

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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

**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**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

November 15, 2013

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, 2013. 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 compliance for each major federal and state program and report on internal control over compliance along with findings and questioned costs if any, is included in the single audit section of this report.

**1. REPORTING ENTITY AND ITS SERVICES**

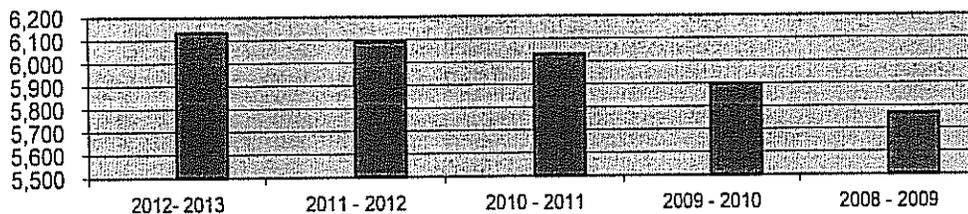
The North Brunswick Township School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds of the District are included in this report. The North Brunswick Township Board of Education and all its schools constitute the District's 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, 2012 was 6,134 students, which is a 0.71% 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>
2012- 2013	6,134	0.71%
2011 - 2012	6,091	0.99%
2010 - 2011	6,031	2.26%
2009 - 2010	5,898	2.27%
2008 - 2009	5,767	4.32%

**District Enrollment**



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

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 of roofs at five schools. A capital project at the high school was completed that included the renovations of the chemistry classrooms and the creating engineering labs. Parking lots at several schools were also resurfaced. 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, 2013.

## **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 \$51,976,000 of general obligation bonds as of June 30, 2013.

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 who are licensed public school accountants. Gerard Stankiewicz, CPA, PSA 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,

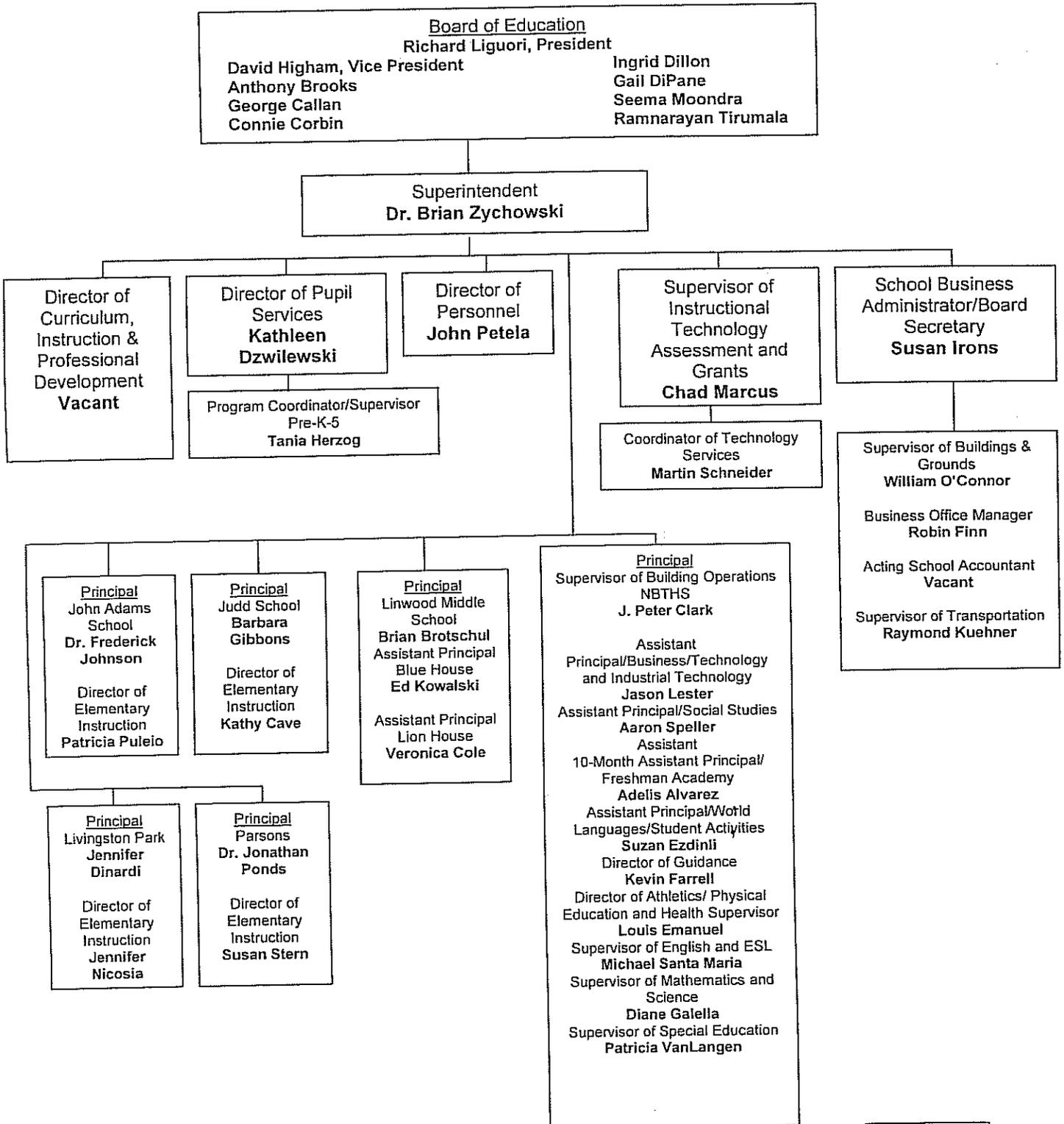


Dr. Brian Zychowski  
Superintendent



Susan Irons  
Business Administrator/Board Secretary

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
Organizational Chart 2012-2013**



June 30, 2013

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

**ROSTER OF OFFICIALS**

June 30, 2013

<b><u>Members of the Board of Education*</u></b>	<b><u>Term Expires</u></b>
Richard Ligouri, President	2013
David Higham, Vice-President	2013
George Callan	2013
Connie Corbin	2014
Anthony Brooks	2015
Ingrid Dillon	2015
Gail DiPane	2015
Seema Moondra	2014
Ramnarayn Tirumala	2014

**Other Officials**

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

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

**JUNE 30, 2013**

**Consultants and Advisors**

**Audit Firm**

Gerard Stankiewicz, CPA, RMA, PSA  
Samuel Klein and Company  
36 West Main Street  
Suite 303  
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

**FINANCIAL SECTION**

# SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR  
NEWARK, N.J. 07102-4543  
PHONE (973) 624-6100  
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36 WEST MAIN STREET, SUITE 303  
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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

### Report on the Financial Statement

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, 2013 and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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 Office of School Finance, 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.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities each major fund and the aggregate remaining fund information of the Board of Education of the North Brunswick Township School District, as of June 30, 2013, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

**Required Supplementary Information**

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

**Supplementary and Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the North Brunswick Township School District's basic financial statements. The accompanying supplementary information, which consists of the combining and individual fund financial statements, noncurrent (long-term) debt schedules and schedules of expenditures of federal awards and state financial assistance, as required by the US. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and the other information such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The supplementary information identified above is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

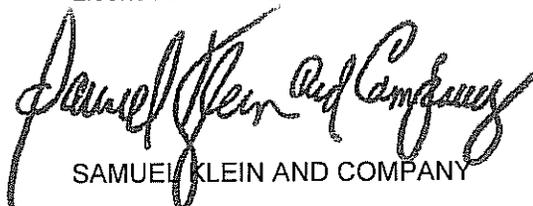
The other information identified above has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2013, 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* in considering the North Brunswick Township School District internal control over financial reporting compliance.



Gerard Stankiewicz  
Certified Public Accountant  
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey  
November 15, 2013

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

## NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

Administrative Offices:  
Maple Meade School Building, Old Georges Road  
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North Brunswick, N.J. 08902  
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Brian Zychowski, Ed. D.  
Superintendent of Schools  
Fax: (732) 297-8567

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

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

#### 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, 2013. 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 (2012-2013) and the prior year (2011-2012) 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 2012-2013 are as follows:

- General revenues accounted for \$95,122,475 in revenue or 94.11% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and accounted for \$5,958,159 or 5.89% to total revenues of \$101,080,634.
- Total net position of governmental activities increased by \$5,181,195.
- The School District had \$95,785,885 in expenses, of which only \$5,958,159 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes of \$75,283,041) along with Federal and State aid were not adequate to provide for these programs. The state deferred \$1,073,828 of the District's State aid allocation during the 2012-2013 year; however, it was remitted subsequent to June 30, 2013.
- The Governmental – General Fund had \$89,083,744 in revenues and \$86,029,192 in expenditures. The General Fund's fund balance increased \$3,054,587 compared to 2012.

# NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

### 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 Position 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 Position 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 2013?" The Comparative Statement of Net Position 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 position and change to those position. This change in net position 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 Position 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. Other Business Type Activities are school facilities, integrated pre-K and summer enrichment.

# **NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

### **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 Position 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 34 to 66 of this report.

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

The Statement of Net Position provides the perspective of the School District as a whole. Net Position 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, 2013

### UNAUDITED – (CONTINUED)

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

Table 1 provides a comparative summary of the School District's net position for 2013 and 2012.

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

Assets	<u>2013</u>	<u>2012</u> (as Adjusted)
Current and Other Assets	\$ 12,644,768	\$ 9,247,151
Capital Assets, Net	<u>103,502,731</u>	<u>105,344,565</u>
 Total Assets	 <u>\$ 116,147,499</u>	 <u>\$ 114,591,716</u>
 <b>Liabilities</b>		
Noncurrent Liabilities	\$ 54,661,600	\$ 58,714,540
Other Liabilities	<u>1,998,519</u>	<u>1,684,545</u>
 Total Liabilities	 <u>\$ 56,660,119</u>	 <u>\$ 60,399,085</u>
 <b>Net Position</b>		
Invested in Capital Assets	\$ 51,526,731	\$ 49,368,544
Restricted	7,137,475	6,070,628
Unrestricted - Other	<u>823,174</u>	<u>(1,246,541)</u>
 Total Net Position	 <u>\$ 59,487,380</u>	 <u>\$ 54,192,631</u>

The District's combined net position were \$59,487,380 on June 30, 2013. This is an increase from the prior year as adjusted and is primarily related to an increase in cash and receivables and a decrease in noncurrent debt.

# NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

UNAUDITED – (CONTINUED)

Table 2 shows the comparative changes in net position from fiscal year 2013 and 2012.

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

	2013	2012 (as Adjusted)	Total % Change
Revenues:			
Program Revenues:			
Charges for Services	\$ 2,148,810	\$ 2,065,721	4.02%
Operating Grants and Contributions	3,809,349	4,553,193	-16.34%
General Revenues:			
Property Taxes	75,283,041	73,816,484	1.99%
Grants and Entitlements	19,462,987	17,824,144	9.19%
Other	376,447		100.00%
Total Revenues	\$ 101,080,634	\$ 98,259,542	2.87%
Program Expenses:			
Instruction	\$ 52,833,001	\$ 51,291,478	3.01%
Support Services:			
Tuition	2,348,908	2,636,129	-10.90%
Student and Instruction Related	11,721,237	11,034,746	6.22%
Other Administration	1,518,462	3,485,962	-56.44%
General Administration	5,377,784	3,721,657	44.50%
Operations and maintenance of Facilities	9,639,299	9,445,869	2.05%
Pupil Transportation	6,313,663	5,841,954	8.07%
Interest on Debt	2,085,254	2,346,157	-11.12%
Business Activities	3,364,552	3,070,729	9.57%
Other	583,725	345,680	68.86%
Total Expense	\$ 95,785,885	\$ 93,220,361	2.75%
Increase in Net Position	5,294,749	5,039,181	
Beginning Net Position As Adjusted	54,192,631	49,153,450	
Ending Net Position	\$ 59,487,380	\$ 54,192,631	

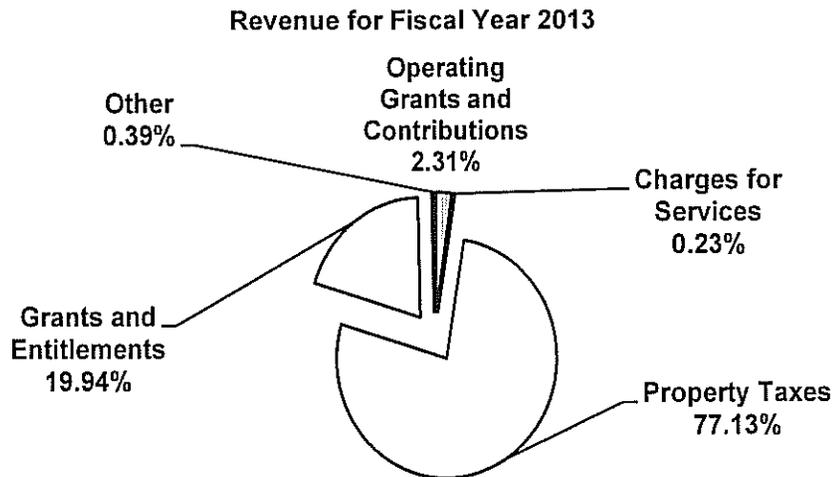
# NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

UNAUDITED – (CONTINUED)

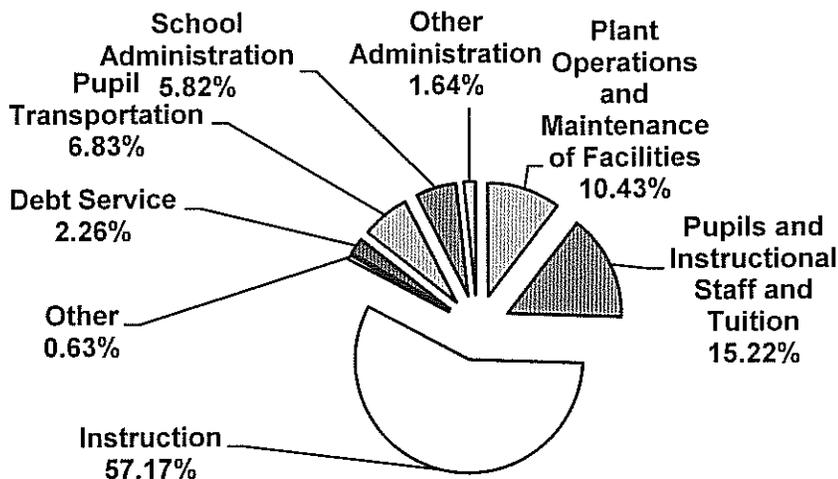
### Governmental Activities

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 \$75,286,041 made up 77.13% of revenue for governmental activities for the North Brunswick School District for fiscal year 2013. The District's total revenues were \$97,602,528 for the year ended June 30, 2013. Federal, state and local grants accounted for another 19.94% of revenue.



### Expenses for Fiscal Year 2013

The total cost of all programs and services was \$92,421,333 .



# NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

### UNAUDITED – (CONTINUED)

#### Business-Type Activities

##### Food Service

- Revenues for the District's business-type activities for food service program are comprised of charges for services and federal and state reimbursements.
- Food service expenses exceeded revenues by \$89,105.
- Charges for services represent \$1,325,315, or 46.07% 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 \$1,551,341.

##### Other

The other business type activities – school facilities, integrated pre-K and summer enrichment had revenue in total of \$601,450 and total expenses of \$398,791 resulting in net income of \$202,659.

#### 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		
	<u>2012-2013</u>	<u>2011-2012</u>	<u>% Change</u>	<u>2012-2013</u>	<u>2011-2012</u>	<u>% Change</u>
Regular Instruction	\$ 37,921,983	\$ 36,624,290	3.54%	\$ 36,140,109	\$ 33,875,466	6.69%
Special Education	10,076,486	9,778,820	3.04%	10,076,486	9,778,820	3.04%
Other Special Education	3,202,706	3,333,878	-3.93%	3,202,706	3,333,878	-3.93%
Other Instruction	1,631,826	1,554,490	4.98%	1,631,826	1,554,490	4.98%
Tuition	2,348,908	2,636,129	-10.90%	2,221,817	2,509,254	-11.46%
Student and Instruction Related Services	11,721,237	11,034,746	6.22%	11,245,103	10,497,737	7.12%
General and Business Administrative Services	1,518,462	3,485,962	-56.44%	1,518,462	3,485,962	-56.44%
School Administrative Services	5,377,784	3,721,657	44.50%	5,377,784	3,721,657	44.50%
Plant Operations and Maintenance	9,639,299	9,445,869	2.05%	9,639,299	9,445,869	2.05%
Pupil Transportation	6,313,663	5,841,954	8.07%	6,218,709	5,765,963	7.85%
Charter Schools	583,725	395,187	47.71%	583,725	395,187	47.71%
Scholarship		37	-100.00%		37	-100.00%
Interest and Fiscal Charges	2,085,254	2,346,157	-11.12%	2,085,254	2,346,157	-11.12%
<b>Total Expenses</b>	<u>\$ 92,421,333</u>	<u>\$ 90,199,176</u>	<u>2.46%</u>	<u>\$ 89,941,280</u>	<u>\$ 86,710,477</u>	<u>3.73%</u>

# NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

### 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.

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 schools and unallocated depreciation.

#### 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 \$97,555,486 and expenditures were \$94,405,192.

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, 2013 and June 30, 2012, and the amount of increase and decreases in relation to prior year revenues.

#### Comparative Summary of Revenues

<u>Revenue</u>	<u>2012-2013</u>		<u>2011-2012</u>		Increase/ (Decrease) from 2011-2012 to 2012-2013
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	
Local Sources	\$ 75,784,056	77.68%	\$ 74,262,347	78.57%	\$ 1,521,709
State Sources	19,406,805	19.89%	16,550,079	17.51%	2,856,726
Federal Sources	2,364,625	2.43%	3,708,611	3.92%	(1,343,986)
	<u>\$ 97,555,486</u>	<u>100.00%</u>	<u>\$ 94,521,037</u>	<u>100.00%</u>	<u>\$ 3,034,449</u>

**NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**UNAUDITED – (CONTINUED)**

Local revenues increased by \$1,521,709. The increase in local revenue was due to an increase in the tax levy for 2012-2013.

Federal source revenues decreased by \$1,343,986 primarily due to reduction in ARRA funds and other small isolated grants.

State sources revenue increased \$2,856,726 due mostly to an increase in on-behalf pension payments and other state aid in the General Fund.

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, 2013 and June 30, 2012, and the increases and decreases in relation to prior year amounts.

**Comparative Summary of Expenditures**

Expenditures	2012-2013		2011-2012		Increase/ (Decrease) from 2011-2012 to 2012-2013
	Amount	Percent of Total	Amount	Percent of Total	
Current Expenses:					
Instruction	\$ 36,239,840	38.39%	\$ 35,581,819	38.98%	\$ 658,021
Undistributed Expenditures	50,610,381	53.61%	48,597,077	53.24%	2,013,304
Capital Outlay	1,541,648	1.63%	1,086,998	1.19%	454,650
Debt Service:					
Principal	4,000,000	4.24%	3,375,000	3.70%	625,000
Interest	2,013,323	2.13%	2,631,875	2.88%	(618,552)
	<u>\$ 94,405,192</u>	<u>100.00%</u>	<u>\$ 91,272,769</u>	<u>100%</u>	<u>\$ 3,132,423</u>

Changes in expenditures were the results of varying factors. Current expense increased due to increased personnel and benefits costs, additional students and capital projects.

**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, 2013

### UNAUDITED – (CONTINUED)

Over the course of the year, the District revised via transfer the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts.

#### Capital Assets

At the end of the fiscal year 2013, the School District had \$145,465,336 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2013 balances compared to 2012.

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

	<u>2013</u>	<u>2012</u>
Land	\$ 14,000	\$ 14,000
Buildings and Improvements	100,090,556	101,823,791
Machinery and Equipment	<u>3,279,031</u>	<u>3,377,004</u>
Totals	<u>\$ 103,383,587</u>	<u>\$ 105,214,795</u>

Overall capital assets decreased by \$1,831,208 from fiscal year 2012 to fiscal year 2013. The decrease in capital assets is due primarily to depreciation expense for the year exceeding the capital additions.

#### Debt Administration

At June 30, 2013, the School District had \$54,661,600 of outstanding debt. Of this amount \$2,685,600 is for compensated absences and \$51,976,000 is for serial bonds for school construction.

# NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

UNAUDITED – (CONTINUED)

### For the Future

The school district is proud of the support that the community demonstrated by approving its budget for the 2012-2013 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.

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 Susan Irons, 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 POSITION**  
**JUNE 30, 2013**

	<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	\$ 5,116,684	\$ 897,017	\$ 6,013,701
Receivables - Net	1,667,040	196,650	1,863,690
Inventory		62,709	62,709
Restricted Assets:			
Cash and Cash Equivalents	4,704,668		4,704,668
Capital Assets, Net	<u>103,383,587</u>	<u>119,144</u>	<u>103,502,731</u>
Total Assets	<u>\$ 114,871,979</u>	<u>\$ 1,275,520</u>	<u>\$ 116,147,499</u>
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 459,013	\$ 252,141	\$ 711,154
Other Current Liabilities	140,240		140,240
Payable to Federal Government	2,203		2,203
Unearned Revenue	115,434	81,061	196,495
Accrued Interest Payable	948,427		948,427
Noncurrent Debt:			
Due Within One Year	4,108,560		4,108,560
Due Beyond One Year	<u>50,553,040</u>		<u>50,553,040</u>
Total Liabilities	<u>\$ 56,326,917</u>	<u>\$ 333,202</u>	<u>\$ 56,660,119</u>
<b><u>NET POSITION</u></b>			
Invested in Capital Assets	\$ 51,407,587	\$ 119,144	\$ 51,526,731
Restricted for:			
Capital Projects	4,704,668		4,704,668
Other Purposes	2,432,807		2,432,807
Unrestricted	<u>823,174</u>	<u>823,174</u>	<u>823,174</u>
Total Net Position	<u>\$ 58,545,062</u>	<u>\$ 942,318</u>	<u>\$ 59,487,380</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, 2013**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>						
Instruction:						
Regular	\$ 37,921,983		\$ 1,781,874	\$ (36,140,109)		\$ (36,140,109)
Special Education	10,076,486			(10,076,486)		(10,076,486)
Other Special Education	3,202,706			(3,202,706)		(3,202,706)
Other Instruction	1,631,826			(1,631,826)		(1,631,826)
Support Services:						
Tuition	2,348,908	\$ 127,091		(2,221,817)		(2,221,817)
Student and Instruction Related Services	11,721,237		476,134	(11,245,103)		(11,245,103)
General Administrative Services	1,518,462			(1,518,462)		(1,518,462)
School Administrative Services	5,377,784			(5,377,784)		(5,377,784)
Plant Operations and Maintenance	9,639,299			(9,639,299)		(9,639,299)
Pupil Transportation	6,313,663	94,954		(6,218,709)		(6,218,709)
Charter Schools	583,725			(583,725)		(583,725)
Interest on Long Term Debt	2,085,254			(2,085,254)		(2,085,254)
<b>Total Governmental Activities</b>	<b>\$ 92,421,333</b>	<b>\$ 222,045</b>	<b>\$ 2,258,008</b>	<b>\$ (89,941,280)</b>		<b>\$ (89,941,280)</b>
<b>Business-Type Activities:</b>						
Food Service	\$ 2,965,761	\$ 1,325,315	\$ 1,551,341		\$ (89,105)	\$ (89,105)
School Facilities	211,707	342,360			130,653	130,653
Integrated Pre-K	129,137	214,005			84,868	84,868
Summer Enrichment	57,947	45,085			(12,862)	(12,862)
<b>Total Business-Type Activities</b>	<b>\$ 3,364,552</b>	<b>\$ 1,926,765</b>	<b>\$ 1,551,341</b>		<b>\$ 113,554</b>	<b>\$ 113,554</b>
<b>Total Primary Government</b>	<b>\$ 95,785,885</b>	<b>\$ 2,148,810</b>	<b>\$ 3,809,349</b>	<b>\$ (89,941,280)</b>	<b>\$ 113,554</b>	<b>\$ (89,827,726)</b>

General Revenues

## Property Taxes Levied for:

General Purposes	\$ 69,174,056	\$ 69,174,056
Debt Service	6,108,985	6,108,985
Federal and State Aid Not Restricted	19,462,987	19,462,987
Investment Earnings	34,401	34,401
Special and Extraordinary, Net Fixed Assets	80,526	80,526
Miscellaneous Income	261,520	261,520

Total General Revenues \$ 95,122,475 \$ 95,122,475

Change in Net Position \$ 5,181,195 \$ 113,554 \$ 5,294,749

Net Position - Beginning \$ 53,363,867 \$ 828,764 \$ 54,192,631

Net Position - Ending \$ 58,545,062 \$ 942,318 \$ 59,487,380

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, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 5,276,121				\$ 5,276,121
Intergovernmental Accounts Receivable	555,717	1,111,323		114,474	1,667,040
Interfund Receivable	541,035				541,035
Restricted Cash and Cash Equivalents	4,400,000				4,400,000
Total Assets	<u>\$ 10,772,873</u>	<u>\$ 1,111,323</u>	<u>\$ 357,031</u>	<u>\$ 114,474</u>	<u>\$ 12,355,701</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Cash and Cash Equivalents Overdraft		326,274			\$ 326,274
Accounts Payable	320,428	126,412			446,840
Accrued Liability for Arbitrage			12,172		12,172
Other Current Liabilities	100,084		40,156		140,240
Intergovernmental Accounts Payable		2,203			2,203
Interfund Payable		541,000	35		541,035
Unearned Revenue		115,434			115,434
Total Liabilities	<u>\$ 420,512</u>	<u>\$ 1,111,323</u>	<u>\$ 52,363</u>		<u>\$ 1,584,198</u>
Fund Balances					
Committed for Year-End Encumbrances	\$ 4,230,138				\$ 4,230,138
Restricted:					
Capital Reserve Account	4,400,000			2,960	4,400,000
Assigned - Designated for Subsequent Year's Expenditures					
Unassigned:					
General Fund	1,722,223				1,722,223
Debt Service Fund				111,514	111,514
Capital Projects			304,668		304,668
Total Fund Balances	<u>\$ 10,352,361</u>		<u>\$ 304,668</u>	<u>\$ 114,474</u>	<u>\$ 10,771,503</u>
Total Liabilities and Fund Balance	<u>\$ 10,772,873</u>	<u>\$ 1,111,323</u>	<u>\$ 357,031</u>	<u>\$ 114,474</u>	<u>\$ 12,355,701</u>

BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2013

	<u>Total Governmental Funds</u>
Total Fund Balances above	\$ 10,771,503
Amounts reported for <i>governmental activities</i> in the Statement of Net Position (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 \$145,465,336 and the accumulated depreciation is \$42,081,750. (see Note 5)	103,383,586
Noncurrent 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)	(54,661,600)
Certain liabilities are not due and payable in the current period, and therefore are not reported in the funds: Accrued Interest Payable (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.)	<u>(948,427)</u>
	<u>\$ 58,545,062</u>
	<u>Net position of governmental activities (A-1)</u>

BOARD OF EDUCATION  
 NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
 COUNTY OF MIDDLESEX  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
 GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

REVENUES

	General Fund	Special Revenue Fund	Permanent Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Local sources:						
Local tax levy	\$ 69,174,056				\$ 6,108,985	\$ 75,283,041
Interest on Investments			\$ 45	\$ 35		80
Interest earned on capital reserve funds	6,783					6,783
Miscellaneous	439,918	\$ 54,234				494,152
Total - Local Sources	\$ 69,620,757	\$ 54,234	\$ 45	\$ 35	\$ 6,108,985	\$ 75,784,056
State Sources	19,376,707	30,098				19,406,805
Federal Sources	86,280	2,278,345				2,364,625
Total Revenues	\$ 89,083,744	\$ 2,362,677	\$ 45	\$ 35	\$ 6,108,985	\$ 97,555,486

EXPENDITURES

Current:						
Regular Instruction	\$ 24,356,577	\$ 1,781,874				\$ 26,138,451
Special Education Instruction	6,826,261					6,826,261
Other Special Instruction	2,169,656					2,169,656
Other Instruction	1,105,472					1,105,472
Support Services and Undistributed Costs:						
Tuition	2,348,908					2,348,908
Student and Instruction Related Services	7,584,174	476,134				8,060,308
Other Administrative Services	1,028,674					1,028,674
School Administrative Services	3,643,151					3,643,151
Plant Operations and Maintenance	6,530,091					6,530,091
Pupil Transportation	4,277,157					4,277,157
Employee Benefits	24,033,698	104,669				24,138,367
Transfer to Charter Schools	583,725					583,725
Debt Service:						
Principal					\$ 4,000,000	4,000,000
Interest					2,013,323	2,013,323
Capital Outlay	1,541,648			\$ 85,415		1,627,063
Total Expenditures	\$ 86,029,192	\$ 2,362,677		\$ 85,415	\$ 6,013,323	\$ 94,490,607

BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General Fund	Special Revenue Fund	Permanent Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 3,054,552		\$ 45	\$ (85,380)	\$ 95,662	\$ 3,064,879
Other Financing Sources/(Uses):						
Transfer In/(Out)						
Interest earned	35					
Excess bond refunding proceeds				(35)	\$ 11,399	\$ 11,399
Refund of Scholarship to Donor			\$ (44,883)			(44,883)
Total Other Financing Sources (Uses)	\$ 35		\$ (44,883)	\$ (35)	\$ 11,399	\$ (33,484)
Net Change in Fund Balances	\$ 3,054,587		\$ (44,838)	\$ (85,415)	\$ 107,061	\$ 3,031,395
Fund Balance - July 1	7,297,774		44,838	390,083	7,413	7,740,108
Fund Balance - June 30	\$ 10,352,361			\$ 304,668	\$ 114,474	\$ 10,771,503

BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Total Net Change in Fund Balance - Governmental Funds (from B-2) \$ 3,031,395

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	\$ 1,768,732	
Fixed Assets Retired, Net	(61,143)	
Depreciation expense	<u>(3,538,797)</u>	(1,831,208)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 4,000,000

In the statement of activities, interest on noncurrent 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. (71,931)

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. 52,939

Change in Net Position of Governmental Activities \$ 5,181,195

**PROPRIETARY FUNDS –  
ENTERPRISE FUNDS**

**BOARD OF EDUCATION**  
**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**PROPRIETARY FUNDS - ENTERPRISE FUND**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

	<u>Business-Type Activities</u> <u>Enterprise Funds</u>
<u>ASSETS</u>	<u>Total Enterprise</u>
Current Assets:	
Cash and Cash Equivalents	\$ 897,017
Accounts Receivable:	
State Sources	2,394
Federal Sources	118,568
Other	75,690
Inventories	<u>62,708</u>
Total Current Assets	\$ <u>1,156,377</u>
Noncurrent Assets:	
Furniture, Machinery and Equipment	\$ 687,514
Less: Accumulated Depreciation	<u>568,369</u>
Total Noncurrent Assets	\$ <u>119,145</u>
Total Assets	\$ <u><u>1,275,522</u></u>
 <u>LIABILITIES</u>  	
Current Liabilities:	
Accounts Payable	\$ 252,141
Unearned Revenue	<u>81,061</u>
Total Liabilities	\$ <u><u>333,202</u></u>
 <u>NET POSITION</u>  	
Invested in Capital Assets	\$ 119,144
Unrestricted	<u>823,174</u>
Total Net Position	\$ <u><u>942,318</u></u>

BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
PROPRIETARY FUNDS - ENTERPRISE FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Business-Type Activities
	<u>Enterprise Funds</u>
	<u>Total Enterprise</u>
<u>OPERATING REVENUES</u>	
Local Sources:	
Daily sales - reimbursable programs:	
School lunch program	\$ 438,819
School breakfast program	17,966
School after school snack program	26,427
Daily sales - non-reimbursable programs	842,103
Tuition and services	<u>601,450</u>
 Total operating revenues	 \$ <u>1,926,765</u>
<u>OPERATING EXPENSES</u>	
Cost of sales	1,379,320
Salaries	1,147,145
Employee benefits	201,426
Insurance	83,848
General Supplies	296,231
Management fee	119,337
Depreciation	10,626
Administration Fee	121,587
Other	<u>5,033</u>
 Total operating expenses	 \$ <u>3,364,553</u>
 Operating loss	 \$ <u>(1,437,788)</u>
<u>NONOPERATING REVENUES</u>	
State sources:	
State school lunch program	\$ 27,481
Federal sources:	
National school lunch program	958,701
National breakfast program	361,812
School snack program	9,539
Food distribution program	<u>193,807</u>
 Total nonoperating revenues	 \$ <u>1,551,340</u>
 Change in net position	 \$ 113,552
Total net position - beginning	<u>828,765</u>
Total net position - ending	<u>\$ 942,317</u>

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, 2013

	<u>Business-Type Activities</u> <u>Enterprise Funds</u>
	<u>Total Enterprise</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers	\$ 1,930,265
Payments to Employees	(1,147,145)
Payments for Employee Benefits	(201,426)
Payments to Suppliers	(1,677,338)
Payment of Management Fee	<u>(119,337)</u>
Net Cash Used by Operating Activities	<u>(1,214,981)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
State Sources	\$ 26,475
Federal Sources	<u>1,276,166</u>
Net Cash Provided by Noncapital Financing Activities	<u>\$ 1,302,641</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Purchase of Capital Assets	\$ <u>                    </u>
Net Cash Used by Capital and Related Financing Activities	\$ <u>                    </u>
Net increase in cash and cash equivalents	\$ 87,660
Cash and cash equivalents - beginning of year	<u>811,357</u>
Cash and cash equivalents - end of year	<u><u>\$ 899,017</u></u>
Reconciliation of Operating Loss to Net Cash <u>Used by Operating Activities</u>	
Operating Loss	\$ <u>(1,437,788)</u>
Adjustments to Reconcile Operating Loss to Cash Used by Operating Activities:	
Depreciation	\$ 10,627
Federal Commodities	193,807
Change in Assets and Liabilities:	
(Increase) in Accounts Receivable	(14,578)
Decrease in Interfund Receivable	6,989
Increase in Accounts Payable	27,450
(Decrease) in Unearned Revenue	<u>(3,488)</u>
Total Adjustments	<u>\$ 220,807</u>
Net Cash Used by Operating Activities	<u><u>\$ (1,216,981)</u></u>

## FIDUCIARY FUNDS

BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2013

	<u>Trust Funds</u>	<u>Agency Fund</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ <u>667,988</u>	\$ <u>801,648</u>
Total Assets	\$ <u><u>667,988</u></u>	\$ <u><u>801,648</u></u>
<u>LIABILITIES</u>		
Payable to Student Groups		\$ 252,403
Payroll Deductions and Withholdings	<u>                    </u>	<u>549,245</u>
Total Liabilities	<u><u>                    </u></u>	\$ <u><u>801,648</u></u>
<u>NET POSITION</u>		
Held in Trust for Unemployment Claims and Other Purposes	\$ 626,673	
Unreserved	<u>41,315</u>	
Total Net Position	\$ <u><u>667,988</u></u>	

**BOARD OF EDUCATION**  
**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**COMBINING STATEMENT OF CHANGE IN NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2013**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Trust Fund</u>
<b><u>ADDITIONS</u></b>		
Contributions:		
General Fund Contribution	\$ 115,360	
Interest Earned		\$ 45
Total Contributions	<u>\$ 115,360</u>	<u>\$ 45</u>
Total Additions	<u>\$ 115,360</u>	<u>\$ 45</u>
<b><u>DEDUCTIONS</u></b>		
Claim Paid	\$ 60,450	
Refund of Scholarship Funds to Donor		\$ 44,806
Total Deductions	<u>60,450</u>	<u>\$ 44,806</u>
Change in Net Position	\$ 54,910	\$ (44,761)
Total Net Position - Beginning of the Year	<u>\$ 571,763</u>	<u>\$ 44,761</u>
Total Net Position - Ending of the Year	<u><u>\$ 626,673</u></u>	<u><u>                    </u></u>

**NOTES TO THE FINANCIAL STATEMENTS**

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**

**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, 2013 of 6,095 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 position 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 position 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, 2013**

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

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

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

The statement of net position 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, 2013**

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, 2013**

**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 statement of net position. Their reported fund equity (net position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

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 statement of net position. 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, 2013**

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 Position.

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, 2013**

**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 statement of net position. Fund equity (i.e., net position) 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 position.

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 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 noncurrent 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".

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, 2013**

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

**E. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the winter of each year for the general, special revenue, and debt service funds. The budgets are voted on by the District, submitted to the County office for approval and if determined to be within the allowable tax levy cap and within the allowable appropriation cap, become effective upon the holding of a public hearing and final adoption by the District. 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, 2013**

**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.	\$ 89,171,214	\$ 2,458,465
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	(95,788)
State aid payments recognized per GAAP standards in the current year previously recognized for budgetary purposes.	986,358	None
The last two (2) State aid payments are 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>(1,073,828)</u>	<u>None</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 89,083,744</u>	<u>\$ 2,362,677</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 86,029,192	\$ 2,458,465
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>(95,788)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 86,029,192</u>	<u>\$ 2,362,677</u>

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2013**

**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, 2013**

**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, 2013.

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 2011-2012 and 2012-2013 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

6. Current Interfund Receivables/Payables

Current 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 position 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, 2013**

**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, 2013**

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

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

9. Accrued Liabilities and Noncurrent Obligations

All payables, accrued liabilities and noncurrent 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 Position

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* became effective for financial statements for periods beginning after December 15, 2011 and established standards for reporting deferred outflows of resources, deferred inflows of resources and net position. The adoption of this statement resulted in a change in the presentation of the statement of net position to what is now referred to as the statement of net position and the term "net assets" is changed to "net position" throughout the financial statements. Net Position represents the difference between assets, deferred outflows, deferred inflows and liabilities in the government-wide financial statements. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any noncurrent debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

11. Unearned (Deferred) Revenue

Unearned revenue in all funds 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.

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2013**

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

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

**13. Fund Balance**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five (5) categories, as defined below:

1. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, noncurrent receivables and corpus of any permanent funds.
2. Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.
3. Committed – includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revised or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
4. Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
5. Unassigned – includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a position unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2013**

**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.

19. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2013 through November 15, 2013, the date that the financial statements are issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2013**

**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, 2013**

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

**A. Deposits (Continued)**

As of June 30, 2013, cash and cash equivalents (Deposits) of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking Accounts - Interest Bearing	\$ 16,007,891
MBIA Asset Management	317,964
Certificate of Deposit	30,000
	\$ 16,355,855
 Reconciliation:	
Governmental Funds	\$ 13,608,485
Proprietary Funds	897,017
Fiduciary Funds	1,850,353
	\$ 16,355,855

Of the total amount deposits of \$4,400,000 has been earmarked towards the Capital Reserve Account (see Note 14).

**Allocation of Cash and Cash Equivalents**

Unrestricted	\$ 11,651,187
Restricted	4,704,668
	\$ 16,355,855

Risk Analysis – The 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, 2013 which minimizes credit risk.

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2013**

**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, 2013 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, 2013**

**4. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE**

Intergovernmental Accounts Receivable at June 30, 2013 consisted of Federal source, State source, transportation, 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		
Federal Aid:		
Education Jobs Fund	\$ 1,078	
State Aid:		
Extraordinary Special Education Aid	369,944	
TPAF FICA Reimbursement	134,668	
Non Public Transportation	<u>50,027</u>	
	<u>\$ 555,717</u>	
Special Revenue Fund		
Federal Aid:		
Title I	\$ 204,672	
Title II	21,746	
Perkins	18,075	
Title III Part A Carryover	8,029	
Title III Immigrant	8,533	
IDEA Part B Basic Regular	244,602	
IDEA Part B Preschool	33,394	
EE4NJ	21,000	
RTTP	12,300	
State Aid:		
NJ Non-Public	69	
PSLP	5,250	
Local Aid:		
Soil Remediation - Township	532,240	
MRESA - Refund Non-Public	<u>1,413</u>	
	<u>\$ 1,111,323</u>	
	<u>\$ 1,667,040</u>	
Proprietary Fund		
Enterprise Fund:		
State Source		<u>\$ 2,394</u>
Federal Source		<u>\$ 115,588</u>

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2013**

**5. CAPITAL ASSETS, NET**

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers (Retirements)</u>	<u>Ending Balance</u>
<b><u>Governmental Activities:</u></b>				
Capital assets not being depreciated:				
Land	\$ 14,000			\$ 14,000
Total capital assets not being depreciated	<u>14,000</u>			<u>14,000</u>
Capital assets being depreciated:				
Building and Building Improvements	137,264,729	\$ 1,333,148		138,597,877
Machinery and Equipment	<u>6,479,018</u>	<u>435,584</u>	\$ 61,143	<u>6,853,459</u>
Total at historical cost	<u>143,743,747</u>	<u>1,768,732</u>	<u>61,143</u>	<u>145,451,336</u>
Less accumulated depreciation for:				
Building and Building Improvements	(35,440,938)	(3,066,383)		(38,507,321)
Machinery and Equipment	<u>(3,102,014)</u>	<u>(472,414)</u>		<u>(3,574,428)</u>
Total accumulated depreciation	<u>(38,542,952)</u>	<u>(3,538,797)</u>		<u>(42,081,749)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>105,200,795</u>	<u>(1,770,065)</u>	<u>61,143</u>	<u>103,369,587</u>
Governmental activities capital assets, net	<u>\$ 105,214,795</u>	<u>\$ (1,770,065)</u>	<u>\$ 61,143</u>	<u>\$ 103,383,587</u>
<b><u>Business-Type Activities:</u></b>				
Furniture, machinery and equipment	\$ 687,514			\$ 687,514
Less accumulated depreciation for:				
Furniture, machinery and equipment	<u>(557,753)</u>	\$ (10,616)		<u>(568,369)</u>
Business type activities capital assets, net	<u>\$ 129,761</u>	<u>\$ (10,616)</u>		<u>\$ 119,145</u>
<b><u>Detail of additions</u></b>				
<b>Governmental Activities:</b>				
General Fund		\$ 1,541,648		
Capital Projects Fund		85,415		
Other Sources - Adj.		<u>141,669</u>		
		<u>\$ 1,768,732</u>		

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2013**

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

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 1,547,338
Special Education Instruction	404,100
Other Special Instruction	128,439
Other Instruction	65,441
Support Services and Undistributed Cost:	
Student and Instruction Related Services	477,152
School Administrative Services	60,895
General and Business Administrative Services	215,667
Plant Operations and Maintenance	386,567
Pupil Transportation	<u>253,198</u>
Total	\$ <u><u>3,538,797</u></u>

**6. INVENTORY**

The value of Federal donated commodities as reflected on Schedule A of \$193,807 (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, 2013, the federal donated commodities food inventory of \$20,695 was included in the year end food and supplies amount of \$62,709.

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2013**

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

During the fiscal year ended June 30, 2013 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>Noncurrent Portion</u>
<u>Governmental Activities:</u>						
Bonds Payable -						
General Obligation						
Debt	\$ 55,976,000		\$ 4,000,000	\$ 51,976,000	\$ 3,840,000	\$ 48,136,000
Compensated						
Absences Payable	\$ 2,738,540	\$ 237,399	\$ 290,339	\$ 2,685,600	\$ 268,560	\$ 2,417,040
	<u>\$ 58,714,540</u>	<u>\$ 237,399</u>	<u>\$ 4,290,339</u>	<u>\$ 54,661,600</u>	<u>\$ 4,108,560</u>	<u>\$ 50,553,040</u>

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

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. During the year ended June 30, 2012 \$23,331,000 of this issue was refunded by the School District Refunding Bonds Series 2012. Remaining annual maturities of \$250,000 each. Final maturity is due January 15, 2015 with interest rate on remaining maturities of 4.50%.

\$ 500,000

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, 2013**

**7. NONCURRENT (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 \$325,000 to \$506,000. Final maturity is due on March 15, 2026 with interest rates on remaining maturities ranging from 4.0% to 4.10%. \$ 5,446,000

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 \$2,505,000 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%. \$ 5,115,000

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

School District Refunding Bonds, Series 2010

Refinancing of \$18,199,000 of 2002 Series Bonds due on or after July 15, 2022, 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.

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2013**

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

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

School District Refunding Bonds, Series 2012

Refinancing of \$24,781,000 of 2005 Series Bonds due on or after October 15, 2025, Authorized and Issued \$23,540,000 dated May 23, 2012. Annual remaining maturities of \$30,000 to \$4,700,000. Final maturity is due on January 15, 2025 with interest rates on remaining maturities ranging from 2.0% to 5.0%.	\$ 23,185,000
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Redemption: The bonds are not subject to redemption prior to their stated maturities.

TOTAL	\$ 51,976,000
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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, 2012 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, 2013**

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

**B. Debt Service Requirements**

Debt service requirements on serial bonds payable at June 30, 2013 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2014	\$ 3,840,000	\$ 1,237,301	\$ 5,077,301
2015	4,205,000	1,076,238	5,281,238
2016	3,600,000	867,589	4,467,589
2017	3,740,000	784,288	4,524,288
2018	3,885,000	697,188	4,582,188
	<u>19,270,000</u>	<u>4,662,604</u>	<u>23,932,604</u>
2019	4,040,000	605,889	4,645,889
2020	4,185,000	505,301	4,690,301
2021	4,370,000	394,876	4,764,876
2022	4,580,000	272,989	4,852,989
2023	4,805,000	139,561	4,944,561
	<u>21,980,000</u>	<u>1,918,616</u>	<u>23,898,616</u>
2024	5,020,000	61,336	5,081,336
2025	5,200,000	41,246	5,241,246
2026	506,000	20,746	526,746
	<u>10,726,000</u>	<u>123,328</u>	<u>10,849,328</u>
Total	<u>\$ 51,976,000</u>	<u>\$ 6,704,548</u>	<u>\$ 58,680,548</u>

**C. Bonds Authorized But Not Issued**

As of June 30, 2013, 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.

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2013**

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

**D. Defeasance**

2002 Series Bonds

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. The present value savings at the time refunding was \$606,166.99 or 3.347%.

2005 Series Bonds

On May 23, 2012 the Board issued \$23,540,000 (refer to Note 7A) in general obligation (refunding) bonds to advance refund \$23,331,000 of outstanding 2005 Series Bonds callable on or after January 15, 2016. The net proceeds which included a premium of \$2,911,931 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 2005 Series Bonds, which were included in the refunding. As a result, the related portion of the 2005 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. The present value savings at the time refunding was \$1,103,130.33 or 4.728%.

**F. Operating Lease Obligation**

The District leases twenty (20) copy machines of various sizes and capability which is part of a revolving lease plan that requires the Board to pay a monthly fee plus a factor for each copy over a certain amount for sixty (60) months, commencing July 1, 2012. The lease payments charged to the operating budget and the minimum annual lease payments are \$193,637.

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2013**

**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 in January 1955 under the provisions of N.J.S.A.18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 61 and 62, respectively, with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

**Public Employees' Retirement System (PERS):** The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 61 and 62, respectively with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60<sup>th</sup> of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2013**

**8. PENSION PLANS (CONTINUED)**

**Funding Policy:** The contribution policy is set by New Jersey Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS increased from 5.5% to 6.5% of employees' annual compensation. An additional increase is to be phased in over the next seven years that will bring the total pension contribution rate to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2013 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**

Year Funding	Three-Year Trend Information for PERS			Percentage of APC Contributed	Employee Contribution
	Annual Pension Cost		Net Cost to District		
	Normal	Accrued			
June 30, 2013	\$ 253,996	\$ 607,310	\$ 861,306	100%	\$ 506,984
June 30, 2012	305,605	611,211	58,412	100%	486,860
June 30, 2011	345,339	550,274	68,021	100%	484,596

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

Year Funding June 30	Pension Paid on-behalf of District						TPAF FICA
	Cost (APC)	APC Contributed	Normal & Accrued	NCGI Premium	Total On-Behalf of	Employee Contribution	
2013	\$ None	100%	\$ 1,678,328	\$ 118,762	\$ 2,376,016	\$ 2,389,023	\$ 2,734,442
2012	None	100%	1,045,848	112,234	1,158,082	2,211,807	2,654,483
2011	None	100%	None	114,364	114,364	1,925,178	2,667,423

During the fiscal year ended June 30, 2013, the State of New Jersey contributed \$1,237,016 to the TPAF for normal pension. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,734,442 during the year ended June 30, 2013 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.

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2013**

**8. PENSION PLANS (CONTINUED)**

**Funding Policy (Continued):**

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 the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2012, there were 97,661 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.

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 \$146.60 million toward Chapter 126 benefits for 16,618 eligible retired members in fiscal year 2012.

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with parameters of GASB 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to SHBP Fund for PERS retirees' post-retirement benefits on behalf of the District was not determined or made available by the State of New Jersey.

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

<u>Year Ending</u>	<u>Post-Retirement Medical</u>
June 30, 2013	\$ 2,686,974
June 30, 2012	2,328,046
June 30, 2011	2,429,095

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2013**

**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 position in the current and noncurrent liabilities. The current portion of the compensated absence balance of the governmental funds is shown separately from the noncurrent 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, 2013 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, 2013**

**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>
2013	\$ 115,360	\$ -	\$ -	\$ 60,450	\$ 626,673
2012	74,492	566	-	-	571,763
2011	500,000	1,385	73,273	292,797	496,705

**Health Benefits:** The Board of Education has procured medical insurance coverage for its employees under a "traditional premium plan".

As of June 30, 2011 the District terminated its claims made basis insurance plan. At June 30, 2013 the Board does not have an accrued liability for medical claims from the prior medical insurance plan.

**13. INTERFUND BALANCES AND TRANSFERS**

The interfund receivable/payable as of June 30, 2013 will be liquidated in the normal course of business in the succeeding year.

	<u>Receivable</u>	<u>Payable</u>
Governmental Funds:		
General Fund	\$ 541,035	
Special Revenue Fund		\$ 541,000
Capital Projects Fund		35
	<u>\$ 541,035</u>	<u>\$ 541,035</u>

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2013**

**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.

Analysis of Capital Reserve Activity since Inception:

Contributions from Board			
Prior to June 30, 2012	\$	7,527,400	
During year ended June 30, 2013		<u>3,514,312</u>	\$ 11,041,712
Interest Earned			
Prior to June 30, 2012	\$	35,040	
During year ended June 30, 2013		<u>6,782</u>	\$ 41,822
Less Withdrawals:			
Prior to June 30, 2012	\$	2,379,030	
During year ended June 30, 2013		<u>4,304,504</u>	<u>\$ 6,683,534</u>
Balance June 30, 2013			<u>\$ 4,400,000</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.

**15. FUND BALANCE APPROPRIATED**

**General Fund** - Of the \$10,352,361 General Fund fund balance at June 30, 2013, \$4,230,138 is committed for year-end encumbrances; \$4,400,000 is restricted for the Capital Reserve Account, and \$1,722,223 is unassigned.

**Debt Service Fund** – Of the \$114,474 Debt Service Fund fund balance at June 30, 2013, \$111,514 is unassigned and \$2,960 is assigned – designated for subsequent year's expenditures.

**Capital Projects Fund** – Of the \$304,668 Capital Projects Fund fund balance at June 30, 2013 is unassigned.

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2013**

**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 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. **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 2011-2012 or 2012-2013 school years at June 30, 2013.

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

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

	<u>Total</u>	<u>Restricted</u>		<u>Unassigned</u>
		<u>Emergency Reserve</u>	<u>Maintenance Reserve</u>	
Balance on a Budget Basis on the General Fund Budgetary Basic Comparison	\$ 2,796,051	\$ 467,000	\$ 600,000	\$ 1,729,051
Less: Allocation of state aid payment not recognized on a GAAP basis	<u>1,073,828</u>	<u>467,000</u>	<u>600,000</u>	<u>6,828</u>
	<u>\$ 1,722,223</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ 1,722,223</u>

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2013**

**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.

**20. PRIOR PERIOD RESTATEMENT – DISTRICT-WIDE FINANCIAL STATEMENTS**

GASB Statement No. 65 related to *Items Previously Reported as Assets and Liabilities* allows for the adjustment of the previously amortizable debt issue costs, premium on sale of bonds and loss on defeasance (refinancing). The statement of net position as of June 30, 2012 has been restated to provide for the cumulative impact of the adjustment; there is no impact on the governmental funds fund balance.

**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, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 69,174,056		\$ 69,174,056	\$ 69,174,056	
Miscellaneous	51,500		51,500	439,918	\$ 388,418
Interest Earned on Capital Reserve	500		500	6,783	6,283
Total - local sources	<u>\$ 69,226,056</u>		<u>\$ 69,226,056</u>	<u>\$ 69,620,757</u>	<u>\$ 394,701</u>
State sources:					
Special Education Categorical Aid	\$ 3,595,070		\$ 3,595,070	\$ 3,595,070	
Equalization Aid	6,746,653		6,746,653	6,746,653	
Extraordinary aid	250,000		250,000	369,944	\$ 119,944
Security Aid	501,010		501,010	501,010	
Transportation Aid	404,041		404,041	404,041	
Non Public Transportation Aid				50,027	50,027
On behalf - TPAF - Pension Contribution (Non-budgeted)				2,376,016	2,376,016
On behalf - TPAF - Post Retirement Medical (Non-budgeted)				2,886,974	2,886,974
Reimbursed TPAF social security contributions (Non-budgeted)				2,734,442	2,734,442
Total - state sources	<u>\$ 11,496,774</u>		<u>\$ 11,496,774</u>	<u>\$ 19,464,177</u>	<u>\$ 7,967,403</u>
Federal sources:					
Educational Jobs Fund		\$ 1,078	\$ 1,078	1,078	
Semi aid	74,579		74,579	85,202	\$ 10,623
Total - federal sources	<u>\$ 74,579</u>	<u>\$ 1,078</u>	<u>\$ 75,657</u>	<u>\$ 86,280</u>	<u>\$ 10,623</u>
<b>TOTAL REVENUES</b>	<u>\$ 80,797,409</u>	<u>\$ 1,078</u>	<u>\$ 80,798,487</u>	<u>\$ 89,171,214</u>	<u>\$ 8,372,727</u>

BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	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	\$ 400,000	\$ 231,400	\$ 631,400	\$ 583,725	\$ 47,675
Subtotal transfer of funds to charter schools	\$ 400,000	\$ 231,400	\$ 631,400	\$ 583,725	\$ 47,675
Regular programs - instruction:					
Salaries of teachers:	\$ 1,380,594		\$ 1,380,594	\$ 1,268,376	\$ 112,218
Kindergarten	8,403,661	356,181	8,759,842	8,439,930	319,912
Grades 1 - 5	5,257,865	213,550	5,471,415	5,173,142	298,273
Grades 6 - 8	7,731,098	183,925	7,915,023	7,728,900	186,123
Grades 9 - 12	22,773,218	753,656	23,526,874	22,610,348	\$ 916,526
Regular programs - home instruction:					
Salaries of teachers	\$ 75,000	\$ 21,250	\$ 96,250	\$ 96,250	
Purchased professional - education services	15,000	1,430	16,430	16,430	
Total regular programs - home instruction	\$ 90,000	\$ 22,680	\$ 112,680	\$ 112,680	
Regular programs - undistributed instruction:					
Other salaries for instruction	\$ 252,920	\$ 23,257	\$ 276,177	\$ 276,177	
Purchased professional - educational services	2,000	(2,000)	370,682	361,749	\$ 8,933
Other purchased services (400-500 Series)	398,620	(27,938)	793,311	768,432	24,879
General supplies	1,323,412	(530,101)	221,418	217,553	3,865
Textbooks	385,118	(163,700)	13,652	9,638	4,014
Other objects	13,575	77	13,652	9,638	4,014
Total regular programs - undistributed instruction	\$ 2,375,645	\$ (700,405)	\$ 1,675,240	\$ 1,633,549	\$ 41,691
Total regular programs - instructions	\$ 25,238,863	\$ 75,931	\$ 25,314,794	\$ 24,356,577	\$ 958,217

**BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>Special education instruction:</b>					
Learning and/or language disabilities:					
Salaries of teachers	\$ 968,464	\$ (8,179)	\$ 960,285	\$ 960,216	\$ 69
Other salaries for instruction	357,418	80,493	437,911	437,428	483
General supplies	9,500	(836)	8,664	8,557	107
Textbooks	600		600	198	402
<b>Total learning and/or language disabilities</b>	<b>\$ 1,335,982</b>	<b>\$ 71,478</b>	<b>\$ 1,407,460</b>	<b>\$ 1,405,399</b>	<b>\$ 1,061</b>
<b>Behavioral Disabilities:</b>					
Salaries of teachers	\$ 182,137	\$ (5,817)	\$ 176,320	\$ 176,320	\$
Other salaries for instruction	45,686	4,731	50,417	49,922	\$ 495
General Supplies	5,000		5,000	2,672	2,328
<b>Total Behavioral Disabilities</b>	<b>\$ 232,823</b>	<b>\$ (1,086)</b>	<b>\$ 231,737</b>	<b>\$ 228,914</b>	<b>\$ 2,823</b>
<b>Multiple Disabilities:</b>					
Salaries of teachers	\$ 108,702	\$ 7,613	\$ 116,315	\$ 105,420	\$ 10,895
Other salaries for instruction	17,340		17,340	14,683	2,657
General supplies	2,250	527	2,777	2,144	633
<b>Total Multiple Disabilities</b>	<b>\$ 128,292</b>	<b>\$ 8,140</b>	<b>\$ 136,432</b>	<b>\$ 122,247</b>	<b>\$ 14,185</b>
<b>Resource room/resource center:</b>					
Salaries of teachers	\$ 3,998,436	\$ (263,652)	\$ 3,734,784	\$ 3,671,015	\$ 63,769
Other salaries for instruction	690,501	(16,146)	674,355	674,355	\$
General supplies	5,185	23	5,208	4,371	837
Textbooks	1,200		1,200	887	313
<b>Total resource room/resource center</b>	<b>\$ 4,695,322</b>	<b>\$ (279,775)</b>	<b>\$ 4,415,547</b>	<b>\$ 4,350,628</b>	<b>\$ 64,919</b>
<b>Autism:</b>					
General Supplies	\$ 3,000	\$ 501	\$ 3,501	\$ 3,501	\$
<b>Total Autism</b>	<b>\$ 3,000</b>	<b>\$ 501</b>	<b>\$ 3,501</b>	<b>\$ 3,501</b>	<b>\$</b>
<b>Preschool disabilities - part-time:</b>					
Salaries of teachers	\$ 69,480	\$ 2,934	\$ 72,414	\$ 72,232	\$ 182
Other salaries for instruction	31,916	(674)	31,242	18,431	12,811
General supplies	2,600		2,600	2,582	18
<b>Total preschool disabilities-part-time</b>	<b>\$ 103,996</b>	<b>\$ 2,260</b>	<b>\$ 106,256</b>	<b>\$ 93,245</b>	<b>\$ 13,011</b>

BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Preschool disabilities - full time					
Salaries of teachers	\$ 248,227	\$ 71,292	\$ 319,519	\$ 276,294	\$ 43,225
Other salaries for instruction	197,852	35,892	233,744	193,355	40,389
General supplies	14,800		14,800	14,714	86
<b>Total preschool disabilities-full-time</b>	<b>\$ 460,879</b>	<b>\$ 107,184</b>	<b>\$ 568,063</b>	<b>\$ 484,363</b>	<b>\$ 83,700</b>
Home Instruction:					
Salaries of teachers	\$ 130,000		\$ 130,000	\$ 91,872	\$ 38,128
Purchased professional-educational services	50,000		50,000	45,092	4,908
<b>Total home instruction</b>	<b>\$ 180,000</b>		<b>\$ 180,000</b>	<b>\$ 136,964</b>	<b>\$ 43,036</b>
<b>Total special education - instruction</b>	<b>\$ 7,140,294</b>	<b>\$ (91,298)</b>	<b>\$ 7,048,996</b>	<b>\$ 6,826,261</b>	<b>\$ 222,735</b>
Basic skills/remedial - Instruction:					
Salaries of Teachers	\$ 1,244,489	\$ 291,960	\$ 1,536,449	\$ 1,488,430	\$ 48,019
Other salaries for instruction	7,000	164	7,164	164	191
General supplies		(4,060)	2,940	2,749	191
<b>Total basic skills/remedial - Instruction</b>	<b>\$ 1,251,489</b>	<b>\$ 288,064</b>	<b>\$ 1,539,553</b>	<b>\$ 1,491,343</b>	<b>\$ 48,210</b>
Bilingual education - Instruction:					
Salaries of teachers	\$ 684,680	\$ (10,070)	\$ 674,610	\$ 655,322	\$ 19,288
Other salaries for instruction	13,289	9,670	22,959	14,448	8,521
General supplies	8,500	400	8,900	8,543	357
<b>Total bilingual education - Instruction</b>	<b>\$ 706,479</b>		<b>\$ 706,479</b>	<b>\$ 678,313</b>	<b>\$ 28,166</b>
School sponsored co/extra - curricular activities - Instructions:					
Salaries	\$ 234,727	\$ (7,000)	\$ 227,727	\$ 221,394	\$ 6,333
Supplies and materials	18,940		18,940	11,595	7,345
<b>Total school sponsored co/extra - curricular activities - Instruction</b>	<b>\$ 253,667</b>	<b>\$ (7,000)</b>	<b>\$ 246,667</b>	<b>\$ 232,989</b>	<b>\$ 13,678</b>
School sponsored athletics - Instruction:					
Salaries	\$ 506,462	\$ 8,112	\$ 514,574	\$ 514,574	\$ 2,064
Purchased services (300-500 Series)	90,897	(15,472)	75,425	73,361	813
Supplies and materials	134,199	2,574	136,773	135,960	813
Other objects	25,650	16,900	42,550	40,046	2,504
<b>Total school sponsored athletic activities</b>	<b>\$ 757,208</b>	<b>\$ 12,114</b>	<b>\$ 769,322</b>	<b>\$ 763,941</b>	<b>\$ 5,381</b>

**BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Before/After School programs:					
Salaries	\$ 104,837	\$ 3,705	\$ 108,542	\$ 108,542	
<b>TOTAL Before/After School Programs</b>	<b>\$ 104,837</b>	<b>\$ 3,705</b>	<b>\$ 108,542</b>	<b>\$ 108,542</b>	
Total special programs	\$ 3,073,680	\$ 296,883	\$ 3,370,563	\$ 3,275,128	\$ 95,435
Total instructional programs	\$ 35,452,837	\$ 281,516	\$ 35,734,353	\$ 34,457,966	\$ 1,276,387
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state - regular	\$ 195,569	\$ 191,120	\$ 386,689	\$ 297,633	\$ 89,056
Tuition to other LEAs within the state - special	495,215	(3,500)	491,715	422,186	69,529
Tuition to CSSD and regular day schools	78,000	34,000	112,000	79,560	32,440
Tuition to private schools-disabled within the state	1,694,942	(259,480)	1,435,462	1,358,305	77,157
Tuition - state facilities	191,224		191,224	191,224	
Tuition - other	3,821		3,821		3,821
<b>Total undistributed expenditures - instruction</b>	<b>\$ 2,658,771</b>	<b>\$ (37,860)</b>	<b>\$ 2,620,911</b>	<b>\$ 2,348,908</b>	<b>\$ 272,003</b>
Attendance and social work:					
Salaries	\$ 2,000	\$ 6,836	\$ 8,836	\$ 8,836	
Purchased professional and technical services	2,000	(2,000)			
Other purchased services (400-500 Series)	2,500	(2,076)	422		\$ 422
<b>Total attendance and Social Work</b>	<b>\$ 6,500</b>	<b>\$ 2,758</b>	<b>\$ 9,258</b>	<b>\$ 8,836</b>	<b>\$ 422</b>
Health services:					
Salaries	\$ 584,342	\$ (30,055)	\$ 554,287	\$ 554,287	
Purchased professional and technical services	12,000	(58)	11,942	10,605	1,337
Other purchased services (400-500 Series)	1,600		1,600		1,600
Supplies and materials	13,740	16,500	30,240	27,976	2,264
<b>Total health services</b>	<b>\$ 611,682</b>	<b>\$ (13,613)</b>	<b>\$ 598,069</b>	<b>\$ 592,868</b>	<b>\$ 5,201</b>
Other support services - student-related services:					
Salaries	\$ 555,618	\$ (16,031)	\$ 539,587	\$ 535,349	\$ 4,238
Purchased professional - educational services	76,200	39,184	115,384	71,716	43,668
Supplies and materials	4,500		4,500	4,500	
<b>Total other support services - student-related services</b>	<b>\$ 636,318</b>	<b>\$ 23,153</b>	<b>\$ 659,471</b>	<b>\$ 611,565</b>	<b>\$ 47,906</b>

**BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Other support services - student extra services					
Salaries	\$ 425,509	\$ (6,741)	\$ 418,768	\$ 418,768	
Purchased professional - educational services	409,074	39,489	448,563	333,234	\$ 115,329
Supplies and Materials	500	500	1,000	500	500
<b>Total other support services - student-extra services</b>	<b>\$ 835,083</b>	<b>\$ 33,248</b>	<b>\$ 868,331</b>	<b>\$ 752,502</b>	<b>\$ 115,829</b>
Other support services - students - regular:					
Salaries of other professional staff	\$ 1,019,155	\$ 4,717	\$ 1,023,872	\$ 1,023,793	\$ 79
Salaries of secretarial & clerical assistants	96,957	398	97,353	97,299	54
Purchased professional - educational services	17,000	(1,000)	16,000	14,400	1,600
Other purchased services (400-500 Series)	44,700	(19,707)	24,993	18,263	6,730
Supplies and materials	6,250	(500)	5,750	3,480	2,270
<b>Total other support services - students - regular</b>	<b>\$ 1,184,062</b>	<b>\$ (16,094)</b>	<b>\$ 1,167,968</b>	<b>\$ 1,157,235</b>	<b>\$ 10,733</b>
Other support services - students - special:					
Salaries of other professional staff	\$ 1,632,183	\$ 6,708	\$ 1,838,891	\$ 1,825,939	\$ 12,952
Salaries of secretarial & clerical assistants	286,744	4,804	291,548	291,548	
Purchased professional - educational services	55,000	(3,226)	51,774	17,840	33,934
Other purchased professional and technical services	1,050	2,000	3,050	2,774	276
Miscellaneous purchased services (400-500 Series other than residential costs)	7,400		7,400	1,410	5,990
Supplies and materials	43,815	(3,122)	40,693	25,723	14,970
	2,500		2,500	325	2,175
<b>Total other support services - students - special</b>	<b>\$ 2,228,692</b>	<b>\$ 7,164</b>	<b>\$ 2,235,856</b>	<b>\$ 2,165,559</b>	<b>\$ 70,297</b>
Improvement of instructional services:					
Salaries of supervisors of instruction	\$ 1,389,497	\$ 21,858	\$ 1,411,355	\$ 1,396,658	\$ 14,697
Salaries of other professional staff	105,413	420	105,833	48,222	57,611
Salaries of secretarial & clerical assistants	54,803	(10,735)	44,068	42,116	1,952
Other purchased services (400-500 Series)	1,400		1,400	1,380	20
<b>Total improvement of instructional services</b>	<b>\$ 1,551,113</b>	<b>\$ 11,543</b>	<b>\$ 1,562,656</b>	<b>\$ 1,488,376</b>	<b>\$ 74,280</b>
Educational media services/school library:					
Salaries	\$ 498,902	\$ (6,372)	\$ 492,530	\$ 492,236	\$ 294
Supplies and materials	42,678	11,936	54,614	53,023	1,591
<b>Total educational media services/school library</b>	<b>\$ 541,580</b>	<b>\$ 5,564</b>	<b>\$ 547,144</b>	<b>\$ 545,259</b>	<b>\$ 1,885</b>

**BOARD OF EDUCATION**  
**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>Instructional staff training services:</b>					
Salaries of supervisors of instruction	\$ 56,809	\$ 12,656	\$ 69,265	\$ 69,265	
Salaries of other professional staff	42,447		42,447	28,788	\$ 13,659
Salaries of secretarial & clerical assistants	81,589	3,226	84,815	84,815	
Purchased professional - educational services	46,700	34,200	80,900	60,263	20,637
Other purchased prof. and tech. services		500	500	90	410
Other purchased services (400-500 Series)	55,250	(7,600)	47,650	17,487	30,163
Supplies and materials	9,000	(6,000)	3,000	1,266	1,734
<b>Total instructional staff training services</b>	<b>\$ 291,595</b>	<b>\$ 36,982</b>	<b>\$ 328,577</b>	<b>\$ 261,974</b>	<b>\$ 66,603</b>
<b>Support services - general administration:</b>					
Salaries	\$ 480,105	\$ 4,018	\$ 484,123	\$ 484,122	\$ 1
Legal services	152,732	107,500	260,232	182,517	77,715
Audit fee	45,000	37,982	82,982	42,000	40,982
Architects/Engineering services		46,424	46,424	5,976	40,448
Other purchased professional services	11,900		11,900	7,065	4,835
Purchased technical services	29,500		29,500	27,448	2,052
Communications/telephone	259,483	(49,606)	209,875	201,023	8,852
BOE other purchased services	16,910		16,910	10,385	6,525
Other purchased services (400-500)	48,060	4,500	52,560	25,434	27,126
General supplies	20,620	2,429	23,049	15,281	7,768
BOE membership dues and fees	30,000	(2,500)	27,500	27,423	77
<b>Total support services - general administration</b>	<b>\$ 1,094,310</b>	<b>\$ 150,745</b>	<b>\$ 1,245,055</b>	<b>\$ 1,028,674</b>	<b>\$ 216,381</b>
<b>Support services - school administration:</b>					
Salaries of principals/assistant principals	\$ 1,584,189	\$ (7,021)	\$ 1,577,168	\$ 1,512,040	\$ 65,128
Salaries of other professional staff	136,882	51,021	187,903	137,903	50,000
Salaries of secretarial and clerical assistants	807,401	31,834	839,235	782,029	57,206
Other purchased services (400-500 Series)	3,350		3,350	205	3,145
Supplies and materials	35,355		35,355	26,078	9,277
Other objects	1,000	200	1,200	1,200	
<b>Total support services - school administration</b>	<b>\$ 2,568,177</b>	<b>\$ 76,034</b>	<b>\$ 2,644,211</b>	<b>\$ 2,459,455</b>	<b>\$ 184,756</b>

BOARD OF EDUCATION  
 NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
 COUNTY OF MIDDLESEX  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Central services:					
Salaries	\$ 621,893	\$ (51,029)	\$ 570,864	\$ 556,220	\$ 14,644
Purchased technical services	11,400	2,000	13,400	12,789	611
Miscellaneous purchased services (400-500 Series)	2,000	11	2,011	1,981	30
Supplies and materials	9,700	(32)	9,668	4,595	5,073
Other Objects	4,744	6,713	11,457	11,193	264
Total central services	\$ 649,737	\$ (42,337)	\$ 607,400	\$ 586,778	\$ 20,622
Admin. Info. technology:					
Salaries	\$ 417,801	\$ 1,848	\$ 419,649	\$ 419,649	\$
Purchased technical services	181,495	(8,316)	173,179	150,614	\$ 22,565
Other purchased services (400-500 Series)	3,000		3,000	1,098	1,902
Supplies and materials	20,000	6,000	26,000	25,557	443
Total admin. Info. technology	\$ 622,296	\$ (468)	\$ 621,828	\$ 596,918	\$ 24,910
Required maintenance for school facilities:					
Salaries	\$ 882,572	\$ 40,692	\$ 923,264	\$ 907,579	\$ 15,685
Cleaning, repair and maintenance services	294,020	76,817	370,837	275,077	95,760
General supplies	129,200	99,000	228,200	175,823	52,377
Total required maintenance for school facilities	\$ 1,305,792	\$ 216,509	\$ 1,522,301	\$ 1,358,479	\$ 163,822
Other operation and maintenance of plant:					
Salaries	\$ 1,889,618	\$ (6,600)	\$ 1,883,018	\$ 1,865,151	\$ 17,867
Salaries of non-instructional aids	480,068	21,875	501,943	501,943	\$
Salaries of other professional staff		387	387	387	\$
Cleaning, repair and maintenance services	18,000	14,243	32,243	31,210	1,033
Other purchased property services	141,713	(32,712)	109,001	85,693	23,308
Insurance	424,929	93,385	518,314	518,198	116
Miscellaneous purchased services	5,500	(29)	5,471	542	4,929
General supplies	280,000	(32,000)	248,000	220,350	27,650
Energy (Natural Gas)	500,000	(380,000)	120,000	80,011	39,989
Energy (Electricity)	1,745,993	273,397	2,019,390	1,576,303	443,087
Other Objects		5,000	5,000	900	4,100
Total other operation and maintenance of plant	\$ 5,485,821	\$ (43,054)	\$ 5,442,767	\$ 4,880,688	\$ 562,079
Total operation and maintenance of plant services	\$ 6,791,613	\$ 173,455	\$ 6,965,068	\$ 6,239,167	\$ 725,901

BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Care and upkeep of grounds	\$ 195,217	\$ 15,332	\$ 210,549	\$ 210,549	
Salaries	9,500	(6,815)	2,685	1,263	\$ 1,422
General supplies					
<b>Total care and upkeep of grounds</b>	<b>\$ 204,717</b>	<b>\$ 8,517</b>	<b>\$ 213,234</b>	<b>\$ 211,812</b>	<b>\$ 1,422</b>
Security:					
Salaries	\$ 50,750	\$ 16,075	\$ 66,825	\$ 64,852	\$ 2,173
General supplies	5,000	69,000	74,000	14,460	59,540
<b>Total security</b>	<b>\$ 55,750</b>	<b>\$ 85,075</b>	<b>\$ 140,825</b>	<b>\$ 79,112</b>	<b>\$ 61,713</b>
Student transportation services:					
Salaries of Pupil transportation (between home and school) - regular	\$ 333,412	\$ (16,916)	\$ 316,496	\$ 315,979	\$ 517
Salaries of Pupil transportation (between home and school) - special education	336,075	128,338	464,413	464,413	
Other purchased professional and technical services	13,445	960	14,405	13,189	1,216
Cleaning, repair and maintenance services	19,900	(14,900)	5,000	4,948	52
Contracted services (between home and school) - vendors	1,514,458	(3,778)	1,510,679	1,502,918	7,761
Contracted services (other than between home and school) - vendors	339,173	65,149	404,322	390,593	13,729
Contracted services (between home and school) - joint agreements	253,261	14,532	267,793	267,793	
Contracted services (special education students) - vendors	1,088,070	(92,544)	995,526	966,453	29,073
Contracted services - aid in lieu of payments - nonpublic schools	177,450	(16,346)	161,104	156,463	4,641
Travel	1,100		1,100	891	209
General Supplies	174,015	22,872	196,887	192,246	4,641
Miscellaneous expenditures	4,030	(2,130)	1,900	1,271	629
<b>Total student transportation services</b>	<b>\$ 4,254,389</b>	<b>\$ 85,236</b>	<b>\$ 4,339,625</b>	<b>\$ 4,277,157</b>	<b>\$ 62,468</b>
Unallocated benefits - Employee benefits:					
Social security contribution	\$ 956,000	\$ 56,252	\$ 1,012,252	\$ 996,101	\$ 16,151
Other retirement contributions - regular	1,166,475	(243,140)	923,335	923,163	172
Workmen's compensation	426,085	(42,332)	383,753	383,753	
Health benefits	15,059,495	(1,381,742)	13,677,753	13,372,547	305,206
Tuition reimbursement	100,000		100,000	91,718	8,282
Other employee benefits	160,600	191,154	351,754	343,565	8,169
Unemployment compensation		153,399	153,399	125,399	28,000
<b>Total unallocated benefits</b>	<b>\$ 17,868,655</b>	<b>\$ (1,266,409)</b>	<b>\$ 16,602,246</b>	<b>\$ 16,236,266</b>	<b>\$ 365,980</b>

**BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
On behalf - TPAF - Pension Contribution (Non-budgeted)				\$ 2,376,016	\$ (2,376,016)
On behalf - TPAF - Post Retirement Medical (Non-budgeted)				2,686,974	(2,686,974)
Reimbursed TPAF social security contributions (Non-budgeted)				2,734,442	(2,734,442)
Total on behalf - Contributions				\$ 7,797,432	\$ (7,797,432)
Total personal services - employee benefits	\$ 17,868,655	\$ (1,266,409)	\$ 16,602,246	\$ 24,033,698	\$ (7,431,452)
Total undistributed expenditures	\$ 44,655,040	\$ (677,307)	\$ 43,977,733	\$ 49,445,853	\$ (5,468,120)
<b>TOTAL EXPENDITURES - CURRENT EXPENSE</b>	\$ 80,507,877	\$ (164,391)	\$ 80,343,486	\$ 84,487,544	\$ (4,144,058)
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Undistributed expenditures:					
Instruction	\$ 165,600	\$ 218,825	\$ 384,425	\$ 262,225	\$ 122,200
Support services - students - special	5,000		5,000	2,533	2,467
Admin info tech	210,532	190,258	400,790	103,207	297,583
School fac equipment	11,500	2,000	13,500	13,760	(260)
Total equipment	\$ 392,632	\$ 411,083	\$ 803,715	\$ 381,725	\$ 421,990
Facilities acquisition and construction services:					
Other purchased professional and technical	\$ 35,000	\$ 310,940	\$ 345,940	\$ 233,076	\$ 112,864
Construction services	351,400	3,626,362	3,977,762	757,148	3,220,614
Assessment for Debt Service on SDA Funding	169,699		169,699	169,699	
Total facilities acquisition and construction services	\$ 556,099	\$ 3,937,302	\$ 4,493,401	\$ 1,159,923	\$ 3,333,478
<b>TOTAL EXPENDITURES - CAPITAL OUTLAY</b>	\$ 948,731	\$ 4,348,385	\$ 5,297,116	\$ 1,541,648	\$ 3,755,468
<b>TOTAL GENERAL FUND EXPENDITURES</b>	\$ 81,456,608	\$ 4,183,994	\$ 85,640,602	\$ 86,029,192	\$ (386,590)
Excess/(deficiency) of revenues over/(under) expenditures	\$ (659,199)	\$ (4,182,916)	\$ (4,842,115)	\$ 3,142,022	\$ (7,984,137)
Other financing sources/(uses):					
Operating Transfers in/(out)					
Capital projects fund interest earned				\$ 35	\$ (35)
Total other financing sources/(uses)				\$ 35	\$ (35)

**BOARD OF EDUCATION**  
**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing sources/(uses)	\$ (659,199)	\$ (4,182,916)	\$ (4,842,115)	\$ 3,142,057	\$ 7,984,172
Fund balance, July 1	\$ 8,284,132		\$ 8,284,132	\$ 8,284,132	
Fund balance, June 30	<u>\$ 7,624,933</u>	<u>\$ (4,182,916)</u>	<u>\$ 3,442,017</u>	<u>\$ 11,426,189</u>	<u>\$ 7,984,172</u>

Capital Reserve Fund balance appropriated per budget  
Maintenance Reserve appropriated per budget  
Less: Interest earned on Capital Reserve

Detail of budget transfers:	
Committed for year-end encumbrances	\$ 348,111
Capital Reserve Appropriated	3,834,805
Education Jobs Fund	1,078
	<u>4,183,994</u>

Recapitulation of fund balance:  
Committed for year-end encumbrances  
Restricted:

Maintenance Reserve	\$ 4,230,138
Emergency Reserve	600,000
Capital reserve	467,000
Unassigned	4,400,000
	<u>1,729,051</u>
	<u>\$ 11,426,189</u>
	<u>\$ 1,073,828</u>
	<u>\$ 10,352,361</u>

Reconciliation to governmental funds statements (GAAP):  
Less: Last Two (2) State Aid Payments not recognized on GAAP basis

Fund balance per governmental funds (GAAP)

Analysis of variance:

Revenue:	
Actual	\$ 572,295
On behalf	<u>7,797,432</u>
	<u>8,369,727</u>
Expenditures:	
Actual	7,408,842
On behalf	<u>7,797,432</u>
	<u>(388,590)</u>
	<u>\$ 7,981,137</u>

BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
GENERAL FUND  
EDUCATIONAL JOBS FUND  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Support services:			
Personal services - employee benefits	\$ <u>1,078.00</u>	\$ <u>1,078.00</u>	<u>0.00</u>
Total support services	\$ <u>1,078.00</u>	\$ <u>1,078.00</u>	<u>0.00</u>
Total expenditures	\$ <u><u>1,078.00</u></u>	\$ <u><u>1,078.00</u></u>	<u><u>0.00</u></u>

**BOARD OF EDUCATION**  
**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal Sources	\$ 1,728,442	\$ 1,157,781	\$ 2,886,223	\$ 2,345,457	\$ 540,766
State Sources	19,439	33,929	53,368	30,098	23,270
Local Sources	1,800	100,045	101,845	82,910	18,935
<b>Total Revenues</b>	<b>\$ 1,749,681</b>	<b>\$ 1,291,755</b>	<b>\$ 3,041,436</b>	<b>\$ 2,458,465</b>	<b>\$ 582,971</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	\$ 194,346	\$ 701,592	\$ 895,938	\$ 582,412	\$ 313,526
Salaries of Other professional staff	16,071	4,362	20,433	20,433	
Purchased Professional and Technical Services	99,618	(84,379)	15,239	14,853	386
Other Purchased Services	938,925	24,249	963,174	928,006	35,168
General Supplies	146,384	200,754	347,138	280,779	66,359
Other Objects		10,780	10,780	8,475	2,305
<b>Total Instruction</b>	<b>\$ 1,395,344</b>	<b>\$ 857,358</b>	<b>\$ 2,252,702</b>	<b>\$ 1,834,958</b>	<b>\$ 417,744</b>
Support Services:					
Personal Services - Salaries	\$ 57,657	\$ 2,009	\$ 2,009	\$ 2,009	
Salaries of Supervisors of Instruction	89,731	(16,464)	41,193	41,193	
Salaries of Program Directors		(24,731)	65,000	65,000	
Salaries Other Professional Staff		5,000	5,000		5,000
Personal Services - Employee Benefits	137,092	62,009	199,101	106,569	92,532
Purchased Professional and Technical Services	51,218	258,604	309,822	302,728	7,094
Purchased Property Services		1,600	1,600	1,600	
Other Purchased Services	14,100	72,167	86,267	27,794	58,473
Supplies and Materials	4,539	74,203	78,742	76,614	2,128
<b>Total Support Services</b>	<b>\$ 354,337</b>	<b>\$ 434,397</b>	<b>\$ 788,734</b>	<b>\$ 623,507</b>	<b>\$ 165,227</b>
<b>Total Expenditures</b>	<b>\$ 1,749,681</b>	<b>\$ 1,291,755</b>	<b>\$ 3,041,436</b>	<b>\$ 2,458,465</b>	<b>\$ 582,971</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, 2013**

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

	<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 \$ 89,171,214	C-2 \$ 2,458,465
<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 payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	986,358	(95,788)
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(1,073,828)</u>	<u>None</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	B-2 \$ <u>89,083,744</u>	B-2 \$ <u>2,362,677</u>
<b>Uses/Outflows of Resources:</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	C-1 \$ 86,029,192	C-2 \$ 2,458,465
<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>95,788</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	B-2 \$ <u>86,029,192</u>	B-2 \$ <u>2,362,677</u>

**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, 2013

Exhibit E-1

	Total Brought Forward (Exh. E-1a)	Title II		I.D.E.A. Part B				Title I		Totals 2013	
		2012-2013 Part A	Part A Carryover	Part D	2009-2010		2012-2013		2012-2013 Part A		2012-2013 Part D
					Regular Program	Carryover	Regular Program	Preschool			
<b>REVENUES:</b>											
State sources	\$ 30,098									\$ 30,098	
Federal sources	191,412	\$ 84,326	1,031	\$ 345	\$ 1,210,711	\$ 125,835	\$ 34,954	\$ 488,229	\$ 11,719	2,345,457	
Local sources	82,910									82,910	
Total revenues	\$ 304,420	\$ 84,326	1,031	\$ 345	\$ 1,210,711	\$ 125,835	\$ 34,954	\$ 488,229	\$ 11,719	\$ 2,458,465	
<b>EXPENDITURES:</b>											
Instruction:											
Salaries of teachers	\$ 65,327				\$ 88,154	\$ 46,556		\$ 331,074	\$ 50,301	582,412	
Salaries of other professional staff	20,433									20,433	
Purchased professional and technical services	14,853				854,811	39,801	\$ 33,394			14,853	
Other purchased services	68,276				49,414	37,170	994	16,161	108,764	928,006	
General supplies	8,475									280,779	
Other Objects										8,475	
Total Instruction	\$ 178,364				\$ 992,379	\$ 123,527	\$ 34,388	\$ 347,235	\$ 159,065	\$ 1,834,958	
Support services:											
Personal services - salaries	3,496	\$ 3,949						\$ 2,009	\$ 9,766	2,009	
Salaries of Supervisors of Instruction	65,000	13,790	\$ 549		12,548	3,221		\$ 23,982	\$ 9,766	41,193	
Salaries of program director	6,580				165,750	\$ 87		64,112	1,953	65,000	
Personal services-employee benefits	64,766							52,900		106,569	
Purchased professional/technical services	1,600	656	482					19,225		302,728	
Facilities Acquisition and Construction Services	14,300	921			40,034		\$ 566			1,600	
Other Purchased professional/technical services	35,314									27,794	
Supplies and materials										75,614	
Total support services	\$ 126,056	\$ 84,326	1,031	\$ 345	\$ 218,332	\$ 3,308	\$ 566	\$ 140,994	\$ 11,719	\$ 623,507	
Facilities acquisition and construction services:											
Instructional equipment											
Total facilities acquisition and construction services											
Total expenditures	\$ 304,420	\$ 84,326	1,031	\$ 345	\$ 1,210,711	\$ 126,835	\$ 34,954	\$ 488,229	\$ 11,719	\$ 2,458,465	

**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, 2013**

Exhibit E-1a

		Title III									
Total Brought Forward (Exh. E-1b)	2012-2013	Carryover	Immigrant	Immigrant Carryover	Perkins Grant	Race To The Top 2012-2013	Education Jobs Fund	Nonpublic Textbooks	Totals Carried Forward 2013		
<b>REVENUES:</b>											
State sources	\$ 26,922										
Federal sources	82,910	\$ 53,549	\$ 26,184	\$ 38,686	\$ 1,863	\$ 37,830	\$ 21,000	\$ 3,176	\$ 30,098	\$ 191,412	
Local sources	109,832	\$ 53,549	\$ 26,184	\$ 38,686	\$ 1,863	\$ 37,830	\$ 21,000	\$ 3,176	\$ 304,420		
<b>Total revenues</b>											
		\$ 7,962	\$ 29,308	\$ 14,707	\$ 14,350				\$ 66,327		
<b>EXPENDITURES:</b>											
Instruction:											
Salaries of teachers	1,800								20,433		
Salaries of other professional staff	14,853								14,853		
Purchased professional and technical services											
Other purchased services	14,837	770	10,362	9,913	\$ 1,863	\$ 27,355		\$ 3,176	\$ 68,276		
General supplies						8,475			8,475		
Other Objects											
<b>Total instruction</b>		\$ 48,711	\$ 25,069	\$ 24,263	\$ 1,863	\$ 35,830		\$ 3,176	\$ 178,364		
Support services:											
Personal services - salaries											
Salaries of Supervisors of Instruction	\$ 975			\$ 2,521					\$ 3,496		
Salaries of program director											
Personal services-employee benefits	3,863	\$ 1,115	1,602	8,700			\$ 21,000		\$ 6,580		
Purchased professional/technical services	35,066			1,600					64,766		
Facilities Acquisition and Construction Services						\$ 2,000	\$ 12,300		\$ 1,600		
Other Purchased professional/technical services	35,314								14,300		
Supplies and materials									35,314		
<b>Total support services</b>		\$ 4,838	\$ 1,115	\$ 14,423		\$ 2,000	\$ 21,000		\$ 126,056		
Facilities acquisition and construction services:											
Instructional equipment											
<b>Total facilities acquisition and construction services</b>											
<b>Total expenditures</b>		\$ 53,549	\$ 26,184	\$ 38,686	\$ 1,863	\$ 37,830	\$ 21,000	\$ 3,176	\$ 304,420		

**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, 2013**

Exhibit E-1b

	New Jersey Chapter 226		New Jersey Chapter 192		New Jersey Chapter 193		Local Grants	PSLP	Soil Remediation	Totals Carried Forward 2013
	Nonpublic Technology	Nonpublic Nursing Services	Nonpublic Comp. Education	Nonpublic Transp.	Nonpublic Exam. and Class.	Nonpublic Corrective Speech				
REVENUES:										
State sources	\$ 1,058	\$ 5,134	\$ 6,855	\$ 589	\$ 2,151	\$ 3,185	\$ 1,015	\$ 6,935	\$	\$ 26,922
Federal sources										
Local sources									\$ 29,932	\$ 82,910
Total revenues	\$ 1,058	\$ 5,134	\$ 6,855	\$ 589	\$ 2,151	\$ 3,185	\$ 1,015	\$ 6,935	\$ 29,932	\$ 109,832
EXPENDITURES:										
Instruction:										
Salaries of teachers								\$ 4,964		\$ 7,952
Salaries of other professional staff										1,800
Purchased professional and technical services	\$ 1,058		\$ 6,855	\$ 589	\$ 2,151	\$ 3,185	\$ 1,015			14,853
Other purchased services										
General supplies										14,837
Other Objects										
Total Instruction	\$ 1,058		\$ 6,855	\$ 589	\$ 2,151	\$ 3,185	\$ 1,015	\$ 4,964	\$ 19,635	\$ 39,452
Support services:										
Personal services - salaries										
Salaries of Supervisors of Instruction										
Salaries of program director										
Personal services-employee benefits		\$ 5,134								\$ 35,066
Purchased professional/technical services										
Facilities Acquisition and Construction Services										
Other Purchased professional/technical services										
Supplies and materials										
Total support services		\$ 5,134						\$ 1,971	\$ 33,343	\$ 35,314
Facilities acquisition and construction services:										
Instructional equipment										
Total facilities acquisition and construction services										
Total expenditures	\$ 1,058	\$ 5,134	\$ 6,855	\$ 589	\$ 2,151	\$ 3,185	\$ 1,015	\$ 6,935	\$ 29,932	\$ 109,832

**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, 2013

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2013</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Construction of High School Addition and Remodeling	01/22/02	\$ 30,490,000	\$ 30,447,846		\$ 42,154
High School Soil Remediation	12/13/05	7,391,802	7,043,873	\$ 85,415	262,514
		\$ 37,881,802	\$ 37,491,719	\$ 85,415	\$ 304,668

**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, 2013**

Revenues		
Interest on investments	\$	<u>35</u>
Total revenues	\$	<u>35</u>
Expenditures		
Legal fees	\$	<u>85,415</u>
Total expenditures	\$	<u>85,415</u>
Excess(deficiency) of revenues over (under) expenditures	\$	(85,380)
Other financing sources/(uses): transfer in/(out):		
Interest earned		<u>(35)</u>
Net change in fund balance	\$	(85,415)
Fund balance, beginning		<u>390,083</u>
Fund balance, ending	\$	<u><u>304,668</u></u>
Analysis of Balance:		
Bond proceeds	\$	<u><u>304,668</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, 2013**

	<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	500,466		500,466	500,466
	<u>30,490,000</u>		<u>30,490,000</u>	<u>30,490,000</u>
<b>Total revenues</b>	<b>\$ 30,490,000</b>		<b>\$ 30,490,000</b>	<b>\$ 30,490,000</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	26,965,301		26,965,301	26,965,301
Supplies and Material	416,111		416,111	416,111
	<u>30,447,846</u>		<u>30,447,846</u>	<u>30,447,846</u>
<b>Total expenditures</b>	<b>\$ 30,447,846</b>		<b>\$ 30,447,846</b>	<b>\$ 30,447,846</b>
<b>Excess (deficiency) of revenues over/(under) expenditures</b>	<b>\$ 42,154</b>		<b>\$ 42,154</b>	<b>\$ 42,154</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**  
**HIGH SCHOOL SOIL REMEDIATION**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<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	233,857	\$ 85,415	319,272	319,272
Purchase Professional/Technical Services	471,862		471,862	471,862
Other Purchased Services	63,650		63,650	63,650
Construction Services	5,980,406		5,980,406	5,980,406
Supplies and Material	43,051		43,051	43,051
<b>Total expenditures</b>	<b>\$ 7,043,873</b>	<b>\$ 85,415</b>	<b>\$ 7,129,288</b>	<b>\$ 7,129,288</b>
<b>Excess (deficiency) of revenues over/(under) expenditures</b>	<b>\$ 347,929</b>	<b>\$ (85,415)</b>	<b>\$ 262,514</b>	<b>\$ 262,514</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	96.45%
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 POSITION  
JUNE 30, 2013

ASSETS

	<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	\$ 309,101	\$ 235,214	\$ 333,607	\$ 19,095	\$ 897,017
Accounts receivable:					
State	2,394				2,394
Federal	118,568				118,568
Other	25,690	50,000			75,690
Inventories	62,709				62,709
Total current assets	<u>\$ 518,462</u>	<u>\$ 285,214</u>	<u>\$ 333,607</u>	<u>\$ 19,095</u>	<u>\$ 1,156,377</u>
Noncurrent assets:					
Furniture, machinery and equipment	595,180		92,334		687,514
Less: accumulated depreciation	<u>560,521</u>		<u>7,848</u>		<u>568,369</u>
Total noncurrent assets	<u>\$ 34,658</u>		<u>84,486</u>		<u>\$ 119,144</u>
Total assets	<u>\$ 553,120</u>	<u>\$ 285,214</u>	<u>\$ 418,093</u>	<u>\$ 19,095</u>	<u>\$ 1,275,522</u>

LIABILITIES

Current liabilities:					
Accounts payable	244,478	7,664			252,141
Unearned Revenue	<u>20,756</u>		<u>41,210</u>	<u>19,095</u>	<u>81,061</u>
Total liabilities	<u>\$ 265,234</u>	<u>7,664</u>	<u>41,210</u>	<u>19,095</u>	<u>\$ 333,202</u>

NET POSITION

Invested in capital assets			84,487		119,145
Unrestricted	<u>253,228</u>	<u>277,550</u>	<u>292,396</u>		<u>823,174</u>
Total net position	<u>\$ 287,886</u>	<u>\$ 277,550</u>	<u>\$ 376,883</u>		<u>\$ 942,319</u>

**BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
PROPRIETARY FUND - ENTERPRISE FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Business-Type Activities Enterprise Fund				Total Enterprise
	Food Service	School Facilities	Integrated Pre-K	Summer Enrichment	
<b>OPERATING REVENUES</b>					
Local Sources:					
Daily sales - reimbursable programs:					
School lunch program	\$ 438,819				\$ 438,819
School breakfast program	17,966				17,966
School after school snack program	26,427				26,427
Daily sales - non-reimbursable programs	842,103				842,103
Tuition and services		\$ 342,361		\$ 45,085	\$ 601,451
Total operating revenues	\$ 1,325,315	\$ 342,361	\$ 214,005	\$ 45,085	\$ 1,926,766
<b>OPERATING EXPENSES</b>					
Cost of sales	\$ 1,379,320				\$ 1,379,320
Salaries	792,103	\$ 184,969	\$ 114,763	\$ 55,310	\$ 1,147,145
Employee benefits	201,426				201,426
Insurance	83,848				83,848
General Supplies	260,746	25,582	9,903		296,231
Management fee	119,337				119,337
Depreciation	7,395				7,395
Administration Fee	121,587				121,587
Other	1,156	1,156	1,241	2,636	5,033
Total operating expenses	\$ 2,965,761	\$ 211,707	\$ 129,137	\$ 57,947	\$ 3,364,553
Operating income/(loss)	\$ (1,640,446)	\$ 130,654	\$ 84,868	\$ (12,862)	\$ (1,437,787)
<b>NONOPERATING REVENUES</b>					
State sources:					
State school lunch program	\$ 27,481				\$ 27,481
Federal sources:					
National school lunch program	958,701				958,701
National breakfast program	361,812				361,812
School snack program	9,539				9,539
Food distribution program	193,807				193,807
Total nonoperating revenues	\$ 1,551,341				\$ 1,551,341
Income/(loss) before contributions and transfers	\$ (89,105)	\$ 130,654	\$ 84,868	\$ (12,862)	\$ 113,554
Operating transfers:					
Intra fund - operating transfer in/(out)			\$ (12,862)	12,862	
Change in net position	\$ (89,105)	\$ 130,654	\$ 72,006	\$	\$ 113,554
Total net position - beginning	376,991	146,896	304,877	828,784	828,784
Total net position - ending	\$ 287,886	\$ 277,550	\$ 376,883	\$	\$ 942,318

**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, 2013**

	Business-Type Activities Enterprise Fund		Total Enterprise
	Food Service	Other Community Programs	
<u>Cash Flows from Operating Activities</u>			
Receipts from Customers	\$ 1,329,645	\$ 600,620	\$ 1,930,265
Payments to Employees	(792,103)	(355,042)	(1,147,145)
Payments for Employee Benefits	(201,426)		(201,426)
Payments to Suppliers	(1,645,335)	(34,003)	(1,679,338)
Payment for Management Fee	(119,337)		(119,337)
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (1,428,556)</u>	<u>\$ 211,575</u>	<u>\$ (1,216,981)</u>
<u>Cash Flows from Noncapital Financing Activities</u>			
State Sources	\$ 26,475		\$ 26,475
Federal Sources	1,276,166		1,276,166
Net Cash Provided by/(Used for) Noncapital Financing Activities	<u>\$ 1,302,641</u>		<u>\$ 1,302,641</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ (125,915)	\$ 211,575	\$ 85,660
Balances - Beginning of Year	435,016	376,341	811,357
Balances - End of Year	<u>\$ 309,101</u>	<u>\$ 587,916</u>	<u>\$ 897,017</u>
Reconciliation of Operating Income/(Loss) to Net Cash <u>Provided/(Used) by Operating Activities</u>			
Operating Gain/(Loss)	<u>\$ (1,640,446)</u>	<u>\$ 202,658</u>	<u>\$ (1,437,788)</u>
Adjustments to Reconcile Operating Loss to Cash Provided/ (Used) by Operating Activities:			
Depreciation	\$ 7,395	\$ 3,232	\$ 10,627
Federal Commodities	193,807		193,807
Change in Assets and Liabilities:			
(Decrease) in Accounts Receivable	(14,578)		(14,578)
Decrease in Interfund Receivable		6,989	6,989
Increase in Accounts Payable	20,936	6,514	27,450
(Decrease) in Deferred Revenue	(2,658)	(830)	(3,488)
Total Adjustments	<u>\$ 204,902</u>	<u>\$ 15,905</u>	<u>\$ 220,807</u>
Net Cash Provided by/(Used for) by Operating Activities	<u>\$ (1,435,544)</u>	<u>\$ 218,563</u>	<u>\$ (1,216,981)</u>

## FIDUCIARY FUNDS

**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, 2013**

	Balance July 1, <u>2012</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance June 30, <u>2013</u>
Elementary Schools:				
Judd	\$ 14,863	\$ 62,904	\$ 62,441	\$ 15,326
John Adams	4,597	18,101	15,957	6,741
Livingston Park	9,229	32,571	33,645	8,155
Parsons	<u>6,379</u>	<u>23,652</u>	<u>14,090</u>	<u>15,941</u>
Total Elementary Schools	\$ <u>35,068</u>	\$ <u>137,228</u>	\$ <u>126,133</u>	\$ <u>46,163</u>
Middle School:				
Linwood	\$ 50,107	\$ 71,294	\$ 68,374	\$ 53,027
Athletic Account	<u>(43)</u>	<u>9,732</u>	<u>9,542</u>	<u>147</u>
Total Middle School	\$ <u>50,064</u>	\$ <u>81,026</u>	\$ <u>77,916</u>	\$ <u>53,174</u>
Senior High School:				
High School	\$ 185,954	\$ 476,937	\$ 510,555	\$ 152,336
School Store	386	13,132	12,788	730
Athletic Account	<u>          </u>	<u>58,277</u>	<u>58,277</u>	<u>          </u>
Total Senior High School	\$ <u>186,340</u>	\$ <u>548,346</u>	\$ <u>581,620</u>	\$ <u>153,066</u>
Total All Schools	\$ <u><u>271,472</u></u>	\$ <u><u>766,600</u></u>	\$ <u><u>785,669</u></u>	\$ <u><u>252,403</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, 2013

	Balance July 1, <u>2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2013</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ <u>109,258</u>	\$ <u>55,547,274</u>	\$ <u>55,107,288</u>	\$ <u>549,244</u>
Total Assets	\$ <u><u>109,258</u></u>	\$ <u><u>55,547,274</u></u>	\$ <u><u>55,107,288</u></u>	\$ <u><u>549,244</u></u>
<u>LIABILITIES</u>				
Payroll Deductions and Withholdings	\$ 94,621	\$ 26,130,439	\$ 25,685,130	\$ 539,931
Flexible Spending Account	14,637	95,410	100,734	9,313
Net Pay	<u>                    </u>	<u>29,321,424</u>	<u>29,321,424</u>	<u>                    </u>
Total Liabilities	\$ <u><u>109,258</u></u>	\$ <u><u>55,547,274</u></u>	\$ <u><u>55,107,288</u></u>	\$ <u><u>549,244</u></u>

**NONCURRENT DEBT**

**BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
NONCURRENT DEBT  
SCHEDULE OF SERIAL BONDS  
AS OF JUNE 30, 2013**

Issue	Original		Annual Maturities	Interest Rate	Balance July 1, 2012	Issued	Retired	Balance June 30, 2013
	Date of Original Issue	Amount of Issue						
High School Addition and Renovations	7/15/2002	\$ 22,149,000			\$ 750,000		\$ 750,000	\$ -
Elementary Schools and Middle School Additions and Renovations	1/15/2005	24,781,000	1/15/2014 \$ 250,000 1/15/2015 250,000	4.50% 4.50%	700,000		200,000	500,000
Construction of a New High School (Completion)	3/15/2006	7,391,000	3/15/2014 325,000 3/15/2015 340,000 3/15/2016 350,000 3/15/2017 365,000 3/15/2018 385,000 3/15/2019 400,000 3/15/2020 415,000 3/15/2021 440,000 3/15/2022 455,000 3/15/2023 475,000 3/15/2024 490,000 3/15/2025 500,000 3/15/2026 506,000	4.00% 4.00% 4.00% 4.00% 4.00% 4.00% 4.00% 4.05% 4.10% 4.10% 4.10% 4.10%			310,000	5,446,000
2006 Refunding Bonds - (Refunding a Portion of 1997 Bonds)	10/1/2006	18,350,000	2/1/2014 2,505,000 2/1/2015 2,610,000	4.25% 5.00%	7,500,000		2,385,000	5,115,000
2010 Refunding Bonds - (Refunding a Portion of 2002 Bonds)	3/25/2010	17,865,000	7/15/2013 730,000 7/15/2014 970,000 7/15/2015 1,695,000 7/15/2016 1,770,000 7/15/2017 1,855,000 7/15/2018 1,940,000 7/15/2019 2,035,000 7/15/2020 2,135,000 7/15/2021 2,250,000 7/15/2022 2,350,000	3.00% 4.00% 4.00% 4.00% 4.00% 4.00% 4.50% 4.50% 5.00% 5.00%	17,730,000			17,730,000

BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
NONCURRENT DEBT  
SCHEDULE OF SERIAL BONDS  
AS OF JUNE 30, 2013

Issue	Original		Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2012	Retired	Balance June 30, 2013
	Date of Original Issue	Amount of Issue						
2012 Refunding Bonds - (Refunding a Portion of 2005 Bonds)	5/23/2012	\$ 23,540,000	1/15/2014	\$ 30,000	2.00%			
			1/15/2015	35,000	2.00%			
			1/15/2016	1,555,000	4.00%			
			1/15/2017	750,000	2.00%			
			1/15/2017	855,000	4.00%			
			1/15/2018	1,645,000	4.00%			
			1/15/2019	1,300,000	2.00%			
			1/15/2019	400,000	4.00%			
			1/15/2020	1,735,000	4.00%			
			1/15/2021	1,795,000	5.00%			
			1/15/2022	1,875,000	5.00%			
			1/15/2023	1,980,000	4.00%			
			1/15/2024	4,530,000	4.00%			
			1/15/2025	4,700,000	4.25%			
						\$ 23,540,000	\$ 355,000	\$ 23,185,000
<b>Total</b>						\$ 55,976,000	\$ 4,000,000	\$ 51,976,000

BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 6,108,985		\$ 6,108,985	\$ 6,108,985	
Total - Local Sources	\$ 6,108,985		\$ 6,108,985	\$ 6,108,985	
Total Revenues	\$ 6,108,985		\$ 6,108,985	\$ 6,108,985	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	\$ 2,468,437	\$ (355,000)	\$ 2,113,437	\$ 2,013,323	\$ 100,114
Redemption of Principal	3,645,000	355,000	4,000,000	4,000,000	
Total Regular Debt Service	\$ 6,113,437		\$ 6,113,437	\$ 6,013,323	\$ 100,114
Total Expenditures	\$ 6,113,437		\$ 6,113,437	\$ 6,013,323	\$ 100,114

BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ (4,452)		\$ (4,452)	\$ 95,662	\$ (100,114)
Other Financing Sources/(Uses):					
Excess bond refunding proceeds				\$ 11,399	\$ 11,399
Total Other Financing Sources/(Uses)				\$ 11,399	\$ 11,399
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	\$ (4,452)		\$ (4,452)	\$ 107,061	\$ (88,715)
Fund Balance, July 1	4,453		4,453	7,413	2,960
Fund Balance, June 30	\$ 1		\$ 1	\$ 114,474	\$ (85,755)
Recapitulation of Excess/(Deficiency) of Revenues Over/(Under) Expenditures: Budgeted Fund Balance				\$ 107,061	\$ 107,061

**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 POSITION BY COMPONENT**  
**LAST NINE (9) FISCAL YEARS**  
**(UNAUDITED)**

*(accrual basis of accounting)*

	Fiscal Year Ending June 30.								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities</b>									
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	\$ 49,179,858	\$ 49,236,774	\$ 51,407,587
Restricted	9,076,443	8,720,536	6,386,687	7,672,923	6,809,617	3,774,522	2,698,717	6,070,628	7,137,475
Unrestricted	(1,577,007)	(671,462)	(2,371,869)	(2,176,603)	(1,954,950)	(3,112,579)	(2,494,202)	(1,945,535)	
<b>Total governmental activities net position</b>	<b>\$ 40,039,590</b>	<b>\$ 34,155,715</b>	<b>\$ 44,095,179</b>	<b>\$ 54,398,390</b>	<b>\$ 47,758,525</b>	<b>\$ 45,920,280</b>	<b>\$ 49,384,373</b>	<b>\$ 53,363,867</b>	<b>\$ 58,545,062</b>
<b>Business-type activities</b>									
Invested in capital assets, net of related debt	\$ 12,313	\$ -	\$ 15,209	\$ 54,403	\$ 52,481	\$ 54,654	\$ 29,448	\$ 42,053	\$ 119,144
Unrestricted	501,289	581,917	675,944	702,718	623,463	602,880	7,369,657	786,711	823,174
<b>Total business-type activities net position</b>	<b>\$ 513,602</b>	<b>\$ 581,917</b>	<b>\$ 691,153</b>	<b>\$ 757,121</b>	<b>\$ 675,944</b>	<b>\$ 657,534</b>	<b>\$ 7,399,105</b>	<b>\$ 828,764</b>	<b>\$ 942,318</b>
<b>District-wide</b>									
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	\$ 49,209,306	\$ 49,280,827	\$ 51,526,731
Restricted	9,076,443	8,720,536	6,386,687	7,672,923	6,809,617	3,774,522	2,298,717	6,070,628	7,137,475
Unrestricted	(1,075,718)	(89,545)	(1,695,925)	(1,473,885)	(1,331,487)	(2,509,699)	(1,357,546)	(1,156,824)	823,174
<b>Total district net position</b>	<b>\$ 40,553,192</b>	<b>\$ 34,737,632</b>	<b>\$ 44,786,332</b>	<b>\$ 44,662,510</b>	<b>\$ 48,434,469</b>	<b>\$ 46,577,814</b>	<b>\$ 50,150,477</b>	<b>\$ 54,192,631</b>	<b>\$ 59,487,390</b>

Source: CAFR Exhibit A-1

Note: Only the last nine (9) 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**  
**CHANGE IN NET POSITION**  
**LAST NINE (9) FISCAL YEARS**  
**(UNAUDITED)**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>									
<b>Governmental activities</b>									
<b>Instruction</b>									
Regular	\$ 30,354,520	\$ 31,153,558	\$ 31,916,456	\$ 32,890,197	\$ 33,485,533	\$ 36,301,673	\$ 35,648,397	\$ 36,624,290	\$ 37,921,983
Special education	5,265,046	6,251,701	6,465,864	6,884,668	7,340,790	8,246,705	9,266,801	9,778,820	10,076,486
Other special education			2,873,018	3,348,669	4,235,344	4,314,135	3,085,874	3,333,878	3,202,705
Other instruction	3,618,637	3,962,609	1,212,118	1,284,816	1,520,120	1,632,561	1,306,892	1,554,490	1,631,826
<b>Support Services:</b>									
Tuition	4,023,507	3,937,701	3,220,811	4,182,922	4,033,613	3,162,045	2,818,109	2,636,129	2,346,908
Student & instruction related services	8,191,174	9,152,561	9,569,890	10,205,367	10,436,840	10,960,787	10,587,389	11,034,746	11,721,237
School Administrative services	2,728,759	2,854,091	3,935,475	3,315,348	2,833,762	3,302,398	3,331,728	3,721,657	1,518,462
General administration	2,344,436	2,988,151	2,815,922	3,487,200	3,785,200	3,875,200	3,655,573	3,485,962	5,377,784
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	9,445,869	9,639,299
Pupil transportation	4,009,339	4,098,576	4,932,925	5,487,348	5,444,094	5,792,056	5,483,252	5,841,954	6,313,663
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	303,878	408,290	416,436	450,170	395,187	583,725
Scholarships	800	1,200	1,800	1,796	617	297	172	37	
Interest on long-term debt	2,227,161	3,012,194	4,127,619	3,124,152	3,010,253	2,676,629	2,968,672	2,346,157	2,085,254
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>90,199,176</b>	<b>92,421,333</b>
<b>Business-type activities:</b>									
Food service	1,801,597	1,819,911	1,892,861	2,131,751	2,388,844	2,540,000	2,618,095	2,733,456	2,965,761
School Facilities					304,642	330,166	155,924	204,155	211,707
Integrated Pre-K					64,159	122,627	109,307	71,048	129,137
Summer Enrichment	236,226	225,660	178,247	170,455	60,439	70,356	63,579	62,070	57,947
Adult/community education	250,534	342,576	222,889	288,664	257,053	127,947			
Data processing									
<b>Total business-type activities expense</b>	<b>2,290,357</b>	<b>2,388,147</b>	<b>2,293,897</b>	<b>2,570,870</b>	<b>3,075,137</b>	<b>3,191,116</b>	<b>2,946,905</b>	<b>3,070,729</b>	<b>3,364,552</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>	<b>\$ 93,269,905</b>	<b>\$ 95,785,885</b>

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**CHANGE IN NET POSITION**  
**LAST NINE (9) FISCAL YEARS**  
**(UNAUDITED)**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Program Revenues</b>									
Governmental activities:									
Charges for services:									
Instruction (tuition)	\$ -	\$ -	\$ 32,800	\$ 126,257	\$ 31,491	\$ 64,371	\$ 109,994	\$ 126,875	\$ 127,091
Pupil transportation				33,190	4,537	22,881	47,593	75,991	94,954
Special schools	8,629,317	2,492,360	2,990,912	3,549,773	2,125,668	2,711,376	3,530,067	3,285,893	2,258,008
Operating grants and contributions	7,754,300								
Capital grants and contributions		2,492,360	3,023,712	3,709,220	2,161,696	2,798,629	3,687,654	3,488,699	2,480,053
<b>Total governmental activities program revenues</b>									
Business-type activities:									
Charges for services:									
Food service	\$ 1,202,339	\$ 1,206,560	\$ 1,224,542	\$ 1,315,864	\$ 1,448,288	\$ 1,446,796	\$ 1,407,422	\$ 1,352,580	\$ 1,325,315
School Facilities					273,556	363,380	250,605	272,090	342,360
Integrated Pre-K					107,805	144,810	153,946	184,655	214,005
Summer Enrichment					67,178	64,905	48,880	53,530	45,085
Adult/community education	240,915	225,565	190,212	217,415	125,300				
Data processing	235,636	382,797	289,731	279,270	972,833	1,152,815	1,214,623	1,267,360	1,551,341
Operating grants and contributions	595,385	641,540	698,747	824,289					
<b>Total business type activities program revenues</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>\$ 6,618,914</b>	<b>\$ 5,958,159</b>
<b>Net (Expense)/Revenue</b>									
Governmental activities	\$ (59,560,996)	\$ (72,970,797)	\$ (77,184,819)	\$ (81,068,152)	\$ (84,189,300)	\$ (88,064,129)	\$ (85,037,319)	\$ (86,710,477)	\$ (89,941,280)
Business-type activities	(16,083)	68,315	109,235	65,968	(81,177)	(18,410)	128,571	59,486	113,554
<b>Total district-wide net expense</b>	<b>\$ (59,577,079)</b>	<b>\$ (72,902,482)</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>	<b>\$ (86,650,991)</b>	<b>\$ (89,827,726)</b>

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MIDDLESEX**  
**CHANGE IN NET POSITION**  
**LAST NINE (9) FISCAL YEARS**  
**(UNAUDITED)**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Revenues and Other Change in Net Position</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	\$ 67,817,203	\$ 69,174,056
Taxes levied for debt service	3,986,290	4,694,732	5,831,755	5,812,720	5,780,296	5,971,725	5,986,596	5,998,781	6,108,985
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	17,824,144	19,462,987
MCES receivable	337		2,460,632	5,255,645	1,552,085	59,220	36,603		
Restricted grants									
Tuition Received	35,195	38,476							
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	25,131	34,401
Miscellaneous income	388,818	740,618	527,666	444,357	893,204	832,255	411,526	(34,003)	261,520
Transfers	358,948	(1,198,564)	633,606	(121,949)	(34,322)	410,389			80,526
<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>\$ 86,225,884</b>	<b>\$ 87,261,523</b>	<b>\$ 91,631,256</b>	<b>\$ 95,122,475</b>
Business-type activities:									
Prior year accounts payable canceled	\$ 6,708								
<b>Total business-type activities</b>	<b>\$ 6,708</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>\$ 86,225,884</b>	<b>\$ 87,261,523</b>	<b>\$ 91,631,256</b>	<b>\$ 95,122,475</b>
<b>Change in Net Position</b>									
Governmental activities	\$ 10,078,064	\$ 542,722	\$ 9,939,464	\$ 10,303,210	\$ 3,853,136	\$ (1,838,245)	\$ 2,224,204	\$ 4,920,779	\$ 5,181,195
Business-type activities	(9,375)	68,315	109,235	65,968	(81,177)	(18,410)	128,571	59,486	113,554
<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>	<b>\$ 4,980,265</b>	<b>\$ 5,294,749</b>

Source: CAFR Exhibit A-2

Note: Only the last nine (9) 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 NINE (9) FISCAL YEARS  
(UNAUDITED)  
*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund									
Reserved	\$ 867,646	\$ 836,069	\$ 5,488,141	\$ 7,555,805	\$ 6,634,501	\$ 3,729,697	\$ 2,253,889	\$ 5,680,545	\$ 8,630,138
Unreserved	949,407	1,307,176	2,117,992	1,447,042	1,822,281	723,672	1,787,523	1,617,229	1,722,223
Total general fund	\$ 1,817,053	\$ 2,143,245	\$ 7,606,133	\$ 9,002,847	\$ 8,456,782	\$ 4,453,369	\$ 4,041,412	\$ 7,297,774	\$ 10,352,361
All Other Governmental Funds									
Reserved	\$ 12,027,709	\$ 1,978,576	\$ 27,631,459	\$ 7,345,109	\$ 418,197	\$ 127,228	\$ 1,839,954	\$ 394,535	\$ 4,230,138
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	390,083	304,668
Debt services fund	229,714	76,901	178,445	178,659	7,761	8,095	12,547	2,961	111,514
Permanent fund	43,750	44,450	44,868	44,771	44,782	44,825	44,828	44,838	
Total all other governmental funds	\$ 45,203,282	\$ 37,149,658	\$ 32,427,082	\$ 9,115,454	\$ 2,046,335	\$ 1,073,453	\$ 2,659,831	\$ 832,417	\$ 4,646,320

Source: CAFR Schedule B-1

Note: Only the last nine (9) 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,

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Tax levy	\$ 51,691,700	\$ 55,663,111	\$ 59,573,781	\$ 65,928,326	\$ 68,687,700	\$ 69,211,892	\$ 68,846,705	\$ 71,777,940	\$ 73,816,484	\$ 75,263,041
Tuition charges	21,646	35,195	38,475	32,800	125,257	31,481	64,371	109,994	126,875	127,091
Transportation charges							22,881	47,593	75,991	94,954
Interest earnings	452,482	551,469	1,426,036	1,375,979	715,242	49,357	90,263	38,453	19,608	6,862
Miscellaneous	329,408	6,522,475	687,420	1,588,097	1,317,914	995,244	832,255	490,662	223,436	272,108
State sources	12,033,437	20,064,895	12,901,312	19,631,567	17,284,802	16,560,907	16,084,758	15,809,020	16,550,079	19,406,805
Federal sources	1,284,930	2,169,052	1,844,540	1,953,884	1,814,971	1,831,478	2,514,669	3,467,340	3,708,611	2,364,625
<b>Total revenue</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>94,521,084</b>	<b>97,555,486</b>
<b>Expenditures</b>										
Instruction										
Regular instruction	20,068,974	22,394,099	22,726,346	23,894,918	24,732,021	25,865,910	26,661,828	25,428,332	25,689,520	26,138,451
Special education instruction	4,266,871	3,895,449	4,430,385	4,761,479	5,073,551	5,608,059	5,947,877	6,458,927	6,662,010	6,826,261
Other special instruction	1,439,867	1,867,737	1,986,734	2,116,214	2,471,562	3,235,650	3,111,539	2,164,130	2,276,291	2,169,655
Other instruction	857,963	821,293	856,994	892,567	946,169	1,161,317	1,177,487	916,526	1,053,998	1,105,472
Support Services:										
Tuition	3,861,575	4,023,507	3,871,045	3,220,611	4,182,922	4,033,613	3,162,045	2,818,109	2,636,129	2,348,908
Student & inst. related services	5,300,376	6,283,387	6,816,430	7,215,115	7,706,970	7,954,700	7,897,928	7,328,989	7,702,323	8,060,308
General administration	1,056,671	882,767	1,217,655	959,350	943,391	710,431	946,033	865,159	1,033,625	1,028,674
School administrative services	2,574,129	2,656,630	2,755,317	2,897,835	2,759,876	2,664,095	2,794,960	2,563,651	2,556,472	2,459,455
Central services		737,057	818,826	849,247	1,100,994	1,090,704	957,052	928,882	632,660	586,778
Admin. information technology		259,182	260,191	265,269	402,191	363,757	478,746	576,108	728,284	596,918
Plant operations and maintenance	5,163,300	5,439,914	5,997,571	6,568,608	7,371,153	7,722,561	7,343,532	7,096,540	6,488,535	6,530,091
Pupil transportation	3,459,017	3,796,323	3,771,709	3,632,616	4,046,311	4,159,092	4,177,508	3,845,416	4,012,942	4,277,157
Other Support Services	564,354	1,049								
Employee benefits	11,766,560	13,470,205	15,390,496	17,251,663	18,204,253	16,702,454	19,351,600	20,712,880	22,410,920	24,138,367
Special Schools	3,781	3,396	2,900							
Charter Schools	112,907	68,165	153,227	217,172	303,978	406,290	416,436	450,170	395,187	563,725
Bond sale contributions			11,929							
Scholarships	400	800	1,200	1,800	1,796	617	297	172	37	
North Brunswick township aid										
Capital outlay	12,813,396	7,481,602	16,273,518	14,463,998	25,796,677	8,590,263	3,135,604	3,503,525	3,224,644	1,627,063
Debt service:										
Principal	1,509,594	1,750,985	1,915,000	2,733,000	2,650,000	2,895,000	3,030,000	3,360,000	3,375,000	4,000,000
Interest and other charges	2,325,591	2,227,161	3,012,194	3,074,062	3,167,995	3,038,464	2,941,729	2,626,595	2,631,875	2,013,323
<b>Total expenditures</b>	<b>77,195,326</b>	<b>84,220,873</b>	<b>92,269,667</b>	<b>94,955,744</b>	<b>111,861,800</b>	<b>96,225,017</b>	<b>93,532,198</b>	<b>91,886,022</b>	<b>93,410,452</b>	<b>94,490,607</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>(11,381,723)</b>	<b>765,324</b>	<b>(15,796,102)</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>	<b>1,110,632</b>	<b>3,064,879</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,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing		24,781,000	7,391,000							
Receipt of deferred revenue - state	31,846	658,371	679,661							
Capital leases (non-budgeted)				5,185,344						
Proceeds from refunding				10,048				4,452		11,399
Cancellation of Capital Projects - Local Share						(70,536)				(44,863)
Scholarship Refund to Donor	871,411	665,343	1,202,983					1,314,990		35
Transfers in	(371,411)	(410,461)	(1,202,983)					(1,314,990)		(35)
Transfers out										
Total other financing sources (uses)	531,846	25,694,253	8,070,661	5,195,392	-	(70,536)	-	4,452	-	(33,484)
Net change in fund balances	\$ (10,649,877)	\$ 25,479,577	\$ (7,727,421)	\$ 740,301	\$ (21,914,914)	\$ (7,615,184)	\$ (4,976,299)	\$ (140,569)	\$ 1,110,632	\$ 3,031,395
Debt service as a percentage of noncapital expenditures	5.96%	5.18%	6.48%	7.14%	6.76%	6.79%	6.61%	6.77%	6.65%	6.48%

Source: 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
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
2012	72,875	126,975	19,608	146,451	365,909
2013	68,139	127,091	27,619	217,069	439,918

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 *	Tax-Exempt Property	Net Valuation	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2004	85,535,900	1,455,414,600	1,785,100	171,000	378,660,100	359,724,900	166,395,300	2,447,686,900	4,635,603	378,122,000	2,830,444,703	3,520,636,464	2.270
2005	70,297,000	1,478,975,000	1,785,100	171,000	382,024,400	350,486,700	173,989,300	2,457,723,500	4,297,309	384,717,600	2,846,743,409	3,960,883,965	2.420
2006	56,634,800	1,497,001,000	1,795,600	171,000	383,423,900	343,636,200	190,358,700	2,473,221,200	6,183,096	392,182,800	2,871,587,096	3,985,594,198	2.663
2007	55,827,300	1,513,303,500	1,795,600	177,600	379,944,300	351,718,700	204,271,600	2,507,039,600	3,423,961	408,272,300	2,918,734,861	4,631,849,744	2.736
2008	53,099,800	1,519,448,800	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	41,407,800	1,525,090,700	1,450,100	171,700	375,511,700	333,769,100	204,731,400	2,482,132,600	3,351,217	412,207,700	2,897,691,517	5,159,816,933	2.770
2010	34,166,800	1,520,957,300	1,338,600	167,800	386,870,800	320,832,600	201,998,200	2,466,332,200	3,630,868	414,100,000	2,684,063,068	4,944,885,360	2.906
2011	33,009,000	1,521,256,500	1,182,300	101,200	385,961,700	310,748,100	201,412,800	2,453,671,600	3,238,211	421,366,900	2,878,296,711	4,794,235,881	3.005
2012	33,445,900	1,519,468,700	1,182,300	101,200	375,135,100	287,812,700	201,112,800	2,418,266,700	3,328,077	423,253,100	2,844,840,877	4,713,964,776	2.856
2013	29,108,500	1,524,669,700	1,182,400	101,200	368,459,600	283,655,200	201,112,800	2,406,289,400	2,071,600	421,567,100	2,831,928,100	4,350,946,294	3.184

Source: Municipal Tax Assessor

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

Reassessment occurs when 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		
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	
2012	2.603	0.253	2.856	1.105	0.643	4.604	
2013	2.935	0.249	3.184	1.224	0.695	5.103	

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)

	2013			2004		
	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	6.15%	\$ 130,326,300	1	5.50%
Kimco North Brunswick 617 Inc.	33,000,000	2	1.36%			
Sodowick S. Etals c/o No. VIII Assn.	29,900,000	3	1.24%			
Kaplan Assoc. LLC	26,000,000	4	1.08%			
Maebrook at Renaissance	23,515,600	5	0.97%			
Levin Properties LLC	23,000,000	6	0.96%			
Renaissance Terrace LLC	19,000,000	7	0.79%			
North Brunswick Manor LLC	18,986,000	8	0.79%			
Commerce CTR NB LLC % Perstige Inc.	17,272,000	9	0.71%			
Brunswick Circle Developers	17,245,000	10	0.71%			
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%
<b>Total</b>	<b>\$ 356,531,500</b>		<b>14.76%</b>	<b>\$ 424,091,300</b>	<b>10</b>	<b>17.67%</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	Collected within the Fiscal Year of		Collections in Subsequent Years
	the Fiscal Year	the Levy <sup>a</sup>	Percentage of Levy	
	Amount	Amount		
2004	\$ 85,779,182	\$ 85,361,064	99.50%	\$ 418,118
2005	92,046,504	91,204,108	99.10%	842,396
2006	97,633,107	97,449,207	99.80%	183,900
2007	108,596,104	108,432,687	99.85%	600,661
2008	109,315,152	109,262,161	99.95%	81,726
2009	111,802,306	111,308,521	99.56%	N/A
2010	111,491,046	111,393,791	99.91%	N/A
2011	116,080,734	115,983,210	99.92%	N/A
2012	120,218,424	119,855,316	99.56%	N/A
2013	123,267,695	122,910,122	99.71%	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>		
2004	\$ 45,707,985	-	\$ 156,424	\$ -	-	\$ 45,864,409	4.15%	1,251	
2005	68,738,000	-	53,200	-	-	68,791,200	6.17%	1,821	
2006	74,214,000	-	-	-	-	74,214,000	6.57%	1,936	
2007	71,411,000	-	4,368,565	-	-	75,779,565	6.71%	1,911	
2008	68,761,000	-	3,327,385	-	-	72,088,385	6.40%	1,817	
2009	65,866,000	-	2,244,434	-	-	68,110,434	6.05%	1,721	
2010	62,502,000	-	1,151,635	-	-	63,653,635	5.61%	1,580	
2011	59,142,000	-	-	-	-	59,142,000	4.40%	1,461	
2012	55,976,000	-	-	-	-	55,976,000	4.16%	1,387	
2013	51,976,000	-	-	-	-	51,976,000	3.83%	1,261	

**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 <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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
2012	55,976,000	-	55,976,000	2.31%	1,387
2013	51,976,000	-	51,976,000	2.16%	1,261

**Notes:**

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

<sup>a</sup> See Exhibit J-6 for property tax data.

<sup>b</sup> 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, 2013  
(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	\$ 63,996,689	100.000%	\$ 63,996,689
County of Middlesex	741,019,131	4.5450%	33,679,320
Subtotal, overlapping debt			\$ 97,676,009
Township of North Brunswick District Direct Debt			
Bonds Issued	51,976,000.00		
Bonds and Notes Authorized but Not Issued	<u>1,200,000.00</u>		<u>53,176,000</u>
Total direct and overlapping debt			<u>\$ 150,852,009</u>

**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 noncurrent 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 2012

	Equalized valuation basis									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
	4,358,793,800	4,782,985,575	4,803,919,361	4,646,565,245	4,033,952,560	3,991,560,000	3,411,000,000	3,335,829,000	3,663,816,000	2,256,159,000
	<u>\$ 13,945,698,736</u>									
	<u>\$ 4,646,565,245</u>									
	Debt limit (4 % <sup>a</sup> )									
	185,942,650									
	53,176,000									
	<u>\$ 132,766,650</u>									
	Average equalized valuation of taxable property									
	Total Net Debt Applicable to Limit									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
	\$ 192,878,596	\$ 199,506,495	\$ 60,342,000	\$ 63,702,000	\$ 69,961,000	\$ 128,942,992	\$ 110,737,022	\$ 69,121,829	\$ 60,925,816	\$ 74,548,174
	<u>\$ 135,702,596</u>									
	<u>\$ 139,164,495</u>									
	<u>\$ 57,176,000</u>									
	<u>\$ 132,766,650</u>									
	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Debt limit	\$ 185,942,650	\$ 192,878,596	\$ 199,506,495	\$ 185,942,650	\$ 203,952,560	\$ 198,903,392	\$ 182,148,022	\$ 143,335,829	\$ 129,663,816	\$ 120,256,159
Total net debt applicable to limit	53,176,000	57,176,000	60,342,000	63,702,000	69,961,000	128,942,992	110,737,022	69,121,829	60,925,816	74,548,174
Legal debt margin	\$ 132,766,650	\$ 135,702,596	\$ 139,164,495	\$ 122,240,650	\$ 133,991,560	\$ 128,942,992	\$ 110,737,022	\$ 69,121,829	\$ 60,925,816	\$ 74,548,174
Total net debt applicable to the limit as a percentage of debt limit	28.60%	29.64%	30.25%	34.26%	34.30%	35.17%	39.20%	51.78%	53.01%	38.01%

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 NJSA 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>
2004	38,872	1,105,169,832	28,431	2.70%
2005	39,156	1,113,244,236	28,431	3.70%
2006	39,673	1,127,943,063	28,431	4.20%
2007	39,673	1,127,943,063	28,431	4.20%
2008	39,673	1,127,943,063	28,431	3.70%
2009	39,586	1,125,469,566	28,431	4.80%
2010	39,586	1,125,469,566	28,431	8.30%
2011	40,742	1,342,204,448	32,944	9.40%
2012	40,961	1,349,419,184	32,944	9.20%
2013	41,218	1,357,885,792	32,944	8.10%

**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 for 2004-2010 and 2010 census for 2011-2013 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)**

	<b>2013</b>		<b>2004</b>	
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Employees</b>	<b>Rank</b>
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	
	N/A		N/A	

Source: 2006 General Obligation Bond Sale - Official Statement

\* 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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Instruction										
Regular	445	461	462	505	510	417	463	388	402	402
Special education	4	1	9	12	14	115	131	157	164	164
Other special education	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student & instruction related services	101	120	131	121	121	134	162	96	112	112
General administration	5	3	4	2	3	2	3	2	4	4
School administrative services	38	36	36	36	36	37	36	31	31	31
Other administrative services	-	-	-	-	-	-	-	-	-	-
Central services	11	11	11	12	13	14	12	15	9	9
Administrative Information Technology	5	4	4	5	5	5	7	8	8	8
Plant operations and maintenance	82	88	81	77	77	103	104	96	85	85
Pupil transportation	18	23	24	32	33	26	30	26	29	29
Other support services	-	1	-	-	-	-	-	21	4	4
<b>Total</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>	<b>848</b>	<b>848</b>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Attendance			
						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
2004	5,497	60,546,745	11,016	5.72%	464	1:12.2	1:11.2	1:11.1	5,387.1	5,279.4	1.95%	98.00%
2005	5,579	72,761,125	13,042	18.41%	505	1:13.4	1:11.7	1:12.3	5,467.4	5,359.1	1.49%	98.00%
2006	5,521	71,069,955	12,872	-1.30%	411	1:13.3	1:12	1:13.9	5,391.6	5,283.8	-1.39%	98.00%
2007	5,603	74,754,664	13,342	3.65%	469	1:12.1	1:10.7	1:11.6	5,446.9	5,338.0	1.03%	98.00%
2008	5,517	80,245,332	14,545	9.02%	541	1:11.9	1:10.5	1:12	5,513.0	5,402.7	1.21%	98.00%
2009	5,662	81,680,673	14,426	-0.82%	550	1:10.5	1:10.2	1:11	5,667.4	5,372.0	2.80%	94.79%
2010	5,521	84,424,571	15,292	-0.11%	575	1:10.6	1:10.4	1:11	5,824.9	5,545.4	4.81%	95.20%
2011	5,886	82,395,729	13,999	-8.46%	539	1:10.7	1:10.5	1:11.2	5,947.1	5,662.4	2.10%	95.21%
2012	5,968	81,746,641	13,697	-2.15%	500	1:12.6	1:11.3	1:11.8	6,040.6	5,777.4	1.57%	95.64%
2013	6,095	86,850,221	14,249	4.03%	562	1:10.2	1:10.4	1:10.9	6,120.3	5,826.5	1.32%	95.23%

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 SIX (6) FISCAL YEARS**  
**(UNAUDITED)**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b><u>District Building</u></b>						
<b><u>Elementary</u></b>						
Judd (1967)						
Square Feet	88,595	88,595	88,595	88,595	88,595	88,595
Capacity (students)	709	709	709	709	709	709
Enrollment	684	594	683	721	737	779
John Adams (1961)						
Square Feet	79,257	79,257	79,257	79,257	79,257	79,257
Capacity (students)	634	634	634	634	634	634
Enrollment	561	535	675	703	706	715
Livingston Park (1930)						
Square Feet	84,573	84,573	84,573	84,573	84,573	84,573
Capacity (students)	677	677	677	677	677	677
Enrollment	582	568	712	684	793	734
Parsons (1965)						
Square Feet	84,079	84,079	84,079	84,079	84,079	84,079
Capacity (students)	673	673	673	673	673	673
Enrollment	611	615	637	649	726	738
<b><u>Middle School</u></b>						
Linwood (1951)						
Square Feet	204,557	204,557	204,557	204,557	204,557	204,557
Capacity (students)	1,527	1,527	1,527	1,527	1,527	1,527
Enrollment	1,264	1,251	1,274	1,317	1,352	1,371
<b><u>High School</u></b>						
North Brunswick High School (1973)						
Square Feet	394,716	394,716	394,716	394,716	394,716	394,716
Capacity (students)	2,614	2,614	2,614	2,614	2,614	2,614
Enrollment	1,783	1,749	1,684	1,766	1,725	1,758
<b><u>Other</u></b>						
Athletic Building (1979)						
Square Feet	2,704	2,704	2,704	2,704	2,704	2,704
Central Administration (1927)						
Square Feet	24,642	24,642	24,642	24,642	24,642	24,642
Warehouse						
Square Feet	5,376	5,376	5,376	5,376	5,376	5,376
Number of Buildings at June 30, 2013						
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 SEVEN (7) FISCAL YEARS  
(UNAUDITED)

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

Project # (s)	* School Facilities							Total
	John Adams	Judd	Livingston Park	Parsons	Linwood M.S.	North Brunswick H.S.	Other Facilities	
2007	100,885	96,588	98,044	138,700	237,969	637,639	83,940	1,393,765
2008	125,154	158,718	112,805	133,464	357,652	898,789	50,984	1,837,566
2009	145,594	156,110	149,023	148,152	360,442	704,916	43,421	1,707,658
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	1,436,610
2012	109,016	121,943	122,042	144,825	284,249	555,275	45,579	1,382,930
2013	116,464	124,876	119,207	118,511	288,327	556,361	34,733	1,358,479
Total School Facilities	\$ 636,690	\$ 696,471	\$ 641,889	\$ 672,773	\$ 1,542,780	\$ 3,387,407	\$ 256,283	\$ 7,834,292

\* 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, 2013  
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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Exhibit K-1  
Sheet 1 of 2

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

## Independent Auditors' Report

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

We have audited, in accordance with the 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 Office of School Finance Department, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of North Brunswick Board of Education, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Township of North Brunswick Board of Education's basic financial statements, and have issued our report thereon dated November 15, 2013.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the North Brunswick Township School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the North Brunswick Township School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Gerard Stankiewicz  
Certified Public Accountant  
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey  
November 15, 2013

# SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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Exhibit K-2  
Sheet 1 of 3

## REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

### Independent Auditors' Report

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

#### Report on Compliance for Each Major Federal and State Program

We have audited the Township of North Brunswick Board of Education's compliance with the types of compliance requirements described in *the OMB Circular A-133 Compliance Supplement* and *New Jersey State Aid/Grant Compliance supplement* that could have a direct and material effect on each of District's major federal and state programs for the year ended June 30, 2013. The Township of North Brunswick School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal and state programs.

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of North Brunswick Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and *New Jersey State Aid/Grant Compliance Supplement*. Those standards, OMB Circular A-133 and New Jersey State Aid/Grant Compliance Supplement require that we plan and perform the audit to obtain reasonable assurance about whether on compliance 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 Township of North Brunswick Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
(CONTINUED)**

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Township of North Brunswick Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Township of North Brunswick Board of Education complied, in all material respects, with the types of compliance 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, 2013.

Report on Internal Control over Compliance

Management of the Township of North Brunswick Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of North Brunswick Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey State Aid/Grant Compliance Supplement, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of North Brunswick Board of Education'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 and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non compliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
(CONTINUED)**

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 and State  
Financial Assistance Required by NJOMB 04-04**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Township of North Brunswick School District as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 15, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and NJOMB 04-04 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

**Purpose of Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB Circular 04-04. Accordingly, this report is not suitable for any other purposes.



Gerard Stankiewicz  
Certified Public Accountant  
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

November 15, 2013  
Freehold, New Jersey

BOARD OF EDUCATION  
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Federal Grantor / Pass - Through Grantor / Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Due to Grantor	June 30, 2012		Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance, June 30, 2013		
						Due to Grantor	Deferred Revenue						(Accounts Receivable)	(Accounts Receivable)	Deferred Revenue
U.S. Department of Education:															
General Fund:															
Medical Assistance Program	93.778	N/A	\$ 85,202	7/1/2012 - 6/30/2013			\$	\$ 85,202	\$ (65,202)						
Education Jobs Fund	84.410	N/A	433,286	9/1/2011 - 8/31/2012			\$ (37,402)	37,402	(1,078)					\$ (1,078)	
Total General Fund							\$ (37,402)	\$ 122,604	\$ (66,280)					\$ (1,078)	
U.S. Department of Education:															
Passed - Through State Department of Education:															
Special Revenue Fund:															
Title 1, Part D	84.010A	NCLB-12	\$ 297,483	9/1/2011 - 8/31/2012			\$ (286,657.00)	\$ 286,657							\$ (2,830)
Title 1, Part D	84.010A	NCLB-13	234,380	9/1/2012 - 8/31/2013				8,789	(11,719)						
Title 1, Part A	84.010A	NCLB-11	591,531	9/1/2010 - 8/31/2011		\$ 31,640.00	(31,640)								
Title 1, Part A	84.010A	NCLB-13	575,561	9/1/2012 - 8/31/2013				362,803	(488,228)						(125,426)
Title 1, Part A Carryover	84.010A	NCLB-09	576,637	9/1/2011 - 8/31/2012			(140,048)	31,640	(195,895)						(76,316)
Title 1, Part A Carryover	84.010A	NCLB-10	481,068	9/1/2010 - 8/31/2011			(14,138)	14,138							
ARRA - Title 1, Part A	84.389	NCLB-11	312,457	9/1/2009 - 8/31/2011			(773)	773			\$ 1,277				
ARRA - Title 1, School Improvement	84.388	NCLB-11	15,445	9/1/2010 - 8/31/2011											
Title II, Part A Carryover	84.281	NCLB-12	106,454	9/1/2011 - 8/31/2012			(31,005)	139	(1,031)						
Title II, Part A	84.281A	NCLB-13	94,777	9/1/2012 - 8/31/2013				62,719	(84,326)						(21,746)
Title II, Part D	84.316X	NCLB-11	1,324	9/1/2010 - 8/31/2011					(345)						
Title III, Part A Carryover	84.365A	NCLB-11	66,731	9/1/2010 - 8/31/2011			(17,031)	31,664							
Title III, Part A Carryover	84.365A	NCLB-10	53,948	9/1/2009 - 8/31/2010			(20,078)	20,171			(93)				
Title III, Part A	84.365A	NCLB-13	58,477	9/1/2012 - 8/31/2013				45,520	(53,549)						(8,029)
Title III, Part A	84.365A	NCLB-12	59,334	9/1/2011 - 7/31/2012			(7,435)	18,786	(11,351)						
Title III, Immigrant	84.365A	NCLB-13	60,492	9/1/2012 - 7/31/2013				30,153	(38,686)						(8,533)
Title III, Immigrant Carryover	84.365A	NCLB-10	39,784	9/1/2009 - 8/31/2010				1,663	(1,853)						
I.D.E.A. Part B, Basic	84.027	NCLB-12	1,393,921	9/1/2011 - 8/31/2012			(213,764)	86	(125,835)						
I.D.E.A. Part B, Basic Regular	84.027	FT-13	1,357,975	9/1/2012 - 8/31/2013				340,533							(244,602)
I.D.E.A. Part B, Basic Regular Carryover	84.027	FT-09	1,196,085	9/1/2008 - 8/31/2009	\$ 785			965,196	(1,210,711)		785				
I.D.E.A. Part B, Basic Regular Carryover	84.027	FT-10	1,202,260	9/1/2010 - 8/31/2011			(114,152)	114,152							

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, 2013**

Federal Grantor / Pass - Through Grantor / Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2012		Carryover/ Waiver Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance, June 30, 2013	
					Due to Grantor	Deferred Revenue						(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>													
ARRA - I.D.E.A. Part B, Basic Regular	84-391	FT-11	\$ 1,354,326	9/1/2009 - 8/31/2011	\$	9,007	\$	\$ 9,007					
I.D.E.A. - Preschool Carryover	84-173	FT-09	34,545	9/1/2008 - 8/31/2009	\$ 1,640					1,640			
I.D.E.A. - Preschool	84-173	FT-12	37,350	9/1/2011 - 8/31/2012			\$ (4,725)	\$ 4,725					
I.D.E.A. - Preschool	84-173	FT-13	36,251	9/1/2012 - 8/31/2013									
ARRA - I.D.E.A. - Preschool	84-392	FT-11	46,849	9/1/2009 - 8/31/2011		112		1,560	\$ (34,954)			\$ (33,394)	
Perkins Grant	84-243A	N/A	32,660	7/1/2011 - 6/30/2012			(30,385)	30,385					
Perkins Grant	84-243A	N/A	34,166	7/1/2009 - 6/30/2010	1,524						1,524		
Perkins Grant	84-243A	N/A	33,447	7/1/2010 - 6/30/2011	359						359		
Perkins Grant	84-243A	N/A	37,980	7/1/2012 - 6/30/2013				19,755	(37,830)			(18,075)	
EE4NJ	84-410A	N/A	21,000	9/1/2012 - 8/31/2012					(21,000)			(21,000)	
Race to the Top (RTTF)	84-410A	N/A	69,615	7/1/2012 - 6/30/2013					(12,300)			(12,300)	
<b>Total Special Revenue Fund</b>			<b>\$ 4,308</b>		<b>\$ 47,391</b>	<b>\$ (880,212)</b>	<b>(1) \$ 2,621,427</b>	<b>\$ 12,728</b>	<b>\$ (2,345,457)</b>	<b>\$ 1,893</b>	<b>\$ (572,351)</b>	<b>\$ 20,695</b>	

**U.S. Department of Agriculture**  
**Passed-through State Department of Education:**

Enterprise Fund:	Federal Grantor / Pass - Through Grantor / Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Due to Grantor	Deferred Revenue	Carryover/ Waiver Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance, June 30, 2013	
													(Accounts Receivable)	Deferred Revenue
Food Distribution Program		10-550	N/A	\$ 193,807	7/1/2012 - 6/30/2013				\$ 193,807	(173,112)				\$ 20,695
Food Distribution Program		10-550	N/A	192,119	7/1/2011 - 6/30/2012	\$ 17,361				(17,361)				
School Breakfast Program		10-553	N/A	361,612	7/1/2012 - 6/30/2013				328,860	(361,612)				(32,952)
School Breakfast Program		10-553	N/A	336,165	7/1/2011 - 6/30/2012				19,551					
National School Lunch Program		10-555	N/A	936,746	7/1/2012 - 6/30/2013				654,899	(636,746)				(61,648)
National School Lunch Program		10-555	N/A	892,845	7/1/2011 - 6/30/2012				44,727	(44,727)				(788)
School Snack Program		10-555	N/A	9,539	7/1/2010 - 6/30/2011				6,751	(9,539)				
School Snack Program		10-555	N/A	6,848	7/1/2011 - 6/30/2012			(403)	403					
<b>Total Enterprise Fund</b>				<b>\$ 17,361</b>		<b>\$ (64,661)</b>	<b>\$ 1,450,998</b>	<b>(1,499,671)</b>	<b>\$ 12,728</b>	<b>\$ (3,930,308)</b>	<b>\$ 1,893</b>	<b>\$ (115,568)</b>	<b>\$ 20,695</b>	
<b>Total Federal Awards</b>				<b>\$ 4,308</b>		<b>\$ 59,742</b>	<b>(1) \$ 4,195,029</b>	<b>\$ (3,930,308)</b>	<b>\$ 12,728</b>	<b>\$ (689,017)</b>	<b>\$ 1,893</b>	<b>\$ (889,017)</b>	<b>\$ 20,695</b>	

(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, 2013

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		June 30, 2012		Cash Received	Budgetary (Expenditures)	(Adjustment) Repayment of Prior Year's Balances	Balance, June 30, 2013		MEMO
			From	To	(Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Due to Grantor	
State Department of Education: General Fund:												
Categorical Special Education Aid	13-495-034-5120-089	\$ 6,746,653	7/1/2012	- 6/30/2013	\$	6,746,653	\$ (6,746,653)		\$	644,162	\$ 6,746,653	
Equalization Aid	13-495-034-5120-078	501,010	7/1/2012	- 6/30/2013		501,010	(501,010)			47,836	501,010	
Categorical Security Aid	13-495-034-5120-084	3,595,070	7/1/2012	- 6/30/2013		3,595,070	(3,595,070)			343,253	3,595,070	
Transportation Aid	13-495-034-5120-084	404,041	7/1/2012	- 6/30/2013		404,041	(404,041)			38,577	404,041	
Extraordinary Special Education Aid	12-100-034-5120-473	305,148	7/1/2011	- 6/30/2012	\$	305,148	(250,000)		\$	(369,944)	250,000	
Extraordinary Special Education Aid	13-100-034-5120-473	369,944	7/1/2012	- 6/30/2013								
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	2,654,483	7/1/2011	- 6/30/2012		(130,082)		\$	130,082			
Reimbursed TPAF Social Security Contributions	13-495-034-5095-002	2,734,442	7/1/2012	- 6/30/2013		2,734,442	(2,599,774)			(134,668)	2,599,774	
Non Public Transportation	12-495-034-5120-014	46,650	7/1/2011	- 6/30/2012		46,650						
Non Public Transportation	13-495-034-5120-014	50,027	7/1/2012	- 6/30/2013		50,027				(50,027)	50,027	
<b>Total General Fund</b>					\$	14,393,073	\$ (14,096,548)	\$	130,082	\$ (554,639)	\$ 1,073,828	\$ 14,146,575

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, 2013**

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2012		Cash Received	Budgetary (Expenditures)	(Adjustment) Repayment of Prior Year's Balances	Balance, June 30, 2013		MEMO	
				(Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Due to Grantor		
											Cumulative Total Expenditures	
Special Revenue Fund:												
N.J. Nonpublic Aid:												
Textbook Aid	12-100-034-5120-064	\$ 4,400	7/1/2011 - 6/30/2012	\$ 328	\$	3,910	(3,176)	(328)	\$ 734	\$	3,176	
Textbook Aid	13-100-034-5120-064	3,910	7/1/2012 - 6/30/2013									
Nursing Services	12-100-034-5120-070	6,284	7/1/2011 - 6/30/2012	2,845		5,427	(5,134)	(2,845)	293		5,134	
Nursing Services	13-100-034-5120-070	5,427	7/1/2012 - 6/30/2013			1,444	(1,058)		386		1,058	
Technology	13-100-034-5120-373	1,444	7/1/2012 - 6/30/2013									
Auxiliary Services:												
Compensatory Education	13-100-034-5120-067	6,855	7/1/2012 - 6/30/2013			6,855	(6,855)				6,855	
Handicapped Services:												
Examination and Classification	12-100-034-5120-066	3,544	7/1/2011 - 6/30/2012	646		3,185	(3,185)	(646)			3,185	
Examination and Classification	13-100-034-5120-066	3,185	7/1/2012 - 6/30/2013			2,082	(2,151)		\$ (69)		2,151	
Supplemental Instruction	13-100-034-5120-066	2,151	7/1/2012 - 6/30/2013			1,015	(1,015)				1,015	
Corrective Speech	12-100-034-5120-066	790	7/1/2011 - 6/30/2012			790	(689)		790		589	
Transportation	13-100-034-5120-068	589	7/1/2012 - 6/30/2013			589						
Personalized Student Learning Pilot	999999999	15,000	7/1/2010 - 6/30/2011	238		1,685	(6,935)	(238)	(5,250)		6,935	
Personalized Student Learning Pilot	999999999	7,792	7/1/2012 - 6/30/2013			1,977						
Personalized Student Learning Pilot	999999999	15,000	7/1/2011 - 6/30/2012	(1,943)				(34,000)				
Total Special Revenue Fund				\$ (1,943)	\$ 4,057	\$ 28,959	\$ (30,098)	\$ (4,091)	\$ (5,319)	\$ 2,203	\$ 30,098	
State Department of Agriculture Enterprise Fund:												
State School Lunch Program	13-100-010-3350-023	\$ 27,481	7/1/2012 - 6/30/2013		\$	25,087	(27,481)		\$ (2,394)		\$ 27,481	
State School Lunch Program	12-100-010-3350-023	28,087	7/1/2011 - 6/30/2012	(1,388)		1,388						
Total Enterprise Fund				\$ (1,388)	\$	\$ 26,475	\$ (27,481)		\$ (2,394)		\$ 27,481	
Total State Financial Assistance				\$ (485,211)	\$ 4,057	\$ 14,438,507	\$ (14,154,127)	\$ 125,991	\$ (562,352)	\$ 2,203	\$ 14,204,154	

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, 2013**

**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, 2013**

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$87,470 for the general fund and \$95,788 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	\$ 86,280	\$ 19,376,707	\$ 19,462,987
Special Revenue Fund	2,278,345	30,098	2,308,443
Food Service Fund	<u>1,523,859</u>	<u>27,481</u>	<u>1,551,340</u>
Total Awards and Assistance	<u>\$ 3,888,484</u>	<u>\$ 19,434,286</u>	<u>\$ 23,322,770</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, 2013. 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, 2013.

The State of New Jersey also makes TPAF post-retirement medical and pension contribution expenditures on-behalf of the District. These expenditures are not subject to New Jersey OMB Circular 04-04 because the contributions are made by the State directly and do not have any compliance related requirements, and therefore have not been included on the Schedule of State Financial Assistance, as directed by the funding agency.

**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, 2013**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified, dated  
November 15, 2013

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: Unmodified, dated  
November 15, 2013

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>
84.010	Title I
84.027	IDEA Part B Regular
10.553 & 10.555	National School Breakfast and Lunch

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**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Section I - Summary of Auditor's Results (Continued)**

**State Financial Assistance**

Dollar threshold used to distinguish between type A and type B Programs: \$424,624

1. Auditee qualified as low-risk auditee?  x  yes   no

Type of auditor's report issued on compliance for major programs: Unmodified, dated  
November 15, 2013

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 weakness(es):   yes  x  none reported

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04?   yes  x  no

Identification of major programs:

<u>GMIS Number</u>	<u>Name of State Program</u>
<u>13-495-034-5120-089</u>	<u>Categorical Special Education Aid</u>
<u>13-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>13-495-034-5095-002</u>	<u>Reimbursed TPAF Social Security Contribution</u>
<u>13-495-034-5120-064</u>	<u>Transportation Aid</u>
<u>13-495-034-5120-089</u>	<u>Categorical Security Aid</u>

**Section II - Schedule of Financial Statement Findings**

None

**Section III - Schedule of State Financial Assistance Findings and Questioned Costs**

None

**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, 2013**

**FOR THE YEAR ENDED JUNE 30, 2012:**

There were no findings for the year ended June 30, 2012.