

**Comprehensive Annual  
Financial Report**

**of the**

**Township of South Brunswick School District**

**County of Middlesex**

**South Brunswick, New Jersey**

**For the Fiscal Year Ended June 30, 2015**

**Prepared by**

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



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**INTRODUCTORY SECTION**

# SOUTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS



Joanne Kerekes  
Assistant Superintendent for  
Curriculum & Instruction

Dr. Gerard M. Jellig  
Superintendent of Schools

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

December 8, 2015

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

Dear Board Members:

The comprehensive annual financial report of the South Brunswick Township Board of Education for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

P.O. Box 181 • Monmouth Junction, New Jersey 08852 • (732) 297-7800 • FAX (732) 422-8054  
[www.sbschools.org](http://www.sbschools.org)

*"Challenge Your Limits"*

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

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

Fiscal Year	Average Daily Student Enrollment	Increase/Decrease	Percent Change
2005-06	8,769	188	2.2
2006-07	8,792	23	0.3
2007-08	8,845	53	0.6
2008-09	8,990	145	1.6
2009-10	8,954	(36)	(0.4)
2010-11	9,024	70	0.8
2011-12	9,027	3	0.0
2012-13	8,881	(146)	(1.6)
2013-14	8,774	(107)	(1.2)
2014 -15	8,665	(109)	(1.2)

The preliminary enrollment projection for the 2015-16 school year is 8,699 students or a decrease of 33 students. This includes a projected kindergarten class of 565.

**2) Economic Condition and Outlook:** South Brunswick property tax assessments rebounded with a slight increase in 2015 (+.63%) which was the first time in several years. This along with manageable increases for health benefits and energy once again allowed the district to provide a budget with a small tax levy increase of \$.03.

The school district is the second highest employer with 1,222 employees in 2015. The Township of South Brunswick's total labor force decreased to 24,200 in 2015 from 25,437 or 5% while the unemployment rate lowered to 5%.

The District continues to be proactive in effects to reduce non-instructional costs specifically in the areas of energy, insurance and the reduction of debt in order to maintain a consistent level of educational program offerings. As an example, the Board and Administration refinanced a 2004 Bond Issue saving the district taxpayers \$1,933,456.

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

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

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

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

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

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

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

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

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

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

All activities for the 2015 - 16 school year will continue to focus on achieving this Board goal.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance on June 30, 2015.

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

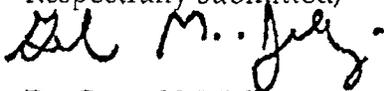
6) Debt Administration: The District Finance Committee recommended the refinancing of a 2004 Refunding Bond issue. After receiving approval from the Local Finance Board, the District refinanced Series 2004 Bonds and issued Series 2014 AA + Refunding School Bonds on February 12, 2014. These bonds resulted in a net present value savings of more than \$1.9 million. The Administration continues to monitor the current market conditions with the financial advisor and will look for the appropriate opportunity for significant savings in the future. Similarly the administration has positioned itself well with capital reserve which can be used to offset principal and interest payments for bonded projects. District administration is currently monitoring all debt for the possibility of a refunding opportunity which would provide additional tax relief to the South Brunswick community.

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

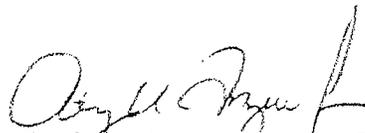
8) Other Information: Independent Audit - State statute requires an annual audit of Independent Certified Public Accountants or Registered Municipal Accountants. The accounting firm of Suplee, Clooney and Company, CPA was selected by the Board audit committee. In addition to meeting the requirements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

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

Respectfully submitted,



Dr. Gerard M. Jellig  
Superintendent of Schools



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

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

ROSTER OF OFFICIALS  
JUNE 30, 2015

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Dr. Stephen F. Parker, President	2015
Mr. Daniel J. Boyle, Vice President	2016
Mrs. Azra Baig	2016
Mr. Harry J. Delgado	2016
Mr. Patrick Del Piano	2017
Mr. Barry Nathanson	2015
Mr. Deven M. Patel	2017
Mr. Arthur L. Robinson	2017
Mr. Peter St. Vincent	2015
 <u>Other Officials</u>	
Dr. Gerard M. Jellig, Superintendent of Schools	
Mr. Anthony N. Tonzini, Jr., Business Administrator/Board Secretary	

BOARD OF EDUCATION  
TOWNSHIP OF SOUTH BRUNSWICK, COUNTY OF MIDDLESEX

CONSULTANTS AND ADVISORS

JUNE 30, 2015

ARCHITECT

The Spiezle Architectural Group  
120 Sanhicon Drive  
Trenton, NJ 08618

AUDIT FIRM

Suplee, Clooney & Company  
308 East Broad Street  
Westfield, NJ 07090-2122

ATTORNEYS

Adams Gutierrez & Lattiboudere, LLC  
The Legal Center  
1037 Raymond Blvd., Suite 900  
Newark, NJ 07012

The Law Office of Francis J. Brennan, III  
A Professional Corporation  
73 North Main Street  
Cranbury, NJ 08512

Comegno Law Group  
521 Pleasant Valley Road  
Moorestown, NJ 08057

FINANCIAL ADVISOR

RBC Capital Markets  
25 Hanover Road  
Florham Park, NJ 07932

BOND COUNSEL

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

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

Bank of America  
24 Summerfield Blvd.  
Dayton, NJ 08810

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

NJ ARM  
PFM Asset Management LLC  
821 Alexander Road, Suite 110  
Princeton, NJ 08540

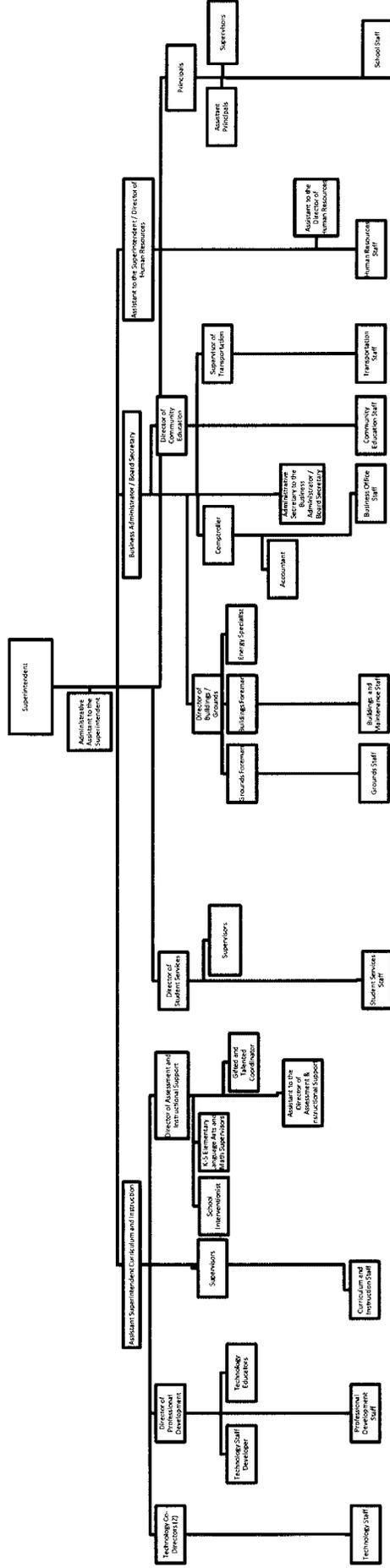
NJ Cash Management Fund  
Department of Treasury  
Division of Investment  
50 West State Street, 9<sup>th</sup> Floor  
Trenton, NJ 08608

PNC Bank  
359 Georges Road  
Dayton, NJ 08810

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

Wells Fargo Bank  
3510 Route 27  
Kendall Park, NJ 08831

South Brunswick Board of Education  
2014-2015 Organizational Chart



**FINANCIAL SECTION**



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of South Brunswick School District, County of Middlesex, New Jersey as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

## SUPLEE, CLOONEY & COMPANY

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of South Brunswick School District, County of Middlesex, New Jersey as of June 30, 2015, 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.

### **Emphasis of Matter**

#### *Change in Accounting Principle*

As discussed in Note 6 to the basic financial statements, in 2015, the County adopted Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions (an Amendment of GASB Statement No. 27) and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement 68). Our opinions are not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information in Exhibit C-1 through C-3 and the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

# SUPLEE, CLOONEY & COMPANY

## *Other Information*

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

The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

## **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 8, 2015 on our consideration of the Township of South Brunswick School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of South Brunswick School District's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 93

December 8, 2015

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

**SOUTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT**  
**Monmouth Junction, New Jersey**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**UNAUDITED**

The discussion and analysis of the South Brunswick Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34- *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2014/2015) and the prior year (2013/2014) is required to be presented in MD&A.

In FY2015 the District implemented GASB 68 "Accounting and Financial Reporting for Pensions". Information necessary to restate the financial information provided for FY2014 was not available; therefore, the information has not been restated.

**FINANCIAL HIGHLIGHTS**

The 2014-15 budget was constructed with a local general fund tax levy less equal to the 2013-14 tax levy. The total budget tax levy of \$104,214,766 (which includes debt service) represents a .74% increase from the prior year even though the district could have increased the general fund tax levy by the maximum 2% CAP. The total general fund budget increased 2.14% over the previous year to \$130,650,414 and scheduled debt payments increased by 1.56% to \$8,058,695.

The 2014-15 school year showed a slight decrease in the student population within the South Brunswick Township Public Schools. Capital Reserve funds were used to replace roofing sections at Monmouth Junction School and Cambridge School, add a corridor enclosure at Monmouth Junction, renovate a kitchen at Brunswick Acres School, as well as other projects without increasing the tax levy. Enhanced security measures continued to be a focus throughout the district as a result of a perimeter assessment prepared by the Superintendent and School Business Administrator in conjunction with the South Brunswick Township Police Department.

There were significant reductions in non-instructional areas, including energy and charter school tuition which helped to provide a budget that saw no reductions in staff and a minimum overall total budget increase of 0.09%.

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

### **Statement of Net Position and the Statement of Activities**

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

While this document contains all of the funds used by the school district to provide programs and activities, the view of the school district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2013-14". The Statement of Net Position and the Statement of Activities answers this question. The Statement of Net Position includes all assets and liabilities, while the Statement of Activities shows the cost of program services and the charges for those services and the grants offsetting those services. They use the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when the timing of the related cash is received or paid.

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

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

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

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

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

### **Fund Financial Statements**

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

### **Governmental Funds**

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

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

### **Proprietary Funds**

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

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

### **Fiduciary Funds**

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

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

## **Notes to the Financial Statements**

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

## **Other Information**

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

## The School District as a Whole

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

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

**Table 1** provides a summary of the School District's net position for fiscal years 2015 and 2014.

**TABLE 1**  
**NET POSITION**

	2015			2014		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
<b>ASSETS</b>						
Current & Other Assets	\$17,748,139	\$3,576,355	\$21,324,494	\$26,270,533	\$3,182,232	\$29,452,765
Capital Assets	142,801,890	122,790	142,924,680	138,102,518	166,939	138,269,457
<b>TOTAL ASSETS</b>	<b>160,550,029</b>	<b>3,699,145</b>	<b>164,249,174</b>	<b>164,373,051</b>	<b>3,349,171</b>	<b>167,722,222</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>						
Pension Related	5,020,474		5,020,474			
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>5,020,474</b>		<b>5,020,474</b>			
<b>LIABILITIES</b>						
Long-Term Liabilities	112,787,945	1,473,899	114,261,844	75,829,583	1,407,209	77,236,792
Other Liabilities	7,211,817	67,872	7,279,689	5,657,703	66,687	5,724,390
<b>TOTAL LIABILITIES</b>	<b>119,999,762</b>	<b>1,541,771</b>	<b>121,541,533</b>	<b>81,487,286</b>	<b>1,473,896</b>	<b>82,961,182</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Gain on Sale of Refunding Bonds	2,067,928		2,067,928	2,227,000		2,227,000
Pension Related	2,502,100		2,502,100			
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<b>4,570,028</b>		<b>4,570,028</b>	<b>2,227,000</b>		<b>2,227,000</b>
<b>NET POSITION</b>						
Net investment in capital assets	72,559,828	122,790	72,682,618	63,335,360	166,939	63,502,299
Restricted	9,679,852		9,679,852	18,028,320		18,028,320
Unrestricted:						
Pension related (deficit)	(41,463,934)		(41,463,934)			
Other (deficit)	224,967	2,034,584	2,259,551	(704,915)	1,708,336	1,003,421
<b>TOTAL NET POSITION</b>	<b>\$41,000,713</b>	<b>\$2,157,374</b>	<b>\$43,158,087</b>	<b>\$80,658,765</b>	<b>\$1,875,275</b>	<b>\$82,534,040</b>

Long-term liabilities were reduced by both the current year principal payment and the refinancing of Series 2002 Bonds, which saved the district nearly \$4.7 million in total, as well as a refunding of Series 2004 Bonds, which saved the district nearly \$1.94 million in total, which also helps to explain the Gain on Refunding of Long-term Debt.

Net Position –Restricted – remained steady by the additional Fund Balance accrued during the year as well as a deposit of \$3.2 million into Capital Reserve which helped to replenish the \$2.3 million used for capital projects during 2013-14.

Table 2 shows changes in net position for fiscal year 2015.

**Table 2**  
**Changes in Net Position**

	2015			2014		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
Revenues:						
Program Revenues:						
Operating Grants & Contributions	\$27,457,672	\$832,294	\$28,289,966	\$13,215,645	\$779,774	\$13,995,419
Charges for Services		5,518,724	5,518,724		5,456,486	5,456,486
General Revenues						
Property Taxes,						
Levied for General Purposes	98,149,466		98,149,466	96,224,967		96,224,967
Levied for Debt Service	6,065,300		6,065,300	7,227,248		7,227,248
Federal and State Grants not Restricted	24,088,658		24,088,658	24,082,291		24,082,291
Other Revenues	693,371	611	693,982	525,599	938	526,537
	<u>156,454,467</u>	<u>6,351,629</u>	<u>162,806,096</u>	<u>141,275,750</u>	<u>6,237,198</u>	<u>147,512,948</u>
Expenses:						
Instruction Services	88,807,902		88,807,902	78,043,846		78,043,846
Support Services	63,675,962		63,675,962	58,440,792		58,440,792
Interest on Long-Term Debt	2,786,792		2,786,792	3,705,394		3,705,394
Other				45,484		45,484
Business-Type						
Food Services Options		2,892,570	2,892,570		3,076,896	3,076,896
Children's Community Enrichment		3,176,960	3,176,960		3,005,176	3,005,176
Total Expenses	<u>155,270,656</u>	<u>6,069,530</u>	<u>161,340,186</u>	<u>140,235,516</u>	<u>6,082,072</u>	<u>146,317,588</u>
Change in Net Position	1,183,811	282,099	1,465,910	1,040,234	155,126	1,195,360
Net Position July 1,	<u>39,816,902</u>	<u>1,875,275</u>	<u>41,692,177</u>	<u>79,618,531</u>	<u>1,720,149</u>	<u>81,338,680</u>
Net Position June 30,	<u>41,000,713</u>	<u>2,157,374</u>	<u>43,158,087</u>	<u>80,658,765</u>	<u>1,875,275</u>	<u>82,534,040</u>

Table 2 presents a picture of the changing pattern of revenue sources supporting the educational program and business activities. The Board recognized no increase in State aid and along with other budgeting decisions, including an additional fund balance contribution, presented a budget with no increase in the overall General Fund tax levy of \$96,224,967.

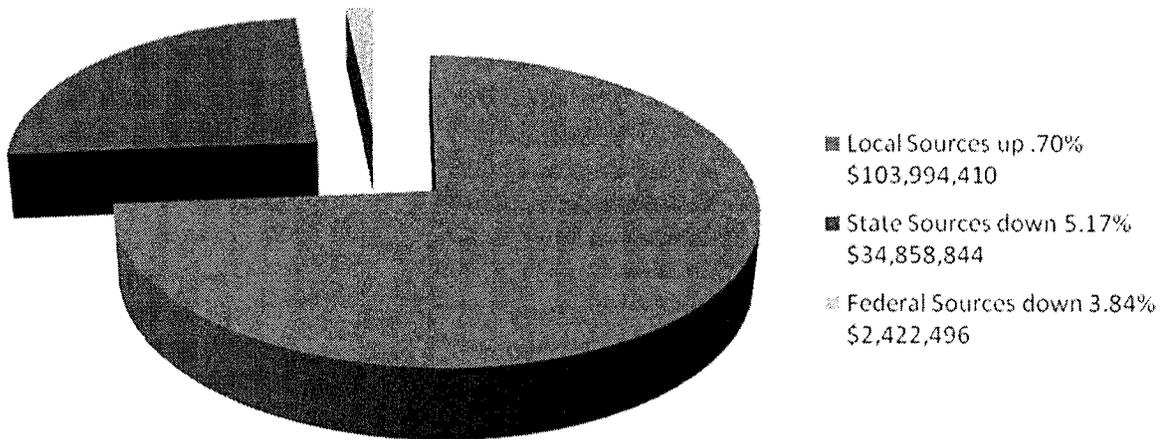
Total expenses were up as a result of increased instructional support services incurred as a result of the 2<sup>nd</sup> year of the collectively bargaining agreement as well as additional staffing, various new textbook series, the implementation of new state testing standards, special education tuition expenses, required maintenance costs and increased interest on long-term debt.

Also, as previously noted, the information for FY2014 has not been restated to reflect the effect of the District's implementation of GASB 68 and the related pension liability. Both revenues and expenses increased mainly as a result of the district recognizing a larger on-behalf TPAF contribution as a revenue and as an expense based upon the State's Actuarial report

**Governmental Activities**

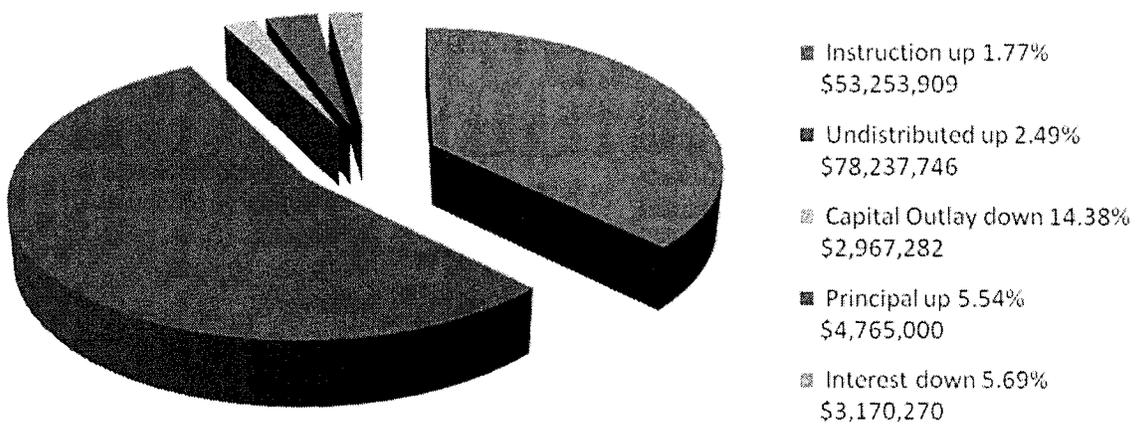
**SOURCES OF REVENUES**

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



**DISTRIBUTION OF EXPENDITURES**

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



**Business-Type Activities**

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

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

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

**The School District’s Funds**

Governmental funds (i.e. general fund, special revenue fund, capital projects fund, and debt service fund) presented in the fund-based statements are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$144,103,450 representing a increase of 2.00% and expenditures were up by \$9,838,037 to \$152,232,244 which represented an increase of 6.91%

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Table 3 presents a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2015, and the amount and percentage of increases and decreases in relation to prior year revenues.

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

<u>Revenue</u>	<u>Amount</u>	<u>Percentage</u>	<u>Increase/Decrease from 2014</u>	<u>Percentage Change</u>
Local Sources	\$104,936,294	72.82%	\$941,884	0.91%
State Sources	36,855,164	25.58%	1,996,320	5.73%
Federal Sources	<u>2,311,992</u>	<u>1.60%</u>	<u>(110,504)</u>	<u>-4.56%</u>
	<u>\$144,103,450</u>	<u>100.00%</u>	<u>\$2,827,700</u>	<u>2.00%</u>

Table 4 represents a summary of the combined general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2015, and the percentage of increases and decreases in relation to prior year amounts.

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

	<u>Amount</u>	<u>Percentage</u>	<u>Increase/Decrease from 2014</u>	<u>Percentage Change</u>
Current Expense:				
Instruction	\$53,683,632	35.26%	\$429,723	0.81%
Undistributed	80,284,652	52.74%	2,046,906	2.62%
Capital Outlay	10,282,325	6.75%	7,315,043	246.52%
Debt Service:				
Principal	5,095,000	3.35%	330,000	6.93%
Interest	2,886,635	1.90%	(283,635)	-8.95%
	<u>\$152,232,244</u>	<u>100.00%</u>	<u>\$9,838,037</u>	<u>6.91%</u>
Total	<u>\$152,232,244</u>	<u>100.00%</u>	<u>\$9,838,037</u>	<u>6.91%</u>

### GENERAL FUND BUDGETING HIGHLIGHTS

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

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

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

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

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

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

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

## FUND BALANCES

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

**TABLE 5  
NET CHANGES IN FUND BALANCE**

	<u>Increase/ (Decrease)</u>
Governmental Funds	
General Fund	(\$7,355,873)
Special Revenue Fund	-0-
Capital Projects Fund	(728,984)
Debt Service Fund	(43,937)
Business Type Activities:	
Food Services Fund	228,851
Children's Community Enrichment Programs	53,248

## CAPITAL ASSETS

At the end of the fiscal year 2013-2015, the School District had \$138,269,457 invested in land, buildings, furniture, equipment and vehicles. Table 6 shows fiscal year 2015 balances compared to 2013.

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	8,571,736	7,894,664			8,571,736	7,894,664
Construction in Progress	27,254	701,850			27,254	701,850
Site Improvements	4,827,496	1,255,639			4,827,496	1,255,639
Buildings and Improvements	126,371,871	124,597,641			126,371,871	124,597,641
Machinery and Equipment	3,003,533	3,652,724	122,790	166,939	3,126,323	3,819,663
Total	142,801,890	138,102,518	122,790	166,939	142,924,680	138,269,457
Increase/Decrease	4,699,372		(44,149)		4,655,223	

Overall capital assets increased from fiscal year 2014 to fiscal year 2015 reflecting the effects of depreciation over the period and the disposal of certain district owned equipment and vehicles during the same 2013-14 period.

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

## **DEBT ADMINISTRATION**

In the governmental funds, at June 30, 2015, the School District had \$112,787,945 outstanding long term debt. This includes \$41,985,378 in Net Pension Liability which is required to be reflected beginning with the 2014-2015 school year in accordance with GASB 68. Bonds Payable totaled \$68,435,000.00 representing a \$5,095,000 reduction from the prior year.

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

## **FOR THE FUTURE**

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

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

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

## **CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

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

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2015.

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2015

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS:</b>			
Cash and cash equivalents	\$9,783,351.00	\$3,415,931.00	\$13,199,282.00
Cash on hand with fiscal agent	69,960.00		69,960.00
Receivables, net	1,356,120.00	72,898.00	1,429,018.00
Prepaid expenses	19,401.00	26,727.00	46,128.00
Inventory		60,799.00	60,799.00
Interfund receivable	298,339.00		298,339.00
Restricted assets:			
Restricted cash and cash equivalents	6,220,968.00		6,220,968.00
Capital assets:			
Land and construction in progress	8,598,990.00		8,598,990.00
Other capital assets, net of depreciation	134,202,900.00	122,790.00	134,325,690.00
Total Assets	<u>160,550,029.00</u>	<u>3,699,145.00</u>	<u>164,249,174.00</u>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>			
Pension Related	<u>5,020,474.00</u>		<u>5,020,474.00</u>
Total Deferred Outflow of Resources	5,020,474.00		5,020,474.00
<b>LIABILITIES:</b>			
Accounts payable	5,405,586.00	203,537.00	5,609,123.00
Interfund payables		298,114.00	298,114.00
Payable to state government	31,074.00		31,074.00
Unearned revenue	369,953.00	972,248.00	1,342,201.00
Other	78,326.00		78,326.00
Accrued liability to pay Workers			
Compensation Claims	423,880.00		423,880.00
Accrued interest on bonds	902,998.00		902,998.00
Noncurrent liabilities:			
Due within one year:			
Bonds and capital leases payable	5,030,000.00		5,030,000.00
Due beyond one year:			
Compensated absences payable	2,367,567.00	67,872.00	2,435,439.00
Bonds and capital leases payable	63,405,000.00		63,405,000.00
Net Pension Liability	<u>41,985,378.00</u>		<u>41,985,378.00</u>
Total liabilities	<u>119,999,762.00</u>	<u>1,541,771.00</u>	<u>121,541,533.00</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>			
Pension Related	2,502,100.00		2,502,100.00
Gain on Refunding of Long-Term Debt	<u>2,067,928.00</u>		<u>2,067,928.00</u>
Total Deferred Inflow of Resources	4,570,028.00		4,570,028.00
<b>NET POSITION:</b>			
Net investment in capital assets	72,559,828.00	122,790.00	72,682,618.00
Restricted for:			
Capital projects fund	851.00		851.00
Debt service fund (deficit)	(825,919.00)		(825,919.00)
Other purposes	10,504,920.00		10,504,920.00
Unrestricted (deficit)	<u>(41,238,967.00)</u>	<u>2,034,584.00</u>	<u>(39,204,383.00)</u>
Total net position	<u>\$41,000,713.00</u>	<u>\$2,157,374.00</u>	<u>\$43,158,087.00</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Indirect Expense Allocation	Programs Revenues		Net (Expense) Revenue and Changes in Net Position	
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
<b>Governmental Activities:</b>						
Instruction:						
Regular	\$ 44,772,405.00	\$ 20,577,128.00	\$	\$ 11,821,847.00	\$	\$ (53,527,686.00)
Special	13,827,406.00	4,510,361.00		5,381,995.00	(12,955,772.00)	(12,955,772.00)
Other Instruction	3,825,086.00	1,295,516.00		948,682.00	(4,171,920.00)	(4,171,920.00)
Support services:						
Tuition	4,596,453.00				(4,596,453.00)	(4,596,453.00)
Student and instruction related services	11,734,488.00	4,030,450.00		3,221,984.00	(12,562,954.00)	(12,562,954.00)
General administrative services	1,860,747.00	240,106.00		153,777.00	(1,947,076.00)	(1,947,076.00)
School administrative services	6,831,363.00	2,688,849.00		1,857,144.00	(7,663,068.00)	(7,663,068.00)
Central services	1,997,572.00	701,064.00		513,377.00	(2,185,259.00)	(2,185,259.00)
Administration information technology	834,180.00	306,918.00		224,750.00	(916,348.00)	(916,348.00)
Plant operations and maintenance	14,277,437.00	3,350,475.00		2,131,576.00	(15,496,336.00)	(15,496,336.00)
Pupil transportation	8,294,182.00	1,758,733.00		59,145.00	(9,993,770.00)	(9,993,770.00)
Allocated benefits	1,677,965.00	(1,677,965.00)				
Unallocated benefits	32,307,127.00	(32,307,127.00)				
Charter Schools	152,945.00				(152,945.00)	(152,945.00)
Interest on Long-Term Debt	2,786,792.00			1,143,395.00	(1,643,397.00)	(1,643,397.00)
Unallocated depreciation	5,474,508.00					
Total governmental activities	155,270,656.00	(5,474,508.00)		27,457,672.00	(127,812,984.00)	(127,812,984.00)
<b>Business-type activities</b>						
Food Service	2,892,570.00			832,294.00	228,831.00	228,831.00
Children's Community Enrichment	3,176,960.00				52,657.00	52,657.00
Total business-type activities	6,069,530.00			832,294.00	281,488.00	281,488.00
<b>Total primary government</b>	<b>\$ 161,340,186.00</b>	<b>\$</b>	<b>\$ 5,518,724.00</b>	<b>\$ 28,289,966.00</b>	<b>\$ (127,812,984.00)</b>	<b>\$ (127,531,496.00)</b>
<b>General Revenues:</b>						
<b>Taxes:</b>						
Property taxes, levied for general purposes, net					\$ 98,149,466.00	\$ 98,149,466.00
Taxes levied for debt service					6,065,300.00	6,065,300.00
Federal and state aid not restricted					24,088,658.00	24,088,658.00
Miscellaneous income					683,371.00	683,371.00
Total general revenues and special items					128,986,795.00	128,986,795.00
Change in net position					1,183,811.00	1,183,811.00
Net Position - beginning (as restated)					39,816,902.00	39,816,902.00
Net Position ending					41,000,713.00	41,000,713.00

The accompanying Notes to the Financial Statements are an integral part of this statement.

## **MAJOR FUND FINANCIAL STATEMENTS**

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

	<u>GENERAL</u>	<u>SPECIAL</u>	<u>CAPITAL</u>	<u>DEBT</u>	<u>TOTAL</u>
	<u>FUND</u>	<u>REVENUE</u>	<u>PROJECTS</u>	<u>SERVICE</u>	<u>GOVERNMENTAL</u>
		<u>FUND</u>	<u>FUND</u>	<u>FUND</u>	<u>FUNDS</u>
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 8,543,022.00	\$ 49,014.00	\$ 367,106.00	\$ 824,209.00	9,783,351.00
Cash, Capital Reserve	6,220,968.00				6,220,968.00
Cash on hand with Fiscal Agents	69,960.00				69,960.00
Other receivables	164,923.00				164,923.00
Prepaid expenses	19,401.00				19,401.00
Due from other funds	298,339.00	688.00			299,027.00
Receivables from other governments	925,498.00	265,699.00			1,191,197.00
	<u>                    </u>				
Total assets	\$ <u>16,242,111.00</u>	\$ <u>315,401.00</u>	\$ <u>367,106.00</u>	\$ <u>824,209.00</u>	<u>17,748,827.00</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 3,056,080.00	\$ 247,187.00	\$ 105,389.00		3,408,656.00
Interfund payables	688.00				688.00
Payable to state government		31,074.00			31,074.00
Unearned revenue	332,813.00	37,140.00			369,953.00
Other	78,326.00				78,326.00
Accrued liability to pay Workers Compensation Claims	<u>423,880.00</u>				<u>423,880.00</u>
Total liabilities	<u>3,891,787.00</u>	<u>315,401.00</u>	<u>105,389.00</u>		<u>4,312,577.00</u>
<b>Fund balances:</b>					
<b>Restricted for:</b>					
Excess surplus	3,293,983.00				3,293,983.00
Excess surplus - designated for subsequent years expenditures	2,722,515.00				2,722,515.00
Capital reserve account	3,788,422.00				3,788,422.00
Emergency reserve account	700,000.00				700,000.00
Debt service				77,079.00	77,079.00
Capital projects			261,717.00		261,717.00
<b>Committed to:</b>					
Designated for subsequent years expenditures	750,000.00			747,130.00	1,497,130.00
<b>Assigned to:</b>					
Other purpose- encumbrances	434,976.00				434,976.00
Unassigned	<u>660,428.00</u>				<u>660,428.00</u>
Total fund balances	<u>12,350,324.00</u>		<u>261,717.00</u>	<u>824,209.00</u>	<u>13,436,250.00</u>
Total liabilities and fund balances	\$ <u>16,242,111.00</u>	\$ <u>315,401.00</u>	\$ <u>367,106.00</u>	\$ <u>824,209.00</u>	<u>17,748,827.00</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

Total Fund Balances (Brought Forward)		\$13,436,250.00
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 funds.		
Cost of Assets	\$239,345,760.00	
Accumulated Depreciation	<u>(96,543,870.00)</u>	
		142,801,890.00
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Compensated Absences	(2,367,567.00)	
Bonds Payable	(68,435,000.00)	
Net Pension Liability	<u>(41,985,378.00)</u>	
		(112,787,945.00)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.		
Pensions:		
Deferred Outflows		
Pension related	3,023,544.00	
Employer Contribution related to pensions	<u>1,996,930.00</u>	
		5,020,474.00
Deferred Inflows:		
Pension related	(2,502,100.00)	
Gain on Refunding Bonds	<u>(2,067,928.00)</u>	
		(4,570,028.00)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accounts Payable - Pension Related	(1,996,930.00)	
Accrued Interest Payable	<u>(902,998.00)</u>	
		<u>(2,899,928.00)</u>
Net Position of Governmental Activities		<u><u>\$41,000,713.00</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$98,149,466.00			\$6,065,300.00	\$104,214,766.00
Tuition	269,532.00				269,532.00
Transportation	2,779.00				2,779.00
Interest on capital reserve	3,947.00				3,947.00
Miscellaneous	417,094.00	\$28,157.00		19.00	445,270.00
Total revenues - local sources	98,842,818.00	28,157.00		6,065,319.00	104,936,294.00
State sources	35,326,004.00	385,765.00		1,143,395.00	36,855,164.00
Federal sources	69,529.00	2,242,463.00			2,311,992.00
Total revenues	134,238,351.00	2,656,385.00		7,208,714.00	144,103,450.00
EXPENDITURES:					
Current expense:					
Regular instruction	38,289,755.00				38,289,755.00
Special instruction	9,877,174.00	2,211,838.00			12,089,012.00
Other Instruction	3,304,865.00				3,304,865.00
Support services:					
Tuition	4,596,453.00				4,596,453.00
Student and instruction related services	9,786,900.00	444,547.00			10,231,447.00
General administrative services	1,776,422.00				1,776,422.00
School administrative services	5,812,975.00				5,812,975.00
Central services	1,716,056.00				1,716,056.00
Administration information technology	710,935.00				710,935.00
Plant operations and maintenance	13,108,562.00				13,108,562.00
Pupil transportation	8,261,749.00				8,261,749.00
Allocated benefits	1,677,965.00				1,677,965.00
Unallocated benefits	32,239,143.00				32,239,143.00
Charter Schools	152,945.00				152,945.00
Debt Service:					
Principal				5,095,000.00	5,095,000.00
Interest				2,886,635.00	2,886,635.00
Capital outlay	8,954,237.00		\$1,328,088.00		10,282,325.00
Total expenditures	140,266,136.00	2,656,385.00	1,328,088.00	7,981,635.00	152,232,244.00
Excess (deficiency) of revenues over (under) expenditures	(6,027,785.00)		(1,328,088.00)	(772,921.00)	(8,128,794.00)
Other financing sources (uses):					
Transfers in/(out)	(1,328,088.00)		599,104.00	728,984.00	
Total other financing sources (uses)	(1,328,088.00)		599,104.00	728,984.00	
Net change in fund balances	(7,355,873.00)		(728,984.00)	(43,937.00)	(8,128,794.00)
Fund balances, July 1, 2014	19,706,197.00	-0-	990,701.00	868,146.00	21,565,044.00
Fund balances, June 30, 2015	\$12,350,324.00	\$-0-	\$261,717.00	\$824,209.00	\$13,436,250.00

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total net change in fund balances - governmental funds (from B-2)		(\$8,128,794.00)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period</p>		
Depreciation expense		(5,474,508.00)
Disposition of capital assets, net of accumulated depreciation		
Capital outlays	\$10,282,325.00	
Assets not capitalized	<u>(108,445.00)</u>	
		10,173,880.00
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net positions and is not reported in the statement of activities.</p>		
Payment of bonds payable		5,095,000.00
<p>Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net positions.</p>		
Deferred amortization on issuance of refunding bonds		159,072.00
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>		
		49,216.00
<p>District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>		
District pension contributions	1,848,669.00	
Less: Pension expense	<u>(2,470,740.00)</u>	
		(622,071.00)
<p>In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-). When the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).</p>		
Increase in Compensated Absences		<u>(67,984.00)</u>
Change in net positions of governmental activities		<u>\$1,183,811.00</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**OTHER FUNDS**

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2015

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		<u>TOTAL</u>
	<u>MAJOR FUND</u> <u>CHILDRENS'</u> <u>COMMUNITY</u> <u>ENRICHMENT</u> <u>FUND</u>	<u>NON-MAJOR FUND</u>  <u>FOOD</u> <u>SERVICE</u> <u>FUND</u>	
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$2,683,660.00	\$732,271.00	\$3,415,931.00
Accounts receivable - other	2,304.00	17,433.00	19,737.00
Intergovernmental receivables:			
State		3,211.00	3,211.00
Federal		49,950.00	49,950.00
Inventories		60,799.00	60,799.00
Prepaid expenses	26,727.00		26,727.00
Total current assets	<u>2,712,691.00</u>	<u>863,664.00</u>	<u>3,576,355.00</u>
Noncurrent assets:			
Furniture, machinery and equipment	260,345.00	1,369,489.00	1,629,834.00
Less accumulated depreciation	<u>(238,373.00)</u>	<u>(1,268,671.00)</u>	<u>(1,507,044.00)</u>
Total noncurrent assets	<u>21,972.00</u>	<u>100,818.00</u>	<u>122,790.00</u>
Total assets	<u>2,734,663.00</u>	<u>964,482.00</u>	<u>3,699,145.00</u>
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable	23,365.00	180,172.00	203,537.00
Interfund payable	298,114.00		298,114.00
Unearned revenue	867,062.00	105,186.00	972,248.00
Compensated absences	67,872.00		67,872.00
Total current liabilities	<u>1,256,413.00</u>	<u>285,358.00</u>	<u>1,541,771.00</u>
Total liabilities	<u>1,256,413.00</u>	<u>285,358.00</u>	<u>1,541,771.00</u>
<b>NET POSITION:</b>			
Net investment in capital assets	21,972.00	100,818.00	122,790.00
Unrestricted	<u>1,456,278.00</u>	<u>578,306.00</u>	<u>2,034,584.00</u>
Total net position	<u>\$1,478,250.00</u>	<u>\$679,124.00</u>	<u>\$2,157,374.00</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		<u>TOTAL</u>
	<u>MAJOR FUND CHILDRENS' COMMUNITY ENRICHMENT FUND</u>	<u>NON-MAJOR FUND  FOOD SERVICE FUND</u>	
OPERATING REVENUES:			
Charges for services:			
Daily sales - Reimbursable Programs		\$1,363,163.00	\$1,363,163.00
Daily sales - Non-Reimbursable Programs		925,449.00	925,449.00
Special Functions		495.00	495.00
Program fees	\$3,229,617.00		3,229,617.00
Total operating revenues	<u>3,229,617.00</u>	<u>2,289,107.00</u>	<u>5,518,724.00</u>
OPERATING EXPENSES:			
Salaries	1,817,208.00	964,721.00	2,781,929.00
Employee Benefits	883,550.00	310,205.00	1,193,755.00
Other Purchase Service (Administrative Expenses)	171,520.00	224,188.00	395,708.00
General Supplies	288,506.00	163,791.00	452,297.00
Depreciation	16,176.00	31,564.00	47,740.00
Cost of sales		1,198,101.00	1,198,101.00
Total operating expenses	<u>3,176,960.00</u>	<u>2,892,570.00</u>	<u>6,069,530.00</u>
Operating income (loss)	<u>52,657.00</u>	<u>(603,463.00)</u>	<u>(550,806.00)</u>
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program		29,161.00	29,161.00
Federal Sources:			
National School Lunch Program		566,839.00	566,839.00
National School Breakfast Program		11,119.00	11,119.00
National food distribution commodities		225,175.00	225,175.00
Interest on Investments	591.00	20.00	611.00
Total nonoperating revenues	<u>591.00</u>	<u>832,314.00</u>	<u>832,905.00</u>
Change in net position	<u>53,248.00</u>	<u>228,851.00</u>	<u>282,099.00</u>
Total net position - beginning of the year	<u>1,425,002.00</u>	<u>450,273.00</u>	<u>1,875,275.00</u>
Total net position - end of the year	<u>\$1,478,250.00</u>	<u>\$679,124.00</u>	<u>\$2,157,374.00</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	MAJOR FUND CHILDRENS' COMMUNITY ENRICHMENT FUND	NON-MAJOR FUND FOOD SERVICE FUND	TOTAL
Cash flows from operating activities:			
Receipts from customers	\$3,320,365.00	\$2,309,190.00	\$5,629,555.00
Payments to employees	(1,817,208.00)	(964,721.00)	(2,781,929.00)
Payments to employee benefits	(882,365.00)	(310,205.00)	(1,192,570.00)
Payments to suppliers	(477,688.00)	(1,446,924.00)	(1,924,612.00)
Net cash provided by (used for) operating activities	143,104.00	(412,660.00)	(269,556.00)
Cash flows from noncapital financing activities:			
State Sources		28,333.00	28,333.00
Federal Sources		577,958.00	577,958.00
Interfund Activity	20,134.00		20,134.00
Net cash provided by noncapital financing activities:	20,134.00	606,291.00	626,425.00
Cash flows from capital and related financing activities:			
Purchases of capital assets		(3,591.00)	(3,591.00)
Net cash provided by (used for) capital and related financing activities		(3,591.00)	(3,591.00)
Cash flows from investing activities:			
Interest	591.00	20.00	611.00
Net cash provided by (used for) investing activities	591.00	20.00	611.00
Net increase (decrease) in cash and cash equivalents	163,829.00	190,060.00	353,889.00
Cash and cash equivalents, July 1, 2014	2,519,831.00	542,211.00	3,062,042.00
Cash and cash equivalents, June 30, 2015	\$2,683,660.00	\$732,271.00	\$3,415,931.00
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$52,657.00	(\$603,463.00)	(\$550,806.00)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	16,176.00	31,564.00	47,740.00
Federal commodities		225,175.00	225,175.00
Change in assets and liabilities:			
(Increase) decrease in accounts receivable - other	1,314.00	(4,994.00)	(3,680.00)
(Increase) decrease in inventories		(24,766.00)	(24,766.00)
(Increase) decrease in prepaid expenses	(10,960.00)		(10,960.00)
Increase (decrease) in accounts payable	(9,017.00)	(61,253.00)	(70,270.00)
Increase (decrease) in unearned revenue	91,749.00	25,077.00	116,826.00
Increase (decrease) in compensated absences	1,185.00		1,185.00
	90,447.00	190,803.00	281,250.00
Net cash provided by (used for) operating activities	\$143,104.00	(\$412,660.00)	(\$269,556.00)

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Unemployment Compensation Fund</u>	<u>Private Purpose Award Fund</u>	<u>Agency Funds</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$350,260.00	\$31,424.00	\$1,216,017.00
Total Assets	<u>350,260.00</u>	<u>31,424.00</u>	<u>1,216,017.00</u>
<b>LIABILITIES:</b>			
Accounts payable	25,481.00		
Interfund payable			225.00
Payroll deductions and withholdings			735,522.00
Net Payroll			1,124.00
Due to student groups			479,146.00
Total Liabilities	<u>25,481.00</u>		<u>1,216,017.00</u>
<b>NET POSITION:</b>			
Held in trust for unemployment claims	324,779.00		
Held in trust for awards and other purposes		31,424.00	
Total Net Position	<u>\$324,779.00</u>	<u>\$31,424.00</u>	<u>\$-0-</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Private Purpose Award Funds	Unemployment Compensation Fund
ADDITIONS:		
Contributions:		
Plan Members		\$121,102.00
Other	\$5,000.00	
Total contributions	5,000.00	121,102.00
Investment earnings:		
Interest	152.00	556.00
Net investment earnings	152.00	556.00
Total additions	5,152.00	121,658.00
DEDUCTIONS:		
Awards granted	15,217.00	
Unemployment claims		105,517.00
Total deductions	15,217.00	105,517.00
Change in net assets	(10,065.00)	16,141.00
Net position beginning of year	41,489.00	308,638.00
Net position end of year	\$31,424.00	\$324,779.00

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity**

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

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

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

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

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

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation**

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

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

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

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

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Fund Types**

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

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

**Special Revenue Fund** - The special revenue fund is used to account for the proceeds of specific revenue sources from State and Federal Government (other than those for major capital projects, debt service or proprietary funds) and local appropriations that are restricted or committed to expenditures for specified purposes.

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

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

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Proprietary Fund**

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

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

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

**Fiduciary Fund Types**

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

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

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

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

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting – Measurement Focus**

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

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

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an “accounts receivable”. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. “Measurable” means the amount of the transactions can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the School Board election to the date of the November general election thereby eliminating the vote on the annual base budget unless required by the mandated State budget CAP. 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. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2015 totaled \$4,929,832.00, representing the Board resolution to transfer funds from the Emergency Reserve Fund and miscellaneous revenues.

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

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

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

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

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Encumbrance Accounting**

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

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

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

**Interfunds**

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

**Inventories and Prepaid Expenses**

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

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

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

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences**

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after four years of service.

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated on the probability the employee will, in the future meet required conditions to receive a cash payment at termination. Salary-related payments for the employer's share of social security and medicare taxes are included.

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

**Unearned Revenue**

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

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accrued Liabilities and Long-Term Obligations**

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

**Net Position**

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

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance Restrictions**

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

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

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

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

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

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

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

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

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance Restrictions (Continued)**

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

**Revenues – Exchange and Nonexchange Transactions**

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

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

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

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Operating Revenues and Expenses**

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

**Allocation of Indirect Expenses**

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

**Extraordinary and Special Items**

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

**Management Estimates**

The preparation of financial statements in conformity with GAAP requires management to make assumptions that affect the amounts reported as revenue and expenditures/expenses during the reporting period. These estimates may differ from actual results.

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounting and Financial Reporting for Pensions**

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date—an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounting and Financial Reporting for Pensions (Continued)**

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial 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. Currently, the District has only one item that qualify for reporting in this category, deferred amounts related to pensions.

In addition to liabilities, the statement of financial 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify in this category, deferred amounts related to refunding debt and deferred amounts related to pension.

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

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

**Deposits**

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Township of South Brunswick School District had the following cash and cash equivalents at June 30, 2015.

Fund Type:	Bank	N.J. Cash	Reconciling Items:		Reconciled
	<u>Balance</u>	Management/ <u>CLASS</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Governmental	9,889,379.00	\$7,421,442.00	\$13,920.00	\$1,320,422.00	\$16,004,319.00
Proprietary	3,415,931.00				3,415,931.00
Fiduciary	1,504,206.00		278,486.00	184,991.00	1,597,701.00
	<u>\$14,809,516.00</u>	<u>\$7,421,442.00</u>	<u>\$292,406.00</u>	<u>\$1,505,413.00</u>	<u>\$21,017,951.00</u>

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

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

**Deposits (Continued)**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2015, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank \$250,000.00 was covered by Federal Depository Insurance and \$14,559,516.00 was covered by NJ GUDPA. The New Jersey Asset and Rebate Management Program (NJARM) is an investment pool and is not insured by either FDIC or GUDPA.

**Investments**

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

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

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

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

**Investments (Continued)**

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

As of June 30, 2015 the District has \$7,421,442.00 on deposit with the New Jersey Asset and Rebate Management Program. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1, and existing investment practices of the Investment Council of the NJARM, the District is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 3: CHANGE IN CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 7,894,664.00	\$ 677,072.00	\$	\$ 8,571,736.00
Construction in Progress	<u>701,850.00</u>	<u>5,454.00</u>	<u>680,050.00</u>	<u>27,254.00</u>
Total Capital assets not being depreciated	<u>8,596,514.00</u>	<u>682,526.00</u>	<u>680,050.00</u>	<u>8,598,990.00</u>
Site Improvements	3,512,302.00	3,212,899.00	(680,050.00)	7,405,251.00
Building and Building Improvements	201,484,354.00	6,019,531.00		207,503,885.00
Machinery and Equipment	<u>15,995,115.00</u>	<u>258,924.00</u>	<u>416,405.00</u>	<u>15,837,634.00</u>
Totals as historical cost	<u>220,991,771.00</u>	<u>9,491,354.00</u>	<u>(263,645.00)</u>	<u>230,746,770.00</u>
Total Gross assets (Memo only)	<u>\$ 229,588,285.00</u>	<u>\$ 10,173,880.00</u>	<u>\$ 416,405.00</u>	<u>\$ 239,345,760.00</u>
Less: Accumulated Depreciation for:				
Site Improvements	\$ (2,256,663.00)	\$ (321,092.00)	\$	\$ (2,577,755.00)
Building and Building Improvements	(76,886,713.00)	(4,245,301.00)		(81,132,014.00)
Machinery and Equipment	<u>(12,342,391.00)</u>	<u>(908,115.00)</u>	<u>(416,405.00)</u>	<u>(12,834,101.00)</u>
Total depreciation	<u>(91,485,767.00)</u>	<u>(5,474,508.00)</u>	<u>(416,405.00)</u>	<u>(96,543,870.00)</u>
Total Capital assets being depreciated net of accumulated depreciation	<u>129,506,004.00</u>	<u>4,016,846.00</u>	<u>(680,050.00)</u>	<u>134,202,900.00</u>
Governmental activities capital assets, net	<u>\$ 138,102,518.00</u>	<u>\$ 4,699,372.00</u>	<u>\$</u>	<u>\$ 142,801,890.00</u>
Business-type activities:				
Equipment	\$ 1,626,243.00	\$ 3,591.00	\$	\$ 1,629,834.00
Less: Accumulated Depreciation	<u>(1,459,304.00)</u>	<u>(47,740.00)</u>		<u>(1,507,044.00)</u>
Proprietary fund capital assets, net	<u>\$ 166,939.00</u>	<u>\$ (44,149.00)</u>	<u>\$</u>	<u>\$ 122,790.00</u>

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 3: CHANGE IN CAPITAL ASSETS**

Depreciation Expense was charged to governmental expenses as follows:

Instruction:		
Regular	\$	3,886,900.68
Special		218,980.32
Support Services:		
General Administrative Services		437,960.64
School Administrative Services		273,725.40
Pupil Transportation		109,490.16
Plant Operations & Maintenance		<u>547,450.80</u>
	\$	<u><u>5,474,508.00</u></u>

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 4: LONG-TERM LIABILITIES**

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

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

At June 30, 2015, the District had bonds or notes authorized but not issued in the amount of \$859 .00.

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2015:

	<u>Bonds Payable</u>	<u>Net Pension Liability</u>	<u>Compensated Absences Payable</u>	<u>Total</u>
Balance June 30, 2014	\$ 73,530,000.00	\$ 40,841,863.00	\$ 2,299,583.00	\$ 116,671,446.00
Additions	<u>73,530,000.00</u>	<u>1,143,515.00</u>	<u>67,984.00</u>	<u>1,211,499.00</u>
Deletions	<u>5,095,000.00</u>	<u>41,985,378.00</u>	<u>2,367,567.00</u>	<u>5,095,000.00</u>
Balance June 30, 2015	<u>\$ 68,435,000.00</u>	<u>\$ 41,985,378.00</u>	<u>\$ 2,367,567.00</u>	<u>\$ 112,787,945.00</u>
Amounts due within one year	<u>\$ 5,030,000.00</u>			

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

**Bonds Payable**

The annual requirements to amortize all debt outstanding as of June 30, 2015, with interest payments on issued debt, are as follows:

Fiscal Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 5,030,000.00	\$ 2,710,525.00	\$ 7,740,525.00
2017	6,125,000.00	2,484,475.00	8,609,475.00
2018	6,190,000.00	2,247,275.00	8,437,275.00
2019	6,240,000.00	2,014,450.00	8,254,450.00
2020	6,275,000.00	1,778,962.50	8,053,962.50
2021	6,320,000.00	1,540,800.00	7,860,800.00
2022	6,365,000.00	1,287,287.50	7,652,287.50
2023	6,415,000.00	1,018,525.00	7,433,525.00
2024	6,475,000.00	738,706.25	7,213,706.25
2025	6,530,000.00	460,668.75	6,990,668.75
2026	1,555,000.00	282,125.00	1,837,125.00
2027	1,600,000.00	203,250.00	1,803,250.00
2028	1,640,000.00	122,250.00	1,762,250.00
2029	<u>1,675,000.00</u>	<u>40,625.00</u>	<u>1,715,625.00</u>
	<u>\$ 68,435,000.00</u>	<u>\$ 16,929,925.00</u>	<u>\$ 85,364,925.00</u>

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

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

<u>Issue</u>	<u>Amount Outstanding June 30, 2015</u>	<u>Bonds Authorized But Not Issued</u>
\$33,117,000.00 in General Obligation Bonds dated April 15, 2004, due in a final installment of \$1,040,000.00 on August 1, 2014		\$859.00
\$36,330,000.00 in Refunding Bonds (2008 Series) dated May 10, 2007, due in remaining annual installments ranging between \$1,390,000.00 and \$2,390,000.00 beginning February 1, 2009 and ending February 1, 2025 with interest from 3.856% to 5.00%	23,555,000.00	-0-
\$29,525,000.00 in School Bonds (2012 Series) dated March 7, 2012, due in remaining annual installments ranging between \$510,000.00 and \$2,625,000.00 beginning June 30, 2012 and ending June 30, 2025 with interest from 2.00% to 4.00%	24,980,000.00	-0-
\$36,330,000.00 in Refunding Bonds (2014 Series) dated January 2014, due in remaining annual installments ranging between \$1,195,000.00 and \$1,675,000.00 beginning August 1, 2015 and ending August 1, 2028 with interest from 3.00% to 5.00%	19,890,000.00	-0-
	<u>68,425,000.00</u>	<u>\$859.00</u>

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 5: PENSION PLANS**

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

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

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

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

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 5: PENSION PLANS (CONTINUED)**

**Significant Legislation**

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

**Pension Plan Design Changes**

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

**Funding Changes**

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

**COLA Suspension**

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

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

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

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 5: PENSION PLANS (CONTINUED)**

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

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

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (i.e. the State of new Jersey makes the employer contribution on behalf of public school districts.

<u>Three-Year Trend Information for PERS</u>			
<u>Year</u> <u>June 30,</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2015	\$1,848,669.00	100.00%	\$1,848,669.00
2014	\$1,792,936.00	100.00%	\$1,792,936.00
2013	\$1,767,039.00	100.00%	\$1,767,039.00

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>			
<u>Year</u> <u>June 30,</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2015	\$2,833,393.00	100.00%	\$2,833,393.00
2014	\$2,233,578.00	100.00%	\$2,233,578.00
2013	\$3,452,229.00	100.00%	\$3,452,229.00

During the fiscal years ended June 30, 2015, 2014, and 2013, the State of New Jersey contributed \$2,833,393.00, \$2,233,578, and \$3,452,229, respectively to the TPAF pension system on behalf of the District.

Also, in accordance with N.J.S.A. 18A:66-66 during the years ended June 30, 2014, 2013 and 2012, the State of New Jersey reimbursed the District \$3,975,468, 3,957,689 and 3,969,861 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**

**Public Employees Retirement System (PERS)**

At June 30, 2015, the District reported a liability of \$41,985,378.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating local units, actuarially determined. At June 30, 2014, the District's proportion was 0.2242481008 percent, which was an increase of 0.0105504700 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$2,470,740.00. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

The \$1,996,930.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	
<u>June 30</u>	<u>Amount</u>
2016	(\$30,313.00)
2017	(\$30,313.00)
2018	(\$30,313.00)
2019	\$19,216.55
Thereafter	\$8,455.28

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Public Employees Retirement System (PERS) (Continued)**

**Additional Information**

Collective balances at June 30, 2014 and 2013 are as follows

	<u>6/30/2014</u>	<u>6/30/2013</u>
Collective deferred outflows of resources	\$952,194,675	Not Available
Collective deferred inflows of resources	1,479,224,662	Not Available
Collective net pension liability	18,722,735,003	19,111,986,911
District's Proportion	0.2242481008%	0.2136976308%

**Actuarial Assumptions**

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which rolled forward to June 30, 2014. The total pension liability for the July 1, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.01 Percent
Salary Increases	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

**Mortality Rates**

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Public Employees Retirement System (PERS) (Continued)**

**Actuarial Assumptions (Continued)**

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bond	1.00%	2.49%
Intermediate Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Returns	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	<u>100.00%</u>	

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Public Employees Retirement System (PERS) (Continued)**

**Actuarial Assumptions (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the collective net pension liability to changes in the discount rate.**

The following presents the collective net pension liability of the participating employers as of June 30, 2014 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1-percentage-point higher than the current rate:

	June 30, 2014		
	1% Decrease <u>4.39%</u>	At Current Discount Rate <u>5.39%</u>	1% Increase <u>6.39%</u>
District's proportionate share of the pension liability	52,819,035.00	41,985,378.00	32,887,863.00

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Public Employees Retirement System (PERS) (Continued)**

**Pension plan fiduciary net position.**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

**Teachers Pensions and Annuity Fund (TPAF)**

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2015 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	\$282,188,861
	\$282,188,861

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the proportion of the TPAF net pension liability associated with the District was .5279813744%.

For the year ended June 30, 2015, the District recognized on-behalf pension expense and revenue of \$15,184,410 for contributions provided by the State.

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (continued)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%

**Mortality rates**

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (continued)**

**Actuarial Assumptions (Continued)**

**Long-Term Expected Rate of Return (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate- Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
	<u>100.00%</u>	

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability,

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 7: OTHER POST-RETIREMENT BENEFITS**

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

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

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2014 there were 103,432 retirees eligible for post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the state in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The state is also responsible for the cost attributable to P.L. 1992 c. 126, 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 \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 7: OTHER POST-RETIREMENT BENEFITS (CONTINUED)**

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2015, 2014 and 2013 were \$4,498,014, \$3,662,228 and \$3,903,599 respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**NOTE 7: LITIGATION**

The District's counsel advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the School District and which might materially affect the District's financial position.

**NOTE 8: CONTINGENCIES**

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2014-2015 fiscal year were subject to the U.S. OMB A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal reimbursements and is subject to certain related federal regulations. These federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The District management does not believe such an audit would result in material amounts of disallowed costs.

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 9: RISK MANAGEMENT**

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

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

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

<u>Fiscal Year</u>	<u>Interest Earnings</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-15	\$ 555.89	\$ 121,102.24	\$ 105,517.13	\$ 324,779.00
2013-14	671.00	83,335.00	123,489.00	308,638.00
2012-13	394.00	317,078.00	175,522.00	348,121.00

**NOTE 10: FUND BALANCE APPROPRIATED**

**General Fund** – Of the \$12,350,324.00 General Fund fund balance at June 30, 2015, \$6,016,498.00 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7, of which \$2,722,515.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2015, \$3,788,422.00 has been restricted in the Capital Reserve Account; \$700,000.00 has been restricted in the Emergency Reserve Account; \$434,976.00 is assigned for encumbrances; \$750,000.00 is committed fund balance designated for subsequent years expenditures; and \$660,428.00 is unassigned.

**Debt Service Fund** – Of the \$824,209.00 in Debt Service Fund fund balance at June 30, 2015, \$747,130.00 has been appropriated and included as anticipated revenue in the 2014-2015 Budget. The remaining balance of \$77,079.00 is restricted for future debt service.

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 11: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS**

The Restricted Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget.

General Fund Expenditures Fiscal Year Ended June 30, 2015	\$140,266,136
Add:	
Transfer from Capital Reserve to Capital Projects Fund	1,328,088
Less:	
On-behalf TPAF Pension and Social Security Reimbursement	<u>11,306,875</u>
Adjusted General Fund Expenditures	\$130,287,349
Excess Surplus Percentage	<u>2.00%</u>
2% of Adjusted 2014-15 General Fund Expenditures	\$2,605,746
Add: Allowable Adjustments	<u>310,987</u>
Maximum Unreserved/Undesignated Fund Balance	\$2,916,733
Actual Unreserved/Undesignated Fund Balance	<u>6,210,716</u>
Excess Surplus	<u><u>\$3,293,983</u></u>

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 12: INTERFUND RECEIVABLES AND PAYABLES**

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
General Fund	\$ 298,339.00	\$ 688.00
Special Revenue Fund	688.00	
Proprietary Fund		298,114.00
Fiduciary Fund		225.00
	\$ <u>299,027.00</u>	\$ <u>299,027.00</u>

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

**NOTE 13: CAPITAL RESERVE ACCOUNT**

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

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

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 13: CAPITAL RESERVE ACCOUNT (CONTINUED)**

**Capital Reserve Account**

Beginning balance, July 1, 2014		\$11,209,033.00
Board Approved	\$2,400,000.00	
Transferred from Capital Projects Fund	45,273.00	
Interest earned	3,947.00	
		2,449,220.00
		13,658,253.00
Withdrawals:		
Budgeted	\$4,840,000.00	
Board approved	5,029,831.00	
		9,869,831.00
Ending balance, June 30, 2015		\$3,788,422.00

**NOTE 14: DEFERRED COMPENSATION**

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. Since the Board does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2015.

**NOTE 15: INVENTORY**

Inventory in the Food Service Fund at June 30, 2015 consisted of the following:

Food and Supplies	<u>\$60,799.00</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act amendments of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 16: COMPENSATED ABSENCES**

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

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

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net assets. As of June 30, 2015, a liability existed for compensated absences for governmental fund-types in the district- wide Statement of Net Position of \$2,367,567.00.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015 a liability existed for compensated absences in the proprietary funds of \$67,872.00.

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

**NOTE 17: EMERGENCY RESERVE ACCOUNT**

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

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

**Township of South Brunswick School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2015**

**NOTE 17: EMERGENCY RESERVE ACCOUNT (CONTINUED)**

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

During the Fiscal Year ended June 30, 2015 the District has the following activity in the Emergency Reserve Account:

**Emergency Reserve Account**

Beginning balance, July 1, 2014 and June 30, 2015	<u>\$700,000.00</u>
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**NOTE 18: RESTATEMENT**

As stated in Note 6 in FY2015 the District implemented GASB 68. As a result the District's Net Position at June 30, 2014 was restated as follows:

		Governmental <u>Activities</u>
Beginning Net Position 06/30/14	\$	80,658,765.00
Adjustments:		
Recognition of Net Pension Liability		<u>(40,841,863.00)</u>
Beginning Net Position 06/30/14 (As restated)	\$	<u>39,816,902.00</u>

**NOTE 19: SUBSEQUENT EVENTS**

The District has evaluated subsequent events occurring after the financial statement date through December 8, 2015 which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events needed to be disclosed.

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**BUDGETARY COMPARISON SCHEDULES**

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 98,149,466.00	\$	\$ 98,149,466.00	\$ 98,149,466.00	\$ (55,889.00)
Tuition from individuals	185,000.00		185,000.00	129,111.00	140,421.00
Tuition from LEAs				2,779.00	2,779.00
Transportation fees from other LEAs	5,000.00	68,800.00	73,800.00	3,947.00	(69,853.00)
Interest earned on capital reserve funds	343,641.00		343,641.00	417,094.00	73,453.00
Unrestricted miscellaneous revenues					
<b>Total revenues-local sources</b>	<b>98,683,107.00</b>	<b>68,800.00</b>	<b>98,751,907.00</b>	<b>98,842,818.00</b>	<b>90,911.00</b>
State sources:					
Extraordinary aid	308,445.00		308,445.00	559,435.00	250,990.00
Other state aids	174,900.00		174,900.00	174,900.00	
Categorical special education aid	5,412,797.00		5,412,797.00	5,412,797.00	
Equalization aid	17,018,097.00		17,018,097.00	17,018,097.00	
Categorical security aid	160,510.00		160,510.00	160,510.00	
Categorical transportation aid	628,937.00		628,937.00	628,937.00	
Non public transportation aid				59,997.00	59,997.00
Reimbursed TPAF social security contributions (non-budgeted)				3,975,468.00	3,975,468.00
On-behalf TPAF post retirement medical (non-budgeted)				4,498,014.00	4,498,014.00
On-behalf TPAF pension contributions (non-budgeted)				2,833,393.00	2,833,393.00
<b>Total - state sources</b>	<b>23,703,686.00</b>		<b>23,703,686.00</b>	<b>35,321,548.00</b>	<b>11,617,862.00</b>
Federal sources:					
Medicaid Reimbursement	55,064.00		55,064.00	69,529.00	14,465.00
<b>Total - federal sources</b>	<b>55,064.00</b>		<b>55,064.00</b>	<b>69,529.00</b>	<b>14,465.00</b>
<b>Total revenues</b>	<b>122,441,857.00</b>	<b>68,800.00</b>	<b>122,510,657.00</b>	<b>134,233,895.00</b>	<b>11,723,238.00</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Instruction - regular programs:					
Salaries of teachers:					
Kindergarten	2,335,641.00	(34,450.00)	2,301,191.00	2,256,287.00	44,904.00
Grades 1-5	12,682,068.00	(247,449.00)	12,434,639.00	12,329,670.00	104,969.00
Grades 6-8	9,237,531.00	22,478.00	9,260,009.00	9,235,678.00	24,331.00
Grades 9-12	12,306,740.00	23,831.00	12,330,571.00	12,252,604.00	77,967.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Regular programs - Undistributed Instruction:					
Other Salaries for Instruction	307,205.00	(20,900.00)	286,305.00	246,102.00	40,203.00
Purchased Professional Educational Services	24,000.00		24,000.00	9,720.00	14,280.00
Purchased Technical Services	58,000.00	(2,100.00)	55,900.00	45,660.00	10,240.00
Other Purchased Services (400-500 series)	319,041.00	14,783.00	333,824.00	221,932.00	111,892.00
General Supplies	1,282,387.00	338,936.00	1,621,323.00	1,439,622.00	181,701.00
Textbooks	267,400.00	(13,139.00)	254,261.00	252,180.00	2,081.00
Other Objects	1,775.00	(425.00)	1,350.00	300.00	1,050.00
Total Regular Programs	38,821,808.00	81,565.00	38,903,373.00	38,289,755.00	613,618.00
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	898,546.00	62,000.00	960,546.00	956,775.00	3,771.00
Other Salaries for Instruction	364,699.00	5,000.00	369,699.00	367,705.00	1,994.00
General Supplies	6,000.00	(400.00)	5,600.00	1,245.00	4,355.00
Total Learning and/or Language Disabilities	1,269,245.00	66,600.00	1,335,845.00	1,325,725.00	10,120.00
Multiple Disabilities:					
Salaries of Teachers	253,781.00	(20,000.00)	233,781.00	224,684.00	9,097.00
Other Salaries for Instruction	89,803.00	94,000.00	183,803.00	178,118.00	5,685.00
General Supplies	800.00	800.00	1,600.00	812.00	788.00
Total Multiple Disabilities	344,384.00	74,800.00	419,184.00	403,614.00	15,570.00
Resource Room/ Resource Center:					
Salaries of Teachers	5,374,232.00	(117,000.00)	5,257,232.00	5,238,945.00	18,287.00
Other Salaries for Instruction	779,420.00	(88,000.00)	691,420.00	687,794.00	3,626.00
General Supplies	32,625.00	(2,206.00)	30,419.00	21,624.00	8,795.00
Textbooks	4,600.00		4,600.00	1,364.00	3,236.00
Total Resource Room/ Resource Center	6,190,877.00	(207,206.00)	5,983,671.00	5,949,727.00	33,944.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Autism:					
Salaries of Teachers	854,256.00	(46,000.00)	808,256.00	791,863.00	16,393.00
Other Salaries for Instruction	492,425.00	12,000.00	504,425.00	503,723.00	702.00
General Supplies	5,500.00	149.00	5,649.00	5,350.00	299.00
Total Autism	1,352,181.00	(33,851.00)	1,318,330.00	1,300,936.00	17,394.00
Preschool Disabilities - Part Time:					
Other Salaries for Instruction	60,973.00	(5,000.00)	55,973.00	40,667.00	15,306.00
General Supplies	2,000.00	600.00	2,600.00	1,770.00	830.00
Total Preschool Disabilities - Part Time	62,973.00	(4,400.00)	58,573.00	42,437.00	16,136.00
Preschool Disabilities - Full Time:					
Salaries of Teachers	305,175.00	193,000.00	498,175.00	497,707.00	468.00
Other Salaries for Instruction	140,817.00	60,500.00	201,317.00	197,681.00	3,636.00
Total Preschool Disabilities - Full Time	445,992.00	253,500.00	699,492.00	695,388.00	4,104.00
Home Instruction:					
Salaries of Teachers	44,000.00	(1,000.00)	43,000.00	39,899.00	3,101.00
Other Salaries for Instruction	15,000.00		15,000.00	11,268.00	3,732.00
Purchased Professional- Educational Services	97,500.00	42,000.00	139,500.00	108,180.00	31,320.00
Total Home Instruction	156,500.00	41,000.00	197,500.00	159,347.00	38,153.00
Total Special Education - Instruction	9,822,152.00	190,443.00	10,012,595.00	9,877,174.00	135,421.00
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	2,101,491.00	(233,725.00)	1,867,766.00	1,840,087.00	27,679.00
Other Salaries for Instruction	15,250.00	(15,250.00)			
General Supplies	4,000.00	(4,000.00)			
Total Basic Skills/Remedial - Instruction	2,120,741.00	(252,975.00)	1,867,766.00	1,840,087.00	27,679.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Bilingual education - Instruction:					
Salaries of Teachers	276,756.00	6,000.00	282,756.00	267,683.00	15,073.00
General Supplies	2,200.00		2,200.00	1,357.00	843.00
<b>Total Bilingual Education - Instruction</b>	<b>278,956.00</b>	<b>6,000.00</b>	<b>284,956.00</b>	<b>269,040.00</b>	<b>15,916.00</b>
School Sponsored Co/Extra Curricular Activities - Instruction:					
Salaries	257,330.00	(108,284.00)	149,046.00	44,841.00	104,205.00
Purchased Services (300-500 series)	40,850.00	4,323.00	45,173.00	28,336.00	16,837.00
Supplies and Materials	43,720.00	(323.00)	43,397.00	19,812.00	23,585.00
Other Objects	3,995.00	765.00	4,760.00	3,363.00	1,397.00
<b>Total School Sponsored Co/Extra Curricular Activities - Instruction</b>	<b>345,895.00</b>	<b>(103,519.00)</b>	<b>242,376.00</b>	<b>96,352.00</b>	<b>146,024.00</b>
School Sponsored Athletics - Instruction:					
Salaries	647,452.00	115,617.00	763,069.00	762,220.00	849.00
Purchased Services (300-500 series)	110,332.00	(20,548.00)	89,784.00	85,145.00	4,639.00
Supplies and Materials	159,420.00	5,847.00	165,267.00	162,708.00	2,559.00
Other Objects	6,800.00	(145.00)	6,655.00	5,895.00	760.00
Transfers to Cover Deficit (Agency Funds)	79,750.00	13,153.00	92,903.00	80,218.00	12,685.00
<b>Total School Sponsored Athletics - Instruction</b>	<b>1,003,754.00</b>	<b>113,924.00</b>	<b>1,117,678.00</b>	<b>1,096,186.00</b>	<b>21,492.00</b>
Community Services Programs/Operations	4,916.00		4,916.00	3,200.00	1,716.00
<b>Total Community Services Programs/Operations</b>	<b>4,916.00</b>		<b>4,916.00</b>	<b>3,200.00</b>	<b>1,716.00</b>
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the State - Regular	130,373.00	(97,714.00)	32,659.00	15,517.00	17,142.00
Tuition to other LEAs within the State - Special	239,608.00		239,608.00	221,007.00	18,601.00
Tuition to CSSD & Regular Day Schools	350,000.00	252,186.00	602,186.00	520,942.00	81,244.00
Tuition to Private Schools for the Disabled W/ State	3,215,587.00	581,747.00	3,797,334.00	3,641,180.00	156,154.00
Tuition to Private Schools for the Disabled & Other LEA'S-Spl. O/S Site	45,000.00	(16,800.00)	28,200.00	20,069.00	8,131.00
Tuition - State Facilities	64,612.00		64,612.00	64,612.00	
Tuition - Other	149,050.00	(35,675.00)	113,375.00	113,126.00	249.00
<b>Total Undistributed Expenditures - Instruction</b>	<b>4,194,230.00</b>	<b>683,744.00</b>	<b>4,877,974.00</b>	<b>4,596,453.00</b>	<b>281,521.00</b>

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expenditures - Attendance & Social Work:					
Salaries	65,091.00		65,091.00	63,654.00	1,437.00
Total Undistributed Expenditures - Attendance & Social Work	65,091.00		65,091.00	63,654.00	1,437.00
Undistributed Expenditures - Health Services:					
Salaries	1,203,531.00	16,005.00	1,219,536.00	1,218,419.00	1,117.00
Purchased Professional and Technical Services	158,800.00	58,500.00	217,300.00	212,151.00	5,149.00
Other Purchased Services (400-500 series)		6,645.00	6,645.00	6,645.00	
Supplies and Materials	43,191.00	18,234.00	61,425.00	54,486.00	6,939.00
Total Undistributed Expenditures - Health Services	1,405,522.00	99,384.00	1,504,906.00	1,491,701.00	13,205.00
Undistributed Expend. - Speech, OT, PT & Related Services:					
Salaries	872,127.00	(42,237.00)	829,890.00	824,895.00	4,995.00
Purchased professional - Educational Services	265,900.00	(9,274.00)	256,626.00	209,552.00	47,074.00
Supplies and materials	38,000.00	(8,087.00)	29,913.00	27,176.00	2,737.00
Total Undistributed Expend. - Speech, OT, PT & Related Services	1,176,027.00	(59,598.00)	1,116,429.00	1,061,623.00	54,806.00
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	2,027,562.00	(37,000.00)	1,990,562.00	1,819,289.00	171,273.00
Purchased Professional - Educational Services	20,707.00		20,707.00		20,707.00
Other Purchased Professional & Technical Services		10,000.00	10,000.00	1,336.00	8,664.00
Other Purchased Services (400-500 series)	33,665.00	3,165.00	36,830.00	26,511.00	10,319.00
Supplies and Materials	121,600.00	(3,411.00)	118,189.00	76,434.00	41,755.00
Total Undistributed Expenditures - Guidance	2,203,534.00	(27,246.00)	2,176,288.00	1,923,570.00	252,718.00
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	2,424,384.00	29,603.00	2,453,987.00	2,440,025.00	13,962.00
Salaries of Secretarial and Clerical Assistants	155,457.00	6,000.00	161,457.00	155,960.00	5,497.00
Purchased Professional - Educational Services	10,000.00	(10,000.00)			
Other Purchased Professional & Technical Services	185,050.00	87,666.00	272,716.00	263,833.00	8,883.00
Miscellaneous Purchased Services (400-500 series or than resid. cost)	1,125.00		1,125.00	458.00	667.00
Supplies and Materials	28,188.00	5,626.00	33,814.00	30,003.00	3,811.00
Other Objects	500.00		500.00		500.00
Total Undistributed Expenditures - Child Study Teams	2,804,704.00	118,895.00	2,923,599.00	2,890,279.00	33,320.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expenditures - Improvement of Instr. Serv.					
Salaries of Supervisors of Instruction	542,102.00	5,855.00	547,957.00	547,925.00	32.00
Purchased Professionals - Educational Services	70,050.00	(18,802.00)	51,248.00	46,714.00	4,534.00
Other Purchased Services (400-500 series)	33,500.00	455.00	33,955.00	16,730.00	17,225.00
Supplies and Materials	17,500.00	(2,261.00)	15,239.00	4,690.00	10,549.00
Total Undistributed Expenditures - Improvement of Instr. Serv.	663,152.00	(14,753.00)	648,399.00	616,059.00	32,340.00
Undistributed Expend. - Educational Media Serv./School Library:					
Salaries	742,996.00	34,879.00	777,875.00	736,260.00	41,615.00
Purchased Professional and Technical Services		3,750.00	3,750.00	2,500.00	1,250.00
Other Purchased Services (400-500 series)		11,480.00	11,480.00	11,480.00	
Supplies and Materials	267,015.00	(2,658.00)	264,357.00	223,892.00	40,465.00
Total Undistributed Expend. - Educational Media Serv./School Library	1,010,011.00	47,451.00	1,057,462.00	974,132.00	83,330.00
Undistributed Expend.- Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	550,596.00	(2,505.00)	548,091.00	547,924.00	167.00
Salaries of Other Professional Staff	96,171.00	(1,198.00)	94,973.00	90,396.00	4,577.00
Salaries of Secretarial and Clerical Assistants	59,335.00		59,335.00	59,286.00	49.00
Other Salaries	37,442.00	298.00	37,740.00	26,272.00	11,468.00
Purchased Professional - Educational Services	110,400.00	(69,262.00)	41,138.00	22,304.00	18,834.00
Other Purchased Services (400-500 series)	27,700.00	(17,495.00)	10,205.00	9,122.00	1,083.00
Supplies and Materials	29,328.00	(6,055.00)	23,273.00	10,323.00	12,950.00
Other Objects	5,000.00	255.00	5,255.00	255.00	5,000.00
Total Undistributed Expend.- Instructional Staff Training Services	915,972.00	(95,962.00)	820,010.00	765,882.00	54,128.00
Undistributed Expend.-Support Services-General Administration:					
Salaries	453,860.00	21,212.00	475,072.00	474,327.00	745.00
Legal Services	120,000.00		120,000.00	117,113.00	2,887.00
Audit Fees	42,000.00	350.00	42,350.00	42,350.00	
Other Purchased Professional Services	40,500.00	(20,043.00)	20,457.00	20,447.00	10.00
Purchased Technical Services	8,000.00	(4,300.00)	3,700.00	2,932.00	768.00
Communications/Telephone	463,000.00	123,390.00	586,390.00	582,262.00	4,128.00
BOE Other Purch Serv		6,800.00	6,800.00	6,740.00	60.00
Misc. Purchased Services (400-500 series, O/T 530 & 585)	422,350.00	36,872.00	459,222.00	453,526.00	5,696.00
General Supplies	36,293.00	6,141.00	42,434.00	36,986.00	5,448.00
Judgements against the School District		1,545.00	1,545.00	1,544.00	1.00
Miscellaneous Expenditures	2,500.00	3,397.00	5,897.00	5,897.00	
BOE Membership Dues and Fees	44,600.00	(12,302.00)	32,298.00	32,298.00	
Total Undistributed Expend.-Support Services-General Administration	1,633,103.00	163,062.00	1,796,165.00	1,776,422.00	19,743.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend. - Support Services- School Administration:					
Salaries of Principals/Assistant Principals	2,775,769.00	547,495.00	3,323,264.00	2,781,251.00	542,013.00
Salaries of Other Professional Staff	649,121.00		649,121.00	648,691.00	430.00
Salaries of Secretarial and Clerical Assistants	2,305,414.00	(26,837.00)	2,278,577.00	2,273,876.00	4,701.00
Purchased Professional and Technical Services	3,900.00		3,900.00	3,900.00	
Other Purchased Services (400-500 series)	106,800.00	23,242.00	130,042.00	79,273.00	50,769.00
Supplies and Materials	7,000.00	17,962.00	24,962.00	17,615.00	7,347.00
Other Objects		13,452.00	13,452.00	12,269.00	1,183.00
Total Undistributed Expend. - Support Services- School Administration	5,848,004.00	575,314.00	6,423,318.00	5,812,975.00	610,343.00
Undistributed Expend. - Central Services					
Salaries	1,637,561.00	160,000.00	1,797,561.00	1,577,313.00	220,248.00
Purchased Professional Services	7,500.00		7,500.00	6,745.00	755.00
Purchased Technical Services	109,704.00		109,704.00	95,902.00	13,802.00
Miscellaneous Purchased Services (400-500 series, OT 594)	46,450.00	1,825.00	48,275.00	31,402.00	16,873.00
Other Objects	9,125.00	675.00	9,800.00	4,694.00	5,106.00
Total Undistributed Expend. - Central Services	1,810,340.00	162,500.00	1,972,840.00	1,716,056.00	256,784.00
Undistributed Expend. - Admin. Info. Technology:					
Salaries	725,573.00	(14,684.00)	710,889.00	693,442.00	17,447.00
Purchased Professional Services	50,000.00		50,000.00	4,015.00	45,985.00
Other Purchased Services (400-500 series)	43,300.00	3,400.00	46,700.00	13,478.00	33,222.00
Other Objects	2,200.00	(2,200.00)			
Total Undistributed Expend. - Admin. Info. Technology	821,073.00	(13,484.00)	807,589.00	710,935.00	96,654.00
Undistributed Expend. - Required Maintenance for School Facilities:					
Salaries	1,291,171.00	(30,000.00)	1,261,171.00	1,228,164.00	33,007.00
Cleaning, Repair and Maintenance Services	1,179,062.00	80,414.00	1,259,476.00	1,126,291.00	133,185.00
General Supplies	266,417.00	27,883.00	294,300.00	264,809.00	29,491.00
Total Undistributed Expend. - Required Maintenance for School Facilities	2,736,650.00	78,297.00	2,814,947.00	2,619,264.00	195,683.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend.-Custodial Services:					
Salaries	4,043,193.00	175,236.00	4,218,429.00	4,086,052.00	132,377.00
Salaries of Non-Instructional Aides	766,255.00	35,900.00	802,155.00	797,512.00	4,643.00
Purchased Professional and Technical Services	338,612.00	(103,186.00)	235,426.00	187,909.00	47,517.00
Cleaning, Repair and Maintenance Services	701,244.00	(155,351.00)	545,893.00	334,226.00	211,667.00
Rental of Land & Bldg. Other than Lease Purch. Agreement	359,984.00	(32,500.00)	327,484.00	318,305.00	9,189.00
Other Purchased Property Services	145,000.00	(4,500.00)	140,500.00	129,572.00	10,928.00
Insurance	337,738.00	69,690.00	407,428.00	407,227.00	201.00
Miscellaneous Purchased Services	2,950.00	112.00	3,062.00	1,142.00	1,920.00
General Supplies	431,377.00	28,711.00	460,088.00	371,811.00	88,277.00
Energy (Electricity)	2,713,257.00	(17,598.00)	2,695,659.00	2,559,034.00	136,625.00
Other Objects	24,000.00		24,000.00	23,198.00	802.00
Total Undistributed Expend.-Custodial Services:	9,863,620.00	(3,486.00)	9,860,134.00	9,215,988.00	644,146.00
Care and Upkeep of Grounds:					
Salaries	356,922.00	85,000.00	441,922.00	440,097.00	1,825.00
Cleaning, Repair and Maintenance Services	386,948.00	23,327.00	410,275.00	391,109.00	19,166.00
General Supplies	140,613.00	42,667.00	183,280.00	154,861.00	28,419.00
Total Care and Upkeep of Grounds	884,483.00	150,994.00	1,035,477.00	986,067.00	49,410.00
Security:					
Salaries	26,172.00	(26,172.00)			
Purchased Professional and Technical Services	291,300.00	(44,722.00)	246,578.00	201,142.00	45,436.00
Cleaning, Repair and Maintenance Services	159,000.00	12,399.00	171,399.00	171,399.00	
General Supplies	56,100.00	68,597.00	124,697.00	86,101.00	38,596.00
Total Security:	532,572.00	10,102.00	542,674.00	287,243.00	255,431.00
Total Undistributed Expend. - Oper. & Maintenance of Plant Serv.	14,017,325.00	235,907.00	14,253,232.00	13,108,562.00	1,144,670.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend.-Student Transportation Services:					
Salaries of Non-Instructional Aides	359,808.00	13,889.00	373,697.00	369,447.00	4,250.00
Salaries for Pupil Transportation (bet. home & school)-Reg	919,985.00	3,380.00	923,365.00	918,125.00	5,240.00
Salaries for Pupil Transportation (bet. home & school)-Special Ed.	757,350.00	46,931.00	804,281.00	801,390.00	2,891.00
Salaries for Pupil Transportation (other than bet. home & school)	194,976.00	153,973.00	348,949.00	344,711.00	4,238.00
Other Purchased Professional and Technical Services	59,103.00	(28,705.00)	30,398.00	24,520.00	5,878.00
Cleaning, Repair and Maintenance Services	127,058.00	13,310.00	140,368.00	125,197.00	15,171.00
Contracted Services (between home and school) - Vendors	3,025,900.00	(80,219.00)	2,945,681.00	2,938,998.00	6,683.00
Contracted Services (other than between home and school) - Vendors	154,530.00	27,482.00	182,012.00	162,197.00	19,815.00
Contracted Services (between home and school) - Joint Agreements	28,564.00	2,328.00	30,892.00	30,793.00	99.00
Contracted Services - Special Ed. Students- Vendors	34,400.00	5,448.00	39,848.00	34,811.00	5,037.00
Contracted Services - Special Ed. Students - Joint Agreements	1,577,642.00	212,500.00	1,790,142.00	1,788,402.00	1,740.00
Contracted Services - Aid in Lieu of Payments- Non-Public Schools	266,000.00	(15,000.00)	251,000.00	248,364.00	2,636.00
Miscellaneous Purchased Services - Transportation	17,442.00	1,684.00	19,126.00	18,723.00	403.00
General Supplies	260,208.00	(47,061.00)	213,147.00	191,394.00	21,753.00
Transportation Supplies	330,000.00	(24,961.00)	305,039.00	262,036.00	43,003.00
Other Objects	5,950.00	(578.00)	5,372.00	2,641.00	2,731.00
<b>Total Undistributed Expend.-Student Transportation Services</b>	<b>8,118,916.00</b>	<b>284,401.00</b>	<b>8,403,317.00</b>	<b>8,261,749.00</b>	<b>141,568.00</b>
Allocated Benefits:					
Student Transportation Services:					
Social Security Contributions	155,000.00	35,000.00	190,000.00	189,702.00	298.00
Health Benefits	1,506,763.00	(18,500.00)	1,488,263.00	1,488,263.00	
<b>Total Student Transportation Services</b>	<b>1,661,763.00</b>	<b>16,500.00</b>	<b>1,678,263.00</b>	<b>1,677,965.00</b>	<b>298.00</b>
<b>Total Allocated Benefits</b>	<b>1,661,763.00</b>	<b>16,500.00</b>	<b>1,678,263.00</b>	<b>1,677,965.00</b>	<b>298.00</b>
Unallocated Benefits:					
Group Insurance		100.00	100.00		100.00
Social Security Contributions - Other	1,781,000.00	(117,763.00)	1,663,237.00	1,450,196.00	213,041.00
Other Retirement Contributions - Regular	2,058,000.00	(80,100.00)	1,977,900.00	1,740,720.00	237,180.00
Unemployment Compensation	225,000.00	(222,229.00)	2,771.00		2,771.00
Workmen's Compensation	650,000.00	317,380.00	967,380.00	120,971.00	846,409.00
Health Benefits	20,590,257.00	(2,142,119.00)	18,448,138.00	17,568,837.00	879,301.00
Tuition Reimbursement	80,000.00		80,000.00	51,544.00	28,456.00
<b>Total Unallocated Benefits</b>	<b>25,384,257.00</b>	<b>(2,244,731.00)</b>	<b>23,139,526.00</b>	<b>20,932,268.00</b>	<b>2,207,258.00</b>
<b>Total Personal Services - Employee</b>	<b>27,046,020.00</b>	<b>(2,228,231.00)</b>	<b>24,817,789.00</b>	<b>22,610,233.00</b>	<b>2,207,556.00</b>

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Reimbursed TPAF social security contributions (non-budgeted)				3,975,468.00	(3,975,468.00)
On-behalf TPAF post retirement medical (non-budgeted)				4,498,014.00	(4,498,014.00)
On-behalf TPAF pension contributions (non-budgeted)				2,833,393.00	(2,833,393.00)
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>73,733,024.00</b>	<b>(68,616.00)</b>	<b>73,664,408.00</b>	<b>79,687,160.00</b>	<b>(6,022,752.00)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>126,131,246.00</b>	<b>(33,178.00)</b>	<b>126,098,068.00</b>	<b>131,158,954.00</b>	<b>(5,060,886.00)</b>
<b>CAPITAL OUTLAY:</b>					
<b>EQUIPMENT:</b>					
Grades 6-8		2,100.00	2,100.00	2,045.00	55.00
Grades 9-12		5,300.00	5,300.00	5,260.00	40.00
School - Sponsored and Other Instructional Programs	25,000.00	(5,300.00)	19,700.00		19,700.00
Undistributed:					
Undistributed Expenditures - Instruction	25,000.00	(10,000.00)	15,000.00	12,680.00	2,320.00
Undistributed Expenditures - Gen. Admin.	20,000.00	43,310.00	63,310.00	54,804.00	8,506.00
Undist. Expend. - Required Maintenance for School Facilities		11,253.00	11,253.00	10,226.00	1,027.00
Undist. Expend. - Custodial Services	34,605.00	57,065.00	91,670.00	91,669.00	1.00
Undist. Expend. - Care & Upkeep of Grounds		82,241.00	82,241.00	82,240.00	1.00
Undist. Expend. - Security	25,000.00	187,710.00	212,710.00		212,710.00
School Buses - Regular	240,000.00	(240,000.00)			
School Buses - Special	65,000.00	(64,467.00)	533.00		533.00
<b>TOTAL EQUIPMENT</b>	<b>434,605.00</b>	<b>69,212.00</b>	<b>503,817.00</b>	<b>258,924.00</b>	<b>244,893.00</b>
<b>Facilities Acquisition and Construction Services:</b>					
Architectural/Engineering Services	170,125.00	(136,661.00)	33,464.00	29,018.00	4,446.00
Construction Services	3,670,882.00	163,237.00	3,834,119.00	3,757,219.00	76,900.00
Bldgs. Other than Lease Purchase Agreements		4,810,000.00	4,810,000.00	4,800,631.00	9,369.00
Assessment for debt Service on SDA funding	108,445.00		108,445.00	108,445.00	
<b>TOTAL CAPITAL OUTLAY</b>	<b>3,949,452.00</b>	<b>4,836,576.00</b>	<b>8,786,028.00</b>	<b>8,695,313.00</b>	<b>90,715.00</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>4,384,057.00</b>	<b>4,905,788.00</b>	<b>9,289,845.00</b>	<b>8,954,237.00</b>	<b>335,608.00</b>
<b>Transfer of Funds to Charter Schools</b>	<b>135,111.00</b>	<b>32,767.00</b>	<b>167,878.00</b>	<b>152,945.00</b>	<b>14,933.00</b>
<b>TOTAL EXPENDITURES</b>	<b>130,650,414.00</b>	<b>4,905,377.00</b>	<b>135,555,791.00</b>	<b>140,266,136.00</b>	<b>(4,710,345.00)</b>

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,208,557.00)	(4,836,577.00)	(13,045,134.00)	(6,032,241.00)	7,012,893.00
Other financing sources (use)	(1,235,000.00)	(93,255.00)	(1,328,255.00)	(1,328,088.00)	(167.00)
Transfer to/from capital projects fund	(1,235,000.00)	(93,255.00)	(1,328,255.00)	(1,328,088.00)	(167.00)
Total other financing sources	(2,470,000.00)	(186,510.00)	(2,656,510.00)	(2,656,176.00)	(334.00)
Excess/Deficit of Revenues and other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources	(9,443,557.00)	(4,929,832.00)	(14,373,389.00)	(7,360,329.00)	7,012,726.00
Fund Balances, July 1,	21,966,959.00		21,966,959.00	21,966,959.00	
Fund Balances, June 30,	\$ 12,523,402.00	\$ (4,929,832.00)	\$ 7,593,570.00	\$ 14,606,630.00	\$ 7,012,726.00
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				3,788,422.00	
Emergency Reserve				700,000.00	
Excess Surplus - Designated for Subsequent Year's Expenditures				2,722,515.00	
Excess Surplus - Current Year				3,293,983.00	
Committed Fund Balance:					
Designated for Subsequent Year's Expenditures				750,000.00	
Assigned Fund Balance:					
Year-end Encumbrances				434,976.00	
Unassigned Fund Balance				2,916,734.00	
				14,606,630.00	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(2,256,306.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 12,350,324.00	

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>BUDGET</u> <u>TRANSFERS/</u> <u>AMENDMENTS</u>	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FINAL</u> <u>TO ACTUAL</u>
<b>REVENUES:</b>					
State Aid	\$ 260,000.00	\$ 156,839.00	\$ 416,839.00	\$ 385,765.00	\$ (31,074.00)
Federal Aid	2,115,000.00	525,521.00	2,640,521.00	2,242,463.00	(398,058.00)
Local Sources		65,297.00	65,297.00	50,746.00	(14,551.00)
<b>Total Revenues</b>	<u>2,375,000.00</u>	<u>747,657.00</u>	<u>3,122,657.00</u>	<u>2,678,974.00</u>	<u>(443,683.00)</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries	365,000.00	218,293.00	583,293.00	469,909.00	113,384.00
Purchased Professional and Technical Services	215,000.00	14,984.00	229,984.00	205,890.00	24,094.00
Other Purchased Services (400-500 Series)		1,477,420.00	1,477,420.00	1,477,420.00	
General Supplies		8,233.00	8,233.00	4,423.00	3,810.00
Textbooks	45,000.00	9,396.00	54,396.00	52,996.00	1,400.00
Other Objects		1,200.00	1,200.00	1,200.00	
<b>Total Instruction</b>	<u>625,000.00</u>	<u>1,729,526.00</u>	<u>2,354,526.00</u>	<u>2,211,838.00</u>	<u>142,688.00</u>
Support Services:					
Salaries	1,750,000.00	(1,491,891.00)	258,109.00	114,454.00	143,655.00
Personal Services - Employee Benefits		164,315.00	164,315.00	99,014.00	65,301.00
Purchased Professional and Technical Services		64,041.00	64,041.00	39,331.00	24,710.00
Purchased Professional - Educational Services		172,433.00	172,433.00	132,402.00	40,031.00
Other Purchased Services (400-500 Series)		24,478.00	24,478.00	15,684.00	8,794.00
Supplies and Materials		82,675.00	82,675.00	64,171.00	18,504.00
Miscellaneous Expenditures		2,080.00	2,080.00	2,080.00	
<b>Total Support Services</b>	<u>1,750,000.00</u>	<u>(981,869.00)</u>	<u>768,131.00</u>	<u>467,136.00</u>	<u>300,995.00</u>
<b>Total Expenditures</b>	<u>2,375,000.00</u>	<u>747,657.00</u>	<u>3,122,657.00</u>	<u>2,678,974.00</u>	<u>443,683.00</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
BUDGET TO GAAP RECONCILIATION  
NOTE TO RS!  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$134,233,895.00	\$2,678,974.00
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	N/A	(22,589.00)
The last State aid payment of the current year is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(2,256,306.00)	
The last State aid payment of the prior year is recognized as revenue under GAAP when the State recognizes the related expense (GASB 33). (This revenue was recognized during the previous fiscal year for budgetary purposes.)	2,260,762.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$134,238,351.00	\$2,656,385.00
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$140,266,136.00	\$2,678,974.00
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	N/A	(22,589.00)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$140,266,136.00	\$2,656,385.00

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TEN YEARS

Fiscal Year Ending <u>June 30,</u>	District's Proportion Share of the Net Pension <u>Liability (Asset)</u>	District's Proportionate Share of the Net Pension <u>Liability (Asset)</u>	District's Covered-Employee <u>Payroll</u>	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered- <u>Employee Payroll</u>	Plan Fiduciary Net Position as a percentage of the total <u>Pension Liability</u>
2014	0.2136976308%	\$ 40,841,862	\$ 15,472,709.00	263.96%	40.71%
2015	0.2242481008%	41,985,378	15,742,328.00	266.70%	42.74%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TEN YEARS

Fiscal Year Ending <u>June 30,</u>	Contractually Required <u>Contribution</u>	Contributions in Relation to the Contractually Required <u>Contributions</u>	Contribution Deficiency <u>(Excess)</u>	District's Covered- Employee <u>Payroll</u>	Contributions as a Percentage of Covered- Employee <u>Payroll</u>
2014	\$ 1,610,168	\$ 1,610,168	\$ -0-	\$ 15,472,709.00	10.41%
2015	1,848,669	1,848,669	-0-	15,742,328.00	11.74%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS PENSION AND ANNUITY FUND  
LAST TEN YEARS

Fiscal Year Ending June 30,	District's	District's	District's	District's	Plan Fiduciary Net Position as a percentage of the total Pension Liability
	Proportion Share of the Net Pension Liability (Asset)	Share of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered- Employee Payroll	
2014	0.5342723927%	\$ -0-	\$ 52,775,899.00	-0-	33.76%
2015	0.5279813744%	-0-	54,128,732.00	-0-	33.64%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)

NOTE TO RSI III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms:

None

Change in assumptions:

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 5.55% to 5.39%. This change in the discount rate is considered to be a change in actuarial assumptions under GASB No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms:

None

Change in assumptions:

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 4.95% to 4.68%. This change in the discount rate is considered to be a change in actuarial assumptions under GASB No. 68.

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND DETAIL STATEMENTS**

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	N.J. NONPUBLIC HANDICAPPED SERVICES CHAPTER 193, L. 1977		N.J. NONPUBLIC AUXILIARY SERVICES CHAPTER 192, L. 1977	
	EXAMINATION AND CLASSIFICATION	CORRECTIVE SPEECH	SUPPLEMENTAL INSTRUCTION	COMPENSATORY EDUCATION
N.J. NONPUBLIC TEXTBOOK AID N.J. NONPUBLIC CHAPTER 194 L 1979				ENGLISH AS A SECOND LANGUAGE
Revenues:				
State Aid	\$52,996.00	\$30,923.00	\$16,793.00	\$16,443.00
Federal Aid				
Local Sources				
Total Revenues	52,996.00	30,923.00	16,793.00	16,443.00
Expenditures:				
Instruction:				
Salaries Of Teachers				
Purchased Professional and Technical Services				
Other Purchased Services (400-500 Series)	22,164.00	30,923.00	16,793.00	16,443.00
General Supplies				
Textbooks				
Other Objects				
Total Instruction	22,164.00	30,923.00	16,793.00	16,443.00
Support Services:				
Salaries				
Personal Services - Employee Benefits				
Purchased Professional and Technical Services				
Purchased Professional - Educational Services				
Other Purchased Services (400-500 Series)				
Supplies and Materials				
Miscellaneous Expenditures				
Total Support Services				
Total Expenditures	\$52,996.00	\$30,923.00	\$16,793.00	\$16,443.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)				

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	N.J. AUXILIARY SERVICES CHAPTER 192 L. 1977	N.J. NONPUBLIC NURSING SERVICES AID CHAPTER 226 L. 1991	N.J. NONPUBLIC TECHNOLOGY INITIATIVE AID	FAMILY FRIENDLY CENTERS INITIATIVE 2014-15	MUNICIPAL ALLIANCE GRANTS EPIC 2015	NCLB: TITLE I, PART A CARRYOVER 2013-14
Revenues:						
State Aid	\$14,344.00	\$89,942.00	\$29,161.00	\$40,578.00	\$1,998.00	\$30,215.00
Federal Aid						
Local Sources						
Total Revenues	14,344.00	89,942.00	29,161.00	40,578.00	1,998.00	30,215.00
Expenditures:						
Instruction:						
Salaries Of Teachers						
Purchased Professional and Technical Services	14,344.00	34,000.00			800.00	30,215.00
Other Purchased Services (400-500 Series)						
General Supplies						
Textbooks						
Other Objects				1,200.00		
Total Instruction	14,344.00	34,000.00		1,200.00	800.00	30,215.00
Support Services:						
Salaries					493.00	
Personal Services - Employee Benefits				11,703.00		
Purchased Professional and Technical Services				24,842.00		
Purchased Professional - Educational Services		48,211.00	29,161.00	716.00	705.00	
Other Purchased Services (400-500 Series)		7,731.00		37.00		
Supplies and Materials				2,080.00		
Miscellaneous Expenditures		55,942.00	29,161.00	39,378.00	1,198.00	
Total Support Services		89,942.00	29,161.00	40,578.00	1,998.00	
Total Expenditures	14,344.00	89,942.00	29,161.00	40,578.00	1,998.00	30,215.00

Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	NCLB: TITLE I, PART A 2014-15	NCLB: TITLE II, PART A CARRYOVER 2013-14	NCLB: TITLE II, PART A 2014-15	NCLB: TITLE III, PART A CARRYOVER 2013-14	NCLB: TITLE III, PART A 2014-15	I D E I A PART B, BASIC 2014-15	I D E I A, PART B, PRESCHOOL 2013-14
Revenues:							
State Aid	\$379,940.00	\$66,954.00	\$81,450.00	\$7,771.00	\$28,297.00	\$1,592,199.00	\$55,637.00
Federal Aid							
Local Sources							
Total Revenues	<u>\$379,940.00</u>	<u>\$66,954.00</u>	<u>\$81,450.00</u>	<u>\$7,771.00</u>	<u>\$28,297.00</u>	<u>\$1,592,199.00</u>	<u>\$55,637.00</u>
Expenditures:							
Instruction:							
Salaries Of Teachers	300,501.00	46,777.00	73,102.00	990.00	18,324.00	1,421,783.00	55,637.00
Purchased Professional and Technical Services							
Other Purchased Services (400-500 Series)							
General Supplies	3,721.00				702.00		
Textbooks							
Other Objects							
Total Instruction	<u>304,222.00</u>	<u>46,777.00</u>	<u>73,102.00</u>	<u>990.00</u>	<u>19,026.00</u>	<u>1,421,783.00</u>	<u>55,637.00</u>
Support Services:							
Salaries							
Personal Services - Employee Benefits	67,938.00	3,578.00	5,592.00	76.00	3,618.00	102,258.00	
Purchased Professional and Technical Services		9,029.00	786.00		4,674.00	18,212.00	
Purchased Professional - Educational Services				5,084.00		49,946.00	
Other Purchased Services (400-500 Series)	3,050.00	7,570.00	1,970.00	1,621.00	162.00		
Supplies and Materials	4,730.00				817.00		
Miscellaneous Expenditures							
Total Support Services	<u>75,718.00</u>	<u>20,177.00</u>	<u>8,348.00</u>	<u>6,781.00</u>	<u>9,271.00</u>	<u>170,416.00</u>	
Total Expenditures	<u>\$379,940.00</u>	<u>\$66,954.00</u>	<u>\$81,450.00</u>	<u>\$7,771.00</u>	<u>\$28,297.00</u>	<u>\$1,592,199.00</u>	<u>\$55,637.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)							

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	SCHOOL BEAUTIFICATION DONATIONS CROSSROADS SOUTH CARRYOVER 2010-11	THE MCGRAW HILL COMPANIES K-12 STEM EDUCATION GRANT 2014-15	AMERICANS FOR THE ARTS CAMBRIDGE SCHOOL CARRYOVER 2013-14	AMERICANS FOR THE ARTS GREENBROOK SCHOOL CARRYOVER 2013-14	SOUTH BRUNSWICK EDUCATION FOUNDATION 2014-15	NEW JERSEY SCHOOLS INSURANCE GROUP SAFETY GRANT 2014-15	TOTAL
Revenues:							
State Aid	\$2,673.00	\$723.00	\$113.00	\$1,000.00	\$10,364.00	\$35,873.00	\$385,765.00
Federal Aid							2,242,463.00
Local Sources							50,746.00
Total Revenues	2,673.00	723.00	113.00	1,000.00	10,364.00	35,873.00	2,678,974.00
Expenditures:							
Instruction:							
Salaries of Teachers							469,909.00
Purchased Professional and Technical Services							205,890.00
Other Purchased Services (400-500 Series)							1,477,420.00
General Supplies							4,423.00
Textbooks							52,996.00
Other Objects							1,200.00
Total Instruction							2,211,838.00
Support Services:							
Other Salaries							114,454.00
Personal Services - Employee Benefits							99,014.00
Purchased Professional and Technical Services							39,331.00
Purchased Professional - Educational Services							132,402.00
Other Purchased Services (400-500 Series)	595.00	723.00	113.00	1,000.00	10,364.00	35,873.00	15,684.00
Supplies and Materials	2,078.00						64,171.00
Miscellaneous Expenditures							2,080.00
Total Support Services	2,673.00	723.00	113.00	1,000.00	10,364.00	35,873.00	467,136.00
Total Expenditures	\$2,673.00	\$723.00	\$113.00	\$1,000.00	\$10,364.00	\$35,873.00	\$2,678,974.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)							

**CAPITAL PROJECTS FUND DETAIL STATEMENTS**

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2015

Expenditures and Other Financing Uses:	
Construction services	<u>\$1,328,088.00</u>
Total expenditures	<u>1,328,088.00</u>
Excess (deficiency) of revenues over (under) expenditures	(1,328,088.00)
Other financing sources (uses):	
Transfers in/(out)	1,328,088.00
Canceled	<u>(728,984.00)</u>
Total other financing sources (uses)	<u>599,104.00</u>
Net change in fund balances	(728,984.00)
Fund balance - beginning	<u>991,560.00</u>
Fund balance - ending	<u><u>\$262,576.00</u></u>

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
 ADDITIONS AND ALTERATIONS TO CONSTABLE ELEMENTARY SCHOOL  
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources:</b>				
State Sources - SCC Grant	\$ 2,773,776.00	\$	\$ 2,773,776.00	\$ 2,773,776.00
Bond proceeds and transfers	<u>7,865,092.00</u>	<u>                    </u>	<u>7,865,092.00</u>	<u>7,865,092.00</u>
Total revenues	<u>10,638,868.00</u>	<u>                    </u>	<u>10,638,868.00</u>	<u>10,638,868.00</u>
<b>Expenditures and Other Financing Uses:</b>				
Salaries				
Purchased professional and technical services	790,922.00		790,922.00	892,019.00
Construction services	9,022,237.00		9,022,237.00	9,233,881.00
Equipment purchases	256,504.00		256,504.00	336,500.00
Other Expenditures	167,459.00		167,459.00	176,468.00
Transfer to Debt Service	<u>19,849.00</u>	<u>381,897.00</u>	<u>401,746.00</u>	
Total expenditures	<u>10,256,971.00</u>	<u>381,897.00</u>	<u>10,638,868.00</u>	<u>10,638,868.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 381,897.00</u>	<u>\$ (381,897.00)</u>	<u>\$</u>	<u>\$</u>
<b>Additional project information:</b>				
Project Number	4860-070-13-1448			
Grant Date	1/22/2004			
Bond Authorization Date	12/9/2003			
Bonds Authorized	7,865,092.00			
Bonds Issued	7,865,092.00			
Original Authorized Cost	10,638,868.00			
Additional Authorized Cost				
Revised Authorized Cost	10,638,868.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	100%			
Original target completion date	9/1/2006			
Revised target completion date	12/1/2006			



TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
INTERIOR AND EXTERIOR DOOR REPLACEMENT AT CAMBRIDGE SCHOOL  
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Capital Reserve	\$ _____	\$ 60,999.00	\$ 60,999.00	\$ 60,999.00
Total revenues	<u>_____</u>	<u>60,999.00</u>	<u>60,999.00</u>	<u>60,999.00</u>
Expenditures and Other Financing Uses:				
Construction services	_____	60,999.00	60,999.00	60,999.00
Total expenditures	<u>_____</u>	<u>60,999.00</u>	<u>60,999.00</u>	<u>60,999.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$ _____	\$ _____	\$ _____	\$ _____
Additional project information:				
Project Number		N/A		
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost		60,999.00		
Additional Authorized Cost				
Revised Authorized Cost		60,999.00		
Percentage Increase over Original Authorized Cost				
Percentage completion		100%		
Original target completion date		FY2015		
Revised target completion date		FY2015		

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
WINDOW REPLACEMENTS AT CONSTABLE AND BRUNSWICK ACRES SCHOOLS  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Capital Reserve	\$ _____	\$ 142,700.00	\$ 142,700.00	\$ 142,700.00
Total revenues	<u>_____</u>	<u>142,700.00</u>	<u>142,700.00</u>	<u>142,700.00</u>
Expenditures and Other Financing Uses:				
Construction services	_____	142,700.00	142,700.00	142,700.00
Total expenditures	<u>_____</u>	<u>142,700.00</u>	<u>142,700.00</u>	<u>142,700.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$ _____	\$ _____	\$ _____	\$ _____
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	142,700.00			
Additional Authorized Cost				
Revised Authorized Cost	142,700.00			
Percentage Increase over Original Authorized Cost				
Percentage completion	100%			
Original target completion date	FY2015			
Revised target completion date	FY2015			

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
LOCKER REPLACEMENT AT CROSSROADS SOUTH MIDDLE SCHOOL  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Capital Reserve	\$ _____	\$ 159,391.00	\$ 159,391.00	\$ 159,391.00
Total revenues	<u>_____</u>	<u>159,391.00</u>	<u>159,391.00</u>	<u>159,391.00</u>
Expenditures and Other Financing Uses:				
Construction services	_____	159,391.00	159,391.00	159,391.00
Total expenditures	<u>_____</u>	<u>159,391.00</u>	<u>159,391.00</u>	<u>159,391.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$ _____	\$ _____	\$ _____	\$ _____
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	154,335.00			
Additional Authorized Cost	5,056.00			
Revised Authorized Cost	159,391.00			
Percentage Increase over Original Authorized Cost	3.28%			
Percentage completion	100%			
Original target completion date	FY2015			
Revised target completion date	FY2015			

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
 HVAC EQUIPMENT AND CONTROL UPGRADES AT CROSSROADS NORTH MIDDLE SCHOOL  
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Capital Reserve	\$ _____	\$ 964,998.00	\$ 964,998.00	\$ 964,998.00
Total revenues	_____	964,998.00	964,998.00	964,998.00
Expenditures and Other Financing Uses:				
Construction services	_____	964,998.00	964,998.00	964,998.00
Total expenditures	_____	964,998.00	964,998.00	964,998.00
Excess (deficiency) of revenues over (under) expenditures	\$ _____	\$ _____	\$ _____	\$ _____
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bond Issued	N/A			
Original Authorized Cost	894,086.00			
Additional Authorized Cost	70,912.00			
Revised Authorized Cost	964,998.00			
Percentage Increase over Original Authorized Cost	7.93%			
Percentage completion	100.00%			
Original target completion date	FY2015			
Revised target completion date	FY2015			

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY STATEMENT OF PROJECT EXPENDITURES  
 AS OF JUNE 30, 2015

ISSUE/PROJECT TITLE	ORIGINAL DATE	APPROPRIATIONS		EXPENDITURES TO DATE		CANCELLED	(MEMO ONLY) UNEXPENDED PROJECT BALANCE
		AUTHORIZED	RECOGNIZED	PRIOR YEAR	CURRENT YEAR		
<b>Bonded Projects</b>							
<b>Referendum #5</b>							
Construction of renovations and additions at the Constable Elementary School and the Greenbrook Elementary School Bonded Share	12/9/2003	\$15,479,916.00	\$15,050,112.00	\$14,058,552.00		\$728,984.00	\$262,576.00
<b>Local Projects:</b>							
Interior and Exterior Door Replacement at Cambridge School	FY 2015	60,999.00	60,999.00		\$60,999.00		
Window Replacement at Constable and Brunswick Acres Schools	FY 2015	142,700.00	142,700.00		142,700.00		
Locker Replacement at Crossroads South Middle School	FY 2015	159,391.00	159,391.00		159,391.00		
HVAC Equipment and Control Upgrades at Crossroads North Middle School	FY 2015	964,998.00	964,998.00		964,998.00		
<b>Totals</b>		<b>\$16,378,200.00</b>	<b>\$16,378,200.00</b>	<b>\$14,058,552.00</b>	<b>\$1,328,088.00</b>	<b>\$728,984.00</b>	<b>\$262,576.00</b>
<b>Reconciliation to GAAP:</b>							
							Unexpended project balance
							\$262,576.00
							Bonds Authorized but not issued
							(859.00)
							Unreserved capital fund balance - GAAP
							<b>\$261,717.00</b>

## PROPRIETARY FUND DETAIL STATEMENTS

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

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

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET POSITION  
 ENTERPRISE FUND  
 JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		TOTAL
	MAJOR FUND CHILDRENS' COMMUNITY ENRICHMENT FUND	NON-MAJOR FUND  FOOD SERVICE FUND	
ASSETS:			
Current assets:			
Cash and cash equivalents	\$2,683,660.00	\$732,271.00	\$3,415,931.00
Accounts receivable - other	2,304.00	17,433.00	19,737.00
Intergovernmental receivables:			
State		3,211.00	3,211.00
Federal		49,950.00	49,950.00
Inventories		60,799.00	60,799.00
Prepaid expenses	26,727.00		26,727.00
Total current assets	<u>2,712,691.00</u>	<u>863,664.00</u>	<u>3,576,355.00</u>
Noncurrent assets:			
Furniture, machinery and equipment	260,345.00	1,369,489.00	1,629,834.00
Less accumulated depreciation	<u>(238,373.00)</u>	<u>(1,268,671.00)</u>	<u>(1,507,044.00)</u>
Total noncurrent assets	<u>21,972.00</u>	<u>100,818.00</u>	<u>122,790.00</u>
Total assets	<u>2,734,663.00</u>	<u>964,482.00</u>	<u>3,699,145.00</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	23,365.00	180,172.00	203,537.00
Interfund payable	298,114.00		298,114.00
Unearned revenue	867,062.00	105,186.00	972,248.00
Compensated absences	67,872.00		67,872.00
Total current liabilities	<u>1,256,413.00</u>	<u>285,358.00</u>	<u>1,541,771.00</u>
Total liabilities	<u>1,256,413.00</u>	<u>285,358.00</u>	<u>1,541,771.00</u>
NET POSITION:			
Net investment in capital assets	21,972.00	100,818.00	122,790.00
Unrestricted	<u>1,456,278.00</u>	<u>578,306.00</u>	<u>2,034,584.00</u>
Total net position	<u>\$1,478,250.00</u>	<u>\$679,124.00</u>	<u>\$2,157,374.00</u>

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>MAJOR FUND</u> <u>CHILDRENS'</u> <u>COMMUNITY</u> <u>ENRICHMENT</u> <u>FUND</u>	<u>NON-MAJOR FUND</u>  <u>FOOD</u> <u>SERVICE</u> <u>FUND</u>	<u>TOTAL</u>
OPERATING REVENUES:			
Charges for services:			
Daily sales - Reimbursable Programs		\$1,363,163.00	\$1,363,163.00
Daily sales - Non-Reimbursable Programs		925,449.00	925,449.00
Special Functions		495.00	495.00
Program fees	3,229,617.00		3,229,617.00
Total operating revenues	<u>3,229,617.00</u>	<u>2,289,107.00</u>	<u>5,518,724.00</u>
OPERATING EXPENSES:			
Salaries	1,817,208.00	964,721.00	2,781,929.00
Employee Benefits	883,550.00	310,205.00	1,193,755.00
Other Purchase Service (Administrative Expenses)	171,520.00	224,188.00	395,708.00
General Supplies	288,506.00	163,791.00	452,297.00
Depreciation	16,176.00	31,564.00	47,740.00
Cost of sales		1,198,101.00	1,198,101.00
Total operating expenses	<u>3,176,960.00</u>	<u>2,892,570.00</u>	<u>6,069,530.00</u>
Operating income (loss)	<u>52,657.00</u>	<u>(603,463.00)</u>	<u>(550,806.00)</u>
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program		29,161.00	29,161.00
Federal Sources:			
National School Lunch Program		566,839.00	566,839.00
National School Breakfast Program		11,119.00	11,119.00
National food distribution commodities		225,175.00	225,175.00
Interest on Investments	591.00	20.00	611.00
Total nonoperating revenues	<u>591.00</u>	<u>832,314.00</u>	<u>832,905.00</u>
Change in net position	53,248.00	228,851.00	282,099.00
Total net position - beginning of the year	<u>1,425,002.00</u>	<u>450,273.00</u>	<u>1,875,275.00</u>
Total net position - end of the year	<u>\$1,478,250.00</u>	<u>\$679,124.00</u>	<u>\$2,157,374.00</u>

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	MAJOR FUND CHILDRENS' COMMUNITY ENRICHMENT FUND	NON-MAJOR FUND  FOOD SERVICE FUND	TOTAL
Cash flows from operating activities:			
Receipts from customers	\$3,320,365.00	\$2,309,190.00	\$5,629,555.00
Payments to employees	(1,817,208.00)	(964,721.00)	(2,781,929.00)
Payments to employee benefits	(882,365.00)	(310,205.00)	(1,192,570.00)
Payments to suppliers	(477,688.00)	(1,446,924.00)	(1,924,612.00)
Net cash provided by (used for) operating activities	<u>143,104.00</u>	<u>(412,660.00)</u>	<u>(269,556.00)</u>
Cash flows from noncapital financing activities:			
State Sources		28,333.00	28,333.00
Federal Sources		577,958.00	577,958.00
Interfund Activity	20,134.00		20,134.00
Net cash provided by noncapital financing activities:	<u>20,134.00</u>	<u>606,291.00</u>	<u>626,425.00</u>
Cash flows from capital and related financing activities:			
Purchases of capital assets		(3,591.00)	(3,591.00)
Net cash provided by (used for) capital and related financing activities		<u>(3,591.00)</u>	<u>(3,591.00)</u>
Cash flows from investing activities:			
Interest	591.00	20.00	611.00
Net cash provided by (used for) investing activities	<u>591.00</u>	<u>20.00</u>	<u>611.00</u>
Net increase (decrease) in cash and cash equivalents	163,829.00	190,060.00	353,889.00
Cash and cash equivalents, July 1, 2014	<u>2,519,831.00</u>	<u>542,211.00</u>	<u>3,062,042.00</u>
Cash and cash equivalents, June 30, 2015	<u>\$2,683,660.00</u>	<u>\$732,271.00</u>	<u>\$3,415,931.00</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$52,657.00	(\$603,463.00)	(\$550,806.00)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	16,176.00	31,564.00	47,740.00
Federal commodities		225,175.00	225,175.00
Change in assets and liabilities:			
(Increase )decrease in accounts receivable - other	1,314.00	(4,994.00)	(3,680.00)
(Increase) decrease in inventories		(24,766.00)	(24,766.00)
(Increase) decrease in prepaid expenses	(10,960.00)		(10,960.00)
Increase (decrease) in accounts payable	(9,017.00)	(61,253.00)	(70,270.00)
Increase (decrease) in unearned revenue	91,749.00	25,077.00	116,826.00
Increase (decrease) in compensated absences	1,185.00		1,185.00
	<u>90,447.00</u>	<u>190,803.00</u>	<u>281,250.00</u>
Net cash provided by (used for) operating activities	<u>\$143,104.00</u>	<u>(\$412,660.00)</u>	<u>(\$269,556.00)</u>

## FIDUCIARY FUND DETAIL STATEMENTS

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

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

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

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

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

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
TRUST AND AGENCY FUNDS  
 JUNE 30, 2015

	AGENCY FUNDS		TRUST FUNDS		TOTALS
	STUDENT ACTIVITY	PAYROLL AGENCY	PRIVATE PURPOSE AWARD FUNDS	UNEMPLOYMENT COMPENSATION	
<b>ASSETS:</b>					
Cash and cash equivalents	\$479,146.00	\$736,871.00	\$31,424.00	\$350,260.00	\$1,597,701.00
Total assets	479,146.00	736,871.00	31,424.00	350,260.00	1,597,701.00
<b>LIABILITIES:</b>					
Accounts Payable				25,481.00	25,481.00
Interfunds Payable		225.00			225.00
Payroll deductions and withholdings		735,522.00			735,522.00
Net Payroll		1,124.00			1,124.00
Due to student groups	479,146.00				479,146.00
Total liabilities	479,146.00	736,871.00		25,481.00	1,241,498.00
<b>NET POSITION:</b>					
Held in trust for unemployment claims				324,779.00	324,779.00
Held in Trust for Scholarships			31,424.00		31,424.00
Total net position	\$-0-	\$-0-	\$31,424.00	\$324,779.00	\$356,203.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	PRIVATE PURPOSE AWARD FUNDS			TOTAL	STATE UNEMPLOYMENT COMPENSATION TRUST FUND	TOTAL
	CARLTON ROSE	ASHLEIGH DEOLIVEIRA	KEYNOTE SPEAKER			
ADDITIONS:						
Contributions:						
Plan Members	\$5,000.00			\$5,000.00	\$121,102.00	\$121,102.00
Other	5,000.00			5,000.00	121,102.00	126,102.00
Total contributions						
Investment earnings:						
Interest	152.00			152.00	556.00	708.00
Net investment earnings	152.00			152.00	556.00	708.00
Total additions	5,152.00			5,152.00	121,658.00	126,810.00
DEDUCTIONS						
Awards	15,004.00		\$213.00	15,217.00		15,217.00
Unemployment claims					105,517.00	105,517.00
Total deductions	15,004.00		213.00	15,217.00	105,517.00	120,734.00
Change in net assets	(9,852.00)		(213.00)	(10,065.00)	16,141.00	6,076.00
Net position beginning of year	40,625.00	617.00	247.00	41,489.00	308,638.00	402,080.00
Net position end of year	\$30,773.00	\$617.00	\$34.00	\$31,424.00	\$324,779.00	\$408,156.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BALANCE</u> <u>JUNE 30, 2014</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSE-</u> <u>MENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2015</u>
<b>PROGRAMS:</b>				
Brooks Crossing	\$11,015.00	\$30,731.00	\$30,716.00	\$11,030.00
Brunswick Acres	5,928.00	12,097.00	11,604.00	6,421.00
Cambridge	6,486.00	10,090.00	9,904.00	6,672.00
Constable	7,041.00	15,883.00	17,035.00	5,889.00
Greenbrook	6,706.00	5,070.00	5,027.00	6,749.00
Indian Fields	4,373.00	20,919.00	20,237.00	5,055.00
Monmouth Junction	5,489.00	16,598.00	17,844.00	4,243.00
	<u>47,038.00</u>	<u>111,388.00</u>	<u>112,367.00</u>	<u>46,059.00</u>
<b>MIDDLE SCHOOLS:</b>				
Crossroads North	42,818.00	310,180.00	291,774.00	61,224.00
Crossroads South	21,738.00	285,204.00	288,164.00	18,778.00
Crossroads South Athletic	980.00	19,579.00	19,819.00	740.00
	<u>65,536.00</u>	<u>614,963.00</u>	<u>599,757.00</u>	<u>80,742.00</u>
<b>HIGH SCHOOL AND ATHLETIC FUND</b>				
High School	386,032.00	642,818.00	676,505.00	352,345.00
Athletic Fund		103,407.00	103,407.00	
	<u>386,032.00</u>	<u>746,225.00</u>	<u>779,912.00</u>	<u>352,345.00</u>
<b>Total all schools</b>	<u><u>\$498,606.00</u></u>	<u><u>\$1,472,576.00</u></u>	<u><u>\$1,492,036.00</u></u>	<u><u>\$479,146.00</u></u>

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
PAYROLL AGENCY FUNDS  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BALANCE</u> <u>JULY 1, 2014</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2015</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$807,559.00	\$131,263,040.00	\$131,333,728.00	\$736,871.00
Total assets	<u>807,559.00</u>	<u>131,263,040.00</u>	<u>131,333,728.00</u>	<u>736,871.00</u>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	804,498.00	86,310,122.00	86,379,098.00	735,522.00
Net payroll	2,960.00	44,952,693.00	44,954,529.00	1,124.00
Interfunds payable	101.00	225.00	101.00	225.00
Total liabilities	<u>\$807,559.00</u>	<u>\$131,263,040.00</u>	<u>\$131,333,728.00</u>	<u>\$736,871.00</u>

## **LONG-TERM LIABILITY SCHEDULES**

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2015

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES		RATE OF INTEREST	BALANCE	BALANCE
			DATE	AMOUNT		JULY 1, 2014	JUNE 30, 2015
Construct renovations and additions at Brunswick Acres, Cambridge, Constable, Greenbrook and Monmouth Junction Elementary Schools and Crossroads Middle School North and renovations at Crossroads Middle School. Including the acquisition and installation of furnishings, equipment and site work.	04/15/04	\$33,117,000.00			4.125%	\$1,280,000.00	\$1,280,000.00
Refunding School Bonds, Series May 10, 2007AA	5/10/2007	36,330,000.00	02/01/2016	2,270,000.00	5.000%		
			02/01/2017	2,300,000.00	5.000%		
			02/01/2018	2,330,000.00	5.000%		
			02/01/2019	2,355,000.00	5.000%		
			02/01/2020	2,365,000.00	4.500%		
			02/01/2021	2,380,000.00	4.500%		
			02/01/2022	2,385,000.00	4.500%		
			02/01/2023	2,390,000.00	4.500%		
			02/01/2024	2,390,000.00	4.125%		
			02/01/2025	2,390,000.00	4.125%	25,795,000.00	2,240,000.00
Refunding School Bonds, Series March, 2012	3/7/2012	29,525,000.00	12/01/2015	1,565,000.00	3.000%		
			12/01/2016	2,605,000.00	4.000%		
			12/01/2017	2,615,000.00	2.000%		
			12/01/2018	2,610,000.00	3.000%		
			12/01/2019	2,600,000.00	2.000%		
			12/01/2020	2,585,000.00	3.000%		
			12/01/2021	2,585,000.00	3.000%		
			12/01/2022	2,590,000.00	4.000%		
			12/01/2023	2,610,000.00	4.000%		
			12/01/2024	2,625,000.00	4.000%	26,565,000.00	1,575,000.00
					23,555,000.00	24,990,000.00	

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
LONG-TERM LIABILITY  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2015

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	AMOUNT	INTEREST RATE	BALANCE	RETIRED	BALANCE
						JULY 1, 2014	JUNE 30, 2015	JUNE 30, 2015
Refunding School Bonds, Series March, 2014	01/28/2014	\$19,890,000.00	08/01/2015	\$1,195,000.00	3.000%			
			08/01/2016	1,220,000.00	3.000%			
			08/01/2017	1,245,000.00	4.000%			
			08/01/2018	1,275,000.00	4.000%			
			08/01/2019	1,310,000.00	5.000%			
			08/01/2020	1,355,000.00	5.000%			
			08/01/2021	1,395,000.00	5.000%			
			08/01/2022	1,435,000.00	5.000%			
			08/01/2023	1,475,000.00	5.000%			
			08/01/2024	1,515,000.00	5.000%			
			08/01/2025	1,555,000.00	5.000%			
			08/01/2026	1,600,000.00	5.000%			
			08/01/2027	1,640,000.00	5.000%			
		08/01/2028	1,675,000.00	Variable				
						19,890,000.00		19,890,000.00
						<u>\$73,530,000.00</u>	<u>\$5,095,000.00</u>	<u>\$68,435,000.00</u>

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFER</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
Local sources:					
Local tax levy	\$6,065,300.00		\$6,065,300.00	\$6,065,300.00	
Interest				19.00	\$19.00
State sources:					
Debt service aid type II	1,143,395.00		1,143,395.00	1,143,395.00	
Total revenues	<u>7,208,695.00</u>		<u>7,208,695.00</u>	<u>7,208,714.00</u>	<u>19.00</u>
EXPENDITURES:					
Regular debt service:					
Interest	2,963,695.00		2,963,695.00	2,886,635.00	77,060.00
Redemption of principal	5,095,000.00		5,095,000.00	5,095,000.00	
Total regular debt service-expenditures	<u>8,058,695.00</u>		<u>8,058,695.00</u>	<u>7,981,635.00</u>	<u>77,060.00</u>
Excess (deficiency) of revenues over (under) expenditures	(850,000.00)		(850,000.00)	(772,921.00)	77,079.00
Other financing sources:					
Transfers in/(out)	(850,000.00)		(850,000.00)	728,984.00	728,984.00
Fund balance, July 1	868,146.00		868,146.00	(43,937.00)	806,063.00
Fund balance, June 30	<u>\$18,146.00</u>		<u>\$18,146.00</u>	<u>\$824,209.00</u>	<u>\$806,063.00</u>

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**STATISTICAL SECTION (UNAUDITED)**



TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
STATISTICAL SECTION

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

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
UNAUDITED

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Governmental activities</b>										
Net investment in capital assets	\$72,559,828.00	\$63,335,360.00	\$61,939,623.00	\$59,184,894.00	\$53,701,636.00	\$50,803,355.00	\$47,499,772.00	\$44,131,631.00	\$40,790,487.00	\$34,617,157.00
Restricted	9,679,852.00	18,028,320.00	18,114,140.00	14,830,961.00	10,763,604.00	8,801,160.00	10,601,882.00	8,727,039.00	3,509,819.00	2,033,561.00
Unrestricted (deficit)	(41,238,967.00)	(704,915.00)	(435,232.00)	818,707.00	(175,759.00)	(1,448,693.00)	(1,622,719.00)	(359,199.00)	1,568,340.00	98,227.00
Total governmental activities net position:	\$41,000,713.00	\$80,658,765.00	\$79,618,531.00	\$74,834,562.00	\$64,289,483.00	\$58,155,822.00	\$56,478,935.00	\$52,499,471.00	\$45,868,646.00	\$36,748,945.00
<b>Business-type activities</b>										
Net investment in capital assets	\$122,790.00	\$166,939.00	\$162,138.00	\$217,859.00	\$277,941.00	\$338,914.00	\$397,696.00	\$477,861.00	\$528,844.00	\$355,784.00
Unrestricted	2,034,584.00	1,708,336.00	1,558,011.00	1,492,474.00	1,335,956.00	1,031,964.00	870,107.00	753,595.00	515,911.00	509,447.00
Total business-type activities net position:	\$2,157,374.00	\$1,875,275.00	\$1,720,149.00	\$1,710,333.00	\$1,613,897.00	\$1,370,878.00	\$1,267,803.00	\$1,231,456.00	\$1,044,755.00	\$865,231.00
<b>District-wide</b>										
Net investment in capital assets	\$72,682,618.00	\$63,502,299.00	\$62,101,761.00	\$59,402,753.00	\$53,979,579.00	\$51,142,269.00	\$47,897,468.00	\$44,609,492.00	\$41,319,331.00	\$34,972,941.00
Restricted	9,679,852.00	18,028,320.00	18,114,140.00	14,830,961.00	10,763,604.00	8,801,160.00	10,601,882.00	8,727,039.00	3,509,819.00	2,033,561.00
Unrestricted (deficit)	(39,204,383.00)	1,003,421.00	1,122,779.00	2,311,181.00	1,160,197.00	(416,729.00)	(752,612.00)	394,396.00	2,084,251.00	607,674.00
Total district net position	\$43,158,087.00	\$82,534,040.00	\$81,338,680.00	\$76,544,895.00	\$65,903,380.00	\$59,526,700.00	\$57,746,738.00	\$53,730,927.00	\$46,913,401.00	\$37,614,176.00

Source: CAFR Schedule A-1

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
CHANGES IN NET POSITION  
UNAUDITED

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>EXPENSES</b>										
Governmental activities										
Instruction										
Regular	\$65,349,533.00	4,043,405.00	4,032,629.00	3,717,704.00	3,063,661.00	3,291,372.00	3,478,852.00	3,527,618.00	3,696,148.00	3,039,787.00
Special education	18,337,767.00	16,173,614.00	13,663,027.00	13,280,063.52	13,714,791.00	14,617,892.00	13,376,777.00	13,500,768.00	12,189,819.00	11,663,569.00
Other instruction	5,120,802.00	4,780,803.00	2,476,323.00	2,198,166.47	2,165,141.00	2,140,518.00	1,944,739.00	1,628,235.00	1,579,141.00	1,666,906.00
Support Services:										
Tuition										
General & instruction related services										
General administrative services	9,520,212.00	7,868,748.00	7,571,650.00	7,224,666.72	7,372,351.00	8,054,434.00	8,408,878.00	8,483,495.00	7,472,268.00	7,385,889.00
School administrative services	3,839,734.00	3,484,647.00	3,217,634.00	2,685,962.88	3,141,667.00	3,185,959.00	3,252,071.00	3,239,296.00	2,758,861.00	3,030,832.00
Central services/Admin. Info. Technology	17,627,912.00	17,886,955.00	15,772,832.00	14,619,495.15	15,004,769.00	15,623,182.00	15,597,729.00	15,997,925.00	15,018,793.00	14,173,709.00
Plant operations and maintenance	10,052,915.00	9,458,443.00	9,362,979.00	9,072,200.00	8,758,253.00	9,032,115.00	9,519,703.00	9,319,972.00	8,619,470.00	7,650,684.00
Student transportation services	2,766,792.00	3,705,394.00	3,329,820.00	1,974,768.00	4,350,662.00	4,491,377.00	4,915,994.00	4,603,992.00	4,882,126.00	5,888,337.00
Charter School			13,696.00	631,015.00	75,180.00	75,180.00	84,507.00	158,880.00	10,069.00	79,437.00
Interest on long-term debt			156,667.00	167,526.00	166,572.00	161,947.00	149,380.00	141,201.00	139,726.00	156,605.00
Unallocated amortization			137,758,048.00	130,197,035.01	132,149,464.00	136,808,945.00	133,217,294.00	132,961,564.00	127,930,358.00	122,009,088.00
Total governmental activities expenses	155,270,656.00	140,235,516.00	137,758,048.00	130,197,035.01	132,149,464.00	136,808,945.00	133,217,294.00	132,961,564.00	127,930,358.00	122,009,088.00
Business-type activities:										
Food Service	2,892,570.00	3,076,896.00	3,029,707.00	3,066,700.00	3,002,383.00	3,029,761.00	3,025,529.00	2,971,184.00	2,798,656.00	2,763,252.00
Community School	3,176,960.00	3,005,176.00	3,156,861.00	2,987,076.00	2,859,573.00	2,828,871.00	2,906,767.00	3,137,897.00	2,877,033.00	2,735,174.00
Total business-type activities expense	6,069,530.00	6,082,072.00	6,186,568.00	6,073,776.00	5,861,956.00	5,858,632.00	5,932,296.00	6,109,081.00	5,675,669.00	5,498,426.00
Total district expenses	\$161,340,186.00	\$146,317,688.00	\$143,944,616.00	\$136,270,811.01	\$136,011,420.00	\$142,667,577.00	\$139,149,590.00	\$139,070,645.00	\$133,606,047.00	\$127,507,574.00
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Operating grants and contributions	\$27,457,672.00	\$13,215,645.00	15,647,550.00	13,606,423.00	12,815,269.00	13,454,115.00	11,191,706.00	13,349,009.00	13,118,230.00	9,772,769.00
Total governmental activities program revenues	27,457,672.00	13,215,645.00	15,647,550.00	13,606,423.00	12,815,269.00	13,454,115.00	11,191,706.00	13,349,009.00	13,118,230.00	9,772,769.00
Business-type activities:										
Charges for services										
Food Service	2,289,107.00	2,348,256.00	2,354,301.00	2,431,521.00	2,439,185.00	2,343,255.00	2,430,407.00	2,454,994.00	2,203,973.00	2,211,672.00
Community School	3,229,617.00	3,088,230.00	3,057,546.00	2,988,767.00	2,980,654.00	2,917,341.00	2,937,642.00	3,196,427.00	3,057,534.00	2,834,686.00
Operating grants and contributions	832,294.00	779,774.00	782,788.00	748,386.00	695,897.00	695,897.00	581,865.00	513,421.00	445,221.00	483,656.00
Total business-type activities program revenues	6,351,018.00	6,236,260.00	6,194,635.00	6,168,674.00	6,102,639.00	5,956,493.00	5,949,934.00	6,163,842.00	5,706,728.00	5,530,014.00
Total district program revenues	\$33,808,690.00	\$19,451,905.00	\$21,842,185.00	\$19,775,097.00	\$18,917,908.00	\$19,410,608.00	\$17,141,640.00	\$19,512,851.00	\$18,824,958.00	\$15,302,783.00
<b>NET (EXPENSE)/REVENUE</b>										
Governmental activities	(\$127,812,984.00)	(\$127,019,871.00)	(\$122,110,498.00)	(\$116,590,612.01)	(\$119,334,195.00)	(\$123,354,830.00)	(\$122,025,588.00)	(\$119,612,555.00)	(\$114,612,128.00)	(\$112,236,319.00)
Business-type activities	281,480.00	154,189.00	8,067.00	94,898.00	240,743.00	97,861.00	17,638.00	54,761.00	31,039.00	31,588.00
Total district-wide net expense	(\$127,531,496.00)	(\$126,865,682.00)	(\$114,042,431.00)	(\$116,495,714.01)	(\$119,093,452.00)	(\$123,256,969.00)	(\$122,007,950.00)	(\$119,557,794.00)	(\$114,581,089.00)	(\$112,204,731.00)

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
CHANGES IN NET POSITION  
UNAUDITED

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$98,149,466.00	\$96,224,567.00	96,244,567.00	95,307,567.00	95,730,875.00	96,009,320.00	93,923,003.00	94,563,349.00	89,910,441.00	81,551,449.00
Taxes levied for debt service	6,065,306.00	7,227,248.00	6,411,373.00	8,623,843.00	8,200,335.00	7,921,890.00	7,357,742.00	8,403,341.00	8,290,872.00	8,294,899.00
Unrestricted grants and contributions	24,088,658.00	24,082,291.00	23,666,809.00	22,719,409.00	20,972,954.00	20,407,708.00	22,790,844.00	20,367,838.00	19,488,777.00	20,325,613.00
Disposal of capital assets	-	-	-	-	-	-	(7,232.00)	(1,000.00)	(216,035.00)	(55,069.00)
Receivables cancelled	693,371.00	525,599.00	571,719.00	485,072.00	683,286.00	692,799.00	896,072.00	1,620,008.00	4,167,700.00	4,639,334.00
Miscellaneous income	128,996,795.00	128,060,105.00	126,894,468.00	127,135,691.00	125,567,420.00	125,031,717.00	126,004,302.00	126,182,859.00	123,931,829.00	116,257,787.00
Transfers	-	-	-	-	-	-	-	(64,408.00)	(106,126.00)	-
Total governmental activities	611.00	938.00	1,749.00	1,538.00	2,276.00	5,214.00	18,709.00	47,532.00	42,359.00	23,588.00
Business-type activities:	611.00	938.00	1,749.00	1,538.00	2,276.00	5,214.00	18,709.00	47,532.00	42,359.00	23,588.00
Miscellaneous income	\$128,997,406.00	\$128,061,043.00	\$126,896,217.00	\$127,137,229.00	\$125,569,686.00	\$125,036,931.00	\$126,023,011.00	\$126,314,799.00	\$124,080,314.00	\$116,281,375.00
Total business-type activities	-	-	-	-	-	-	-	-	-	-
Total district-wide	\$1,183,811.00	\$1,040,234.00	\$4,783,970.00	\$10,545,076.99	\$6,233,225.00	\$1,676,887.00	\$3,978,714.00	\$6,570,304.00	\$9,119,701.00	\$4,021,468.00
Governmental activities	282,099.00	155,126.00	9,816.00	96,436.00	243,019.00	103,075.00	36,347.00	186,701.00	179,524.00	55,176.00
Business-type activities	\$1,465,910.00	\$1,195,360.00	\$4,783,786.00	\$10,641,514.99	\$6,476,244.00	\$1,779,962.00	\$4,015,061.00	\$6,757,005.00	\$9,299,225.00	\$4,076,644.00
Total district	-	-	-	-	-	-	-	-	-	-

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund	\$10,504,920.00	\$18,111,529.00	\$18,740,711.00	\$15,489,127.00	\$11,518,631.00	\$10,560,233.00	\$12,698,193.00	\$10,291,478.00	\$3,862,979.00	\$2,647,734.00
Restricted	750,000.00	740,107.00								
Committed	434,976.00	386,470.00	1,924,628.00	2,224,133.00	944,812.00					
Assigned	660,429.00	466,091.00	157,928.00	563,064.00	2,079,263.00	582,386.00	578,304.00	1,912,763.00	4,810,072.00	3,639,953.00
Unassigned	\$12,350,324.00	\$19,706,197.00	\$20,822,367.00	\$18,276,324.00	\$14,542,706.00	\$11,142,619.00	\$13,276,497.00	\$12,204,241.00	\$8,673,051.00	\$6,287,687.00
Total general fund										
All Other Governmental Funds										
Reserved	\$338,796.00	\$1,008,847.00	1,842,988.00	1,855,254.00	1,854,566.00		106,676.00	122,317.00	760,144.00	2,924,725.00
Restricted	747,130.00	850,000.00								
Committed										
Unreserved, reported in:										
Capital projects fund						1,901,195.00	3,297,320.00	3,284,007.00	3,714,620.00	4,239,181.00
Debt service fund						17,885.00	175,586.00	1,146,494.00	766,806.00	1,255,458.00
Total all other governmental funds	\$1,085,925.00	\$1,858,847.00	\$1,842,988.00	\$1,855,254.00	\$1,854,566.00	\$1,919,080.00	\$3,579,582.00	\$4,552,818.00	\$5,241,570.00	\$8,419,364.00

Source: CAFR Schedule B-1

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Revenues</b>										
Tax levy	\$104,214,766.00	\$103,452,215.00	\$102,665,940.00	\$103,931,210.00	\$103,931,210.00	\$103,931,210.00	\$101,280,745.00	\$102,986,690.00	\$98,201,313.00	\$89,846,348.00
Tuition changes			182,930.00	160,806.00	153,913.00	204,312.00	232,797.00	337,766.00	170,879.00	74,255.00
Transportation fees from other LEA's	\$2,776.00	\$984.00	16,796.00	13,260.00	36,728.00	61,845.00				
Interest on capital reserve			2,775.00	2,417.00	3,607.00	7,662.00	33,174.00	30,247.00	39,659.00	34,342.00
Miscellaneous	718,749.00	541,311.00	415,916.00	362,866.00	513,672.00	464,984.00	807,506.00	1,067,802.00	1,434,686.00	1,449,516.00
State sources	36,855,164.00	34,658,844.00	36,768,370.00	32,845,725.00	30,495,285.00	27,196,844.00	32,490,011.00	33,017,710.00	34,504,922.00	32,594,644.00
Federal sources	2,311,992.00	2,422,498.00	2,519,297.00	3,426,110.00	3,248,174.00	6,618,875.00	2,371,196.00	2,302,625.00	2,253,123.00	2,140,516.00
Total revenue	144,103,450.00	141,275,750.00	142,552,024.00	140,742,114.00	138,382,869.00	138,485,832.00	137,205,435.00	139,742,840.00	136,604,482.00	126,129,620.00
<b>Expenditures</b>										
Instruction										
Regular instruction	38,289,755.00	37,799,391.00	36,657,469.00	36,469,446.00	36,069,629.00	36,713,723.00	38,436,795.00	36,474,673.00	34,877,644.00	36,185,022.00
Special education instruction	12,089,012.00	11,985,425.00	11,990,075.00	11,382,639.00	11,655,826.00	11,619,698.00	10,603,437.00	10,064,916.00	9,756,868.00	7,151,974.00
Other instruction	3,304,865.00	3,469,093.00	3,661,066.00	3,359,749.00	3,617,176.00	4,077,578.00	4,272,283.00	4,051,780.00	4,144,535.00	4,174,957.00
Support Services:										
Tuition	4,596,453.00	4,043,405.00	4,032,829.00	3,717,704.00	3,063,661.00	3,291,372.00	3,478,852.00	3,527,618.00	3,698,148.00	3,039,787.00
Student & instruction related services	10,231,447.00	9,897,463.00	9,664,711.00	9,663,915.00	10,219,368.00	11,139,795.00	10,265,697.00	10,198,921.00	9,941,685.00	8,583,093.00
General administrative services	1,776,422.00	1,771,550.00	1,736,341.00	1,654,451.00	1,657,549.00	1,692,227.00	1,476,644.00	1,405,036.00	1,361,135.00	1,446,846.00
School administrative services	5,812,975.00	5,498,660.00	5,043,306.00	4,943,041.00	5,037,116.00	5,775,201.00	6,199,683.00	5,892,733.00	5,793,212.00	5,714,402.00
Central services/Administration Information Technology	2,426,981.00	2,517,907.00	2,389,952.00	2,113,604.00	2,322,087.00	2,356,302.00	2,349,904.00	2,304,271.00	2,149,590.00	2,157,007.00
Plant operations and maintenance	13,108,562.00	14,659,792.00	12,809,395.00	12,123,404.00	12,479,103.00	13,242,455.00	13,981,974.00	13,882,894.00	13,211,236.00	12,697,443.00
Student transportation services	8,261,749.00	7,961,425.00	7,849,043.00	7,574,093.00	7,234,223.00	7,786,687.00	8,225,868.00	7,960,766.00	7,260,591.00	6,697,998.00
Allocated employee benefits	1,677,985.00	1,497,016.00	1,405,811.00	1,298,620.00	1,320,627.00	1,288,458.00	1,168,049.00	1,179,498.00	1,217,251.00	962,864.00
Unallocated employee benefits	32,239,143.00	30,394,806.00	31,386,217.00	29,513,567.00	27,936,415.00	27,236,535.00	24,316,390.00	26,527,272.00	26,235,561.00	22,172,930.00
Capital outlay	10,282,325.00	2,967,282.00	3,465,804.00	2,942,434.00	2,588,355.00	4,141,843.00	2,298,984.00	4,490,446.00	7,187,370.00	27,709,598.00
Charter School	152,945.00	45,484.00								
Debt service:										
Principal	5,095,000.00	4,765,000.00	4,515,000.00	6,595,000.00	5,350,000.00	5,285,000.00	5,200,000.00	5,635,000.00	5,280,000.00	4,950,000.00
Interest and other charges	2,866,035.00	3,170,270.00	3,361,420.00	3,625,941.00	4,396,415.00	4,631,340.00	4,887,390.00	4,599,445.00	5,696,378.00	5,963,119.00
Total expenditures	152,232,244.00	142,394,207.00	140,008,241.00	137,007,806.00	134,647,552.00	142,280,212.00	137,104,970.00	138,183,272.00	137,793,204.00	150,625,843.00
Excess (Deficiency) of revenues over (under) expenditures	(8,128,794.00)	(1,118,457.00)	2,543,783.00	3,734,306.00	3,435,137.00	(3,794,380.00)	100,465.00	1,559,568.00	(1,188,722.00)	(24,496,223.00)
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)			(10,000.00)							
Bond proceeds	19,890,000.00	2,907,383.00						1,357,842.00	401,533.00	1,905,761.00
Premium on sale of bonds		(183,751.00)						4,270,000.00	36,330,000.00	
Cost of issuance		(22,965,486.00)						21,442.00	1,528,391.00	
Payment to refunded bonds escrow agent								(12,039.00)	(147,979.00)	
Bond selling expenditures								(4,239,788.00)	(37,492,432.00)	
Transfers in (out)								(25,620.00)	(217,980.00)	
Non-Allowable program income							(945.00)	(84,408.00)	(3,475.00)	
Administrative cost transfer							(500.00)	(3,009.00)	(1,600.00)	
Total other financing sources (uses)		18,146.00	(10,000.00)				(1,445.00)	1,282,870.00	396,292.00	1,901,786.00
Net change in fund balances	(\$9,128,794.00)	(\$1,100,311.00)	\$2,553,777.00	\$3,734,306.00	\$3,435,137.00	(\$3,794,380.00)	\$99,020.00	\$2,842,436.00	(\$792,430.00)	(\$22,594,437.00)
Debt service as a percentage of noncapital expenditures	5.62%	5.69%	5.77%	7.62%	7.36%	7.18%	7.47%	7.65%	8.40%	8.86%

Source: CAFR Schedule B-2

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Tuition</u>	<u>Interest On</u> <u>Investments</u>	<u>Rental</u> <u>Income</u>	<u>Transportation</u> <u>Fees</u>	<u>Miscellaneous</u>	<u>Total</u>
2015	\$ 269,532.00	\$ 3,947.00	\$ 90,070.00	\$ 2,779.00	\$ 327,024.43	\$ 693,352.43
2014	255,677.00	13,088.19	87,220.00	884.00	168,729.81	525,599.00
2013	182,930.00	16,373.00	92,176.00	16,796.00	263,444.00	571,719.00
2012	160,806.00	17,946.00	105,932.00	13,260.00	187,128.00	485,072.00
2011	153,913.00	31,959.00	82,006.00	36,728.00	355,316.00	659,922.00
2010	204,312.00	84,760.00	106,474.00	61,845.00	281,412.00	738,803.00
2009	155,165.00	333,974.00	103,646.00		167,581.00	760,366.00
2008	199,909.00	729,257.00	94,500.00		73,103.00	1,096,769.00
2007	150,387.00	782,295.00	102,800.00		190,589.00	1,226,071.00
2006	110,547.00	567,917.00	59,868.00		158,417.00	896,749.00

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
2015	\$91,042,100	\$2,367,054,100	\$15,101,900	\$2,090,700	\$283,762,500	\$768,957,900	\$88,730,000	\$3,616,739,200	\$7,125,716	\$3,623,864,916	2.914	\$7,959,290,393
2014	\$80,498,700	\$2,342,837,800	\$15,232,300	\$2,222,600	\$283,769,300	\$780,846,100	\$88,730,000	\$3,594,136,800	\$7,119,252	\$3,601,256,052	2.884	\$7,832,222,819
2013	88,869,200	2,332,156,400	14,747,300	4,449,100	288,138,600	786,931,400	88,730,000	3,604,022,000	8,109,311	3,612,131,311	2.853	7,675,587,146
2012	94,341,800	2,337,963,300	14,712,800	4,562,400	292,082,700	778,848,400	88,866,600	3,611,378,000	9,211,459	3,620,589,459	2.853	8,143,476,066
2011	99,029,100	2,340,318,000	14,562,400	4,675,400	289,115,800	863,449,400	89,544,200	3,700,694,300	9,957,747	3,710,652,047	2.802	8,196,713,159
2010	112,477,300	2,362,994,700	15,500,500	4,770,100	294,634,000	983,555,200	93,962,200	3,867,894,000	9,957,747	3,877,851,747	2.680	8,346,646,033
2009	134,221,800	2,345,564,300	15,712,000	4,730,300	304,457,400	1,031,629,200	93,542,200	3,929,857,200	8,967,022	3,938,824,222	2.605	8,341,432,067
2008	150,909,900	2,309,240,500	15,611,700	4,683,900	307,432,400	1,029,656,100	94,573,900	3,912,106,400	8,051,905	3,920,160,305	2.605	8,333,674,118
2007	146,564,700	2,289,275,800	16,109,700	4,864,500	304,252,400	1,061,855,200	100,011,800	3,922,934,100	7,715,751	3,930,649,851	2.560	8,099,422,730
2006	128,456,600	2,235,275,600	22,318,300	5,650,500	296,465,700	1,056,579,500	99,965,000	3,844,711,200	16,069,194	3,860,780,394	2.314	6,698,092,287

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

UNAUDITED

Calendar Year Ended June 30,	South Brunswick Township Board of Education				Overlapping Rates			Total Direct and Overlapping Tax Rate	
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	South Brunswick Township	Middlesex County	Fire District 1	2		3
2015	2.744	0.170	2.914	0.921	0.874	0.08	0.044	0.059	4.892
2014	2.683	0.201	2.884	0.884	0.866	0.078	0.042	0.058	4.812
2013	2.675	0.178	2.853	0.862	0.813	0.076	0.041	0.051	4.696
2012	2.616	0.237	2.853	0.837	0.801	0.074	0.041	0.051	4.657
2011	2.581	0.221	2.802	0.837	0.743	0.072	0.040	0.050	4.544
2010	2.476	0.204	2.680	0.760	0.641	0.079	0.038	0.051	4.249
2009	2.416	0.189	2.605	0.709	0.627	0.076	0.035	0.050	4.102
2008	2.392	0.213	2.605	0.665	0.613	0.073	0.035	0.051	4.042
2007	2.344	0.216	2.560	0.625	0.531	0.075	0.035	0.050	3.876
2006	2.100	0.214	2.314	0.616	0.513	0.075	0.030	0.050	3.598

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

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

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

b Rates for debt service are based on each year's requirements.

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

		2015			2006		
Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Forsgate Industrial Complex	\$ 107,454,600	1	2.965%	Forsgate Industrial Complex	\$ 143,189,600	1	3.709%
Dow Jones & Company	53,340,600	2	1.472%	Dow Jones & Company	81,362,500	2	2.107%
Heller SBIP, LLC, Heller Proprs. Prologis	51,449,700	3	1.420%	AMB Property Corporation	59,622,200	3	1.544%
Royal Oaks Apartments, LLC	49,439,800	4	1.364%	Dalew Research - Ayerst	39,149,600	4	1.014%
Windsor South Ridge LLC	29,450,700	5	0.813%	Royal Oaks Apartments	33,121,000	5	0.858%
CNJ Company IV, LLC	28,392,000	6	0.783%	Windsor Associates	33,019,900	6	0.855%
KTR NJ I, LLC	23,207,900	7	0.640%	Eight Fifty Three - M, LLC	23,565,100	7	0.610%
Middlesex Industrial Developers	22,291,100	8	0.615%	Princeton Corp.	23,189,600	8	0.601%
426 Royal, LLC	17,341,300	9	0.479%	MW Associates	22,864,700	9	0.592%
MW Associates	16,719,200	10	0.461%	Route #130 Associates, LLC	22,175,000	10	0.574%
155 Raymond Road	14,239,800	11	0.393%				
865 Ridge Road ORCA, LLC	13,000,000	12	0.359%				
Princeton Corp. Plaza & P.C. P.	11,382,500	13	0.314%				
East Park At 8A	11,021,600	14	0.304%				
Bloomberg Ridge Road, LLC	10,709,500	15	0.296%				
Canon USA	10,489,900	16	0.289%				
South Brunswick Manor, Inc.	10,010,000	17	0.276%				
SCP 2002B-SB, LLC	9,786,700	18	0.270%				
Granite South Brunswick	9,520,600	19	0.263%				
	9,520,400	20	0.263%				
<b>Total</b>	<b>\$ 508,767,900</b>		<b>14.039%</b>		<b>\$ 481,259,200</b>		<b>12.465%</b>

Source: District CAFR J11 & Municipal Tax Assessor

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

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2015	103,833,490	103,833,490	100.00%	
2014	103,054,079	103,054,079	100.00%	
2013	103,293,575	103,293,575	100.00%	
2012	103,931,210	103,931,210	100.00%	
2011	103,931,210	103,931,210	100.00%	
2010	103,931,210	103,931,210	100.00%	
2009	101,280,745	101,280,745	100.00%	
2008	102,986,689	102,986,689	100.00%	
2007	98,201,313	98,201,313	100.00%	
2006	89,846,348	89,846,348	100.00%	

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

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

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

Fiscal Year Ended <u>June 30,</u>	Governmental Activities		Total <u>District</u>	Percentage of Personal <u>Income (a)</u>	<u>Per Capita (a)</u>
	General Obligation <u>Bonds</u>	Capital <u>Leases</u>			
2015	\$ 68,435,000.00	\$ 0.00	\$ 68,435,000.00	*	1,515.29
2014	73,530,000.00	0.00	73,530,000.00	*	1,640.71
2013	80,522,000.00	0.00	80,522,000.00	0.06%	1,815.60
2012	85,037,000.00	0.00	85,037,000.00	0.06%	1,935.87
2011	93,187,000.00	0.00	93,187,000.00	0.05%	2,141.54
2010	98,537,000.00	0.00	98,537,000.00	0.05%	2,388.37
2009	103,822,000.00	1,011,115.00	104,833,115.00	0.05%	2,563.97
2008	109,022,000.00	2,052,969.00	111,074,969.00	0.04%	2,756.41
2007	114,522,000.00	1,856,274.00	116,378,274.00	0.04%	2,909.46
2006	120,427,000.00	2,587,753.00	123,014,753.00	0.04%	3,074.98

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

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

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

\* - Not available at time of audit

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

Fiscal Year Ended June 30.	General Bonded Debt Outstanding			Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	\$68,435,000.00	-0-	\$68,435,000.00	1.892%	\$1,515.29
2014	73,530,000.00	-0-	73,530,000.00	2.046%	1,640.71
2013	80,522,000.00	-0-	80,522,000.00	2.234%	1,815.60
2012	85,037,000.00	-0-	85,037,000.00	2.355%	1,935.87
2011	93,187,000.00	-0-	93,187,000.00	2.518%	2,141.54
2010	98,537,000.00	-0-	98,537,000.00	2.548%	2,388.37
2009	103,822,000.00	-0-	103,822,000.00	2.642%	2,539.24
2008	109,022,000.00	-0-	109,022,000.00	2.787%	2,705.46
2007	114,522,000.00	-0-	114,522,000.00	2.919%	2,863.05
2006	120,427,000.00	-0-	120,427,000.00	3.132%	3,010.30

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

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

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 AS OF DECEMBER 31, 2014  
 UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
South Brunswick Township	\$57,935,000.00	100.00%	\$57,935,000.00
Other debt			
Middlesex County	578,120,091.00	8.1292%	46,996,538.44
Stony Brook Regional Sewerage Authority	20,801,043.00	39.9552%	8,311,098.33
Middlesex County Utilities Authority	176,309,502.00	4.1477%	7,312,828.04
Subtotal, overlapping debt			\$120,555,464.81
South Brunswick School District Direct Debt			68,435,000.00
Total direct and overlapping debt			<u>\$188,990,464.81</u>

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

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
UNAUDITED

Legal Debt Margin Calculation for Calendar Year 2014.

Equalized Valuation Basis

Calendar Year	
2014	\$ 7,893,996,925.00
2013	7,838,238,365.00
2012	7,673,986,400.00
	<u>\$ 23,406,221,690.00</u>
Average Equalized Valuation of Taxable Property	\$ 7,802,073,896.67
Debt Limit (4% of average equalization value)	312,082,955.87
Total Net Debt Applicable to Limit	<u>68,435,000.00</u>
Legal Debt Margin	<u>\$ 243,647,955.87</u>

	Fiscal Year Ending June 30									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt Limit	\$312,082,955.87	\$317,811,648.84	\$327,222,546.19	\$337,683,820.93	\$337,166,565.27	\$334,440,100.27	\$327,290,195.81	\$202,183,549.51	\$272,381,490.71	\$236,761,667.36
Total Net Debt Applicable To Limit	68,435,000.00	73,530,000.00	80,522,000.00	85,037,000.00	93,187,000.00	98,537,000.00	103,822,000.00	109,022,000.00	109,022,000.00	120,427,000.00
Legal Debt Margin	<u>\$243,647,955.87</u>	<u>\$244,281,648.84</u>	<u>\$246,700,546.19</u>	<u>\$252,646,820.93</u>	<u>\$243,979,565.27</u>	<u>\$235,903,100.27</u>	<u>\$223,468,195.81</u>	<u>\$93,161,549.51</u>	<u>\$163,359,490.71</u>	<u>\$116,334,667.36</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	21.93%	23.14%	24.61%	25.18%	27.64%	29.46%	31.72%	53.92%	40.03%	50.86%

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

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2015	45,163	*	*	5.00%
2014	44,816	*	*	6.10%
2013	44,350	2,319,105,850.00	52,291.00	6.80%
2012	43,927	2,272,343,710.00	51,730.00	6.80%
2011	43,514	2,187,318,238.00	50,267.00	7.20%
2010	41,257	1,963,750,686.00	47,598.00	7.10%
2009	40,887	1,931,297,445.00	47,235.00	3.20%
2008	40,297	1,974,835,079.00	49,007.00	2.80%
2007	40,000	1,895,440,000.00	47,386.00	3.20%
2006	40,005	1,792,464,030.00	44,806.00	4.10%

## 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 in the annual report.  
(c) Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.  
(d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

\* - Not available at time of audit.

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

<u>Employer</u>	2015			2005		
	<u># of Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u># of Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
Dow Jones	1,500	1	6.20%	N/A		
South Brunswick Board of Education	1,222	2	5.05%	N/A		
Wakefern Food	581	3	2.40%	N/A		
Coca Cola	510	4	2.11%	N/A		
South Brunswick Township	459	5	1.90%	N/A		
Aurilife Pharma	381	6	1.57%	N/A		
Williams Sonoma	322	7	1.33%	N/A		
Bloomberg	210	8	0.87%	N/A		
Miele	200	9	0.83%	N/A		
L'oreal Paris	160	10	0.66%	N/A		
NEC Research Institute	130	11	0.54%	N/A		
	<u>5,675</u>		<u>23.45%</u>	<u>0</u>		<u>0.00%</u>

Source: Municipal Records

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

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction:										
Regular	637	627	613	597	594	673.7	680.7	678.7	681.7	698.4
Special education	206	204	201	195	195	196.2	196.2	195.7	196.0	187.5
Support Services:										
Student & instruction related services	69	70	68	55	80	87	88.8	88.8	91.8	94.4
General administrative services	32	31	31	27	27	25	30.6	30.6	31.6	33.6
School administrative services	96	96	98	98	98	110.5	118.1	118.1	118.1	118.7
Central services	6	6	6	6	9	8	9.0	9.0	9.0	9.0
Plant operations and maintenance	110	114	114	96	103	117.6	119.6	119.6	122.6	127.4
Pupil transportation	75	74	71	70	81	81	81.0	81.0	81.0	79.0
<b>Total</b>	<b>1,231</b>	<b>1,222</b>	<b>1,202</b>	<b>1,144</b>	<b>1,187</b>	<b>1,299</b>	<b>1,324</b>	<b>1,322</b>	<b>1,332</b>	<b>1,348</b>

Source: District Personnel Records

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
OPERATING STATISTICS  
 UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Pupil/Teacher Ratio			Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2015	8,703	133,968,284.00	15,393.35	1.06%	729	1:12	1:12	1:12	8,655	8,345	-1.54%	96.42%
2014	8,633	131,491,655.00	15,231.28	5.00%	710	1:12	1:11	1:13	8,790	8,475	-1.04%	96.42%
2013	8,870	128,666,017.00	14,505.75	5.39%	709	1:13	1:12	1:13	8,882	8,529	-1.61%	96.03%
2012	8,998	123,844,433.00	13,763.55	1.60%	694	1:13	1:12	1:13	9,027	8,672	0.03%	96.07%
2011	9,051	122,612,782.00	13,546.88	-5.27%	749	1:12	1:12	1:13	9,024	8,642	0.78%	95.77%
2010	8,966	128,222,029.00	14,300.92	2.69%	783	1:13	1:11	1:12	8,954	8,572	-0.40%	95.73%
2009	8,957	124,738,596.00	13,926.38	-2.60%	785	1:13	1:11	1:12	8,990	8,599	1.64%	95.65%
2008	8,822	126,143,641.00	14,298.76	4.32%	779	1:13	1:11	1:12	8,845	8,483	0.59%	95.91%
2007	8,790	120,478,812.00	13,706.35	5.03%	775	1:13	1:11	1:12	8,793	8,410	0.26%	95.64%
2006	8,802	114,864,275.00	13,049.79	8.70%	783	1:14	1:11	1:12	8,770	8,357	#REF!	95.29%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>District Building</b>										
<b>Elementary</b>										
Brooks Crossing (2002)										
Square Feet	82,104	82,104	82,104	82,104	82,104	82,104	82,104	82,104	82,104	82,104
Capacity (students)	853	853	853	853	853	853	853	853	853	853
Enrollment	905	788	793	815	841	804	827	791	759	725
Brooks Crossing at Deans(1929)										
Square Feet	28,110	28,110	28,110	28,110	28,110	28,110	28,110	28,110	28,110	28,110
Capacity (students)	*	*	*	*	*	*	*	*	*	*
Enrollment										
Brunswick Acres (1975)										
Square Feet	63,258	63,258	63,258	63,258	63,258	63,258	63,258	63,258	63,258	63,258
Capacity (students)	641	641	641	641	641	641	641	641	641	641
Enrollment*	558	554	542	540	556	539	558	556	530	518
Cambridge										
Square Feet	49,630	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500
Capacity (students)	637	637	637	637	637	637	637	637	637	637
Enrollment	604	556	544	546	571	567	558	530	591	548
Constable										
Square Feet	40,160	70,973	70,973	70,973	70,973	70,973	70,973	70,973	70,973	70,973
Capacity (students)	431	681	681	681	681	681	681	681	681	681
Enrollment	359	551	572	596	568	564	529	525	507	462
Greenbrook										
Square Feet	64,312	64,312	64,312	64,312	64,312	64,312	64,312	64,312	64,312	64,312
Capacity (students)	667	667	667	667	667	667	667	667	667	667
Enrollment	479	458	471	479	462	470	459	456	444	424
Indian Fields(1992)										
Square Feet	82,450	82,450	82,450	82,450	82,450	82,450	82,450	82,450	82,450	82,450
Capacity (students)	824	824	824	824	824	824	824	824	824	824
Enrollment	853	765	723	711	680	660	628	609	588	596
Indian Fields at Dayton(1928)										
Square Feet	23,350	23,350	23,350	23,350	23,350	23,350	23,350	23,350	23,350	23,350
Capacity (students)	*	*	*	*	*	*	*	*	*	*
Enrollment										
Monmouth Junction										
Square Feet	28,445	48,625	48,625	48,625	48,625	48,625	48,625	48,625	48,625	48,625
Capacity (students)	485	506	506	506	506	506	506	506	506	506
Enrollment	417	438	402	363	385	422	401	375	369	355

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Middle School</b>										
Crossroads North(1967)										
Square Feet	131,239	131,239	142,849	142,849	142,849	142,849	142,849	142,849	142,849	142,849
Capacity (students)	900	900	900	900	1,150	1,150	1,150	1,150	1,150	1,150
Enrollment	835	854	863	898	1,011	1,062	1,096	1,049	1,059	1,017
Crossroads South(1959)										
Square Feet	197,710	197,710	197,710	197,710	197,710	197,710	197,710	197,710	197,710	197,710
Capacity (students)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	1,170	1,201	1,173	1,219	1,153	1,113	1,108	1,086	1,054	1,139
<b>High School</b>										
South Brunswick High School(1997)										
Square Feet	472,000	472,000	472,000	472,000	472,000	472,000	472,000	472,000	472,000	472,000
Capacity (students)	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Enrollment	2,470	2,554	2,644	2,657	2,739	2,840	2,834	2,857	2,895	2,919
<b>Other</b>										
Maintenance Annex										
Square Feet	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Board of Education Administration Building										
Square Feet	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000

\* - Enrollments are included in the Administrative Base School  
 Number of Schools at June 30, 2015  
 Elementary = 9  
 Middle School = 2  
 High School = 1  
 Other = 2

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

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

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

School Facilities	Project # (s)	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Brooks Crossing Elementary	N/A	136,566	198,732	149,878	120,008	64,855	107,180	93,025	101,267	93,252	108,520
Brunswick Acres Elementary	N/A	104,223	113,388	110,643	138,936	124,023	178,829	153,390	177,224	150,353	158,494
Cambridge Elementary	N/A	128,100	189,322	136,507	111,219	97,425	112,943	151,871	165,635	125,704	120,907
Constable Elementary	N/A	128,623	195,984	132,182	115,664	85,910	107,471	114,562	98,832	192,105	90,951
Indian Fields @ Dayton Elementary	N/A	12,296	74,550	43,429	18,560	14,340	42,904	49,569	19,864	55,036	35,069
Brooks Crossing @ Deans Elementary	N/A	24,818	48,650	40,230	25,139	33,163	12,221	23,565	68,119	28,150	80,397
Greenbrook Elementary	N/A	104,236	132,837	147,715	122,934	95,827	125,484	133,547	163,892	120,336	124,501
Indian Fields Elementary	N/A	129,504	230,987	118,511	131,865	95,394	135,777	130,707	155,369	150,696	136,840
Monmouth Junction Elementary	N/A	91,616	110,157	128,200	115,616	89,987	104,385	149,855	207,159	162,644	80,659
Crossroads North Middle	N/A	323,491	488,719	320,861	264,039	179,222	241,876	341,324	327,260	284,065	265,641
Crossroads South Middle	N/A	248,183	1,272,008	445,568	322,721	247,930	298,850	408,287	404,639	345,902	376,767
High School	N/A	486,537	905,731	859,802	745,730	653,673	613,980	741,759	605,285	566,743	634,576
Total School Facilities		1,918,193	3,961,064	2,633,526	2,232,371	1,781,747	2,081,900	2,491,452	2,494,554	2,274,986	2,213,322
Other Facilities		701,071	73,553	74,327	60,786	48,799	67,709	176,224	24,682	11,743	24,063
Grand Total		2,619,264	4,034,616	2,707,853	2,293,157	1,830,546	2,149,609	2,667,676	2,519,216	2,286,729	2,237,385

Source District Records

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
INSURANCE SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED

Type	Coverage	Deductible	Carrier	Policy #
<u>Property</u>			NJSIG	P808AF
Blanket, building and contents	\$ 406,284,690			
Extra expense	5,000,000			
Demolition/Increased cost of construction	5,000,000			
Deductible		5,000		
Flood	50,000,000			
Musical instruments	Included			
Miscellaneous equipment	Included			
Computer equipment	included			
<u>Energy Systems</u>	406,284,690			
Spoilage	500,000			
Extra expense	5,000,000			
Deductible		5,000		
<u>School Board Legal</u>			NJSIG	E808AF
Limit of liability	10,000,000	20,000		
<u>Catastrophe Access</u>			Fireman's Fund	SHX24422172
Limit of liability - Group Limit	50,000,000			
<u>Environmental Impairment Liability</u>				AIG-PLS17442968
Limit of liability - Each Loss	1,000,000	10,000		
Limit of liability - Aggregate				
<u>Commercial Liability</u>				P808AF
Bodily Injury & Property Damage	\$ 11,000,000			
(Each Occurrence)				
Personal Injury/Advertising Medical Expense	\$ 11,000,000			
	5,000			
<u>Crime</u>				P808AF
Money & Securities-inside	50,000	\$ 1,000		
Money & Securities-outside	50,000	\$ 1,000		
Employee Dishonesty	500,000	\$ 1,000		
Depositories Forgery	50,000	\$ 1,000		
<u>Builders Risk Property Coverage</u>				

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT  
INSURANCE SCHEDULE (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED

<u>Type</u>	<u>Coverage</u>	<u>Deductible</u>	<u>Carrier</u>	<u>Policy #</u>
<u>Business Auto</u>				P808AF
Bodily Injury & Property Damage	11,000,000			
Personal Injury Protection	Statutory			
Medical Payments (PIP)	10,000			
Uninsured/Underinsured	15,000/30,000/5,000			
Comprehensive Deductible		1,000		
Collision Deductible		1,000		
<u>Compulsory Student Accident</u>			Bollinger	PB066
Limit of Liability	5,000,000			
Athletics	5,000,000			
<u>Bonds</u>				
Board Secretary/Business Administrator	510,000		Selective	B1017375
<u>Supplemental Wage Reimbursement</u>			Chubb	99061529
Weekly Wage Maximum	\$1,750	7 days		

**SINGLE AUDIT SECTION**



**SUPLEE, CLOONEY & COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Township of South Brunswick School District (the "District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated December 8 2015.

***Internal Control Over Financial Reporting***

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

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

# SUPLEE, CLOONEY & COMPANY

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

## ***Compliance and Other Matters***

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

## ***Purpose of This Report***

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

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 93

December 8, 2015

## SUPLEE, CLOONEY & COMPANY

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

### ***Opinion on Each Major Federal and State Program***

In our opinion, the Township of South Brunswick School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

### ***Report on Internal Control Over Compliance***

Management of the Township of South Brunswick School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Township of South Brunswick School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with *OMB Circular A-133* and *New Jersey OMB 04-04*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of South Brunswick School District's internal control over compliance.

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

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

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

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 93

December 8, 2015



**SUPLEE, CLOONEY & COMPANY**

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

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

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

We have audited the Township of South Brunswick School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Township of South Brunswick School District's major federal and state programs for the year ended June 30, 2015. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Township of South Brunswick School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* and *New Jersey OMB 04-04*. Those standards, *OMB Circular A-133* and *New Jersey OMB 04-04* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Township of South Brunswick School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.





**Township of South Brunswick School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2015**

**NOTE 1: GENERAL**

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

**NOTE 2: BASIS OF ACCOUNTING**

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

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

**Township of South Brunswick School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2015**

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$4,456.00 for the general fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$69,529.00	\$35,326,004.00	\$35,395,533.00
Special Revenue Fund	2,242,463.00	385,765.00	2,628,228.00
Debt Service Fund		1,143,395.00	1,143,395.00
Food Service Fund	803,133.00	29,161.00	832,294.00
	<u>\$3,115,125.00</u>	<u>\$36,884,325.00</u>	<u>\$39,999,450.00</u>
GAAP Adjustment		(4,456.00)	(4,456.00)
Total Awards & Financial Assistance	<u>\$3,115,125.00</u>	<u>\$36,879,869.00</u>	<u>\$39,999,450.00</u>

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5: OTHER**

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2015. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2015.

**Township of South Brunswick School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2015**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

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

**Federal Program(s)**

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

**Township of South Brunswick School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2015**

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

**Federal Program(s) (Continued)**

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

<u>Program</u>	<u>Grant Number</u>
IDEA Part B	84.027
IDEA Preschool	84.173
National School Lunch Program	10.555

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

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

**Township of South Brunswick School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2015**

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

**State Program(s)**

- (1) Internal Control Over Major State Programs:
- (a) Material weakness identified? No
  - (a) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04? No
- (4) Identification of Major State Program(s):
- | <u>Program</u>        | <u>Grant Number</u> |
|-----------------------|---------------------|
| Special Education Aid | 495-034-5120-089    |
| Equalization Aid      | 495-034-5120-078    |
| Security Aid          | 495-034-5120-084    |
| Per Pupil Growth Aid  | 495-034-5120-097    |
| PARCC Readiness       | 495-034-5120-098    |
- (5) Program Threshold Determination:  
Type A State Program Threshold > \$1,106,396.00  
Type B State Program Threshold <= \$1,106,396.00
- (6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

**Township of South Brunswick School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2015**

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

**Internal Control Findings**

None Reported

**Compliance Findings**

None Reported

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

Federal Programs – None Reported

State Programs – None Reported

**Township of South Brunswick School District**

**Schedule of Prior Year Audit Findings**

Not Applicable

