1/15/2019	1,700,000	4.500%		
			1/15/2020	1,770,000	4.500%		
			1/15/2021	1,840,000	4.500%		
			1/15/2022	1,915,000	4.500%		
			1/15/2023	2,015,000	4.600%		
			1/15/2024	4,575,000	4.625%		
			1/15/2025	4,776,000	4.625%		
Construction of a New High School (Completion)	3/15/2006	\$ 7,391,000	3/15/2012	\$ 300,000	4.000%		
			3/15/2013	310,000	4.000%		
			3/15/2014	325,000	4.000%		
			3/15/2015	340,000	4.000%		
			3/15/2016	350,000	4.000%		
			3/15/2017	365,000	4.000%		
			3/15/2018	385,000	4.000%		
			3/15/2019	400,000	4.000%		
			3/15/2020	415,000	4.000%		
			3/15/2021	440,000	4.000%		
			3/15/2022	455,000	4.050%		
			3/15/2023	475,000	4.100%		
		3/15/2024	490,000	4.100%			
		3/15/2025	500,000	4.100%			
		3/15/2026	506,000	4.100%			
						\$ 24,381,000	\$ 150,000
						\$ 6,341,000	\$ 285,000
						\$ 6,056,000	\$ 6,056,000

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

Issue	Date of Original Issue	Original Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2010	Retired	Balance June 30, 2011
			Date	Amount				
2006 Refunding Bonds - (Refunding a Portion of 1997 Bonds)	10/1/2006	\$ 18,350,000	2/1/2012	\$ 2,275,000	5.000%	\$ 11,965,000	\$ 2,190,000	\$ 9,775,000
			2/1/2013	2,365,000	5.000%			
			2/1/2014	2,505,000	4.250%			
			2/1/2015	2,610,000	5.000%			
2010 Refunding Bonds - (Refunding a Portion of 2002 Bonds)	3/25/2010	\$ 17,865,000	7/15/2013	\$ 730,000	3.000%	\$ 17,865,000	\$ 135,000	\$ 17,730,000
			7/15/2014	970,000	4.000%			
			7/15/2015	1,695,000	4.000%			
			7/15/2016	1,770,000	4.000%			
			7/15/2017	1,855,000	4.000%			
			7/15/2018	1,940,000	4.000%			
			7/15/2019	2,035,000	4.500%			
			7/15/2020	2,135,000	4.500%			
7/15/2021	2,250,000	5.000%						
7/15/2022	2,350,000	5.000%						
<b>Total</b>						\$ 62,502,000	\$ 3,360,000	\$ 59,142,000

**BOARD OF EDUCATION**  
**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES**  
**AS OF JUNE 30, 2011**

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2010</u>	<u>Retired Current Year</u>
Energy System Upgrades	3.994%	\$ 5,185,344	\$ <u>1,118,034</u>	\$ <u>1,118,034</u>
			\$ <u><u>1,118,034</u></u>	\$ <u><u>1,118,034</u></u>

BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 5,986,596		\$ 5,986,596	\$ 5,986,596	
Total - Local Sources	\$ 5,986,596		\$ 5,986,596	\$ 5,986,596	
Total Revenues	\$ 5,986,596		\$ 5,986,596	\$ 5,986,596	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	\$ 2,626,596		\$ 2,626,596	\$ 2,626,596	
Redemption of Principal	3,360,000		3,360,000	3,360,000	
Total Regular Debt Service	\$ 5,986,596		\$ 5,986,596	\$ 5,986,596	
Total Expenditures	\$ 5,986,596		\$ 5,986,596	\$ 5,986,596	

BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures					
Other Financing Sources/(Uses):					
Transfers In/(Out)					
Excess Proceeds from Prior Years Refunding Bonds			\$ 4,452	\$ 4,452	\$ 4,452
Total Other Financing Sources/(Uses)			\$ 4,452	\$ 4,452	\$ 4,452
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures			\$ 8,095	\$ 8,095	\$ 4,452
Fund Balance, July 1	\$ 8,095		\$ 8,095	8,095	
Fund Balance, June 30	\$ 8,095		\$ 8,096	\$ 12,547	\$ 4,452
Recapitulation of Excess/(Deficiency) of Revenues Over/(Under) Expenditures: Budgeted Fund Balance				\$ 4,452	\$ 4,452

**STATISTICAL TABLES (SECTION)  
(UNAUDITED)**

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**INTRODUCTION TO STATISTICAL TABLES (SECTION)**  
**(UNAUDITED)**

<b><u>Contents</u></b>	<b><u>Exhibit</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	<b>J-1 to J-5</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	<b>J-6 to J-9</b>
<b>Debt Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	<b>J-10 to J-13</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>J-14 &amp; J-15</b>
<b>Operating Information</b> 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.	<b>J-16 to J-20</b>

*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.*

## FINANCIAL TRENDS

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
NET ASSETS BY COMPONENT  
LAST SEVEN (7) FISCAL YEARS  
(UNAUDITED)

*(accrual basis of accounting)*

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Governmental activities							
Invested in capital assets, net of related debt	\$ 32,540,154	\$ 26,106,641	\$ 40,078,361	\$ 48,902,070	\$ 42,903,858	\$ 45,258,337	\$ 47,939,970
Restricted	9,076,443	8,720,536	6,388,687	7,672,923	6,809,617	3,774,522	2,698,717
Unrestricted	<u>(1,577,007)</u>	<u>(671,462)</u>	<u>(2,371,869)</u>	<u>(2,176,603)</u>	<u>(1,954,950)</u>	<u>(3,112,579)</u>	<u>(2,494,202)</u>
Total governmental activities net assets	<u>\$ 40,039,590</u>	<u>\$ 34,155,715</u>	<u>\$ 44,095,179</u>	<u>\$ 54,398,390</u>	<u>\$ 47,758,525</u>	<u>\$ 45,920,280</u>	<u>\$ 48,144,485</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ 12,313	\$ -	\$ 15,209	\$ 54,403	\$ 52,481	\$ 54,654	\$ 29,448
Unrestricted	<u>501,289</u>	<u>581,917</u>	<u>675,944</u>	<u>702,718</u>	<u>623,463</u>	<u>602,880</u>	<u>736,657</u>
Total business-type activities net assets	<u>\$ 513,602</u>	<u>\$ 581,917</u>	<u>\$ 691,153</u>	<u>\$ 757,121</u>	<u>\$ 675,944</u>	<u>\$ 657,534</u>	<u>\$ 766,105</u>
District-wide							
Invested in capital assets, net of related debt	\$ 32,552,467	\$ 26,106,641	\$ 40,093,570	\$ 38,463,472	\$ 42,956,339	\$ 45,312,991	\$ 47,989,418
Restricted	9,076,443	8,720,536	6,388,687	7,672,923	6,809,617	3,774,522	2,298,717
Unrestricted	<u>(1,075,718)</u>	<u>(89,545)</u>	<u>(1,695,925)</u>	<u>(1,473,885)</u>	<u>(1,331,487)</u>	<u>(2,509,699)</u>	<u>(1,357,546)</u>
Total district net assets	<u>\$ 40,553,192</u>	<u>\$ 34,737,632</u>	<u>\$ 44,786,332</u>	<u>\$ 44,662,510</u>	<u>\$ 48,434,469</u>	<u>\$ 46,577,814</u>	<u>\$ 48,930,589</u>

Source: CAFR Exhibit A-1

Note: Only the last seven years of information are presented as GASB 34 was implemented during fiscal year ended June 30, 2004.

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**CHANGES IN NET ASSETS**  
**LAST SEVEN (7) FISCAL YEARS**  
**(UNAUDITED)**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>							
<b>Governmental activities</b>							
Instruction							
Regular	\$ 30,354,520	\$ 31,153,558	\$ 31,916,456	\$ 32,880,187	\$ 33,465,533	\$ 36,301,673	\$ 35,648,397
Special education	5,265,046	6,251,701	6,465,884	6,884,668	7,340,790	8,246,705	9,266,801
Other special education			2,873,018	3,348,669	4,235,344	4,314,135	3,085,874
Other instruction	3,618,637	3,962,609	1,212,118	1,284,816	1,520,120	1,632,561	1,306,892
Support Services:							
Tuition	4,023,507	3,937,701	3,220,811	4,182,922	4,033,613	3,162,045	2,818,109
Student & instruction related services	8,191,174	9,152,561	9,569,890	10,205,367	10,436,840	10,960,767	10,587,389
School Administrative services	2,728,759	2,854,091	3,935,475	3,315,348	2,693,762	3,302,398	3,331,728
General administration	2,344,436	2,988,151	2,815,922	3,752,769	3,487,200	3,875,200	3,655,573
Plant operations and maintenance	6,608,611	7,491,684	8,919,461	9,995,342	10,108,540	10,181,775	10,121,944
Pupil transportation	4,009,339	4,098,576	4,932,925	5,487,348	5,444,094	5,792,096	5,483,252
Other support services	1,049	11,126					
Township interlocal agreement	6,132,819						
Special Schools	3,396	2,900					
Charter Schools	68,165	153,227	217,172	303,978	408,290	416,436	450,170
Scholarships	800	1,200	1,800	1,796	617	287	172
Interest on long-term debt	2,227,161	3,012,184	4,127,619	3,124,152	3,010,253	2,676,629	2,968,672
Unallocated depreciation	367,194	391,878					
<b>Total governmental activities expenses</b>	<b>75,944,613</b>	<b>75,463,157</b>	<b>80,208,531</b>	<b>84,777,372</b>	<b>86,344,996</b>	<b>90,862,757</b>	<b>88,724,973</b>
<b>Business-type activities:</b>							
Food service	1,801,597	1,819,911	1,892,861	2,131,751	2,368,844	2,640,000	2,618,095
School Facilities					304,642	330,186	155,924
Integrated Pre-K					64,159	122,627	109,307
Summer Enrichment					60,439	70,356	63,578
Adult/community education	238,226	225,660	178,247	170,455			
Data processing	250,534	342,576	222,889	268,664	257,053	127,947	
<b>Total business-type activities expense</b>	<b>2,280,357</b>	<b>2,368,147</b>	<b>2,293,997</b>	<b>2,570,870</b>	<b>3,075,137</b>	<b>3,191,116</b>	<b>2,946,905</b>
<b>Total district expenses</b>	<b>\$ 78,234,970</b>	<b>\$ 77,851,304</b>	<b>\$ 82,502,528</b>	<b>\$ 87,348,242</b>	<b>\$ 89,420,133</b>	<b>\$ 94,053,873</b>	<b>\$ 91,671,878</b>

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**CHANGES IN NET ASSETS**  
**LAST SEVEN (7) FISCAL YEARS**  
**(UNAUDITED)**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
<b>Program Revenues</b>							
Governmental activities:							
Charges for services:							
Instruction (tuition)	\$ -	\$ -	\$ 32,800	\$ 126,257	\$ 31,491	\$ 64,371	\$ 109,994
Pupil transportation				33,190	4,537	22,881	47,593
Special schools	8,629,317	2,492,360	2,990,912	3,549,773	2,125,668	2,711,376	3,530,067
Operating grants and contributions	7,754,300	-	-	-	-	-	-
Capital grants and contributions							
<b>Total governmental activities program revenues</b>	<b>16,383,617</b>	<b>2,492,360</b>	<b>3,023,712</b>	<b>3,709,220</b>	<b>2,161,696</b>	<b>2,798,628</b>	<b>3,687,654</b>
Business-type activities:							
Charges for services:							
Food service	\$ 1,202,339	\$ 1,206,560	\$ 1,224,542	\$ 1,315,864	\$ 1,448,288	\$ 1,446,786	\$ 1,407,422
School Facilities					272,556	363,380	250,605
Integrated Pre-K					107,805	144,810	153,946
Summer Enrichment	240,915	225,565	190,212	217,415	67,178	64,905	48,880
Adult/community education	235,636	382,797	289,731	279,270	125,300		
Data processing	595,385	641,540	698,747	824,289	972,833	1,152,815	1,214,623
Operating grants and contributions							
<b>Total business type activities program revenues</b>	<b>2,274,274</b>	<b>2,456,462</b>	<b>2,403,232</b>	<b>2,636,838</b>	<b>2,993,960</b>	<b>3,172,708</b>	<b>3,075,476</b>
<b>Total district program revenues</b>	<b>\$ 18,657,891</b>	<b>\$ 4,948,822</b>	<b>\$ 5,426,944</b>	<b>\$ 6,346,058</b>	<b>\$ 5,155,656</b>	<b>\$ 5,971,334</b>	<b>\$ 6,763,130</b>
<b>Net (Expense)/Revenue</b>							
Governmental activities	\$ (59,560,996)	\$ (72,870,797)	\$ (77,184,819)	\$ (81,068,152)	\$ (84,183,300)	\$ (88,064,129)	\$ (85,037,319)
Business-type activities	(16,083)	68,315	109,235	65,968	(81,177)	(18,410)	128,571
<b>Total district-wide net expense</b>	<b>\$ (59,577,079)</b>	<b>\$ (72,802,482)</b>	<b>\$ (77,075,584)</b>	<b>\$ (81,002,184)</b>	<b>\$ (84,264,477)</b>	<b>\$ (88,082,539)</b>	<b>\$ (84,908,748)</b>

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**CHANGES IN NET ASSETS**  
**LAST SEVEN (7) FISCAL YEARS**  
**(UNAUDITED)**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
<b>General Revenues and Other Changes in Net Assets</b>							
Governmental activities:							
Property taxes levied for general purposes, net	\$ 51,676,821	\$ 54,879,049	\$ 60,096,571	\$ 62,874,980	\$ 63,431,596	\$ 62,874,980	\$ 65,791,344
Taxes levied for debt service	3,986,290	4,694,732	5,631,755	5,812,720	5,780,296	5,971,725	5,986,595
Unrestricted grants and contributions	11,982,812	12,253,491	15,759,328	16,043,949	16,266,717	15,988,052	14,995,966
MCES receivable	337						
Restricted grants			2,460,632	5,255,645	1,552,085	58,220	36,603
Tuition Received	35,195	36,476					
Receipt of deferred revenue - state	658,371	679,681					
Investment earnings	551,468	1,426,036	1,814,725	1,061,660	146,860	90,263	39,488
Miscellaneous income	388,818	740,618	527,666	444,357	893,204	832,255	411,526
Transfers	358,948	(1,198,564)	633,605	(121,949)	(34,322)	410,389	
<b>Total governmental activities</b>	<b>\$ 69,639,060</b>	<b>\$ 73,513,519</b>	<b>\$ 87,124,283</b>	<b>\$ 91,371,362</b>	<b>\$ 88,036,436</b>	<b>\$ 86,225,864</b>	<b>\$ 87,261,523</b>
Business-type activities:							
Prior year accounts payable canceled	\$ 6,708						
<b>Total business-type activities</b>	<b>\$ 6,708</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total district-wide</b>	<b>\$ 69,645,768</b>	<b>\$ 73,513,519</b>	<b>\$ 87,124,283</b>	<b>\$ 91,371,362</b>	<b>\$ 88,036,436</b>	<b>\$ 86,225,864</b>	<b>\$ 87,261,523</b>
<b>Change In Net Assets</b>							
Governmental activities	\$ 10,078,054	\$ 542,722	\$ 9,939,464	\$ 10,303,210	\$ 3,853,136	\$ (1,838,245)	\$ 2,224,204
Business-type activities	(9,375)	68,315	109,235	65,968	(81,177)	(18,410)	128,571
<b>Total district</b>	<b>\$ 10,068,689</b>	<b>\$ 611,037</b>	<b>\$ 10,048,699</b>	<b>\$ 10,369,178</b>	<b>\$ 3,771,959</b>	<b>\$ (1,856,655)</b>	<b>\$ 2,352,775</b>

Source: CAFR Exhibit A-2

Note: Only the last seven years of information are presented as GASB 34 was implemented during fiscal year ended June 30, 2004.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
FUND BALANCES - GOVERNMENTAL FUNDS  
LAST SEVEN (7) FISCAL YEARS  
(UNAUDITED)  
*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
General Fund							
Reserved	\$ 867,646	\$ 836,069	\$ 5,488,141	\$ 7,555,805	\$ 6,634,501	\$ 3,729,697	\$ 2,253,889
Unassigned	949,407	1,307,176	2,117,992	1,447,042	1,822,281	723,672	1,787,523
<b>Total general fund</b>	<b>\$ 1,817,053</b>	<b>\$ 2,143,245</b>	<b>\$ 7,606,133</b>	<b>\$ 9,002,847</b>	<b>\$ 8,456,782</b>	<b>\$ 4,453,369</b>	<b>\$ 4,041,412</b>
All Other Governmental Funds							
Reserved	\$ 12,027,709	\$ 1,978,576	\$ 27,631,459	\$ 7,345,109	\$ 418,197	\$ 127,228	\$ 1,839,954
Unreserved, reported in:							
Special revenue fund	(20,072)	(20,072)	(8,708)	(24,980)	-	-	-
Capital projects fund	32,922,181	35,069,813	4,581,018	1,571,895	1,575,595	893,305	762,502
Debt service fund	229,714	76,901	178,445	178,659	7,761	8,094	12,547
Permanent fund	43,750	44,450	44,868	44,771	44,782	44,825	44,828
<b>Total all other governmental funds</b>	<b>\$ 45,203,282</b>	<b>\$ 37,149,668</b>	<b>\$ 32,427,082</b>	<b>\$ 9,115,454</b>	<b>\$ 2,046,335</b>	<b>\$ 1,073,452</b>	<b>\$ 2,659,831</b>

Source: CAFR Schedule B-1

Note: Only the last seven years of information is presented as GASB 34 was implemented during fiscal year ended June 30, 2004.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN (10) FISCAL YEARS  
(UNAUDITED)  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>										
Tax levy	\$ 42,668,555	\$ 47,812,737	\$ 51,691,700	\$ 55,663,111	\$ 59,573,781	\$ 65,928,326	\$ 68,687,700	\$ 69,211,892	\$ 66,846,705	\$ 71,777,940
Tuition charges	2,236	1,300	21,646	35,195	38,476	32,800	126,257	31,491	64,371	109,994
Transportation charges			452,482	551,469	1,426,036	1,375,979	715,242	49,357	22,881	47,593
Interest earnings	197,229	236,180	329,408	6,522,475	687,420	1,588,097	1,317,914	995,244	90,263	38,453
Miscellaneous	543,605	261,525	329,408	12,901,312	19,631,567	17,284,802	16,560,907	14,848,209	832,255	480,662
Slate sources	9,780,607	10,661,419	12,033,437	20,064,895	1,844,540	1,853,884	1,814,971	1,831,478	3,851,218	15,809,020
Federal sources	1,148,898	1,331,441	1,284,930	2,169,052	1,844,540	1,853,884	1,814,971	1,831,478	3,851,218	3,467,340
<b>Total revenue</b>	<b>54,341,130</b>	<b>60,304,602</b>	<b>65,813,603</b>	<b>85,006,197</b>	<b>76,471,565</b>	<b>90,510,653</b>	<b>89,946,886</b>	<b>88,680,369</b>	<b>88,555,902</b>	<b>91,741,002</b>
<b>Expenditures</b>										
Instruction										
Regular instruction	19,570,231	19,333,378	20,068,974	22,394,099	22,726,346	23,894,918	24,732,021	25,865,910	26,661,828	25,428,332
Special education instruction	3,029,099	3,415,346	4,268,871	3,895,449	4,430,385	4,761,479	5,073,551	5,608,099	5,947,877	6,498,827
Other special instruction	1,644,817	1,651,305	1,439,867	1,867,737	1,986,734	2,116,214	2,471,562	3,235,650	3,111,539	2,164,130
Other instruction	759,907	764,390	857,963	821,293	856,994	892,567	946,159	1,161,317	1,177,487	916,526
Support Services:										
Tuition	2,841,492	4,234,279	3,861,575	4,023,507	3,871,045	3,220,811	4,182,922	4,033,613	3,162,045	2,818,109
Student & inst. related services	5,002,394	5,122,627	5,300,376	6,283,387	6,816,430	7,215,115	7,706,970	7,954,700	7,897,928	7,528,989
General administration	865,860	992,048	1,056,671	882,767	1,217,655	959,350	943,391	710,431	945,033	865,159
School administrative services	2,229,861	2,372,614	2,574,129	2,656,830	2,755,317	2,897,835	2,759,676	2,664,095	2,794,960	2,563,661
Central services				737,057	818,826	849,247	1,100,994	1,090,704	957,052	928,882
Admih. information technology	4,213,317	4,439,926	5,183,300	259,182	260,191	265,269	402,191	363,757	478,746	576,108
Plant operations and maintenance	2,944,278	3,097,827	3,459,017	5,439,914	5,997,571	6,588,608	7,371,153	7,722,561	7,343,532	7,098,540
Pupil transportation	454,392	516,570	564,354	3,796,323	3,771,709	3,632,616	4,046,311	4,159,092	4,177,508	3,845,416
Other Support Services	7,814,141	10,156,603	11,796,560	13,470,206	15,330,496	17,261,663	18,204,253	16,702,454	19,351,600	20,712,880
Employee benefits	77,027	3,100	3,781	3,396	2,900	2,172	303,978	408,290	416,436	450,170
Special Schools				68,165	153,227	217,172				
Charter Schools										
Unemployment claims	8,145									
Fund transfer	25,466									
Bond sale contributions	2,900	658	400	800	11,929	1,800	1,796	617	297	172
Scholarships	548,838	1,453,836	12,813,366	7,481,602	16,273,518	14,463,998	25,796,677	8,590,263	3,135,604	3,503,525
North Brunswick Township aid										
Capital outlay	1,231,420	1,417,797	1,509,594	1,750,985	1,915,000	2,733,000	2,650,000	2,895,000	3,030,000	3,360,000
Debt service:										
Principal	1,517,540	1,925,829	2,325,591	2,227,161	3,072,194	3,014,082	3,167,995	3,058,464	2,941,726	2,626,596
Interest and other charges										
<b>Total expenditures</b>	<b>54,781,125</b>	<b>60,974,820</b>	<b>77,195,326</b>	<b>84,220,873</b>	<b>92,269,667</b>	<b>94,965,744</b>	<b>111,861,800</b>	<b>96,225,017</b>	<b>93,532,198</b>	<b>91,886,022</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>(439,995)</b>	<b>(670,218)</b>	<b>(11,381,723)</b>	<b>785,324</b>	<b>(15,798,102)</b>	<b>(4,455,091)</b>	<b>(21,914,914)</b>	<b>(7,544,648)</b>	<b>(4,976,296)</b>	<b>(145,020)</b>

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN (10) FISCAL YEARS  
(UNAUDITED)  
*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other Financing sources (uses)										
Proceeds from borrowing		\$ 21,348,831		\$ 24,781,000	\$ 7,391,000					
Receipt of deferred revenue - state			\$ 31,846	658,371	679,681					
Grant - state of new jersey EDA		7,840,534				\$ 5,185,344				
Capital leases (non-budgeted)						10,048				
Improvement authorization	\$ 800,169							\$ (70,536)		\$ 4,452
Proceeds from refunding										
Cancellation of Capital Projects -										
Local Share										
Transfers in	12,283	137,882	871,411	665,343	1,202,983					1,314,990
Transfers out	(12,283)	(199,888)	(371,411)	(410,461)	(1,202,983)					(1,314,990)
Total other financing sources (uses)	800,169	29,127,359	531,846	25,694,253	8,070,681	5,195,392	-	(70,536)	-	4,452
Net change in fund balances	\$ 360,174	\$ 28,457,141	\$ (10,849,877)	\$ 26,479,577	\$ (7,727,421)	\$ 740,301	\$ (21,914,914)	\$ (7,615,184)	\$ (4,976,296)	\$ (140,568)
Debt service as a percentage of noncapital expenditures	5.07%	5.62%	5.96%	5.18%	6.48%	7.14%	6.76%	6.79%	6.61%	6.77%

Sources: CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005. Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN (10) FISCAL YEARS  
(UNAUDITED)  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,	Refund of Prior Years Expenditures		Tuition		Interest on Investments		Miscellaneous		Annual Totals	
	\$		\$		\$		\$		\$	
2002	100,847		2,236		190,013		400,427		693,523	
2003	153,615		1,300		97,498		102,910		355,323	
2004	162,393		21,646		80,628		142,455		407,122	
2005	225,682		35,195		140,101		135,992		536,970	
2006	309,258		38,476		221,553		122,945		692,232	
2007	262,791		32,800		438,746		252,746		987,083	
2008	97,419		126,257		346,418		380,127		950,221	
2009	291,443		48,780		97,503		174,647		612,373	
2010	504,340		64,371		67,293		103,102		739,106	
2011	143,994		109,994		37,540		258,415		549,943	

Source: District records

**REVENUE CAPACITY**

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN (10) FISCAL YEARS  
(UNAUDITED)**

Fiscal Year Ended June 30	Vacant Land	Residential	Farm, Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Tax-Exempt Property	Net Valuation	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2002	99,065,900	1,421,257,700	2,182,200	165,600	350,314,100	371,224,500	158,148,900	2,412,379,900	5,505,383	379,745,400	2,787,630,683	2,835,482,964	1.980
2003	88,936,800	1,439,023,900	2,182,200	228,400	372,483,700	369,487,600	161,673,100	2,434,023,700	5,140,306	376,916,500	2,816,094,506	3,268,464,757	2.120
2004	85,535,900	1,455,414,600	1,785,100	171,000	378,660,100	359,724,900	166,395,300	2,447,666,900	4,635,803	378,122,000	2,839,444,703	3,520,838,464	2.270
2005	70,297,000	1,478,975,000	1,785,100	171,000	382,024,400	350,486,700	173,889,300	2,457,726,500	4,297,309	384,717,600	2,846,743,408	3,868,883,965	2.420
2006	58,834,800	1,487,001,000	1,795,600	171,000	383,423,500	343,638,200	190,358,700	2,473,224,200	6,183,096	392,182,800	2,871,587,096	3,865,594,198	2.663
2007	55,827,300	1,513,303,500	1,795,600	177,600	379,944,300	351,718,700	204,271,600	2,507,038,600	3,423,961	408,272,300	2,916,734,861	4,651,848,744	2.786
2008	53,099,800	1,518,448,800	1,450,100	171,700	384,945,700	343,012,800	211,278,500	2,513,407,400	6,633,158	410,901,500	2,930,942,058	5,201,463,029	2.750
2009	41,407,900	1,525,090,700	1,450,100	171,700	375,511,700	333,789,100	204,731,400	2,482,132,600	3,351,217	412,207,700	2,897,691,517	5,159,816,933	2.770
2010	34,166,900	1,520,957,300	1,338,600	167,800	386,870,800	320,832,600	201,998,200	2,466,332,200	3,630,888	414,100,000	2,884,063,068	4,944,885,360	2.908
2011	33,009,000	1,521,256,500	1,182,300	101,200	385,951,700	310,748,100	201,412,800	2,453,671,600	3,238,211	421,386,900	2,878,296,711	4,794,235,881	3.005

Source: Municipal Tax Assessor

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

Reassessment occurs when the County Board of Taxation requests the Municipality to do so.

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

b Tax rates are per \$100 of assessed valuation

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**

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

Fiscal Year Ended June 30,	North Brunswick Township School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	(From J-6) Total Direct School Tax Rate <sup>c</sup>	Municipality of North Brunswick	County of Middlesex	
2002	1.850	0.130	1.980	0.700	0.480	3.160
2003	1.980	0.140	2.120	0.730	0.480	3.330
2004	2.100	0.170	2.270	0.780	0.490	3.540
2005	2.250	0.170	2.420	0.850	0.470	3.740
2006	2.423	0.240	2.663	0.894	0.520	4.232
2007	2.505	0.231	2.736	0.944	0.552	4.232
2008	2.521	0.229	2.750	1.004	0.597	4.351
2009	2.530	0.240	2.770	1.054	0.619	4.443
2010	2.664	0.242	2.906	1.109	0.504	4.619
2011	2.762	0.243	3.005	1.093	0.602	4.700

Source: Municipal Tax Collector

**Note:** NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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

<sup>b</sup> Rates for debt service are based on each year's requirements.

<sup>c</sup> Tax rates are per \$100 of assessed valuation.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND TEN YEARS AGO  
(UNAUDITED)

	2011			2002		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
ER Squibb & Sons Inc.	\$ 148,612,900	1	6.06%	\$ 130,326,300	1	5.40%
Kimco North Brunswick 617 Inc.	35,000,000	2	1.43%			
Sodowick S. Etals c/o No. Vill Assn.	30,200,000	3	1.23%			
North Brunswick TOD Associates LLC	28,065,200	4	1.14%			
Maebrook at Renaissance	23,515,600	5	0.96%			
Levin Properties LLC	23,267,400	6	0.95%			
Renaissance Terrace LLC	19,000,000	7	0.77%			
North Brunswick Manor LLC	18,986,000	8	0.77%			
Commerce CTR NB LLC % Perstige Inc.	17,272,000	9	0.70%			
Brunswick Circle Developers LLC	17,245,000	10	0.70%			
Renaissance at North Brunswick Johnson & Johnson				53,943,300	2	2.24%
Kimco, North Brunswick				50,764,800	3	2.10%
Wilton Partners				41,500,000	4	1.72%
Kaplan, Michael & Morris				29,673,000	5	1.23%
Brunswick Manor Associates				29,384,500	6	1.22%
Levin Properties LLC				27,048,000	7	1.12%
First Fidelity				23,267,400	8	0.96%
Olivia Reality LLC				21,684,000	9	0.90%
				16,500,000	10	0.68%
<b>Total</b>	<b>\$ 147,351,200</b>		<b>6.01%</b>	<b>\$ 424,091,300</b>		<b>17.58%</b>

Source: Municipal Tax Assessor

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
TAX LEVIES AND COLLECTIONS  
LAST TEN (10) FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	\$ 73,762,484	\$ 73,532,153	99.70%	N/A
2003	82,152,370	81,975,582	99.80%	N/A
2004	85,779,182	85,361,064	99.50%	N/A
2005	92,046,504	91,204,108	99.10%	N/A
2006	97,633,107	97,449,207	99.80%	N/A
2007	108,596,104	108,432,687	99.85%	N/A
2008	109,315,152	109,262,161	99.95%	N/A
2009	111,802,306	111,616,257	99.56%	N/A
2010	111,491,046	111,267,925	99.83%	N/A
2011	116,080,734	115,983,210	99.92%	N/A

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

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

## DEBT CAPACITY

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN (10) FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Personal Income <sup>a</sup>		
2002	\$ 26,495,519	-	\$ 344,757	-	-	\$ 26,840,276	2.08%	786	
2003	47,226,722	-	253,487	-	-	47,480,209	3.44%	1,309	
2004	45,707,985	-	156,424	-	-	45,864,409	3.36%	1,251	
2005	68,738,000	-	53,200	-	-	68,791,200	4.71%	1,821	
2006	74,214,000	-	-	-	-	74,214,000	5.02%	1,936	
2007	71,411,000	-	4,368,565	-	-	75,779,565	5.13%	1,911	
2008	68,761,000	-	3,327,385	-	-	72,088,385	4.87%	1,817	
2009	65,866,000	-	2,244,434	-	-	68,110,434	3.69%	1,721	
2010	62,502,000	-	1,151,635	-	-	63,653,635	3.26%	1,580	
2011	59,142,000	-	-	-	-	59,142,000	3.15%	1,461	

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

<sup>a</sup> See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN (10) FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sub>b</sub>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2002	\$ 26,495,519	\$ -	\$ 26,495,519	1.10%	710
2003	47,226,722	-	47,226,722	1.94%	1,244
2004	45,707,985	-	45,707,985	1.86%	1,190
2005	68,738,000	-	68,738,000	2.79%	1,768
2006	74,214,000	-	74,214,000	2.99%	1,896
2007	71,411,000	-	71,411,000	2.84%	1,780
2008	68,761,000	-	68,761,000	2.73%	1,733
2009	65,866,000	-	65,866,000	2.77%	1,735
2010	62,502,000	-	62,502,000	2.17%	1,580
2011	59,142,000	-	59,142,000	2.41%	1,461

**Notes:**

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

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

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

Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2011  
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of North Brunswick	\$ 65,091,203	100.000%	\$ 65,091,203
County of Middlesex	661,449,243	4.5825%	30,310,912
Subtotal, overlapping debt			\$ 95,402,115
Township of North Brunswick District Direct Debt			60,342,000
<b>Total direct and overlapping debt</b>			<b>\$ 155,744,115</b>

**Sources:** Assessed value data used to estimate applicable percentages provided by the Middlesex County Board of Taxation. Debt outstanding data provided by each governmental unit.

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

<sup>a</sup> 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.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN (10) FISCAL YEARS  
(UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2010

Equalized valuation basis	
2010	\$ 4,803,919,391
2009	4,941,531,143
2008	5,217,536,641
	\$ 14,962,987,145
	\$ 4,987,662,382

Average equalized valuation of taxable property

Debt limit (4 % of average equalization value)	199,506,495 <sup>a</sup>
Total Net Debt Applicable to Limit	60,342,000
Legal debt margin	\$ 139,164,495

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$105,214,079	\$111,020,267	\$120,256,159	\$129,663,816	\$143,335,829	\$182,149,022	\$198,603,392	\$203,952,560	\$203,952,560	\$199,506,495
Total net debt applicable to limit	25,495,519	47,226,722	45,707,985	68,738,000	74,214,000	71,411,000	69,991,000	69,991,000	63,702,000	60,342,000
Legal debt margin	\$ 78,718,560	\$ 63,793,545	\$ 74,548,174	\$ 60,925,816	\$ 69,121,829	\$ 110,737,022	\$ 128,642,392	\$ 133,991,560	\$ 140,250,560	\$ 139,164,495
Total net debt applicable to the limit as a percentage of debt limit	25.18%	42.54%	38.01%	53.01%	51.78%	39.20%	35.17%	34.30%	31.23%	30.25%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

<sup>a</sup> 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.

## DEMOGRAPHIC AND ECONOMIC INFORMATION

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN (10) FISCAL YEARS  
(UNAUDITED)

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2002	37,975	1,437,049,950	37,842	3.30%
2003	38,404	1,463,038,784	38,096	3.30%
2004	38,872	1,449,303,648	37,284	2.70%
2005	39,156	1,459,892,304	37,284	3.70%
2006	39,673	1,479,168,132	37,284	4.20%
2007	39,673	1,479,168,132	37,284	4.20%
2008	39,673	1,479,168,132	37,284	3.70%
2009	39,586	1,847,636,964	46,674	4.80%
2010	39,586	1,918,100,044	48,454	8.30%
2011	40,742	1,930,844,864	47,392	9.40%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND TEN YEARS AGO**  
**(UNAUDITED)**

<u>Employer</u>	<u>2011</u>		<u>2002</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Bristol Myers Squibb	N/A	1	N/A	
Silverline	N/A	2	N/A	
Wachovia	N/A	3	N/A	
North Brunswick BOE	N/A	4	N/A	
Vertis Inc.	N/A	5	N/A	
Church & Dwight	N/A	6	N/A	
Ranbaxy Pharmaceuticals	N/A	7	N/A	
Phoenix Container	N/A	8	N/A	
ABB Susa Inc.	N/A	9	N/A	
	<u>N/A</u>		<u>N/A</u>	

\* Township no longer collecting data.

## **OPERATING INFORMATION**

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN (10) FISCAL YEARS  
(UNAUDITED)

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction	450	440	445	461	462	505	510	417	463	388
Regular	13	10	4	1	9	12	14	115	131	157
Special education	-	-	-	-	-	-	-	-	-	-
Other special education	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student & instruction related services	89	103	101	120	131	121	121	134	162	96
General administration	7	7	5	3	4	2	3	2	3	2
School administrative services	31	33	38	36	36	36	36	37	36	31
Other administrative services	-	-	-	-	-	-	-	-	-	-
Central services	-	-	11	11	11	12	13	14	12	15
Administrative Information Technology	-	-	5	4	4	5	5	5	7	8
Plant operations and maintenance	69	61	82	88	81	77	77	103	104	96
Pupil transportation	5	11	18	23	24	32	33	26	30	26
Other support services	8	8	-	1	-	-	-	-	-	21
<b>Total</b>	<b>672</b>	<b>673</b>	<b>709</b>	<b>748</b>	<b>762</b>	<b>802</b>	<b>812</b>	<b>853</b>	<b>948</b>	<b>840</b>

Source: District Personnel Records

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
OPERATING STATISTICS  
LAST TEN (10) FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	Pupil/Teacher Ratio				Attendance							
	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2002	5,272	51,483,327	9,765	4.67%	464.00	1:13.5	1:12.9	1:11.8	5,166.6	5,063	3.82%	98.00%
2003	5,382	56,177,358	10,419	6.69%	464.00	1:13.5	1:12.9	1:11.8	5,284.2	5,179	2.28%	98.00%
2004	5,497	60,546,745	11,015	5.72%	464.00	1:12.2	1:11.2	1:11.1	5,387.1	5,279	1.95%	98.00%
2005	5,579	72,761,125	13,042	18.41%	505.00	1:13.4	1:11.7	1:12.3	5,467.4	5,358	1.49%	98.00%
2006	5,521	71,098,955	12,872	-1.30%	411.00	1:13.3	1:12	1:13.9	5,391.6	5,284	-1.39%	98.00%
2007	5,603	74,754,664	13,342	3.65%	469.00	1:12.1	1:10.7	1:11.6	5,446.9	5,338	1.03%	98.00%
2008	5,517	80,245,332	14,545	9.02%	541.00	1:11.9	1:10.5	1:12	5,513.0	5,403	1.21%	98.00%
2009	5,662	81,680,673	14,426	-0.82%	550.00	1:10.5	1:10.2	1:11	5,667.4	5,372	2.80%	94.79%
2010	5,521	84,424,571	15,292	6.00%	575.00	1:10.6	1:10.4	1:11	5,824.9	5,545	2.78%	95.20%
2011	5,886	82,395,730	13,999	-8.46%	539.00	1:10.7	1:10.5	1:11.2	5,847.1	5,662	2.10%	95.21%

Sources: District records

Note: Enrollment based on annual October district count as related in the Application for State School Aid (ASSA).

- a Operating expenditures equal total expenditures less debt service, capital outlay and scholarships.
- 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).
- d Cost per pupil calculated by dividing operating expenditures by enrollment; not intended to represent the statutory calculation of cost per pupil.

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**SCHOOL BUILDING INFORMATION**  
**LAST FOUR (4) FISCAL YEARS**  
**(UNAUDITED)**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b><u>District Building</u></b>				
<b><u>Elementary</u></b>				
Judd (1967)				
Square Feet	88,595	88,595	88,595	88,595
Capacity (students)	709	709	709	709
Enrollment	684	594	594	710
John Adams (1961)				
Square Feet	79,257	79,257	79,257	79,257
Capacity (students)	634	634	634	634
Enrollment	561	535	535	713
Livingston Park (1930)				
Square Feet	84,573	84,573	84,573	84,573
Capacity (students)	677	677	677	677
Enrollment	582	568	568	749
Parsons (1965)				
Square Feet	84,079	84,079	84,079	84,079
Capacity (students)	673	673	673	673
Enrollment	611	615	615	670
<b><u>Middle School</u></b>				
Linwood (1951)				
Square Feet	204,557	204,557	204,557	204,557
Capacity (students)	1,527	1,527	1,527	1,527
Enrollment	1,264	1,251	1,251	1,331
<b><u>High School</u></b>				
North Brunswick High School (1973)				
Square Feet	394,716	394,716	394,716	394,716
Capacity (students)	2,614	2,614	2,614	2,614
Enrollment	1,783	1,749	1,749	1,781
<b><u>Other</u></b>				
Athletic Building (1979)				
Square Feet	2,704	2,704	2,704	2,704
Central Administration (1927)				
Square Feet	24,642	24,642	24,642	24,642
Warehouse				
Square Feet	5,376	5,376	5,376	5,376
Number of Buildings at June 30, 2011				
Elementary Schools = 4				
Middle School = 1				
High School = 1				
Other = 3				

Source: District Facilities Office

Note: Enrollment is based on the average daily enrollment (ADE).

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
SCHEDULE OF REQUIRED MAINTENANCE  
FOR SCHOOL FACILITIES  
LAST FIVE (5) FISCAL YEARS  
(UNAUDITED)

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

* School Facilities Project # (s)	North										Total
	John Adams	Judd	Livingston Park	Parsons	Linwood M.S.	Brunswick H.S.	Other Facilities				
2007	\$ 100,885	\$ 96,588	\$ 98,042	\$ 138,700	\$ 237,969	\$ 637,639	\$ 83,940				\$ 1,393,763
2008	110,586	100,086	93,110	142,010	228,550	599,900	84,700				1,358,942
2009	145,594	156,110	149,023	148,152	360,442	695,514	43,421				1,698,256
2010	125,010	134,054	128,073	127,198	309,535	597,335	37,488				1,458,693
2011	140,047	151,001	153,944	125,259	277,182	548,728	40,450				1,436,611
Total School Facilities	\$ 622,122	\$ 637,839	\$ 622,192	\$ 681,319	\$ 1,413,678	\$ 3,079,116	\$ 289,999				\$ 7,346,265

\* School facilities as defined under EFCFA.  
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
INSURANCE SCHEDULE  
JUNE 30, 2011  
UNAUDITED

<u>Type of Policy</u>	<u>Coverage</u>	<u>Deductible</u>
New Jersey School Boards Association Insurance Group		
Property Insurance	\$ 300,000,000	\$ 5,000
Valuable Papers	11,000,000	5,000
Extra Expense	51,000,000	5,000
Electronic Data Processing - Hardware/Software	2,801,000	1,000
Equipment Breakdown - Business Income	100,000,000	5,000
Casualty Insurance - MCJIF		
Law Enforcement Liability	1,000,000	
Comprehensive General Liability	16,000,000	
Automobile Liability	16,000,000	
Employee Benefit Liability - NJSBA	10,000,000	1,000
New Jersey Workers Compensation - NJSBA	Statutory	
Public Employees' Faithful Performance Blanket		
Position Bond - Western Surety Company		
Business Administrator	50,000	
Treasurer	400,000	
Contractors Equipment	250,000	

Source: District records.

**SINGLE AUDIT SECTION**

**SAMUEL KLEIN AND COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited the financial statements of the Board of Education of the Township of North Brunswick School District, County of Middlesex, State of New Jersey, as of and for the year ended June 30, 2011, and have issued our report thereon dated October 19, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

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

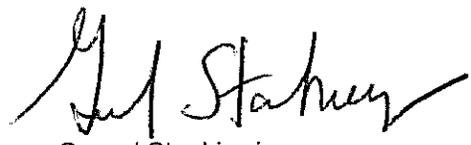
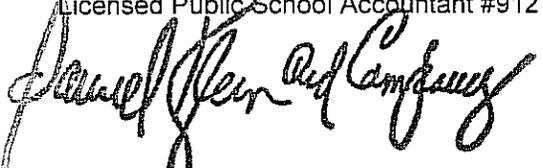
**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)**

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Board of Education of the Township of North 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 the required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the District in the Auditors Management Report.

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

  
Gerard Stankiewicz  
Certified Public Accountant  
Licensed Public School Accountant #912  
  
SAMUEL KLEIN AND COMPANY

Freehold, New Jersey  
October 19, 2011

**SAMUEL KLEIN AND COMPANY**  
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**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND  
MATERIAL EFFECT ON EACH MAJOR FEDERAL OR STATE PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR LETTER 04-04**

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

Compliance

We have audited the compliance of the Township of North Brunswick Board of Education, in the County of Middlesex, State of New Jersey with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2011. The Township of North Brunswick, Board of Education's major federal and state programs are identified in the Summary of Auditor's Results Section of the Accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Township of North Brunswick Board of Education's management. Our responsibility is to express an opinion on the Township of North Brunswick Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations, and New Jersey OMB's Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Those standards, OMB Circular A-133 and New Jersey OMB's Circular Letter 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Township of North Brunswick Board of Education'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 North Brunswick Board of Education's compliance with those requirements.

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL OR STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR LETTER 04-04 (CONTINUED)**

In our opinion, the Township of North Brunswick Board of Education, in the County of Middlesex, State of New Jersey complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2011.

**Internal Control Over Compliance**

The management of the Township of North Brunswick Board of Education 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 North Brunswick Board of Education's internal control over compliance with requirements that could have a direct and material effect on its major federal or state programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and 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 Township of North 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 program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND  
MATERIAL EFFECT ON EACH MAJOR FEDERAL OR STATE PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR LETTER 04-04  
(CONTINUED)**

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



Gerard Stankiewicz  
Certified Public Accountant  
Licensed Public School Accountant #912



SAMUEL KLEIN & COMPANY

Freehold, New Jersey  
October 19, 2011

**BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Federal Grantor / Pass - Through Grantor / Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Due to Grantor	June 30, 2010		Carryover/Walkover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance, June 30, 2011	
				From	To		Deferred Revenue	(Accounts Receivable)						(Accounts Receivable)	Deferred Revenue
U.S. Department of Education:															
General Fund:															
Medical Assistance Program	93.778	N/A	\$ 104,116	7/1/2009	- 6/30/2010		\$ (30,727)	\$	\$ 30,727				\$		
Medical Assistance Program	93.778	N/A	83,523	7/1/2010	- 6/30/2011				83,523	(83,523)					
<b>Total General Fund</b>															
							\$ (30,727)	\$	\$ 114,250	(83,523)			\$		

U.S. Department of Education  
Passed - Through State Department of Education:

Federal Grantor / Pass - Through Grantor / Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Due to Grantor	June 30, 2010		Carryover/Walkover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance, June 30, 2011	
				From	To		Deferred Revenue	(Accounts Receivable)						(Accounts Receivable)	Deferred Revenue
Special Revenue Fund:															
Title 1, Part A	84.010A	NCLB-11	\$ 591,531	9/1/2010	8/31/2011	\$ 2			\$ 269,791.00	(429,509.00)			\$	(159,719)	\$ 2
Title 1, Part A Carryover	84.010A	NCLB-08	356,294	9/1/2007	- 8/31/2009			\$ (1,501)							
Title 1, Part A Carryover	84.010A	NCLB-09	738,591	9/1/2008	- 8/31/2009			1,501	5,418.00	(6,923.00)				(4)	
Title 1, Part A Carryover	84.010A	NCLB-09	738,591	9/1/2010	- 8/31/2011			1,501							
Title 1, Part A	84.010A	NCLB-10	660,009	9/1/2009	- 8/31/2010			(2,317)							
Title 1, Part A Carryover	84.010A	NCLB-10	660,009	9/1/2010	- 8/31/2011			2,317	175,664	(170,406)				\$ 8,474	
ARRA - Title 1, Part A	84.389	NCLB-11	311,183	9/1/2009	- 8/31/2011		\$ (1)							(3,351)	
ARRA - Title 1, Part D	84.389	NCLB-11	107,725	9/1/2009	- 8/31/2011				30,148	(33,499)				(2,913)	
ARRA - Title 1, Part A	84.389	NCLB-11	174,768	9/1/2010	- 8/31/2011				107,452	(107,452)				(24,930)	
Title 1, School Improvement Carryover	84.010A	NCLB-09	24,930	9/1/2009	- 8/31/2010				5,825	(24,930)					
Title 1, Part D	84.010A	NCLB-11	179,951	9/1/2010	- 8/31/2011				170,003	(170,003)				(772)	
ARRA - Title 1, School Improvement	84.389	NCLB-11	15,445	9/1/2010	- 8/31/2011				9,747	(10,519)				(60)	
Title II, Part A Carryover	84.281A	NCLB-11	128,177	9/1/2008	- 8/31/2009										
Title II, Part A Carryover	84.281A	NCLB-10	121,560	9/1/2009	- 8/31/2010				19,110	(19,110)					
Title II, Part A	84.281A	NCLB-11	130,602	9/1/2010	- 8/31/2011				86,461	(130,230)				(41,769)	1
Title II, Part D Tech	84.281A	NCLB-09	4,704	9/1/2008	8/31/2009										
Title II, Part D	84.318X	NCLB-11	1,324	9/1/2010	- 8/31/2011				871	(879)				(108)	
Title III, Part A	84.365A	NCLB-11	66,731	9/1/2010	- 8/31/2011				1,300	(5,122)				(3,822)	
Title III, Part A Carryover	84.365A	NCLB-10	53,855	9/1/2009	- 8/31/2010				6,107	(16,745)	93			(12,975)	
Title III, Immigrant	84.365A	NCLB-11	27,603	9/1/2010	- 8/31/2011		(430)		920	(3,243)				(2,323)	
Title III, Immigrant	84.365A	NCLB-10	39,784	9/1/2009	- 8/31/2010			500							
Title III, Immigrant Carryover	84.365A	NCLB-10	39,784	9/1/2009	- 8/31/2010			(500)							
Title IV, Part A Carryover	84.186A	NCLB-09	13,633	9/1/2009	- 8/31/2010			500							
I.D.E.A. Part B, Basic Regular	84.027	FT-11	1,224,421	9/1/2010	- 8/31/2011				2,494					(21,642)	
I.D.E.A. Part B, Basic Regular Carryover	84.027	FT-09	1,196,095	9/1/2008	- 8/31/2009									(275,861)	3,278
I.D.E.A. Part B, Basic Regular	84.027	FT-10	1,202,250	9/1/2009	- 8/31/2010			28,295							
I.D.E.A. Part B, Basic Regular Carryover	84.027	FT-10	1,202,250	9/1/2009	- 8/31/2010			28,295							
ARRA - I.D.E.A. Part B, Basic Regular	84.391	FT-11	1,354,326	9/1/2010	- 8/31/2011				113,956	(240,671)				(98,420)	
I.D.E.A. Part B, Preschool Carryover	84.173	FT-09	34,545	9/1/2008	- 8/31/2009				313,748	(683,202)	1,384			(370,840)	
I.D.E.A. Part B, Preschool	84.173	FT-10	34,641	9/1/2009	- 8/31/2010			(720)							1,640

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

**BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Federal Grantor / Pass - Through Grantor / Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Due to Grantor	June 30, 2010		Carryover/ Waiver/ Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance, June 30, 2011	
				From	To		Deferred Revenue	(Accounts Receivable)						(Accounts Receivable)	Deferred Revenue
<b>U.S. Department of Education (Continued)</b>															
<b>Passed - Through State Department of Education: (Continued)</b>															
<b>Special Revenue Fund: (Continued)</b>															
I.D.E.A. Part B, Preschool	84.173	FT-11	\$ 36,768	9/1/2010	- 8/31/2011				\$ 32,851	\$ (36,768)		\$	\$	(3,937)	
ARRA - I.D.E.A. Part B, Preschool	84.392	FT-11	48,849	9/1/2009	- 8/31/2011				742	(17,355)		1,230		(16,613)	
Perkins Grant	84.243A	N/A	32,282	7/1/2008	- 6/30/2009	\$ 1,230						\$ 936			\$ 1,524
Perkins Grant	84.243A	N/A	34,186	7/1/2009	- 6/30/2010		\$ (2,800)		3,388						
Perkins Grant	84.243A	N/A	33,447	7/1/2010	- 6/30/2011				23,726	(23,721)		7,215			
Learn & Serve Grant	94.004	N/A	25,000	10/1/2008	- 9/30/2009	7,215									
Children's Health Insurance Program Reauthorization Act	93.767	N/A	76,000	6/1/2010	- 12/31/2011		\$ 26,000		24,000	(65,694)				(3,694)	
<b>U.S. Department of Justice:</b>															
<b>Passed-Through Township:</b>															
North Brunswick	15.046	N/A	82,900	9/1/2009	- 8/31/2011				11,100						11,100
Save Our Schools															
<b>Total Special Revenue Fund</b>						\$ 10,872	\$ 60,613	\$ (6,720)	\$ 2,306,278	\$ (3,383,817)	\$ 3,262	\$ 8,445	\$ (1,043,952)	\$ 19,579	\$ 6,446
<b>U.S. Department of Agriculture</b>															
<b>Passed-through State Department of Education:</b>															
<b>Enterprise Fund:</b>															
Food Distribution Program	10.550	N/A	\$ 122,876	7/1/2009	- 6/30/2010		\$ 8,226			\$ (8,226)					
Food Distribution Program	10.550	N/A	128,779	7/1/2010	- 6/30/2011				\$ 128,779	(123,803)					\$ 4,976
School Breakfast Program	10.553	N/A	233,073	7/1/2009	- 6/30/2010			\$ (18,368)	18,368						
School Breakfast Program	10.553	N/A	251,558	7/1/2010	- 6/30/2011				233,708	(251,558)				\$ (17,850)	
National School Lunch Program	10.555	N/A	737,983	7/1/2009	- 6/30/2010			(62,195)	52,195						
National School Lunch Program	10.555	N/A	802,201	7/1/2010	- 6/30/2011			(368)	751,824	(802,201)				(50,377)	
School Snack Program	10.555	N/A	5,555	7/1/2009	- 6/30/2010				388						
School Snack Program	10.555	N/A	5,562	7/1/2010	- 6/30/2011				5,297	(5,562)				(315)	
<b>Total Enterprise Fund</b>							\$ 8,226	\$ (70,951)	\$ 1,190,629	\$ (1,191,370)				\$ (65,542)	\$ 4,976
<b>Total Federal Financial Assistance</b>						\$ 10,872	\$ 68,839	\$ (108,399)	\$ 3,611,057	\$ (4,656,710)	\$ 3,292	\$ 8,445	\$ (1,112,494)	\$ 24,555	\$ 6,446

(1) Equals inventory.

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

**BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2010		Cash Received	Budgetary (Expenditures)	(Adjustment) Repayment of Prior Year's Balances	MEMO	
				(Accounts Receivable)	Due to Grantor				Balance, June 30, 2011 (Accounts Receivable)	Due to Grantor
State Department of Education: General Fund:										
Special Education Categorical Aid	11-495-034-5120-089	\$ 3,343,376	7/1/2010 - 6/30/2011		\$	\$ 3,343,376	\$ (3,343,376)	\$	\$ (287,447)	\$ 3,343,376
Equalization Aid	11-495-034-5120-078	5,336,926	7/1/2010 - 6/30/2011			5,336,926	(5,336,926)		(458,774)	5,336,926
Teacher's Pension and Annuity Fund - Pension	11-495-034-5095-008	114,364	7/1/2010 - 6/30/2011			114,364	(114,364)			114,364
Teacher's Pension and Annuity Fund - Post Retirement Medical	11-495-034-5095-001	2,429,095	7/1/2010 - 6/30/2011			2,429,095	(2,429,095)			2,429,095
Extraordinary Special Education Aid	11-100-034-5120-473	432,376	7/1/2010 - 6/30/2011				(250,000)	\$ 182,376	\$ (432,376)	250,000
Extraordinary Special Education Aid	10-100-034-5120-473	420,551	7/1/2009 - 6/30/2010		\$	420,551	(90,223)			420,551
Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	2,821,008	7/1/2009 - 6/30/2010		(63,904)	63,904	(49,259)			49,259
TPAF Wage Freeze	11-495-034-5095-002	49,259	7/1/2010 - 6/30/2011				(49,259)			
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	2,667,423	7/1/2010 - 6/30/2011			2,534,253	(2,667,423)			2,667,423
Non Public Transportation	11-495-034-5120-014	39,174	7/1/2010 - 6/30/2011				(39,174)			39,174
Non Public Transportation	10-495-034-5120-014	40,864	7/1/2009 - 6/30/2010		(40,864)	40,864				
<b>Total General Fund</b>					\$ (525,319)	\$ 14,283,353	\$ (14,319,640)	\$ 182,376	\$ (746,221)	\$ 14,650,169
Capital Projects Fund:										
SCC Grant:										
High School Addition	#202205	\$ 7,640,534	Open			\$ 1,528,904	\$ (8,447)			\$ 8,447
Roof Repair - LP	3620-070-09-1003	218,000	Open				(2,709)			2,709
Roof Repair - JA	3620-050-09-1001	20,700	Open				(6,803)			6,803
Roof Repair - PAR	3620-055-05-1000	207,200	Open				(18,644)			18,644
Roof Repair - LIW	3620-065-09-1002	430,760	Open				(36,603)			36,603
<b>Total Capital Projects Fund</b>						\$ 1,528,904	\$ (36,603)			\$ 36,603
Special Revenue Fund:										
N.J. Nonpublic Aid:										
Textbook Aid	11-100-034-5120-064	\$ 3,297	7/1/2010 - 6/30/2011			\$ 3,297	(3,297)			\$ (3,297)
Nursing Services:	11-100-034-5120-070	3,906	7/1/2010 - 6/30/2011			3,906	(3,906)			(3,906)
Auxiliary Services:										
Compensatory Education	11-100-034-5120-067	2,093	7/1/2010 - 6/30/2011			2,093	(2,093)			(2,093)
English as a Second Language	10-100-034-5120-067	3,587	7/1/2009 - 6/30/2010		\$ 2,690			\$ 2,690		

See Accompanying Notes to Schedules of Financial Assistance.

**BOARD OF EDUCATION**  
**NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2010		Cash Received	Budgetary (Expenditures)	(Adjustment) Repayment of Prior Year's Balances	Balance, June 30, 2011		MEMO	
				(Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>Special Revenue Fund: (Continued)</b>												
<b>Handicapped Services:</b>												
Examination and Classification	11-100-034-5120-066	\$ 2,552	7/1/2010 - 6/30/2011	\$	\$	2,552	(2,552)				\$	(2,552)
Supplemental Instruction	11-100-034-5120-066	973	7/1/2010 - 6/30/2011			973	(973)					(973)
Corrective Speech	11-100-034-5120-066	782	7/1/2010 - 6/30/2011			782	(782)					(782)
Transportation	11-100-034-5120-066	122	7/1/2010 - 6/30/2011			122	(122)					(122)
Personalized Student Learning Pilot	99999999	15,000	7/1/2010 - 6/30/2011			13,000	(14,683)			\$ (1,683)		(14,683)
Personalized Student Learning Pilot	99999999	15,000	7/1/2009 - 6/30/2010			1,760	(5)			(5)		(5)
<b>Total Special Revenue Fund</b>				\$ (1,760)	\$ 2,690	\$ 28,485	\$ (28,413)	\$ 2,690	\$ (1,688)		\$	(28,413)
<b>State Department of Agriculture Enterprise Fund:</b>												
State School Lunch Program	11-100-010-3350-023	\$ 26,503	7/1/2010 - 6/30/2011			\$ 24,741	(26,503)			\$ (1,762)		\$ 26,503
State School Lunch Program	10-100-010-3350-023	37,984	7/1/2009 - 6/30/2010			2,659						
State School Breakfast Program	10-100-010-3350-021	15,334	7/1/2009 - 6/30/2010			1,220						
<b>Total Enterprise Fund</b>				\$ (3,879)		\$ 28,620	\$ (26,503)			\$ (1,762)		\$ 26,503
<b>Total State Financial Assistance</b>				\$ (2,059,862)	\$ 2,690	\$ 15,869,342	\$ (14,411,359)	\$ 185,066	\$ (694,032)	\$ (746,221)	\$	\$ 14,684,861

See Accompanying Notes to Schedules of Financial Assistance.

**BOARD OF EDUCATION**  
**TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF**  
**FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**1. GENERAL**

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

**2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, Non-Profit Organizations* and New Jersey OMB's Circular Letter 04-04. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A.18A:22-4.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last two (2) (of twenty (20)) state aid payments 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 revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A.18A:22-4.2.

**BOARD OF EDUCATION**  
**TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF**  
**FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an addition of \$491,454 for the general fund and none for the special revenue fund. See *Note 1* (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 83,523	\$ 14,903,947	\$ 14,987,470
Special Revenue Fund	3,383,816	28,413	3,412,229
Food Service Fund	<u>1,188,120</u>	<u>26,503</u>	<u>1,214,623</u>
Total Awards and Assistance	<u>\$ 4,655,459</u>	<u>\$ 14,958,863</u>	<u>\$ 19,614,322</u>

**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.

**5. FEDERAL AND STATE LOANS OUTSTANDING**

The District had no federal or state loans outstanding.

**6. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contribution and Post Retirement Medical Contributions represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2011. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011.

**BOARD OF EDUCATION  
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Section I - Summary of Auditor's Results

**Financial Statements**

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

Internal control over financial reporting:

1. Material weakness(es) identified?        yes   x   no
2. Significant deficiency(ies) identified that are not considered to be material weaknesses?        yes   x   none reported

Noncompliance material to basic financial statements noted?        yes   x   no

**Federal Awards**

Internal control over major programs:

1. Material weakness(es) identified?        yes   x   no
2. Significant deficiency(ies) identified that are not considered to be material weaknesses?        yes   x   none reported

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

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>Title I, Title I-A, Title I-D, Title I-SIA</u>
<u>84.389</u>	<u>ARRA – Title I-A, Title I-D, Title I-SIA</u>
<u>84.027</u>	<u>IDEA Regular I</u>
<u>84.173</u>	<u>IDEA Pre-School</u>
<u>84.391</u>	<u>ARRA – IDEA Part B Regular</u>
<u>84.392</u>	<u>ARRA – IDEA Part B Preschool</u>
<u>10.553 &amp; 10.555</u>	<u>National School Breakfast and Lunch</u>

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

Auditee qualified as low-risk auditee?        yes   X   no



**BOARD OF EDUCATION**  
**TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**FOR THE YEAR ENDED JUNE 30, 2010:**

There were no findings for the year ended June 30, 2010.