

**Comprehensive Annual
Financial Report**

of the

Township of South Brunswick School District

County of Middlesex

South Brunswick, New Jersey

For the Fiscal Year Ended June 30, 2013

Prepared by

**Township of South Brunswick, Board of Education
Finance Department**

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INTRODUCTORY SECTION

SOUTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS



Joanne Kerekes
Assistant Superintendent for
Curriculum & Instruction

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

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

December 2, 2013

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

Dear Board Members:

The comprehensive annual financial report of the South Brunswick Township Board of Education for the fiscal year ended June 30, 2013, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, P.L. 104 - 156 and the U. S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and the New Jersey OMB's Circular 04 -04, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1) Reporting Entity and Its Services: South Brunswick Township Schools is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The South Brunswick Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular and vocational as well as special education for handicapped youngsters. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Student Enrollment</u>	<u>Increase/Decrease</u>	<u>Percent Change</u>
2003-04	8,315	142	1.7
2004-05	8,581	266	3.2
2005-06	8,769	188	2.2
2006-07	8,792	23	0.3
2007-08	8,845	53	0.6
2008-09	8,990	145	1.6
2009-10	8,954	(36)	(0.4)
2010-11	9,024	70	0.8
2011-12	9,027	3	0.0
2012-13	8,881	(146)	(1.6)

The preliminary enrollment projection for 2013 - 14 is 8891 students or an increase of 10 students. This includes a projected Kindergarten class of 602.

2) Economic Condition and Outlook: South Brunswick property tax assessments continued to decline in 2012 (-2.3%), negatively impacting the tax rate by \$.049, even though the total school district tax levy had no change from the prior year. During the 2012-13 school year and in planning for the 2013-14 school year the property tax assessments leveled somewhat (slight decrease of .23%), this along with reductions in costs for health benefits and energy once again allowed the district to provide a budget with no tax levy increase and no school tax rate increase (\$0.00) for the 2013 – 14 school year.

The school district is the second highest employer with 1,202 employees in 2013. The Township of South Brunswick's total labor force grew to 25,268 in 2013 from 24,841 or 1.7% while the unemployment rate remained steady at 6.8%.

The District continues to be proactive in effects to reduce non-instructional costs specifically in the areas of energy, insurance and the possibility of a reduction of debt (refinancing of 2004 bonds) in order to maintain a consistent level of educational program offerings.

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

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

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

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

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

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

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

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

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

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

All activities for the 2013 - 14 school year will continue to focus on achieving this Board goal.

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

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

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

4) Budgetary Controls: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue funds, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects funds. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance on June 30, 2013.

5) Accounting System and Reports: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

6) Debt Administration: The District Finance Committee recommended the refinancing of a 2002 Refunding Bond issue. After receiving approval from the Local Finance Board, the District refinanced Series 2002 Bonds and issued Series 2012 AA Refunding School Bonds on March 7, 2012. These bonds resulted in a net present value savings of more than \$4.6 million. The Administration continues to monitor the current market conditions with the financial advisor and will look for the appropriate opportunity for significant savings in the future. Similarly the administration has positioned itself well with capital reserve which can be used to offset principal and interest payments for bonded projects.

District administration is currently monitoring a 2004 Bond issue for the possibility of a refunding opportunity which would provide additional tax relief to the South Brunswick community.

7) Risk Management: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, student accident insurance and fidelity bonds. The District likewise belongs to various consortiums in an effort to spread risk and reduce premium costs.

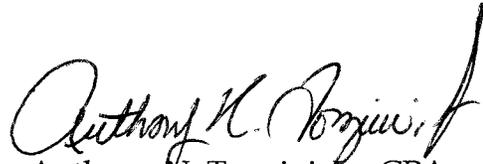
8) Other Information: Independent Audit - State statute requires an annual audit of Independent Certified Public Accountants or Registered Municipal Accountants. The accounting firm of Suplee, Clooney and Company, CPA was selected by the Board audit committee. In addition to meeting the requirements set forth in state statute, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,



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



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

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

**ROSTER OF OFFICIALS
JUNE 30, 2013**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Dr. Stephen F. Parker, President	2015
Mrs. Deborah Taylor, Vice-President	2013
Mr. Daniel J. Boyle	2013
Mr. Harry J. Delgado	2013
Mr. Patrick Del Piano	2014
Mr. Barry Nathanson	2015
Mr. Deven M. Patel	2014
Mr. Arthur L. Robinson	2014
Mr. Peter St. Vincent	2015
 <u>Other Officials</u>	
Dr. Gary P. McCartney, Superintendent	
Mr. Anthony N. Tonzini, Jr., Business Administrator/Board Secretary	
Parker McCay, Board Attorney	

**BOARD OF EDUCATION
TOWNSHIP OF SOUTH BRUNSWICK, COUNTY OF MIDDLESEX**

CONSULTANTS AND ADVISORS

JUNE 30, 2013

ARCHITECT

The Spiezle Architectural Group
120 Sanhicon Drive
Trenton, NJ 08618

AUDIT FIRM

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Westfield, NJ 07090-2122

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A Professional Corporation
73 North Main Street
Cranbury, NJ 08512

FINANCIAL ADVISOR

RBC Capital Markets
25 Hanover Road
Florham Park, NJ 07932

BOND COUNSEL

McManimon & Scotland
Attorneys At Law
One Riverfront Plaza
Newark, NJ 07102

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

Bank of America
24 Summerfield Blvd.
Dayton, NJ 08810

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

NJ ARM
252 Nassau Street
Princeton, NJ 08542

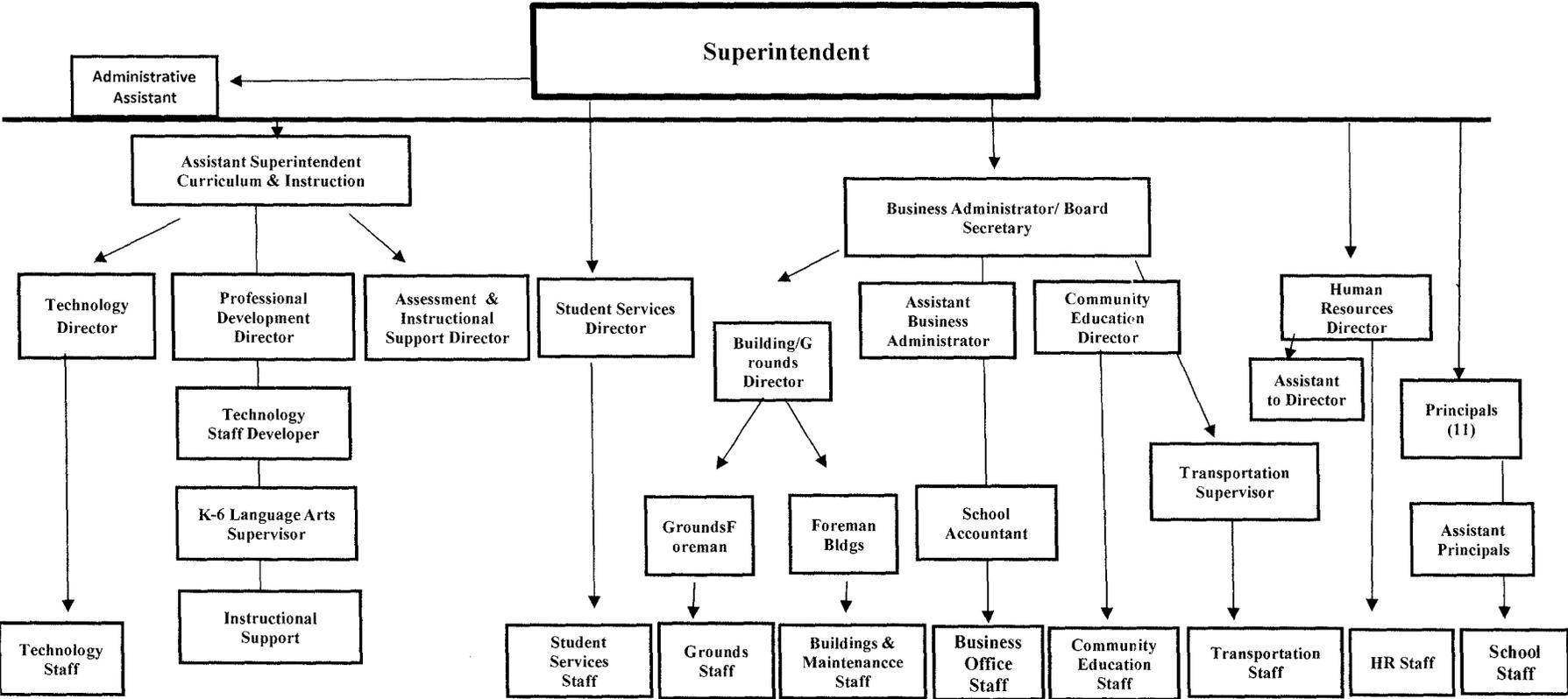
NJ Cash Management Fund
Department of Treasury
Division of Investment

PNC Bank
359 Georges Road
Dayton, NJ 08810

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

Wells Fargo Bank
3510 Route 27
Kendall Park, NJ 08831

South Brunswick School District Organization - 2012 - 2013



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FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of South Brunswick School District, County of Middlesex, New Jersey as of and for the year ended June 30, 2013, and the related notes to the 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, the provisions of U.S. Office of Management and Budget (OMB) *Circular A-133* "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey *OMB Circular 04-04* "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

SUPLEE, CLOONEY & COMPANY

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of South Brunswick School District, County of Middlesex, New Jersey as of June 30, 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's Discussion and Analysis and budgetary comparison information in Exhibit C-1 through C-3 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.

SUPLEE, CLOONEY & COMPANY

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of South Brunswick School District's basic financial statements. The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance 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 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information, such as the introductory and statistical sections, 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 December 2, 2013 on our consideration of the Township of South Brunswick School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Township of South Brunswick School District's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

December 2, 2013

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

SOUTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
Monmouth Junction, New Jersey

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

UNAUDITED

The discussion and analysis of the South Brunswick Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 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 the basic financial statements to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34- *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2012/2013) and the prior year (2011/2012) is required to be presented in MD&A.

FINANCIAL HIGHLIGHTS

The 2012-13 budget was constructed with a local tax levy less than that of the previous two years. The total tax levy of \$102,655,940 represents a 1.2% decrease from the prior two years even though the district could have increased the tax levy by the maximum 2% CAP. The total general fund budget increased 3.2% over the previous year to \$127,558,083 and scheduled debt payments decreased by 22.96% as a result of the prior year refunding and expiration of certain prior debt issues.

The 2012-13 school year showed a slight decrease in the student population within the South Brunswick Township Public Schools. Capital Reserve funds were used to replace roofing sections and Indian Fields, Crossroads South and the installation of new windows at Dayton and Deans Elementary schools, as well as other projects without increasing the tax levy. Enhanced security measures continued to be implemented throughout the district as a result of a perimeter assessment prepared by the Superintendent and School Business Administrator in conjunction with the South Brunswick Township Police Department.

There were significant reductions in non-instructional areas, including energy and district administration as well as debt service and for the first time in seven years district administration provided a budget that saw no reductions in staff and an overall total budget increase of 1.1%.

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

Statement of Net Position and the Statement of Activities

The Statement of Net Position and Statement of Activities provides information about the activities of the whole school district, presenting both an aggregate view of the school district's finances and longer term view of those finances. Fund financial statements provide the next level of detail. For governmental activities and business-type activities, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the school district's individual funds with all funds presented. In the case of the South Brunswick Township School district, the General Fund is by far the most significant fund. The governmental activities are mainly supported by taxes and intergovernmental revenues, while the business-type activities are intended to cover all or a significant portion of their costs through user fees and charges.

While this document contains all of the funds used by the school district to provide programs and activities, the view of the school district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012-13". The Statement of Net Position and the Statement of Activities answers this question. The Statement of Net Position includes all assets and liabilities, while the Statement of Activities shows the cost of program services and the charges for those services and the grants offsetting those services. They use the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when the timing of the related cash is received or paid.

These two statements report the school district's net position and changes to those assets. 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 Statement of Net Position and the Statement of Activities, the school district is divided into two distinct kinds of activities:

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

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

Proprietary Funds

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

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

Fiduciary Funds

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

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

Notes to the Financial Statements

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

Other Information

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

The School District as a Whole

Recall that the Statement of Net 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.

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

	<u>2012-2013</u>			<u>2011-2012</u>		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
ASSETS						
Current and Other Assets	\$27,272,622	\$3,515,667	\$30,788,289	\$24,608,629	\$3,161,969	\$ 27,770,598
Capital Assets	\$140,391,008	\$162,138	\$140,553,146	\$142,125,322	\$217,859	\$ 142,343,181
TOTAL ASSETS	\$167,663,630	\$3,677,805	\$171,341,435	\$166,733,951	\$3,379,828	\$ 170,113,779
LIABILITIES:						
Long-term Liabilities	\$83,038,888	\$71,111	\$83,109,999	\$87,005,490	\$72,610	\$ 87,078,100
Other Liabilities	\$5,006,211	\$1,886,545	\$6,892,756	\$4,893,899	\$1,596,885	\$ 6,490,784
TOTAL LIABILITIES	\$88,045,099	\$1,957,656	\$90,002,755	\$91,899,389	\$1,669,495	\$ 93,568,884
NET POSITION						
Net investment in capital assets	\$61,939,623	\$162,138	\$62,101,761	\$59,184,894	\$217,859	\$ 59,402,753
Restricted	\$18,114,140		\$18,114,140	\$14,830,961		\$ 14,830,961
Unrestricted	(\$435,232)	\$1,558,011	\$1,122,779	\$818,707	\$1,492,474	\$ 2,311,181
TOTAL NET POSITION	\$79,618,531	\$1,720,149	\$81,338,680	\$74,834,562	\$1,710,333	\$76,544,895

Long-term liabilities were reduced by the both the current year principal payment and the refinancing of Series 2002, which saved the district nearly \$4.7 million in total.

Net Position –Restricted – increased by additional Fund Balance accrued during the year as well as a deposit of \$5.2 million into Capital Reserve

Table 2 shows changes in net position for fiscal year 2013.

Table 2
Changes in Net Position

	2012-13			2011-12		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues						
Program Revenues:						
Charges for Services		\$ 5,411,847	\$ 5,411,847		\$ 5,420,288	\$ 5,420,288
Operating Grants and Contributions	\$ 15,647,550	\$ 782,788	\$ 16,430,338	\$ 13,606,423	\$ 748,386	\$ 14,354,809
General Revenues:						
Property Taxes, Levied for General Purposes	\$ 96,244,567		\$ 96,244,567	\$ 95,307,567		\$ 95,307,567
Property Taxes, Levied for Debt Service	\$ 6,411,373		\$ 6,411,373	\$ 8,623,643		\$ 8,623,643
Federal and State Aid Grants Not Restricted	\$ 23,666,809		\$ 23,666,809	\$ 22,719,409		\$ 22,719,409
State Aid Grants Restricted			\$ -			\$ -
Other Revenues	\$ 571,719	\$ 1,749	\$ 573,468	\$ 485,072	\$ 1,538	\$ 486,610
Transfers			\$ -			\$ -
Total revenues	\$ 142,542,018	\$ 6,196,384	\$ 148,738,402	\$ 140,742,114	\$ 6,170,212	\$ 146,912,326
Expenses:						
Instruction Services	\$ 78,156,791		\$ 78,156,791	\$ 74,625,487		\$ 74,625,487
Support Services	\$ 56,101,075		\$ 56,101,075	\$ 52,798,239		\$ 52,798,239
Interest on Long-Term Debt	\$ 3,329,820		\$ 3,329,820	\$ 1,974,768		\$ 1,974,768
Other Expenses	\$ 170,363		\$ 170,363	\$ 798,541		\$ 798,541
Food Service Options		\$ 3,029,707	\$ 3,029,707		\$ 3,086,700	\$ 3,086,700
Children's Community Enrichment Programs		\$ 3,156,861	\$ 3,156,861		\$ 2,987,076	\$ 2,987,076
Total Expenses	\$ 137,758,049	\$ 6,186,568	\$ 143,944,617	\$ 130,197,035	\$ 6,073,776	\$ 136,270,811
Change in Net Position	\$ 4,783,969	\$ 9,816	\$ 4,793,785	\$ 10,545,079	\$ 96,436	\$ 10,641,515
Net Position July 1,	\$ 74,834,562	\$ 1,710,333	\$ 59,427,136	\$ 64,289,483	\$ 1,613,987	\$ 59,427,136
Net Position, June 30,	\$ 79,618,531	\$ 1,720,149	\$ 64,220,921	\$ 74,834,562	\$ 1,710,423	\$ 70,068,651

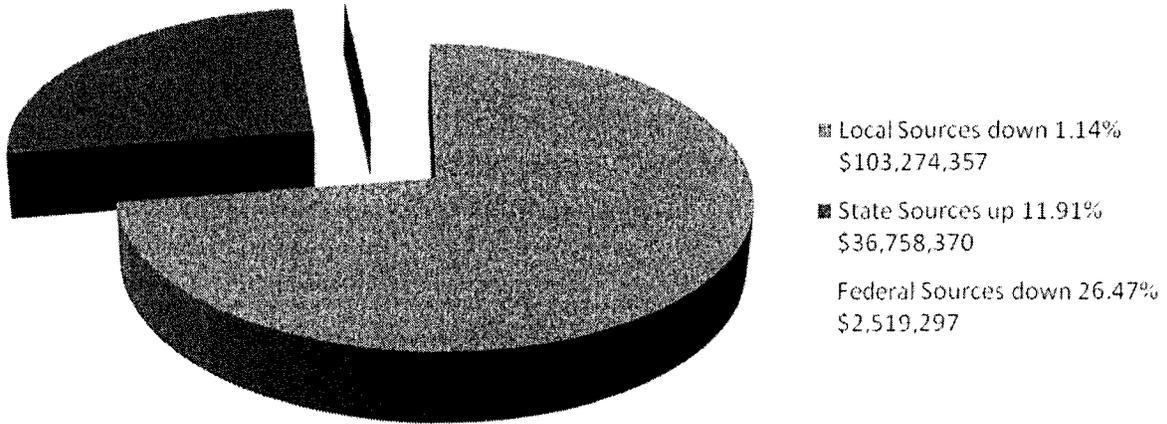
Table 2 presents a picture of the changing pattern of revenue sources supporting the educational program. The Board recognized an increase in State aid of 13% and, along with other budgeting decisions, including an additional fund balance contribution, presented a budget with an actual reduction in overall tax levy.

Total expenses were up as a result of increased instructional and support services expenses incurred as a result of a new collective bargaining agreement, various new textbook series, the implementation of new state testing standards, special education tuition expenses, required maintenance costs and increased interest on long-term debt as a result of the 2002 bond refunding, in which the savings were reflected in 2011-12 interest on Long-Term Debt.

Governmental Activities

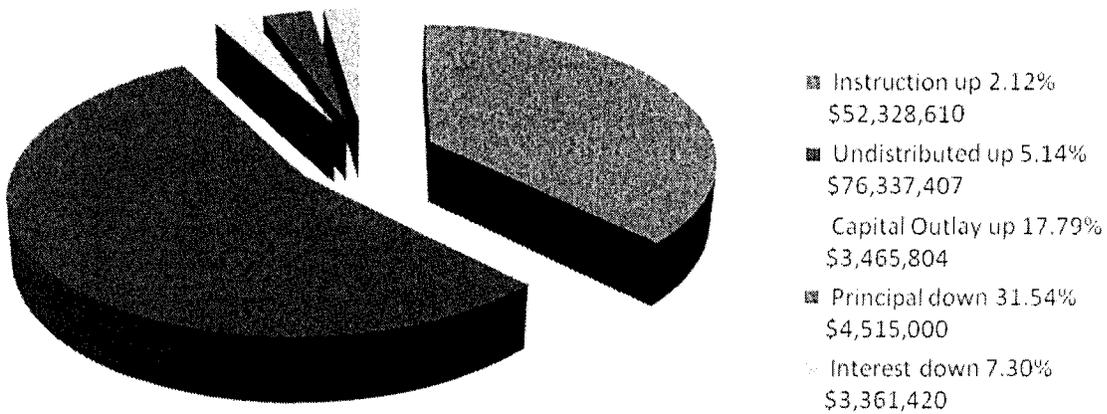
SOURCES OF REVENUES

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



DISTRIBUTION OF EXPENDITURES

DISTRIBUTION OF EXPENDITURES OF THE GOVERNMENTAL FUNDS (EXHIBIT B-2)



Business-Type Activities

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

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

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

The School District's Funds

Governmental funds (i.e. general fund, special revenue fund, capital projects fund, and debt service fund) presented in the fund-based statements are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$142,552,024 representing an increase of 1.29% and expenditures were up by \$3,000,433 to \$140,008,241 which represented an increase of 2.19%

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Table 3 presents a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2013, and the amount and percentage of increases and decreases in relation to prior year revenues.

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

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

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Inc/(Dec) FY 2012</u>	<u>Percent Inc/(Dec)</u>
Local Sources	\$ 103,274,357	72.45%	\$ -1,195,922	-1.14%
State Sources	36,758,370	25.79%	3,912,645	11.91%
Federal Sources	<u>2,519,297</u>	<u>1.77%</u>	<u>-906,813</u>	<u>-26.47%</u>
Total	\$ <u>142,552,024</u>	<u>100.00%</u>	\$ <u>1,809,910</u>	<u>1.29%</u>

Table 4 represents a summary of the combined general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2013, and the percentage of increases and decreases in relation to prior year amounts.

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

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

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Inc/(Dec) FY 2012</u>	<u>Percent Inc/(Dec)</u>
Current:	\$		\$	
Instruction	52,328,610	37.38%	1,086,776	2.12%
Undistributed	76,337,407	54.52%	3,734,808	5.14%
Capital Outlay	3,465,804	2.48%	523,370	17.79%
Debt Service:				
Principal	4,515,000	3.22%	-2,080,000	-31.54%
Interest	3,361,420	2.40%	-264,521	-7.30%
Total	\$ 140,008,241	100.00%	\$ 3,000,433	2.19%

GENERAL FUND BUDGETING HIGHLIGHTS

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

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

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

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

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

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

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

FUND BALANCES

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

**TABLE 5
NET CHANGES IN FUND BALANCE**

Governmental Funds:	
General Fund	3,400,087.00
Special Revenue Fund	
Capital Projects Fund	51,331.00
Debt Service Fund	(16,281.00)
Business-type Activities:	
Food Service Fund	119,662.00
Children's Community Enrichment Programs	123,357.00

CAPITAL ASSETS

At the end of the fiscal year 2012-2013, the School District had \$140,553,146 invested in land, buildings, furniture, equipment and vehicles. Table 6 shows fiscal year 2013 balances compared to 2012.

**TABLE 6
Capital Assets (Net Depreciation) at June 30**

	Governmental Activities		Business-Type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	7,894,664	7,894,664			7,894,664	7,894,664
Construction in Progress	1,991,124	136,505			1,991,124	136,505
Site Improvements	1,343,930	1,483,320			1,343,930	1,483,320
Buildings and Improvements	125,290,421	128,581,168			125,290,421	128,581,168
Machinery and Equipment	<u>3,870,869</u>	<u>4,029,665</u>	<u>162,138</u>	<u>217,859</u>	<u>4,033,007</u>	<u>4,247,524</u>
Total	140,391,008	142,125,322	162,138	217,859	140,553,146	142,343,181
Increase/Decrease	(1,734,314)		(55,721)		(1,790,035)	

Overall capital assets decreased from fiscal year 2012 to fiscal year 2013 reflecting the effects of depreciation over the period and the disposal of certain district owned equipment and vehicles during the same 2012-13 period.

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

DEBT ADMINISTRATION

In the governmental funds, at June 30, 2013, the School District had \$83,038,888 outstanding long term debt representing a \$3,966,602 reduction from the prior year.

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

FOR THE FUTURE

The South Brunswick School District is in sound financial condition; however, the fiscal condition of New Jersey continues to provide some level of concern which could ultimately impact the local tax payers. Additional concerns are the requirements S1701 that the free appropriations fund balance be kept at or below 2% and the need to remain within a continually restrictive CAP limit in spite of the increasing costs of employee benefits and other non-instructional costs.

The District is proud of its community support and will continue to proactively face the challenges to provide appropriate staff, instructional supplies, equipment and the facilities associated with increasing enrollment. Staff development for non-tenured teachers representing 20% of the total teaching force in addition to investments to plan and disseminate instructional strategies to meet the State standards of Excellent Educators for New Jersey (EE4NJ) and Partnership for Assessment of Readiness for College and Careers (PARCC) will continue to be a District focus.

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

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2013.

DISTRICT-WIDE FINANCIAL STATEMENTS

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$19,593,218.00	\$3,403,094.00	\$22,996,312.00
Cash on hand with fiscal agent	177,930.00		177,930.00
Receivables, net	1,776,379.00	65,403.00	1,841,782.00
Prepaid expenses	8,208.00	20,021.00	28,229.00
Inventory		27,149.00	27,149.00
Interfund receivable	877,650.00		877,650.00
Deferred Bond Issuance Costs	230,773.00		230,773.00
Restricted assets:			
Restricted cash and cash equivalents	4,608,464.00		4,608,464.00
Capital assets:			
Land and Construction in Progress	9,885,788.00		9,885,788.00
Other capital assets, net of depreciation	130,505,220.00	162,138.00	130,667,358.00
Total Assets	167,663,630.00	3,677,805.00	171,341,435.00
LIABILITIES:			
Accounts payable	3,105,820.00	257,418.00	3,363,238.00
Interfund payables		882,693.00	882,693.00
Payable to state government	31,254.00		31,254.00
Deferred revenue	15,660.00	746,434.00	762,094.00
Other	79,118.00		79,118.00
Accrued liability to pay Workers Compensation Claims	1,144,642.00		1,144,642.00
Accrued interest on bonds	629,717.00		629,717.00
Noncurrent liabilities:			
Due within one year:			
Bonds payable	4,765,000.00		4,765,000.00
Due beyond one year:			
Compensated absences payable	2,516,888.00	71,111.00	2,587,999.00
Bonds and capital leases payable	75,757,000.00		75,757,000.00
Total liabilities	88,045,099.00	1,957,656.00	90,002,755.00
NET POSITION:			
Net investment in capital assets	61,939,623.00	162,138.00	62,101,761.00
Restricted for:			
Capital projects fund	859.00		859.00
Debt service fund (deficit)	(627,430.00)		(627,430.00)
Other purposes	18,740,711.00		18,740,711.00
Unrestricted (deficit)	(435,232.00)	1,558,011.00	1,122,779.00
Total net position	\$79,618,531.00	\$1,720,149.00	\$81,338,680.00

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Programs Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 56,388,709.00	\$	\$ 5,730,799.05	\$ (50,657,910.00)	\$	\$ (50,657,910.00)
Special	16,736,400.00		3,908,892.15	(12,827,508.00)		(12,827,508.00)
Other Instruction	5,031,682.00		554,959.19	(4,476,723.00)		(4,476,723.00)
Support services:						
Tuition	4,032,629.00			(4,032,629.00)		(4,032,629.00)
Student & instruction related services	13,637,027.00		1,756,698.08	(11,880,329.00)		(11,880,329.00)
General administrative services	2,476,323.00		79,280.31	(2,397,043.00)		(2,397,043.00)
School administrative services	7,571,650.00		815,449.65	(6,756,200.00)		(6,756,200.00)
Central services	2,296,562.00		271,816.22	(2,024,746.00)		(2,024,746.00)
Administration information technology	921,072.00		90,605.07	(830,467.00)		(830,467.00)
Plant operations and maintenance	15,772,832.00		974,008.27	(14,798,824.00)		(14,798,824.00)
Pupil transportation	9,392,979.00			(9,392,979.00)		(9,392,979.00)
Interest on Long-Term Debt	3,329,820.00		1,465,042.00	(1,864,778.00)		(1,864,778.00)
Unallocated amortization (net)	13,696.00			(13,696.00)		(13,696.00)
Unallocated depreciation	156,667.00			(156,667.00)		(156,667.00)
Total governmental activities	<u>137,758,048.00</u>		<u>15,647,550.00</u>	<u>(122,110,499.00)</u>		<u>(122,110,499.00)</u>
Business-type activities						
Food Service	3,029,707.00	2,354,301.00	782,788.00		107,382.00	107,382.00
Community School	<u>3,156,861.00</u>	<u>3,057,546.00</u>			<u>(99,315.00)</u>	<u>(99,315.00)</u>
Total business-type activities	<u>6,186,568.00</u>	<u>5,411,847.00</u>	<u>782,788.00</u>		<u>8,067.00</u>	<u>8,067.00</u>
Total primary government	<u>\$ 143,944,616.00</u>	<u>\$ 5,411,847.00</u>	<u>\$ 16,430,338.00</u>	<u>\$ (122,110,499.00)</u>	<u>\$ 8,067.00</u>	<u>\$ (122,102,432.00)</u>
General Revenues:						
Taxes:						
Property taxes, levied for general purposes, net				\$ 96,244,567.00	\$	\$ 96,244,567.00
Taxes levied for debt service				6,411,373.00		6,411,373.00
Federal and state aid not restricted				23,666,809.00		23,666,809.00
Miscellaneous income				571,719.00	1,749.00	573,468.00
Total general revenues and special items				<u>126,894,468.00</u>	<u>1,749.00</u>	<u>126,896,217.00</u>
Change in net position				4,783,969.00	9,816.00	4,793,785.00
Net Position - beginning				74,834,562.00	1,710,333.00	76,544,895.00
Net Position - ending				<u>\$ 79,618,531.00</u>	<u>\$ 1,720,149.00</u>	<u>\$ 81,338,680.00</u>

See accompanying notes to financial statements.

MAJOR FUND FINANCIAL STATEMENTS

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash and cash equivalents	\$ 17,914,556.00	\$	\$ 1,676,375.00	\$ 2,287.00	\$ 19,593,218.00
Cash, Capital Reserve	4,608,464.00				4,608,464.00
Cash on Hand with Fiscal Agent	177,930.00				177,930.00
Other receivables	250,531.00	11.00			250,542.00
Prepaid expenses	7,402.00	806.00			8,208.00
Due from other funds	1,181,889.00				1,181,889.00
Receivables from other governments	783,271.00	554,116.00	188,450.00		1,525,837.00
Total assets	\$ 24,924,043.00	\$ 554,933.00	\$ 1,864,825.00	\$ 2,287.00	\$ 27,346,088.00
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	2,871,629.00	210,067.00			3,081,696.00
Contracts payable			24,124.00		24,124.00
Interfund payables	5,088.00	299,151.00			304,239.00
Payable to state government		31,254.00			31,254.00
Deferred revenue	1,991.00	13,669.00			15,660.00
Other	78,326.00	792.00			79,118.00
Accrued liability to pay workers:					
Compensation Claims	1,144,642.00				1,144,642.00
Total liabilities	4,101,676.00	554,933.00	24,124.00		4,680,733.00
Fund balances:					
Restricted for:					
Excess surplus	3,479,981.00				3,479,981.00
Excess surplus - Designated for Subsequent Years Expenditure	5,047,266.00				5,047,266.00
Capital reserve account	9,263,464.00				9,263,464.00
Emergency reserve account	950,000.00				950,000.00
Capital projects			1,840,701.00		1,840,701.00
Debt service				2,287.00	2,287.00
Assigned to:					
Encumbrances	1,894,628.00				1,894,628.00
Designated for subsequent years expenditures	30,000.00				30,000.00
Unassigned:					
General fund	157,028.00				157,028.00
Total fund balances	20,822,367.00		1,840,701.00	2,287.00	22,665,355.00
Total liabilities and fund balances	\$ 24,924,043.00	\$ 554,933.00	\$ 1,864,825.00	\$ 2,287.00	\$ 27,346,088.00

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

Total Fund Balances (Brought Forward)		\$22,665,355.00
Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:		
Cost associated with the issuance of various Bonds are expensed in the Governmental Funds in the year the bonds are issued, but are capitalized on the Statement of Net Position		
Bond Issuance Costs	\$313,231.00	
Accumulated Amortization	<u>(82,458.00)</u>	230,773.00
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of Assets	226,919,918.00	
Accumulated Depreciation	<u>(86,528,910.00)</u>	140,391,008.00
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Compensated Absences	(2,516,888.00)	
Bonds Payable	<u>(80,522,000.00)</u>	(83,038,888.00)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accrued Interest Payable	<u>(629,717.00)</u>	<u>(629,717.00)</u>
Net Position of Governmental Activities		<u><u>\$79,618,531.00</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$96,244,567.00			\$6,411,373.00	\$102,655,940.00
Tuition	182,930.00				182,930.00
Transportation	16,796.00				16,796.00
Interest on capital reserve	2,775.00				2,775.00
Miscellaneous	369,218.00	\$46,698.00			415,916.00
Total revenues - local sources	96,816,286.00	46,698.00		6,411,373.00	103,274,357.00
State sources	34,961,132.00	332,196.00		1,465,042.00	36,758,370.00
Federal sources	41,372.00	2,477,925.00			2,519,297.00
Total revenues	131,818,790.00	2,856,819.00		7,876,415.00	142,552,024.00
EXPENDITURES:					
Current expense:					
Regular instruction	36,657,469.00				36,657,469.00
Special instruction	9,530,871.00	2,459,204.00			11,990,075.00
Other Instruction	3,681,066.00				3,681,066.00
Support services:					
Tuition	4,032,629.00				4,032,629.00
Student & instruction related services	9,287,096.00	397,615.00			9,684,711.00
General administrative services	1,736,341.00				1,736,341.00
School administrative services	5,043,308.00				5,043,308.00
Central services	1,713,484.00				1,713,484.00
Administration information technology	676,468.00				676,468.00
Plant operations and maintenance	12,809,395.00				12,809,395.00
Pupil transportation	7,849,043.00				7,849,043.00
Allocated benefits	1,405,811.00				1,405,811.00
Unallocated benefits	31,386,217.00				31,386,217.00
Debt Service:					
Principal				4,515,000.00	4,515,000.00
Interest				3,361,420.00	3,361,420.00
Capital outlay	1,710,824.00		1,754,980.00		3,465,804.00
Total expenditures	127,520,022.00	2,856,819.00	1,754,980.00	7,876,420.00	140,008,241.00
Excess (deficiency) of revenues over (under) expenditures	4,298,768.00		(1,754,980.00)	(5.00)	2,543,783.00
Other financing sources (uses):					
Transfers in/(out)	(1,752,725.00)		1,752,725.00		
State aid receivable canceled			(10,006.00)		(10,006.00)
Total other financing sources (uses)	(1,752,725.00)		1,742,719.00		(10,006.00)
Net change in fund balances	2,546,043.00		(12,261.00)	(5.00)	2,533,777.00
Fund balances, July 1, 2012	18,276,324.00	-0-	1,852,962.00	2,292.00	20,131,578.00
Fund balances, June 30, 2013	\$20,822,367.00	\$-0-	\$1,840,701.00	\$2,287.00	\$22,665,355.00

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Total net change in fund balances - governmental funds (from B-2)		\$2,533,777.00
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period		
Depreciation expense		(5,089,418.00)
Capital outlays	\$3,465,804.00	
Less: Capital outlays not capitalized	<u>(110,700.00)</u>	
	<u>\$3,355,104.00</u>	3,355,104.00
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.		
		4,515,000.00
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		
		31,600.00
Bond Issue costs are reported in the Governmental Funds as expenditures in the year the bonds are issued. However, on the Statement of Activities the costs are amortized over the life of the Bonds.		
Amortization Expense		(13,696.00)
In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
Decrease in Compensated Absences		<u>(548,398.00)</u>
Change in net position of governmental activities		<u><u>\$4,783,969.00</u></u>

See accompanying notes to financial statements.

OTHER FUNDS

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	BUSINESS-TYPE ACTIVITIES-MAJOR FUNDS		
	FOOD SERVICE FUND	CHILDRENS' COMMUNITY ENRICHMENT FUND	TOTAL ENTERPRISE
ASSETS:			
Current assets:			
Cash and cash equivalents	\$515,600.00	\$2,887,494.00	\$3,403,094.00
Accounts receivable - other	9,578.00	2,959.00	12,537.00
Interfund receivable		5,088.00	5,088.00
Intergovernmental receivables			
State	3,934.00		3,934.00
Federal	43,844.00		43,844.00
Inventories	27,149.00		27,149.00
Prepaid expenses		20,021.00	20,021.00
Total current assets	<u>600,105.00</u>	<u>2,915,562.00</u>	<u>3,515,667.00</u>
Noncurrent assets:			
Furniture, machinery & equipment	1,311,553.00	260,345.00	1,571,898.00
Less accumulated depreciation	<u>(1,206,873.00)</u>	<u>(202,887.00)</u>	<u>(1,409,760.00)</u>
Total noncurrent assets	<u>104,680.00</u>	<u>57,458.00</u>	<u>162,138.00</u>
Total assets	<u>704,785.00</u>	<u>2,973,020.00</u>	<u>3,677,805.00</u>
LIABILITIES			
Current liabilities:			
Accounts payable	224,595.00	32,823.00	257,418.00
Interfund payable		882,693.00	882,693.00
Deferred revenue	81,145.00	665,289.00	746,434.00
Compensated absences		71,111.00	71,111.00
Total current liabilities	<u>305,740.00</u>	<u>1,651,916.00</u>	<u>1,957,656.00</u>
Total liabilities	<u>305,740.00</u>	<u>1,651,916.00</u>	<u>1,957,656.00</u>
NET POSITION			
Net investment in capital assets	104,680.00	57,458.00	162,138.00
Unrestricted	<u>294,365.00</u>	<u>1,263,646.00</u>	<u>1,558,011.00</u>
Total net position	<u>\$399,045.00</u>	<u>\$1,321,104.00</u>	<u>\$1,720,149.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>BUSINESS-TYPE ACTIVITIES</u>		
	<u>FOOD SERVICE FUND</u>	<u>CHILDRENS' COMMUNITY ENRICHMENT FUND</u>	<u>TOTAL ENTERPRISE</u>
OPERATING REVENUES:			
Charges for services:			
Daily sales - Reimbursable Programs	\$1,126,463.00		\$1,126,463.00
Daily sales - Non-Reimbursable Programs	1,227,284.00		1,227,284.00
Special Functions	554.00		554.00
Program fees		\$3,057,546.00	3,057,546.00
Total operating revenues	<u>2,354,301.00</u>	<u>3,057,546.00</u>	<u>5,411,847.00</u>
OPERATING EXPENSES:			
Salaries	918,931.00	1,795,303.00	2,714,234.00
Employee Benefits	295,004.00	861,025.00	1,156,029.00
Other Purchase Service	277,378.00	118,621.00	395,999.00
General Supplies	181,987.00	356,242.00	538,229.00
Depreciation	30,051.00	25,670.00	55,721.00
Cost of sales	1,326,356.00		1,326,356.00
Total operating expenses	<u>3,029,707.00</u>	<u>3,156,861.00</u>	<u>6,186,568.00</u>
Operating (loss)	<u>(675,406.00)</u>	<u>(99,315.00)</u>	<u>(774,721.00)</u>
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	28,816.00		28,816.00
Federal Sources:			
National School Lunch Program	517,899.00		517,899.00
National food distribution commodities	236,073.00		236,073.00
Interest on Investments	187.00	1,562.00	1,749.00
Total nonoperating revenues	<u>782,975.00</u>	<u>1,562.00</u>	<u>784,537.00</u>
Income before contributions and transfers	<u>107,569.00</u>	<u>(97,753.00)</u>	<u>9,816.00</u>
Change in net position	<u>107,569.00</u>	<u>(97,753.00)</u>	<u>9,816.00</u>
Total net position - beginning	<u>291,476.00</u>	<u>1,418,857.00</u>	<u>1,710,333.00</u>
Total net position - ending	<u>\$399,045.00</u>	<u>\$1,321,104.00</u>	<u>\$1,720,149.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>BUSINESS-TYPE ACTIVITIES</u>		
	<u>FOOD SERVICE FUND</u>	<u>CHILDRENS' COMMUNITY ENRICHMENT FUND</u>	<u>TOTAL ENTERPRISE</u>
Cash flows from operating activities:			
Receipts from customers	\$2,368,313.00	\$3,078,273.00	\$5,446,586.00
Payments to employees	(918,931.00)	(1,795,303.00)	(2,714,234.00)
Payments to employee benefits	(295,004.00)	(862,524.00)	(1,157,528.00)
Payments to suppliers	(1,500,039.00)	(511,134.00)	(2,011,173.00)
Net cash provided by (used for) operating activities)	<u>(345,661.00)</u>	<u>(90,688.00)</u>	<u>(436,349.00)</u>
Cash flows from noncapital financing activities:			
State Sources	28,816.00		28,816.00
Federal Sources	517,899.00		517,899.00
Interfund Activity		294,359.00	294,359.00
Net cash provided by noncapital financing activities	<u>546,715.00</u>	<u>294,359.00</u>	<u>841,074.00</u>
Cash flows from investing activities:			
Interest	187.00	1,562.00	1,749.00
Net cash provided by (used for) investing activities	<u>187.00</u>	<u>1,562.00</u>	<u>1,749.00</u>
Net increase in cash and cash equivalents	201,241.00	205,233.00	406,474.00
Cash and cash equivalents, July 1, 2012	<u>314,359.00</u>	<u>2,682,261.00</u>	<u>2,996,620.00</u>
Cash and cash equivalents, June 30, 2013	<u>\$515,600.00</u>	<u>\$2,887,494.00</u>	<u>\$3,403,094.00</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	(675,406.00)	(99,315.00)	(774,721.00)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	30,051.00	25,670.00	55,721.00
Federal commodities	236,073.00		236,073.00
Change in assets and liabilities:			
(Increase)/Decrease in Accounts Receivable - Other	23,817.00	2,427.00	26,244.00
(Increase) decrease in inventories	30,770.00		30,770.00
(Increase) decrease in prepaid expenses		800.00	800.00
Increase (Decrease) in accounts payable	18,839.00	(37,071.00)	(18,232.00)
Increase (Decrease) in deferred revenue	(9,805.00)	18,300.00	8,495.00
Increase (Decrease) in compensated absences		(1,499.00)	(1,499.00)
	<u>329,745.00</u>	<u>8,627.00</u>	<u>338,372.00</u>
Net cash provided by (used for) operating activities	<u>(\$345,661.00)</u>	<u>(\$90,688.00)</u>	<u>(\$436,349.00)</u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Unemployment Compensation Fund</u>	<u>Private Purpose Award Fund</u>	<u>Agency Funds</u>
ASSETS:			
Cash and cash equivalents	\$357,769.00	\$53,959.00	\$1,304,065.00
Total Assets	<u>357,769.00</u>	<u>53,959.00</u>	<u>1,304,065.00</u>
LIABILITIES:			
Accounts payable	9,648.00		
Interfund payable			45.00
Payroll deductions and withholdings			726,132.00
Due to student groups			577,888.00
Total Liabilities	<u>9,648.00</u>		<u>1,304,065.00</u>
NET POSITION:			
Held in trust for unemployment claims	348,121.00		
Held in trust for awards and other purposes		53,959.00	
Total Net Position	<u>\$348,121.00</u>	<u>\$53,959.00</u>	<u>\$-0-</u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Private Purpose Award Funds</u>	<u>Unemployment Compensation Fund</u>
ADDITIONS:		
Contributions:		
Plan Members		\$317,078.00
Other	\$5,004.00	
Total contributions	<u>5,004.00</u>	<u>317,078.00</u>
Investment earnings:		
Interest	159.00	394.00
Net investment earnings	<u>159.00</u>	<u>394.00</u>
Total additions	<u>5,163.00</u>	<u>317,472.00</u>
DEDUCTIONS:		
Awards granted	28,697.00	
Unemployment claims		175,522.00
Total deductions	<u>28,697.00</u>	<u>175,522.00</u>
Change in net assets	(23,534.00)	141,950.00
Net position beginning of year	<u>77,493.00</u>	<u>206,171.00</u>
Net position end of year	<u><u>\$53,959.00</u></u>	<u><u>\$348,121.00</u></u>

See accompanying notes to financial statements.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of South Brunswick School District (the "District") have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

Reporting Entity

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

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

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

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

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

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The District's basic financial statements consist of District-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

District-wide Statements: The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

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

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution; in certain instances approval by the County Superintendent of Schools may be required.

Special Revenue Fund - The special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

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

Debt Service Fund - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund

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

Depreciation of all exhaustive capital assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

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

Fiduciary Fund Types

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

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

Payroll and Student Activities Funds (Agency) - These are agency funds used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

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

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting – Measurement Focus

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

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

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

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

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the April 2013 school board election to the date of the November general election thereby eliminating the vote on the annual base budget. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments and transfers must be approved by School Board resolution.

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

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the legally mandated (NJSA 18A:22-44.2) revenue recognition of one or more deferred state aid payments for budgetary purposes only due to the state deferral of such payments into the subsequent budget year and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

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

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

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

Interfunds

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

Inventories and Prepaid Expenses

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

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

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

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

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

Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

In the district-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year. Compensated absences are a reconciling item between the fund level and district-wide presentations

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Net Position

In fiscal year 2013 the District implemented GASB 63. GASB 63 provides guidance for reporting net position in the statement of financial position and related disclosures. In compliance with GASB 63, the Statement of Net Assets has been renamed the Statement of Net Position. Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Restrictions

In fiscal year 2011, the District implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This statement modifies fund balance reporting and clarifies fund type definitions. This new Statement aims to enhance the usefulness of fund balance information by providing clearer fund balance clarifications that can be applied more consistently.

Under the new standard, in the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Emergency Reserve, Maintenance Reserve and Excess Surplus as Restricted Fund Balance.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education. The District reports amounts Designated for Subsequent Year's Expenditures as Committed Fund Balance.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances as Assigned Fund Balance.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Restrictions (Continued)

The general fund is the only fund that will report a negative unassigned fund balance. For all other governmental funds the amount of a residual deficit would be classified as unassigned.

Revenues – Exchange and Nonexchange Transactions

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

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

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

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Revenues and Expenses

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

Allocation of Indirect Expenses

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

Extraordinary and Special Items

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

Management Estimates

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

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Deposits

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

The Township of South Brunswick School District had the following cash and cash equivalents at June 30, 2013.

Fund Type:	Bank <u>Balance</u>	N.J. Cash Management/ <u>CLASS</u>	Reconciling Items:		Reconciled <u>Balance</u>
			<u>Additions</u>	<u>Deletions</u>	
Governmental	\$18,084,008.00	\$7,418,965.00	\$320,526.00	\$1,621,817.00	\$24,201,682.00
Proprietary	3,393,171.00		10,034.00	111.00	3,403,094.00
Fiduciary	1,889,538.00		5,417.00	179,162.00	1,715,793.00
	<u>\$23,366,717.00</u>	<u>\$7,418,965.00</u>	<u>\$335,977.00</u>	<u>\$1,801,090.00</u>	<u>\$29,320,569.00</u>

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

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

Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2013, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank \$250,109.00 was covered by Federal Depository Insurance and \$23,116,608 was covered by NJ GUDPA. The New Jersey Asset and Rebate Management Program (NJARM) is an investment pool and is not insured by either FDIC or GUDPA.

Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

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

Investments (Continued)

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts.
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and;
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2013 the District has \$7,418,965 on deposit with the New Jersey Asset and Rebate Management Program. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1, and existing investment practices of the Investment Council of the NJARM, the District is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 3: CHANGE IN CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 7,894,664.00	\$	\$	\$ 7,894,664.00
Construction in Progress	<u>136,505.00</u>	<u>1,991,124.00</u>	<u>136,505.00</u>	<u>1,991,124.00</u>
Total Capital assets not being depreciated	<u>8,031,169.00</u>	<u>1,991,124.00</u>	<u>136,505.00</u>	<u>9,885,788.00</u>
Site Improvements	3,449,987.00	6,892.00		3,456,879.00
Building and Building Improvements	197,348,240.00	711,183.00		198,059,423.00
Machinery and Equipment	<u>15,012,740.00</u>	<u>782,410.00</u>	<u>277,322.00</u>	<u>15,517,828.00</u>
Totals as historical cost	<u>215,810,967.00</u>	<u>1,500,485.00</u>	<u>277,322.00</u>	<u>217,034,130.00</u>
Total Gross assets (Memo only)	<u>\$ 223,842,136.00</u>	<u>\$ 3,491,609.00</u>	<u>\$ 413,827.00</u>	<u>\$ 226,919,918.00</u>
Less: Accumulated Depreciation for:				
Site Improvements	\$ (1,966,667.00)	\$ (146,282.00)	\$	\$ (2,112,949.00)
Building and Building Improvements	(68,767,072.00)	(4,001,930.00)		(72,769,002.00)
Machinery and Equipment	<u>(10,983,075.00)</u>	<u>(941,206.00)</u>	<u>(277,322.00)</u>	<u>(11,646,959.00)</u>
Total depreciation	<u>(81,716,814.00)</u>	<u>(5,089,418.00)</u>	<u>(277,322.00)</u>	<u>(86,528,910.00)</u>
Total Capital assets being depreciated net of accumulated depreciation	<u>134,094,153.00</u>	<u>(3,588,933.00)</u>		<u>130,505,220.00</u>
Governmental activities capital assets, net	<u>\$ 142,125,322.00</u>	<u>\$ (1,597,809.00)</u>	<u>\$ 136,505.00</u>	<u>\$ 140,391,008.00</u>
Business-type activities:				
Equipment	\$ 1,571,898.00	\$	\$	\$ 1,571,898.00
Less: Accumulated Depreciation	<u>(1,354,039.00)</u>	<u>(55,721.00)</u>		<u>(1,409,760.00)</u>
Proprietary fund capital assets, net	<u>\$ 217,859.00</u>	<u>\$ (55,721.00)</u>	<u>\$</u>	<u>\$ 162,138.00</u>

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 3: CHANGE IN CAPITAL ASSETS

Depreciation Expense was charged to governmental expenses as follows:

Depreciation Expense was charged to governmental expenses
as follows:

Instruction:		
Regular	\$	3,513,539.00
Special		464,202.00
Other		8,400.00
Support Services:		
General Administrative Services		287,621.00
School Administrative Services		323,471.00
Pupil Transportation		196,446.00
Plant Operations & Maintenance		139,072.00
Unallocated		<u>156,667.00</u>
	\$	<u><u>5,089,418.00</u></u>

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 4: LONG-TERM LIABILITIES

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

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

At June 30, 2013, the District had bonds or notes authorized but not issued in the amount of \$859.00.

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2013:

	<u>Bonds</u>	<u>Compensated</u>	
	<u>Payable</u>	<u>Absences</u>	<u>Total</u>
		<u>Payable</u>	
Balance June 30, 2012	\$ 85,037,000.00	\$ 1,968,490.00	\$ 87,005,490.00
Additions	<u>85,037,000.00</u>	<u>552,940.00</u>	<u>552,940.00</u>
	4,515,000.00	2,521,430.00	87,558,430.00
Deletions	<u>4,515,000.00</u>	<u>4,542.00</u>	<u>4,519,542.00</u>
Balance June 30, 2013	\$ <u>80,522,000.00</u>	\$ <u>2,516,888.00</u>	\$ <u>83,038,888.00</u>
Amounts due within one year	\$ <u>4,765,000.00</u>		

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Bonds Payable

The annual requirements to amortize all debt outstanding as of June 30, 2013, with interest payments on issued debt, are as follows:

Fiscal Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 4,765,000.00	\$ 3,170,270.00	\$ 7,935,270.00
2015	5,095,000.00	2,963,695.00	8,058,695.00
2016	5,155,000.00	2,750,220.00	7,905,220.00
2017	6,265,000.00	2,505,120.00	8,770,120.00
2018	6,345,000.00	2,253,320.00	8,598,320.00
2019	6,405,000.00	2,010,545.00	8,415,545.00
2020	6,445,000.00	1,771,257.50	8,216,257.50
2021	6,485,000.00	1,535,970.00	8,020,970.00
2022	6,530,000.00	1,285,367.50	7,815,367.50
2023	6,580,000.00	1,017,815.00	7,597,815.00
2024	6,640,000.00	737,846.25	7,377,846.25
2025	6,695,000.00	459,858.75	7,154,858.75
2026	1,720,000.00	281,565.00	2,001,565.00
2027	1,760,000.00	203,265.00	1,963,265.00
2028	1,800,000.00	123,165.00	1,923,165.00
2029	1,837,000.00	41,332.50	1,878,332.50
	<u>\$ 80,522,000.00</u>	<u>\$ 23,110,612.50</u>	<u>\$ 103,632,612.50</u>

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

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

<u>Issue</u>	<u>Amount Outstanding June 30, 2013</u>	<u>Bonds Authorized But Not Issued</u>
\$33,117,000.00 in General Obligation Bonds dated April 15, 2004, due in remaining annual installments ranging between \$1,040,000.00 and \$1,837,000.00 beginning August 1, 2008 and ending August 1, 2028 with interest from 4.125% to 4.50%	24,637,000.00	\$859.00
\$36,330,000.00 in Refunding Bonds (2008 Series) dated May 10, 2007, due in remaining annual installments ranging between \$1,390,000.00 and \$2,390,000.00 beginning February 1, 2009 and ending February 1, 2025 with interest from 3.856% to 5.00%	28,005,000.00	-0-
\$29,525,000.00 in School Bonds (2012 Series) dated March 7, 2012, due in remaining annual installments ranging between \$510,000.00 and \$2,625,000.00 beginning June 30, 2012 and ending June 30, 2025 with interest from 2.00% to 4.00%	27,880,000.00	-0-
	<u>80,522,000.00</u>	<u>\$859.00</u>

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 5: PENSION PLANS

Description of Plans All required employees of the District are covered by the Public Employees' Retirement System, the Teachers' Pension and Annuity Fund or the Defined Contribution Retirement Program which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of each system will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the above systems. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on line at www.state.nj.us/treasury/pensions.

Teachers' Pension and Annuity Fund (TPAF) The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provision of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state administered retirement system or other state or local jurisdiction.

Defined Contribution Retirement Program (DCRP) The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 5: PENSION PLANS (CONTINUED)

Significant Legislation

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

Pension Plan Design Changes

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

COLA Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

Vesting and Benefit Provisions The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

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

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

Employers are required to contribute at an actuarially determined rate in both 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 TPAF (i.e. the State of new Jersey makes the employer contribution on behalf of public school districts.

<u>Three-Year Trend Information for PERS</u>			
<u>Year</u> <u>June 30,</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2013	\$1,767,039.00	100.00%	\$1,767,039.00
2012	\$1,837,426.00	100.00%	\$1,837,426.00
2011	\$1,843,783.00	100.00%	\$1,843,783.00

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>			
<u>Year</u> <u>June 30,</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2013	\$3,452,229.00	100.00%	\$3,452,229.00
2012	\$1,726,111.00	100.00%	\$1,726,111.00
2011	None	100.00%	None

During the fiscal years ended June 30, 2013, 2012, and 2011, the State of New Jersey contributed \$3,452,229, \$1,726,111, and \$-0-, respectively to the TPAF pension system on behalf of the District.

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$3,969,861 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 combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 6: OTHER POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on 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 P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State 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 \$146.6 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 the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2013, 2012 and 2011 were \$3,903,599, \$3,469,935 and \$3,577,340, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 7: LITIGATION

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

NOTE 8: CONTINGENCIES

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2012-2013 fiscal year were subject to the U.S. OMB A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal reimbursements and is subject to certain related federal regulations. These federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board management does not believe such an audit would result in material amounts of disallowed costs.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 9: RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the commercial coverage in any of the past three years. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

<u>Fiscal</u> <u>Year</u>	<u>Interest</u> <u>Earnings</u>	<u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2012-13	\$ 394.00	\$ 317,078.00	\$ 175,522.00	\$ 348,121.00
2011-12	452.00	262,123.00	548,972.00	206,171.00
2010-11	561.00	938,604.00	882,964.00	492,568.00

NOTE 10: FUND BALANCE APPROPRIATED

General Fund – Of the \$20,822,367 General Fund fund balance at June 30, 2013, \$8,527,247 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7, of which \$ 5,047,266 has been appropriated and included as anticipated revenue for the year ending June 30, 2014, \$9,263,464 has been restricted in the Capital Reserve Account; \$950,000 has been restricted in the Emergency Reserve Account; \$1,894,628 is assigned for encumbrances; \$30,000 is assigned fund balance designated for subsequent years expenditures; and \$157,028 is unassigned.

Debt Service Fund – Of the \$2,287.00 in Debt Service Fund fund balance at June 30, 2013, \$2,287.00 has been appropriated and included as anticipated revenue in the 2013-2014 Budget.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 11: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004,c.73 (S1701), the designation for Restricted Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012 is \$8,527,247 of which \$3,479,981 resulted from fiscal year ending June 30, 2013 and \$5,047,266 resulted from the previous year.

General Fund Expenditures Fiscal Year Ended June 30, 2013	\$127,520,022
Add:	
Transfer from Capital Reserve to Capital Projects Fund	1,752,725
Less:	
On-behalf TPAF Pension and Social Security Reimbursement	<u>11,325,689</u>
Adjusted General Fund Expenditures	\$117,947,058
Excess Surplus Percentage	<u>2.00%</u>
2% of Adjusted 2012-13 General Fund Expenditures	\$2,358,941
Add: Allowable Adjustments	<u>67,285</u>
Maximum Unreserved/Undesignated Fund Balance	\$2,426,226
Actual Unreserved/Undesignated Fund Balance	<u>5,906,207</u>
General Fund Expenditures:	
Excess Surplus	<u>\$3,479,981</u>

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
General Fund	\$ 1,181,889.00	\$ 5,088.00
Special Revenue Fund		299,151.00
Proprietary Fund	5,088.00	882,693.00
Fiduciary Fund		45.00
	<u>\$ 1,186,977.00</u>	<u>\$ 1,186,977.00</u>

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

NOTE 13: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of South Brunswick Board of Education on October 2, 2000 in the amount of \$10.00 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line item appropriations, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special election dates authorized by N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 13: CAPITAL RESERVE ACCOUNT (CONTINUED)

Capital Reserve Account

Beginning balance, July 1, 2012		\$5,813,414.00
District contribution per resolution	\$5,200,000.00	
Transferred from Capital Projects Fund	622,275.00	
Interest earned	<u>2,775.00</u>	
		<u>5,825,050.00</u>
		11,638,464.00
Withdrawals		
Transfer to Capital Projects		<u>2,375,000.00</u>
Total withdrawals		2,375,000.00
Ending balance, June 30, 2013		<u><u>\$9,263,464.00</u></u>

NOTE 14: DEFERRED COMPENSATION

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. Since the Board does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2013.

NOTE 15: INVENTORY

Inventory in the Food Service Fund at June 30, 2013 consisted of the following:

Food and Supplies	<u>\$9,989.00</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act amendments of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 16: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net assets. As of June 30, 2013, a liability existed for compensated absences for governmental fund-types in the district- wide Statement of Net Position of \$2,516,888.00.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2013 a liability existed for compensated absences in the proprietary funds of \$71,111.00.

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

NOTE 17: EMERGENCY RESERVE ACCOUNT

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

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

Township of South Brunswick School District
Notes to the Financial Statements
June 30, 2013

NOTE 17: EMERGENCY RESERVE ACCOUNT (CONTINUED)

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

During the Fiscal Year ended June 30, 2013 the District has the following activity in the Emergency Reserve Account:

Emergency Reserve Account

Beginning balance, July 1, 2012	\$950,000.00
Ending balance, June 30, 2013	<u>\$950,000.00</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES					
Local sources:					
Local tax levy	\$ 96,244,567.00	\$	\$ 96,244,567.00	\$ 96,244,567.00	\$
Tuition	215,000.00		215,000.00	108,143.00	(106,857.00)
Tuition from LEAs				74,787.00	74,787.00
Transportation fees from other LEAs				16,796.00	16,796.00
Interest earned on capital reserve funds	5,000.00		5,000.00	2,775.00	(2,225.00)
Unrestricted miscellaneous revenues	453,877.00	41,343.00	495,220.00	369,218.00	(126,002.00)
Total revenues-local sources	96,918,444.00	41,343.00	96,959,787.00	96,816,286.00	(143,501.00)
State sources:					
Extraordinary aid	541,514.00		541,514.00	519,183.00	(22,331.00)
Categorical special education aid	5,405,561.00		5,405,561.00	5,405,561.00	
Equalization aid	17,050,388.00		17,050,388.00	17,050,388.00	
Categorical security aid	146,378.00		146,378.00	146,378.00	
Categorical Transportation aid	618,013.00		618,013.00	618,013.00	
Non public transportation aid				67,285.00	67,285.00
Reimbursed TPAF social security contributions (non-budgeted)				3,969,861.00	3,969,861.00
On-behalf TPAF post retirement medical (non-budgeted)				3,903,599.00	3,903,599.00
On-behalf TPAF pension contributions (non-budgeted)				3,452,229.00	3,452,229.00
Total - state sources	23,761,854.00		23,761,854.00	35,132,497.00	11,370,643.00
Federal sources:					
Medicaid reimbursement	55,064.00		55,064.00	39,218.00	(15,846.00)
Education Jobs Fund		2,154.00	2,154.00	2,154.00	
Total - federal sources	55,064.00	2,154.00	57,218.00	41,372.00	(15,846.00)
Total revenues	120,735,362.00	43,497.00	120,778,859.00	131,990,155.00	11,211,296.00
EXPENDITURES					
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Kindergarten	2,579,198.00	(402,000.00)	2,177,198.00	2,153,082.00	24,116.00
Grades 1-5	12,840,968.00	(445,685.00)	12,395,283.00	12,390,116.00	5,167.00
Grades 6-8	8,797,246.00	137,154.00	8,934,400.00	8,910,800.00	23,600.00
Grades 9-12	11,995,130.00	(387,978.00)	11,607,152.00	11,583,705.00	23,447.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Regular programs - Undistributed Instruction:					
Other Salaries for Instruction	393,721.00	(105,267.00)	288,454.00	254,414.00	34,040.00
Purchased Professional Educational Services	16,200.00	15,000.00	31,200.00	23,653.00	7,547.00
Purchased Technical Services	58,100.00	(100.00)	58,000.00	42,903.00	15,097.00
Other Purchased Services (400-500 series)	345,705.00	(74,100.00)	271,605.00	211,499.00	60,106.00
General Supplies	945,859.00	244,158.00	1,190,017.00	815,581.00	374,436.00
Textbooks	366,265.00	(34,772.00)	331,493.00	269,941.00	61,552.00
Other Objects		1,775.00	1,775.00	1,775.00	
Total Regular Programs	38,338,392.00	(1,051,815.00)	37,286,577.00	36,657,469.00	629,108.00
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	674,421.00	315,000.00	989,421.00	986,622.00	2,799.00
Other Salaries for Instruction	334,956.00	(28,640.00)	306,316.00	305,513.00	803.00
General Supplies	6,000.00	534.00	6,534.00	2,627.00	3,907.00
Total Learning and/or Language Disabilities	1,015,377.00	286,894.00	1,302,271.00	1,294,762.00	7,509.00
Auditory Impairments:					
Other Objects	2,500.00		2,500.00		2,500.00
Total Auditory Impairments	2,500.00		2,500.00		2,500.00
Multiple Disabilities:					
Salaries of Teachers	299,086.00	(49,000.00)	250,086.00	216,017.00	34,069.00
Other Salaries for Instruction	90,118.00	(18,000.00)	72,118.00	70,945.00	1,173.00
General Supplies	1,600.00	(400.00)	1,200.00		1,200.00
Total Multiple Disabilities	390,804.00	(67,400.00)	323,404.00	286,962.00	36,442.00
Resource Room/ Resource Center:					
Salaries of Teachers	5,675,224.00	(365,000.00)	5,310,224.00	5,308,847.00	1,377.00
Other Salaries for Instruction	733,962.00	7,000.00	740,962.00	739,717.00	1,245.00
General Supplies	36,090.00	(15,682.00)	20,408.00	11,388.00	9,020.00
Textbooks		3,720.00	3,720.00	3,718.00	2.00
Total Resource Room/ Resource Center	6,445,276.00	(369,962.00)	6,075,314.00	6,063,670.00	11,644.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Autism:					
Salaries of Teachers	693,873.00	22,000.00	715,873.00	714,233.00	1,640.00
Other Salaries for Instruction	476,000.00	109,000.00	585,000.00	584,026.00	974.00
Other Purchased Services (400-500 series)	1,000.00	500.00	1,500.00		1,500.00
General Supplies	6,000.00	(190.00)	5,810.00	5,283.00	527.00
Total Autism	1,176,873.00	131,310.00	1,308,183.00	1,303,542.00	4,641.00
Preschool Disabilities - Part Time:					
Salaries of Teachers	90,731.00	(66,000.00)	24,731.00	1,627.00	23,104.00
Other Salaries for Instruction	34,513.00	10,000.00	44,513.00	44,075.00	438.00
General Supplies	1,700.00		1,700.00	1,048.00	652.00
Total Preschool Disabilities - Part Time	126,944.00	(56,000.00)	70,944.00	46,750.00	24,194.00
Preschool Disabilities - Full Time:					
Salaries of Teachers	153,797.00	154,305.00	308,102.00	303,576.00	4,526.00
Other Salaries for Instruction	83,744.00	14,000.00	97,744.00	96,345.00	1,399.00
Total Preschool Disabilities - Full Time	237,541.00	168,305.00	405,846.00	399,921.00	5,925.00
Home Instruction:					
Salaries of Teachers	56,750.00		56,750.00	46,457.00	10,293.00
Other Salaries for Instruction		15,000.00	15,000.00	9,001.00	5,999.00
Purchased Professional- Educational Services	65,000.00	19,484.00	84,484.00	79,806.00	4,678.00
Total Home Instruction	121,750.00	34,484.00	156,234.00	135,264.00	20,970.00
Total Special Education - Instruction	9,517,065.00	127,631.00	9,644,696.00	9,530,871.00	113,825.00
Basic Skills/ Remedial - Instruction:					
Salaries of Teachers	2,334,108.00	(93,305.00)	2,240,803.00	2,236,094.00	4,709.00
Other Salaries for Instruction	15,250.00	(10,000.00)	5,250.00	1,347.00	3,903.00
Total Basic Skills/ Remedial - Instruction	2,349,358.00	(103,305.00)	2,246,053.00	2,237,441.00	8,612.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Bilingual education - instruction:					
Salaries of Teachers	250,701.00	1,000.00	251,701.00	251,074.00	627.00
General Supplies	4,000.00	(3,632.00)	368.00	346.00	22.00
Total Bilingual Education - Instruction	254,701.00	(2,632.00)	252,069.00	251,420.00	649.00
School Sponsored Co/Extra Curricular Activities - Instruction:					
Salaries	244,197.00	(77,700.00)	166,497.00	116,665.00	49,832.00
Purchased Services (300-500 series)	30,850.00	11,062.00	41,912.00	21,970.00	19,942.00
Supplies and Materials	29,795.00	13,320.00	43,115.00	28,814.00	14,301.00
Other Objects	1,800.00	1,110.00	2,910.00	2,160.00	750.00
Total School Sponsored Co/Extra Curricular Activities - Instruction	306,642.00	(52,208.00)	254,434.00	169,609.00	84,825.00
School Sponsored Athletics - Instruction:					
Salaries	624,548.00	102,500.00	727,048.00	726,012.00	1,036.00
Purchased Services (300-500 series)	99,120.00	(12,148.00)	86,972.00	65,896.00	21,076.00
Supplies and Materials	165,000.00	(7,839.00)	157,161.00	151,823.00	5,338.00
Other Objects	4,900.00	1,505.00	6,405.00	6,127.00	278.00
Transfers to Cover Deficit (Agency Funds)	81,750.00	(2,000.00)	79,750.00	69,514.00	10,236.00
Total School Sponsored Athletics - Instruction	975,318.00	82,018.00	1,057,336.00	1,019,372.00	37,964.00
Community Services Programs/Operations					
Salaries	4,916.00		4,916.00	3,224.00	1,692.00
Purchased Services (300-500 series)	1,250.00		1,250.00		1,250.00
Total Community Services Programs/Operations	6,166.00		6,166.00	3,224.00	2,942.00
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the State - Regular		130,120.00	130,120.00	87,178.00	42,942.00
Tuition to other LEAs within the State - Special	353,404.00	(119,640.00)	233,764.00	233,135.00	629.00
Tuition to CSSD & Regular Day Schools	437,220.00	88,927.00	526,147.00	472,389.00	53,758.00
Tuition to Private Schools for the Disabled W/ State	3,997,756.00	12,030.00	4,009,786.00	2,971,894.00	1,037,892.00
Tuition to Private Schools for the Disabled & Other LEA'S-Spl, O/S State	50,000.00	(36,304.00)	13,696.00		13,696.00
Tuition - State Facilities	118,983.00		118,983.00	118,983.00	
Tuition - Other	49,022.00	100,500.00	149,522.00	149,050.00	472.00
Total Undistributed Expenditures - Instruction	5,006,385.00	175,633.00	5,182,018.00	4,032,629.00	1,149,389.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expenditures - Attendance & Social Work:					
Salaries	91,606.00	(28,398.00)	63,208.00	61,854.00	1,354.00
Total Undistributed Expenditures - Attendance & Social Work	91,606.00	(28,398.00)	63,208.00	61,854.00	1,354.00
Undistributed Expenditures - Health Services:					
Salaries	1,168,583.00	3,086.00	1,171,669.00	1,164,935.00	6,734.00
Purchased Professional and Technical Services	52,250.00	(12,285.00)	39,965.00	37,028.00	2,937.00
Other Purchased Services (400-500 series)		448.00	448.00	399.00	49.00
Supplies and Materials	41,227.00	11,802.00	53,029.00	46,188.00	6,841.00
Total Undistributed Expenditures - Health Services	1,262,060.00	3,051.00	1,265,111.00	1,248,550.00	16,561.00
Undistributed Expend. - Speech, OT, PT & Related Services:					
Salaries	886,405.00	(70,000.00)	816,405.00	801,103.00	15,302.00
Purchased professional - Educational Services	201,733.00	162,775.00	364,508.00	324,923.00	39,585.00
Supplies and materials	43,671.00		43,671.00	36,072.00	7,599.00
Total Undistributed Expend. - Speech, OT, PT & Related Services	1,131,809.00	92,775.00	1,224,584.00	1,162,098.00	62,486.00
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	2,003,762.00	(36,000.00)	1,967,762.00	1,810,400.00	157,362.00
Purchased Professional - Educational Services		9,250.00	9,250.00	5,635.00	3,615.00
Other Purchased Services (400-500 series)	5,900.00	27,100.00	33,000.00	32,087.00	913.00
Supplies and Materials	118,353.00	(10,364.00)	107,989.00	60,201.00	47,788.00
Total Undistributed Expenditures - Guidance	2,128,015.00	(10,014.00)	2,118,001.00	1,908,323.00	209,678.00
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	2,394,554.00	(48,000.00)	2,346,554.00	2,314,018.00	32,536.00
Salaries of Secretarial and Clerical Assistants	148,436.00	8,500.00	156,936.00	144,154.00	12,782.00
Purchased Professional - Educational Services	10,000.00	(10,000.00)			
Other Purchased Professional & Technical Services	112,137.00	89,308.00	201,445.00	197,284.00	4,161.00
Miscellaneous Purchased Services (400-500 series o/than resid. cost)	1,125.00		1,125.00	495.00	630.00
Supplies and Materials	29,100.00	6,297.00	35,397.00	33,180.00	2,217.00
Other Objects	500.00		500.00		500.00
Total Undistributed Expenditures - Child Study Teams	2,695,852.00	46,105.00	2,741,957.00	2,689,131.00	52,826.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expenditures - Improvement of Instr. Serv.					
Salaries of Supervisors of Instruction	551,862.00	(7,141.00)	544,721.00	484,132.00	60,589.00
Purchased Professionals - Educational Services	49,300.00	(41,723.00)	7,577.00	5,279.00	2,298.00
Other Purchased Services (400-500 series)	25,000.00	8,463.00	33,463.00	21,562.00	11,901.00
Supplies and Materials	19,703.00	(1,594.00)	18,109.00	8,796.00	9,313.00
Total Undistributed Expenditures - Improvement of Instr. Serv.	645,865.00	(41,995.00)	603,870.00	519,769.00	84,101.00
Undistributed Expend. - Educational Media Serv./School Library:					
Salaries	786,954.00		786,954.00	750,597.00	36,357.00
Purchased Professional and Technical Services		4,000.00	4,000.00	4,000.00	
Supplies and Materials	240,471.00	(8,292.00)	232,179.00	203,061.00	29,118.00
Total Undistributed Expend. - Educational Media Serv./School Library	1,027,425.00	(4,292.00)	1,023,133.00	957,658.00	65,475.00
Undistributed Expend. - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	551,862.00	7,141.00	559,003.00	483,944.00	75,059.00
Salaries of Other Professional Staff	109,609.00		109,609.00	84,987.00	24,622.00
Salaries of Secretarial and Clerical Assistants	57,114.00		57,114.00	56,633.00	481.00
Other Salaries	17,442.00	(6,848.00)	10,594.00	10,063.00	531.00
Purchased Professional - Educational Services	111,900.00	(50,976.00)	60,924.00	51,035.00	9,889.00
Other Purchased Services (400-500 series)	27,700.00		27,700.00	7,068.00	20,632.00
Supplies and Materials	24,820.00	25,953.00	50,773.00	45,983.00	4,790.00
Other Objects	5,000.00		5,000.00		5,000.00
Total Undistributed Expend. - Instructional Staff Training Services	905,447.00	(24,730.00)	880,717.00	739,713.00	141,004.00
Undistributed Expend.-Support Services-General Administration:					
Salaries	471,584.00	30,000.00	501,584.00	484,582.00	17,002.00
Legal Services	113,938.00	41,590.00	155,528.00	119,467.00	36,061.00
Audit Fees	46,000.00	(5,000.00)	41,000.00	41,000.00	
Other Purchased Professional Services	38,000.00	1,000.00	39,000.00	29,591.00	9,409.00
Purchased Technical Services	17,225.00	(9,150.00)	8,075.00	6,031.00	2,044.00
Communications/Telephone	422,700.00	235,088.00	657,788.00	586,968.00	70,820.00
BOE Other Purch Serv	10,000.00	(2,500.00)	7,500.00	4,030.00	3,470.00
Misc. Purchased Services (400-500 series, O/T 530 & 585)	366,200.00	28,354.00	394,554.00	388,756.00	5,798.00
General Supplies	46,770.00	(3,281.00)	43,489.00	36,312.00	7,177.00
Miscellaneous Expenditures		15,979.00	15,979.00	955.00	15,024.00
BOE Membership Dues and Fees	47,100.00	(2,550.00)	44,550.00	38,649.00	5,901.00
Total Undistributed Expend.-Support Services-General Administration	1,579,517.00	329,530.00	1,909,047.00	1,736,341.00	172,706.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend.-Support Services- School Administration:					
Salaries of Principals/Assistant Principals	2,873,551.00	159,400.00	3,032,951.00	2,659,482.00	373,469.00
Salaries of Other Professional Staff	258,983.00	3,600.00	262,583.00	262,267.00	316.00
Salaries of Secretarial and Clerical Assistants	2,193,020.00	(1,093.00)	2,191,927.00	2,053,125.00	138,802.00
Other Purchased Services (400-500 series)	106,928.00	(27,232.00)	79,696.00	30,418.00	49,278.00
Supplies and Materials	886.00	23,055.00	23,941.00	23,528.00	413.00
Other Objects		14,623.00	14,623.00	14,488.00	135.00
Total Undistributed Expend.-Support Services- School Administration	5,433,368.00	172,353.00	5,605,721.00	5,043,308.00	562,413.00
Undistributed Expend. - Central Services					
Salaries	1,522,693.00	120,000.00	1,642,693.00	1,580,305.00	62,388.00
Purchased Professional Services	7,500.00		7,500.00	6,650.00	850.00
Purchased Technical Services	102,900.00	(6,346.00)	96,554.00	91,044.00	5,510.00
Miscellaneous Purchased Services (400-500 series, O/T 594)	43,403.00	(14,639.00)	28,764.00	27,480.00	1,284.00
Other Objects	5,500.00	2,885.00	8,385.00	8,005.00	380.00
Total Undistributed Expend. - Central Services	1,681,996.00	101,900.00	1,783,896.00	1,713,484.00	70,412.00
Undistributed Expend. - Admin. Info. Technology:					
Salaries	589,425.00	(25,068.00)	564,357.00	563,009.00	1,348.00
Purchased Professional Services		79,000.00	79,000.00	77,791.00	1,209.00
Other Purchased Services (400-500 series)	5,700.00	43,072.00	48,772.00	35,668.00	13,104.00
Other Objects	2,200.00	(2,000.00)	200.00		200.00
Total Undistributed Expend. - Admin. Info. Technology	597,325.00	95,004.00	692,329.00	676,468.00	15,861.00
Undistributed Expend.-Required Maintenance for School Facilities:					
Salaries	1,254,756.00	(20,000.00)	1,234,756.00	1,221,810.00	12,946.00
Cleaning, Repair and Maintenance Services	1,319,381.00	252,458.00	1,571,839.00	1,204,148.00	367,691.00
General Supplies	281,970.00	26,085.00	308,055.00	280,344.00	27,711.00
Total Undistributed Expend.-Required Maintenance for School Facilities	2,856,107.00	258,543.00	3,114,650.00	2,706,302.00	408,348.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend.-Custodial Services:					
Salaries	3,877,344.00	3,330.00	3,880,674.00	3,850,644.00	30,030.00
Salaries - Non-Instructional Aides	710,065.00	25,000.00	735,065.00	731,873.00	3,192.00
Purchased Professional and Technical Services	168,289.00	114,494.00	282,783.00	166,458.00	116,325.00
Cleaning, Repair and Maintenance Services	1,008,906.00	120,601.00	1,129,507.00	784,113.00	345,394.00
Rental of Land & Bldg. Other than Lease Purch. Agreement	350,800.00	41,385.00	392,185.00	389,639.00	2,546.00
Other Purchased Property Services	139,800.00		139,800.00	134,771.00	5,029.00
Insurance	285,000.00	44,339.00	329,339.00	329,338.00	1.00
Miscellaneous Purchased Services	2,800.00	4,190.00	6,990.00	4,809.00	2,181.00
General Supplies	459,308.00	(36,531.00)	422,777.00	338,430.00	84,347.00
Energy (Electricity)	3,904,030.00	(535,427.00)	3,368,603.00	2,480,490.00	888,113.00
Other Objects	15,000.00	14,000.00	29,000.00	25,196.00	3,804.00
Total Undistributed Expend.-Custodial Services:	10,921,342.00	(204,619.00)	10,716,723.00	9,235,761.00	1,480,962.00
Care and Upkeep of Grounds:					
Salaries	358,000.00	21,000.00	379,000.00	363,634.00	15,366.00
Cleaning, Repair and Maintenance Services	332,286.00	(19,000.00)	313,286.00	280,903.00	32,383.00
General Supplies	71,000.00	73,000.00	144,000.00	127,029.00	16,971.00
Total Care and Upkeep of Grounds	761,286.00	75,000.00	836,286.00	771,566.00	64,720.00
Security:					
Salaries	26,172.00	(26,172.00)			
Purchased Professional and Technical Services		89,840.00	89,840.00	89,839.00	1.00
Cleaning, Repair and Maintenance Services	31,500.00	(23,439.00)	8,061.00	1,438.00	6,623.00
General Supplies	35,657.00	(24,247.00)	11,410.00	4,489.00	6,921.00
Total Security:	93,329.00	15,982.00	109,311.00	95,766.00	13,545.00
Total Undistributed Expend.- Oper. & Maintenance of Plant Serv.	14,632,064.00	144,906.00	14,776,970.00	12,809,395.00	1,967,575.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2013

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	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend.-Student Transportation Services:					
Salaries of Non-Instructional Aides	439,001.00	(115,986.00)	323,015.00	320,511.00	2,504.00
Salaries for Pupil Transportation (bet. home & school)-Reg	872,615.00	20,000.00	892,615.00	888,276.00	4,339.00
Salaries for Pupil Transportation (bet. home & school)-Special Ed.	979,879.00	(86,000.00)	893,879.00	831,094.00	62,785.00
Salaries for Pupil Transportation (other than bet. home & school)	118,278.00	64,746.00	183,024.00	182,256.00	768.00
Other Purchased Professional and Technical Services	23,380.00	4,124.00	27,504.00	24,473.00	3,031.00
Cleaning, Repair and Maintenance Services	108,175.00	132,327.00	240,502.00	229,794.00	10,708.00
Contracted Services (between home and school) - Vendors	3,170,989.00	(248,577.00)	2,922,412.00	2,851,039.00	71,373.00
Contracted Services (other than between home and school) - Vendors	253,425.00	(3,550.00)	249,875.00	130,600.00	119,275.00
Contracted Services (between home and school) - Joint Agreements	91,620.00	(10,000.00)	81,620.00	18,564.00	63,056.00
Contracted Services - Special Ed. Students- Vendors	36,800.00	8,000.00	44,800.00	42,687.00	2,113.00
Contracted Services - Special Ed. Students - Joint Agreements	1,199,716.00	320,986.00	1,520,702.00	1,465,149.00	55,553.00
Contracted Services - Aid in Lieu of Payments- Non-Public Schools	259,900.00	4,000.00	263,900.00	261,234.00	2,666.00
Miscellaneous Purchased Services - Transportation	66,000.00	(47,910.00)	18,090.00	17,724.00	366.00
General Supplies	582,942.00	21,066.00	604,008.00	585,021.00	18,987.00
Other Objects	2,600.00		2,600.00	621.00	1,979.00
Total Undistributed Expend.-Student Transportation Services	8,205,320.00	63,226.00	8,268,546.00	7,849,043.00	419,503.00
Allocated Benefits:					
Student Transportation Services:					
Social Security Contributions	205,000.00	(35,134.00)	169,866.00	164,329.00	5,537.00
Health Benefits	1,339,195.00	(85,344.00)	1,253,851.00	1,241,482.00	12,369.00
Total Student Transportation Services	1,544,195.00	(120,478.00)	1,423,717.00	1,405,811.00	17,906.00
Total Allocated Benefits	1,544,195.00	(120,478.00)	1,423,717.00	1,405,811.00	17,906.00
Unallocated Benefits:					
Group Insurance		341.00	341.00	340.00	1.00
Social Security Contributions - Other	1,723,139.00	(97,000.00)	1,626,139.00	1,356,956.00	269,183.00
Other Retirement Contributions - Regular	1,929,721.00	(43,464.00)	1,886,257.00	1,617,832.00	268,425.00
Unemployment Compensation	250,000.00		250,000.00	200,000.00	50,000.00
Workmen's Compensation	450,000.00	245,000.00	695,000.00	605,074.00	89,926.00
Health Benefits	18,680,571.00	(750,969.00)	17,929,602.00	16,251,496.00	1,678,106.00
Tuition Reimbursement	80,000.00		80,000.00	28,830.00	51,170.00
Total Unallocated Benefits	23,113,431.00	(646,092.00)	22,467,339.00	20,060,528.00	2,406,811.00
Total Personal Services - Employee	24,657,626.00	(766,570.00)	23,891,056.00	21,466,339.00	2,424,717.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Reimbursed TPAF social security contributions (non-budgeted)				3,969,861.00	(3,969,861.00)
On-behalf TPAF post retirement medical (non-budgeted)				3,903,599.00	(3,903,599.00)
On-behalf TPAF pension contributions (non-budgeted)				3,452,229.00	(3,452,229.00)
TOTAL UNDISTRIBUTED EXPENDITURES	<u>71,681,680.00</u>	<u>348,484.00</u>	<u>72,030,164.00</u>	<u>75,939,792.00</u>	<u>(3,909,628.00)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>123,429,322.00</u>	<u>(651,827.00)</u>	<u>122,777,495.00</u>	<u>125,809,198.00</u>	<u>(3,031,703.00)</u>
CAPITAL OUTLAY:					
EQUIPMENT:					
Grades 1-5		3,280.00	3,280.00	3,276.00	4.00
Grades 6-8		29,400.00	29,400.00		29,400.00
Grades 9-12		33,074.00	33,074.00	3,674.00	29,400.00
School - Sponsored and Other Instructional Programs		23,755.00	23,755.00	23,751.00	4.00
Undistributed:					
Undistributed Expenditures - Gen. Admin.	48,765.00	5,320.00	54,085.00	54,082.00	3.00
Undistributed Expenditures - Central Services		2,843.00	2,843.00	2,299.00	544.00
Undistributed Expenditures - Admin. Info. Tech.		205,797.00	205,797.00	205,624.00	173.00
Undist. Expend. - Required Maintenance for School Facilities		53,386.00	53,386.00	32,584.00	20,802.00
Undist. Expend. - Custodial Services		60,886.00	60,886.00	56,994.00	3,892.00
Undist. Expend. - Care & Upkeep of Grounds		131,250.00	131,250.00	74,260.00	56,990.00
Undist. Expend. - Security		23,439.00	23,439.00	23,439.00	
School Buses - Regular	246,978.00	277,000.00	523,978.00	246,978.00	277,000.00
School Buses - Special	55,450.00		55,450.00	55,450.00	
TOTAL EQUIPMENT	<u>351,193.00</u>	<u>849,430.00</u>	<u>1,200,623.00</u>	<u>782,411.00</u>	<u>418,212.00</u>
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	33,521.00	212,195.00	245,716.00	215,029.00	30,687.00
Construction Services	1,111,059.00	203,919.00	1,314,978.00	598,048.00	716,930.00
Land and Improvements		17,910.00	17,910.00	6,892.00	11,018.00
Assessment for Debt Service on SDA Funding	108,444.00		108,444.00	108,444.00	
	<u>1,253,024.00</u>	<u>434,024.00</u>	<u>1,687,048.00</u>	<u>928,413.00</u>	<u>758,635.00</u>
TOTAL CAPITAL OUTLAY	<u>1,604,217.00</u>	<u>1,283,454.00</u>	<u>2,887,671.00</u>	<u>1,710,824.00</u>	<u>1,176,847.00</u>
TOTAL EXPENDITURES	<u>125,033,539.00</u>	<u>631,627.00</u>	<u>125,665,166.00</u>	<u>127,520,022.00</u>	<u>(1,854,856.00)</u>

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,298,177.00)	(588,130.00)	(4,886,307.00)	4,470,133.00	9,356,440.00
Other financing sources (use)					
Transfer of funds:					
Transfer to/from capital projects fund-net	(2,375,000.00)	39,500.00	(2,335,500.00)	(1,752,725.00)	(582,775.00)
Total other financing sources	(2,375,000.00)	39,500.00	(2,335,500.00)	(1,752,725.00)	(582,775.00)
Excess/Deficit of Revenues and other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources	(6,673,177.00)	(548,630.00)	(7,221,807.00)	2,717,408.00	8,773,665.00
Fund Balances, July 1,	20,374,157.00		20,374,157.00	20,374,157.00	
Fund Balances, June 30,	\$ 13,700,980.00	\$ (548,630.00)	\$ 13,152,350.00	\$ 23,091,565.00	\$ 8,773,665.00

Recapitulation:

Restricted Fund Balance:				\$	
Capital Reserve					9,263,464.00
Emergency Reserve					950,000.00
Excess Surplus - Designated for Subsequent Year's Expenditures					5,047,266.00
Excess Surplus - Current Year					3,479,981.00
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures					30,000.00
Year-end Encumbrances					1,894,628.00
Unassigned Fund Balance					2,426,226.00
					23,091,565.00
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis					(2,269,198.00)
Fund Balance per Governmental Funds (GAAP)				\$	20,822,367.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
State Aid	\$ 294,606.00	\$ 78,854.00	\$ 373,460.00	\$ 332,196.00	\$ (41,264.00)
Federal Aid	2,331,942.00	393,049.00	2,724,991.00	2,477,925.00	(247,066.00)
Local Sources	<u>60,367.00</u>	<u>60,367.00</u>	<u>60,367.00</u>	<u>46,698.00</u>	<u>(13,669.00)</u>
Total Revenues	<u>2,626,548.00</u>	<u>532,270.00</u>	<u>3,158,818.00</u>	<u>2,856,819.00</u>	<u>(301,999.00)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	450,619.00	165,154.00	615,773.00	418,885.00	196,888.00
Purchased Professional and Technical Services	252,423.00	(517.00)	251,906.00	218,929.00	32,977.00
Tuition		1,748,271.00	1,748,271.00	1,748,271.00	
General Supplies		21,586.00	21,586.00	21,586.00	
Textbooks	42,183.00	4,105.00	46,288.00	46,288.00	
Other Objects		5,245.00	5,245.00	5,245.00	
Total Instruction	<u>745,225.00</u>	<u>1,943,844.00</u>	<u>2,689,069.00</u>	<u>2,459,204.00</u>	<u>229,865.00</u>
Support Services:					
Salaries of Principals/Assistant Principals/Program Directors		3,993.00	3,993.00	3,993.00	
Salaries of Other Professional Staff	1,881,323.00	(1,854,801.00)	26,522.00	26,522.00	
Other Salaries		13,046.00	13,046.00	12,735.00	311.00
Personal Services - Employee Benefits		90,467.00	90,467.00	76,064.00	14,403.00
Purchased Professional and Technical Services		67,351.00	67,351.00	60,658.00	6,693.00
Purchased Professional - Educational Services		142,108.00	142,108.00	132,975.00	9,133.00
Other Purchased Services (400-500 Series)		16,047.00	16,047.00	8,751.00	7,296.00
Supplies and Materials		104,877.00	104,877.00	70,580.00	34,297.00
Miscellaneous Expenditures		5,338.00	5,338.00	5,337.00	1.00
Total Support Services	<u>1,881,323.00</u>	<u>(1,411,574.00)</u>	<u>469,749.00</u>	<u>397,615.00</u>	<u>72,134.00</u>
Total Expenditures	<u>2,626,548.00</u>	<u>532,270.00</u>	<u>3,158,818.00</u>	<u>2,856,819.00</u>	<u>301,999.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$131,990,155.00	\$2,856,819.00
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	N/A	
The last State aid payment of the current year is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(2,269,198.00)	
The last State aid payment of the prior year is recognized as revenue under GAAP when the State recognizes the related expense (GASB 33). (This revenue was recognized during the previous fiscal year for budgetary purposes.)	2,097,833.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$131,818,790.00</u>	<u>\$2,856,819.00</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$127,520,022.00	\$2,856,819.00
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	N/A	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$127,520,022.00</u>	<u>\$2,856,819.00</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
 SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Nonpublic Nursing Services Aid Chapter 226 L. 1991	N.J. Nonpublic Textbook Aid Chapter 194 L. 1979	N.J. Nonpublic Handicapped Services Chapter 193, L. 1977			N.J. Nonpublic Auxiliary Services Chapter 192, L. 1977	
			Examination and Classi- fication	Corrective Speech	Supplementary Instruction	Compensatory Education	English as a Second Language
Revenues:							
State Aid	\$64,235.00	\$46,288.00	\$20,384.00	\$32,419.00	\$8,326.00	\$58,525.00	\$17,905.00
Federal Aid							
Miscellaneous							
Total Revenues	<u>64,235.00</u>	<u>46,288.00</u>	<u>20,384.00</u>	<u>32,419.00</u>	<u>8,326.00</u>	<u>58,525.00</u>	<u>17,905.00</u>
Expenditures:							
Instruction:							
Salaries of Teachers							
Purchased Professional and Technical Services	61,965.00		20,384.00	32,419.00	8,326.00	58,525.00	17,905.00
Tuition							
General Supplies							
Textbooks		46,288.00					
Other Objects							
Total Instruction	<u>61,965.00</u>	<u>46,288.00</u>	<u>20,384.00</u>	<u>32,419.00</u>	<u>8,326.00</u>	<u>58,525.00</u>	<u>17,905.00</u>
Support Services:							
Salaries of Principals/Assistant Principals/Program Directors							
Salaries of Other Professional Staff							
Other Salaries							
Personal Services - Employee Benefits							
Purchased Professional and Technical Services							
Purchased Professional - Educational Services							
Other Purchased Services (400-500 Series)							
Supplies and Materials	2,270.00						
Miscellaneous Expenditures							
Total Support Services	<u>2,270.00</u>						
Total Expenditures	<u>\$64,235.00</u>	<u>\$46,288.00</u>	<u>\$20,384.00</u>	<u>\$32,419.00</u>	<u>\$8,326.00</u>	<u>\$58,525.00</u>	<u>\$17,905.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)							

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	N.J. Nonpublic Auxiliary Services Chapter 192, L. 1977		N.J. Nonpublic Technology Initiative Aid	Family Friendly Centers Initiative 2012-13	Municipal Alliance Grants EPIC 2012	Municipal Alliance Grants EPIC 2012	NCLB: Title I, Part A 2012-13
	Home Instruction	Trans- portation					
Revenues:							
State Aid	\$4,297.00	\$13,475.00	\$17,006.00	\$45,463.00	\$3,684.00	\$189.00	
Federal Aid							\$162,627.00
Miscellaneous							
Total Revenues	<u>4,297.00</u>	<u>13,475.00</u>	<u>17,006.00</u>	<u>45,463.00</u>	<u>3,684.00</u>	<u>189.00</u>	<u>162,627.00</u>
Expenditures:							
Instruction:							
Salaries of Teachers							131,167.00
Purchased Professional and Technical Services	4,297.00	13,475.00			800.00		
Tuition							
General Supplies							
Textbooks							
Other Objects				765.00			
Total Instruction	<u>4,297.00</u>	<u>13,475.00</u>		<u>765.00</u>	<u>800.00</u>		<u>131,167.00</u>
Support Services:							
Salaries of Principals/Assistant Principals/Program Directors							
Salaries of Other Professional Staff							
Other Salaries					234.00	189.00	
Personal Services - Employee Benefits							31,460.00
Purchased Professional and Technical Services				26,491.00	500.00		
Purchased Professional - Educational Services			17,006.00				
Other Purchased Services (400-500 Series)				558.00			
Supplies and Materials					2,150.00		
Miscellaneous Expenditures				5,337.00			
Total Support Services			<u>17,006.00</u>	<u>44,698.00</u>	<u>2,884.00</u>	<u>189.00</u>	<u>31,460.00</u>
Total Expenditures	<u>\$4,297.00</u>	<u>\$13,475.00</u>	<u>\$17,006.00</u>	<u>\$45,463.00</u>	<u>\$3,684.00</u>	<u>\$189.00</u>	<u>\$162,627.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)							

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	NCLB: Title I, Part A Carryover 2010-11	NCLB: Title II, Part A 2012-13	NCLB: Title II, Part A Summer 2012 2011-12	NCLB: Title II, Part A Carryover Summer 2012 2010-11	NCLB: Title II, Part A Carryover 2011-12	NCLB: Title III, Part A Summer 2012 2010-11	NCLB: Title II, Part A Summer 2012 2011-12
Revenues:							
State Aid							
Federal Aid	\$142,723.00	\$9,627.00	\$121,456.00	\$27,305.00	\$495.00	\$2,815.00	\$1,269.00
Miscellaneous							
Total Revenues	<u>142,723.00</u>	<u>9,627.00</u>	<u>121,456.00</u>	<u>27,305.00</u>	<u>495.00</u>	<u>2,815.00</u>	<u>1,269.00</u>
Expenditures:							
Instruction:							
Salaries of Teachers	106,156.00	1,660.00	106,896.00	23,433.00			568.00
Purchased Professional and Technical Services							
Tuition							
General Supplies							
Textbooks							
Other Objects							
Total Instruction	<u>106,156.00</u>	<u>1,660.00</u>	<u>106,896.00</u>	<u>23,433.00</u>			<u>568.00</u>
Support Services:							
Salaries of Principals/Assistant Principals/Program Directors							
Salaries of Other Professional Staff							
Other Salaries							
Personal Services - Employee Benefits	23,669.00	127.00	8,330.00	3,859.00		545.00	
Purchased Professional and Technical Services	3,050.00	6,902.00					
Purchased Professional - Educational Services							
Other Purchased Services (400-500 Series)		938.00	3,663.00		1.00		
Supplies and Materials	9,848.00		2,567.00	13.00	494.00	2,270.00	701.00
Miscellaneous Expenditures							
Total Support Services	<u>36,567.00</u>	<u>7,967.00</u>	<u>14,560.00</u>	<u>3,872.00</u>	<u>495.00</u>	<u>2,815.00</u>	<u>701.00</u>
Total Expenditures	<u>\$142,723.00</u>	<u>\$9,627.00</u>	<u>\$121,456.00</u>	<u>\$27,305.00</u>	<u>\$495.00</u>	<u>\$2,815.00</u>	<u>\$1,269.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)							

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	NCLB: Title III, Part A Carryover 2011-12	NCLB: Title III Part A 2012-13	NCLB: Title III, Immigrant 2012-13	I.D.E.I.A. Part B, Basic Carryover 2011-12	I.D.E.I.A. Part B, Basic 2012-13	I.D.E.I.A. Part B, Preschool Carryover 2011-12	I.D.E.I.A. Part B, Preschool 2012-13
Revenues:							
State Aid							
Federal Aid	\$7,879.00	\$25,792.00	\$28,535.00	\$6,829.00	\$1,835,722.00	\$1,515.00	\$63,350.00
Miscellaneous							
Total Revenues	<u>7,879.00</u>	<u>25,792.00</u>	<u>28,535.00</u>	<u>6,829.00</u>	<u>1,835,722.00</u>	<u>1,515.00</u>	<u>63,350.00</u>
Expenditures:							
Instruction:							
Salaries of Teachers	3,272.00	13,980.00	26,560.00		90.00		
Purchased Professional and Technical Services							
Tuition				1,690.00	1,685,776.00		60,805.00
General Supplies							
Textbooks							
Other Objects							
Total Instruction	<u>3,272.00</u>	<u>13,980.00</u>	<u>26,560.00</u>	<u>1,690.00</u>	<u>1,685,866.00</u>		<u>60,805.00</u>
Support Services:							
Salaries of Principals/Assistant Principals/Program Directors							
Salaries of Other Professional Staff					26,522.00		
Other Salaries							
Personal Services - Employee Benefits	268.00	3,096.00	1,975.00		2,039.00		
Purchased Professional and Technical Services		8,000.00			14,525.00		
Purchased Professional - Educational Services				5,139.00	106,770.00	1,515.00	2,545.00
Other Purchased Services (400-500 Series)	17.00	716.00					
Supplies and Materials	4,322.00						
Miscellaneous Expenditures							
Total Support Services	<u>4,607.00</u>	<u>11,812.00</u>	<u>1,975.00</u>	<u>5,139.00</u>	<u>149,856.00</u>	<u>1,515.00</u>	<u>2,545.00</u>
Total Expenditures	<u>\$7,879.00</u>	<u>\$25,792.00</u>	<u>\$28,535.00</u>	<u>\$6,829.00</u>	<u>\$1,835,722.00</u>	<u>\$1,515.00</u>	<u>\$63,350.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)							

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TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Race to The Top 2012-13	I.D.E.I.A. Carl D. Perkins Secondary Grant 2012-13	Exxon Mobil Education Alliance Grant Constable 2012-13	Bob's Discount Furniture Grant Cambridge Carryover 2012-13	School Beautification Donations Carryover 2010-11	School Beautification Donations Carryover 2011-12
Revenues:						
State Aid						
Federal Aid	\$1,419.00	\$38,567.00				
Miscellaneous			\$500.00	\$2,500.00	\$1,095.00	\$1,281.00
Total Revenues	<u>1,419.00</u>	<u>38,567.00</u>	<u>500.00</u>	<u>2,500.00</u>	<u>1,095.00</u>	<u>1,281.00</u>
Expenditures:						
Instruction:						
Salaries of Teachers		5,103.00				
Purchased Professional and Technical Services		833.00				
Tuition						
General Supplies		21,586.00				
Textbooks						
Other Objects		4,480.00				
Total Instruction		<u>32,002.00</u>				
Support Services:						
Salaries of Principals/Assistant Principals/Program Directors		3,993.00				
Salaries of Other Professional Staff						
Other Salaries						
Personal Services - Employee Benefits		696.00				
Purchased Professional and Technical Services					595.00	595.00
Purchased Professional - Educational Services						
Other Purchased Services (400-500 Series)		1,608.00				
Supplies and Materials	1,419.00	268.00	500.00	2,500.00	500.00	686.00
Miscellaneous Expenditures						
Total Support Services	<u>1,419.00</u>	<u>6,565.00</u>	<u>500.00</u>	<u>2,500.00</u>	<u>1,095.00</u>	<u>1,281.00</u>
Total Expenditures	<u>\$1,419.00</u>	<u>\$38,567.00</u>	<u>\$500.00</u>	<u>\$2,500.00</u>	<u>\$1,095.00</u>	<u>\$1,281.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)						

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	N.J. School Boards Association Insurance Group	Americans For the Arts Brunswick Acres School	Americans For the Arts Greenbrook School	South Brunswick Education Foundation	Novo Nordisk Corporation High School	Totals 2013
	2011-12	2012-13	2012-13	2012-13	2012-13	2013
Revenues:						
State Aid						\$332,196.00
Federal Aid						2,477,925.00
Miscellaneous	\$21,507.00	\$4,554.00	\$1,833.00	\$10,525.00	\$2,903.00	46,698.00
Total Revenues	<u>21,507.00</u>	<u>4,554.00</u>	<u>1,833.00</u>	<u>10,525.00</u>	<u>2,903.00</u>	<u>2,856,819.00</u>
Expenditures:						
Instruction:						
Salaries of Teachers						418,885.00
Purchased Professional and Technical Services						218,929.00
Tuition						1,748,271.00
General Supplies						21,586.00
Textbooks						46,288.00
Other Objects						5,245.00
Total Instruction						<u>2,459,204.00</u>
Support Services:						
Salaries of Principals/Assistant Principals/Program Directors						3,993.00
Salaries of Other Professional Staff						26,522.00
Other Salaries						12,735.00
Personal Services - Employee Benefits						76,064.00
Purchased Professional and Technical Services						60,658.00
Purchased Professional - Educational Services						132,975.00
Other Purchased Services (400-500 Series)					1,250.00	8,751.00
Supplies and Materials	21,507.00	4,554.00	1,833.00	10,525.00	1,653.00	70,580.00
Miscellaneous Expenditures						5,337.00
Total Support Services	<u>21,507.00</u>	<u>4,554.00</u>	<u>1,833.00</u>	<u>10,525.00</u>	<u>2,903.00</u>	<u>397,615.00</u>
Total Expenditures	<u>\$21,507.00</u>	<u>\$4,554.00</u>	<u>\$1,833.00</u>	<u>\$10,525.00</u>	<u>\$2,903.00</u>	<u>\$2,856,819.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)						

CAPITAL PROJECTS FUND DETAIL STATEMENTS

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2013

Expenditures and Other Financing Uses:	
Construction services	\$1,752,725.00
Other Expenditures	2,255.00
	<hr/>
Total expenditures	1,754,980.00
	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(1,754,980.00)
Other financing sources (uses):	
Transfers from capital reserve	1,752,725.00
State aid receivable canceled	(10,006.00)
	<hr/>
Total other financing sources (uses)	1,742,719.00
Net change in fund balances	(12,261.00)
Fund balance - beginning	1,853,821.00
	<hr/>
Fund balance - ending	\$1,841,560.00
	<hr/> <hr/>

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 ADDITIONS AND ALTERATIONS TO BRUNSWICK ACRES ELEMENTARY SCHOOL
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$ 2,348,855.00	\$	\$ 2,348,855.00	\$ 2,348,855.00
Bond proceeds and transfers	4,825,723.00		4,825,723.00	4,825,723.00
Total revenues	<u>7,174,578.00</u>		<u>7,174,578.00</u>	<u>7,174,578.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	703,591.00		703,591.00	704,429.00
Construction services	6,146,344.00		6,146,344.00	6,188,792.00
Equipment purchases	133,720.00		133,720.00	133,720.00
Other Expenditures	140,895.00		140,895.00	147,637.00
Total expenditures	<u>7,124,550.00</u>		<u>7,124,550.00</u>	<u>7,174,578.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>50,028.00</u>	\$	\$ <u>50,028.00</u>	
Additional project information:				
Project Number	4860-055-03-1446			
Grant Date	1/22/2004			
Bond Authorization Date	12/9/2003			
Bonds Authorized	4,825,723.00			
Bonds Issued	4,825,723.00			
Original Authorized Cost	7,163,447.00			
Additional Authorized Cost	11,131.00			
Revised Authorized Cost	7,174,578.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	100%			
Original target completion date	9/1/2004			
Revised target completion date	1/1/2007			

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 ADDITIONS AND ALTERATIONS TO CAMBRIDGE ELEMENTARY SCHOOL
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$ 2,372,729.00	\$	\$ 2,372,729.00	\$ 2,701,665.00
Bond proceeds and transfers	4,130,629.00	_____	4,130,629.00	4,130,629.00
Total revenues	<u>6,503,358.00</u>	_____	<u>6,503,358.00</u>	<u>6,832,294.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	602,808.00		602,808.00	847,961.00
Construction services	5,294,210.00		5,294,210.00	5,629,207.00
Equipment purchases	133,026.00		133,026.00	144,020.00
Other Expenditures	150,689.00	_____	150,689.00	211,106.00
Total expenditures	<u>6,180,733.00</u>	_____	<u>6,180,733.00</u>	<u>6,832,294.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>322,625.00</u>	\$ _____	\$ <u>322,625.00</u>	\$ _____
Additional project information:				
Project Number	9860-060-03-1447			
Grant Date	1/22/2004			
Bond Authorization Date	12/9/2003			
Bonds Authorized	6,150,403.00			
Bonds Issued	6,150,403.00			
Original Authorized Cost	8,852,068.00			
Additional Authorized Cost	-2,019,774.00			
Revised Authorized Cost	6,832,294.00			
Percentage Increase over Original Authorized Cost	-22.00%			
Percentage completion	100%			
Original target completion date	9/1/2006			
Revised target completion date	12/1/2006			

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 ADDITIONS AND ALTERATIONS TO CONSTABLE ELEMENTARY SCHOOL
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$ 2,773,776.00	\$	\$ 2,773,776.00	\$ 2,773,776.00
Bond proceeds and transfers	<u>7,865,092.00</u>		<u>7,865,092.00</u>	<u>7,865,092.00</u>
Total revenues	<u>10,638,868.00</u>		<u>10,638,868.00</u>	<u>10,638,868.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	790,922.00		790,922.00	892,019.00
Construction services	9,022,237.00		9,022,237.00	9,233,881.00
Equipment purchases	256,504.00		256,504.00	336,500.00
Other Expenditures	<u>167,459.00</u>		<u>167,459.00</u>	<u>176,468.00</u>
Total expenditures	<u>10,237,122.00</u>		<u>10,237,122.00</u>	<u>10,638,868.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 401,746.00</u>	<u>\$</u>	<u>\$ 401,746.00</u>	<u>\$</u>
Additional project information:				
Project Number	4860-070-13-1448			
Grant Date	1/22/2004			
Bond Authorization Date	12/9/2003			
Bonds Authorized	7,865,092.00			
Bonds Issued	7,865,092.00			
Original Authorized Cost	10,638,868.00			
Additional Authorized Cost				
Revised Authorized Cost	10,638,868.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	100%			
Original target completion date	9/1/2006			
Revised target completion date	12/1/2006			

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ADDITIONS AND ALTERATIONS TO GREENBROOK ELEMENTARY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$ 2,511,391.00	\$	\$ 2,511,391.00	\$ 2,511,391.00
Bond proceeds and transfers	7,185,020.00		7,185,020.00	7,185,020.00
Total revenues	<u>9,696,411.00</u>		<u>9,696,411.00</u>	<u>9,696,411.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	861,573.00		861,573.00	1,019,340.00
Construction services	7,882,212.00		7,882,212.00	8,084,449.00
Equipment purchases	172,939.00		172,939.00	362,351.00
Other Expenditures	170,024.00		170,024.00	230,271.00
Total expenditures	<u>9,086,748.00</u>		<u>9,086,748.00</u>	<u>9,696,411.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 609,663.00</u>	<u>\$</u>	<u>\$ 609,663.00</u>	<u>\$</u>
Additional project information:				
Project Number	4860-095-03-1450			
Grant Date	1/22/2004			
Bond Authorization Date	N/A			
Bonds Authorized	7,614,824.00			
Bonds Issued	7,614,824.00			
Original Authorized Cost	10,126,215.00			
Additional Authorized Cost	(429,804.00)			
Revised Authorized Cost	9,696,411.00			
Percentage Increase over Original Authorized Cost	-4.24%			
Percentage completion	100%			
Original target completion date	9/1/2006			
Revised target completion date	1/1/2007			

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 ADDITIONS AND ALTERATION TO MONMOUTH JUNCTION ELEMENTARY SCHOOL
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$ 1,414,008.00	\$	\$ 1,414,008.00	\$ 1,414,008.00
Bond proceeds and transfers	3,881,465.00		3,881,465.00	3,881,465.00
Total revenues	<u>5,295,473.00</u>		<u>5,295,473.00</u>	<u>5,295,473.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	533,003.00		533,003.00	535,931.00
Construction services	4,402,443.00		4,402,443.00	4,451,610.00
Equipment purchases	209,532.00		209,532.00	209,532.00
Other Expenditures	91,580.00		91,580.00	98,400.00
Total expenditures	<u>5,236,558.00</u>		<u>5,236,558.00</u>	<u>5,295,473.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 58,915.00</u>	<u>\$</u>	<u>\$ 58,915.00</u>	<u>\$</u>
Additional project information:				
Project Number	4860-110-03-1451			
Grant Date	1/22/2004			
Bond Authorization Date	12/9/2003			
Bonds Authorized	3,881,465.00			
Bonds Issued	3,881,465.00			
Original Authorized Cost	4,876,800.00			
Additional Authorized Cost	418,673.00			
Revised Authorized Cost	5,295,473.00			
Percentage Increase over Original Authorized Cost	8.58%			
Percentage completion	100%			
Original target completion date	9/1/2006			
Revised target completion date	12/1/2006			

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ADDITIONS AND ALTERATIONS TO CROSSROADS NORTH MIDDLE SCHOOL
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$1,126,733.00	(\$10,006.00)	\$1,116,727.00	\$1,126,733.00
Bond Proceeds and Transfers	4,293,673.00		4,293,673.00	4,283,667.00
Total revenues	<u>5,420,406.00</u>	<u>(10,006.00)</u>	<u>5,410,400.00</u>	<u>5,410,400.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	508,180.00		508,180.00	528,182.00
Construction services	4,762,782.00		4,762,782.00	4,776,625.00
Equipment purchases	48,664.00		48,664.00	49,531.00
Other Expenditures	56,062.00	2,255.00	58,317.00	56,062.00
Total expenditures	<u>5,375,688.00</u>	<u>2,255.00</u>	<u>5,377,943.00</u>	<u>5,410,400.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$44,718.00</u>	<u>(\$12,261.00)</u>	<u>\$32,457.00</u>	<u>\$ -</u>
Additional project information:				
Project Number	4860-150-03-1452			
Grant Date	1/22/2004			
Bond Authorization Date	12/9/2003			
Bonds Authorized	2,803,899.00			
Bond Issued	2,803,899.00			
Original Authorized Cost	1,243,832.00			
Additional Authorized Cost	4,166,568.00			
Revised Authorized Cost	5,410,400.00			
Percentage Increase over Original Authorized Cost	334.98%			
Percentage completion	99.00%			
Original target completion date	9/1/2007			
Revised target completion date	12/1/2010			

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 ADDITIONS AND ALTERATION TO CROSSROADS SOUTH MIDDLE SCHOOL
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$380,088.00		\$380,088.00	\$453,706.00
Bond proceeds and transfers	936,257.00		936,257.00	936,257.00
Total revenues	<u>1,316,345.00</u>		<u>1,316,345.00</u>	<u>1,389,963.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	385,068.00		385,068.00	505,595.00
Construction services	523,170.00		523,170.00	828,828.00
Other Expenditures	41,981.00		41,981.00	55,540.00
Total expenditures	<u>950,219.00</u>		<u>950,219.00</u>	<u>1,389,963.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$366,126.00</u>		<u>\$366,126.00</u>	
Additional project information:				
Project Number	4860-075-03-1449			
Grant Date	1/22/2004			
Bond Authorization Date	12/9/2003			
Bonds Authorized	936,257.00			
Bonds Issued	936,257.00			
Original Authorized Cost	3,546,763.00			
Additional Authorized Cost	(2,156,800.00)			
Revised Authorized Cost	1,389,963.00			
Percentage Increase over Original Authorized Cost	-60.81%			
Percentage completion	68%			
Original target completion date	9/1/2007			
Revised target completion date	12/1/2010			

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
WINDOW REPLACEMENTS AT DAYTON AND DEANS SCHOOLS, ROOF REPLACEMENTS AT INDIAN FIELDS AND CROSSROADS SOUTH SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ _____	\$ 1,752,725.00	\$ 1,752,725.00	\$ 1,752,725.00
Total revenues		1,752,725.00	1,752,725.00	1,752,725.00
Expenditures and Other Financing Uses:				
Construction services	_____	1,752,725.00	1,752,725.00	1,752,725.00
Total expenditures		\$ 1,752,725.00	\$ 1,752,725.00	\$ 1,752,725.00
Excess (deficiency) of revenues over (under) expenditures	_____	_____	_____	_____
Additional project information:				
Project Number		N/A		
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost		2,375,000.00		
Additional Authorized Cost		(622,275.00)		
Revised Authorized Cost		1,752,725.00		
Percentage Increase over Original Authorized Cost		-26.20%		
Percentage completion		100%		
Original target completion date		FY2013		
Revised target completion date		FY2013		

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
AS OF JUNE 30, 2013

<u>ISSUE/PROJECT TITLE</u>	<u>ORIGINAL DATE</u>	<u>APPROPRIATIONS</u>		<u>EXPENDITURES TO DATE</u>		<u>CANCELLED</u>	<u>(MEMO ONLY) UNEXPENDED PROJECT BALANCE</u>
		<u>AUTHORIZED</u>	<u>RECOGNIZED</u>	<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>		
Bonded Projects							
Referendum #5							
Construction of renovations and additions at the Brunswick Acres Elementary School, Cambridge Elementary School, Constable Elementary School, Greenbrook Elementary School, Monmouth Junction Elementary School and Crossroads Middle School South and renovations at Crossroads Middle School North, including acquisition and installation of furnishings, equipment and site work.							
Bonded Share	12/9/2003	\$33,117,859.00	\$33,117,859.00	\$31,264,038.00	\$2,255.00	\$10,006.00	\$1,841,560.00
New Jersey Economic Development Agency	12/9/2003	13,330,134.00	12,917,574.00	12,927,580.00		(10,006.00)	
Local Projects:							
Roof or Window Replacement at various schools	FY2013	2,375,000.00	2,375,000.00		1,752,725.00	\$622,275.00	
Totals			<u>\$48,410,433.00</u>	<u>\$44,191,618.00</u>	<u>\$1,754,980.00</u>	<u>\$622,275.00</u>	<u>\$1,841,560.00</u>
<u>Reconciliation to GAAP:</u>							
Unexpended project balance							\$1,841,560.00
Bonds Authorized but not Issued							(859.00)
Unreserved capital fund balance - GAAP							<u>\$1,840,701.00</u>

PROPRIETARY FUND DETAIL STATEMENTS

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

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

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2013

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>FOOD SERVICE FUND</u>	<u>CHILDRENS' COMMUNITY ENRICHMENT FUND</u>	<u>TOTAL</u>
ASSETS:			
Current assets:			
Cash and cash equivalents	\$515,600.00	\$2,887,494.00	\$3,403,094.00
Accounts receivable - other	9,578.00	2,959.00	12,537.00
Interfund Receivable		5,088.00	5,088.00
Intergovernmental Receivables:			
State	3,934.00		3,934.00
Federal	43,844.00		43,844.00
Inventories	27,149.00		27,149.00
Prepaid Expenses		20,021.00	20,021.00
Total current assets	600,105.00	2,915,562.00	3,515,667.00
Noncurrent assets:			
Furniture, machinery & equipment	1,311,553.00	260,345.00	1,571,898.00
Less accumulated depreciation	(1,206,873.00)	(202,887.00)	(1,409,760.00)
Total noncurrent assets	104,680.00	57,458.00	162,138.00
Total assets	704,785.00	2,973,020.00	3,677,805.00
LIABILITIES:			
Current liabilities:			
Accounts payable	224,595.00	32,823.00	257,418.00
Interfund payable		882,693.00	882,693.00
Deferred revenue	81,145.00	665,289.00	746,434.00
Compensated absences		71,111.00	71,111.00
Total current liabilities	305,740.00	1,651,916.00	1,957,656.00
Total liabilities	305,740.00	1,651,916.00	1,957,656.00
NET POSITION:			
Net investment in capital assets	104,680.00	57,458.00	162,138.00
Unrestricted	294,365.00	1,263,646.00	1,558,011.00
Total net position	\$399,045.00	\$1,321,104.00	\$1,720,149.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUND-MAJOR FUNDS</u>		
	<u>FOOD SERVICE FUND</u>	<u>CHILDRENS' COMMUNITY ENRICHMENT FUND</u>	<u>TOTAL</u>
OPERATING REVENUES:			
Charges for services:			
Daily sales - Reimbursable Programs	\$1,126,463.00		\$1,126,463.00
Daily sales - Non-Reimbursable Programs	1,227,284.00		1,227,284.00
Special Functions	554.00		554.00
Program fees		\$3,057,546.00	3,057,546.00
Total operating revenues	<u>2,354,301.00</u>	<u>3,057,546.00</u>	<u>5,411,847.00</u>
OPERATING EXPENSES:			
Salaries	918,931.00	1,795,303.00	2,714,234.00
Employee Benefits	295,004.00	861,025.00	1,156,029.00
Other Purchase Service	277,378.00	118,621.00	395,999.00
General Supplies	181,987.00	356,242.00	538,229.00
Depreciation	30,051.00	25,670.00	55,721.00
Cost of sales	1,326,356.00		1,326,356.00
Total operating expenses	<u>3,029,707.00</u>	<u>3,156,861.00</u>	<u>6,186,568.00</u>
Operating income (loss)	<u>(675,406.00)</u>	<u>(99,315.00)</u>	<u>(774,721.00)</u>
NONOPERATING REVENUES: (EXPENSES)			
State Sources:			
State School Lunch Program	28,816.00		28,816.00
Federal Sources:			
National School Lunch Program	517,899.00		517,899.00
National food distribution commodities	236,073.00		236,073.00
Interest on Investments	187.00	1,562.00	1,749.00
Total nonoperating revenues	<u>782,975.00</u>	<u>1,562.00</u>	<u>784,537.00</u>
Income	<u>107,569.00</u>	<u>(97,753.00)</u>	<u>9,816.00</u>
Change in net position	107,569.00	(97,753.00)	9,816.00
Total net position - July 1, 2012	<u>291,476.00</u>	<u>1,418,857.00</u>	<u>1,710,333.00</u>
Total net position - June 30, 2013	<u>\$399,045.00</u>	<u>\$1,321,104.00</u>	<u>\$1,720,149.00</u>

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>FOOD SERVICE FUND</u>	<u>CHILDRENS' COMMUNITY ENRICHMENT FUND</u>	<u>TOTAL</u>
Cash flows from operating activities:			
Receipts from customers	\$2,368,313.00	\$3,078,273.00	\$5,446,586.00
Payments to employees	(918,931.00)	(1,795,303.00)	(2,714,234.00)
Payments to employee benefits	(295,004.00)	(862,524.00)	(1,157,528.00)
Payments to suppliers	(1,500,039.00)	(511,134.00)	(2,011,173.00)
Net cash provided by (used for) operating activities)	<u>(345,661.00)</u>	<u>(90,688.00)</u>	<u>(436,349.00)</u>
Cash flows from noncapital financing activities:			
State Sources	28,816.00		28,816.00
Federal Sources	517,899.00		517,899.00
Interfund Activity		294,359.00	294,359.00
Net cash provided by noncapital financing activities:	<u>546,715.00</u>	<u>294,359.00</u>	<u>841,074.00</u>
Cash flows from investing activities:			
Interest	187.00	1,562.00	1,749.00
Net cash provided by (used for) investing activities	<u>187.00</u>	<u>1,562.00</u>	<u>1,749.00</u>
Net increase in cash and cash equivalents	201,241.00	205,233.00	406,474.00
Cash and cash equivalents, July 1, 2012	<u>314,359.00</u>	<u>2,682,261.00</u>	<u>2,996,620.00</u>
Cash and cash equivalents, June 30, 2013	<u>\$515,600.00</u>	<u>\$2,887,494.00</u>	<u>\$3,403,094.00</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	(\$675,406.00)	(\$99,315.00)	(\$774,721.00)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	30,051.00	25,670.00	55,721.00
Federal commodities	236,073.00		236,073.00
Change in assets and liabilities:			
(Increase)/Decrease in Accounts Receivable - Other	23,817.00	2,427.00	26,244.00
(Increase) decrease in inventories	30,770.00		30,770.00
(Increase) decrease in prepaid expenses		800.00	800.00
Increase (Decrease) in accounts payable	18,839.00	(37,071.00)	(18,232.00)
Increase (Decrease) in deferred revenue	(9,805.00)	18,300.00	8,495.00
Increase (Decrease) in compensated absences		(1,499.00)	(1,499.00)
	<u>329,745.00</u>	<u>8,627.00</u>	<u>338,372.00</u>
Net cash provided by (used for) operating activities	<u>(\$345,661.00)</u>	<u>(\$90,688.00)</u>	<u>(\$436,349.00)</u>

FIDUCIARY FUND DETAIL STATEMENTS

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

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

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

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

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

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
TRUST AND AGENCY FUNDS
JUNE 30, 2013

	<u>AGENCY FUNDS</u>			<u>TRUST FUNDS</u>	<u>TOTALS</u>
	<u>STUDENT ACTIVITY</u>	<u>PAYROLL AGENCY</u>	<u>PRIVATE PURPOSE AWARD FUNDS</u>	<u>UNEMPLOYMENT COMPENSATION</u>	
ASSETS:					
Cash and cash equivalents	\$577,888.00	\$726,177.00	\$53,959.00	\$357,769.00	\$1,715,793.00
Total assets	<u>577,888.00</u>	<u>726,177.00</u>	<u>53,959.00</u>	<u>357,769.00</u>	<u>1,715,793.00</u>
LIABILITIES:					
Accounts Payable				9,648.00	9,648.00
Interfunds Payable		45.00			45.00
Payroll deductions and withholdings		726,132.00			726,132.00
Due to student groups	577,888.00				577,888.00
Total liabilities	<u>577,888.00</u>	<u>726,177.00</u>		<u>9,648.00</u>	<u>1,313,713.00</u>
NET POSITION:					
Held in trust for unemployment claims				348,121.00	348,121.00
Held in Trust for Scholarships			53,959.00		53,959.00
Total net position	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$53,959.00</u>	<u>\$348,121.00</u>	<u>\$402,080.00</u>

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	PRIVATE PURPOSE AWARD FUNDS					
	CARLTON ROSE	RICHARD SHERMAN	KINGSTON SCHOOL	MIKE ELKO	GERALDINE M. PRIEST	ADAM ABDULLA
ADDITIONS:						
Contributions:						
Plan Members						
Other	\$5,004.00					
Total contributions	5,004.00					
Investment earnings:						
Interest	149.00			\$9.00		
Net investment earnings	149.00			9.00		
Total additions	5,153.00			9.00		
DEDUCTIONS						
Awards	16,449.00	2,000.00	1,443.00	3,857.00	534.00	100.00
Unemployment claims						
Total deductions	16,449.00	2,000.00	1,443.00	3,857.00	534.00	100.00
Change in net assets	(11,296.00)	(2,000.00)	(1,443.00)	(3,848.00)	(534.00)	(100.00)
Net position beginning of year	61,855.00	4,334.00	1,443.00	\$3,848.00	\$534.00	\$100.00
Net position end of year	\$50,559.00	\$2,334.00				

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	PRIVATE PURPOSE AWARD FUNDS			STATE UNEMPLOYMENT COMPENSATION TRUST FUND	TOTAL
	TOM FLANAGAN	ASHLEIGH DEOLIVEIRA	KEYNOTE SPEAKER		
ADDITIONS:					
Contributions:					
Plan Members				\$317,078.00	\$317,078.00
Other					5,004.00
Total contributions				317,078.00	322,082.00
Investment earnings:					
Interest		\$1.00		394.00	553.00
Net investment earnings		1.00		394.00	553.00
Total additions		1.00		317,472.00	322,635.00
DEDUCTIONS					
Awards	1,630.00	2,684.00			28,697.00
Unemployment claims				175,522.00	175,522.00
Total deductions	1,630.00	2,684.00		175,522.00	204,219.00
Change in net assets	(1,630.00)	(2,683.00)		141,950.00	118,416.00
Net assets end of year	1,630.00	3,299.00	450.00	206,171.00	283,664.00
Net assets end of year		\$616.00	\$450.00	\$348,121.00	\$402,080.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>BALANCE</u> <u>JUNE 30, 2012</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSE-</u> <u>MENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2013</u>
PROGRAMS:				
Brooks Crossing	\$11,247.00	\$25,719.00	\$25,674.00	\$11,292.00
Brunswick Acres	11,092.00	15,665.00	16,536.00	10,221.00
Cambridge	7,668.00	8,444.00	9,286.00	6,826.00
Constable	8,086.00	18,242.00	19,363.00	6,965.00
Dayton and Deans	179.00	5,957.00	5,888.00	248.00
Greenbrook	8,007.00	5,712.00	6,575.00	7,144.00
Indian Fields	5,412.00	14,188.00	14,264.00	5,336.00
Monmouth Junction	4,541.00	20,783.00	22,045.00	3,279.00
	<u>56,232.00</u>	<u>114,710.00</u>	<u>119,631.00</u>	<u>51,311.00</u>
MIDDLE SCHOOLS:				
Crossroads North	31,689.00	329,340.00	335,383.00	25,646.00
Crossroads South	18,831.00	338,791.00	338,345.00	19,277.00
Crossroads South Athletic	91.00	15,731.00	15,064.00	758.00
	<u>50,611.00</u>	<u>683,862.00</u>	<u>688,792.00</u>	<u>45,681.00</u>
HIGH SCHOOL AND ATHLETIC FUND				
High School	357,244.00	890,980.00	767,328.00	480,896.00
Athletic Fund		103,292.00	103,292.00	
	<u>357,244.00</u>	<u>994,272.00</u>	<u>870,620.00</u>	<u>480,896.00</u>
Total all schools	<u><u>\$464,087.00</u></u>	<u><u>\$1,792,844.00</u></u>	<u><u>\$1,679,043.00</u></u>	<u><u>\$577,888.00</u></u>

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>BALANCE</u> <u>JULY 1, 2012</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2013</u>
ASSETS:				
Cash and cash equivalents	\$165,969.00	\$82,986,789.00	\$82,426,581.00	\$726,177.00
Total assets	<u>165,969.00</u>	<u>82,986,789.00</u>	<u>82,426,581.00</u>	<u>726,177.00</u>
LIABILITIES:				
Payroll deductions and withholdings	120,487.00	37,894,930.00	37,289,285.00	726,132.00
Net payroll		45,083,743.00	45,083,743.00	
Interfunds payable	12,210.00	8,116.00	20,281.00	45.00
Intrafund payable	<u>33,272.00</u>		<u>33,272.00</u>	
Total liabilities	<u>\$165,969.00</u>	<u>\$82,986,789.00</u>	<u>\$82,426,581.00</u>	<u>\$726,177.00</u>

LONG-TERM LIABILITY SCHEDULES

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
LONG-TERM LIABILITY
SCHEDULE OF SERIAL BONDS
JUNE 30, 2013

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES		RATE OF INTEREST	BALANCE JULY 1, 2012	RETIRED	BALANCE JUNE 30, 2013
			DATE	AMOUNT				
Construct renovations and additions at Brunswick Acres, Cambridge, Constable, Greenbrook and Monmouth Junction Elementary Schools and Crossroads Middle School North and renovations at Crossroads Middle School. Including the acquisition and installation of furnishings, equipment and site work.	04/15/04	\$33,117,000.00	08/01/2013	\$1,240,000.00	4.125%	\$25,837,000.00	\$1,200,000.00	\$24,637,000.00
			08/01/2014	1,280,000.00	4.125%			
			08/01/2015	1,320,000.00	4.125%			
			08/01/2016	1,360,000.00	4.125%			
			08/01/2017	1,400,000.00	4.250%			
			08/01/2018	1,440,000.00	4.250%			
			08/01/2019	1,480,000.00	4.250%			
			08/01/2020	1,520,000.00	4.250%			
			08/01/2021	1,560,000.00	4.300%			
			08/01/2022	1,600,000.00	4.500%			
			08/01/2023	1,640,000.00	4.500%			
			08/01/2024	1,680,000.00	4.500%			
			08/01/2025	1,720,000.00	4.500%			
			08/01/2026	1,760,000.00	4.500%			
			08/01/2027	1,800,000.00	4.500%			
			08/01/2028	1,837,000.00	4.500%			
Refunding School Bonds, Series May 10, 2007AA	5/10/2007	\$36,330,000.00	02/01/2014	2,210,000.00	5.000%	30,185,000.00	2,180,000.00	28,005,000.00
			02/01/2015	2,240,000.00	5.000%			
			02/01/2016	2,270,000.00	5.000%			
			02/01/2017	2,300,000.00	5.000%			
			02/01/2018	2,330,000.00	5.000%			
			02/01/2019	2,355,000.00	5.000%			
			02/01/2020	2,365,000.00	4.500%			
			02/01/2021	2,380,000.00	4.500%			
			02/01/2022	2,385,000.00	4.500%			
			02/01/2023	2,390,000.00	4.500%			
			02/01/2024	2,390,000.00	4.125%			
			02/01/2025	2,390,000.00	4.125%			

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
LONG-TERM LIABILITY
SCHEDULE OF SERIAL BONDS
JUNE 30, 2013

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES</u>		<u>INTEREST RATE</u>	<u>BALANCE JULY 1, 2012</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2013</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Refunding School Bonds, Series March, 2012	3/7/2012	\$29,525,000.00	12/01/2014	\$1,315,000.00	3.000%			
			12/01/2015	1,575,000.00	3.000%			
			12/01/2016	1,565,000.00	3.000%			
			12/01/2017	2,605,000.00	4.000%			
			12/01/2018	2,615,000.00	2.000%			
			12/01/2019	2,610,000.00	3.000%			
			12/01/2020	2,600,000.00	2.000%			
			12/01/2021	2,585,000.00	3.000%			
			12/01/2022	2,585,000.00	3.000%			
			12/01/2023	2,590,000.00	4.000%			
			12/01/2024	2,610,000.00	4.000%			
			12/01/2025	2,625,000.00	4.000%			
					<u>\$85,037,000.00</u>	<u>\$4,515,000.00</u>	<u>\$80,522,000.00</u>	

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>BUDGET</u> <u>TRANSFER</u>	2013 <u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FINAL TO ACTUAL</u>
REVENUES:					
Local sources:					
Local tax levy	\$6,411,373.00		\$6,411,373.00	\$6,411,373.00	
State sources:					
Debt service aid type II	1,465,042.00		1,465,042.00	1,465,042.00	
Total revenues	<u>7,876,415.00</u>		<u>7,876,415.00</u>	<u>7,876,415.00</u>	
EXPENDITURES:					
Regular debt service:					
Interest	3,361,420.00		3,361,420.00	3,361,420.00	
Redemption of principal	4,515,000.00		4,515,000.00	4,515,000.00	
Total regular debt service-expenditures	<u>7,876,420.00</u>		<u>7,876,420.00</u>	<u>7,876,420.00</u>	
Excess (deficiency) of revenues over (under) expenditures	(5.00)		(5.00)	(5.00)	
Fund balance, July 1	<u>2,292.00</u>		<u>2,292.00</u>	<u>2,292.00</u>	
Fund balance, June 30	<u><u>\$2,287.00</u></u>		<u><u>\$2,287.00</u></u>	<u><u>\$2,287.00</u></u>	

STATISTICAL SECTION (UNAUDITED)

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TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends: These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-4
Revenue Capacity: These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-5 to J-9
Debt Capacity: These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information: These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information: These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
NET POSITION BY COMPONENT
UNAUDITED

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities										
Net investment in capital assets	\$61,939,623.00	\$59,184,894.00	\$53,701,638.00	\$50,803,355.00	\$47,499,772.00	\$44,131,631.00	\$40,790,487.00	\$34,617,157.00	\$26,578,754.00	\$20,434,370.00
Restricted	18,114,140.00	14,830,961.00	10,763,604.00	8,801,160.00	10,601,882.00	8,727,039.00	3,509,819.00	2,033,561.00	4,303,111.00	3,075,159.00
Unrestricted	(435,232.00)	818,707.00	(175,759.00)	(1,448,693.00)	(1,622,719.00)	(359,199.00)	1,568,340.00	98,227.00	1,845,612.00	1,182,921.00
Total governmental activities net position	\$79,618,531.00	\$74,834,562.00	\$64,289,483.00	\$58,155,822.00	\$56,478,935.00	\$52,499,471.00	\$45,868,646.00	\$36,748,945.00	\$32,727,477.00	\$24,692,450.00
Business-type activities										
Net investment in capital assets	\$162,138.00	\$217,859.00	\$277,941.00	\$338,914.00	\$397,696.00	\$477,861.00	\$528,844.00	\$355,784.00	\$401,158.00	\$458,744.00
Unrestricted	1,558,011.00	1,492,474.00	1,335,956.00	1,031,964.00	870,107.00	753,595.00	515,911.00	509,447.00	408,897.00	135,329.00
Total business-type activities net position	\$1,720,149.00	\$1,710,333.00	\$1,613,897.00	\$1,370,878.00	\$1,267,803.00	\$1,231,456.00	\$1,044,755.00	\$865,231.00	\$810,055.00	\$594,073.00
District-wide										
Net investment in capital assets	\$62,101,761.00	\$59,402,753.00	\$53,979,579.00	\$51,142,269.00	\$47,897,468.00	\$44,609,492.00	\$41,319,331.00	\$34,972,941.00	\$26,979,912.00	\$20,893,114.00
Restricted	18,114,140.00	14,830,961.00	10,763,604.00	8,801,160.00	10,601,882.00	8,727,039.00	3,509,819.00	2,033,561.00	4,303,111.00	3,075,159.00
Unrestricted	1,122,779.00	2,311,181.00	1,160,197.00	(416,729.00)	(752,612.00)	394,396.00	2,084,251.00	607,674.00	2,254,509.00	1,318,250.00
Total district net position	\$81,338,680.00	\$76,544,895.00	\$65,903,380.00	\$59,526,700.00	\$57,748,738.00	\$53,730,927.00	\$46,913,401.00	\$37,614,176.00	\$33,537,532.00	\$25,286,523.00

Source: CAFR Schedule A-1

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
EXPENSES										
Governmental activities										
Instruction										
Regular	\$56,388,709.50	\$54,274,563.98	\$53,582,917.00	\$55,324,209.00	\$52,927,826.00	\$53,170,838.00	\$52,130,069.00	\$51,450,009.00	\$47,519,683.00	\$44,493,209.00
Special education	16,736,399.87	15,690,117.97	15,728,205.00	15,330,283.00	13,910,000.00	13,573,180.00	13,540,547.00	10,151,761.00	8,604,523.00	9,123,146.00
Other instruction	5,031,681.96	4,660,805.32	5,025,305.00	5,480,477.00	5,650,838.00	5,617,164.00	5,891,321.00	5,671,563.00	5,273,326.00	3,860,236.00
Adult/continuing education programs										
Support Services:										
Tuition	4,032,629.00	3,717,704.00	3,063,661.00	3,291,372.00	3,478,852.00	3,527,616.00	3,698,148.00	3,039,787.00	3,472,890.00	3,435,664.00
Student & instruction related services	13,637,026.87	13,280,083.52	13,714,791.00	14,617,892.00	13,376,777.00	13,500,768.00	12,189,819.00	11,663,569.00	11,591,180.00	11,220,148.00
General administrative services	2,476,322.99	2,198,166.47	2,165,141.00	2,140,518.00	1,944,739.00	1,628,235.00	1,579,141.00	1,666,906.00	1,529,590.00	1,735,660.00
School administrative services	7,571,650.92	7,224,606.72	7,372,351.00	8,054,434.00	8,408,878.00	8,483,495.00	7,472,268.00	7,385,889.00	6,605,553.00	5,939,834.00
Central services/Admin. Info. Technology	3,217,633.97	2,685,982.88	3,141,657.00	3,185,959.00	3,252,071.00	3,239,296.00	2,758,861.00	3,030,832.00	2,405,434.00	
Plant operations and maintenance	15,772,831.91	14,619,495.15	15,004,769.00	15,623,182.00	15,597,729.00	15,997,925.00	15,018,793.00	14,173,709.00	12,272,792.00	12,223,076.00
Student transportation services	9,392,979.00	9,072,200.00	8,758,253.00	9,032,115.00	9,519,703.00	9,318,972.00	8,619,470.00	7,650,684.00	7,148,208.00	6,680,399.00
Business and other support services										1,891,471.00
Interest on long-term debt	3,329,820.00	1,974,768.00	4,350,662.00	4,491,377.00	4,915,994.00	4,603,992.00	4,882,126.00	5,888,337.00	6,073,645.00	5,295,010.00
Unallocated amortization	13,696.00	631,015.00	75,180.00	75,180.00	84,507.00	158,886.00	10,069.00	79,437.00	94,913.00	23,920.00
Unallocated depreciation	156,667.01	167,526.00	166,572.00	161,947.00	149,380.00	141,201.00	139,726.00	156,605.00	131,545.00	123,215.00
Total governmental activities expenses	<u>\$137,756,049.00</u>	<u>\$130,197,035.01</u>	<u>\$132,149,464.00</u>	<u>\$136,808,945.00</u>	<u>\$133,217,294.00</u>	<u>\$132,961,564.00</u>	<u>127,930,358.00</u>	<u>122,009,088.00</u>	<u>112,723,282.00</u>	<u>106,044,988.00</u>
Business-type activities:										
Food Service	3,029,707.00	3,086,700.00	3,002,383.00	3,029,761.00	3,025,529.00	2,971,184.00	2,798,656.00	2,763,252.00	2,638,925.00	2,331,387.00
Community School	3,156,861.00	2,987,076.00	2,859,573.00	2,828,871.00	2,906,767.00	3,137,897.00	2,877,033.00	2,735,174.00	2,472,954.00	2,311,971.00
Total business-type activities expense	<u>6,186,568.00</u>	<u>6,073,776.00</u>	<u>5,861,956.00</u>	<u>5,858,632.00</u>	<u>5,932,296.00</u>	<u>6,109,081.00</u>	<u>5,675,689.00</u>	<u>5,498,426.00</u>	<u>5,111,879.00</u>	<u>4,643,358.00</u>
Total district expenses	<u>143,944,617.00</u>	<u>136,270,811.01</u>	<u>138,011,420.00</u>	<u>142,667,577.00</u>	<u>139,149,590.00</u>	<u>139,070,645.00</u>	<u>133,606,047.00</u>	<u>127,507,514.00</u>	<u>117,835,161.00</u>	<u>110,688,346.00</u>
PROGRAM REVENUES										
Governmental activities:										
Operating grants and contributions	15,647,550.00	13,606,423.00	12,815,269.00	13,454,115.00	11,191,706.00	13,349,009.00	13,118,230.00	9,772,769.00	8,607,678.00	7,825,135.00
Total governmental activities program revenues	<u>15,647,550.00</u>	<u>13,606,423.00</u>	<u>12,815,269.00</u>	<u>13,454,115.00</u>	<u>11,191,706.00</u>	<u>13,349,009.00</u>	<u>13,118,230.00</u>	<u>9,772,769.00</u>	<u>8,607,678.00</u>	<u>7,825,135.00</u>
Business-type activities:										
Charges for services										
Food Service	2,354,301.00	2,431,521.00	2,439,185.00	2,343,255.00	2,430,407.00	2,454,994.00	2,203,973.00	2,211,672.00	2,161,172.00	1,954,769.00
Community School	3,057,546.00	2,988,767.00	2,980,654.00	2,917,341.00	2,937,642.00	3,195,427.00	3,057,534.00	2,834,686.00	2,772,441.00	2,636,697.00
Operating grants and contributions	782,788.00	748,386.00	682,860.00	695,897.00	581,885.00	513,421.00	445,221.00	483,656.00	383,591.00	305,122.00
Total business type activities program revenues	<u>6,194,635.00</u>	<u>6,168,674.00</u>	<u>6,102,699.00</u>	<u>5,956,493.00</u>	<u>5,949,934.00</u>	<u>6,163,842.00</u>	<u>5,706,726.00</u>	<u>5,530,014.00</u>	<u>5,317,204.00</u>	<u>4,896,588.00</u>
Total district program revenues	<u>21,842,185.00</u>	<u>19,775,097.00</u>	<u>18,917,968.00</u>	<u>19,410,608.00</u>	<u>17,141,640.00</u>	<u>19,512,851.00</u>	<u>18,824,956.00</u>	<u>15,302,783.00</u>	<u>13,924,882.00</u>	<u>12,721,723.00</u>
NET (EXPENSE)/REVENUE										
Governmental activities	(122,110,499.00)	(116,590,612.01)	(119,334,195.00)	(123,354,830.00)	(122,025,588.00)	(119,612,555.00)	(114,812,128.00)	(112,236,319.00)	(104,115,604.00)	(98,219,853.00)
Business-type activities	8,067.00	84,898.00	240,743.00	97,861.00	17,638.00	54,761.00	31,039.00	31,588.00	205,325.00	253,230.00
Total district-wide net expense	<u>(122,102,432.00)</u>	<u>(116,495,714.01)</u>	<u>(119,093,452.00)</u>	<u>(123,256,969.00)</u>	<u>(122,007,950.00)</u>	<u>(119,557,794.00)</u>	<u>(114,781,089.00)</u>	<u>(112,204,731.00)</u>	<u>(103,910,279.00)</u>	<u>(97,966,623.00)</u>

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Property taxes levied for general purposes, net	96,244,567.00	95,307,567.00	95,730,875.00	96,009,320.00	93,923,003.00	94,583,349.00	89,910,441.00	81,551,449.00	78,178,742.00	71,882,910.00
Taxes levied for debt service	6,411,373.00	8,623,643.00	8,200,335.00	7,921,890.00	7,357,742.00	8,403,341.00	8,290,872.00	8,294,899.00	7,826,234.00	7,101,791.00
Unrestricted grants and contributions	23,666,809.00	22,719,409.00	20,972,954.00	20,407,708.00	22,790,844.00	20,367,838.00	19,488,777.00	20,325,613.00	19,337,193.00	18,807,051.00
Disposal of capital assets	-	-	-	-	(7,232.00)	(1,000.00)	(216,035.00)	(95,089.00)	(10,225.00)	(72,194.00)
State aid restricted	-	-	-	-	898,072.00	1,620,008.00	4,167,700.00	4,638,834.00	4,986,871.00	1,172,206.00
Miscellaneous income	571,719.00	485,072.00	663,256.00	692,799.00	1,041,873.00	1,293,731.00	2,396,200.00	1,542,081.00	1,609,423.00	1,075,484.00
Transfers	-	-	-	-	-	(84,408.00)	(106,126.00)	-	-	-
Total governmental activities	126,894,468.00	127,135,691.00	125,567,420.00	125,031,717.00	126,004,302.00	126,182,859.00	123,931,829.00	116,257,787.00	111,928,238.00	99,967,248.00
Business-type activities:										
Transfers in (out)	-	-	-	-	-	84,408.00	106,126.00	-	-	-
Miscellaneous income	1,749.00	1,538.00	2,276.00	5,214.00	18,709.00	47,532.00	42,359.00	23,588.00	10,657.00	5,154.00
Total business-type activities	1,749.00	1,538.00	2,276.00	5,214.00	18,709.00	131,940.00	148,485.00	23,588.00	10,657.00	5,154.00
Total district-wide	126,896,217.00	127,137,229.00	125,569,696.00	125,036,931.00	126,023,011.00	126,314,799.00	124,080,314.00	116,281,375.00	111,938,895.00	99,972,402.00
CHANGE IN NET POSITION										
Governmental activities	4,783,969.00	10,545,078.99	6,233,225.00	1,676,887.00	3,978,714.00	6,570,304.00	9,119,701.00	4,021,468.00	7,812,634.00	1,747,395.00
Business-type activities	9,816.00	96,436.00	243,019.00	103,075.00	36,347.00	186,701.00	179,524.00	55,176.00	215,982.00	258,384.00
Total district	\$4,793,785.00	\$10,641,514.99	\$6,476,244.00	\$1,779,962.00	\$4,015,061.00	\$6,757,005.00	\$9,299,225.00	\$4,076,644.00	\$8,028,616.00	\$2,005,779.00

Source: CAFR Schedule A-2

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund										
Reserved	\$18,740,711.00	\$15,489,127.00	\$11,518,631.00	\$10,560,233.00	\$12,698,193.00	\$10,291,478.00	\$3,862,979.00	\$2,647,734.00	\$6,014,297.00	\$4,600,338.00
Restricted										
Assigned	1,924,628.00	2,224,133.00	944,812.00							
Unassigned	157,028.00	563,064.00	2,079,263.00							
Unreserved				582,386.00	578,304.00	1,912,763.00	4,810,072.00	3,639,953.00	4,051,597.00	4,137,869.00
Total general fund	<u>20,822,367.00</u>	<u>18,276,324.00</u>	<u>14,542,706.00</u>	<u>11,142,619.00</u>	<u>13,276,497.00</u>	<u>12,204,241.00</u>	<u>8,673,051.00</u>	<u>6,287,687.00</u>	<u>10,065,894.00</u>	<u>8,738,207.00</u>
All Other Governmental Funds										
Reserved										
Restricted	1,842,988.00	1,855,254.00	1,854,566.00		106,676.00	122,317.00	760,144.00	2,924,725.00	15,399,201.00	3,211,304.00
Assigned										
Unreserved, reported in:										
Special revenue fund										
Capital projects fund				1,901,195.00	3,297,320.00	3,284,007.00	3,714,620.00	4,239,181.00	11,100,779.00	29,595,809.00
Debt service fund				17,885.00	175,586.00	1,146,494.00	766,806.00	1,255,458.00		
Total all other governmental funds	<u>\$1,842,988.00</u>	<u>\$1,855,254.00</u>	<u>\$1,854,566.00</u>	<u>\$1,919,080.00</u>	<u>\$3,579,582.00</u>	<u>\$4,552,818.00</u>	<u>\$5,241,570.00</u>	<u>\$8,419,364.00</u>	<u>\$26,499,980.00</u>	<u>\$32,807,113.00</u>

Source: CAFR Schedule B-1

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues										
Tax levy	\$102,655,940.00	\$103,931,210.00	\$103,931,210.00	\$103,931,210.00	\$101,280,745.00	\$102,986,690.00	\$98,201,313.00	\$89,846,348.00	\$86,004,976.00	\$78,984,701.00
Tuition charges	182,930.00	160,806.00	153,913.00	204,312.00	232,797.00	337,766.00	170,879.00	74,255.00	55,655.00	70,381.00
Transportation fees from other LEA's	16,796.00	13,260.00	36,728.00	61,845.00						
Interest on capital reserve	2,775.00	2,417.00	3,807.00	7,662.00	33,174.00	30,247.00	39,559.00	34,342.00	25,261.00	14,655.00
Miscellaneous	415,916.00	362,586.00	513,572.00	464,984.00	807,509.00	1,067,802.00	1,434,686.00	1,449,515.00	1,634,572.00	999,010.00
State sources	36,758,370.00	32,845,725.00	30,495,285.00	27,196,844.00	32,480,011.00	33,017,710.00	34,504,922.00	32,584,644.00	31,010,244.00	26,067,885.00
Federal sources	2,519,297.00	3,426,110.00	3,248,174.00	6,618,975.00	2,371,199.00	2,302,625.00	2,253,123.00	2,140,516.00	1,816,140.00	1,736,507.00
Total revenue	142,552,024.00	140,742,114.00	138,382,689.00	138,485,832.00	137,205,435.00	139,742,840.00	136,604,482.00	126,129,620.00	120,546,848.00	107,873,139.00
Expenditures										
Instruction										
Regular Instruction	36,657,469.00	36,489,446.00	36,069,629.00	38,713,723.00	38,436,785.00	36,474,673.00	34,877,644.00	36,185,022.00	34,235,790.00	32,304,137.00
Special education instruction	11,990,075.00	11,392,639.00	11,655,826.00	11,619,698.00	10,603,437.00	10,064,919.00	9,756,868.00	7,151,974.00	6,221,539.00	5,637,776.00
Other instruction	3,681,066.00	3,359,749.00	3,617,176.00	4,077,578.00	4,272,283.00	4,051,780.00	4,144,535.00	4,174,957.00	3,913,717.00	3,505,244.00
Support Services:										
Tuition	4,032,629.00	3,717,704.00	3,063,661.00	3,291,372.00	3,478,852.00	3,527,618.00	3,698,148.00	3,039,787.00	3,472,890.00	3,435,664.00
Student & instruction related services	9,684,711.00	9,663,915.00	10,219,368.00	11,139,795.00	10,265,697.00	10,196,921.00	9,941,685.00	9,583,093.00	9,428,470.00	9,307,998.00
General administrative services	1,736,341.00	1,654,451.00	1,657,549.00	1,692,227.00	1,476,644.00	1,405,036.00	1,361,135.00	1,446,849.00	1,435,601.00	1,604,899.00
School Administrative services	5,043,308.00	4,943,041.00	5,037,118.00	5,775,201.00	6,159,663.00	5,892,733.00	5,793,212.00	5,714,402.00	5,221,514.00	4,355,428.00
Business and other support services										1,938,744.00
Central services/Administration Information Technology	2,389,952.00	2,113,804.00	2,322,087.00	2,356,302.00	2,349,904.00	2,304,271.00	2,149,590.00	2,157,007.00	1,911,616.00	
Plant operations and maintenance	12,809,395.00	12,123,404.00	12,479,103.00	13,242,455.00	13,981,974.00	13,882,894.00	13,211,236.00	12,697,443.00	10,926,378.00	10,660,912.00
Student transportation services	7,849,043.00	7,574,093.00	7,234,223.00	7,786,687.00	8,225,898.00	7,960,766.00	7,260,591.00	6,697,998.00	6,132,981.00	5,974,106.00
Allocated employee benefits	1,405,811.00	1,298,620.00	1,320,627.00	1,288,456.00	1,168,049.00	1,179,498.00	1,217,251.00	982,664.00	1,020,867.00	
Unallocated employee benefits	31,386,217.00	29,513,567.00	27,936,415.00	27,238,535.00	24,319,390.00	26,527,272.00	26,235,561.00	22,172,930.00	19,039,318.00	18,243,402.00
Capital outlay	3,465,804.00	2,942,434.00	2,588,355.00	4,141,843.00	2,298,984.00	4,490,446.00	7,167,370.00	27,708,598.00	12,887,726.00	4,498,278.00
Debt service:										
Principal	4,515,000.00	6,595,000.00	5,350,000.00	5,285,000.00	5,200,000.00	5,635,000.00	5,280,000.00	4,950,000.00	3,895,000.00	3,810,000.00
Interest and other charges	3,361,420.00	3,625,941.00	4,396,415.00	4,631,340.00	4,867,390.00	4,589,445.00	5,698,378.00	5,963,119.00	5,890,584.00	5,003,699.00
Total expenditures	140,008,241.00	137,007,808.00	134,947,552.00	142,280,212.00	137,104,970.00	138,183,272.00	137,793,204.00	150,625,843.00	125,633,993.00	110,280,287.00
Excess (Deficiency) of revenues over (under) expenditures	2,543,783.00	3,734,306.00	3,435,137.00	(3,794,380.00)	100,465.00	1,559,568.00	(1,188,722.00)	(24,496,223.00)	(5,087,145.00)	(2,407,148.00)
Other Financing sources (uses)										
Capital leases (non-budgeted)						1,357,842.00	401,533.00	1,905,761.00	783,771.00	914,153.00
Bond proceeds						4,270,000.00	36,330,000.00			
Premium on sale of bonds						21,442.00	1,528,391.00			
Cost of issuance						(12,039.00)	(147,979.00)			
Payment to refunded bonds escrow agent						(4,239,788.00)	(37,492,432.00)			
Bond selling expenditures						(25,620.00)	(217,980.00)			
Long-Term debt issued										33,117,000.00
State aid receivable canceled	(10,006.00)									
Transfers in (out)						(84,408.00)				
Non-Allowable program income					(945.00)	(1,550.00)	(3,641.00)	(3,475.00)	(707.00)	(702.00)
Administrative cost transfer					(500.00)	(3,009.00)	(1,600.00)	(500.00)		
Total other financing sources (uses)	(10,006.00)				(1,445.00)	1,282,870.00	396,292.00	1,901,786.00	783,064.00	34,030,451.00
Net change in fund balances	\$2,533,777.00	\$3,734,306.00	\$3,435,137.00	(\$3,794,380.00)	\$99,020.00	\$2,842,438.00	(\$792,430.00)	(\$22,594,437.00)	(\$4,304,081.00)	\$31,623,303.00
Debt service as a percentage of noncapital expenditures	5.77%	7.62%	7.36%	7.18%	7.47%	7.65%	8.40%	8.88%	8.68%	8.33%
Source: CAFR Schedule B-2										

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Tuition</u>	<u>Interest On</u> <u>Investments</u>	<u>Rentals</u>	<u>Transportation</u> <u>Fees</u>	<u>Miscellaneous</u>	<u>Total</u>
2013	\$182,930.00	\$16,373.00	\$92,176.00	\$16,796.00	\$263,444.00	\$571,719.00
2012	160,806.00	17,946.00	105,932.00	13,260.00	187,128.00	485,072.00
2011	153,913.00	31,959.00	82,006.00	36,728.00	355,316.00	659,922.00
2010	204,312.00	84,760.00	106,474.00	61,845.00	281,412.00	738,803.00
2009	155,165.00	333,974.00	103,646.00		167,581.00	760,366.00
2008	199,909.00	729,257.00	94,500.00		73,103.00	1,096,769.00
2007	150,387.00	782,295.00	102,800.00		190,589.00	1,226,071.00
2006	110,547.00	567,917.00	59,868.00		158,417.00	896,749.00
2005	265,435.00	312,354.00	100,813.00		174,141.00	852,743.00
2004	70,381.00	108,615.00	81,256.00		624,139.00	884,391.00

Source: District Records

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

<u>Fiscal Year Ended June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Req.</u>	<u>Qfarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Public Utilities a</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate b</u>	<u>Estimated Actual (County Equalized Value)</u>
2013	\$88,869,200	\$2,332,156,400	\$14,747,300	\$4,449,100	\$288,138,600	\$786,931,400	\$88,730,000	\$3,604,022,000	\$8,109,311	\$3,612,131,311	2.853	\$7,675,587,146
2012	94,341,800	2,337,963,300	14,712,800	4,562,400	292,082,700	778,848,400	88,866,600	3,611,378,000	9,211,459	3,620,589,459	2.853	8,143,476,066
2011	99,029,100	2,340,318,000	14,562,400	4,675,400	289,115,800	863,449,400	89,544,200	3,700,694,300	9,957,747	3,710,652,047	2.802	8,196,713,159
2010	112,477,300	2,362,994,700	15,500,500	4,770,100	294,634,000	983,555,200	93,962,200	3,867,894,000	9,957,747	3,877,851,747	2.680	8,346,646,033
2009	134,221,800	2,345,564,300	15,712,000	4,730,300	304,457,400	1,031,629,200	93,542,200	3,929,857,200	8,967,022	3,938,824,222	2.605	8,341,432,067
2008	150,909,900	2,309,240,500	15,611,700	4,683,900	307,432,400	1,029,656,100	94,573,900	3,912,108,400	8,051,905	3,920,160,305	2.605	8,333,674,118
2007	146,564,700	2,289,275,800	16,109,700	4,864,500	304,252,400	1,061,855,200	100,011,800	3,922,934,100	7,715,751	3,930,649,851	2.560	8,099,422,730
2006	128,456,600	2,235,275,600	22,318,300	5,650,500	296,465,700	1,056,579,500	99,965,000	3,844,711,200	16,069,194	3,860,780,394	2.314	6,698,092,287
2005	114,339,000	2,195,018,100	24,453,800	5,941,400	293,707,400	1,055,921,700	99,965,000	3,789,346,400	16,618,665	3,805,965,065	2.134	5,696,176,531
2004	107,317,300	2,163,746,900	24,642,800	8,277,500	322,976,400	1,133,010,700	99,965,000	3,859,936,600	17,003,479	3,876,940,079	1.974	5,044,169,053

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

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

b Tax rates are per \$100

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

Calendar Year Ended June 30,	<u>South Brunswick Township Board of Education</u>			<u>Overlapping Rates</u>					Total Direct and Overlapping Tax Rate
	<u>Basic Rate ^a</u>	<u>General Obiligation Debt Service ^b</u>	<u>Total Direct</u>	<u>South Brunswick Township</u>	<u>Middlesex County</u>	<u>Fire District 1</u>			
						<u>1</u>	<u>2</u>	<u>3</u>	
2013	2.675	0.178	2.853	0.862	0.813	0.076	0.041	0.051	4.696
2012	2.616	0.237	2.853	0.837	0.801	0.074	0.041	0.051	4.657
2011	2.581	0.221	2.802	0.837	0.743	0.072	0.040	0.050	4.544
2010	2.476	0.204	2.680	0.760	0.641	0.079	0.038	0.051	4.249
2009	2.416	0.189	2.605	0.709	0.627	0.076	0.035	0.050	4.102
2008	2.392	0.213	2.605	0.665	0.613	0.073	0.035	0.051	4.042
2007	2.344	0.216	2.560	0.625	0.531	0.075	0.035	0.050	3.876
2006	2.100	0.214	2.314	0.616	0.513	0.075	0.030	0.050	3.598
2005	1.940	0.194	2.134	0.562	0.483	0.070	0.030	0.050	3.329
2004	1.797	0.177	1.974	0.510	0.490	0.065	0.030	0.048	3.117

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

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

- a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- b** Rates for debt service are based on each year's requirements.

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

Taxpayer	2013			Taxpayer	2004		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Forsgate Industrial Complex	\$ 108,973,000	1	3.017%	Forsgate Industrial Complex	\$ 157,201,400	1	4.089%
Dow Jones & Company	59,025,000	2	1.634%	Dow Jones & Company	116,053,300	2	3.019%
Heller SBIP, LLC	45,321,400	3	1.255%	Issac heller	34,343,400	3	0.893%
AMB Property Corporation	32,772,900	4	0.907%	Dalew/Wyeth -Ayerst	39,149,600	4	1.018%
Royal Oaks Apartments, LLC	29,450,700	5	0.815%	Princeton Corp.	38,689,600	5	1.006%
Windsor Associates	28,392,000	6	0.786%	Royal Oaks Apartments	33,121,000	6	0.862%
Ridge Road Properties, LLC	25,291,000	7	0.700%	AMB/-SGP	33,042,700	7	0.860%
CNJ Company IV, LLC	23,207,900	8	0.643%	Windsor Associates	33,207,300	8	0.864%
KTR NJ I, LLC	22,291,100	9	0.617%	PW/MS	29,949,800	9	0.779%
Bloomberg Ridge Road, LLC	20,248,200	10	0.561%	AMB/Erie	28,944,800	10	0.753%
426 Royal, LLC	17,450,000	11	0.483%				
Princeton Corporate Plaza	14,873,000	12	0.412%				
MW Associates	14,239,800	13	0.394%				
155 Raymond Road	14,050,000	14	0.389%				
Prologis	11,939,900	15	0.331%				
East Park At 8A	10,709,500	16	0.297%				
SCP 2002-SB, LLC	10,214,700	17	0.283%				
Canon USA	10,010,000	18	0.277%				
PPF Industries	9,426,000	19	0.261%				
Hermann Forwarding Company	9,303,300	20	0.258%				
Total	\$ 517,189,400		14.320%		\$ 543,702,900		14.143%

Source: District CAFR J11 & Municipal Tax Assessor

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS,
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	103,293,575	103,293,575	100.00%	
2012	103,931,210	103,931,210	100.00%	
2011	103,931,210	103,931,210	100.00%	
2010	103,931,210	103,931,210	100.00%	
2009	101,280,745	101,280,745	100.00%	
2008	102,986,689	102,986,689	100.00%	
2007	98,201,313	98,201,313	100.00%	
2006	89,846,348	89,846,348	100.00%	
2005	84,899,562	84,899,562	100.00%	
2004	78,764,231	78,764,231	100.00%	

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

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

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

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>		Total <u>District</u>	Percentage of Personal Income (a)	<u>Per Capita (a)</u>
	General Obligation <u>Bonds</u>	Capital <u>Leases</u>			
2013	\$ 80,522,000.00	\$ 0.00	\$ 80,522,000.00	*	1,819.34
2012	85,037,000.00	0.00	85,037,000.00	0.06%	1,947.71
2011	93,187,000.00	0.00	93,187,000.00	0.05%	2,143.76
2010	98,537,000.00	0.00	98,537,000.00	0.05%	2,388.37
2009	103,822,000.00	1,011,115.00	104,833,115.00	0.05%	2,563.97
2008	109,022,000.00	2,052,969.00	111,074,969.00	0.04%	2,756.41
2007	114,522,000.00	1,856,274.00	116,378,274.00	0.04%	2,909.46
2006	120,427,000.00	2,587,753.00	123,014,753.00	0.03%	3,074.98
2005	125,377,859.00	1,736,132.00	127,113,991.00	0.03%	3,197.03
2004	129,272,858.00	1,680,500.00	130,953,358.00	0.03%	3,302.48

Source: District CAFR Schedules I-1, I-2

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

(a) See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

* - Not available at time of audit

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Deductions			
2013	\$80,522,000.00	-0-	\$80,522,000.00	2.234%	\$1,819.34
2012	85,037,000.00	-0-	85,037,000.00	2.355%	1,947.71
2011	93,187,000.00	-0-	93,187,000.00	2.518%	2,143.76
2010	98,537,000.00	-0-	98,537,000.00	2.548%	2,388.37
2009	103,822,000.00	-0-	103,822,000.00	2.642%	2,539.24
2008	109,022,000.00	-0-	109,022,000.00	2.787%	2,705.46
2007	114,522,000.00	-0-	114,522,000.00	2.919%	2,863.05
2006	120,427,000.00	-0-	120,427,000.00	3.132%	3,010.30
2005	125,377,859.00	-0-	125,377,859.00	3.309%	3,153.37
2004	129,272,858.00	-0-	129,272,858.00	3.349%	3,260.10

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

(a) See Exhibit NJ J-6 for property tax data.

(b) Population data can be found in Exhibit NJ J-14.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2012
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
South Brunswick Township	\$67,924,755.00	100.00%	\$67,924,755.00
Other debt			
Middlesex County	652,464,901.00	7.9966%	52,175,008.27
Stony Brook Regional Sewerage Authority	24,507,570.00	39.74%	9,739,308.00
Middlesex County Utilities Authority	209,865,587.00	4.09%	<u>8,584,299.00</u>
Subtotal, overlapping debt			<u>\$138,423,370.27</u>
South Brunswick School District Direct Debt			<u>80,522,000.00</u>
Total direct and overlapping debt			<u><u>\$218,945,370.27</u></u>

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

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
 UNAUDITED

Legal Debt Margin Calculation for Calendar Year 2012:

Equalized Valuation Basis

Calendar Year

2012	\$ 7,673,986,400.00
2011	8,323,648,898.00
2010	8,544,055,666.00
	<u>\$ 24,541,690,964.00</u>

Average Equalized Valuation of Taxable Property \$ 8,180,563,654.67

Debt Limit (4% (a) of average equalization value)	327,222,546.19
Total Net Debt Applicable to Limit	89,522,000.00
Legal Debt Margin	<u>\$ 246,700,546.19</u>

	Fiscal Year Ending June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt Limit	\$327,222,546.19	\$337,683,820.93	\$337,166,565.27	\$334,440,100.27	\$327,290,195.81	\$202,183,549.51	\$272,381,490.71	\$236,761,667.36	\$211,172,125.00	\$185,781,539.00
Total Net Debt Applicable To Limit	<u>80,522,000.00</u>	<u>85,037,000.00</u>	<u>93,187,000.00</u>	<u>98,537,000.00</u>	<u>103,822,000.00</u>	<u>109,022,000.00</u>	<u>109,022,000.00</u>	<u>120,427,000.00</u>	<u>125,377,859.00</u>	<u>129,272,858.00</u>
Legal Debt Margin	<u>\$246,700,546.19</u>	<u>\$252,646,820.93</u>	<u>\$243,979,565.27</u>	<u>\$235,903,100.27</u>	<u>\$223,468,195.81</u>	<u>\$93,161,549.51</u>	<u>\$163,359,490.71</u>	<u>\$116,334,667.36</u>	<u>\$85,794,266.00</u>	<u>\$56,508,681.00</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	24.61%	25.18%	27.64%	29.46%	31.72%	53.92%	40.03%	50.86%	59.37%	69.58%

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2013	44,259	*	*	6.80%
2012	43,660	2,148,202,980.00	49,203.00	6.80%
2011	43,469	2,097,640,064.00	48,256.00	7.20%
2010	41,257	1,935,448,384.00	46,912.00	7.10%
2009	40,887	2,022,434,568.00	49,464.00	3.20%
2008	40,297	1,893,596,327.00	46,991.00	2.80%
2007	40,000	1,768,160,000.00	44,204.00	3.20%
2006	40,005	1,633,244,130.00	40,826.00	4.10%
2005	39,760	1,576,841,840.00	39,659.00	3.10%
2004	39,653	1,536,355,485.00	38,745.00	3.70%

Source:

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

* - Not available at time of audit.

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

<u>Employer</u>	<u>2013</u>			<u>2003</u>		
	<u># of Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u># of Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
Dow Jones	1,500	1	6.37%	N/A		
South Brunswick Board of Education	1,202	2	5.11%	N/A		
South Brunswick Township	459	3	1.95%	N/A		
Wakefern Food	420	4	1.78%	N/A		
Aurolife Pharma	262	5	1.11%	N/A		
Bloomberg	193	6	0.82%	N/A		
Medicia Holding	165	7	0.70%	N/A		
L'oreal Paris	160	8	0.68%	N/A		
NEC Research Institute	130	9	0.55%	N/A		
Coca Cola	164	10	0.70%	N/A		
	<u>4,655</u>		<u>13.40%</u>	<u>0</u>		<u>0.00%</u>

Source: Municipal Records

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

Function/Program	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Instruction:										
Regular	613	597	594	673.7	680.7	678.7	681.7	698.4	685.8	679.8
Special education	201	195	195	196.2	196.2	195.7	196.0	187.5	178.8	163.6
Support Services:										
Student & instruction related services	68	55	80	87	88.8	88.8	91.8	94.4	89.5	85.2
General administrative services	31	27	27	25	30.6	30.6	31.6	33.6	30.0	29.0
School administrative services	98	98	98	110.5	118.1	118.1	118.1	118.7	116.1	110.9
Central services	6	6	9	8	9.0	9.0	9.0	9.0	9.0	9.0
Plant operations and maintenance	114	96	103	117.6	119.6	119.6	122.6	127.4	123.8	121.6
Pupil transportation	71	70	81	81	81.0	81.0	81.0	79.0	77.0	75.0
Total	<u>1,202</u>	<u>1,144</u>	<u>1,187</u>	<u>1,299</u>	<u>1,324</u>	<u>1,322</u>	<u>1,332</u>	<u>1,348</u>	<u>1,310</u>	<u>1,274</u>

Source: District Personnel Records

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
OPERATING STATISTICS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Pupil/Teacher Ratio			Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2013	8,870	128,666,017.00	14,505.75	5.39%	709	1:13	1:12	1:13	8,882	8,529	-1.61%	96.00%
2012	8,998	123,844,433.00	13,763.55	1.60%	694	1:13	1:12	1:13	9,027	8,672	0.03%	96.01%
2011	9,051	122,612,782.00	13,546.88	-5.27%	749	1:12	1:12	1:13	9,024	8,642	0.78%	95.77%
2010	8,966	128,222,029.00	14,300.92	2.69%	783	1:13	1:11	1:12	8,954	8,572	-0.40%	95.73%
2009	8,957	124,738,596.00	13,926.38	-2.60%	785	1:13	1:11	1:12	8,990	8,599	1.64%	95.65%
2008	8,822	126,143,641.00	14,298.76	4.32%	779	1:13	1:11	1:12	8,845	8,483	0.59%	95.91%
2007	8,790	120,478,812.00	13,706.35	5.03%	775	1:13	1:11	1:12	8,793	8,410	0.26%	95.64%
2006	8,802	114,864,275.00	13,049.79	8.70%	783	1:14	1:11	1:12	8,770	8,357	2.20%	95.29%
2005	8,576	102,960,681.00	12,005.68	3.01%	760	1:14	1:11	1:11	8,581	8,173	3.20%	95.25%
2004	8,320	96,968,310.00	11,654.84	4.95%	784	1:14	1:10	1:11	8,315	7,926	1.74%	95.31%

Sources: District records

Note: Enrollment based on annual October district count.

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

(b) Teaching staff includes only full-time equivalents of certificated staff.

(c) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>District Building</u>										
<u>Elementary</u>										
Brooks Crossing (2002)										
Square Feet	82,104	82,104	82,104	82,104	82,104	82,104	82,104	82,104	82,104	82,104
Capacity (students)	853	853	853	853	853	853	853	853	853	853
Enrollment	863	903	905	788	793	815	841	804	827	791
Brooks Crossing at Deans(1929)										
Square Feet	28,110	28,110	28,110	28,110	28,110	28,110	28,110	28,110	28,110	28,110
Capacity (students)										
Enrollment	*	*	*	*	*	*	*	*	*	*
Brunswick Acres (1975)										
Square Feet	50,280	50,280	63,258	63,258	63,258	63,258	63,258	63,258	63,258	63,258
Capacity (students)	569	569	641	641	641	641	641	641	641	641
Enrollment *	458	458	558	554	542	540	556	539	558	556
Cambridge										
Square Feet	49,630	49,630	49,630	59,500	59,500	59,500	59,500	59,500	59,500	59,500
Capacity (students)	637	637	637	637	637	637	637	637	637	637
Enrollment	543	596	604	556	544	546	571	567	558	530
Constable										
Square Feet	40,160	40,160	40,160	70,973	70,973	70,973	70,973	70,973	70,973	70,973
Capacity (students)	431	431	431	681	681	681	681	681	681	681
Enrollment	382	361	359	551	572	596	568	564	529	525
Greenbrook										
Square Feet	31,010	31,010	64,312	64,312	64,312	64,312	64,312	64,312	64,312	64,312
Capacity (students)	450	450	667	667	667	667	667	667	667	667
Enrollment	429	453	479	458	471	479	462	470	459	456
Indian Fields(1992)										
Square Feet	82,450	82,450	82,450	82,450	82,450	82,450	82,450	82,450	82,450	82,450
Capacity (students)	824	824	824	824	824	824	824	824	824	824
Enrollment	837	848	853	765	723	711	680	660	628	609
Indian Fields at Dayton(1928)										
Square Feet	23,350	23,350	23,350	23,350	23,350	23,350	23,350	23,350	23,350	23,350
Capacity (students)										
Enrollment	*	*	*	*	*	*	*	*	*	*
Monmouth Junction										
Square Feet	28,445	28,445	28,445	48,625	48,625	48,625	48,625	48,625	48,625	48,625
Capacity (students)	485	485	485	506	506	506	506	506	506	506
Enrollment	472	482	417	438	402	363	385	422	401	375

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>Middle School</u>										
Crossroads North(1967)										
Square Feet	131,239	131,239	131,239	131,239	142,849	142,849	142,849	142,849	142,849	142,849
Capacity (students)	900	900	900	900	900	900	1,150	1,150	1,150	1,150
Enrollment	829	777	835	854	863	898	1,011	1,062	1,096	1,049
Crossroads South(1959)										
Square Feet										
Capacity (students)	197,710	197,710	197,710	197,710	197,710	197,710	197,710	197,710	197,710	197,710
Enrollment	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
	1,114	1,180	1,170	1,201	1,173	1,219	1,153	1,113	1,108	1,086
<u>High School</u>										
South Brunswick High School(1997)										
Square Feet	472,000	472,000	472,000	472,000	472,000	472,000	472,000	472,000	472,000	472,000
Capacity (students)	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Enrollment	2,189	2,370	2,470	2,554	2,644	2,657	2,739	2,840	2,834	2,857
<u>Other</u>										
Maintenance Annex										
Square Feet	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000

* - Enrollments are included in the Administrative Base School

Number of Schools at June 30, 2013 8,116 8,428 8,650 8,719 8,727 8,824 8,966 9,051 9,088 8,885

Elementary = 9

Middle School = 2

High School = 1

Other = 1

Source: District records, ASSA

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

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

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

School Facilities	Project # (s)	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Brooks Crossing Elementary	N/A	149,878	120,008	64,855	107,180	93,025	101,267	93,252	108,520	175,462	120,146
Brunswick Acres Elementary	4860-055-03-1446	110,643	138,936	124,023	178,829	153,380	177,224	150,353	158,494	134,396	123,601
Cambridge Elementary	4860-060-03-1447	136,507	111,219	97,425	112,943	151,871	165,635	125,704	120,907	104,228	145,432
Constable Elementary	4860-070-03-1448	132,182	115,664	85,910	107,471	114,562	98,832	192,105	90,951	115,329	104,094
Indian Fields @ Dayton Elementary	N/A	43,429	18,560	14,340	42,904	49,569	19,854	55,036	35,069	48,236	29,660
Brooks Crossing @ Deans Elementary	N/A	40,230	25,139	33,163	12,221	23,565	68,119	28,150	80,397	65,322	64,510
Greenbrook Elementary	4860-055-03-1450	147,715	122,934	95,827	125,484	133,547	163,892	120,336	124,501	78,565	74,254
Indian Fields Elementary	N/A	118,511	131,805	95,394	135,777	130,707	155,369	150,696	136,840	210,851	133,284
Monmouth Junction Elementary	4860-055-03-1451	128,200	115,616	89,987	104,385	149,855	207,159	162,644	80,659	91,905	114,230
Crossroads North Middle	4860-055-03-1452	320,861	264,039	179,222	241,876	341,324	327,280	284,065	265,641	193,733	173,652
Crossroads South Middle	4860-055-03-1449	445,568	322,721	247,930	298,850	408,287	404,639	345,902	376,767	289,009	248,575
High School	N/A	859,802	745,730	653,673	613,980	741,759	605,285	566,743	634,576	444,132	479,965
Total School Facilities		2,633,526	2,232,371	1,781,747	2,081,900	2,491,452	2,494,554	2,274,986	2,213,322	1,951,168	1,811,403
Other Facilities		74,327	60,786	48,799	67,709	176,224	24,662	11,743	24,063	16,543	10,446
Grand Total		<u>2,707,853</u>	<u>2,293,157</u>	<u>1,830,546</u>	<u>2,149,609</u>	<u>2,667,676</u>	<u>2,519,216</u>	<u>2,286,729</u>	<u>2,237,385</u>	<u>1,967,711</u>	<u>1,821,849</u>

Source District Records
 Kim/Bruff

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

<u>Type</u>	<u>Coverage</u>	<u>Deductible</u>	<u>Carrier</u>	<u>Policy #</u>
<u>Property</u>			NJSBAIG	P808AC
Blanket, building and contents	\$ 398,318,324			
Extra expense	5,000,000			
Demolition/Increased cost of construction	5,000,000			
Deductible		5,000		
Flood	50,000,000			
Musical instruments	Included			
Miscellaneous equipment	Included			
Computer equipment	included			
<u>Energy Systems</u>	398,318,324			
Spoilage	500,000			
Extra expense	5,000,000			
Deductible		5,000		
<u>School Board Legal</u>			NJSBAIG	E808AC
Limit of liability	10,000,000	20,000		
<u>Catastrophe Access</u>			Fireman's Fund	SHX48604037
Limit of liability - Group Limit	50,000,000			
<u>Environmental Impairment Liability</u>				ACE -PPEG24542191
Limit of liability - Each Loss	2,000,000	25,000		
Limit of liability - Aggregate	11,000,000			
<u>Commercial Liability</u>				P808AC
Bodily Injury & Property Damage	\$ 11,000,000			
(Each Occurrence)				
Personal Injury/Advertising Medical Expense	\$ 11,000,000			
	5,000			
<u>Crime</u>				P808AC
Money & Securities-inside	50,000	\$ 1,000		
Money & Securities-outside	50,000	\$ 1,000		
Employee Dishonesty	500,000	\$ 1,000		
Depositories Forgery	50,000	\$ 1,000		
<u>Builders Risk Property Coverage</u>				

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
INSURANCE SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

<u>Type</u>	<u>Coverage</u>	<u>Deductible</u>	<u>Carrier</u>	<u>Policy #</u>
<u>Business Auto</u>				
Bodily Injury & Property Damage	11,000,000			P808
Personal Injury Protection	Statutory			
Medical Payments (PIP)	10,000			
Uninsured/Underinsured	15,000/30,000/5,000			
Comprehensive Deductible		1,000		
Collision Deductible		1,000		
<u>Compulsory Student Accident</u>				
Limit of Liability	5,000,000		Bollinger	PB066
Athletics	5,000,000			
<u>Bonds</u>				
Board Secretary/Business Administrator	500,000		Selective	B1017375
<u>Excess Workers Comp</u>				
Limit of Liability- Section "B" Employer	1,000,000		Midwest Employers	EWC007742
Section "A"	Statutory			
<u>Supplemental Wage Reimbursement</u>				
Weekly Wage Maximum	\$1,750	7 days	Chubb	99061529

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-1"

308 East Broad Street, Westfield, New Jersey 07090-2122

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Township of South Brunswick School District (the "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 financial statements, and have issued our report thereon dated December 2, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of South Brunswick School 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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.

SUPLEE, CLOONEY & COMPANY

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.

Compliance and Other Matters

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

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

December 2, 2013



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-2"

308 East Broad Street, Westfield, New Jersey 07090-2122

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

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

Report on Compliance for Each Major Federal and State Program

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

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 South Brunswick School District'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; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* and *New Jersey OMB 04-04*. Those standards, *OMB Circular A-133* and *New Jersey OMB 04-04* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Township of South Brunswick School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

SUPLEE, CLOONEY & COMPANY

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 the Township of South Brunswick School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Township of South Brunswick School District 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 South Brunswick School District 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 Township of South Brunswick School District'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 program and to test and report on internal control over compliance in accordance with *OMB Circular A-133* and *New Jersey OMB 04-04*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of South Brunswick School District's internal control over compliance.

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

SUPLEE, CLOONEY & COMPANY

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 State of New Jersey *OMB 04-04*. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS

December 2, 2013


PUBLIC SCHOOL ACCOUNTANT NO. 93

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
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		Balance at June 30, 2012			Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2013		
				From	To	(Accounts Receivable)	Deferred Revenue	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor
General Fund:																
U.S. Department of Education:																
Medical Assistance Program (SEMI)	93.778.1	N/A	48,411	7/1/2011	6/30/2012	(20,213)				20,213						
Medical Assistance Program (SEMI)	93.778.1	N/A	39,218	7/1/2012	6/30/2013				39,218	(39,218)						
Education Job Funds	84.410A	N/A	863,075	7/1/2010	9/30/2012	(863,075)			863,075							
Education Job Funds	84.410A	N/A	2,154	8/1/2012	6/30/2013					(2,154)				(2,154)		
						(883,288)			922,506	(41,372)				(2,154)		
Special Revenue Fund:																
U.S. Department of Education:																
Passed-through N.J. State Department of Education:																
NCLB Title I, Part A - At Risk & School Improvement:																
2011-12	84.010A	NCLB486012	225,741	9/1/2011	8/31/2012		34,794	(155,638)	107,057			13,787				
2011-12 Carryover	84.010A	NCLB486011	225,741	9/1/2011	8/31/2012			155,638		(142,723)		(12,915)				
2012-13	84.010A	NCLB486012	219,810	9/1/2012	8/31/2013				72,475	(162,627)				(90,152)		
NCLB Title II, Part A - Teacher and Principal Training and Recruiting:																
2010-11	84.367A	NCLB486011	153,879	9/1/2010	8/31/2011	(66,904)			66,904							
2010-11 Carryover	84.367A	NCLB486011	142,099	9/1/2010	8/31/2011		27,305	(27,305)								
2010-11 Carryover Summer	84.367A	NCLB486011	142,099	9/1/2010	8/31/2011			27,305		(27,305)						
2011-12	84.367A	NCLB486012	142,099	9/1/2011	8/31/2012	(18,531)		(123,568)	140,482			1,617				
2011-12 Summer	84.367A	NCLB486012	142,099	9/1/2011	8/31/2012			121,456		(121,456)						
2011-12 Carryover	84.367A	NCLB486012	142,099	9/1/2011	8/31/2012			2,112		(495)		(1,617)				
2012-13	84.367A	NCLB486013	128,761	9/1/2012	8/31/2013				7,992	(9,627)				(1,635)		
NCLB Title II, Part D - Technology Education:																
2010-11	84.318X	NCLB486011	430	9/1/2010	8/31/2011	(415)			415							
NCLB Title III, Part A - English Language Acquisition:																
2010-11	84.365A	NCLB486011	43,375	9/1/2010	8/31/2011	(16,016)			16,016							
2010-11 Carryover	84.365A	NCLB486011	43,375	9/1/2010	8/31/2011		2,815	(2,815)								
2010-11 Carryover Summer	84.365A	NCLB486011	43,375	9/1/2010	8/31/2011			2,815		(2,815)						
2011-12	84.365A	NCLB486012	39,640	9/1/2011	8/31/2012	(16,774)	9,148	(9,148)	16,774							
2011-12 Summer	84.365A	NCLB486012	39,640	9/1/2011	8/31/2012			1,269		(1,269)						
2011-12 Carryover	84.365A	NCLB486012	39,640	9/1/2011	8/31/2012			7,879		(7,879)						
2012-13	84.365A	NCLB486013	34,448	9/1/2012	8/31/2013				10,039	(25,792)				(15,753)		
NCLB Title III, Part A - Supplemental Immigrant Student Aid:																
2011-12	84.365A	NCLB486012	43,139	9/1/2011	8/31/2012	(15,491)			15,491							
2012-13	84.365A	NCLB486013	59,723	9/1/2012	8/31/2013				21,950	(28,535)				(6,585)		
I.D.E.I.A. Part B:																
Basic:																
2011-12	84.027	FT486012	1,817,703	9/1/2011	8/31/2012	(116,048)		(6,829)	122,877							
2011-12 Carryover	84.027	FT486012	1,817,703	9/1/2011	8/31/2012			6,829		(6,829)						
2012-13	84.027	FT486013	1,839,678	9/1/2012	8/31/2013				1,433,300	(1,835,722)				(402,422)		
Preschool:																
2011-12	84.173	PS486012	63,620	9/1/2011	8/31/2012	(5,480)		(1,515)	6,995							
2011-12 Carryover	84.173	PS486012	63,620	9/1/2011	8/31/2012			1,515		(1,515)						
2012-13	84.173	PS486013	63,907	9/1/2012	8/31/2013				38,745	(63,350)				(24,605)		
Carl D Perkins Secondary Grant:																
2012-13	84.048A	N/A	38,567	9/1/2012	8/31/2013				30,088	(38,567)				(8,479)		
Race to the Top Grant:																
2012-13	84.413A	8413A20008	17,978	7/1/2012	11/30/2013				1,419	(1,419)						
						(255,655)	74,062		2,109,019	(2,477,925)	872			(549,631)		

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TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
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		Balance at June 30, 2012			Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2013		
				From	To	(Accounts Receivable)	Deferred Revenue	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor
Enterprise Fund:																
U.S. Department of Agriculture																
Passed-through State Department of																
Education:																
Food Distribution Program	10 550		215,816	7/1/2011	6/30/2012					(23,625)						
Food Distribution Program	10 550		222,437	7/1/2012	6/30/2013				222,437	(212,448)				9,989		
National School Lunch Program	10 555		500,249	7/1/2011	6/30/2012	(35,843)			35,843							
National School Lunch Program	10 555		517,899	7/1/2012	6/30/2013				474,055	(517,899)				(43,844)		
Total Enterprise Fund						(35,843)	23,625		732,335	(753,972)				(43,844)	9,989	
Total Federal Financial Assistance						(1,174,790)	97,687		3,763,860	(3,273,269)	872			(595,629)	9,989	

See accompanying notes to schedules of expenditures of awards and financial assistance.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
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		Balance June 30, 2012			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2013			MEMO	
			From	To	(Accounts Receivable)	Deferred Revenue/	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
General Fund:																	
Equalization Aid	13-495-034-5120-078	17,050,388.00	7/1/2012	6/30/2013					15,384,146.00	(17,050,388.00)					(1,666,242.00)	17,050,388.00	
Categorical Special Education Aid	13-495-034-5120-089	5,405,561.00	7/1/2012	6/30/2013					4,877,305.00	(5,405,561.00)					(528,256.00)	5,405,561.00	
Categorical Security Aid	13-495-034-5120-084	146,378.00	7/1/2012	6/30/2013					132,073.00	(146,378.00)					(14,305.00)	146,378.00	
Categorical Transportation Aid	13-495-034-5120-014	618,013.00	7/1/2012	6/30/2013					557,618.00	(618,013.00)					(60,395.00)	618,013.00	
Nonpublic Transportation Aid	12-495-034-5120-044	19,627.00	7/1/2011	6/30/2012			(19,627.00)		19,627.00								
Nonpublic Transportation Aid	13-495-034-5120-044	67,285.00	7/1/2012	6/30/2013						(67,285.00)			(67,285.00)			67,285.00	
Extraordinary Special Education Costs Aid	12-100-034-5120-473	595,701.00	7/1/2011	6/30/2012			(595,701.00)		595,701.00								
Extraordinary Special Education Costs Aid	13-100-034-5120-473	519,163.00	7/1/2012	6/30/2013						(519,163.00)			(519,163.00)			519,163.00	
Reimbursed TPAF Social Security Contribution	13-495-034-5095-002	3,969,861.00	7/1/2012	6/30/2013					3,775,212.00	(3,969,861.00)			(194,649.00)			3,969,861.00	
					(615,328.00)				25,341,682.00	(27,776,669.00)			(781,117.00)		(2,269,198.00)	27,776,669.00	
Special Revenue Fund:																	
Passed Through State Department of Education:																	
N.J. Nonpublic Aid:																	
Textbook Aid	13-100-034-5120-064	\$ 46,288	7/1/2012	6/30/2013					46,288.00	(46,288.00)							46,288.00
Auxiliary Services:																	
Compensatory Education	12-100-034-5120-067	78,616	7/1/2011	6/30/2012				34,659.00				(34,659.00)					
Compensatory Education	13-100-034-5120-067	77,795	7/1/2012	6/30/2013					77,755.00	(58,525.00)				19,230.00		58,525.00	
Home Instruction	12-100-034-5120-067	1,104	7/1/2011	6/30/2012		(1,104.00)			1,104.00								
Home Instruction	13-100-034-5120-067	4,297	7/1/2012	6/30/2013						(4,297.00)			(4,297.00)			4,297.00	
English as a Second Language	12-100-034-5120-067	27,585	7/1/2011	6/30/2012				12,068.00				(12,068.00)					
English as a Second Language	13-100-034-5120-067	27,283	7/1/2012	6/30/2013					27,283.00	(17,905.00)				9,378.00		17,905.00	
Transportation	13-100-034-5120-067	13,475	7/1/2012	6/30/2013					13,475.00	(13,475.00)						13,475.00	
Handicapped Services:																	
Supplementary Instruction	12-100-034-5120-066	16,135	7/1/2011	6/30/2012				6,314.00				(6,314.00)					
Supplementary Instruction	13-100-034-5120-066	10,408	7/1/2012	6/30/2013					10,408.00	(8,326.00)				2,082.00		8,326.00	
Examination & Classification	12-100-034-5120-066	28,499	7/1/2011	6/30/2012				4,027.00				(4,027.00)					
Examination & Classification	13-100-034-5120-066	20,860	7/1/2012	6/30/2013					20,860.00	(20,384.00)				476.00		20,384.00	
Corrective Speech	12-100-034-5120-066	35,543	7/1/2011	6/30/2012				5,529.00				(5,529.00)					
Corrective Speech	13-100-034-5120-066	32,419	7/1/2012	6/30/2013					32,419.00	(32,419.00)						32,419.00	
Nursing Services Aid	13-100-034-5120-070	64,246	7/1/2012	6/30/2013					64,246.00	(64,235.00)				11.00		64,235.00	
Technology Initiative Aid	13-100-034-5120-373	17,083	7/1/2012	6/30/2013					17,083.00	(17,006.00)				77.00		17,006.00	
Passed Through South Brunswick Township:																	
Municipal Alliance Grants:																	
Every Parent Influences Children	Not Available	5,500	1/1/2012	12/31/2012					3,684.00	(3,684.00)							3,684.00
Every Parent Influences Children	Not Available	5,500	1/1/2012	12/31/2013						(189.00)			(189.00)				189.00
Passed-through Department of Children and Families, Division of Prevention and Community Partnerships:																	
Family Friendly Centers Initiative:																	
2012-13	13-100-016-1630-024	45,463	7/1/2012	6/30/2013					45,463.00	(45,463.00)							45,463.00
					(1,104.00)		62,597.00		360,068.00	(332,196.00)		(62,597.00)	(4,486.00)	31,254.00		332,196.00	
Capital Projects Fund:																	
Educational Facilities Construction and Financing Act	Various	13,383,375	Continuous		(781,835.00)				583,379.00		10,006.00		(188,450.00)				
Debt Service Fund:																	
Debt Service Aid - Type II	13-495-034-5120-017	1,465,042	7/1/2012	6/30/2013					1,465,042.00	(1,465,042.00)						1,465,042.00	

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
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		Balance June 30, 2012			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2013			MEMO	
					(Accounts Receivable)	Deferred Revenue/	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Agriculture:																	
Enterprise Fund:																	
National School Lunch Program (State Share)	12-100-034-5120-122	32,321	7/1/2011	6/30/2012	(2,231.00)			2,231.00									
National School Lunch Program (State Share)	13-100-010-3350-023	28,816	7/1/2012	6/30/2013				24,882.00	(26,816.00)			(3,934.00)					28,816.00
Total Enterprise Fund					(2,231.00)			27,113.00	(26,816.00)			(3,934.00)					28,816.00
Total State Financial Assistance Subject to Single Audit					(1,400,498.00)		62,597.00	27,777,284.00	(29,602,723.00)	10,006.00	(62,597.00)	(977,987.00)		31,254.00	(2,269,198.00)		29,602,723.00
General Fund																	
On-Behalf TPAF Pension	13-495-034-5095-006	3,279,673	7/1/2012	6/30/2013				3,279,673.00	(3,279,673.00)								3,279,673.00
On-behalf TPAF non-contributory insurance	13-495-034-5095-007	172,556	7/1/2012	6/30/2013				172,556.00	(172,556.00)								172,556.00
On-Behalf TPAF Post-Retirement Medical Benefits	13-495-034-5095-001	3,903,599	7/1/2012	6/30/2013				3,903,599.00	(3,903,599.00)								3,903,599.00
Total State Financial Assistance					(1,400,498.00)		62,597.00	35,133,112.00	(36,958,551.00)	10,006.00	(62,597.00)	(977,987.00)		31,254.00	(2,269,198.00)		36,785,995.00

See accompanying notes to schedules of expenditures of awards and financial assistance

Township of South Brunswick School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2013

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

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

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

Township of South Brunswick School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2013

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$171,365.00) for the general fund and (\$-0-) for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$41,372.00	\$34,961,132.00	\$35,002,504.00
Special Revenue Fund	2,477,925.00	332,196.00	2,810,121.00
Debt Service Fund		1,465,042.00	1,465,042.00
Food Service Fund	<u>753,972.00</u>	<u>28,816.00</u>	<u>782,788.00</u>
 Total Awards & Financial Assistance	 <u>\$3,273,269.00</u>	 <u>\$36,787,186.00</u>	 <u>\$40,060,455.00</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2013. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2013.

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

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

Township of South Brunswick School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Program(s)

- | | | |
|-----|--|------------|
| (1) | Internal Control Over Major Federal Programs: | |
| | (a) Material weakness identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | N/A |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)? | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with Section.510(a) of Circular OMB A-133? | No |

Township of South Brunswick School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

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

Federal Program(s) (Continued)

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

<u>Program</u>	<u>Grant Number</u>
Title I	84.010A
Title II Part A	84.367A
IDEA Part B	84.027

(5) Program Threshold Determination:

Type A Federal Program Threshold > \$300,000.00
Type B Federal Program Threshold <= \$300,000.00

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

Township of South Brunswick School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

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

State Program(s)

- (1) Internal Control Over Major State Programs:
- (a) Material weakness identified? No
- (a) Significant deficiencies identified that are not considered to be material weaknesses? N/A
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04? No
- (4) Identification of Major State Program(s):
- | <u>Program</u> | <u>Grant Number</u> |
|-----------------------|---------------------|
| Special Education Aid | 495-034-5120-089 |
| Equalization Aid | 495-034-5120-078 |
| Security Aid | 495-034-5120-084 |
| Transportation Aid | 495-034-5120-014 |
| Debt Service Aid | 495-034-5120-017 |
- (5) Program Threshold Determination:
 Type A State Program Threshold > \$888,082.00
 Type B State Program Threshold <= \$888,082.00
- (6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

Township of South Brunswick School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

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

Internal Control Findings

None Reported

Compliance Findings

None Reported

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

Federal Programs – None Reported

State Programs – None Reported

Township of South Brunswick School District

Schedule of Prior Year Audit Findings

Not Applicable

