COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Prepared by

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

Of the North Brunswick Township Board of Education

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INTRODUCTORY SECTION

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

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

LETTER OF TRANSMITTAL

October 7, 2014

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

Dear Board Members:

It is with pleasure that we submit the Comprehensive Annual Financial Report (CAFR) of the North Brunswick Township School District for the fiscal year ended June 30, 2014. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials and an Organizational Chart of the School District;

- The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes and an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;

- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School District generally presented on a multi-year basis;

- The Single Audit Section – The District is required to undergo an annual audit in conformity with the provisions of the Single Audit act of 1986, as amended the U.S. Office of Management and Budget Circular A-133, "Audit of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit including the independent auditor's report on compliance for each major federal and state program and report on internal control over compliance along with findings and questioned costs if any, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

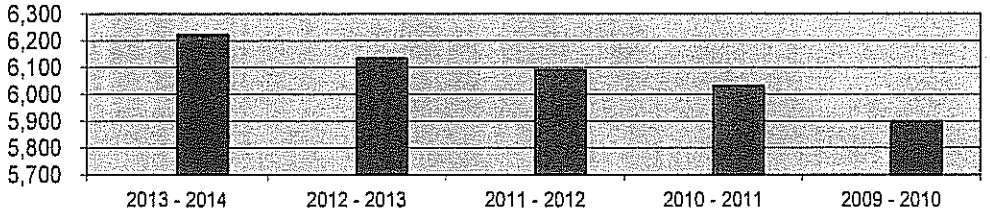
The North Brunswick Township School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds of the District are included in this report. The North Brunswick Township Board of Education and all its schools constitute the District's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

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

The District's enrollment at October 15, 2013 was 6,223 students, which is a 1.45% increase above the previous October 15 count. The following details the changes in enrollment over the last five years:

Fiscal Year	Student Enrollment	Percent Change
2013 - 2014	6,223	1.45%
2012 - 2013	6,134	0.71%
2011 - 2012	6,091	0.99%
2010 - 2011	6,031	2.26%
2009 - 2010	5,898	2.27%

District Enrollment



2. ECONOMIC CONDITION AND OUTLOOK

A tax levy cap of 2% has recently been enacted for all New Jersey school districts, which will further limit the amount of revenue that can be raised through taxation.

3. LONG TERM FINANCIAL PLANNING/MAJOR INITIATIVES

The Board has currently completed a capital project at the high school which includes the renovation of the Steve Libro Field and the Stan Williston Field to turf fields with a new scoreboard. The bleachers and press box were renovated and a new sound system was implemented. The field lighting was upgraded. New fencing and pavement were also installed. District administrators are also evaluating the long term financial impact of increased state mandated initiatives and decreased levels of state funding.

4. INTERNAL ACCOUNTING CONTROLS

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

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

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

5. BUDGETARY CONTROLS

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservation of fund balance at June 30, 2014.

6. ACCOUNTING SYSTEM AND REPORTS

The accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups and is in compliance with GASB Statement 34 standards. The funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7. DEBT ADMINISTRATION

The District's outstanding debt issues included $48,136,000 of general obligation bonds as of June 30, 2014.

8. CASH MANAGEMENT

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

9. RISK MANAGEMENT

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

10. OTHER INFORMATION

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

11. ACKNOWLEDGEMENTS

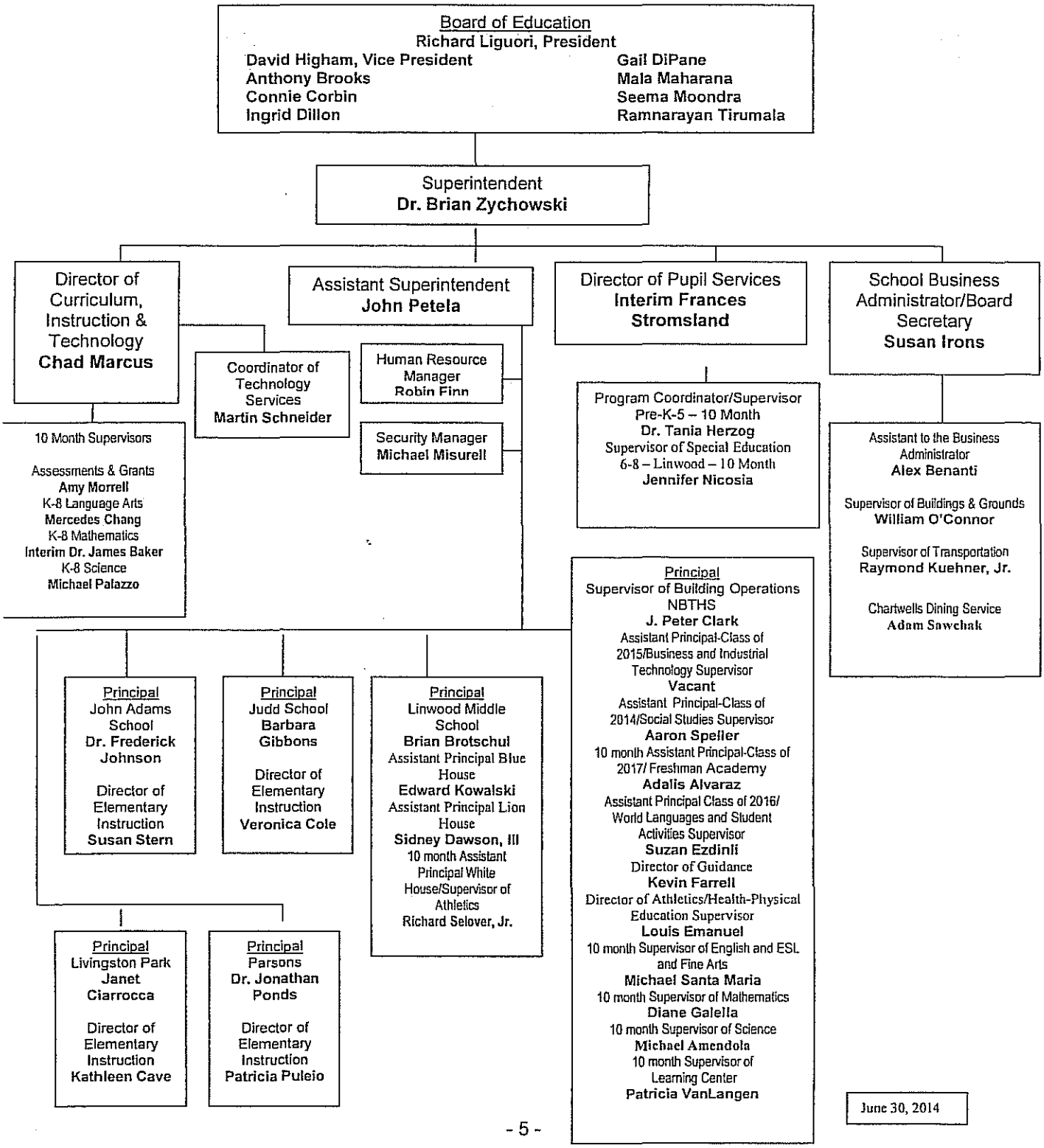
We would like to express our appreciation of the members of the North Brunswick Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial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

Respectfully submitted,

Dr. Brian Zychowski
Superintendent

Susan Irons
Business Administrator/Board Secretary

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
Organizational Chart 2013-2014



June 30, 2014

NORTH BRUNSWICK TOWNSHIP BOARD OF EDUCATION
NORTH BRUNSWICK, NEW JERSEY

ROSTER OF OFFICIALS

June 30, 2014

Members of the Board of Education*	Term Expires
Richard Liguori, President	2016
David Higham, Vice-President	2016
Anthony Brooks	2015
Connie Corbin	2014
Ingrid Dillon	2015
Gail DiPane	2015
Mala Maharana	2016
Seema Moondra	2014
Ramnarayn Tirumala	2014

Other Officials

Dr. Brian Zychowski, Superintendent

Susan Irons, Business Administrator/Board Secretary

Gerald Seneski, Treasurer of School Funds

Anthony Vignuolo, Esquire, Board Attorney

NORTH BRUNSWICK TOWNSHIP BOARD OF EDUCATION
NORTH BRUNSWICK, NEW JERSEY

JUNE 30, 2014

Consultants and Advisors

Audit Firm

Gerard Stankiewicz, CPA, RMA, PSA
Samuel Klein and Company
36 West Main Street
Suite 303
Freehold, NJ 07728

Attorney

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

Official Depository

TD Bank
286 Milltown Road
East Brunswick, NJ 08816

FINANCIAL SECTION

SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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FAX (732) 780-1030

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statements of the governmental activities, the business type activities each major fund and the aggregate remaining fund information of the Board of Education of the North Brunswick Township School District, County of Middlesex, State of New Jersey, as of and for the year ended June 30, 2014 and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities each major fund and the aggregate remaining fund information of the Board of Education of the North Brunswick Township School District, as of June 30, 2014, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

INDEPENDENT AUDITOR'S REPORT
(CONTINUED)

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2014, on our consideration of the Board of Education of the North Brunswick Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the North Brunswick Township School District internal control over financial reporting compliance.

Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912

SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
October 7, 2014

REQUIRED SUPPLEMENTARY INFORMATION – PART I

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

District Web Site: www.nbtschools.org

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Superintendent of Schools
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Business Administrator/Board Secretary
Fax: (732) 297-6590

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

UNAUDITED

Management's Discussion and Analysis

The discussion and analysis of North Brunswick Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34- Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999. Certain comparative information between the current year (2013-2014) and the prior year (2012-2013) is required to be presented in MD&A. The District has elected to prepare comparative data which includes prior year's financial statements.

Financial Highlights

Key financial highlights for 2013-2014 are as follows:

- General revenues accounted for $96,285,701 in revenue or 94.18% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and accounted for $5,953,291 or 5.82% to total revenues of $102,238,992.

- Total net position of governmental activities increased by $2,015,605.

- The School District had $100,033,587 in expenses, of which only $5,953,291 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes of $76,805,428) along with Federal and State aid were not adequate to provide for these programs. The state deferred $1,087,333 of the District's State aid allocation during the 2013-2014 year; however, it was remitted subsequent to June 30, 2014.

- The Governmental – General Fund had $90,249,801 in revenues and $92,763,792 in expenditures. The General Fund's fund balance decreased $2,513,587 compared to 2013.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

Comparative Statement of Net Position and Comparative Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2014?" The Comparative Statement of Net Position and the Comparative Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Business Type Activities — This service is provided on a charge for goods or services basis to recover all the expenses of the goods and services provided. The Food Service enterprise fund is reported as a business activity. Other Business Type Activities are school facilities, integrated Pre-K, Summer Enrichment and After. School.

Reporting the School District's Most Significant Funds

Fund Financial Statement

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

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future. These funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School district's general government operations and the basic services it provides.

Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found on pages 35 to 67 of this report.

The School District as a Whole

The Statement of Net Position provides the perspective of the School District as a whole. Net Position may serve over time as a useful indicator of government's financial position.

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

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

Table 1 provides a comparative summary of the School District's net position for 2014 and 2013.

Table 1 – Comparative Summary of Net Position

	2014	2013 (as Adjusted)
Assets		
Current and Other Assets	$ 9,715,837	$ 12,644,768
Capital Assets, Net	104,486,189	103,502,731
Total Assets	$ 114,202,026	$ 116,147,499
Deferred Outflow of Resources		
Deferred Expenses	$ 3,395,220	$ 3,774,250
Liabilities		
Noncurrent Liabilities	$ 50,668,132	$ 54,661,600
Other Liabilities	1,462,078	1,998,518
Total Liabilities	$ 52,130,210	$ 56,660,118
Net Position		
Invested in Capital Assets	$ 59,745,410	$ 55,300,982
Restricted	4,728,729	7,137,475
Unrestricted - Other	992,897	823,174
Total Net Position	$ 65,467,036	$ 63,261,631

The District's combined net position were $65,467,036 on June 30, 2014. This is an increase from the prior year as adjusted and is primarily related to increase in capital assets and decrease in noncurrent debt.

Table 2 shows the comparative changes in net position from fiscal year 2014 and 2013.

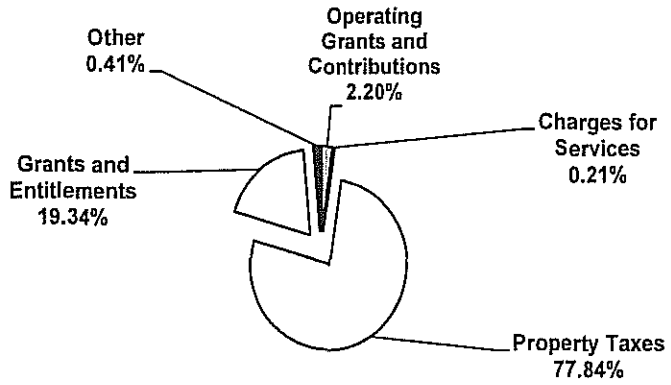
Table 2 – Comparative Changes in Net Position

	2014	2013 (as Adjusted)	Total % Change
Revenues:			
Program Revenues:			
Charges for Services	$ 2,211,515	$ 2,148,810	2.92%
Operating Grants and Contributions	3,741,776	3,809,349	-1.77%
General Revenues:			
Property Taxes	76,805,428	75,283,041	2.02%
Grants and Entitlements	19,083,081	19,462,987	-1.95%
Other	397,192	376,447	5.51%
Total Revenues	$ 102,238,992	$ 101,080,634	1.15%
Program Expenses:			
Instruction	$ 54,268,776	$ 52,833,001	2.72%
Support Services:			
Tuition	2,508,032	2,348,908	6.77%
Student and Instruction Related	11,948,893	11,721,237	1.94%
Other Administration	1,631,703	1,518,462	7.46%
General Administration	5,520,690	5,377,784	2.66%
Operations and Maintenance of Facilities	11,245,538	9,639,299	16.66%
Pupil Transportation	6,235,929	6,313,663	-1.23%
Interest on Debt	2,482,388	2,464,283	0.73%
Business Activities	3,381,845	3,364,552	0.51%
Other	809,793	583,725	38.73%
Total Expense	$ 100,033,587	$ 96,164,914	4.02%
Increase in Net Position	2,205,405	4,915,720	
Beginning Net Position	63,261,631	58,345,911	
Ending Net Position	$ 65,467,036	$ 63,261,631	

Governmental Activities

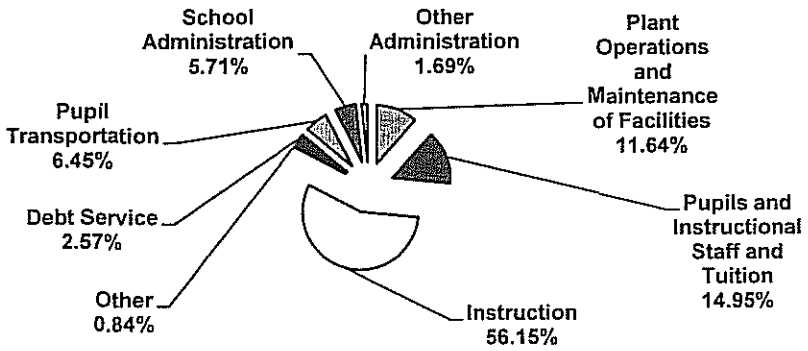
The unique nature of property taxes in New Jersey creates the legal requirement to annually seek voter approval for the School District operations. Property taxes of $76,805,428 made up 77.84% of revenue for governmental activities for the North Brunswick School District for fiscal year 2014. The District's total revenues were $98,667,347 for the year ended June 30, 2014. Federal, state and local grants of $21,255,137 accounted for another 21.54% of revenue.

Revenue for Fiscal Year 2014



Expenses for Fiscal Year 2014

The total cost of all programs and services was $96,651,742.



Business-Type Activities

Food Service

- Revenues for the District's business-type activities for food service program are comprised of charges for services and federal and state reimbursements.
- Food service revenue exceeded expenditures by $120,525.
- Charges for services represent $1,367,431, or 43.34% of revenue. This represents amounts paid by patrons for daily food service, as well as special functions.
- Federal and state reimbursement for meals, including payments for free and reduced priced lunches and donated commodities was $1,569,720.

Other

The other business type activities – school facilities, integrated pre-K, after school enrichment and summer enrichment had revenue in total of $634,494 and total expenses of $565, 219 resulting in net income of $69,275.

Governmental Activities

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

Table 3 - Comparative Statement of Activities

	Total Cost of Services			Net Cost of Services		
	2013-2014	2012-2013	% Change	2013-2014	2012-2013	% Change
Regular Instruction	$ 39,207,495	$ 37,921,983	3.39%	$ 37,360,410	$ 36,140,109	3.38%
Special Education	10,264,997	10,076,486	1.87%	10,264,997	10,076,486	1.87%
Other Special Education	3,189,618	3,202,706	-0.41%	3,189,618	3,202,706	-0.41%
Other Instruction	1,606,666	1,631,826	-1.54%	1,606,666	1,631,826	-1.54%
Tuition	2,508,032	2,348,908	6.77%	2,432,746	2,221,817	9.49%
Student and Instruction Related Services	11,948,893	11,721,237	1.94%	11,623,922	11,245,103	3.37%
General and Business Administrative Services	1,631,703	1,518,462	7.46%	1,631,703	1,518,462	7.46%
School Administrative Services	5,520,690	5,377,784	2.66%	5,520,690	5,377,784	2.66%
Plant Operations and Maintenance	11,245,538	9,639,299	16.66%	11,245,538	9,639,299	16.66%
Pupil Transportation	6,235,929	6,313,663	-1.23%	6,101,625	6,218,709	-1.88%
Charter Schools	809,793	583,725	38.73%	809,793	583,725	38.73%
Interest and Fiscal Charges	2,482,388	2,464,283	0.73%	2,482,388	2,464,283	0.73%
Total Expenses	$ 96,651,742	$ 92,800,362	4.15%	$ 94,270,096	$ 90,320,309	4.37%

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

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

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

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

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

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

"Other" includes special schools and unallocated depreciation.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to $98,517,481 and expenditures were $101,147,188.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a comparative summary of the revenues of the general fund, special revenue fund and debt service fund for the fiscal years ended June 30, 2014 and June 30, 2013, and the amount of increase and decreases in relation to prior year revenues.

Comparative Summary of Revenues

	2013-2014		2012-2013		Increase/ (Decrease)
Revenue	Amount	Percent of Total	Amount	Percent of Total	from 2012-2013 to 2013-2014
Local Sources	$ 77,384,461	78.55%	$ 75,784,056	77.68%	$ 1,600,405
State Sources	18,951,157	19.24%	19,406,805	19.89%	(455,648)
Federal Sources	2,181,863	2.21%	2,364,625	2.43%	(182,762)
	$ 98,517,481	100.00%	$ 97,555,486	100.00%	$ 961,995

Local revenues increased by $1,600,405. The increase in local revenue was due to an increase in the tax levy for 2013-2014.

Federal source revenues decreased by $182,762 primarily due to a reduction in some small isolated grants.

State sources revenue decreased $455,648 due mostly to an decrease in on-behalf pension payments and offset with an increase in other state aid in the General Fund.

The following schedule presents a comparative summary of general fund, special revenue fund and debt service fund expenditures for the fiscal years ended June 30, 2014 and June 30, 2013, and the increases and decreases in relation to prior year amounts.

Comparative Summary of Expenditures

	2013-2014		2012-2013		Increase/ (Decrease)
Expenditures	Amount	Percent of Total	Amount	Percent of Total	from 2012-2013 to 2013-2014
Current Expenses:					
Instruction	$ 37,683,651	37.26%	$ 36,239,840	38.39%	$ 1,443,811
Undistributed Expenditures	51,774,523	51.19%	50,610,381	53.61%	1,164,142
Capital Outlay	5,678,163	5.61%	1,541,648	1.63%	4,136,515
Debt Service:					
Principal	3,840,000	3.80%	4,000,000	4.24%	(160,000)
Interest	2,170,851	2.14%	2,013,323	2.13%	157,528
	$ 101,147,188	100.00%	$ 94,405,192	100%	$ 6,741,996

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

General Fund Budgeting Highlights

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

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

Capital Assets

At the end of the fiscal year 2014, the School District had $149,963,021 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2014 balances compared to 2013.

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

	2014	2013
Land	$ 14,000	$ 14,000
Buildings and Improvements	100,902,583	100,090,556
Machinery and Equipment	3,430,384	3,279,031
Totals	$ 104,346,967	$ 103,383,587

Overall capital assets increased by $963,380 from fiscal year 2013 to fiscal year 2014. The increase in capital assets is due primarily to depreciation expense for the year not exceeding the capital additions.

Debt Administration

At June 30, 2014, the School District had $50,668,132 of outstanding debt. Of this amount $2,532,132 is for compensated absences and $48,136,000 is for serial bonds for school construction.

For the Future

The school district is proud of the support that the community demonstrated by approving its budget for the 2013-2014 school year. However, state aid to schools is a primary area of concern. The district is substantially underfunded according to the state aid formula and is spending below the adequacy amount determined by the state. Enrollment also continues to increase, particularly in the lower grades. These challenges could have a significant impact on the district's operations over the next five years.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. Questions regarding this report or if additional information is needed, kindly contact Susan Irons, Business Administrator/Board Secretary, at the North Brunswick Township School District, P.O. Box 6016, North Brunswick Township, NJ 08902.

Respectfully submitted,

Dr. Brian Zychowski
Superintendent

Susan Irons
School Business Administrator

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 3,713,962	$ 828,100	$ 4,542,062
Receivables - Net	1,975,055	195,374	2,170,429
Inventory		47,901	47,901
Restricted Assets:			
Cash and Cash Equivalents	2,955,445		2,955,445
Capital Assets, Net	104,346,967	139,222	104,486,189
Total Assets	$ 112,991,429	$ 1,210,597	$ 114,202,026
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Loss on Defeasance of Debt	$ 3,395,220		$ 3,395,220
LIABILITIES			
Accounts Payable	$ 185,139		$ 185,139
Other Current Liabilities	131,686		131,686
Payable to Federal Government	4,517		4,517
Unearned Revenue	181,325	$ 78,478	259,803
Accrued Interest Payable	880,933		880,933
Noncurrent Debt:			
Due Within One Year	4,458,213		4,458,213
Due Beyond One Year	46,209,919		46,209,919
Total Liabilities	$ 52,051,732	$ 78,478	$ 52,130,210
NET POSITION			
Invested in Capital Assets	$ 59,606,188	$ 139,222	$ 59,745,410
Restricted for:			
Capital Projects	2,955,445		2,955,445
Other Purposes	1,773,284		1,773,284
Unrestricted		992,897	992,897
Total Net Position	$ 64,334,917	$ 1,132,119	$ 65,467,036

See accompanying notes to financial statements.

Exhibit A-2

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

		Program Revenues		Net (Expense) Revenue and Change in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	$ 39,207,495		$ 1,847,085	$ (37,360,410)		$ (37,360,410)
Special Education	10,264,997			(10,264,997)		(10,264,997)
Other Special Education	3,189,618			(3,189,618)		(3,189,618)
Other Instruction	1,606,666			(1,606,666)		(1,606,666)
Support Services:						
Tuition	2,508,032	$ 75,286		(2,432,746)		(2,432,746)
Student and Instruction Related Services	11,948,893		324,971	(11,623,922)		(11,623,922)
General Administrative Services	1,631,703			(1,631,703)		(1,631,703)
School Administrative Services	5,520,690			(5,520,690)		(5,520,690)
Plant Operations and Maintenance	11,245,538			(11,245,538)		(11,245,538)
Pupil Transportation	6,235,929	134,304		(6,101,625)		(6,101,625)
Charter Schools	809,793			(809,793)		(809,793)
Interest on Long Term Debt	2,482,388			(2,482,388)		(2,482,388)
Total Governmental Activities	$ 96,651,742	$ 209,590	$ 2,172,056	$ (94,270,096)		$ (94,270,096)
Business-Type Activities:						
Food Service	$ 2,816,626	$ 1,367,431	$ 1,569,720		$ 120,525	$ 120,525
School Facilities	216,633	343,947			127,314	127,314
Integrated Pre-K/Summer Enrichment	326,818	268,087			(58,731)	(58,731)
After School	21,768	22,460			692	692
Total Business-Type Activities	$ 3,381,845	$ 2,001,925	$ 1,569,720		$ 189,800	$ 189,800
Total Primary Government	$ 100,033,587	$ 2,211,515	$ 3,741,776	$ (94,270,096)	$ 189,800	$ (94,080,296)
	General Revenues					
	Property Taxes Levied for:					
	General Purposes			$ 70,797,537		$ 70,797,537
	Debt Service			6,007,891		6,007,891
	Federal and State Aid Not Restricted			19,083,081		19,083,081
	Investment Earnings			34,401		34,401
	Special and Extraordinary			149,858		149,858
	Miscellaneous Income			212,933		212,933
	Total General Revenues			$ 96,285,701		$ 96,285,701
	Change in Net Position			$ 2,015,605	$ 189,800	$ 2,205,405
	Net Position - Beginning			62,319,312	942,319	63,261,631
	Net Position - Ending			$ 64,334,917	$ 1,132,119	$ 65,467,036

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 4,063,874		$ 203,503	$ 140,079	$ 4,407,456
Intergovernmental Accounts Receivable	695,122	$ 1,279,933			1,975,055
Interfunds Receivable	541,404				541,404
Restricted Cash and Cash Equivalents	2,792,502				2,792,502
Total Assets	$ 8,092,902	$ 1,279,933	$ 203,503	$ 140,079	$ 9,716,417
LIABILITIES AND FUND BALANCE					
Liabilities:					
Cash and Cash Equivalents Overdraft		$ 530,551			$ 530,551
Accounts Payable	$ 162,599	22,540			185,139
Other Current Liabilities	91,530		$ 40,156		131,686
Intergovernmental Accounts Payable		4,517			4,517
Interfunds Payable		541,000	404		541,404
Unearned Revenue		181,325			181,325
Total Liabilities	$ 254,129	$ 1,279,933	$ 40,560		$ 1,574,622
Fund Balances					
Committed for Year-End Encumbrances	$ 2,814,143				$ 2,814,143
Restricted:					
Capital Reserve Account	2,847,899				2,847,899
Maintenance Reserve	772,967				772,967
Emergency Reserve	467,000				467,000
Assigned - Designated for Subsequent Year's Expenditures				$ 111,514	111,514
Unassigned:					
General Fund	936,764				936,764
Debt Service Fund				28,565	28,565
Capital Projects			$ 162,943		162,943
Total Fund Balances	$ 7,838,773		$ 162,943	$ 140,079	$ 8,141,795
Total Liabilities and Fund Balance	$ 8,092,902	$ 1,279,933	$ 203,503	$ 140,079	$ 9,716,417

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2014

	Total Governmental Funds
Total Fund Balances above	$ 8,141,795
Amounts reported for *governmental activities* in the Statement of Net Position (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of capital assets is $150,063,280 and the accumulated depreciation is $45,716,313. (see Note 5)	104,346,967
Deferred loss on defeasance of debt, unamortized (see Note 7D)	3,395,220
Noncurrent liabilities, including bonds, loans, leases payable and compensated absence are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 7)	(50,668,132)
Certain liabilities are not due and payable in the current period, and therefore are not reported in the funds:	
Accrued Interest Payable	
(Accrued interest is a current liability that will be paid from the debt service fund. Therefore, the liability reduces the restricted for debt service net asset balance.)	(880,933)
Net position of governmental activities (A-1)	$ 64,334,917

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	$ 70,797,537			$ 6,007,891	$ 76,805,428
Interest on Investments			$ 404		404
Interest earned on capital reserve funds	5,365				5,365
Miscellaneous	451,147	$ 122,117			573,264
Total - Local Sources	$ 71,254,049	$ 122,117	$ 404	$ 6,007,891	$ 77,384,461
State Sources	18,918,470	32,687			18,951,157
Federal Sources	77,282	2,104,581			2,181,863
Total Revenues	$ 90,249,801	$ 2,259,385	$ 404	$ 6,007,891	$ 98,517,481
EXPENDITURES					
Current:					
Regular Instruction	$ 25,498,417	$ 1,847,085			$ 27,345,502
Special Education Instruction	7,045,952				7,045,952
Other Special Instruction	2,189,372				2,189,372
Other Instruction	1,102,825				1,102,825
Support Services and Undistributed Costs:					
Tuition	2,508,032				2,508,032
Student and Instruction Related Services	7,953,043	324,971			8,278,014
Other Administrative Services	1,120,010				1,120,010
School Administrative Services	3,789,433				3,789,433
Plant Operations and Maintenance	7,719,001				7,719,001
Pupil Transportation	4,280,377				4,280,377
Employee Benefits	23,182,534	87,329			23,269,863
Transfer to Charter Schools	809,793				809,793
Debt Service:					
Principal				$ 3,840,000	3,840,000
Interest				2,170,851	2,170,851
Capital Outlay	5,565,003		$ 113,160		5,678,163
Total Expenditures	$ 92,763,792	$ 2,259,385	$ 113,160	$ 6,010,851	$ 101,147,188

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	$ (2,513,991)		$ (112,756)	(2,960)	$ (2,629,707)
Other Financing Sources/(Uses):					
Transfer In/(Out)					
Interest earned	$ 404		$ (404)		
Debt Service Fund			(28,565)	$ 28,565	
Total Other Financing Sources (Uses)	$ 404		$ (28,969)	$ 28,565	
Net Change in Fund Balances	$ (2,513,587)		$ (141,725)	$ 25,605	$ (2,629,707)
Fund Balance - July 1	10,352,360		304,668	114,474	10,771,502
Fund Balance - June 30	$ 7,838,773		$ 162,943	$ 140,079	$ 8,141,795

Exhibit B-3

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Total Net Change in Fund Balance - Governmental Funds (from B-2)		$ (2,629,707)
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciated expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Capital outlay	$ 5,828,027	
Amortization of loss on defeasance of bonds	(379,029)	
Depreciation expense	(4,864,647)	584,351
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.		3,840,000
In the statement of activities, interest on noncurrent debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The increase in accrued interest is a deduction in the reconciliation.		67,493
In the statement of activities, certain operating expenses, e.g. compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.		153,468
Change in Net Position of Governmental Activities (A-1)		$ 2,015,605

PROPRIETARY FUNDS –

ENTERPRISE FUNDS

Exhibit B-4

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUNDS - ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2014

	Food Service	School Facilities	Integrated Pre-K/Summer Enrichment	After School	Total Enterprise
ASSETS					
Current assets:					
Cash and cash equivalents	$ 204,430	$ 354,864	$ 268,114	$ 692	$ 828,100
Accounts receivable:					
State	2,063				2,063
Federal	104,240				104,240
Other	39,070	50,000			89,070
Inventories	47,901				47,901
Total current assets	$ 397,704	$ 404,864	$ 268,114	$ 692	$ 1,071,374
Noncurrent assets:					
Furniture, machinery and equipment	$ 595,180		$ 139,787		$ 734,967
Less: accumulated depreciation	567,916		27,829		595,745
Total noncurrent assets	$ 27,264		$ 111,958		$ 139,222
Total assets	$ 424,968	$ 404,864	$ 380,072	$ 692	$ 1,210,596
LIABILITIES					
Current liabilities:					
Unearned Revenue	$ 16,558		$ 61,920		$ 78,478
Total liabilities	$ 16,558		$ 61,920		$ 78,478
NET POSITION					
Invested in capital assets	$ 27,264		$ 111,958		$ 139,222
Unrestricted	381,147	$ 404,864	206,194	$ 692	992,897
Total net position	$ 408,410	$ 404,864	$ 318,152	$ 692	$ 1,132,118

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Business-Type Activities Enterprise Fund				
	Food Service	School Facilities	Integrated Pre-K/Summer Enrichment	After School	Total Enterprise
OPERATING REVENUES					
Local Sources:					
Daily sales - reimbursable programs:					
School lunch program	$ 445,880				$ 445,880
School breakfast program	16,902				16,902
School after school snack program	31,226				31,226
Daily sales - non-reimbursable programs	873,422				873,422
Tuition and services		$ 343,947	$ 268,087	$ 22,460	634,494
Total operating revenues	$ 1,367,430	$ 343,947	$ 268,087	$ 22,460	$ 2,001,924
OPERATING EXPENSES					
Cost of sales	$ 1,352,845				$ 1,352,845
Salaries	818,908	$ 173,294	$ 300,115	$ 21,678	1,313,994
Employee benefits	203,838				203,838
Insurance	97,442				97,442
General Supplies	96,801	43,339	5,499	90	145,729
Management fee	117,810				117,810
Depreciation	7,395		19,981		27,376
Administration Fee	121,587				121,587
Other			1,222		1,222
Total operating expenses	$ 2,816,626	$ 216,633	$ 326,817	$ 21,768	$ 3,381,844
Operating income/(loss)	$ (1,449,196)	$ 127,314	$ (58,730)	$ 692	$ (1,379,920)

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Business-Type Activities Enterprise Fund				
	Food Service	School Facilities	Integrated Pre-K/Summer Enrichment	After School	Total Enterprise
NONOPERATING REVENUES					
State sources:					
State school lunch program	$ 27,893				$ 27,893
Federal sources:					
National school lunch program	995,138				995,138
National breakfast program	340,581				340,581
School snack program	6,559				6,559
Food distribution program	199,548				199,548
Total nonoperating revenues	$ 1,569,719				$ 1,569,719
Income/(loss) before contributions and transfers	$ 120,523	$ 127,314	$ (58,730)	$ 692	$ 189,799
Change in net position	$ 120,523	$ 127,314	$ (58,730)	$ 692	$ 189,799
Total net position - beginning	287,887	277,550	376,882		942,319
Total net position - ending	$ 408,410	$ 404,864	$ 318,152	$ 692	$ 1,132,118

Exhibit B-6

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUNDS - ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014

	Business-Type Activities Enterprise Fund				
	Food Service	School Facilities	Integrated Pre-K/Summer Enrichment	After School	Total Enterprise
Cash Flows from Operating Activities					
Receipts from Customers	$ 1,363,232	$ 343,947	$ 269,702	$ 22,460	$ 1,999,341
Payments to Employees	(818,908)	(180,957)	(300,115)	(21,678)	(1,321,658)
Payments for Employee Benefits	(203,838)				(203,838)
Payments to Suppliers	(1,587,610)	(43,340)	(6,722)	(90)	(1,637,762)
Payment for Management and Administrative Fee	(239,397)				(239,397)
Net Cash Provided by/(Used for) Operating Activities	$ (1,486,521)	$ 119,650	$ (37,135)	$ 692	$ (1,403,314)
Cash Flows from Capital Investment					
Acquisition of Capital Equipment			$ (47,453)		$ (47,453)
Cash Flows from Noncapital Financing Activities					
State Sources	$ 28,224				$ 28,224
Federal Sources	1,353,626				1,353,626
Net Cash Provided by/(Used for) Noncapital Financing Activities	$ 1,381,850				$ 1,381,850
Net Increase/(Decrease) in Cash and Cash Equivalents	$ (104,671)	$ 119,650	$ (84,588)	$ 692	$ (68,917)
Balances - Beginning of Year	309,101	235,214	352,702		897,017
Balances - End of Year	$ 204,430	$ 354,864	$ 268,114	$ 692	$ 828,100
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities					
Operating Gain/(Loss)	$ (1,449,195)	$ 127,314	$ (58,731)	$ 692	$ (1,379,921)
Adjustments to Reconcile Operating Loss to Cash Provided/(Used) by Operating Activities:					
Depreciation	$ 7,395		$ 19,981		$ 27,376
Federal Commodities	199,548				199,548
Change in Assets and Liabilities:					
Increase in Accounts Receivable	10,819				10,819
Decrease in Inventories	(14,808)				(14,808)
(Decrease) in Accounts Payable	(244,478)	$ (7,664)			(252,141)
Increase/(Decrease) in Unearned Revenue	4,198		1,615		5,813
Total Adjustments	$ (37,326)	$ (7,664)	$ 21,596		$ (23,393)
Net Cash Provided by/(Used for) by Operating Activities	$ (1,486,521)	$ 119,650	$ (37,135)	$ 692	$ (1,403,314)

FIDUCIARY FUNDS

Exhibit B-7

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014

	Trust Funds	Agency Fund
ASSETS		
Cash and Cash Equivalents	$ 536,218	$ 456,031
Total Assets	$ 536,218	$ 456,031
LIABILITIES		
Payable to Student Groups		$ 357,436
Payroll Deductions and Withholdings		98,595
Total Liabilities		$ 456,031
NET POSITION		
Held in Trust for Unemployment Claims and Other Purposes	$ 536,218	
Total Net Position	$ 536,218	

Exhibit B-8

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF CHANGE IN NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
General Fund Contribution	$ 57,894
Total Contributions	$ 57,894
Total Additions	$ 57,894
DEDUCTIONS	
Claim Paid	$ 148,349
Refund of Scholarship Funds to Donor	
Total Deductions	148,349
Change in Net Position	$ (90,455)
Total Net Position - Beginning of the Year	$ 626,673
Total Net Position - Ending of the Year	$ 536,218

NOTES TO THE FINANCIAL STATEMENTS

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The North Brunswick Township School District (the "District") is a Type II district located in the County of Middlesex, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (the "Board"). The Board is comprised of nine (9) members elected to three (3) year terms. The purpose of the District is to educate students in grades pre-K-12. The District had an approximate enrollment at June 30, 2014 of 6,141 students.

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

1. Government-Wide Financial Statements

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation (Continued)

1. Government-Wide Financial Statements (Continued)

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

2. Fund Financial Statements

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

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

B. Fund Accounting

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

1. Governmental Funds

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

1. Governmental Funds (Continued)

General Fund (Continued)

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

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

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

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

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

2. Proprietary Fund Type

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

2. Proprietary Fund Type (Continued)

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

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

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

Integrated Pre-K/Summer Enrichment: This fund provides for the attendance of regular education students within the preschool program and for the Summer Enrichment program.

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

After School Enrichment: This fund provides for the After School Enrichment program.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

3. Fiduciary Funds

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

Private Purpose Scholarship Funds

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

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

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

C. Measurement Focus

1. Government-Wide Financial Statements

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

2. Fund Financial Statements

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus (Continued)

2. Fund Financial Statements (Continued)

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

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the winter of each year for the general, special revenue, and debt service funds. The budgets are voted on by the District, submitted to the County office for approval and if determined to be within the allowable tax levy cap and within the allowable appropriation cap, become effective upon the holding of a public hearing and final adoption by the District. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C 6A:23A-2.3 (et seq.).

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets/Budgetary Control (Continued)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures		General Fund		Special Revenue Fund
Sources/Inflows of Resources:				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1	$ 90,263,306	C-2	$ 2,284,306
Difference - Budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
June 30, 2013				95,788
June 30, 2014				(120,709)
State aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes.				
June 30, 2013		1,073,828		
June 30, 2014				
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(1,087,333)		None
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	B-2	$ 90,249,801	B-2	$ 2,259,385
Uses/Outflows of Resources:				
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	C-1	$ 92,763,792	C-2	$ 2,284,306
Difference - Budget to GAAP:				
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.				
June 30, 2013				95,788
June 30, 2014		None		(120,709)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	B-2	$ 92,763,792	B-2	$ 2,259,385

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Encumbrances

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

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

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

G. Assets, Liabilities and Equity

1. Cash, Cash Equivalents and Investments

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

2. Inventories and Prepaid Expenses

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

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

3. Allowance for Uncollectible Accounts

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

4. Tuition Receivable

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

5. Tuition Payable

Tuition charges for the fiscal years 2012-2013 and 2013-2014 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

6. Current Interfund Receivables/Payables

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

7. Capital Assets

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

7. Capital Assets (Continued)

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

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

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

9. Compensated Absences

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

9. Compensated Absences (Continued)

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

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

10. Accrued Liabilities and Noncurrent Obligations

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

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

11. Deferred Loss on Refunding of Debt

Deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. The amortization expense for the year ended June 30, 2014 amounted to $379,029. As of June 30, 2014, the District has an unamortized balance of $3,395,220 recorded as a deferred outflow of resources. This amount had previously been recorded as a reduction of bonds payable.

12. Net Position

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

13. Unearned (Deferred) Revenue

Unearned revenue in all funds represent program revenues that have been received but not yet earned.

14. Fund Equity

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

15. Fund Balance

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

a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, noncurrent receivables and corpus of any permanent funds.

b. Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.

c. Committed – includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revised or changes the specified use by taking the same action (resolution) taken to originally commit these funds.

d. Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

15. Fund Balance (Continued)

e. Unassigned – includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a position unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

16. Proprietary Funds Revenues and Expenses

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

17. Rebatable Arbitrage

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

18. Non-Monetary Transactions

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

19. Allocation of Expenses

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

20. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

21. Reclassification

In connection with the adoption of GASB 65, the unamortized deferred issuance costs were reclassified from a reduction of bonds payable to deferred outflow of resources. The reclassification has no impact on overall net position.

22. GASB to be Implemented in the 2015 Fiscal Year

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* ("GASB No. 68"). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The requirements of this Statement are effective for financial statements for periods ending on or after June 30, 2015. The District has not completed the process of evaluating the impact that will result from adopting GASB No. 68.

23. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2014 through October 7, 2014, the date that the financial statements are issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

A. Deposits

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

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

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

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

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

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

As of June 30, 2014, cash and cash equivalents (Deposits) of the District consisted of the following:

	Cash and Cash Equivalents
Checking Accounts - Interest Bearing	$ 13,442,715
MBIA Asset Management	194,554
Certificate of Deposit	65,828
	$ 13,703,097
Reconciliation:	
Governmental Funds	$ 10,972,353
Proprietary Funds	828,100
Fiduciary Funds	1,902,644
	$ 13,703,097

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

Allocation of Cash and Cash Equivalents

Unrestricted	$ 8,845,008
Restricted	4,858,089
	$ 13,703,097

Risk Analysis – The MBIA accounts are collateralized by U.S. government securities (both U.S. Treasury and Federal Agency) and other permitted money market instruments and not exposed to custodial credit risk. The checking accounts were on deposit in a bank which had the Government Unit Deposit Protection Act coverage ("GUDPA") as of June 30, 2014 which minimizes credit risk.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

B. Investments

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

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

The District had no securities as of June 30, 2014 that would be considered investments as defined by GASB No. 3 as amended by GASB No. 40.

4. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE

Intergovernmental Accounts Receivable at June 30, 2014 consisted of Federal source, State source, transportation, a local project and other revenue. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Business Type Activities
General Fund		
State Aid:		
Extraordinary Special Education Aid	$ 513,880	
TPAF FICA Reimbursement	140,279	
Non Public Transportation	40,963	
	$ 695,122	
Special Revenue Fund		
Federal Aid:		
Title I	$ 7,810	
Title II	17,369	
Perkins	17,476	
Title III Part A Carryover	7,432	
Title III Immigrant	630	
IDEA Part B Basic Regular	610,442	
IDEA Part B Preschool	47,320	
RTTP	22,181	
State Aid:		
NJ Non-Public	3,279	
PSLP	5,431	
Local Aid:		
Soil Remediation - Township	539,300	
MRESA - Refund Non-Public	1,263	
	$ 1,279,933	
	$ 1,975,055	
Proprietary Fund		
Enterprise Fund:		
State Source		$ 2,063
Federal Source		$ 104,240

5. CAPITAL ASSETS, NET

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Transfers (Retirements)	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 14,000			$ 14,000
Construction in Progress		$ 1,015,471		1,015,471
Total capital assets not being depreciated	14,000	1,015,471	-	1,029,471
Capital assets being depreciated:				
Building and Building Improvements	138,597,877	2,962,560		141,560,437
Machinery and Equipment	6,853,459	1,849,996	$ 1,230,083	7,473,372
Total at historical cost	145,451,336	4,812,556	1,230,083	149,033,809
Less accumulated depreciation for:				
Building and Building Improvements	(38,507,321)	(3,166,004)		(41,673,325)
Machinery and Equipment	(3,574,428)	(1,698,643)	(1,230,083)	(4,042,988)
Total accumulated depreciation	(42,081,749)	(4,864,647)	(1,230,083)	(45,716,313)
Total capital assets being depreciated, net of accumulated depreciation	103,369,587	(52,091)	-	103,317,496
Governmental activities capital assets, net	$ 103,383,587	$ 963,380	-	$ 104,346,967
Business-Type Activities:				
Furniture, machinery and equipment	$ 687,514	$ 47,453	-	$ 734,967
Less accumulated depreciation for:				
Furniture, machinery and equipment	(568,369)	(27,376)	-	(595,745)
Business type activities capital assets, net	$ 119,145	$ 20,077	-	$ 139,222

Detail of additions	
Governmental Activities:	
General Fund:	
Equipment	$ 1,192,799
Facilities	4,372,204
Capital Projects Fund	113,166
Other Sources	149,858
	$ 5,828,027

5. CAPITAL ASSETS, NET (CONTINUED)

Depreciation expense was charged to functions as follows:

Regular Instruction	$ 2,115,877
Special Education Instruction	545,185
Other Special Instruction	169,404
Other Instruction	85,332
Support Services and Undistributed Cost:	
Student and Instruction Related Services	640,517
School Administrative Services	86,662
General and Business Administrative Services	293,210
Plant Operations and Maintenance	597,263
Pupil Transportation	331,197
Total	$ 4,864,647

6. INVENTORY

The value of Federal donated commodities as reflected on Schedule A of $199,548 (required by the Single Audit Act) is the difference between market value and cost of the commodities at the date of the purchase and has been included as an item of nonoperating revenue in the financial statements. As of June 30, 2014, the federal donated commodities food inventory of $13,474 was included in the year end food and supplies amount of $47,901.

7. NONCURRENT (LONG-TERM) DEBT

During the fiscal year ended June 30, 2014 the following changes occurred in liabilities:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One Year	Noncurrent Portion
Governmental Activities:						
Bonds Payable - General Obligation Debt	$ 51,976,000		$ 3,840,000	$ 48,136,000	$ 4,205,000	$ 43,931,000
Compensated Absences Payable	$ 2,685,600	$ 201,730	355,198	$ 2,532,132	253,213	$ 2,278,919
	$ 54,661,600	$ 201,730	$ 4,195,198	$ 50,668,132	$ 4,458,213	$ 46,209,919

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

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

School District Bonds, Series 2005

The proceeds of the bonds were used to construct additions, renovations and alternations to John Adams Elementary School, Livingston Park Elementary School, Judd Elementary School, Parsons Elementary School and Linwood Middle School and make the necessary onsite and offsite improvements and purchase the necessary furniture and equipment associated with such improvements. The District issued $24,781,000 of bonds dated January 15, 2005. During the year ended June 30, 2012 $23,331,000 of this issue was refunded by the School District Refunding Bonds Series 2012. Remaining annual maturity of $250,000 is due January 15, 2015 with an interest rate of 4.50%. $ 250,000

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

School District Bonds, Series 2006

Additional school bonds to fund the completion of the North Brunswick Township High School project. Acquisition of land and construction of a new elementary school the District issued $7,391,000 of bonds dated March 15, 2006. On October 2, 2014 the District entered into an agreement to issue $4,260,000 of Refunding School Bonds, Series 2014 addition to a premium of $502,039.25 in order to provide sufficient funds to refinance $4,431,000 of Series 2006 School District Bonds maturing on or after March 15, 2017. The bonds will be issued at interest rates ranging from 0.63% to 2.5% and the transaction represents a net present value savings of $264,179.53 or 5.96%. The savings is in accordance with the State of of New Jersey Local Finance Board Refunding criteria. The bonds maturing prior to March 15, 2017 are not subject to redemption prior to their stated maturities. Remaining annual maturities ranging from $340,000 to $350,000 is due on March 15, 2016 with an interest rate of 4.0%.

$ 5,121,000

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

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

School District Bonds, Series 2007

Refinancing of $18,420,000 of 1997 Series Bonds due on or after February 1, 2009 which were issued for the acquisition of land and construction of a new elementary school. The District issued $18,350,000 of bonds dated February 1, 2007. Remaining annual maturity of $2,610,000 is due on February 1, 2015 with an interest rate of 5.0%.	$ 2,610,000
Redemption: The bonds are not subject to redemption prior to their stated maturities.	

School District Refunding Bonds, Series 2010

Refinancing of $18,199,000 of 2002 Series Bonds due on or after July 15, 2022. The District issued $17,865,000 of bonds dated March 25, 2010. Annual remaining maturities of $970,000 to $2,350,000. Final maturity is due on July 15, 2022 with interest rates on remaining maturities ranging from 4.0% to 5.0%.	$ 17,000,000
Redemption: The bonds are not subject to redemption prior to their stated maturities.	

School District Refunding Bonds, Series 2012

Refinancing of $24,781,000 of 2005 Series Bonds due on or after October 15, 2025. The District issued $23,540,000 of bonds dated May 23, 2012. Annual remaining maturities of $35,000 to $4,700,000. Final maturity is due on January 15, 2025 with interest rates on remaining maturities ranging from 2.0% to 5.0%.	$ 23,155,000
Redemption: The bonds are not subject to redemption prior to their stated maturities.	
TOTAL	$ 48,136,000

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

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

A. Bonds and loans payable currently outstanding(Continued)

The District, in conjunction with the issuance of the Bonds, has agreed to undertake and provide certain information to Bondholders on a continuing basis. The Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) "Continuing Disclosure" requirements, which the District has adopted, requires that various financial information about the District and the Municipality be provided annually to various information repositories. The requirement effective for the fiscal years ended June 30, 2013.

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

B. Debt Service Requirements

Debt service requirements on serial bonds payable at June 30, 2014 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2015	$ 4,205,000	$ 2,009,189	$ 6,214,189
2016	3,600,000	1,799,838	5,399,838
2017	3,740,000	1,654,339	5,394,339
2018	3,885,000	1,518,038	5,403,038
2019	4,040,000	1,360,938	5,400,938
	19,470,000	8,342,342	27,812,342
2020	4,185,000	1,218,351	5,403,351
2021	4,370,000	1,038,526	5,408,526
2022	4,580,000	826,889	5,406,889
2023	4,805,000	599,711	5,404,711
2024	5,020,000	442,286	5,462,286
	22,960,000	4,125,763	27,085,763
2025	5,200,000	240,996	5,440,996
2026	506,000	20,746	526,746
	5,706,000	261,742	5,967,742
Total	$ 48,136,000	$ 12,729,847	$ 60,865,847

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

C. Bonds Authorized But Not Issued

As of June 30, 2014, the District had a bond authorization which had not been issued. The authorization for $1,200,000 was approved by the voters in November, 1994, was designed to purchase property for a proposed elementary school. The property identified in the referendum is no longer available for sale and the District will be required to seek voter approval for an alternate site.

D. Defeasance

2002 Series Bonds

On March 25, 2010 the Board issued $17,865,000 (refer to Note 7A) in general obligation bonds to advance refund $18,199,000 of outstanding 2002 Series Bonds callable on or after July 15, 2012. The net proceeds which included a premium of $2,081,589.15 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 2002 Series Bonds, which were included in the refunding. As a result, the related portion of the 2002 Series Bonds are considered defeased and the liability for these bonds has been removed from the District's records. In addition, as a result of the accounting requirement under GASB#23 and GASB54, Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities, the recording of the transaction related to the new vs. old debt and related costs resulted in an accounting loss of $1,580,296.07 which in conjunction with the premium will be amortized over the remaining life of the Series 2012 Refunding Bond Issue using the "straight-line". The transaction was done at an economic savings to the District in accordance with the State of New Jersey Local Finance Board requirements and their present value savings criteria. The present value savings at the time refunding was $606,166.99 or 3.347%.

2005 Series Bonds

On May 23, 2012 the Board issued $23,540,000 (refer to Note 7A) in general obligation (refunding) bonds to advance refund $23,331,000 of outstanding 2005 Series Bonds callable on or after January 15, 2016. The net proceeds which included a premium of $2,911,931 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 2005 Series Bonds, which were included in the refunding. As a result, the related portion of the 2005 Series Bonds are considered defeased and the liability for these bonds has been removed from the District's records. In addition, as a result of the accounting requirement under GASB#23, Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities, the recording of the transaction related to the new vs. old debt and related costs resulted in an accounting loss of $2,968,058, which in conjunction with the premium will be amortized over the remaining life of the Series 2012 Refunding Bond Issue using the "straight-line". The transaction was done at an economic savings to the District in accordance with the State of New Jersey Local Finance Board requirements and their present value savings criteria. The present value savings at the time refunding was $1,103,130.33 or 4.728%.

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

D. Defeasance (Continued)

Unamortized Loss on Defeasance

	Beginning Balance	Amortization	Ending Balance
2010 Series Refunding Bonds	$ 2,720,719	$ 247,338	$ 2,473,381
2012 Series Refunding Bonds	1,053,530	131,691	921,839
	$ 3,774,249	$ 379,029	$ 3,395,220

E. Operating Lease Obligation

The District leases twenty (20) copy machines of various sizes and capability which is part of a revolving lease plan that requires the Board to pay a monthly fee plus a factor for each copy over a certain amount for sixty (60) months, commencing July 1, 2012. The lease payments charged to the operating budget and the minimum annual lease payments are $290,460.

8. PENSION PLANS

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

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

8. PENSION PLANS (CONTINUED)

Description of Plans (Continued)

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

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

During the year ended June 30, 2014 for TPAF, which is a cost sharing plan with special funding situations, the annual pension costs equals annual required contribution. For PERS, which is a cost sharing multi-employer pension plan, the annual pension costs differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

Three-Year Trend Information for PERS

Year Funding	Three-Year Trend Information for PERS: Annual Pension Cost: Normal	Annual Pension Cost: Accrued	Net Cost to District	Percentage of APC Contributed	Employee Contribution
June 30, 2014	$ 159,313	$ 700,437	$ 859,750	100%	$ 532,312
June 30, 2013	253,996	607,310	861,306	100%	506,984
June 30, 2012	305,605	611,211	58,412	100%	486,860

8. PENSION PLANS (CONTINUED)

Funding Policy (Continued):

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

Year Funding June 30	Pension Paid on-behalf of District: Cost (APC)	APC Contributed	Normal & Accrued	NCGI Premium	Total On-Behalf of	Employee Contribution	TPAF FICA
2014	$ None	100%	$ 1,398,733	$ 123,470	$ 1,522,203	$ 2,530,855	$ 2,782,721
2013	None	100%	1,678,328	118,762	2,376,016	2,389,023	2,734,442
2012	None	100%	1,045,848	112,234	1,158,082	2,211,807	2,654,483

During the fiscal year ended June 30, 2014, the State of New Jersey contributed $1,522,203 to the TPAF for normal pension. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District $2,782,721 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 24.

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

9. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees eligible for post-retirement medical benefits and the state contributed $1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid $173.80 million toward Chapter 126 benefits for 17,356 eligible retired members in fiscal year 2013.

9. POST-RETIREMENT BENEFITS (CONTINUED)

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

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

Year Ending	Post-Retirement Medical
June 30, 2014	$2,496,004
June 30, 2013	2,686,974
June 30, 2012	2,328,046

10. COMPENSATED ABSENCES

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position in the current and noncurrent liabilities. The current portion of the compensated absence balance of the governmental funds is shown separately from the noncurrent liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2014 no liability existed for compensated absences in the proprietary fund types.

11. DEFERRED COMPENSATION

A. IRS Code Section 403(b)

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

AIG Valic
AXA Equitable
Lincoln Investment Planning Inc.
Security Benefit
FTJ Fund Choice
New York Life Insurance Company/ Mainstay Investments
MetLife

B. IRS Code Section 457

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

12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

New Jersey Unemployment Compensation Insurance: The District for the period July 1, 2013 to December 31, 2013 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 was billed quarterly for amounts due to the State. Subsequent to January 1, 2014 the District opted to contribute to the State of New Jersey unemployment fund which requires quarterly remittances to the state for both employer and employee share. Benefits if any will get paid by the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior two years:

Fiscal Year Ended June 30,	District Contributions	Interest Earned	Employee Contributions	Amount Reimbursed	Ending Balance
2014	$ 57,894	$ -	$ -	$ 148,349	$ 536,218
2013	115,360			60,450	626,673
2012	74,492	566	-	-	571,763

12. RISK MANAGEMENT (CONTINUED)

Of the ending balance at June 30, 2014 $200,000 has been included as a revenue in the 2014-2015 school district General Fund budget.

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

13. INTERFUND BALANCES AND TRANSFERS

The interfund receivable/payable as of June 30, 2014 will be liquidated in the normal course of business in the succeeding year.

	Receivable	Payable
Governmental Funds:		
General Fund	$ 541,404	
Special Revenue Fund		$ 541,000
Capital Projects Fund		404
	$ 541,404	$ 541,404

14. RESTRICTED – CAPITAL RESERVE ACCOUNT

A Capital Reserve Account was established by the Board by inclusion on October 10, 2000 and June 25, 2011 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years.

Analysis of Capital Reserve Activity since Inception:

Contributions from Board		
Prior to June 30, 2013	$ 11,041,712	
During year ended June 30, 2014	2,005,397	$ 13,047,109
Interest Earned		
Prior to June 30, 2013	$ 41,822	
During year ended June 30, 2014	5,365	$ 47,187
Less Withdrawals:		
Prior to June 30, 2013	$ 6,683,534	
During year ended June 30, 2014	3,562,863	$ 10,246,397
Balance June 30, 2014		$ 2,847,899

14. RESTRICTED – CAPITAL RESERVE ACCOUNT (CONTINUED)

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

15. FUND BALANCE APPROPRIATED

General Fund - Of the $7,838,773 General Fund fund balance at June 30, 2014, $2,814,143 is committed for year-end encumbrances; $2,847,899 is restricted for the Capital Reserve Account, $772,967 is restricted for the maintenance reserve, $467,000 is restricted for the emergency reserve and $936,764 is unassigned.

Of the Capital Reserve fund balance $263,945 and Maintenance Reserve fund balance $244,768 were included as revenues on the 2014-2015 general fund budget to offset expenditures.

Debt Service Fund – Of the $140,079 Debt Service Fund fund balance at June 30, 2014, $28,565 is unassigned and $111,514 is assigned – designated for subsequent year's expenditures.

Capital Projects Fund – Of the $162,943 Capital Projects Fund fund balance at June 30, 2014 is unassigned.

16. CONTINGENT LIABILITIES AND COMMITMENTS

A. **Grant Programs** – The school district participates in federal, state and locally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

B. **Pending Litigation** – As of the date of this report, in the opinion of the management, there was no litigation pending which, in the event of an adverse or unfavorable outcome, would materially impair the financial position of the District. There were several matters pending that are being handled by the Board's insurance carrier which should not have any adverse impact.

C. **Interlocal Services Agreement** – The District has an agreement with the Township for reimbursement for unforeseen soil remediation at the High School. The Township adopted an Improvement Authorization to provide funds and the District actually awarded and managed the related contracts. The agreement also requires payment back to the Township for debt service.

17. CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was no excess surplus as a result of the 2012-2013 or 2013-2014 school years at June 30, 2014.

18. RECONCILIATION OF FUND BALANCE – GENERAL FUND

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

		Unassigned
Balance on a Budget Basis on the General Fund Budgetary Basic Comparison	$	2,024,098
Less: Allocation of state aid payment not recognized on a GAAP basis		1,087,334
	$	936,764

19. ECONOMIC DEPENDENCY

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

20. PRIOR PERIOD RESTATEMENT – DISTRICT-WIDE FINANCIAL STATEMENTS

GASB Statement No. 65 related to *Items Previously Reported as Assets and Liabilities* allows for the adjustment of the previously amortizable debt issue costs and premium on sale of bonds. For the year ended June 30, 2013 the financial statements reflected a write-off of the loss on defeasance of Bonds which should have not been made. The statement of net position as of June 30, 2013 has been restated to provide for the cumulative impact of the adjustment to restore the loss on defeasance; there is no impact on the governmental funds – fund balance.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local sources:					
Local tax levy	$ 70,797,537		$ 70,797,537	$ 70,797,537	
Miscellaneous	52,000		52,000	451,147	$ 399,147
Interest Earned on Capital Reserve	500		500	5,365	4,865
Total - local sources	70,850,037		70,850,037	71,254,049	404,012
State sources:					
Special Education Categorical Aid	3,621,124		3,621,124	3,621,124	
Equalization Aid	6,681,891		6,681,891	6,681,891	
Extraordinary aid	250,000		250,000	513,880	263,880
Security Aid	516,450		516,450	516,450	
Adequacy Aid	329,331		329,331	329,331	
Transportation Aid	427,308		427,308	427,308	
Non Public Transportation Aid				40,963	40,963
On behalf - TPAF - Pension Contribution (Non-budgeted)				1,522,303	1,522,303
On behalf - TPAF - Post Retirement Medical (Non-budgeted)				2,496,004	2,496,004
Reimbursed TPAF social security contributions (Non-budgeted)				2,782,721	2,782,721
Total - state sources	11,826,104		11,826,104	18,931,975	7,105,871
Federal sources:					
Semi aid	74,579		74,579	77,282	2,703
Total - federal sources	74,579		74,579	77,282	2,703
TOTAL REVENUES	$ 82,750,720		$ 82,750,720	$ 90,263,306	$ 7,512,586

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
CURRENT EXPENSE:					
Transfer of funds to charter schools	$ 561,495	$ 274,549	$ 836,044	$ 809,793	$ 26,251
Subtotal transfer of funds to charter schools	561,495	274,549	836,044	809,793	26,251
Regular programs - instruction:					
Salaries of teachers:					
Kindergarten	1,342,105	(16,645)	1,325,460	1,325,243	217
Grades 1 - 5	9,299,834	(406,198)	8,893,636	8,893,177	459
Grades 6 - 8	6,294,079	(662,340)	5,631,739	5,624,062	7,677
Grades 9 - 12	8,316,286	(546,223)	7,770,063	7,769,933	130
	25,252,304	(1,631,406)	23,620,898	23,612,415	8,483
Regular programs - home instruction:					
Salaries of teachers	75,000	8,797	83,797	83,797	
Purchased professional - education services	15,000	33,000	48,000	47,651	349
Total regular programs - home instruction	90,000	41,797	131,797	131,448	349
Regular programs - undistributed instruction:					
Other salaries for instruction	284,537	(14,452)	270,085	267,444	2,641
Purchased professional - educational services	2,700	(100)	2,600	2,600	
Other purchased services (400-500 Series)	466,842	5,828	472,670	419,567	53,103
General supplies	710,748	432,357	1,143,105	960,642	182,463
Textbooks	120,529	(20,064)	100,465	92,992	7,473
Other objects	19,646	(2,000)	17,646	11,309	6,337
Total regular programs - undistributed instruction	1,605,002	401,569	2,006,571	1,754,554	252,017
Total regular programs - instructions	$ 26,947,306	$ (1,188,040)	$ 25,759,266	$ 25,498,417	$ 260,849

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Special education instruction:					
Learning and/or language disabilities:					
Salaries of teachers	$ 1,006,340	$ (16,129)	$ 990,211	$ 895,726	$ 94,485
Other salaries for instruction	488,607	16,129	504,736	501,354	3,382
General supplies	15,552		15,552	7,556	7,996
Textbooks	550	(550)			
Total learning and/or language disabilities	1,511,049	(550)	1,510,499	1,404,636	105,863
Behavioral Disabilities:					
Salaries of teachers	173,657	5,090	178,747	171,866	6,881
Other salaries for instruction	48,330	53,960	102,290	51,931	50,359
General Supplies	6,500		6,500	4,651	1,849
Total Behavioral Disabilities	228,487	59,050	287,537	228,448	59,089
Multiple Disabilities:					
Salaries of teachers	116,315	(1,452)	114,863	114,863	
Other salaries for instruction	13,792	2,636	16,428	16,428	
General supplies	3,800	(350)	3,450	2,036	1,414
Total Multiple Disabilities	133,907	834	134,741	133,327	1,414
Resource room/resource center:					
Salaries of teachers	3,868,731	(9,466)	3,859,265	3,859,265	
Other salaries for instruction	651,806	73,312	725,118	725,118	
General supplies	7,662	1,012	8,674	6,364	2,310
Textbooks	1,180	(1,180)			
Total resource room/resource center	4,529,379	63,678	4,593,057	4,590,747	2,310
Autism:					
Salaries of teachers	137,713	(40,681)	97,032	54,247	42,785
Other salaries for instruction	64,000	(17,207)	46,793	37,484	9,309
General Supplies	17,167		17,167	15,114	2,053
Total Autism	218,880	(57,888)	160,992	106,845	54,147
Preschool disabilities - part-time:					
Salaries of teachers	69,480	4,523	74,003	74,003	
Other salaries for instruction	11,160	9,586	20,746	20,746	
General supplies	2,600	(99)	2,501	2,186	315
Total preschool disabilities-part-time	$ 83,240	$ 14,010	$ 97,250	$ 96,935	$ 315

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Preschool disabilities - full time					
Salaries of teachers	$ 188,478	$ (15,748)	$ 172,730	$ 172,730	
Other salaries for instruction	194,735	(189)	194,546	179,575	$ 14,971
General supplies	1,200		1,200	740	460
Total preschool disabilities-full-time	384,413	(15,937)	368,476	353,045	15,431
Home Instruction:					
Salaries of teachers	130,000	(5,250)	124,750	86,719	38,031
Purchased professional-educational services	50,000	(4,750)	45,250	45,250	
Total home instruction	180,000	(10,000)	170,000	131,969	38,031
Total special education - instruction	7,269,355	53,197	7,322,552	7,045,952	276,600
Basic skills/remedial - Instruction:					
Salaries of Teachers	1,458,803	88,301	1,547,104	1,529,393	17,711
General supplies	7,000	(4,000)	3,000	2,138	862
Total basic skills/remedial - Instruction	1,465,803	84,301	1,550,104	1,531,531	18,573
Bilingual education - Instruction:					
Salaries of teachers	692,939	(52,507)	640,432	637,914	2,518
Other salaries for instruction	13,299	3,278	16,577	15,332	1,245
General supplies	8,300	(1,000)	7,300	4,595	2,705
Total bilingual education - Instruction	714,538	(50,229)	664,309	657,841	6,468
School sponsored co/extra - curricular activities - Instructions:					
Salaries	229,433	550	229,983	229,821	162
Supplies and materials	34,274	(550)	33,724	26,184	7,540
Total school sponsored co/extra - curricular activities - Instruction	263,707		263,707	256,005	7,702
School sponsored athletics - Instruction:					
Salaries	533,982	(6,307)	527,675	518,880	8,795
Purchased services (300-500 Series)	101,143	4,821	105,964	67,243	38,721
Supplies and materials	126,029	40,440	166,469	103,536	62,933
Other objects	48,625	(6,000)	42,625	41,055	1,570
Total school sponsored athletic activities	$ 809,779	$ 32,954	$ 842,733	$ 730,714	$ 112,019

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Before/After School programs:					
Salaries	$ 104,837	$ 6,174	$ 111,011	$ 110,750	$ 261
Supplies and materials		6,100	6,100	5,356	744
Total before/after school programs	104,837	12,274	117,111	116,106	1,005
Total special programs	3,358,664	79,300	3,437,964	3,292,197	145,767
Total instructional programs	37,575,325	(1,055,543)	36,519,782	35,836,566	683,216
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state - regular	396,570	(81,740)	314,830	275,455	39,375
Tuition to other LEAs within the state - special	281,878	427,266	709,144	632,341	76,803
Tuition to CSSD and regular day schools	150,000	(36,792)	113,208	113,208	
Tuition to private schools-disabled within the state	1,232,344	15,030	1,247,374	1,224,418	22,956
Tuition - state facilities	191,224	72,000	263,224	262,610	614
Total undistributed expenditures - instruction	2,252,016	395,764	2,647,780	2,508,032	139,748
Attendance and social work:					
Salaries	2,000	40,237	42,237	42,237	
Purchased professional and technical services	2,000	(1,817)	183		183
Other purchased services (400-500 Series)	2,500		2,500		2,500
Total attendance and Social Work	6,500	38,420	44,920	42,237	2,683
Health services:					
Salaries	567,306	308	567,614	567,614	
Purchased professional and technical services	12,000	(298)	11,702	11,618	84
Other purchased services (400-500 Series)	1,600	(1,600)			
Supplies and materials	16,568	4,376	20,944	20,476	468
Total health services	597,474	2,786	600,260	599,708	552
Other support services - student-related services:					
Salaries	541,470	11,163	552,633	538,673	13,960
Purchased professional - educational services	160,400	67,525	227,925	211,898	16,027
Supplies and materials	4,500		4,500	4,343	157
Total other support services - student-related services	$ 706,370	$ 78,688	$ 785,058	$ 754,914	$ 30,144

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Other support services - student extra services					
Salaries	$ 416,691	$ 11,498	$ 428,189	$ 428,189	
Purchased professional - educational services	450,651	49,566	500,217	338,333	$ 161,884
Supplies and Materials	500		500	302	198
Total other support services - student-extra services	867,842	61,064	928,906	766,824	162,082
Other support services - students - regular:					
Salaries of other professional staff	1,026,433	(7,102)	1,019,331	975,515	43,816
Salaries of secretarial & clerical assistants	96,957	5,568	102,525	98,310	4,215
Purchased professional - educational services	15,500		15,500	14,400	1,100
Other purchased services (400-500 Series)	38,500	(20,244)	18,256	10,657	7,599
Supplies and materials	8,550	(365)	8,185	7,107	1,078
Total other support services - students - regular	1,185,940	(22,143)	1,163,797	1,105,989	57,808
Other support services - students - special:					
Salaries of other professional staff	1,862,767	25,048	1,887,815	1,887,259	556
Salaries of secretarial & clerical assistants	287,444	(18,992)	268,452	268,452	
Purchased professional - educational services	55,000	(16,916)	38,084	28,439	9,645
Other purchased professional and technical services	3,650		3,650	635	3,015
Miscellaneous purchased services (400-500 Series other than residential costs)	5,000		5,000	710	4,290
Supplies and materials	42,965	(5,511)	37,454	20,380	17,074
Other Objects	1,700		1,700	1,372	328
Total other support services - students - special	2,258,526	(16,371)	2,242,155	2,207,247	34,908
Improvement of instructional services:					
Salaries of supervisors of instruction	1,388,071	(12,588)	1,375,483	1,375,483	
Salaries of other professional staff	85,930	(8,549)	77,381	77,381	
Salaries of secretarial & clerical assistants	41,092	(1)	41,091	40,726	365
Other purchased services (400-500 Series)	1,400	1,200	2,600	2,323	277
Total improvement of instructional services	1,516,493	(19,938)	1,496,555	1,495,913	642
Educational media services/school library:					
Salaries	480,392	134,045	614,437	607,460	6,977
Supplies and materials	41,489	900	42,389	40,873	1,516
Total educational media services/school library	$ 521,881	$ 134,945	$ 656,826	$ 648,333	$ 8,493

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Instructional staff training services:					
Salaries of supervisors of instruction	$ 56,265	$ 40,919	$ 97,184	$ 97,184	
Salaries of other professional staff	45,047	(1,288)	43,759	43,409	$ 350
Salaries of secretarial & clerical assistants	81,589	5,311	86,900	86,900	
Purchased professional - educational services	255,990	(112,970)	143,020	76,404	66,616
Other purchased prof. and tech. services	500		500	145	355
Other purchased services (400-500 Series)	23,950	17,123	41,073	20,248	20,825
Supplies and materials	9,000		9,000	7,588	1,412
Other Objects	13,500	(3,836)	9,664		9,664
Total instructional staff training services	485,841	(54,741)	431,100	331,878	99,222
Support services - general administration:					
Salaries	488,167	95,416	583,583	583,545	38
Legal services	152,732	16,586	169,318	165,186	4,132
Audit fee	45,000	38,964	83,964	42,000	41,964
Architects/Engineering services		67,667	67,667	65,980	1,687
Other purchased professional services	11,900	3,580	15,480	11,090	4,390
Purchased technical services	29,500		29,500	26,119	3,381
Communications/telephone	245,343	(69,774)	175,569	143,571	31,998
BOE other purchased services	17,415	(6,364)	11,051	8,773	2,278
Other purchased services (400-500)	36,417	(3,100)	33,317	29,143	4,174
General supplies	20,620	4,470	25,090	16,802	8,288
BOE membership dues and fees	29,000		29,000	27,801	1,199
Total support services - general administration	1,076,094	147,445	1,223,539	1,120,010	103,529
Support services - school administration:					
Salaries of principals/assistant principals	1,668,446	72,553	1,740,999	1,740,649	350
Salaries of other professional staff	137,903	53,619	191,522	116,323	75,199
Salaries of secretarial and clerical assistants	792,389	(195,276)	597,113	596,952	161
Purchased professional and technical services		6,500	6,500	6,500	
Other purchased services (400-500 Series)	1,850	100	1,950	698	1,252
Supplies and materials	37,687	10,226	47,913	33,519	14,394
Other objects	1,850	(12)	1,838	1,295	543
Total support services - school administration	$ 2,640,125	$ (52,290)	$ 2,587,835	$ 2,495,936	$ 91,899

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Central services:					
Salaries	$ 591,035	$ (79,993)	$ 511,042	$ 496,507	$ 14,535
Purchased technical services	11,900	1,301	13,201	13,201	
Miscellaneous purchased services (400-500 Series)	2,500		2,500	1,578	922
Supplies and materials	9,700		9,700	5,220	4,480
Other Objects	5,045		5,045	2,501	2,544
Total central services	620,180	(78,692)	541,488	519,007	22,481
Admin. Info. technology:					
Salaries	567,782	(24,288)	543,494	542,081	1,413
Purchased technical services	171,770	19,553	191,323	189,571	1,752
Other purchased services (400-500 Series)	3,000	(630)	2,370	1,274	1,096
Supplies and materials	39,000	2,804	41,804	41,564	240
Total admin. Info. technology	781,552	(2,561)	778,991	774,490	4,501
Required maintenance for school facilities:					
Salaries	925,664	24,228	949,892	949,892	
Cleaning, repair and maintenance services	267,720	33,521	301,241	292,089	9,152
General supplies	101,433	156,709	258,142	255,007	3,135
Total required maintenance for school facilities	1,294,817	214,458	1,509,275	1,496,988	12,287
Other operation and maintenance of plant:					
Salaries	1,869,361	2,535	1,871,896	1,871,539	357
Salaries of non-instructional aids	462,926	102,422	565,348	565,348	
Custodial Salaries		258	258	258	
Cleaning, repair and maintenance services	29,000	20,308	49,308	47,078	2,230
Other purchased property services	141,713	(21,269)	120,444	102,422	18,022
Insurance	437,642	66,030	503,672	503,436	236
Travel	2,000		2,000	708	1,292
Miscellaneous purchased services	2,000	(2,000)			
General supplies	251,100	6,156	257,256	249,935	7,321
Energy (Natural Gas)	400,000	7,450	407,450	344,812	62,638
Energy (Electricity)	1,745,993	204,427	1,950,420	1,924,656	25,764
Other Objects	5,000	(5,000)			
Total other operation and maintenance of plant	5,346,735	381,317	5,728,052	5,610,192	117,860
Total operation and maintenance of plant services	$ 6,641,552	$ 595,775	$ 7,237,327	$ 7,107,180	$ 130,147

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Care and upkeep of grounds					
Salaries	$ 195,517	$ 19,481	$ 214,998	$ 214,998	
General supplies	9,500	(516)	8,984	8,045	$ 939
Total care and upkeep of grounds	205,017	18,965	$ 223,982	$ 223,043	$ 939
Security:					
Salaries	290,750	35,701	326,451	326,451	
General supplies	5,000	65,714	70,714	62,327	8,387
Total security	295,750	101,415	397,165	388,778	8,387
Student transportation services:					
Salaries of Pupil transportation (between home and school) - regular	278,550	47,803	326,353	325,903	450
Salaries of Pupil transportation (between home and school) - special education	405,884	61,968	467,852	467,852	
Other purchased professional and technical services	13,155	(3,500)	9,655	8,765	890
Cleaning, repair and maintenance services	21,000	(2,600)	18,400	17,343	1,057
Contracted services (between home and school) - vendors	1,541,486	91,720	1,633,206	1,629,094	4,112
Contracted services (other than between home and school) - vendors	341,945	25,240	367,185	333,845	33,340
Contracted services (between home and school) - joint agreements	256,280	(7,597)	248,683	224,926	23,757
Contracted services (special education students) - vendors	1,118,193	(134,302)	983,891	917,125	66,766
Contracted services - aid in lieu of payments - nonpublic schools	178,360	(11,524)	166,836	166,820	16
Travel	1,100		1,100	662	438
Supplies and Materials	176,310	8,776	185,086	184,494	592
Miscellaneous expenditures	4,048	(302)	3,746	3,548	198
Total student transportation services	4,336,311	75,682	4,411,993	4,280,377	131,616
Unallocated benefits - Employee benefits:					
Social security contribution	956,000	55,024	1,011,024	1,011,024	
Other retirement contributions - regular	1,000,000	(88,275)	911,725	910,483	1,242
Workmen's compensation	459,110		459,110	425,921	33,189
Health benefits	14,895,626	(1,023,790)	13,871,836	13,428,666	443,170
Tuition reimbursement	100,000		100,000	99,992	8
Other employee benefits	161,200	261,265	422,465	418,405	4,060
Unemployment compensation		87,893	87,893	87,015	878
Total unallocated benefits	$ 17,571,936	$ (707,883)	$ 16,864,053	$ 16,381,506	$ 482,547

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
On behalf - TPAF - Pension Contribution (Non-budgeted)				$ 1,522,303	$ (1,522,303)
On behalf - TPAF - Post Retirement Medical (Non-budgeted)				2,496,004	(2,496,004)
Reimbursed TPAF social security contributions (Non-budgeted)				2,782,721	(2,782,721)
Total on behalf - Contributions				6,801,028	(6,801,028)
Total personal services - employee benefits	$ 17,571,936	$ (707,883)	$ 16,864,053	23,182,534	(6,318,481)
Total undistributed expenditures	44,567,400	696,330	45,263,730	50,552,430	(5,288,700)
TOTAL EXPENDITURES - CURRENT EXPENSE	82,142,725	(359,213)	81,783,512	86,388,996	(4,605,484)
CAPITAL OUTLAY:					
Equipment:					
Undistributed expenditures:					
Instruction		435,194	435,194	433,011	2,183
Support services - students - special	8,100	(8,100)			
Admin info tech	100,000	423,580	523,580	522,041	1,539
School fac equipment		309,044	309,044	237,747	71,297
School buses - regular		57,000	57,000		57,000
Total equipment	108,100	1,216,718	1,324,818	1,192,799	132,019
Facilities acquisition and construction services:					
Other purchased professional and technical services	35,000	298,306	333,306	278,008	55,298
Construction services	106,900	6,209,167	6,316,067	3,773,391	2,542,676
Land and Improvements	54,500	5,000	59,500	56,860	2,640
Assessment for Debt Service on SDA Funding	263,945		263,945	263,945	
Total facilities acquisition and construction services	460,345	6,512,473	6,972,818	4,372,204	2,600,614
TOTAL EXPENDITURES - CAPITAL OUTLAY	568,445	7,729,191	8,297,636	5,565,003	2,732,633
TOTAL GENERAL FUND EXPENDITURES	$ 83,272,665	$ 7,644,527	$ 90,917,192	$ 92,763,792	$ (1,846,600)
Excess/(deficiency) of revenues over/(under) expenditures	$ (521,945)	$ (7,644,527)	$ (8,166,472)	$ (2,500,486)	$ (5,665,986)

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Other financing sources/(uses):					
Operating Transfers in/(out)					
Capital projects fund interest earned				$ 404	$ (404)
Total other financing sources/(uses)				404	(404)
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing sources/(uses)	$ (521,945)	$ (7,644,527)	$ (8,166,472)	$ (2,500,082)	$ 5,666,390
Fund balance, July 1	11,426,189		11,426,189	11,426,189	
Fund balance, June 30	$ 10,904,244	$ (7,644,527)	$ 3,259,717	$ 8,926,107	$ 5,666,390

Capital Reserve Fund balance appropriated per budget	$ 318,445
Maintenance Reserve appropriated per budget	203,500
	$ 521,945

Detail of budget transfers:	
Committed for year-end encumbrances	$ 4,230,138
Capital Reserve Appropriationed	3,244,418
Fund Balance Appropriated - PY Nonpublic and Extraordinary Aid	169,971
	$ 7,644,527

Recapitulation of fund balance:	
Committed for year-end encumbrances	$ 2,814,143
Restricted:	
Maintenance Reserve	772,967
Emergency Reserve	467,000
Capital Reserve	2,847,899
Unassigned	2,024,098
	$ 8,926,107
Reconciliation to governmental funds statements (GAAP):	
Less: Last Two (2) State Aid Payments not recognized on GAAP basis	1,087,333
Fund balance per governmental funds (GAAP)	$ 7,838,774

Exhibit C-2

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	$ 1,802,547	$ 927,997	$ 2,730,544	$ 2,129,465	$ 601,079
State Sources	22,098	15,106	37,204	32,687	4,517
Local Sources	35,143	105,360	140,503	122,154	18,349
Total Revenues	$ 1,859,788	$ 1,048,463	$ 2,908,251	$ 2,284,306	$ 623,945
EXPENDITURES:					
Instruction:					
Salaries of Teachers	$ 475,633	$ 449,988	$ 925,621	$ 591,114	$ 334,507
Salaries of Other professional staff	16,072	448	16,520	14,748	1,772
Purchased Professional and Technical Services	18,188	13,577	31,765	23,342	8,423
Other Purchased Services	927,421	32,228	959,649	899,703	59,946
General Supplies	50,636	276,908	327,544	282,389	45,155
Other Objects	5,933	4,872	10,805	8,500	2,305
Total Instruction	$ 1,493,883	$ 778,021	$ 2,271,904	$ 1,819,796	$ 452,108
Support Services:					
Personal Services - Salaries		$ 9,000	$ 9,000	$ 3,781	5,219
Salaries of Supervisors of Instruction	$ 93,152	(5,019)	88,133	83,669	4,464
Salaries of Program Directors	78,000	(25,914)	52,086	52,086	
Salaries Other Professional Staff		4,995	4,995	4,995	$
Personal Services - Employee Benefits	97,110	184,476	281,586	146,983	134,603
Purchased Professional and Technical Services	62,900	127,124	190,024	166,559	23,465
Purchased Property Services	33,343	(33,343)			
Other Purchased Services	1,400	7,103	8,503	4,417	4,086
Supplies and Materials		2,020	2,020	2,020	
Total Support Services	$ 365,905	$ 270,442	$ 636,347	$ 464,510	$ 171,837
Total Expenditures	$ 1,859,788	$ 1,048,463	$ 2,908,251	$ 2,284,306	$ 623,945

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures		General Fund		Special Revenue Fund
Sources/Inflows of Resources:				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1 $	90,263,306	C-2 $	2,284,306
Difference - Budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
June 30, 2013				95,788
June 30, 2014		None		(120,709)
State aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes.				
June 30, 2013		1,073,828		
June 30, 2014				
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(1,087,333)		None
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	B-2 $	90,249,801	B-2 $	2,259,385
Uses/Outflows of Resources:				
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	C-1 $	92,763,792	C-2 $	2,284,306
Difference - Budget to GAAP:				
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.				
June 30, 2013				95,788
June 30, 2014		None		(120,709)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	B-2 $	92,763,792	B-2 $	2,259,385

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

Exhibit E-1

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Total Brought Forward (Exh. E-1a)	Title II 2013-2014 Part A	Title II Part A Carryover	I.D.E.A. Part B 2013-2014 Regular Program	I.D.E.A. Part B Regular Program Carryover	I.D.E.A. Part B 2013-2014 Preschool	I.D.E.A. Part B Preschool Carryover	Title I 2013-2014 Part A	Title I Carryover	Title I 2013-2014 Part D	Title I Part D Carryover	Totals 2014
REVENUES:												
State sources	$ 32,687											$ 32,687
Federal sources	138,461	$ 91,171	$ 10,451	$ 1,160,646	$ 147,040	$ 34,209	$ 3,297	$ 230,928	$ 92,857	$ 4,252	$ 216,153	2,129,465
Local sources	122,154											122,154
Total revenues	$ 293,302	$ 91,171	$ 10,451	$ 1,160,646	$ 147,040	$ 34,209	$ 3,297	$ 230,928	$ 92,857	$ 4,252	$ 216,153	$ 2,284,306
EXPENDITURES:												
Instruction:												
Salaries of teachers	$ 59,502			$ 110,272	$ 46,687			$ 173,060	$ 65,785		$ 135,808	$ 591,114
Salaries of other professional staff	14,748											14,748
Purchased professional and technical services	23,342											23,342
Other purchased services				867,475	32,228							899,703
General supplies	81,122		$ 226	72,914	60,235	$ 34,209	$ 3,297	7,008	20,151		3,227	282,389
Other Objects	8,500											8,500
Total instruction	$ 187,214		226	$ 1,050,661	$ 139,150	$ 34,209	3,297	$ 180,068	$ 85,936		$ 139,035	$ 1,819,796
Support services:												
Personal services - salaries	$ 3,781											$ 3,781
Salaries of Supervisors of Instruction	884	$ 3,821		$ 54,608				$ 20,785		$ 3,571		83,669
Salaries of program director		52,086										52,086
Salaries of other professional staff		4,995										4,995
Personal services-employee benefits	4,774	11,038		23,712	$ 3,586			20,853	$ 5,221	681	$ 77,118	146,983
Purchased professional/technical services	94,863	18,495	$ 10,225	31,665	3,284		$	7,327	700			166,559
Other Purchased professional/technical services	1,786	736				$		1,895				4,417
Supplies and materials					1,020				1,000			2,020
Total support services	$ 106,088	$ 91,171	$ 10,225	$ 109,985	$ 7,890	$	$	$ 50,860	$ 6,921	$ 4,252	$ 77,118	$ 464,510
Total expenditures	$ 293,302	$ 91,171	$ 10,451	$ 1,160,646	$ 147,040	$ 34,209	$ 3,297	$ 230,928	$ 92,857	$ 4,252	$ 216,153	$ 2,284,306

Exhibit E-1a

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Total Brought Forward (Exh. E-1b)	Title III 2013-2014	Title III Carryover	Title III Immigrant Carryover	Perkins Grant	Race To The Top 2013-2014	Nonpublic Textbooks	Totals Carried Forward 2014
REVENUES:								
State sources	$ 30,221						$ 2,466	$ 32,687
Federal sources		$ 49,691	$ 4,928	$ 21,225	$ 17,476	$ 45,141		138,461
Local sources	122,154							122,154
Total revenues	$ 152,375	$ 49,691	$ 4,928	$ 21,225	$ 17,476	$ 45,141	$ 2,466	$ 293,302
EXPENDITURES:								
Instruction:								
Salaries of teachers	$ 7,191	$ 33,958	$ 3,504	$ 14,849				$ 59,502
Salaries of other professional staff	6,428	8,320						14,748
Purchased professional and technical services	23,342							23,342
Other purchased services								
General supplies	61,911	3,159		4,610	$ 8,976		$ 2,466	81,122
Other Objects					8,500			8,500
Total instruction	$ 98,872	$ 45,437	$ 3,504	$ 19,459	$ 17,476		$ 2,466	$ 187,214
Support services:								
Personal services - salaries						$ 3,781		3,781
Salaries of Supervisors of Instruction		$ 884						$ 884
Salaries of program director								
Salaries of other professional staff								
Personal services-employee benefits		3,370	$ 268	1,136				4,774
Purchased professional/technical services	$ 53,503					41,360		94,863
Other Purchased professional/technical services			1,156	630				1,786
Supplies and materials								
Total support services	$ 53,503	$ 4,254	$ 1,424	1,766	$	$ 45,141		$ 106,088
Total expenditures	$ 152,375	$ 49,691	$ 4,928	$ 21,225	$ 17,476	$ 45,141	$ 2,466	$ 293,302

Exhibit E-1b

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

		New Jersey Chapter 226	New Jersey Chapter 192 Auxiliary			New Jersey Chapter 193 Handicapped						
	Nonpublic Technology	Nonpublic Nursing Services	Nonpublic Comp. Education	Nonpublic E.S.L.	Nonpublic Transp.	Nonpublic Suppl. Inst.	Nonpublic Exam. and Class.	Nonpublic Corrective Speech	PSLP	Local Grants	Soil Remediation	Totals Carried Forward 2014
REVENUES:												
State sources	$ 871	$ 3,804	$ 10,100	$ 4,103	$ 728	$ 2,082	$ 1,752	$ 781	$ 6,000			$ 30,221
Federal sources												
Local sources										$ 72,455	$ 49,699	122,154
Total revenues	$ 871	$ 3,804	$ 10,100	$ 4,103	$ 728	$ 2,082	$ 1,752	$ 781	$ 6,000	$ 72,455	$ 49,699	$ 152,375
EXPENDITURES:												
Instruction:												
Salaries of teachers									$ 6,000	$ 1,191		$ 7,191
Salaries of other professional staff										6,428		6,428
Purchased professional and technical services	$ 871		$ 10,100	4,103	$ 728	$ 2,082	$ 1,752	$ 781		2,925		23,342
Other purchased services												
General supplies										61,911		61,911
Other Objects												
Total instruction	871		$ 10,100	$ 4,103	$ 728	$ 2,082	$ 1,752	$ 781	$ 6,000	$ 72,455		$ 98,872
Support services:												
Personal services - salaries												
Salaries of Supervisors of Instruction												
Salaries of program director												
Salaries of other professional staff												
Personal services-employee benefits												
Purchased professional/technical services		$ 3,804									$ 49,699	$ 53,503
Other Purchased professional/technical services												
Supplies and materials									$			
Total support services		3,804								$	$ 49,699	$ 53,503
Total expenditures	$ 871	$ 3,804	$ 10,100	$ 4,103	$ 728	$ 2,082	$ 1,752	$ 781	$ 6,000	$ 72,455	$ 49,699	$ 152,375

CAPITAL PROJECTS FUND

Exhibit F-1

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Project Title/Issue	Original Date	Appropriations	Expenditures to Date: Prior Years	Expenditures to Date: Current Year	Cancellations and Transfers	Unexpended Balance June 30, 2014
Construction of High School Addition and Remodeling	01/22/02	$ 30,490,000	$ 30,447,846		$ 28,565	$ 13,589
High School Soil Remediation	12/13/05	7,391,802	7,129,288	$ 113,160		149,354
		$ 37,881,802	$ 37,577,134	$ 113,160	28,565	$ 162,943

Exhibit F-2

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Revenues	
Interest on investments	$ 404
Total revenues	$ 404
Expenditures	
Legal fees	$ 113,160
Total expenditures	$ 113,160
Excess/(deficiency) of revenues over/(under) expenditures:	$ (112,756)
Other financing sources/(uses):	
Transfer in/(out):	
General fund	(404)
Debt service fund	(28,565)
Net change in fund balance	$ (141,725)
Fund balance, beginning	304,668
Fund balance, ending	$ 162,943
Analysis of Balance:	
Bond proceeds	$ 162,943

Exhibit F-2a

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
CONSTRUCTION OF HIGH SCHOOL ADDITION AND REMODELING
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State sources - SCC Grant	$ 7,840,534		$ 7,840,534	$ 7,840,534
Bond proceeds	22,149,000		22,149,000	22,149,000
Transfer from capital outlay	500,466		500,466	500,466
Total revenues	$ 30,490,000		$ 30,490,000	$ 30,490,000
Expenditures and Other Financing Uses				
Salaries	$ 162,784		$ 162,784	$ 162,784
Employee Benefits	44,895		44,895	44,895
Legal Fees	129,386		129,386	129,386
Purchase Technical Services	238,150		238,150	238,150
Purchase Professional/Technical Services	2,491,054		2,491,054	2,491,054
Other Purchased Services	165		165	165
Construction Services	26,965,301		26,965,301	26,965,301
Supplies and Material	416,111		416,111	416,111
Total expenditures	$ 30,447,846		$ 30,447,846	$ 30,447,846
Transfer to Debt Service Fund		$ 28,565	$ 28,565	$ 28,565
Excess (deficiency) of revenues over/(under) expenditures	$ 42,154	(28,565)	$ 13,589	$ 13,589

Additional project information:

Project Number	202205
Grant Date	11/26/2001
Bond Authorization Date	1/22/2002
Bonds Authorized	$ 22,149,000
Bonds Issued	$ 22,149,000
Original Authorized Cost	$ 29,990,000
Additional Authorized Cost	$ 500,000
Revised Authorized Cost	$ 30,490,000
Percentage Increase over Original Authorized Cost	1.67%
Percentage completion	99.86%
Original target completion date	1/1/2005
Revised target completion date	9/1/2006

Exhibit F-2b

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL SOIL REMEDIATIOIN
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Bond proceeds	$ 7,391,000		$ 7,391,000	$ 7,391,000
Transfer from capital outlay	802		802	802
Total revenues	$ 7,391,802		$ 7,391,802	$ 7,391,802
Expenditures and Other Financing Uses				
Salaries	$ 160,360		$ 160,360	$ 160,360
Employee Benefits	90,687		90,687	90,687
Legal Fees	319,272	$ 113,160	432,432	432,432
Purchase Professional/Technical Services	471,862		471,862	471,862
Other Purchased Services	63,650		63,650	63,650
Construction Services	5,980,406		5,980,406	5,980,406
Supplies and Material	43,051		43,051	43,051
Total expenditures	$ 7,129,288	$ 113,160	$ 7,242,448	$ 7,242,448
Excess (deficiency) of revenues over/(under) expenditures	$ 262,514	$ (113,160)	$ 149,354	$ 149,354

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	12/13/2005
Bonds Authorized	$ 7,391,000
Bonds Issued	$ 7,391,000
Original Authorized Cost	$ 7,391,802
Additional Authorized Cost	
Revised Authorized Cost	$ 7,391,802
Percentage Increase over Original Authorized Cost	
Percentage completion	97.97%
Original target completion date	1/1/2005
Revised target completion date	9/1/2006

PROPRIETARY FUNDS –

ENTERPRISE FUND

(REFER TO EXHIBITS B-4 THROUGH B-7)

FIDUCIARY FUNDS

Exhibit H-1

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Cash Receipts	Cash Disbursements	Balance June 30, 2014
Elementary Schools:				
Judd	$ 15,327	$ 57,027	$ 41,946	$ 30,408
John Adams	6,740	18,165	16,248	8,657
Livingston Park	8,155	39,797	38,485	9,467
Parsons	15,941	33,381	44,656	4,667
Total Elementary Schools	$ 46,162	$ 148,370	$ 141,334	$ 53,198
Middle School:				
Linwood	$ 53,027	$ 60,106	$ 60,441	$ 52,692
Athletic Account	147	8,126	8,273	
Total Middle School	$ 53,174	$ 68,232	$ 68,714	$ 52,692
Senior High School:				
High School	$ 152,337	$ 534,062	$ 437,816	$ 248,582
School Store	729	20,597	18,362	2,964
Athletic Account		47,733	47,733	
Total Senior High School	$ 153,066	$ 602,391	$ 503,911	$ 251,546
Total All Schools	$ 252,402	$ 818,993	$ 713,959	$ 357,436

Exhibit H-2

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
ASSETS				
Cash and Cash Equivalents	$ 549,244	$ 52,820,522	$ 53,271,172	$ 98,595
Total Assets	$ 549,244	$ 52,820,522	$ 53,271,172	$ 98,595
LIABILITIES				
Payroll Deductions and Withholdings	$ 539,931	$ 22,836,480	$ 23,295,887	$ 80,524
Flexible Spending Account	9,313	90,873	82,115	18,071
Net Pay		29,893,170	29,893,170	
Total Liabilities	$ 549,244	$ 52,820,522	$ 53,271,172	$ 98,595

NONCURRENT DEBT

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NONCURRENT DEBT
SCHEDULE OF SERIAL BONDS
AS OF JUNE 30, 2014

Issue	Original Date of Original Issue	Original Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2013	Issued	Retired	Balance June 30, 2014
Elementary Schools and Middle School Additions and Renovations	1/15/2005	24,781,000	1/15/2015	250,000	4.50%	$ 500,000		$ 250,000	$ 250,000
Construction of a New High School (Completion)	3/15/2006	7,391,000	3/15/2015	340,000	4.00%				
			3/15/2016	350,000	4.00%				
			3/15/2017	365,000	4.00%				
			3/15/2018	385,000	4.00%				
			3/15/2019	400,000	4.00%				
			3/15/2020	415,000	4.00%				
			3/15/2021	440,000	4.00%				
			3/15/2022	455,000	4.05%				
			3/15/2023	475,000	4.10%				
			3/15/2024	490,000	4.10%				
			3/15/2025	500,000	4.10%				
			3/15/2026	506,000	4.10%	5,446,000		325,000	5,121,000
2006 Refunding Bonds - (Refunding a Portion of 1997 Bonds)	10/1/2006	18,350,000	2/1/2015	2,610,000	5.00%	5,115,000		2,505,000	2,610,000
2010 Refunding Bonds - (Refunding a Portion of 2002 Bonds)	3/25/2010	17,865,000	7/15/2014	970,000	4.00%				
			7/15/2015	1,695,000	4.00%				
			7/15/2016	1,770,000	4.00%				
			7/15/2017	1,855,000	4.00%				
			7/15/2018	1,940,000	4.00%				
			7/15/2019	2,035,000	4.50%				
			7/15/2020	2,135,000	4.50%				
			7/15/2021	2,250,000	5.00%				
			7/15/2022	2,350,000	5.00%	17,730,000		730,000	17,000,000

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NONCURRENT DEBT
SCHEDULE OF SERIAL BONDS
AS OF JUNE 30, 2014

Issue	Original Date of Original Issue	Original Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2013	Issued	Retired	Balance June 30, 2014
2012 Refunding Bonds - (Refunding a Portion of 2005 Bonds)	5/23/2012	$ 23,540,000	1/15/2015	35,000	2.00%				
			1/15/2016	1,555,000	4.00%				
			1/15/2017	750,000	2.00%				
			1/15/2017	855,000	4.00%				
			1/15/2018	1,645,000	4.00%				
			1/15/2019	1,300,000	2.00%				
			1/15/2019	400,000	4.00%				
			1/15/2020	1,735,000	4.00%				
			1/15/2021	1,795,000	5.00%				
			1/15/2022	1,875,000	5.00%				
			1/15/2023	1,980,000	4.00%				
			1/15/2024	4,530,000	4.00%				
			1/15/2025	4,700,000	4.25%				
						$ 23,185,000		$ 30,000	$ 23,155,000
Total						$ 51,976,000	$ -	$ 3,840,000	$ 48,136,000

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 6,007,891		$ 6,007,891	$ 6,007,891	
Total - Local Sources	$ 6,007,891		$ 6,007,891	$ 6,007,891	
Total Revenues	$ 6,007,891		$ 6,007,891	$ 6,007,891	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	$ 2,170,851		$ 2,170,851	$ 2,170,851	$
Redemption of Principal	3,840,000		3,840,000	3,840,000	
Total Regular Debt Service	$ 6,010,851		$ 6,010,851	$ 6,010,851	$
Total Expenditures	$ 6,010,851		$ 6,010,851	$ 6,010,851	$

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	$ (2,960)		$ (2,960)	$ (2,960)	$
Other Financing Sources/(Uses):					
Transfer from Capital Projects Fund				$ 28,565	$ 28,565
Total Other Financing Sources/(Uses)				$ 28,565	$ 28,565
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	$ (2,960)		$ (2,960)	$ 25,605	$ 28,565
Fund Balance, July 1	114,474		114,474	114,474	
Fund Balance, June 30	$ 111,514		$ 111,514	$ 140,079	$ 28,565
Recapitulation of Excess/(Deficiency) of Revenues Over/(Under) Expenditures:					
Budgeted Fund Balance				$ 25,605	$ 25,605

STATISTICAL TABLES (SECTION)

(UNAUDITED)

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

Contents — **Exhibit**

Financial Trends — **J-1 to J-5**

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

Revenue Capacity — **J-6 to J-9**

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

Debt Capacity — **J-10 to J-13**

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

Demographic and Economic Information — **J-14 & J-15**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

Operating Information — **J-16 to J-20**

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.

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

FINANCIAL TRENDS

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NET POSITION BY COMPONENT
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Invested in capital assets, net of related debt	$ 32,540,154	$ 26,106,641	$ 40,078,361	$ 48,902,070	$ 42,903,858	$ 45,258,337	$ 49,179,658	$ 49,238,774	$ 55,181,838	$ 59,606,188
Restricted	9,076,443	8,720,536	6,388,687	7,672,923	6,809,617	3,774,522	2,698,717	6,070,628	7,137,475	4,728,729
Unrestricted	(1,577,007)	(671,462)	(2,371,869)	(2,176,603)	(1,954,950)	(3,112,579)	(2,494,202)	(1,945,535)		
Total governmental activities net position	$ 40,039,590	$ 34,155,715	$ 44,095,179	$ 54,398,390	$ 47,758,525	$ 45,920,280	$ 49,384,373	$ 53,363,867	$ 62,319,313	$ 64,334,917
Business-type activities										
Invested in capital assets, net of related debt	$ 12,313	$ -	$ 15,209	$ 54,403	$ 52,481	$ 54,654	$ 29,448	$ 42,053	$ 119,144	$ 139,222
Unrestricted	501,289	581,917	675,944	702,718	623,463	602,880	7,369,657	786,711	823,174	992,897
Total business-type activities net position	$ 513,602	$ 581,917	$ 691,153	$ 757,121	$ 675,944	$ 657,534	$ 7,399,105	$ 828,764	$ 942,318	$ 1,132,119
District-wide										
Invested in capital assets, net of related debt	$ 32,552,467	$ 26,106,641	$ 40,093,570	$ 38,463,472	$ 42,956,339	$ 45,312,991	$ 49,209,306	$ 49,280,827	$ 55,300,982	$ 59,745,410
Restricted	9,076,443	8,720,536	6,388,687	7,672,923	6,809,617	3,774,522	2,298,717	6,070,628	7,137,475	4,728,729
Unrestricted	(1,075,718)	(89,545)	(1,695,925)	(1,473,885)	(1,331,487)	(2,509,699)	(1,357,546)	(1,158,824)	823,174	992,897
Total district net position	$ 40,553,192	$ 34,737,632	$ 44,786,332	$ 44,662,510	$ 48,434,469	$ 46,577,814	$ 50,150,477	$ 54,192,631	$ 63,261,631	$ 65,467,036

Source: CAFR Exhibit A-1

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CHANGE IN NET POSITION
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities										
Instruction										
Regular	$ 30,354,520	$ 31,153,558	$ 31,916,456	$ 32,890,197	$ 33,485,533	$ 36,301,673	$ 35,648,397	$ 36,624,290	$ 37,921,983	$ 39,207,495
Special education	5,265,046	6,251,701	6,465,864	6,884,668	7,340,790	8,246,705	9,266,801	9,778,620	10,076,486	10,264,997
Other special education			2,873,018	3,348,669	4,235,344	4,314,135	3,085,874	3,333,878	3,202,706	3,189,618
Other instruction	3,618,637	3,962,609	1,212,118	1,284,816	1,520,120	1,632,581	1,306,892	1,554,490	1,631,826	1,606,666
Support Services:										
Tuition	4,023,507	3,937,701	3,220,811	4,182,922	4,033,613	3,162,045	2,818,109	2,636,129	2,348,908	2,508,032
Student & instruction related services	8,191,174	9,152,561	9,569,890	10,205,367	10,436,840	10,960,787	10,587,389	11,034,746	11,721,237	11,948,893
School Administrative services	2,728,759	2,854,091	3,935,475	3,315,348	2,833,762	3,302,398	3,331,728	3,721,657	1,518,462	1,631,703
General administration	2,344,436	2,988,151	2,815,922	3,752,769	3,487,200	3,875,200	3,655,573	3,485,962	5,377,784	5,520,690
Plant operations and maintenance	6,608,611	7,491,684	8,919,461	9,995,342	10,108,540	10,181,775	10,121,944	9,445,869	9,639,299	11,245,538
Pupil transportation	4,009,339	4,098,576	4,932,925	5,487,348	5,444,094	5,792,096	5,483,252	5,841,954	6,313,663	6,235,929
Other support services	1,049	11,126								
Township interlocal agreement	6,132,819									
Special Schools	3,396	2,900								
Charter Schools	68,165	153,227	217,172	303,978	408,290	416,436	450,170	395,187	583,725	809,793
Scholarships	800	1,200	1,800	1,796	617	297	172	37		
Interest on long-term debt	2,227,161	3,012,194	4,127,619	3,124,152	3,010,253	2,676,629	2,968,672	2,346,157	2,464,283	2,482,388
Unallocated depreciation	367,194	391,878								
Total governmental activities expenses	75,944,613	75,463,157	80,208,531	84,777,372	86,344,996	90,862,757	88,724,973	90,199,176	92,800,362	96,651,742
Business-type activities:										
Food service	1,801,597	1,819,911	1,892,861	2,131,751	2,388,844	2,540,000	2,618,095	2,733,456	2,965,761	2,816,626
School Facilities					304,642	330,186	155,924	204,155	211,707	216,633
Integrated Pre-K					64,159	122,627	109,307	71,048	129,137	277,602
Summer Enrichment					60,439	70,356	63,579	62,070	57,947	49,216
After School										21,768
Adult/community education	238,226	225,660	178,247	170,455						
Data processing	250,534	342,576	222,889	268,664	257,053	127,947				
Total business-type activities expense	2,290,357	2,388,147	2,293,997	2,570,870	3,075,137	3,191,116	2,946,905	3,070,729	3,364,552	3,381,845
Total district expenses	$ 78,234,970	$ 77,851,304	$ 82,502,528	$ 87,348,242	$ 89,420,133	$ 94,053,873	$ 91,671,878	$ 93,269,905	$ 96,164,914	$ 100,033,587

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CHANGE IN NET POSITION
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	$ -	$ -	$ 32,800	$ 126,257	$ 31,491	$ 64,371	$ 109,994	$ 126,875	$ 127,091	$ 75,286
Pupil transportation				33,190	4,537	22,881	47,593	75,991	94,954	134,304
Special schools										
Operating grants and contributions	8,629,317	2,492,360	2,990,912	3,549,773	2,125,668	2,711,376	3,530,067	3,285,633	2,258,008	2,172,056
Capital grants and contributions	7,754,300	-	-	-	-	-				
Total governmental activities program revenues	16,383,617	2,492,360	3,023,712	3,709,220	2,161,696	2,798,628	$ 3,687,654	$ 3,488,699	$ 2,480,053	$ 2,381,646
Business-type activities:										
Charges for services										
Food service	$ 1,202,339	$ 1,206,560	$ 1,224,542	$ 1,315,864	$ 1,448,288	$ 1,446,796	$ 1,407,422	$ 1,352,580	$ 1,325,315	$ 1,367,431
School Facilities					272,556	363,380	250,605	272,090	342,360	343,947
Integrated Pre-K					107,805	144,810	153,946	184,655	214,005	242,922
Summer Enrichment					67,178	64,905	48,880	53,530	45,085	25,165
After School										22,460
Adult/community education	240,915	225,565	190,212	217,415						
Data processing	235,636	382,797	289,731	279,270	125,300					
Operating grants and contributions	595,385	641,540	698,747	824,289	972,833	1,152,815	1,214,623	1,267,360	1,551,341	1,569,720
Total business type activities program revenues	2,274,274	2,456,462	2,403,232	2,636,838	2,993,960	3,172,706	3,075,476	3,130,215	3,478,106	3,571,645
Total district program revenues	$ 18,657,891	$ 4,948,822	$ 5,426,944	$ 6,346,058	$ 5,155,656	$ 5,971,334	$ 6,763,130	$ 6,618,914	$ 5,958,159	$ 5,953,291
Net (Expense)/Revenue										
Governmental activities	$ (59,560,996)	$ (72,970,797)	$ (77,184,819)	$ (81,068,152)	$ (84,183,300)	$ (88,064,129)	$ (85,037,319)	$ (86,710,477)	$ (90,320,309)	$ (94,270,096)
Business-type activities	(16,083)	68,315	109,235	65,968	(81,177)	(18,410)	128,571	59,485	113,554	189,800
Total district-wide net expense	$ (59,577,079)	$ (72,902,482)	$ (77,075,584)	$ (81,002,184)	$ (84,264,477)	$ (88,082,539)	$ (84,908,748)	$ (86,650,991)	$ (90,206,755)	$ (94,080,296)

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CHANGE IN NET POSITION
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues and Other Change in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	$ 51,676,821	$ 54,879,049	$ 60,096,571	$ 62,874,980	$ 63,431,596	$ 62,874,980	$ 65,791,344	$ 67,817,203	$ 69,174,056	$ 70,797,537
Taxes levied for debt service	3,986,290	4,694,732	5,831,755	5,812,720	5,780,296	5,971,725	5,986,596	5,998,781	6,108,985	6,007,891
Unrestricted grants and contributions	11,982,812	12,253,491	15,759,328	16,043,949	16,266,717	15,988,052	14,995,966	17,624,144	19,462,987	19,083,081
MCES receivable	337									
Restricted grants			2,460,632	5,255,645	1,552,085	58,220	36,603			
Tuition Received	35,195	38,476								
Receipt of deferred revenue - state	658,371	679,681								
Investment earnings	551,468	1,426,036	1,814,725	1,061,660	146,860	90,263	39,488	25,131	34,401	34,401
Miscellaneous income	388,818	740,618	527,666	444,357	893,204	832,255	411,526	(34,003)	261,520	212,933
Transfers	358,948	(1,198,564)	633,606	(121,949)	(34,322)	410,389			80,526	149,858
Total governmental activities	$ 69,639,060	$ 73,513,519	$ 87,124,283	$ 91,371,362	$ 88,036,436	$ 86,225,884	$ 87,261,523	$ 91,631,256	$ 95,122,475	$ 96,285,701
Business-type activities:										
Prior year accounts payable canceled	$ 6,708									
Total business-type activities	$ 6,708	-	-	-	-	-				
Total district-wide	$ 69,645,768	$ 73,513,519	$ 87,124,283	$ 91,371,362	$ 88,036,436	$ 86,225,884	$ 87,261,523	$ 91,631,256	$ 95,122,475	$ 96,285,701
Change in Net Position										
Governmental activities	$ 10,078,064	$ 542,722	$ 9,939,464	$ 10,303,210	$ 3,853,136	$ (1,838,245)	$ 2,224,204	$ 4,920,779	$ 4,802,166	$ 2,015,605
Business-type activities	(9,375)	68,315	109,235	65,968	(81,177)	(18,410)	128,571	59,486	113,554	189,800
Total district	$ 10,068,689	$ 611,037	$ 10,048,699	$ 10,369,178	$ 3,771,959	$ (1,856,655)	$ 2,352,775	$ 4,980,265	$ 4,915,720	$ 2,205,405

Source: CAFR Exhibit A-2

Exhibit J-3

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

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	$ 867,646	$ 836,069	$ 5,488,141	$ 7,555,805	$ 6,634,501	$ 3,729,697	$ 2,253,889	$ 5,680,545	$ 8,630,138	$ 6,846,612
Unreserved	949,407	1,307,176	2,117,992	1,447,042	1,822,281	723,672	1,787,523	1,617,229	1,722,223	992,161
Total general fund	$ 1,817,053	$ 2,143,245	$ 7,606,133	$ 9,002,847	$ 8,456,782	$ 4,453,369	$ 4,041,412	$ 7,297,774	$ 10,352,361	$ 7,838,773
All Other Governmental Funds										
Reserved	$ 12,027,709	$ 1,978,576	$ 27,631,459	$ 7,345,109	$ 418,197	$ 127,228	$ 1,839,954	$ 394,535	$ 2,960	$ 111,514
Unreserved, reported in:										
Special revenue fund	(20,072)	(20,072)	(8,708)	(24,980)	-					
Capital projects fund	32,922,181	35,069,813	4,581,018	1,571,895	1,575,595	893,305	762,502	390,083	304,668	162,943
Debt service fund	229,714	76,901	178,445	178,659	7,761	8,095	12,547	2,961	111,514	28,565
Permanent fund	43,750	44,450	44,868	44,771	44,782	44,825	44,828	44,838		
Total all other governmental funds	$ 45,203,282	$ 37,149,668	$ 32,427,082	$ 9,115,454	$ 2,046,335	$ 1,073,453	$ 2,659,831	$ 832,417	$ 419,142	$ 303,022

Source: CAFR Schedule B-1

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

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Tax levy	$ 55,663,111	$ 59,573,781	$ 65,928,326	$ 68,687,700	$ 69,211,892	$ 68,846,705	$ 71,777,940	$ 73,816,484	$ 75,263,041	$ 76,805,428
Tuition charges	35,195	38,476	32,800	126,257	31,491	64,371	109,994	126,875	127,091	75,286
Transportation charges						22,881	47,593	75,991	94,954	134,304
Interest earnings	551,469	1,426,036	1,375,979	715,242	49,357	90,263	38,453	19,608	6,862	5,769
Miscellaneous	6,522,475	687,420	1,588,097	1,317,914	995,244	832,255	490,662	223,436	272,108	363,675
State sources	20,064,895	12,901,312	19,631,567	17,284,802	16,560,907	16,084,758	15,609,020	16,550,079	19,406,805	18,951,157
Federal sources	2,169,052	1,844,540	1,953,884	1,814,971	1,831,478	2,614,669	3,467,340	3,708,611	2,364,625	2,181,863
Total revenue	85,006,197	76,471,565	90,510,653	89,946,886	88,680,369	88,555,902	91,741,002	94,521,084	97,555,486	98,517,482
Expenditures										
Instruction										
Regular Instruction	22,394,099	22,726,346	23,694,918	24,732,021	25,865,910	26,661,628	25,428,332	25,589,520	26,138,451	27,345,502
Special education instruction	3,895,449	4,430,385	4,761,479	5,073,551	5,608,099	5,947,877	6,498,827	6,662,010	6,826,261	7,045,952
Other special instruction	1,867,737	1,986,734	2,116,214	2,471,562	3,235,650	3,111,539	2,164,130	2,276,291	2,169,656	2,189,372
Other instruction	821,293	856,994	892,567	946,159	1,161,317	1,177,487	916,526	1,053,998	1,105,472	1,102,825
Support Services:										
Tuition	4,023,507	3,871,045	3,220,811	4,182,922	4,033,613	3,162,045	2,818,109	2,636,129	2,348,908	2,508,032
Student & inst. related services	6,283,387	6,816,430	7,215,115	7,706,970	7,954,700	7,897,928	7,528,989	7,702,323	8,060,308	8,278,014
General administration	882,767	1,217,655	959,350	943,391	710,431	946,033	865,159	1,033,625	1,028,674	1,120,010
School administrative services	2,656,830	2,755,317	2,897,835	2,759,876	2,664,095	2,794,960	2,563,661	2,556,472	2,459,455	2,495,936
Central services	737,057	818,826	849,247	1,100,994	1,090,704	957,052	928,882	632,660	586,778	519,007
Admin. information technology	259,182	260,191	265,269	402,191	363,757	478,746	576,108	728,284	596,918	774,490
Plant operations and maintenance	5,439,914	5,997,571	6,568,608	7,371,153	7,722,561	7,343,532	7,098,540	6,488,535	6,530,091	7,719,001
Pupil transportation	3,796,323	3,771,709	3,632,616	4,046,311	4,159,092	4,177,508	3,845,416	4,012,942	4,277,157	4,280,377
Other Support Services	1,049									
Employee benefits	13,470,206	15,390,496	17,261,663	18,204,253	16,702,454	19,351,600	20,712,880	22,410,920	24,138,367	23,269,863
Special Schools	3,396	2,900								
Charter Schools	68,165	153,227	217,172	303,978	408,290	416,436	450,170	395,187	583,725	809,793
Bond sale contributions		11,929								
Scholarships	800	1,200	1,800	1,796	617	297	172	37		
North Brunswick township aid	6,159,964									
Capital outlay	7,481,602	16,273,518	14,463,998	25,796,677	8,590,263	3,135,604	3,503,525	3,224,644	1,627,063	5,678,163
Debt service:										
Principal	1,750,985	1,915,000	2,733,000	2,650,000	2,895,000	3,030,000	3,360,000	3,375,000	4,000,000	3,840,000
Interest and other charges	2,227,161	3,012,194	3,014,082	3,167,995	3,058,464	2,941,726	2,626,596	2,631,875	2,013,323	2,170,851
Total expenditures	84,220,873	92,269,667	94,965,744	111,861,800	96,225,017	93,532,198	91,886,022	93,410,452	94,490,607	101,147,188
Excess (Deficiency) of revenues over (under) expenditures	785,324	(15,798,102)	(4,455,091)	(21,914,914)	(7,544,648)	(4,976,296)	(145,020)	1,110,632	3,064,879	(2,629,706)

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

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other Financing sources (uses)										
Proceeds from borrowing	24,781,000	7,391,000								
Receipt of deferred revenue - state	658,371	679,681								
Capital leases (non-budgeted)			5,185,344							
Proceeds from refunding			10,048				4,452		11,399	
Cancellation of Capital Projects - Local Share					(70,536)					
Scholarship Refund to Donor									(44,883)	
Transfers in	665,343	1,202,983					1,314,990		35	28,968
Transfers out	(410,461)	(1,202,983)					(1,314,990)		(35)	(28,968)
Total other financing sources (uses)	25,694,253	8,070,681	5,195,392	-	(70,536)	-	4,452	-	(33,484)	-
Net change in fund balances	$ 26,479,577	$ (7,727,421)	$ 740,301	$ (21,914,914)	$ (7,615,184)	$ (4,976,296)	$ (140,568)	$ 1,110,632	$ 3,031,395	$ (2,629,706)
Debt service as a percentage of noncapital expenditures	5.18%	6.48%	7.14%	6.76%	6.79%	6.61%	6.77%	6.66%	6.48%	6.30%

Source: CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.
Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.
Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

Exhibit J-5

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

Fiscal Year Ending June 30,	Refund of Prior Years Expenditures	Tuition	Interest on Investments	Miscellaneous	Annual Totals
2005	$ 225,682	$ 35,195	$ 140,101	$ 135,992	$ 536,970
2006	309,258	38,476	221,553	122,945	692,232
2007	262,791	32,800	438,746	252,746	987,083
2008	97,419	126,257	346,418	380,127	950,221
2009	291,443	48,780	97,503	174,647	612,373
2010	504,340	64,371	67,293	103,102	739,106
2011	143,994	109,994	37,540	258,415	549,943
2012	72,875	126,975	19,608	146,451	365,909
2013	68,139	127,091	27,619	217,069	439,918
2014	108,763	75,286	30,211	236,887	451,147

Source: District records

REVENUE CAPACITY

Exhibit J-6

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities [a]	Tax-Exempt Property	Net Valuation	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate[b]
2005	70,297,000	1,478,975,000	1,785,100	171,000	362,024,400	350,466,700	173,989,300	2,457,728,500	4,297,309	384,717,600	2,846,743,409	3,960,883,965	2.420
2006	56,834,800	1,497,001,000	1,795,600	171,000	383,423,900	343,636,200	190,358,700	2,473,221,200	6,183,096	392,182,800	2,871,587,096	3,985,594,198	2.663
2007	55,827,300	1,513,303,500	1,795,600	177,600	379,944,300	351,718,700	204,271,600	2,507,038,600	3,423,961	408,272,300	2,918,734,861	4,631,849,744	2.736
2008	53,099,800	1,519,448,800	1,450,100	171,700	384,945,700	343,012,800	211,278,500	2,513,407,400	6,633,158	410,901,500	2,930,942,058	5,201,463,029	2.750
2009	41,407,900	1,525,090,700	1,450,100	171,700	375,511,700	333,769,100	204,731,400	2,482,132,600	3,351,217	412,207,700	2,897,691,517	5,159,816,933	2.770
2010	34,166,900	1,520,957,300	1,338,600	167,800	366,870,600	320,832,600	201,998,200	2,466,332,200	3,630,868	414,100,000	2,884,063,068	4,944,885,360	2.906
2011	33,009,000	1,521,256,500	1,182,300	101,200	365,961,700	310,746,100	201,412,800	2,453,671,600	3,238,211	421,366,900	2,876,296,711	4,794,235,881	3.005
2012	33,445,900	1,519,468,700	1,182,300	101,200	375,135,100	287,812,700	201,112,800	2,418,258,700	3,329,077	423,253,100	2,844,840,677	4,713,954,776	2.856
2013	29,108,500	1,524,669,700	1,182,400	101,200	368,459,600	263,655,200	201,112,800	2,408,289,400	2,071,600	421,567,100	2,831,928,100	4,350,946,294	3.184
2014	41,203,600	1,535,377,100	1,182,400	36,100	379,262,800	290,745,200	201,554,600	2,449,361,800	2,789,231	417,671,700	2,869,822,731	4,573,448,641	3.204

Source: Municipal Tax Assessor

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

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

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

b Tax rates are per $100 of assessed valuation

Exhibit J-7

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(rate per $100 of assessed value)

	North Brunswick Township School District Direct Rate			Overlapping Rates		
Fiscal Year Ended June 30,	Basic Rate [a]	General Obligation Debt Service [b]	(From J-6) Total Direct School Tax Rate [c]	Municipality of North Brunswick	County of Middlesex	Total Direct and Overlapping Tax Rate
2005	2.250	0.170	2.420	0.850	0.470	3.740
2006	2.423	0.240	2.663	0.894	0.520	4.077
2007	2.505	0.231	2.736	0.944	0.552	4.232
2008	2.521	0.229	2.750	1.004	0.597	4.351
2009	2.530	0.240	2.770	1.054	0.619	4.443
2010	2.664	0.242	2.906	1.109	0.504	4.619
2011	2.762	0.243	3.005	1.093	0.602	4.700
2012	2.603	0.253	2.856	1.105	0.643	4.604
2013	2.935	0.249	3.184	1.224	0.695	5.103
2014	2.950	0.254	3.204	1.245	0.741	5.190

Source: Municipal Tax Collector

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

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.
c Tax rates are per $100 of assessed valuation.

Exhibit J-8

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

	2014			2004		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
ER Squibb & Sons Inc.	$ 148,680,300	1	6.06%	$ 130,326,300	1	5.50%
Kimco North Brunswick 617 Inc.	33,000,000	2	1.35%			
Sodowick S. Etals c/o No. Vill Assn.	29,900,000	3	1.22%			
North Brunswick Tod Associates LLC	29,448,400	4	1.20%			
Commerce GR NB LLC	27,270,000	5	1.11%			
Kaplan Associates LLC	26,000,000	6	1.06%			
Maebrook at Renaissance LLC	23,515,600	7	0.96%			
North Brunswick Manor LLC	23,441,800	8	0.96%			
Levin Properties LLC	21,000,000	9	0.86%			
Renaissance Terrace LLC	19,000,000	10	0.77%			
Renaissance at North Brunswick				53,943,300	2	2.24%
Johnson & Johnson				50,764,800	3	2.10%
Kimco, North Brunswick				41,500,000	4	1.72%
Wilton Partners				29,673,000	5	1.23%
Kaplan, Michael & Morris				29,384,500	6	1.22%
Brunswick Manor Associates				27,048,000	7	1.12%
Levin Properties LLC				23,267,400	8	0.96%
First Fidelity				21,684,000	9	0.90%
Olivia Reality LLC				16,500,000	10	0.68%
Total	$ 381,256,100		15.55%	$ 424,091,300		17.67%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy[a]		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	$ 92,046,504	$ 91,204,108	99.08%	$ 842,396
2006	97,633,107	97,449,207	99.81%	183,900
2007	108,596,104	108,432,687	99.85%	600,661
2008	109,315,152	109,262,161	99.95%	81,726
2009	111,802,306	111,308,521	99.56%	N/A
2010	111,491,046	111,393,791	99.91%	N/A
2011	116,080,734	115,983,210	99.92%	N/A
2012	120,744,776	120,218,424	99.56%	N/A
2013	123,267,695	122,910,122	99.71%	N/A
2014	125,871,013	125,466,068	99.68%	N/A

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

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

DEBT CAPACITY

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

	Governmental Activities				Business-Type Activities			
Fiscal Year Ended June 30,	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of Personal Income [a]	Per Capita [a]
2005	$ 68,738,000	-	$ 53,200	$ -	$ -	$ 68,791,200	6.17%	1,821
2006	74,214,000	-	-	-	-	74,214,000	6.57%	1,936
2007	71,411,000	-	4,368,565	-	-	75,779,565	6.71%	1,911
2008	68,761,000	-	3,327,385	-	-	72,088,385	6.40%	1,817
2009	65,866,000	-	2,244,434	-	-	68,110,434	6.05%	1,721
2010	62,502,000	-	1,151,635	-	-	63,653,635	5.61%	1,580
2011	59,142,000	-		-	-	59,142,000	4.40%	1,461
2012	55,976,000					55,976,000	4.16%	1,387
2013	51,976,000					51,976,000	3.83%	1,261
2014	48,136,000					48,136,000	3.55%	1,170

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

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

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

	General Bonded Debt Outstanding				
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
2005	$ 68,738,000	$ -	$ 68,738,000	2.41%	$ 1,768
2006	74,214,000	-	74,214,000	2.58%	1,896
2007	71,411,000	-	71,411,000	2.45%	1,780
2008	68,761,000	-	68,761,000	2.31%	1,733
2009	65,866,000	-	65,866,000	2.27%	1,735
2010	62,502,000	-	62,502,000	2.15%	1,580
2011	59,142,000	-	59,142,000	2.15%	1,461
2012	55,976,000		55,976,000	1.96%	1,387
2013	51,976,000		51,976,000	1.83%	1,261
2014	48,136,000		48,136,000	1.67%	1,170

Notes:

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

a See Exhibit J-6 for property tax data.

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

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2014
(UNAUDITED)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Township of North Brunswick	$ 60,776,429	100.000%	$ 60,776,429
County of Middlesex	609,704,171	4.7679%	29,070,085
Subtotal, overlapping debt			$ 89,846,514
Township of North Brunswick District Direct Debt			
Bonds Issued	48,136,000.00		
Bonds and Notes Authorized but Not Issued	1,200,000.00		49,336,000
Total direct and overlapping debt			$ 139,182,514

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

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

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

Exhibit J-13

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

Legal Debt Margin Calculation for Fiscal Year 2014

	Equalized valuation basis	
	2013	4,455,669,565
	2012	4,358,793,800
	2011	4,782,985,575
		$ 13,597,448,940
Average equalized valuation of taxable property		$ 4,532,482,980
Debt limit (4 % of average equalization value)		181,299,319 a
Total Net Debt Applicable to Limit		49,336,000
Legal debt margin		$ 131,963,319

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	$ 129,663,816	$ 143,335,829	$182,148,022	$198,903,392	$ 203,952,560	$ 203,952,560	$ 199,506,495	$ 192,878,596	$ 185,942,650	$ 181,299,319
Total net debt applicable to limit	68,738,000	74,214,000	71,411,000	69,961,000	69,961,000	63,702,000	60,342,000	57,176,000	53,176,000	49,336,000
Legal debt margin	$ 60,925,816	$ 69,121,829	$110,737,022	$128,942,392	$ 133,991,560	$ 140,250,560	$ 139,164,495	$ 135,702,596	$ 132,766,650	$ 131,963,319
Total net debt applicable to the limit as a percentage of debt limit	53.01%	51.78%	39.20%	35.17%	34.30%	31.23%	30.25%	29.64%	28.60%	27.21%

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 NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Exhibit J-14

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

Year	Population [a]	Personal Income [b]	Per Capita Personal Income [c]	Unemployment Rate [d]
2005	39,156	1,113,244,236	28,431	3.70%
2006	39,673	1,127,943,063	28,431	4.20%
2007	39,673	1,127,943,063	28,431	4.20%
2008	39,673	1,127,943,063	28,431	3.70%
2009	39,586	1,125,469,566	28,431	4.80%
2010	39,586	1,125,469,566	28,431	8.30%
2011	40,742	1,342,204,448	32,944	9.40%
2012	40,961	1,349,419,184	32,944	9.20%
2013	41,218	1,357,885,792	32,944	8.10%
2014	41,153	1,355,744,432	32,944	6.10%

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 presented.

[c] Per capita personal income by municipality estimated based upon the 2000 Census for 2005-2010 and 2010 census for 2011-2014 published by the US Bureau of Economic Analysis.

[d] Unemployment data provided by the NJ Dept of Labor and Workforce Development

Exhibit J-15

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

	2014		2005	
Employer	**Employees**	**Rank**	**Employees**	**Rank**
ER Squibb and Sons	N/A	1	N/A	
Kimco North Brunswick 617 Inc	N/A	2	N/A	
Sodowick S. Etals cia No. Vill. Assn.	N/A	3	N/A	
Kaplan Assoc. LLC	N/A	4	N/A	
Maebrook at Renaissance	N/A	5	N/A	
Levin Properties LLC	N/A	6	N/A	
Ranaissance Terrace LLC	N/A	7	N/A	
North Brunswick manor LLC	N/A	8	N/A	
Commerce CTR NB LLC % Prestice Inc.	N/A	9	N/A	
Brunswick Circle Developers	N/A	10	N/A	
	N/A		N/A	

Source: 2006 General Obligation Bond Sale - Official Statement
* Township no longer collecting data

OPERATING INFORMATION

Exhibit J-16

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

Function/Program		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction											
	Regular	461	462	505	510	417	463	388	402	402	405
	Special education	1	9	12	14	115	131	157	164	164	178
	Other special education	-	-	-	-	-	-				
Support Services:											
	Student & instruction related services	120	131	121	121	134	162	96	112	112	131
	General administration	3	4	2	3	2	3	2	4	4	5
	School administrative services	36	36	36	36	37	36	31	31	31	27
	Other administrative services	-	-	-	-	-	-				
	Central services	11	11	12	13	14	12	15	9	9	8
	Administrative Information Technology	4	4	5	5	5	7	8	8	8	11
	Plant operations and maintenance	88	81	77	77	103	104	96	85	85	102
	Pupil transportation	23	24	32	33	26	30	26	29	29	31
	Other support services	1	-	-	-	-	-	21	4	4	-
Total		748	762	802	812	853	948	840	848	848	898

Source: District Personnel Records

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

						Pupil/Teacher Ratio			Attendance			
Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil [d]	Percentage Change	Teaching Staff [b]	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
2005	5,579	72,761,125	13,042	25.18%	505	1:13.4	1:11.7	1:12.3	5,467.4	5,358.1	3.47%	98.00%
2006	5,521	71,068,955	12,872	-1.30%	411	1:13.3	1:12	1:13.9	5,391.6	5,283.8	-1.39%	98.00%
2007	5,603	74,754,664	13,342	3.65%	469	1:12.1	1:10.7	1:11.6	5,446.9	5,338.0	1.03%	98.00%
2008	5,517	80,245,332	14,545	9.02%	541	1:11.9	1:10.5	1:12	5,513.0	5,402.7	1.21%	98.00%
2009	5,662	81,680,673	14,426	-0.82%	550	1:10.5	1:10.2	1:11	5,667.4	5,554.1	2.80%	98.00%
2010	5,521	84,424,571	15,292	6.00%	575	1:10.6	1:10.4	1:11	5,824.9	5,372.0	2.80%	92.22%
2011	5,886	82,395,729	13,999	-0.11%	539	1:10.7	1:10.5	1:11.2	5,947.1	5,545.4	4.81%	93.25%
2012	5,968	81,746,641	13,697	-2.15%	500	1:12.6	1:11.3	1:11.8	6,040.6	5,662.4	1.57%	93.74%
2013	6,095	86,850,221	14,249	4.03%	562	1:10.2	1:10.4	1:10.9	6,120.3	5,777.4	1.32%	94.40%
2014	6,141	89,458,174	14,567	2.23%	583	1:10.4	1:10.8	1:10.3	6,162.5	5,828.5	0.69%	94.58%

Sources: District records

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

a Operating expenditures equal total expenditures less debt service, capital outlay and scholarships.
b Teaching staff includes only full-time equivalents of certificated staff.
c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
d Cost per pupil calculated by dividing operating expenditures by enrollment; not intended to represent the statutory calculation of cost per pupil.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHOOL BUILDING INFORMATION
LAST SEVEN (7) FISCAL YEARS
(UNAUDITED)

	2008	2009	2010	2011	2012	2013	2014
District Building							
Elementary							
Judd (1967)							
Square Feet	88,595	88,595	88,595	88,595	88,595	88,595	88,595
Capacity (students)	709	709	709	709	709	709	709
Enrollment	684	594	683	721	737	779	792
John Adams (1961)							
Square Feet	79,257	79,257	79,257	79,257	79,257	79,257	79,257
Capacity (students)	634	634	634	634	634	634	634
Enrollment	561	535	675	703	706	715	725
Livingston Park (1930)							
Square Feet	84,573	84,573	84,573	84,573	84,573	84,573	84,573
Capacity (students)	677	677	677	677	677	677	677
Enrollment	582	568	712	684	793	734	716
Parsons (1965)							
Square Feet	84,079	84,079	84,079	84,079	84,079	84,079	84,079
Capacity (students)	673	673	673	673	673	673	673
Enrollment	611	615	637	649	726	738	771
Middle School							
Linwood (1951)							
Square Feet	204,557	204,557	204,557	204,557	204,557	204,557	204,557
Capacity (students)	1,527	1,527	1,527	1,527	1,527	1,527	1,527
Enrollment	1,264	1,251	1,274	1,317	1,352	1,371	1,341
High School							
North Brunswick High School (1973)							
Square Feet	394,716	394,716	394,716	394,716	394,716	394,716	394,716
Capacity (students)	2,614	2,614	2,614	2,614	2,614	2,614	2,614
Enrollment	1,783	1,749	1,684	1,766	1,725	1,758	1,796
Other							
Athletic Building (1979)							
Square Feet	2,704	2,704	2,704	2,704	2,704	2,704	2,704
Central Administration (1927)							
Square Feet	24,642	24,642	24,642	24,642	24,642	24,642	24,642
Warehouse							
Square Feet	5,376	5,376	5,376	5,376	5,376	5,376	5,376

Number of Buildings at June 30, 2014
- Elementary Schools = 4
- Middle School = 1
- High School = 1
- Other = 3

Source: District Facilities Office
Note: Enrollment is based on the average daily enrollment (ADE).

Exhibit J-19

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF REQUIRED MAINTENANCE
FOR SCHOOL FACILITIES
LAST EIGHT (8) FISCAL YEARS
(UNAUDITED)

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

	* School Facilities Project # (s)	John Adams	Judd	Livingston Park	Parsons	Linwood M.S.	North Brunswick H.S.	Other Facilities	Total
2007	N/A	100,885	96,588	98,044	138,700	237,969	637,639	83,940	1,393,765
2008	N/A	125,154	158,718	112,805	133,464	357,652	898,789	50,984	1,837,566
2009	N/A	145,594	156,110	149,023	148,152	360,442	704,916	43,421	1,707,658
2010	N/A	125,010	134,054	128,073	127,198	309,535	597,335	37,488	1,458,693
2011	N/A	140,047	151,001	153,944	125,259	277,182	548,728	40,450	1,436,610
2012	N/A	109,016	121,943	122,042	144,825	284,249	555,275	45,579	1,382,930
2013	N/A	116,464	124,876	119,207	118,511	288,327	556,361	34,733	1,358,479
2014	N/A	136,974	122,454	130,687	129,939	316,164	610,172	50,598	1,496,988
Total School Facilities		$ 999,144	$ 1,065,745	$ 1,013,825	$ 1,066,048	$ 2,431,520	$ 5,109,215	$ 387,193	$ 12,072,689

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

Source: District records

Exhibit J-20

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
INSURANCE SCHEDULE
JUNE 30, 2014
UNAUDITED

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

Source: District records.

SINGLE AUDIT SECTION

SAMUEL KLEIN AND COMPANY
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Exhibit K-1
Sheet 1 of 2

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance Department, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of North Brunswick Board of Education, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Township of North Brunswick Board of Education's basic financial statements, and have issued our report thereon dated October 7, 2014.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912

SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
October 7, 2014

SAMUEL KLEIN AND COMPANY
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Exhibit K-2
Sheet 1 of 3

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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the Township of North Brunswick Board of Education's compliance with the types of compliance requirements described in *the OMB Circular A-133 Compliance Supplement* and *New Jersey State Aid/Grant Compliance supplement* that could have a direct and material effect on each of District's major federal and state programs for the year ended June 30, 2014. The Township of North Brunswick School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of North Brunswick Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and *New Jersey State Aid/Grant Compliance Supplement*. Those standards, OMB Circular A-133 and New Jersey State Aid/Grant Compliance Supplement require that we plan and perform the audit to obtain reasonable assurance about whether on compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about Township of North Brunswick Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

Opinion on Each Major Federal and State Program

In our opinion, the Township of North Brunswick Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of the Township of North Brunswick Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of North Brunswick Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey State Aid/Grant Compliance Supplement, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of North Brunswick Board of Education's internal control over compliance.

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Township of North Brunswick School District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 7, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, and the schedule of expenditures of state financial assistance by NJOMB 04-04 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

Purpose of Report

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

Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912

SAMUEL KLEIN AND COMPANY

October 7, 2014
Freehold, New Jersey

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Federal Grantor / Pass - Through Grantor / Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	June 30, 2013 Due to Grantor	June 30, 2013 Deferred Revenue	June 30, 2013 (Accounts Receivable)	Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance, June 30, 2014 (Accounts Receivable)	Balance, June 30, 2014 Deferred Revenue	Balance, June 30, 2014 Due to Grantor
U.S. Department of Education:																
General Fund:																
Medical Assistance Program	93.778	N/A	$ 85,202	7/1/2013	6/30/2014					$ 77,282	$ (77,282)					
Education Jobs Fund	84.410	N/A	433,286	9/1/2011	8/31/2012			$ (1,078)		1,078						
Total General Fund								$ (1,078)		$ 78,360	$ (77,282)					
U.S. Department of Education																
Passed - Through State Department of Education:																
Special Revenue Fund:																
Title 1, Part D	84.010A	NCLB-14	$ 179,810	9/1/2013	6/30/2014					$ 3,214	$ (4,252)			$ (1,038)		
Title 1, Part D	84.010A	NCLB-13	234,380	9/1/2012	8/31/2013			$ (2,930.00)		219,083	(216,153)					
Title 1, Part A	84.010A	NCLB-14	525,002	9/1/2013	6/30/2014					273,207	(230,928)	$ (2)			$ 42,277	
Title 1, Part A	84.010A	NCLB-13	575,561	9/1/2012	8/31/2013			(125,426)		202,746	(85,993)	(1,902)		(6,771)		
Title 1, Part A Carryover	84.010A	NCLB-09	576,637	9/1/2011	8/31/2012			(76,316)		83,180	(6,864)					
Title II, Part A Carryover	84.281A	NCLB-13	94,777	9/1/2012	8/31/2013			(21,746)		31,832	(10,451)			(365)		
Title II, Part A	84.281A	NCLB-14	93,992	9/1/2013	6/30/2014					74,167	(91,171)			(17,004)		
Title III, Part A	84.365A	NCLB-13	58,477	9/1/2012	8/31/2013			(8,029)		11,600	(4,928)			(1,157)		
Title III, Part A	84.365A	NCLB-14	54,330	9/1/2013	6/30/2014					43,416	(49,691)			(6,275)		
Title III, Immigrant	84.365A	NCLB-13	60,492	9/1/2012	7/31/2013			(8,533)		29,128	(21,225)			(630)		
I.D.E.A. Part B, Basic	84.027	NCLB-14	1,243,642	9/1/2013	6/30/2014					724,553	(1,160,646)			(436,093)		
I.D.E.A. Part B, Basic Regular	84.027	FT-13	1,357,975	9/1/2012	8/31/2013			(244,602)		217,293	(147,040)			(174,349)		

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

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP , COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Federal Grantor / Pass - Through Grantor / Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	June 30, 2013 Due to Grantor	June 30, 2013 Deferred Revenue	June 30, 2013 (Accounts Receivable)	Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance, June 30, 2014 (Accounts Receivable)	Balance, June 30, 2014 Deferred Revenue	Balance, June 30, 2014 Due to Grantor
U.S. Department of Education (Continued)																
Passed - Through State Department of Education: (Continued)																
Special Revenue Fund: (Continued)																
I.D.E.A. Preschool	84.173	FT-14	34,270	9/1/2013	6/30/2014						$ (34,209)			$ (34,209)		
I.D.E.A. Preschool	84.173	FT-13	38,251	9/1/2012	8/31/2013			(33,394)		$ 23,580	(3,297)			(13,111)		
Perkins Grant	84.243A	N/A	38,753	7/1/2013	6/30/2014						(17,476)			(17,476)		
Perkins Grant	84.243A	N/A	37,960	7/1/2012	6/30/2013			(18,075)		18,076		$ 1		2		
EE4NJ	84.410A	N/A	21,000	9/1/2012	8/31/2013			(21,000)		21,000						
Race to the Top (RTTP)	84.413A	N/A	69,615	7/1/2012	6/30/2013			(12,300)		35,260	(45,141)			(22,181)		
Total Special Revenue Fund								$ (572,351)		$ 2,011,535	$ (2,129,465)	$ (1,903)		$ (730,657)	$ 42,277	
U.S. Department of Agriculture																
Passed-through State Department of Education:																
Enterprise Fund:																
Food Distribution Program	10.550	N/A	$ 193,807	7/1/2012	6/30/2013		$ 20,695				$ (20,695)					
Food Distribution Program	10.550	N/A	199,548	7/1/2013	6/30/2014					199,548	(186,074)				$ 13,474	
School Breakfast Program	10.553	N/A	361,812	7/1/2012	6/30/2013			$ (32,952)		32,952						
School Breakfast Program	10.553	N/A	340,581	7/1/2013	6/30/2014					311,570	(340,581)			(29,011)		
National School Lunch Program	10.555	N/A	936,746	7/1/2012	6/30/2013			(81,848)		81,848						
National School Lunch Program	10.555	N/A	960,215	7/1/2013	6/30/2014					888,066	(960,215)			(72,149)		
National School Lunch Program (PB)	10.555	N/A	34,923	7/1/2013	6/30/2014					32,349	(34,923)			(2,574)		
School Snack Program	10.555	N/A	9,539	7/1/2012	6/30/2013			(788)		788						
School Snack Program	10.555	N/A	6,559	7/1/2013	6/30/2014					6,053	(6,559)			(506)		
Total Enterprise Fund							$ 20,695	$ (115,588)		$ 1,553,174	$ (1,549,047)			$ (104,240)	$ 13,474	
Total Federal Awards							$ 20,695	$ (689,017)		$ 3,643,069	$ (3,755,794)	$ (1,903)		$ (834,697)	$ 55,751	

(1) Equals inventory.

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

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	June 30, 2013 (Accounts Receivable)	June 30, 2013 Due to Grantor	Cash Received	Budgetary (Expenditures)	(Adjustment) Repayment of Prior Year's Balances	Balance, June 30, 2014 (Accounts Receivable)	Balance, June 30, 2014 Due to Grantor	MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
State Department of Education:													
General Fund:													
Categorical Special Education Aid	14-495-034-5120-089	$ 6,681,891	7/1/2013	6/30/2014			$ 3,621,124	$ (3,621,124)				$ 627,624	$ 3,621,124
Equalization Aid	14-495-034-5120-078	516,450	7/1/2013	6/30/2014			6,681,891	(6,681,891)				48,510	6,681,891
Categorical Security Aid	14-495-034-5120-084	3,621,124	7/1/2013	6/30/2014			516,450	(516,450)				340,129	516,450
Transportation Aid	14-495-034-5120-084	427,308	7/1/2013	6/30/2014			427,308	(427,308)				40,137	427,308
Adequacy Aid	14-495-034-5120-083	329,330	7/1/2013	6/30/2014			329,331	(329,331)				30,933	329,331
Extraordinary Special Education Aid	14-100-034-5120-473	513,880	7/1/2013	6/30/2014				(250,000)		$ (513,880)			250,000
Extraordinary Special Education Aid	13-100-034-5120-473	369,944	7/1/2012	6/30/2013	$ (369,944)		369,944						
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	2,782,721	7/1/2013	6/30/2014			2,642,441	(2,782,720)		(140,279)			2,782,720
Reimbursed TPAF Social Security Contributions	13-495-034-5095-002	2,734,442	7/1/2012	6/30/2013	(134,668)		134,668						
Non Public Transportation	14-495-034-5120-014	40,963	7/1/2013	6/30/2014			40,963	(40,963)		(40,963)			40,963
Non Public Transportation	13-495-034-5120-014	50,027	7/1/2012	6/30/2013	(50,027)		50,027						
Total General Fund					$ (554,639)		$ 14,814,147	$ (14,649,787)		$ (695,122)		$ 1,087,333	$ 14,649,787

See Accompanying Notes to Schedules of Financial Assistance.

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	June 30, 2013 (Accounts Receivable)	June 30, 2013 Due to Grantor	Cash Received	Budgetary (Expenditures)	(Adjustment) Repayment of Prior Year's Balances	Balance, June 30, 2014 (Accounts Receivable)	Balance, June 30, 2014 Due to Grantor	MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Textbook Aid	14-100-034-5120-064	$ 3,345	7/1/2013	6/30/2014			$ 3,345	$ (2,466)			$ 879		$ 2,466
Textbook Aid	13-100-034-5120-064	3,910	7/1/2012	6/30/2013		$ 734			$ (734)				
Nursing Services	14-100-034-5120-070	5,636	7/1/2013	6/30/2014			5,636	(3,804)			1,832		3,804
Nursing Services	13-100-034-5120-070	5,427	7/1/2012	6/30/2013		293			(293)				
Technology	13-100-034-5120-373	1,444	7/1/2012	6/30/2013		386			(386)				
Technology	14-100-034-5120-373	1,220	7/1/2013	6/30/2014			1,220	(871)			349		871
Auxiliary Services:													
Compensatory Education	14-100-034-5120-067	10,443	7/1/2013	6/30/2014			10,443	(10,100)			343		10,100
Transportation	14-100-034-5120-068	728	7/1/2013	6/30/2014			728	(728)					728
ESL	14-100-034-5120-069	4,103	7/1/2013	6/30/2014			4,103	(4,103)					4,103
Handicapped Services:													
Examination and Classification	14-100-034-5120-066	2,866	7/1/2013	6/30/2014			2,866	(1,752)			1,114		1,752
Supplemental Instruction	13-100-034-5120-066	2,151	7/1/2012	6/30/2013	$ (69)		69						
Supplemental Instruction	14-100-034-5120-067	2,082	7/1/2013	6/30/2014			2,082	(2,082)					2,082
Corrective Speech	14-100-034-5120-066	781	7/1/2013	6/30/2014			781	(781)					781
Corrective Speech	12-100-034-5120-066	790	7/1/2011	6/30/2012		790			(790)				
Personalized Student Learning Pilot	99999999	7,792	7/1/2012	6/30/2013	(5,250)		5,250						
Personalized Student Learning Pilot	99999999	6,000	7/1/2013	6/30/2014			569	(6,000)		(5,431)			6,000
Total Special Revenue Fund					$ (5,319)	$ 2,203	$ 37,092	$ (32,687)	$ (2,203)	$ (5,431)	$ 4,517		$ 32,687
State Department of Agriculture													
Enterprise Fund:													
State School Lunch Program	13-100-010-3350-023	$ 27,481	7/1/2012	6/30/2013	$ (2,394)		$ 2,394						
State School Lunch Program	14-100-010-3350-023	27,893	7/1/2013	6/30/2014			25,830	$ (27,893)		$ (2,063)			$ (27,893)
Total Enterprise Fund					$ (2,394)		$ 28,224	$ (27,893)		$ (2,063)			$ (27,893)
Total State Financial Assistance					$ (562,352)	$ 2,203	$ 14,879,464	$ (14,710,367)	$ (2,203)	$ (702,616)	$ 4,517	$ 1,087,333	$ 14,654,581

See Accompanying Notes to Schedules of Financial Assistance.

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

1. GENERAL

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

2. BASIS OF ACCOUNTING

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

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of $13,505 for the general fund and $24,921 for the special revenue fund. See *Note* 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

	Federal	State	Total
General Fund	$ 77,282	$ 18,918,470	$ 18,995,752
Special Revenue Fund	2,104,581	32,687	2,137,268
Food Service Fund	1,541,827	27,893	1,569,720
Total Awards and Assistance	$ 3,723,690	$ 18,979,050	$ 22,702,740

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. FEDERAL AND STATE LOANS OUTSTANDING

The District had no federal or state loans outstanding.

6. OTHER

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

The amount reported as TPAF Pension Contribution and Post-Retirement Medical Contributions represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2014. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2014.

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

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified, dated October 7, 2014

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? _____ yes ___x___ no

Federal Awards

Internal control over major programs:

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

Type of auditor's report issued on compliance for major programs: Unmodified, dated October 7, 2014

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

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Title I
84.027	IDEA Part B Regular
10.553 & 10.555	National School Breakfast and Lunch

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

Auditee qualified as low-risk auditee? ___X___ yes _____ no

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

State Financial Assistance

Dollar threshold used to distinguish between type A and type B Programs: $441,311

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

Type of auditor's report issued on compliance for major programs: Unmodified, dated October 7, 2014

Internal Control over major programs:

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

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

Identification of major programs:

GMIS Number	Name of State Program
14-495-034-5120-089	Categorical Special Education Aid
14-495-034-5120-078	Equalization Aid
14-495-034-5095-002	Reimbursed TPAF Social Security Contribution
14-495-034-5120-084	Categorical Security Aid

Section II - Schedule of Financial Statement Findings

None

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

None

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2014

FOR THE YEAR ENDED JUNE 30, 2013:

There were no findings for the year ended June 30, 2013.