

**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, 2017

Prepared by

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

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INTRODUCTORY SECTION

SOUTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

Scott Feder
Superintendent of Schools



Jennifer K. Diszler
Assistant Superintendent for Curriculum,
Instruction and Administration

David Pawlowski
Business Administrator/ Board Secretary

Kimberly Maloy-White
Assistant Superintendent for Human Resources

November 30, 2017

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, 2017, 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 basic financial statements and required supplemental information, 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 audit requirements of Title 2 U.S. Code of Federal regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance)" and the New Jersey OMB's Circular 15 -08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

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

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

<u>Fiscal Year</u>	<u>Average Daily Student Enrollment</u>	<u>Increase/Decrease</u>	<u>Percent Change</u>
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)
2015-16	8,755	90	1.0
2016-17	8,786	31	0.0

The preliminary enrollment projection for the 2016-17 school year is 8,701 students or an increase of 86 students. This includes a projected kindergarten class of 510.

2) Economic Condition and Outlook: South Brunswick property tax assessments rebounded with a slight increase in 2016 (+.48%) 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 tax levy increase of \$.06.

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 2016-2017 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. 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, 2017.

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.

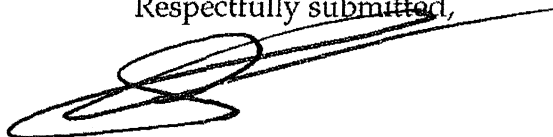
6) Debt Administration: The District Finance Committee recommended the refinancing of a 2004 Refunding Bond issue. After receiving approval from the Local Finance Board, the District refinanced Series 2004 Bonds and issued Series 2014 AA + Refunding School Bonds on February 12, 2014. These bonds resulted 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 by 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 as amended and the related Uniform Guidance and State Treasury Circular Letter 15-08. 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,



Scott Feder
Superintendent of Schools



David E. Pawlowski
Business Administrator/
Board Secretary

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

**ROSTER OF OFFICIALS
JUNE 30, 2017**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mr. Harry J. Delgado, President	2019
Dr. Stephen F. Parker, Vice President	2018
Mr. Martin Abschutz	2017
Mrs. Azra Baig	2019
Mr. Patrick Del Piano	2017
Mr. Barry Nathanson	2018
Mr. Deven M. Patel	2017
Mr. Arthur L. Robinson	2017
Mr. Peter St. Vincent	2018

Other Officials

Dr. Gary P. McCartney, Interim Superintendent of Schools

Mr. Thaddeus Thompson, Business Administrator/Board Secretary

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

**CONSULTANTS AND ADVISORS
JUNE 30, 2017**

ARCHITECT

The Spiezle Architectural Group
120 Sanhicon Drive
Trenton, NJ 08618

AUDIT FIRM

Suplee, Clooney & Company
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Westfield, NJ 07090-2122

ATTORNEYS

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Newark, NJ 07012

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

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Moorestown, NJ 08057

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Florham Park, NJ 07932

Phoenix Advisors, LLC
4 West Park Street
Bordentown, NJ 08505

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, 9th 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

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FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

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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, 2017, 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, and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and State of New Jersey *OMB Circular 15-08* "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, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information in Exhibit C-1 through C-3 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 the Uniform Guidance, New Jersey's OMB Circular 15-08, "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 the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and by 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 November 30, 2017 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. 962

November 30, 2017

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, 2017**

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, 2017. 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 (2016/2017) and the prior year (2015/2016) is required to be presented in MD&A.

FINANCIAL HIGHLIGHTS

The 2016-17 budget was constructed with a local general fund tax levy 2% more than the 2015-16 tax levy, which is the statutory limit.

The 2016-17 school year showed a slight increase in the student population within the South Brunswick Township Public Schools. The District initiated an Energy Savings Improvement Plan that provided 27 million in energy essential improvements to district buildings. Through this grant the district will receive all new HVAC systems, LED lighting, and Solar at each building. The largest ESIP grant in the State of New Jersey at the time, the district will realize enough energy savings to cover construction costs and supplement the general fund. Security measures continue 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. The focus of which will become improved security vestibules in every school and improved security cameras in every building in the district.

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 2016-2017". 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 2017 and 2016.

TABLE 1
NET POSITION

	2017			2016		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
ASSETS						
Current & Other Assets	\$46,939,673	\$4,868,043	\$51,807,716	\$18,374,187	\$4,016,891	\$22,391,078
Capital Assets	137,042,205	107,649	137,149,854	139,392,166	137,951	139,530,117
TOTAL ASSETS	183,981,878	4,975,692	188,957,570	157,766,353	4,154,842	161,921,195
DEFERRED OUTFLOWS OF RESOURCES:						
Pension Related	23,564,528		23,564,528	11,616,512		11,616,512
TOTAL DEFERRED OUTFLOWS OF RESOURCES	23,564,528		23,564,528	11,616,512		11,616,512
LIABILITIES						
Long-Term Liabilities	156,216,930	2,206,153	158,423,083	118,133,061	1,494,596	119,627,657
Other Liabilities	7,955,493	78,527	8,034,020	7,291,294	96,326	7,387,620
TOTAL LIABILITIES	164,172,423	2,284,680	166,457,103	125,424,355	1,590,922	127,015,277
DEFERRED INFLOWS OF RESOURCES:						
Gain on Sale of Refunding Bonds	2,677,531		2,677,531	1,934,129		1,934,129
Pension Related				838,323		838,323
TOTAL DEFERRED INFLOW OF RESOURCES	2,677,531		2,677,531	2,772,452		2,772,452
NET POSITION						
Net investment in capital assets	55,997,749	107,649	56,105,398	74,053,037	137,951	74,190,988
Restricted:	11,021,293		11,021,293	11,850,660		11,850,660
Unrestricted:						
Pension related (deficit)	(48,834,909)		(48,834,909)	(43,470,698)		(43,470,698)
Other (deficit)	22,512,319	2,583,363	25,095,682	(1,246,941)	2,425,969	1,179,028
TOTAL NET POSITION	\$40,696,452	\$2,691,012	\$43,387,464	\$41,186,058	\$2,563,920	\$43,749,978

Current Assets were reduced mainly by the depreciation of capital assets.

Long-term liabilities were increased by the long-term pension obligations of the district (GASB 68) which are now required to be reported.

Table 2 shows changes in net position for fiscal year 2016.

TABLE 2
CHANGES IN NET POSITION

	2017			2016		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
Revenues:						
Program Revenues:						
Operating Grants & Contributions	\$51,370,246	\$1,031,363	\$52,401,609	\$40,451,427	\$1,003,276	\$41,454,703
Charges for Services		5,891,985	5,891,985		6,349,945	6,349,945
General Revenues						
Property Taxes,						
Levied for General Purposes	103,055,614		103,055,614	101,034,916		101,034,916
Levied for Debt Service	6,915,343		6,915,343	5,877,540		5,877,540
Federal and State Grants						
not Restricted	17,448,163		17,448,163	17,340,327		17,340,327
Other Revenues	909,112	1,321	910,433	459,267	1,211	460,478
	<u>179,698,478</u>	<u>6,924,669</u>	<u>186,623,147</u>	<u>165,163,477</u>	<u>7,354,432</u>	<u>172,517,909</u>
Expenses:						
Instruction Services	105,852,969		105,852,969	96,034,761		96,034,761
Support Services	73,469,862		73,469,862	66,339,704		66,339,704
Interest on Long-Term Debt	786,086		786,086	2,544,801		2,544,801
Other	79,167		79,167	58,866		58,866
Business-Type						
Food Services Options		3,294,927	3,294,927		3,375,527	3,375,527
Children's Community Enrichment		3,502,650	3,502,650		3,572,359	3,572,359
Total Expenses	<u>180,188,084</u>	<u>6,797,577</u>	<u>186,985,661</u>	<u>164,978,132</u>	<u>6,947,886</u>	<u>171,926,018</u>
Change in Net Position	(489,606)	127,092	(362,514)	185,345	406,546	591,891
Net Position July 1,	<u>41,186,058</u>	<u>2,563,920</u>	<u>43,749,978</u>	<u>41,000,713</u>	<u>2,157,374</u>	<u>43,158,087</u>
Net Position June 30,	<u>40,696,452</u>	<u>2,691,012</u>	<u>43,387,464</u>	<u>41,186,058</u>	<u>2,563,920</u>	<u>43,749,978</u>

Table 2 presents a picture of minor changes in the pattern of revenue sources supporting the educational program and business activities. The Board presented a budget with a 2% increase in the overall General Fund tax levy of \$103,055,614.

Total expenses were up as a result of increased instructional support services incurred as a result of additional staffing, various new textbook series, the continuation of new state testing standards, special education tuition expenses, and required maintenance costs.

Also, as previously noted, the information for FY2016 has not been restated to reflect the effect of the District's implementation of GASB 68 and the related pension liability.

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 \$154,388,721 representing an increase of 3.50% and expenditures were \$155,119,923 which represented an increase of 4.40%

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, 2017, 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 2016</u>	<u>Percentage Change</u>
Local Sources	\$110,893,635	71.83%	\$3,470,888	3.23%
State Sources	41,048,268	26.59%	2,119,309	5.44%
Federal Sources	<u>2,446,818</u>	<u>1.58%</u>	<u>(375,417)</u>	<u>-13.30%</u>
	<u>\$154,388,721</u>	<u>100.00%</u>	<u>\$5,214,780</u>	<u>3.50%</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, 2017, 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 2016</u>	<u>Percentage Change</u>
Current Expense:				
Instruction	\$55,551,586	35.81%	\$587,171	1.07%
Undistributed	87,383,457	56.34%	3,765,510	4.50%
Capital Outlay	3,575,405	2.30%	1,315,969	58.24%
Debt Service:				
Principal	6,125,000	3.95%	1,095,000	21.77%
Interest	2,484,475	1.60%	(226,050)	-8.34%
Total	<u><u>\$155,119,923</u></u>	<u><u>100.00%</u></u>	<u><u>\$6,537,600</u></u>	<u><u>4.40%</u></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 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	(\$1,086,799)
Special Revenue Fund	-0-
Capital Projects Fund	29,171,059
Debt Service Fund	(83,562)
Business Type Activities:	
Food Services Fund	136,333
Children's Community Enrichment Programs	(9,241)

CAPITAL ASSETS

At the end of the fiscal year 2016-2017, the School District had \$137,042,205 invested in land, buildings, furniture, equipment and vehicles. Table 6 shows fiscal year 2017 balances compared to 2016.

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 8,571,736	\$ 8,571,736			\$ 8,571,736	\$ 8,571,736
Construction in Progress	1,201,679	74,226			1,201,679	74,226
Site Improvements	4,056,730	4,460,196			4,056,730	4,460,196
Building and Building Improvements	118,896,923	122,648,210			118,896,923	122,648,210
Machinery and Equipment	<u>4,315,137</u>	<u>3,637,798</u>	<u>\$ 107,649</u>	<u>\$ 137,951</u>	<u>4,422,786</u>	<u>3,775,749</u>
	<u>\$ 137,042,205</u>	<u>\$ 139,392,166</u>	<u>\$ 107,649</u>	<u>\$ 137,951</u>	<u>\$ 137,149,854</u>	<u>\$ 139,530,117</u>

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, 2017, the School District had \$156,216,930 outstanding long term debt. This includes \$70,280,777 in Net Pension Liability. Bonds Payable totaled \$82,365,000.00 and capital leases totaled \$985,443 representing a \$38,083,869 increase 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 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 fixed 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.

The District is entering the construction phase of an Energy Savings Improvement Plan that will provide energy efficiencies in every building. The largest ESIP in the state at the time the 27 million dollar grant will provide all new HVAC systems, LED lighting, re-commissioning of older equipment, and solar energy at every district location. Savings from the grant will be used to pay construction costs and supplement the general fund.

In conclusion, the South Brunswick Township School District has committed itself to financial excellence for many years as evidenced by its AA+ bond rating. 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 and prudent 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. David Pawlowski, 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, 2017.

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, 2017

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$42,853,171.00	\$4,616,454.00	\$47,469,625.00
Cash on hand with fiscal agent	-		
Receivables, net	2,044,809.00	166,185.00	2,210,994.00
Prepaid expenses	409.00	17,069.00	17,478.00
Inventory		68,335.00	68,335.00
Interfund receivable	590,464.00		590,464.00
Restricted assets:			
Restricted cash and cash equivalents	1,450,820.00		1,450,820.00
Capital assets:			
Land and construction in progress	9,773,415.00		9,773,415.00
Other capital assets, net of depreciation	127,268,790.00	107,649.00	127,376,439.00
Total Assets	<u>183,981,878.00</u>	<u>4,975,692.00</u>	<u>188,957,570.00</u>
DEFERRED OUTFLOW OF RESOURCES:			
Pension Related	<u>23,564,528.00</u>		<u>23,564,528.00</u>
Total Deferred Outflow of Resources	23,564,528.00		23,564,528.00
LIABILITIES:			
Accounts payable	5,253,625.00	649,252.00	5,902,877.00
Cash on hand with fiscal agent	129,573.00		129,573.00
Interfund payables		558,776.00	558,776.00
Payable to state government	975,958.00		975,958.00
Payable to federal government			
Unearned revenue	394,482.00	998,125.00	1,392,607.00
Other	78,326.00		78,326.00
Accrued liability to pay Workers			
Compensation Claims	197,803.00		197,803.00
Accrued interest on bonds	925,726.00		925,726.00
Noncurrent liabilities:			
Due within one year:			
Bonds and capital leases payable	6,461,439.00		6,461,439.00
Due beyond one year:			
Compensated absences payable	2,585,710.00	78,527.00	2,664,237.00
Bonds and capital leases payable	76,889,004.00		76,889,004.00
Net Pension Liability	70,280,777.00		70,280,777.00
Total liabilities	<u>164,172,423.00</u>	<u>2,284,680.00</u>	<u>166,457,103.00</u>
DEFERRED INFLOW OF RESOURCES:			
Gain on Refunding of Long-Term Debt	<u>2,677,531.00</u>		<u>2,677,531.00</u>
Total Deferred Inflow of Resources	2,677,531.00		2,677,531.00
NET POSITION:			
Net investment in capital assets	55,997,749.00	107,649.00	56,105,398.00
Restricted for:			
Debt service fund (deficit)	(670,461.00)		(670,461.00)
Other purposes	11,691,754.00		11,691,754.00
Unrestricted (deficit)	<u>(26,322,590.00)</u>	<u>2,583,363.00</u>	<u>(23,739,227.00)</u>
Total net position	<u>\$40,696,452.00</u>	<u>\$2,691,012.00</u>	<u>\$43,387,464.00</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, 2017

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	Total
Governmental Activities:							
Instruction:							
Regular	\$ 39,588,706.00	\$ 37,518,088.63	\$	\$ 22,957,478.00	\$ (54,149,316.63)	\$	\$ (54,149,316.63)
Special	12,393,538.00	9,594,071.12		13,757,758.00	(8,229,851.12)		(8,229,851.12)
Other Instruction	3,569,342.00	3,189,222.93		1,992,627.00	(4,765,937.93)		(4,765,937.93)
Support services:							
Tuition	4,856,485.00			661,224.00	(4,195,261.00)		(4,195,261.00)
Student and instruction related services	11,514,479.00	8,300,056.54		6,281,455.00	(13,533,080.54)		(13,533,080.54)
General administrative services	1,652,811.00	341,044.68			(1,993,855.68)		(1,993,855.68)
School administrative services	6,041,216.00	6,088,767.53		3,602,831.00	(8,527,152.53)		(8,527,152.53)
Central services	1,965,275.00	842,227.23			(2,807,502.23)		(2,807,502.23)
Administration information technology	835,529.00	3,234,241.69			(4,069,770.69)		(4,069,770.69)
Plant operations and maintenance	12,129,338.00	3,704,758.49			(15,834,096.49)		(15,834,096.49)
Pupil transportation	8,724,516.00	2,799,326.16		761,538.00	(10,762,304.16)		(10,762,304.16)
Allocated benefits	1,816,593.00	(1,816,593.00)					
Unallocated benefits	68,171,531.00	(67,983,688.00)			(187,843.00)		(187,843.00)
Charter Schools	251,948.00				(251,948.00)		(251,948.00)
Interest on Long-Term Debt	786,086.00			1,355,336.00	569,250.00		569,250.00
Unallocated depreciation	5,811,524.00	(5,811,524.00)					
Total governmental activities	<u>180,108,917.00</u>			<u>51,370,246.00</u>	<u>(128,738,671.00)</u>		<u>(128,738,671.00)</u>
Business-type activities							
Food Service	3,294,927.00			1,031,363.00	147,226.00		147,226.00
Children's Community Enrichment	3,502,650.00			2,410,790.00	(21,455.00)		(21,455.00)
Total business-type activities	<u>6,797,577.00</u>			<u>1,031,363.00</u>	<u>125,771.00</u>		<u>125,771.00</u>
Total primary government	<u>\$ 186,906,494.00</u>			<u>\$ 52,401,609.00</u>	<u>\$ (128,738,671.00)</u>		<u>\$ (128,612,900.00)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 103,055,614.00	\$	\$ 103,055,614.00
Taxes levied for debt service					6,915,343.00		6,915,343.00
Federal and state aid not restricted					17,448,163.00		17,448,163.00
Miscellaneous income					909,112.00	1,321.00	910,433.00
Disposal of capital asset (net)					(79,167.00)		(79,167.00)
Total general revenues and special items					<u>128,249,065.00</u>	<u>1,321.00</u>	<u>128,250,386.00</u>
Change in net position					(489,606.00)	127,092.00	(362,514.00)
Net Position - beginning					41,186,058.00	2,563,920.00	43,749,978.00
Net Position ending					<u>\$ 40,696,452.00</u>	<u>\$ 2,691,012.00</u>	<u>\$ 43,387,464.00</u>

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, 2017

	<u>GENERAL</u> <u>FUND</u>	<u>SPECIAL</u> <u>REVENUE</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>FUND</u>	<u>DEBT</u> <u>SERVICE</u> <u>FUND</u>	<u>TOTAL</u> <u>GOVERNMENTAL</u> <u>FUNDS</u>
ASSETS:					
Cash and cash equivalents	\$ 13,348,703.00		\$ 29,249,203.00	\$ 255,265.00	\$ 42,853,171.00
Cash, Capital Reserve	1,450,820.00				1,450,820.00
Other receivables					
Prepaid expenses		409.00			409.00
Due from other funds	598,260.00				598,260.00
Receivables from other governments	<u>1,152,970.00</u>	<u>891,839.00</u>			<u>2,044,809.00</u>
Total assets	<u>\$ 16,550,753.00</u>	<u>\$ 892,248.00</u>	<u>\$ 29,249,203.00</u>	<u>\$ 255,265.00</u>	<u>\$ 46,947,469.00</u>
 LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 2,738,949.00	\$ 317,872.00	\$ 78,144.00		\$ 3,134,965.00
Cash Overdraft	20,922.00	108,651.00			129,573.00
Interfund payables	383.00	7,413.00			7,796.00
Payable to state government	924,492.00	51,466.00			975,958.00
Payable to federal government					
Unearned revenue	1,000.00	393,482.00			394,482.00
Other	78,326.00				78,326.00
Accrued liability to pay Workers Compensation Claims	<u>184,439.00</u>	<u>13,364.00</u>			<u>197,803.00</u>
Total liabilities	<u>3,948,511.00</u>	<u>892,248.00</u>	<u>78,144.00</u>		<u>4,918,903.00</u>
 Fund balances:					
Restricted for:					
Excess surplus	3,711,875.00				3,711,875.00
Excess surplus - designated for subsequent years expenditures	3,745,868.00				3,745,868.00
Maintenance reserve account	600,000.00				600,000.00
Capital reserve account	2,934,011.00				2,934,011.00
Emergency reserve account	700,000.00				700,000.00
Debt service			356,116.00	255,265.00	611,381.00
Capital projects			4,627,402.00		4,627,402.00
 Committed to:					
Encumbrances			24,187,541.00		24,187,541.00
Assigned to:					
Encumbrances	267,294.00				267,294.00
Unassigned	<u>643,194.00</u>				<u>643,194.00</u>
Total fund balances	<u>12,602,242.00</u>		<u>29,171,059.00</u>	<u>255,265.00</u>	<u>42,028,566.00</u>
Total liabilities and fund balances	<u>\$ 16,550,753.00</u>	<u>\$ 892,248.00</u>	<u>\$ 29,249,203.00</u>	<u>\$ 255,265.00</u>	<u>\$ 46,947,469.00</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, 2017

Total Fund Balances (Brought Forward)		\$42,028,566.00
<p>Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Cost of Assets	\$243,883,823.00	
Accumulated Depreciation	<u>(106,841,618.00)</u>	137,042,205.00
<p>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.</p>		
Compensated Absences	(2,585,710.00)	
Bonds Payable	(82,365,000.00)	
Capital Leases (Net of Unexpended Proceeds)	(985,443.00)	
Net Pension Liability	<u>(70,280,777.00)</u>	(156,216,930.00)
<p>Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.</p>		
Pensions:		
Deferred Outflows		
Pension related		23,564,528.00
Deferred Inflows:		
Gain on Refunding Bonds		(2,677,531.00)
<p>Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.</p>		
Accounts Payable - Pension Related	(2,118,660.00)	
Accrued Interest Payable	<u>(925,726.00)</u>	<u>(3,044,386.00)</u>
Net Position of Governmental Activities		<u><u>\$40,696,452.00</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, 2017

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$103,055,614.00			\$6,915,343.00	\$109,970,957.00
Tuition	289,960.00				289,960.00
Transportation	20,956.00				20,956.00
Interest earned					-
Interest on capital reserve	1,428.00				1,428.00
Miscellaneous	335,754.00	\$13,566.00	261,009.00	5.00	610,334.00
Total revenues - local sources	103,703,712.00	13,566.00	261,009.00	6,915,348.00	110,893,635.00
State sources	39,289,195.00	403,737.00		1,355,336.00	41,048,268.00
Federal sources	57,981.00	2,388,837.00			2,446,818.00
Total revenues	143,050,888.00	2,806,140.00	261,009.00	8,270,684.00	154,388,721.00
EXPENDITURES:					
Current expense:					
Regular instruction	39,588,706.00				39,588,706.00
Special instruction	10,341,829.00	2,051,709.00			12,393,538.00
Other Instruction	3,569,342.00				3,569,342.00
Support services:					
Tuition	4,856,485.00				4,856,485.00
Student and instruction related services	10,760,048.00	754,431.00			11,514,479.00
General administrative services	1,652,811.00				1,652,811.00
School administrative services	6,041,216.00				6,041,216.00
Central services	1,965,275.00				1,965,275.00
Administration information technology	835,529.00				835,529.00
Plant operations and maintenance	12,129,338.00				12,129,338.00
Pupil transportation	8,820,637.00				8,820,637.00
Allocated benefits	1,816,593.00				1,816,593.00
Unallocated benefits	37,499,146.00				37,499,146.00
Charter Schools	251,948.00				251,948.00
Debt Service:					
Principal				6,125,000.00	6,125,000.00
Interest				2,484,475.00	2,484,475.00
Capital outlay	1,575,320.00		\$2,000,085.00		3,575,405.00
Total expenditures	141,704,223.00	2,806,140.00	2,000,085.00	8,609,475.00	155,119,923.00
Excess (deficiency) of revenues over (under) expenditures	1,346,665.00		(1,739,076.00)	(338,791.00)	(731,202.00)
Other financing sources (uses):					
Transfers in/(out)			(255,229.00)	255,229.00	
Bond Proceeds			25,965,000.00	15,775,000.00	41,740,000.00
Premium on Bonds Issue			1,815,161.00	1,383,441.80	3,198,602.80
Payment to Refunded Bonds Escrow Agent				(16,998,798.39)	(16,998,798.39)
Transfers in/(out)	(3,515,028.00)		3,515,028.00		
Cost of Issuance			(129,825.00)	(159,643.41)	(289,468.41)
Assets acquired under capital leases (non-budgeted)	1,081,564.00				1,081,564.00
Non-Allowable program income					
Administrative cost transfer					
Total other financing sources (uses)	(2,433,464.00)		30,910,135.00	255,229.00	28,731,900.00
Net change in fund balances	(1,086,799.00)		29,171,059.00	(83,562.00)	28,000,698.00
Fund balances, July 1, 2016	13,689,041.00	-0-		338,827.00	14,027,868.00
Fund balances, June 30, 2017	<u>\$12,602,242.00</u>	<u>\$-0-</u>	<u>\$29,171,059.00</u>	<u>\$255,265.00</u>	<u>\$42,028,566.00</u>

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, 2017

Total net change in fund balances - governmental funds (from B-2)		\$28,000,698.00
<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		(5,811,524.00)
Capital outlays	\$3,575,405.00	
Assets not capitalized	<u>(34,675.00)</u>	
		3,540,730.00
<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		6,125,000.00
Payment of capital lease payable		96,121.00
<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>		
Proceeds of long-term debt		(25,965,000.00)
Capital lease proceeds		(1,081,564.00)
Deferred amortization on issuance of refunding bonds		136,598.00
<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>		
		(88,870.00)
<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	2,108,119.00	
Less: Pension expense	<u>(7,472,330.00)</u>	
		(5,364,211.00)
<p>In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net positions will differ from the change in fund balance by the cost of the position removed (-).</p>		
		(\$79,167.00)
<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>1,583.00</u>
Change in net positions of governmental activities		<u><u>(\$489,606.00)</u></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, 2017

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	MAJOR FUND CHILDRENS' COMMUNITY ENRICHMENT FUND	NON-MAJOR FUND FOOD SERVICE FUND	TOTAL
ASSETS:			
Current assets:			
Cash and cash equivalents	\$3,744,727.00	\$871,727.00	\$4,616,454.00
Accounts receivable - other	1,502.00	106,472.00	107,974.00
Interfund Receivable	192.00		192.00
Intergovernmental receivables:			
State		4,893.00	4,893.00
Federal		53,126.00	53,126.00
Inventories		68,335.00	68,335.00
Prepaid expenses	17,069.00		17,069.00
Total current assets	<u>3,763,490.00</u>	<u>1,104,553.00</u>	<u>4,868,043.00</u>
Noncurrent assets:			
Furniture, machinery and equipment	265,095.00	1,425,409.00	1,690,504.00
Less accumulated depreciation	<u>(255,165.00)</u>	<u>(1,327,690.00)</u>	<u>(1,582,855.00)</u>
Total noncurrent assets	<u>9,930.00</u>	<u>97,719.00</u>	<u>107,649.00</u>
Total assets	<u>3,773,420.00</u>	<u>1,202,272.00</u>	<u>4,975,692.00</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	438,018.00	211,234.00	649,252.00
Interfund payable	558,776.00		558,776.00
Unearned revenue	906,965.00	91,160.00	998,125.00
Compensated absences	<u>78,527.00</u>		<u>78,527.00</u>
Total current liabilities	<u>1,982,286.00</u>	<u>302,394.00</u>	<u>2,284,680.00</u>
Total liabilities	<u>1,982,286.00</u>	<u>302,394.00</u>	<u>2,284,680.00</u>
NET POSITION:			
Net investment in capital assets	9,930.00	97,719.00	107,649.00
Unrestricted	<u>1,781,204.00</u>	<u>802,159.00</u>	<u>2,583,363.00</u>
Total net position	<u>\$1,791,134.00</u>	<u>\$899,878.00</u>	<u>\$2,691,012.00</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, 2017

	<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		\$1,422,870.00	\$1,422,870.00
Daily sales - Non-Reimbursable Programs		987,920.00	987,920.00
Program fees	\$3,481,195.00		3,481,195.00
Total operating revenues	<u>3,481,195.00</u>	<u>2,410,790.00</u>	<u>5,891,985.00</u>
OPERATING EXPENSES:			
Salaries	1,997,797.00	1,063,305.00	3,061,102.00
Employee Benefits	837,710.00	331,660.00	1,169,370.00
Other Purchase Service (Administrative Expenses)	282,931.00	239,487.00	522,418.00
General Supplies	379,457.00	256,480.00	635,937.00
Depreciation	4,755.00	25,547.00	30,302.00
Cost of sales - reimbursable programs		1,014,578.00	1,014,578.00
Cost of sales - non-reimbursable programs		363,870.00	363,870.00
Total operating expenses	<u>3,502,650.00</u>	<u>3,294,927.00</u>	<u>6,797,577.00</u>
Operating income (loss)	<u>(21,455.00)</u>	<u>(884,137.00)</u>	<u>(905,592.00)</u>
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program		31,045.00	31,045.00
Federal Sources:			
National School Lunch Program		629,401.00	629,401.00
National School Breakfast Program		77,184.00	77,184.00
National food distribution commodities		282,785.00	282,785.00
Miscellaneous	10,948.00		10,948.00
Interest on Investments	1,266.00	55.00	1,321.00
Total nonoperating revenues	<u>12,214.00</u>	<u>1,020,470.00</u>	<u>1,032,684.00</u>
Change in net position	<u>(9,241.00)</u>	<u>136,333.00</u>	<u>127,092.00</u>
Total net position - beginning of the year	<u>1,800,375.00</u>	<u>763,545.00</u>	<u>2,563,920.00</u>
Total net position - end of the year	<u>\$1,791,134.00</u>	<u>\$899,878.00</u>	<u>\$2,691,012.00</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, 2017

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		TOTAL
	MAJOR FUND CHILDRENS' COMMUNITY ENRICHMENT FUND	NON-MAJOR FUND FOOD SERVICE FUND	
Cash flows from operating activities:			
Receipts from customers	\$3,584,983.00	\$2,299,014.00	\$5,883,997.00
Payments to employees	(1,997,797.00)	(1,063,305.00)	(3,061,102.00)
Payments to employee benefits	(855,509.00)	(331,660.00)	(1,187,169.00)
Payments to suppliers	(306,637.00)	(1,574,994.00)	(1,881,631.00)
Net cash provided by (used for) operating activities	<u>425,040.00</u>	<u>(670,945.00)</u>	<u>(245,905.00)</u>
Cash flows from noncapital financing activities:			
State Sources		31,045.00	31,045.00
Federal Sources		706,585.00	706,585.00
Interfund Activity			
Operating subsidies and transfers to other funds	278,665.00		278,665.00
Net cash provided by noncapital financing activities:	<u>278,665.00</u>	<u>737,630.00</u>	<u>1,016,295.00</u>
Cash flows from investing activities:			
Interest	1,266.00	55.00	1,321.00
Net cash provided by (used for) investing activities	<u>1,266.00</u>	<u>55.00</u>	<u>1,321.00</u>
Net increase (decrease) in cash and cash equivalents	704,971.00	66,740.00	771,711.00
Cash and cash equivalents, July 1, 2016	<u>3,039,756.00</u>	<u>804,987.00</u>	<u>3,844,743.00</u>
Cash and cash equivalents, June 30, 2017	<u>\$3,744,727.00</u>	<u>\$871,727.00</u>	<u>\$4,616,454.00</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(\$21,455.00)	(\$884,137.00)	(\$905,592.00)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	4,755.00	25,547.00	30,302.00
Federal commodities		282,785.00	282,785.00
Change in assets and liabilities:			
(Increase)decrease in accounts receivable - other	792.00	(93,037.00)	(92,245.00)
(Increase) decrease in inventories		12,984.00	12,984.00
(Increase) decrease in prepaid expenses	(180.00)		(180.00)
Increase (decrease) in accounts payable	355,931.00	3,652.00	359,583.00
Increase (decrease) in unearned revenue	102,996.00	(18,739.00)	84,257.00
Increase (decrease) in compensated absences	(17,799.00)		(17,799.00)
	<u>446,495.00</u>	<u>213,192.00</u>	<u>659,687.00</u>
Net cash provided by (used for) operating activities	<u>\$425,040.00</u>	<u>(\$670,945.00)</u>	<u>(\$245,905.00)</u>

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, 2017

	<u>Unemployment Compensation Fund</u>	<u>Private Purpose Award Fund</u>	<u>Agency Funds</u>
ASSETS:			
Cash and cash equivalents	<u>\$269,112.00</u>	<u>\$30,850.00</u>	<u>\$1,202,351.00</u>
Total Assets	<u>269,112.00</u>	<u>30,850.00</u>	<u>1,202,351.00</u>
LIABILITIES:			
Accounts payable	2,873.00		
Interfund payable			31,880.00
Payroll deductions and withholdings			704,109.00
Net Payroll			22,825.00
Due to student groups			<u>443,537.00</u>
Total Liabilities	<u>2,873.00</u>		<u>1,202,351.00</u>
NET POSITION:			
Held in trust for unemployment claims	266,239.00		
Held in trust for awards and other purposes		<u>30,850.00</u>	
Total Net Position	<u>\$266,239.00</u>	<u>\$30,850.00</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, 2017

	<u>Private Purpose Award Funds</u>	<u>Unemployment Compensation Fund</u>
ADDITIONS:		
Contributions:		
Plan Members		\$125,062.00
Other	\$5,000.00	
Total contributions	<u>5,000.00</u>	<u>125,062.00</u>
Investment earnings:		
Interest	41.00	219.00
Net investment earnings	<u>41.00</u>	<u>219.00</u>
Total additions	<u>5,041.00</u>	<u>125,281.00</u>
DEDUCTIONS:		
Awards granted	5,000.00	
Unemployment claims		170,109.00
Total deductions	<u>5,000.00</u>	<u>170,109.00</u>
Change in net assets	41.00	(44,828.00)
Net position beginning of year	<u>30,809.00</u>	<u>311,067.00</u>
Net position end of year	<u><u>\$30,850.00</u></u>	<u><u>\$266,239.00</u></u>

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, 2017

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, 2017

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 are presented 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, 2017

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 the accumulation of resources for, and the payment of principal and interest on debt issued to finance major property acquisition, construction and improvement programs.

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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, 2017

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, 2017

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, 2017 totaled \$208,576.00, representing prior year encumbrances of \$173,004.00 and \$35,572.00 of 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 deferred State Aid payments for budgetary purposes only and the accounting treatment of encumbrances in the special revenue fund as described 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, 2017

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, 2017

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:

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

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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, 2017

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. 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, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Restrictions

Under GASB 54, 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, 2017

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, 2017

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, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting and Financial Reporting for Pensions

In the District-Wide Financial Statements for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's proportionate share of the New Jersey Public Employees Retirement System ("PERS") and the Teachers' Pension and Annuity Fund ("TPAF") and the additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they were reported by PERS and TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the Governmental Fund Financial Statements the year end Net pension liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1st of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The governmental fund financial statements reflects both a revenue and expenses for this pension contribution.

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, 2017

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, 2017.

Fund Type:	N.J. Cash		Reconciling Items:		Reconciled Balance
	Bank Balance	Management/ CLASS	Additions	Deletions	
Governmental	37,961,027.00	\$7,468,741.00	\$74,595.00	\$1,309,023.00	\$44,195,340.00
Proprietary	4,616,454.00				4,616,454.00
Fiduciary	1,846,696.00		237,535.00	581,918.00	1,502,313.00
	<u>\$44,424,177.00</u>	<u>\$7,468,741.00</u>	<u>\$312,130.00</u>	<u>\$1,890,941.00</u>	<u>\$50,314,107.00</u>

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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, 2017, 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 \$44,174,177.00 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, 2017

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, 2017 the District has \$7,468,741.00 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, 2017

NOTE 3: CHANGE IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 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	\$ 8,571,736.00	\$	\$	\$ 8,571,736.00
Construction in Progress	<u>74,226.00</u>	<u>1,193,140.00</u>	<u>65,687.00</u>	<u>1,201,679.00</u>
Total Capital assets not being depreciated	<u>8,645,962.00</u>	<u>1,193,140.00</u>	<u>65,687.00</u>	<u>9,773,415.00</u>
Site Improvements	7,405,251.00			7,405,251.00
Building and Building Improvements	207,344,310.00	832,090.00		208,176,400.00
Machinery and Equipment	<u>17,188,684.00</u>	<u>1,515,500.00</u>	<u>175,427.00</u>	<u>18,528,757.00</u>
Totals as historical cost	<u>231,938,245.00</u>	<u>2,347,590.00</u>	<u>175,427.00</u>	<u>234,110,408.00</u>
Total Gross assets (Memo only)	<u>\$ 240,584,207.00</u>	<u>\$ 3,540,730.00</u>	<u>\$ 241,114.00</u>	<u>\$ 243,883,823.00</u>
Less: Accumulated Depreciation for:				
Site Improvements	\$ (2,945,055.00)	\$ (403,466.00)	\$	\$ (3,348,521.00)
Building and Building Improvements	(84,696,100.00)	(4,583,377.00)		(89,279,477.00)
Machinery and Equipment	<u>(13,550,886.00)</u>	<u>(824,681.00)</u>	<u>(161,947.00)</u>	<u>(14,213,620.00)</u>
Total depreciation	<u>(101,192,041.00)</u>	<u>(5,811,524.00)</u>	<u>(161,947.00)</u>	<u>(106,841,618.00)</u>
Total Capital assets being depreciated net of accumulated depreciation	<u>130,746,204.00</u>	<u>(3,463,934.00)</u>	<u>13,480.00</u>	<u>127,268,790.00</u>
Governmental activities capital assets, net	<u>\$ 139,392,166.00</u>	<u>\$ (2,270,794.00)</u>	<u>\$ 79,167.00</u>	<u>\$ 137,042,205.00</u>
Business-type activities:				
Equipment	\$ 1,690,504.00	\$	\$ 265,095.00	\$ 1,425,409.00
Less: Accumulated Depreciation	<u>(1,552,553.00)</u>	<u>(30,302.00)</u>	<u>(265,095.00)</u>	<u>(1,317,760.00)</u>
Proprietary fund capital assets, net	<u>\$ 137,951.00</u>	<u>\$ (30,302.00)</u>	<u>\$</u>	<u>\$ 107,649.00</u>

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 3: CHANGE IN CAPITAL ASSETS

Depreciation Expense was charged to governmental expenses as follows:

Instruction:		
Regular	\$	3,656,307.00
Special		526,126.00
Other		251,866.00
Support Services:		
General Administrative Services		194,117.00
School Administrative Services		100,977.00
Pupil Transportation		286,177.00
Plant Operations & Maintenance		608,111.00
Unallocated		<u>187,843.00</u>
	\$	<u><u>5,811,524.00</u></u>

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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, 2017, the District had no bonds or notes authorized but not issued.

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2017:

	<u>Bonds</u>	<u>Capital</u>	<u>Net</u>	<u>Compensated</u>	
	<u>Payable</u>	<u>Leases</u>	<u>Pension</u>	<u>Absences</u>	<u>Total</u>
		<u>Payable</u>	<u>Liability</u>	<u>Payable</u>	
Balance June 30, 2016	\$ 63,405,000.00	\$ -0-	\$ 52,140,768.00	\$ 2,587,293.00	\$ 118,133,061.00
Additions	<u>41,740,000.00</u>	<u>1,081,564.00</u>	<u>18,140,009.00</u>	<u> </u>	<u>60,961,573.00</u>
	105,145,000.00	1,081,564.00	70,280,777.00	2,587,293.00	179,094,634.00
Deletions	<u>22,780,000.00</u>	<u>96,121.00</u>	<u> </u>	<u>1,583.00</u>	<u>22,877,704.00</u>
	22,780,000.00	96,121.00		1,583.00	22,877,704.00
Balance June 30, 2017	<u>\$ 82,365,000.00</u>	<u>\$ 985,443.00</u>	<u>\$ 70,280,777.00</u>	<u>\$ 2,585,710.00</u>	<u>\$ 156,216,930.00</u>
Amounts due within one year	<u>\$ 6,461,438.85</u>				

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Bonds Payable

The annual requirements to amortize all debt outstanding as of June 30, 2017, with interest payments on issued debt, are as follows:

Fiscal Year Ended		<u>Principal</u>		<u>Interest</u>		<u>Total</u>
<u>June 30,</u>						
2018	\$	6,290,000.00	\$	2,886,263.19	\$	9,176,263.19
2019		7,305,000.00		2,914,275.00		10,219,275.00
2020		7,395,000.00		2,673,675.00		10,068,675.00
2021		7,040,000.00		2,414,375.00		9,454,375.00
2022		7,120,000.00		2,143,275.00		9,263,275.00
2023		7,240,000.00		1,852,125.00		9,092,125.00
2024		7,060,000.00		1,547,450.00		8,607,450.00
2025		7,180,000.00		1,244,750.00		8,424,750.00
2026		2,465,000.00		1,033,250.00		3,498,250.00
2027		2,595,000.00		912,700.00		3,507,700.00
2028		2,715,000.00		788,425.00		3,503,425.00
2029		2,835,000.00		662,100.00		3,497,100.00
2030		1,255,000.00		573,175.00		1,828,175.00
2031		1,350,000.00		521,075.00		1,871,075.00
2032		1,450,000.00		465,075.00		1,915,075.00
2033		1,555,000.00		406,787.50		1,961,787.50
2034		1,660,000.00		345,850.00		2,005,850.00
2035		1,775,000.00		278,700.00		2,053,700.00
2036		1,895,000.00		205,300.00		2,100,300.00
2037		2,025,000.00		126,900.00		2,151,900.00
2038		2,160,000.00		43,200.00		2,203,200.00
		<u>\$ 82,365,000.00</u>		<u>\$ 24,038,725.69</u>		<u>\$ 106,403,725.69</u>

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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, 2017</u>	<u>Bonds Authorized But Not Issued</u>
\$36,330,000.00 in Refunding Bonds (2008 Series) dated May 10, 2007, due in remaining annual installment of \$2,330,000.00 due on August 1, 2017 with interest of 5.00%	2,330,000.00	-0-
\$29,525,000.00 in School Bonds (2012 Series) dated March 7, 2012, due in remaining annual installments ranging between \$2,585,000.00 and \$2,625,000.00 beginning June 30, 2012 and ending June 30, 2025 with interest from 2.00% to 4.00%	20,820,000.00	-0-
\$36,330,000.00 in Refunding Bonds (2014 Series) dated January 2014, due in remaining annual installments ranging between \$1,245,000.00 and \$1,675,000.00 beginning August 1, 2015 and ending August 1, 2028 with interest from 3.00% to 5.00%	17,475,000.00	-0-
\$10,785,000.00 in School Energy Savings Bonds dated November 22, 2016, due in remaining annual installments ranging between \$280,000.00 and \$800,000.00 beginning August 1, 2018 and ending August 1, 2037 with interest from 3.00% to 5.00%	10,785,000.00	-0-
\$15,180,000.00 in School Energy Savings Bonds dated April 5, 2017, due in remaining annual installments ranging between \$360,000.00 and \$1,360,000.00 beginning August 1, 2018 and ending August 1, 2037 with interest from 3.00% to 4.00%	15,180,000.00	-0-
\$15,775,000.00 in Refunding School Bonds dated April 5, 2017, due in remaining annual installments ranging between \$100,000.00 and \$2,275,000.00 beginning August 1, 2017 and ending August 1, 2024 with interest from 2.00% to 4.00%	15,775,000.00	-0-
	<u>\$82,365,000.00</u>	<u>\$0.00</u>

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Capital Leases Payable

The District is leasing school buses and Musical Instruments totaling \$1,081,564.00 under capital leases. This capital leases are for terms of three to six years. The following is a schedule of the future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2017:

Fiscal Year Ended <u>June 30,</u>	Governmental <u>Funds</u>
2018	\$ 182,070
2019	182,070
2020	161,915
2021	207,958
2022	149,140
2023	<u>159,575</u>
Total Minimum Lease Payments	1,042,726
Less: Amount Representing Interest	<u>57,283</u>
Present Value of Lease Payments	<u><u>985,443</u></u>

OPERATING LEASES

The District has three commitments to lease technology equipment under an operating lease, two that expire on September 15, 2019 and one that expires on September 15, 2020. The total operating lease payments made during the year ended June 30, 2017 were \$102,071. Future minimum lease payments are as follows:

Fiscal Year Ended <u>June 30,</u>	Governmental <u>Funds</u>
2018	\$ 306,689
2019	306,689
2020	306,689
2021	<u>103,073</u>
Total Minimum Lease Payments	<u><u>1,023,139</u></u>

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 5: PENSION PLANS

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

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

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

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

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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, 2017

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>
2017	\$2,166,412.00	100.00%	\$2,166,412.00
2016	\$1,996,930.00	100.00%	\$1,996,930.00
2015	\$1,848,669.00	100.00%	\$1,848,669.00

<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>
2017	\$5,961,469.00	100.00%	\$5,961,469.00
2016	\$4,235,882.00	100.00%	\$4,235,882.00
2015	\$2,833,393.00	100.00%	\$2,833,393.00

Also, in accordance with N.J.S.A. 18A:66-66 during the years ended June 30, 2017, 2016 and 2015, the State of New Jersey reimbursed the District \$4,026,025, \$4,051,737 and \$3,975,468 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, 2017

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

Public Employees Retirement System (PERS)

At June 30, 2017, the District reported a liability of \$70,280,777.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. 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 members, actuarially determined. At June 30, 2016, the District's proportion was 0.2372977142 percent, which was an increase of 0.0050241155 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$7,472,206.00 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2016 measurement date.

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience	-	\$1,307,009.00
Changes of assumptions	-	14,558,423.00
Net difference between projected and actual earnings on pension plan investments	-	2,679,870.00
Changes in proportion and differences between District contributions and proportionate share of contributions	-	2,900,566.00
District contributions subsequent to the measurement date		2,118,660.00
	<u>\$0.00</u>	<u>\$23,564,528.00</u>

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

Public Employees Retirement System (PERS) (Continued)

The \$2,118,660.00 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, 2017, the plan measurement date is June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Amount</u>
2018	\$4,943,313.00
2019	\$4,943,313.00
2020	\$5,568,838.00
2021	\$4,580,362.00
2022	\$1,410,042.00

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.08 Percent
Salary Increases	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.65 Percent

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016 and 7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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 (continued)

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2016</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Returns	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 3.98% and 4.90% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and 7.90%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, 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.

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Discount Rate (Continued)

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 contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employer contributed 100% of their actuarially determined 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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, 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, 2016 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:

	1% Decrease <u>2.98%</u>	At Current Discount Rate <u>3.98%</u>	1% Increase <u>4.98%</u>
District's proportionate share of the pension liability	86,120,889.00	70,280,777.00	57,203,391.00

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). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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

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, 2017 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$416,194,504</u>
	<u><u>\$416,194,504</u></u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. 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, 2016, the proportion of the TPAF net pension liability associated with the District was .5290628248% which was an increase of .00082171348 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized on-behalf pension expense and revenue of \$31,271,226 in the government-wide financial statements for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2016 measurement date.

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. 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	7.65%

Mortality Rate

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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)

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
High Yield Bonds	2.00%	4.70%
US Equities Markets	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Market Equities	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmlands	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - Multi Strategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%
	<u>100.00%</u>	

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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 3.22% and 4.13% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and 7.90, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, 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 contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined 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 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, 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.

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 Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 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 \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

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, 2017, 2016 and 2015 were \$4,957,839, \$5,043,766 and \$4,498,014, 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 8: 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 9: CONTINGENCIES

The District 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 2016-2017 fiscal year were subject to the U.S. OMB Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$750,000. Findings and questioned costs, if any, relative to federal and state financial assistance programs are 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. The District's management does not believe any such 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, 2017

NOTE 10: RISK MANAGEMENT

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

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

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

<u>Fiscal</u> <u>Year</u>	<u>Interest</u> <u>Earnings</u>	<u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2016-17	\$ 219.00	\$ 125,062.00	\$ 170,109.00	\$ 266,239.00
2015-16	326.00	123,906.00	137,944.00	311,067.00
2014-15	556.00	121,102.00	105,517.00	324,779.00

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 11: 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, 2017, a liability existed for compensated absences for governmental fund-types in the district- wide Statement of Net Position of \$2,585,710.00.

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, 2017 a liability existed for compensated absences in the proprietary funds of \$78,527.00.

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

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 12: FUND BALANCE APPROPRIATED

General Fund – The table below reflects the District’s Fund Balance at June 30, 2017 on both a GAAP (Exhibit B-1) and Budgetary (Exhibit C-1) basis including the required adjustment related to the last state aid payment which under GAAP is not recognized.

	<u>Budgetary</u> <u>Basis</u>	<u>Adjustment</u>	<u>GAAP</u> <u>Basis</u>
Restricted for:			
Excess surplus:			
Designated for subsequent			
years expenditures	\$ 3,745,868.00	\$	\$ 3,745,868.00
Current year	3,711,875.00		3,711,875.00
Maintenance reserve	600,000.00		600,000.00
Capital reserve	2,934,011.00		2,934,011.00
Emergency reserve	700,000.00		700,000.00
Assigned to:			
Encumbrances	267,294.00		267,294.00
Unassigned	<u>2,944,025.00</u>	<u>(2,300,831.00)</u>	<u>643,194.00</u>
	<u>\$ 14,903,073.00</u>	<u>\$ (2,300,831.00)</u>	<u>\$ 12,602,242.00</u>

Debt Service Fund – Of the \$255,265.00 in Debt Service Fund fund balance at June 30, 2017, \$255,265.00 is restricted for future debt service.

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 13: 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, 2017	\$141,704,223
Add:	
Transfer from Capital Reserve to Capital Projects Fund	3,515,028
Less:	
Assets acquired under Capital Leases	1,081,564
On-behalf TPAF Pension and Social Security Reimbursement	<u>14,945,333</u>
Adjusted General Fund Expenditures	\$129,192,354
Excess Surplus Percentage	<u>2.00%</u>
2% of Adjusted 2016-17 General Fund Expenditures	\$2,583,847
Add: Allowable Adjustments	<u>360,178</u>
Maximum Unreserved/Undesignated Fund Balance	\$2,944,025
Actual Unreserved/Undesignated Fund Balance	<u>6,655,900</u>
Excess Surplus	<u>\$3,711,875</u>

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
General Fund	\$ 598,260.00	\$ 383.00
Special Revenue Fund		7,413.00
Proprietary Fund	192.00	558,776.00
Fiduciary Fund		31,880.00
	\$ <u>598,452.00</u>	\$ <u>598,452.00</u>

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

NOTE 15: 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, 2017

NOTE 15: CAPITAL RESERVE ACCOUNT (CONTINUED)

Capital Reserve Account

Beginning balance, July 1, 2016		\$4,947,634.00
Board Approved	\$1,500,000.00	
Interest earned	<u>1,405.00</u>	
		<u>1,501,405.00</u>
		6,449,039.00
Withdrawals:		
Budgeted		<u>3,515,028.00</u>
Ending balance, June 30, 2017		<u><u>\$2,934,011.00</u></u>

NOTE 16: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the District in the amount of \$600,000.00 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with EFCFA (N.J.S.A. 18A:7G-9). The passage of S1701 also impacts deposits into maintenance reserve. EFCFA requires that upon the district completion of school facilities project, the district must submit a plan for the maintenance of that facility. The activity of the maintenance reserve for the July 1, 2016 to June 30, 2017 year is as follows:

Increased by:		
Board Resolution		<u>\$600,000.00</u>
Ending balance, June 30, 2017		<u><u>\$600,000.00</u></u>

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 17: EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the Township of South Brunswick Board of Education 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.

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, 2017 the District has the following activity in the Emergency Reserve Account:

Emergency Reserve Account

Beginning balance, July 1, 2016 and
June 30, 2017

\$700,000.00

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 18: 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, 2017.

NOTE 19: INVENTORY

Inventory in the Food Service Fund at June 30, 2017 consisted of the following:

Food and Supplies	<u>\$68,335.00</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.

NOTE 20: TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

Township of South Brunswick School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 21: SUBSEQUENT EVENTS

The District has evaluated subsequent events occurring after the financial statement date through November 30, 2017 which is the date the financial statements were available to be issued. The District has determined that the following subsequent event needs 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, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Revenues from local sources:					
Local tax levy	\$ 103,055,614.00	\$	\$ 103,055,614.00	\$ 103,055,614.00	\$ (110,120.00)
Tuition from individuals	235,000.00		235,000.00	124,880.00	165,080.00
Tuition from LEAs within state				20,956.00	20,956.00
Transportation fees from other LEAs				76,603.00	76,603.00
Rents and Royalties				259,151.00	(276,421.00)
Unrestricted miscellaneous revenues	500,000.00	35,572.00	535,572.00	1,428.00	(3,672.00)
Interest earned on capital reserve funds	5,100.00		5,100.00		
Subtotal - Revenues from Local Sources	103,795,714.00	35,572.00	103,831,286.00	103,703,712.00	(127,574.00)
Revenues from state sources:					
Categorical Transportation aid	711,504.00		711,504.00	711,504.00	
Extraordinary aid	359,162.00		359,162.00	661,224.00	302,062.00
Categorical special education aid	5,479,892.00		5,479,892.00	5,479,892.00	
Equalization aid	17,015,512.00		17,015,512.00	17,015,512.00	
Categorical security aid	183,321.00		183,321.00	183,321.00	
PARCC readiness aid	87,450.00		87,450.00	87,450.00	
Per Pupil Growth Aid	87,450.00		87,450.00	87,450.00	
Professional Learning Community Aid	86,150.00		86,150.00	86,150.00	
Other state aids				58,116.00	58,116.00
Reimbursed TPAF social security contributions (non-budgeted)				4,026,025.00	4,026,025.00
On-Behalf TPAF - Non-contributory insurance (non-budgeted)				208,050.00	208,050.00
On-Behalf TPAF - Long-Term Disability (non-budgeted)				11,306.00	11,306.00
On-behalf TPAF post retirement medical (non-budgeted)				4,957,839.00	4,957,839.00
On-behalf TPAF pension contributions (non-budgeted)				5,742,113.00	5,742,113.00
Total - state sources	24,010,441.00		24,010,441.00	39,315,952.00	15,305,511.00
Revenues from federal sources:					
Medicaid Reimbursement	40,257.00		40,257.00	57,981.00	17,724.00
SUBTOTAL - Revenues from federal sources	40,257.00		40,257.00	57,981.00	17,724.00
Total Operating Budget	127,846,412.00	35,572.00	127,881,984.00	143,077,645.00	15,195,661.00
EXPENDITURES:					
CURRENT EXPENSE:					
Regular programs - instruction:					
Salaries of teachers:					
Kindergarten	2,702,815.00	(67,662.00)	2,635,153.00	2,624,493.00	10,660.00
Grades 1-5	12,865,094.00	(120,728.00)	12,744,366.00	12,720,459.00	23,907.00
Grades 6-8	9,989,141.00	(330,601.00)	9,658,540.00	9,627,431.00	31,109.00
Grades 9-12	13,078,489.00	(455,455.00)	12,623,034.00	12,615,822.00	7,212.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Regular programs - Undistributed Instruction:					
Other Salaries for Instruction	233,115.00	49,398.00	282,513.00	263,653.00	18,860.00
Unused Vacation Payment to Terminated/Retired Staff					
Purchased Professional Educational Services	29,000.00	(10,620.00)	18,380.00	18,379.00	1.00
Purchased Technical Services	56,500.00	(45,120.00)	11,380.00	11,379.00	1.00
Other Purchased Services (400-500 series)	313,077.00	179,702.00	492,779.00	462,000.00	30,779.00
General Supplies	1,284,224.00	(264,313.00)	1,019,911.00	1,015,311.00	4,600.00
Textbooks	300,000.00	(71,668.00)	228,332.00	228,329.00	3.00
Other Objects	1,775.00	(325.00)	1,450.00	1,450.00	
Total Regular Programs	40,853,230.00	(1,137,392.00)	39,715,838.00	39,588,706.00	127,132.00
Learning and/or Language Disabilities:					
Salaries of Teachers	1,039,817.00	(194,882.00)	844,935.00	844,932.00	3.00
Other Salaries for Instruction	346,801.00	(17,956.00)	328,845.00	328,839.00	6.00
General Supplies	5,600.00	(3,686.00)	1,914.00	1,913.00	1.00
Total Learning and/or Language Disabilities	1,392,218.00	(216,524.00)	1,175,694.00	1,175,684.00	10.00
Multiple Disabilities:					
Salaries of Teachers	247,475.00	(65,700.00)	181,775.00	181,474.00	301.00
Other Salaries for Instruction	192,152.00	(2,004.00)	190,148.00	190,130.00	18.00
General Supplies	1,600.00	(550.00)	1,050.00	1,023.00	27.00
Total Multiple Disabilities	441,227.00	(68,254.00)	372,973.00	372,627.00	346.00
Resource Room/ Resource Center:					
Salaries of Teachers	5,497,671.00	(51,360.00)	5,446,311.00	5,441,851.00	4,460.00
Other Salaries for Instruction	804,312.00	(512.00)	803,800.00	801,121.00	2,679.00
General Supplies	31,650.00	(23,591.00)	8,059.00	8,048.00	11.00
Total Resource Room/ Resource Center	6,333,633.00	(75,463.00)	6,258,170.00	6,251,020.00	7,150.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Autism:					
Salaries of Teachers	696,868.00	31,318.00	728,186.00	728,184.00	2.00
Other Salaries for Instruction	488,511.00	133,258.00	621,769.00	621,765.00	4.00
General Supplies	5,500.00	(1,940.00)	3,560.00	3,559.00	1.00
Total Autism	1,190,879.00	162,636.00	1,353,515.00	1,353,508.00	7.00
Preschool Disabilities - Part Time:					
Salaries of Teachers	73,786.00	(510.00)	73,276.00	73,276.00	
Other Salaries for Instruction	51,900.00		51,900.00	51,845.00	55.00
General Supplies	2,000.00	3,719.00	5,719.00	5,718.00	1.00
Total Preschool Disabilities - Part Time	127,686.00	3,209.00	130,895.00	130,839.00	56.00
Preschool Disabilities - Full Time:					
Salaries of Teachers	333,567.00	261,387.00	594,954.00	594,951.00	3.00
Other Salaries for Instruction	243,386.00	26,802.00	270,188.00	270,185.00	3.00
Total Preschool Disabilities - Full Time	576,953.00	288,189.00	865,142.00	865,136.00	6.00
Home Instruction:					
Salaries of Teachers	45,250.00	4,146.00	49,396.00	49,396.00	
Other Salaries for Instruction	15,000.00	(10,537.00)	4,463.00	4,462.00	1.00
Purchased Professional- Educational Services	109,950.00	29,208.00	139,158.00	139,157.00	1.00
Total Home Instruction	170,200.00	22,817.00	193,017.00	193,015.00	2.00
Total Special Education - Instruction	10,232,796.00	1,16,610.00	10,349,406.00	10,341,829.00	7,577.00
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	2,035,860.00	(49,055.00)	1,986,805.00	1,986,804.00	1.00
Other Salaries for Instruction	15,250.00	(14,811.00)	439.00	438.00	1.00
General Supplies	4,000.00	(1,500.00)	2,500.00	2,437.00	63.00
Total Basic Skills/Remedial - Instruction	2,055,110.00	(65,366.00)	1,989,744.00	1,989,679.00	65.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Bilingual education - Instruction:					
Salaries of Teachers	292,316.00	(17,711.00)	274,605.00	274,604.00	1.00
General Supplies	2,200.00	(600.00)	1,600.00	1,514.00	86.00
Total Bilingual Education - Instruction	294,516.00	(18,311.00)	276,205.00	276,118.00	87.00
School Sponsored Co/Extra Curricular Activities - Instruction:					
Salaries	263,950.00	(38,541.00)	225,409.00	213,894.00	11,515.00
Purchased Services (300-500 series)	42,000.00	(11,138.00)	30,862.00	30,661.00	201.00
Supplies and Materials	44,250.00	(14,848.00)	29,402.00	(55,571.00)	84,973.00
Other Objects	4,000.00	(721.00)	3,279.00	3,279.00	
Total School Sponsored Co/Extra Curricular Activities - Instruction	354,200.00	(65,248.00)	288,952.00	192,263.00	96,689.00
School Sponsored Athletics - Instruction:					
Salaries	735,000.00	72,481.00	807,481.00	806,240.00	1,241.00
Purchased Services (300-500 series)	114,029.00	(32,954.00)	81,075.00	78,061.00	3,014.00
Supplies and Materials	165,800.00	(17,743.00)	148,057.00	147,644.00	413.00
Other Objects	7,000.00	(3,401.00)	3,599.00	3,599.00	
Transfers to Cover Deficit (Agency Funds)	84,400.00	(9,000.00)	75,400.00	75,338.00	62.00
Total School Sponsored Athletics - Instruction	1,106,229.00	9,383.00	1,115,612.00	1,110,882.00	4,730.00
Community Services Programs/Operations	5,000.00		5,000.00	400.00	4,600.00
Total Community Services Programs/Operations	5,000.00		5,000.00	400.00	4,600.00
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the State - Regular	21,500.00	30,188.00	51,688.00	51,688.00	
Tuition to other LEAs within the State - Special	226,000.00	(109,139.00)	116,861.00	116,859.00	2.00
Tuition to County Voc. School District - Regular					
Tuition to County Voc. School District - Special					
Tuition to CSSD & Regular Day Schools	605,000.00	(427,949.00)	177,051.00	142,311.00	34,740.00
Tuition to Private Schools for the Disabled W/ State	3,910,000.00	443,304.00	4,353,304.00	4,323,581.00	29,723.00
Tuition to Private Schools for the Disabled & Other LEA'S-Spl. O/S State	5,000.00	(5,000.00)			
Tuition - State Facilities	96,918.00		96,918.00	96,918.00	
Tuition - Other	115,000.00	10,128.00	125,128.00	125,128.00	
Tuition to Non-resident Renaissance School					
Total Undistributed Expenditures - Instruction	4,979,418.00	(58,468.00)	4,920,950.00	4,856,485.00	64,465.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expenditures - Attendance & Social Work:					
Salaries	68,754.00	2,218.00	70,972.00	70,824.00	148.00
Total Undistributed Expenditures - Attendance & Social Work	68,754.00	2,218.00	70,972.00	70,824.00	148.00
Undistributed Expenditures - Health Services:					
Salaries	1,201,891.00	(5,410.00)	1,196,481.00	1,186,927.00	9,554.00
Purchased Professional and Technical Services	262,095.00	(34,604.00)	227,491.00	227,489.00	2.00
Other Purchased Services (400-500 series)	6,600.00	(350.00)	6,250.00	6,250.00	
Supplies and Materials	73,391.00	(30,162.00)	43,229.00	40,251.00	2,978.00
Other Objects					
Total Undistributed Expenditures - Health Services	1,543,977.00	(70,526.00)	1,473,451.00	1,460,917.00	12,534.00
Undistributed Expend. - Speech, OT, PT & Related Services:					
Salaries	968,128.00	(74,427.00)	893,701.00	893,699.00	2.00
Purchased Professional - Educational Services	208,000.00	(23,860.00)	184,140.00	183,481.00	659.00
Supplies and materials	48,000.00	(7,861.00)	40,139.00	40,136.00	3.00
Total Undistributed Expend. - Speech, OT, PT & Related Services	1,224,128.00	(106,148.00)	1,117,980.00	1,117,316.00	664.00
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	1,882,164.00	28,795.00	1,910,959.00	1,902,385.00	8,574.00
Purchased Professional - Educational Services	20,000.00	(20,000.00)			
Other Purchased Professional & Technical Services	10,000.00	(6,378.00)	3,622.00	1,012.00	2,610.00
Other Purchased Services (400-500 series)	34,265.00	(1,923.00)	32,342.00	32,092.00	250.00
Supplies and Materials	121,800.00	(53,995.00)	67,805.00	64,001.00	3,804.00
Total Undistributed Expenditures - Guidance	2,068,229.00	(53,501.00)	2,014,728.00	1,999,490.00	15,238.00
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	2,615,773.00	(27,645.00)	2,588,128.00	2,575,118.00	13,010.00
Salaries of Secretarial and Clerical Assistants	165,593.00	(3,405.00)	162,188.00	161,433.00	755.00
Purchased Professional - Educational Services	10,000.00	(10,000.00)			
Other Purchased Professional & Technical Services	211,000.00	435,781.00	646,781.00	639,817.00	6,964.00
Miscellaneous Purchased Services (400-500 series o/than resid. cost)	1,125.00	(500.00)	625.00	536.00	89.00
Supplies and Materials	33,950.00	68,507.00	102,457.00	99,069.00	3,388.00
Other Objects	500.00	(500.00)			
Total Undistributed Expenditures - Child Study Teams	3,037,941.00	462,238.00	3,500,179.00	3,475,973.00	24,206.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expenditures - Improvement of Instr. Serv.					
Salaries of Supervisors of Instruction	666,642.00	(17,187.00)	649,455.00	620,161.00	29,294.00
Purchased Professionals - Educational Services	70,050.00	(33,148.00)	36,902.00	31,872.00	5,030.00
Other Purchased Services (400-500 series)	33,500.00	(9,900.00)	23,600.00	20,427.00	3,173.00
Supplies and Materials	17,500.00	(9,063.00)	8,437.00	7,108.00	1,329.00
Total Undistributed Expenditures - Improvement of Instr. Serv.	787,692.00	(69,298.00)	718,394.00	679,568.00	38,826.00
Undistributed Expend. - Educational Media Serv./School Library:					
Salaries	796,207.00	(628.00)	795,579.00	788,974.00	6,605.00
Purchased Professional and Technical Services	14,250.00	(11,620.00)	2,630.00	1,879.00	751.00
Supplies and Materials	266,200.00	(59,705.00)	206,495.00	197,971.00	8,524.00
Total Undistributed Expend. - Educational Media Serv./School Library	1,076,657.00	(71,953.00)	1,004,704.00	988,824.00	15,880.00
Undistributed Expend. - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	628,380.00	99,294.00	727,674.00	698,381.00	29,293.00
Salaries of Other Professional Staff	94,772.00		94,772.00	92,976.00	1,796.00
Salaries of Secretarial and Clerical Assistants	63,805.00	(100.00)	63,705.00	63,657.00	48.00
Other Salaries	38,650.00	18,059.00	56,709.00	56,643.00	66.00
Purchased Professional - Educational Services	88,965.00	(45,901.00)	43,064.00	37,841.00	5,223.00
Other Purchased Services (400-500 series)	27,700.00	(14,809.00)	12,891.00	11,787.00	1,104.00
Supplies and Materials	25,750.00	(16,791.00)	8,959.00	4,351.00	4,608.00
Other Objects	5,000.00	(2,250.00)	2,750.00	1,500.00	1,250.00
Total Undistributed Expend. - Instructional Staff Training Services	973,022.00	37,502.00	1,010,524.00	967,136.00	43,388.00
Undistributed Expend. - Support Services-General Administration:					
Salaries	503,114.00	(33,662.00)	469,452.00	465,300.00	4,152.00
Unused Vacation Payment to Terminated/Retired Staff	16,384.00		16,384.00	16,384.00	
Legal Services	122,500.00	(19,000.00)	103,500.00	97,015.00	6,485.00
Audit Fees	44,500.00		44,500.00	43,550.00	950.00
Other Purchased Professional Services	37,000.00	5,508.00	42,508.00	42,452.00	56.00
Purchased Technical Services	8,000.00	(4,400.00)	3,600.00	3,303.00	297.00
Communications/Telephone	598,500.00	28,816.00	627,316.00	352,174.00	275,142.00
BOE Other Purch Serv	7,500.00	(4,000.00)	3,500.00	2,810.00	690.00
Misc. Purchased Services (400-500 series, O/T 530 & 585)	622,600.00	(51,905.00)	570,695.00	562,030.00	8,665.00
General Supplies	49,850.00	(5,750.00)	44,100.00	38,972.00	5,128.00
Miscellaneous Expenditures	11,100.00	(9,310.00)	1,790.00	1,530.00	260.00
BOE Membership Dues and Fees	44,600.00	(17,308.00)	27,292.00	27,291.00	1.00
Total Undistributed Expend. - Support Services-General Administration	2,049,264.00	(94,627.00)	1,954,637.00	1,652,811.00	301,826.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend.-Support Services- School Administration:					
Salaries of Principals/Assistant Principals	3,097,023.00	(13,877.00)	3,083,146.00	2,893,508.00	189,638.00
Salaries of Other Professional Staff	691,952.00	25,198.00	717,150.00	716,666.00	484.00
Salaries of Secretarial and Clerical Assistants	2,429,446.00	(83,244.00)	2,346,202.00	2,338,791.00	7,411.00
Unused Vacation Payment to Terminated/Retired Staff		7,513.00	7,513.00	7,513.00	
Purchased Professional and Technical Services	3,900.00	(3,900.00)		46,893.00	72,185.00
Other Purchased Services (400-500 series)	163,100.00	(44,022.00)	119,078.00	15,690.00	635.00
Supplies and Materials		16,325.00	16,325.00		
Other Objects		23,351.00	23,351.00	22,155.00	1,196.00
Total Undistributed Expend.-Support Services- School Administration	6,385,421.00	(72,656.00)	6,312,765.00	6,041,216.00	271,549.00
Undistributed Expend. - Central Services					
Salaries	1,624,178.00	10,790.00	1,634,968.00	1,628,880.00	6,088.00
Unused Vacation Payment to Terminated/Retired Staff		77,896.00	77,896.00	77,896.00	
Purchased Professional Services	7,700.00	(50.00)	7,650.00	7,650.00	
Purchased Technical Services	109,704.00	108,875.00	218,579.00	217,768.00	811.00
Miscellaneous Purchased Services (400-500 series, O/T 594)	44,450.00	(10,872.00)	33,578.00	30,604.00	2,974.00
Other Objects	10,225.00	(7,748.00)	2,477.00	2,477.00	
Total Undistributed Expend. - Central Services	1,796,257.00	178,891.00	1,975,148.00	1,965,275.00	9,873.00
Undistributed Expend. - Admin. Info. Technology:					
Salaries	734,739.00	67,000.00	801,739.00	798,430.00	3,309.00
Unused Vacation Payment to Terminated/Retired Staff		27,225.00	27,225.00	27,225.00	
Purchased Professional Services	25,000.00	(25,000.00)			
Other Purchased Services (400-500 series)	53,200.00	(40,000.00)	13,200.00	8,948.00	4,252.00
Other Objects	4,400.00	(2,200.00)	2,200.00	926.00	1,274.00
Total Undistributed Expend. - Admin. Info. Technology	817,339.00	27,025.00	844,364.00	835,529.00	8,835.00
Undistributed Expend.-Required Maintenance for School Facilities:					
Salaries	1,320,381.00	(49,502.00)	1,270,879.00	1,261,627.00	9,252.00
Cleaning, Repair and Maintenance Services	1,285,680.00	(363,164.00)	922,516.00	730,942.00	191,574.00
General Supplies	265,596.00	(37,935.00)	227,661.00	219,412.00	8,249.00
Total Undistributed Expend.-Required Maintenance for School Facilities	2,871,657.00	(450,601.00)	2,421,056.00	2,211,981.00	209,075.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend.-Custodial Services:					
Salaries	4,384,024.00	(23,059.00)	4,360,965.00	4,336,266.00	24,699.00
Salaries of Non-Instructional Aides	873,968.00	7,104.00	881,072.00	879,545.00	1,527.00
Unused Vacation Payment to Terminated/Retired Staff		6,864.00	6,864.00	6,863.00	1.00
Purchased Professional and Technical Services	317,385.00	(165,652.00)	151,733.00	101,104.00	50,629.00
Cleaning, Repair and Maintenance Services	860,321.00	(531,022.00)	329,299.00	295,904.00	33,395.00
Rental of Land & Bldg. Other than Lease Purch. Agreement	15,000.00	(4,306.00)	10,694.00	3,746.00	6,948.00
Lease Purchase Payments- Energy Savings Impr Prog		1,175.00	1,175.00	1,175.00	
Other Purchased Property Services	145,000.00	900.00	145,900.00	145,865.00	35.00
Insurance	471,410.00	(28,265.00)	443,145.00	442,528.00	617.00
Miscellaneous Purchased Services	3,100.00	(1,825.00)	1,275.00	1,237.00	38.00
General Supplies	421,377.00	(24,214.00)	397,163.00	363,671.00	33,492.00
Energy (Electricity)	2,275,000.00	(31,264.00)	2,243,736.00	2,194,987.00	48,749.00
Other Objects	25,350.00	5,391.00	30,741.00	30,741.00	
Total Undistributed Expend.-Custodial Services:	9,791,935.00	(788,173.00)	9,003,762.00	8,803,632.00	200,130.00
Care and Upkeep of Grounds:					
Salaries	414,243.00		414,243.00	413,387.00	856.00
Cleaning, Repair and Maintenance Services	318,777.00	18,869.00	337,646.00	309,858.00	27,788.00
General Supplies	138,448.00	(11,500.00)	126,948.00	126,467.00	481.00
Total Care and Upkeep of Grounds	871,468.00	7,369.00	878,837.00	849,712.00	29,125.00
Security:					
Salaries	500.00	(500.00)			
Purchased Professional and Technical Services	250,000.00		250,000.00	249,550.00	450.00
Cleaning, Repair and Maintenance Services	212,545.00	(115,776.00)	96,769.00	11,184.00	85,585.00
General Supplies	145,000.00	22,858.00	167,858.00	3,279.00	164,579.00
Total Security	608,045.00	(93,418.00)	514,627.00	264,013.00	250,614.00
Total Undistributed Expend.- Oper. & Maintenance of Plant Serv.	14,143,105.00	(1,324,823.00)	12,818,282.00	12,129,338.00	688,944.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend.-Student Transportation Services:					
Salaries of Non-Instructional Aides	382,496.00	9,152.00	391,648.00	385,538.00	6,110.00
Salaries for Pupil Transportation (bet. home & school)-Reg	1,081,064.00	114,830.00	1,195,894.00	1,186,257.00	9,637.00
Salaries for Pupil Transportation (bet. home & school)-Special Ed.	828,411.00	(30,982.00)	797,429.00	792,275.00	5,154.00
Salaries for Pupil Transportation (other than bet. home & school)	319,676.00	(90,845.00)	228,831.00	221,831.00	7,000.00
Unused Vacation Payment to Terminated/Retired Staff		2,591.00	2,591.00	2,590.00	1.00
Other Purchased Professional and Technical Services	38,400.00	(29,435.00)	8,965.00	8,737.00	228.00
Cleaning, Repair and Maintenance Services	149,884.00	(51,835.00)	98,049.00	91,764.00	6,285.00
Lease Purchase Payments - School Buses	96,000.00	(15,100.00)	80,900.00	80,853.00	47.00
Contracted Services - Aid in Lieu of Payments- Non-Public Schools	275,000.00	(22,970.00)	252,030.00	252,030.00	
Contracted Services (between home and school) - Vendors	2,971,000.00	60,808.00	3,031,808.00	3,031,043.00	765.00
Contracted Services (other than between home and school) - Vendors	214,242.00	(19,079.00)	195,163.00	181,193.00	13,970.00
Contracted Services (between home and school) - Joint Agreements	63,000.00	(42,668.00)	20,332.00	884.00	19,448.00
Contracted Services - Special Ed. Students- Vendors	39,000.00	(1,392.00)	37,608.00	37,144.00	464.00
Contracted Services - Special Ed. Students - Joint Agreements	1,617,000.00	452,207.00	2,069,207.00	2,043,694.00	25,513.00
Travel		96.00	96.00	32.00	64.00
Miscellaneous Purchased Services - Transportation	19,450.00	49,867.00	69,317.00	69,251.00	66.00
General Supplies	231,357.00	(4,376.00)	226,981.00	217,890.00	9,091.00
Transportation Supplies	315,000.00	(98,869.00)	216,131.00	216,123.00	8.00
Other Objects	6,200.00	(4,600.00)	1,600.00	1,508.00	92.00
Total Undistributed Expend.-Student Transportation Services	8,647,180.00	277,400.00	8,924,580.00	8,820,637.00	103,943.00
Student Transportation Services:					
Social Security Contributions	200,669.00	12,386.00	213,055.00	211,099.00	1,956.00
Health Benefits	1,475,000.00	130,521.00	1,605,521.00	1,605,494.00	27.00
Total Student Transportation Services	1,675,669.00	142,907.00	1,818,576.00	1,816,593.00	1,983.00
Total Allocated Benefits	1,675,669.00	142,907.00	1,818,576.00	1,816,593.00	1,983.00
Unallocated Benefits:					
Social Security Contributions - Other	1,618,975.00	65,672.00	1,684,647.00	1,315,157.00	369,490.00
Other Retirement Contributions - PERS	2,240,000.00	(73,587.00)	2,166,413.00	2,166,412.00	1.00
Unemployment Compensation	135,000.00	(135,000.00)			
Workmen's Compensation	525,000.00	220,138.00	745,138.00	745,138.00	
Health Benefits	19,816,850.00	1,895,393.00	21,712,243.00	18,210,290.00	3,501,953.00
Tuition Reimbursement	80,878.00	(54,967.00)	25,911.00	25,911.00	
Unused Sick Payment to Terminated/Retired Staff		90,905.00	90,905.00	90,905.00	
Total Unallocated Benefits	24,416,703.00	2,008,554.00	26,425,257.00	22,553,813.00	3,871,444.00
Total Personal Services - Employee	26,092,372.00	2,151,461.00	28,243,833.00	24,370,406.00	3,873,427.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Reimbursed TPAF social security contributions (non-budgeted)				4,026,025.00	(4,026,025.00)
On-Behalf TPAF - Non-contributory Insurance (non-budgeted)				208,050.00	(208,050.00)
On-Behalf TPAF - Long-Term Disability (non-budgeted)				11,306.00	(11,306.00)
On-behalf TPAF post retirement medical (non-budgeted)				4,957,839.00	(4,957,839.00)
On-behalf TPAF pension contributions (non-budgeted)				5,742,113.00	(5,742,113.00)
TOTAL UNDISTRIBUTED EXPENDITURES	75,690,756.00	1,214,735.00	76,905,491.00	86,377,078.00	(9,460,281.00)
TOTAL GENERAL CURRENT EXPENSE	130,591,837.00	54,411.00	130,646,248.00	139,876,955.00	(9,219,401.00)
CAPITAL OUTLAY:					
EQUIPMENT:					
Kindergarten		7,468.00	7,468.00	7,468.00	
Grades 1-5	7,500.00	(4,007.00)	3,493.00	3,492.00	1.00
Grades 6-8	7,500.00	(7,500.00)			
Grades 9-12	64,390.00	19,756.00	84,146.00	84,145.00	1.00
School - Sponsored and Other Instructional Programs	20,000.00	(15,117.00)	4,883.00	4,883.00	
Undistributed:					
Undistributed Expenditures - Instruction	250,000.00	30,653.00	30,653.00	30,653.00	
Undistributed Expenditures - Gen. Admin.	10,000.00	(56,369.00)	193,631.00	105,222.00	88,409.00
Undist. Expend. - Required Maintenance for School Facilities	130,000.00	28,485.00	38,485.00	38,484.00	1.00
Undist. Expend. - Custodial Services	75,000.00	4,473.00	134,473.00	71,797.00	62,676.00
Undist. Expend. - Care & Upkeep of Grounds	15,000.00	(39,738.00)	35,262.00	29,941.00	5,321.00
Undist. Expend. - Security		(15,000.00)			
TOTAL EQUIPMENT	579,390.00	(46,896.00)	532,494.00	376,085.00	156,409.00
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	9,836.00		9,836.00	9,226.00	610.00
Assessment for debt Service on SDA funding	108,445.00		108,445.00	108,445.00	
Total Facilities Acquisition and Construction Services	118,281.00		118,281.00	117,671.00	610.00
Assets acquired under capital leases (non-budgeted)					
TOTAL CAPITAL OUTLAY	702,771.00	(46,896.00)	655,875.00	1,575,320.00	(1,081,564.00)
Transfer of Funds to Charter Schools	223,891.00	28,057.00	251,948.00	251,948.00	
TOTAL EXPENDITURES	131,518,499.00	35,572.00	131,554,071.00	141,704,223.00	(9,066,054.00)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,672,087.00)		(3,672,087.00)	1,373,422.00	6,129,607.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Other financing sources (use)					
Assets acquired under capital leases (non-budgeted)				1,081,564.00	(1,081,564.00)
Capital Reserve - transfer to capital projects fund	(1,344,900.00)	(2,700,000.00)	(4,044,900.00)	(3,515,028.00)	(529,872.00)
Total other financing sources	(1,344,900.00)	(2,700,000.00)	(4,044,900.00)	(2,433,464.00)	(1,611,436.00)
Excess/Deficit of Revenues and other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources	(5,016,987.00)	(2,700,000.00)	(7,716,987.00)	(1,060,042.00)	4,518,171.00
Fund Balances, July 1, 2016	15,963,115.00		15,963,115.00	15,963,115.00	
Fund Balances, June 30, 2017	\$ 10,946,128.00	\$ (2,700,000.00)	\$ 8,246,128.00	\$ 14,903,073.00	\$ 4,518,171.00

Recapitulation:	
Restricted Fund Balance:	
Designated for Subsequent Year's Expenditures - Unexpended Additional Spending Proposal	\$
Capital Reserve	2,934,011.00
Maintenance Reserve	600,000.00
Emergency Reserve	700,000.00
Excess Surplus - Designated for Subsequent Year's Expenditures	3,745,868.00
Excess Surplus - Current Year	3,711,875.00
Assigned Fund Balance:	
Year-end Encumbrances	267,294.00
Unassigned Fund Balance	2,944,025.00
	14,903,073.00
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payment not recognized on GAAP basis	(2,300,831.00)
Fund Balance per Governmental Funds (GAAP)	\$ 12,602,242.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
State Aid	\$ 281,671.00	\$ 174,345.00	\$ 456,016.00	\$ 403,737.00	\$ (52,279.00)
Federal Aid	2,206,416.00	530,422.00	2,736,838.00	2,388,837.00	(348,001.00)
Local Sources		58,110.00	58,110.00	41,249.00	(16,861.00)
Total Revenues	2,488,087.00	762,877.00	3,250,964.00	2,833,823.00	(417,141.00)
EXPENDITURES:					
Instruction:					
Salaries	564,100.00	(124,932.00)	439,168.00	399,726.00	39,442.00
Personal Services - Employee Benefits					
Purchased Professional and Technical Services	217,677.00	65,545.00	283,222.00	233,688.00	49,534.00
Other Purchased Services (400-500 Series)	1,642,316.00	(187,474.00)	1,454,842.00	1,358,789.00	96,053.00
General Supplies		76,923.00	76,923.00	7,972.00	68,951.00
Textbooks	43,972.00	8,365.00	52,337.00	51,534.00	803.00
Other Objects					
Total Instruction	2,468,065.00	(161,573.00)	2,306,492.00	2,051,709.00	254,783.00
Support Services:					
Salaries		386,474.00	386,474.00	361,225.00	25,249.00
Personal Services - Employee Benefits		170,824.00	170,824.00	147,614.00	23,210.00
Purchased Professional and Technical Services		95,857.00	95,857.00	89,120.00	6,737.00
Purchased Professional - Educational Services	20,022.00	135,707.00	155,729.00	78,772.00	76,957.00
Other Purchased Services (400-500 Series)		24,595.00	24,595.00	10,803.00	13,792.00
Supplies and Materials		108,932.00	108,932.00	92,519.00	16,413.00
Miscellaneous Expenditures		2,061.00	2,061.00		
Total Support Services	20,022.00	924,450.00	944,472.00	782,114.00	162,358.00
Total Expenditures	2,488,087.00	762,877.00	3,250,964.00	2,833,823.00	417,141.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$	\$

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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	\$143,077,645.00	\$2,833,823.00
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	(27,683.00)
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)	(2,300,831.00)	
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.)	2,274,074.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$143,050,888.00	\$2,806,140.00
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$141,704,223.00	\$2,833,823.00
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	(27,683.00)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$141,704,223.00	\$2,806,140.00

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

Measurement Date Ending <u>June 30,</u>	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2013	0.2136976308%	\$ 40,841,862	\$ 15,472,709.00	263.96%	48.72%
2014	0.2242481008%	41,985,378	15,742,328.00	266.70%	52.08%
2015	0.2322735987%	52,140,768	16,648,652.00	313.18%	47.92%
2016	0.2372987714%	70,280,777	16,175,051.00	434.50%	40.14%

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

<u>Fiscal Year</u> Ending <u>June 30,</u>	<u>Contractually</u> Required <u>Contribution</u>	<u>Contributions in</u> Relation to the Contractually Required <u>Contributions</u>	<u>Contribution</u> Deficiency (<u>Excess</u>)	<u>District's</u> Covered- Employee <u>Payroll</u>	<u>Contributions as</u> 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%
2016	2,108,119	2,108,119	-0-	16,648,652.00	12.66%
2017	2,118,660	2,118,660	-0-	16,175,051.00	13.10%

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

Measurement Date Ending <u>June 30,</u>	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2013	0.5342723927%	-0-	\$ 52,775,899.00	-0-	33.76%
2014	0.5279813744%	-0-	54,128,732.00	-0-	33.64%
2015	0.5208456900%	-0-	55,386,004.00	-0-	28.71%
2016	0.5290628248%	-0-	56,248,078.00	-0-	22.33%

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, 2017

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms: None

Change in assumptions: The discount rate changed from 4.90% to 3.98% as of
June 30, 2016.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms: None

Change in assumptions: The discount rate changed from 4.13% to 3.22% as of
June 30, 2016.

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, 2017

	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	ENGLISH AS A SECOND LANGUAGE
Revenues:					
State Aid	\$51,534.00	\$23,414.00	\$29,333.00	\$19,932.00	\$11,876.00
Federal Aid					
Local Sources					
Total Revenues	51,534.00	23,414.00	29,333.00	19,932.00	11,876.00
Expenditures:					
Instruction:					
Salaries Of Teachers					
Purchased Professional and Technical Services					
Other Purchased Services (400-500 Series)	23,414.00	29,333.00	19,932.00	52,852.00	11,876.00
General Supplies					
Textbooks	51,534.00				
Total Instruction	51,534.00	23,414.00	29,333.00	19,932.00	11,876.00
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	51,534.00	23,414.00	29,333.00	19,932.00	11,876.00
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, 2017

	N.J. AUXILIARY SERVICES CHAPTER 192 L. 1977	N.J. NONPUBLIC NURSING SERVICES AID CHAPTER 226 L. 1991	N.J. NONPUBLIC TECHNOLOGY INITIATIVE AID	N.J. SECURITY AID	FAMILY FRIENDLY CENTERS INITIATIVE 2016-17	MUNICIPAL ALLIANCE GRANTS EPIC 2016-17
Revenues:						
State Aid	\$12,937.00	\$85,370.00	\$23,477.00	\$45,987.00	\$45,066.00	\$1,959.00
Federal Aid						
Local Sources						
Total Revenues	<u>12,937.00</u>	<u>85,370.00</u>	<u>23,477.00</u>	<u>45,987.00</u>	<u>45,066.00</u>	<u>1,959.00</u>
Expenditures:						
Instruction:						
Salaries Of Teachers						
Purchased Professional and Technical Services	12,937.00	81,049.00				800.00
Other Purchased Services (400-500 Series)						
General Supplies						
Textbooks						
Total Instruction	<u>12,937.00</u>	<u>81,049.00</u>				<u>800.00</u>
Support Services:						
Salaries					15,839.00	659.00
Personal Services - Employee Benefits					25,549.00	
Purchased Professional and Technical Services			23,477.00			
Purchased Professional - Educational Services					1,323.00	
Other Purchased Services (400-500 Series)		4,321.00		45,987.00	294.00	500.00
Supplies and Materials					2,061.00	
Miscellaneous Expenditures		4,321.00				
Total Support Services		<u>4,321.00</u>	<u>23,477.00</u>	<u>45,987.00</u>	<u>45,066.00</u>	<u>1,159.00</u>
Total Expenditures	<u>\$12,937.00</u>	<u>\$85,370.00</u>	<u>\$23,477.00</u>	<u>\$45,987.00</u>	<u>\$45,066.00</u>	<u>\$1,959.00</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, 2017

	NCLB: TITLE I, PART A 2016-17	NCLB: TITLE II, PART A 2016-17	NCLB: TITLE III, PART A 2016-17	I.D.E.I.A. PART B, BASIC 2016-17	I.D.E.I.A. PART B, PRESCHOOL 2016-17	NCLB: TITLE III, IMMIGRANT 2016-17
Revenues:						
State Aid						
Federal Aid	\$480,854.00	\$111,296.00	\$35,614.00	\$1,691,100.00	\$51,751.00	\$18,222.00
Local Sources						
Total Revenues	\$480,854.00	\$111,296.00	\$35,614.00	\$1,691,100.00	51,751.00	18,222.00
Expenditures:						
Instruction:						
Salaries Of Teachers	379,616.00		20,110.00			
Purchased Professional and Technical Services	1,495.00			1,307,038.00	51,751.00	1,302.00
Other Purchased Services (400-500 Series)			4,702.00			
General Supplies	1,968.00					
Textbooks						
Total Instruction	383,079.00		24,812.00	1,307,038.00	51,751.00	1,302.00
Support Services:						
Salaries		94,476.00	5,227.00	234,224.00		10,800.00
Personal Services - Employee Benefits	95,681.00	7,227.00	5,575.00	38,940.00		191.00
Purchased Professional and Technical Services	2,094.00	5,950.00		55,527.00		
Purchased Professional - Educational Services				55,295.00		
Other Purchased Services (400-500 Series)		3,551.00				
Supplies and Materials		92.00		76.00		5,929.00
Miscellaneous Expenditures						
Total Support Services	97,775.00	111,296.00	10,802.00	384,062.00		16,920.00
Total Expenditures	\$480,854.00	\$111,296.00	\$35,614.00	\$1,691,100.00	\$51,751.00	\$18,222.00
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, 2017

Revenues:					
State Aid					\$403,737.00
Federal Aid					2,388,837.00
Local Sources					41,249.00
				<u>TOTAL</u>	<u>\$2,833,823.00</u>
Total Revenues					<u>2,833,823.00</u>
Expenditures:					
Instruction:					
Salaries of Teachers					399,726.00
Purchased Professional and Technical Services					233,688.00
Other Purchased Services (400-500 Series)					1,358,789.00
General Supplies					7,972.00
Textbooks					51,534.00
Total Instruction					<u>2,051,709.00</u>
Support Services:					
Other Salaries					361,225.00
Personal Services - Employee Benefits					147,614.00
Purchased Professional and Technical Services					89,120.00
Purchased Professional - Educational Services					78,772.00
Other Purchased Services (400-500 Series)					10,803.00
Supplies and Materials					92,519.00
Miscellaneous Expenditures					2,061.00
Total Support Services					<u>782,114.00</u>
Total Expenditures					<u>\$2,833,823.00</u>
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 STATEMENT OF PROJECT EXPENDITURES
 AS OF JUNE 30, 2017

ISSUE/PROJECT TITLE	ORIGINAL DATE	APPROPRIATIONS		EXPENDITURES TO DATE		(MEMO ONLY) UNEXPENDED PROJECT BALANCE
		AUTHORIZED	RECOGNIZED	PRIOR YEAR	CURRENT YEAR	
Bonded Projects						
School Energy Savings Obligation Refunding Bonds	11/22/2016	\$27,300,000.00	\$27,300,000.00		\$1,185,057.00	\$26,114,943.00
Local Projects:						
Green Brook Elementary School Roof	FY 2017	1,077,900.00	724,970.00		\$724,970.00	
Crossroads North Art Room Casework	FY 2017	117,000.00	56,258.00		56,258.00	
Crossroads South Storage Building	FY 2017	150,000.00	33,800.00		33,800.00	
High School Roof	FY 2018	2,450,000.00	2,450,000.00			2,450,000.00
Various Security Projects	FY 2018	250,000.00	250,000.00			250,000.00
Totals			<u>\$30,815,028.00</u>		<u>\$2,000,085.00</u>	<u>\$28,814,943.00</u>
Reconciliation to GAAP:						
					Unexpended project balance	\$28,814,943.00
					Bonds Authorized but not issued	-0-
					Unreserved capital fund balance - GAAP	<u>\$28,814,943.00</u>

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
SCHOOL ENERGY SAVINGS OBLIGATION REFUNDING BONDS, SERIES 1
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Other Financing Sources	\$	\$ 1,335,000.00	\$ 1,335,000.00	\$ 1,335,000.00
Bond proceeds and transfers		<u>25,965,000.00</u>	<u>25,965,000.00</u>	<u>25,965,000.00</u>
Total revenues		<u>27,300,000.00</u>	<u>27,300,000.00</u>	<u>27,300,000.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services		100,043.00	100,043.00	100,043.00
Construction services		1,083,279.00	1,083,279.00	27,072,163.00
Other Expenditures		<u>1,735.00</u>	<u>1,735.00</u>	<u>127,794.00</u>
Total expenditures		<u>1,185,057.00</u>	<u>1,185,057.00</u>	<u>27,300,000.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$	\$ <u>26,114,943.00</u>	\$ <u>26,114,943.00</u>	\$
Additional project information:				
Project Number				
Grant Date		N/A		
Bond Authorization Date		11/22/2016 & 4/5/2017		
Bonds Authorized		27,300,000.00		
Bonds Issued		25,965,000.00		
Original Authorized Cost		23,300,000.00		
Additional Authorized Cost		4,000,000.00		
Revised Authorized Cost		27,300,000.00		
Percentage Increase over Original Authorized Cost		17.17%		
Percentage completion		100%		
Original target completion date		6/30/2018		
Revised target completion date		6/30/2018		

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
GREENBROOK ELEMENTARY SCHOOL ROOF
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ _____	\$ 724,970.00	\$ 724,970.00	\$ 724,970.00
Total revenues	<u> </u>	<u>724,970.00</u>	<u>724,970.00</u>	<u>724,970.00</u>
Expenditures and Other Financing Uses:				
Construction services	<u> </u>	724,970.00	724,970.00	724,970.00
Total expenditures	<u> </u>	<u>724,970.00</u>	<u>724,970.00</u>	<u>724,970.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$ _____	\$ _____	\$ _____	\$ _____
Additional project information:				
Project Number		16K019		
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost		1,077,900.00		
Additional Authorized Cost		(352,930.00)		
Revised Authorized Cost		724,970.00		
Percentage Increase over Original Authorized Cost		-32.74%		
Percentage completion		100%		
Original target completion date		FY2017		
Revised target completion date		FY2017		

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
CROSSROADS NORTH - ARTROOM CASEWORK
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ _____	\$ 56,258.00	\$ 56,258.00	\$ 56,258.00
Total revenues	<u>_____</u>	<u>56,258.00</u>	<u>56,258.00</u>	<u>56,258.00</u>
Expenditures and Other Financing Uses:				
Construction services	_____	56,258.00	56,258.00	56,258.00
Total expenditures	<u>_____</u>	<u>56,258.00</u>	<u>56,258.00</u>	<u>56,258.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$ _____	\$ _____	\$ _____	\$ _____
Additional project information:				
Project Number		16K020		
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost		117,000.00		
Additional Authorized Cost		(60,742.00)		
Revised Authorized Cost		56,258.00		
Percentage Increase over Original Authorized Cost		-51.92%		
Percentage completion		100%		
Original target completion date		FY2017		
Revised target completion date		FY2017		

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
CROSSROADS SOUTH STORAGE BUILDING
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ _____	\$ 33,800.00	\$ 33,800.00	\$ 33,800.00
Total revenues	<u> </u>	<u>33,800.00</u>	<u>33,800.00</u>	<u>33,800.00</u>
Expenditures and Other Financing Uses:				
Construction services	<u> </u>	33,800.00	33,800.00	33,800.00
Total expenditures	<u> </u>	<u>33,800.00</u>	<u>33,800.00</u>	<u>33,800.00</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		150,000.00		
Additional Authorized Cost		(116,200.00)		
Revised Authorized Cost		33,800.00		
Percentage Increase over Original Authorized Cost		-77.47%		
Percentage completion		100%		
Original target completion date		FY2017		
Revised target completion date		FY2017		

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL ROOF
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Capital Reserve	\$ _____	\$ 2,450,000.00	\$ 2,450,000.00	\$ 2,450,000.00
Total revenues	<u>_____</u>	<u>2,450,000.00</u>	<u>2,450,000.00</u>	<u>2,450,000.00</u>
Expenditures and Other Financing Uses:				
Construction services				2,450,000.00
Supplies and materials	<u>_____</u>	<u>_____</u>	<u>_____</u>	
Total expenditures	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>2,450,000.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$ _____	\$ 2,450,000.00	\$ 2,450,000.00	\$ _____
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		2,450,000.00		
Additional Authorized Cost				
Revised Authorized Cost		2,450,000.00		
Percentage Increase over Original Authorized Cost				
Percentage completion		100.00%		
Original target completion date		FY2018		
Revised target completion date		FY2018		

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
VARIOUS SECURITY PROJECTS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ _____	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00
Total revenues	<u>_____</u>	<u>_____</u>	<u>250,000.00</u>	<u>250,000.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services				
Construction services				250,000.00
Equipment purchases				
Other Expenditures				
Transfer to Debt Service	_____	_____	_____	_____
Total expenditures	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>250,000.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$ _____	\$ _____	\$ 250,000.00	\$ _____
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		250,000.00		
Additional Authorized Cost				
Revised Authorized Cost		250,000.00		
Percentage Increase over Original Authorized Cost				
Percentage completion				
Original target completion date		FY2018		
Revised target completion date		FY2018		

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, 2017

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>MAJOR FUND CHILDRENS' COMMUNITY ENRICHMENT FUND</u>	<u>NON-MAJOR FUND FOOD SERVICE FUND</u>	<u>TOTAL</u>
ASSETS:			
Current assets:			
Cash and cash equivalents	\$3,744,727.00	\$871,727.00	\$4,616,454.00
Accounts receivable - other	1,502.00	106,472.00	107,974.00
Interfund Receivable	192.00		192.00
Intergovernmental receivables:			
State		4,893.00	4,893.00
Federal		53,126.00	53,126.00
Inventories		68,335.00	68,335.00
Prepaid expenses	17,069.00		17,069.00
Total current assets	<u>3,763,490.00</u>	<u>1,104,553.00</u>	<u>4,868,043.00</u>
Noncurrent assets:			
Furniture, machinery and equipment	265,095.00	1,425,409.00	1,690,504.00
Less accumulated depreciation	<u>(255,165.00)</u>	<u>(1,327,690.00)</u>	<u>(1,582,855.00)</u>
Total noncurrent assets	<u>9,930.00</u>	<u>97,719.00</u>	<u>107,649.00</u>
Total assets	<u>3,773,420.00</u>	<u>1,202,272.00</u>	<u>4,975,692.00</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	438,018.00	211,234.00	649,252.00
Interfund payable	558,776.00		558,776.00
Unearned revenue	906,965.00	91,160.00	998,125.00
Compensated absences	<u>78,527.00</u>		<u>78,527.00</u>
Total current liabilities	<u>1,982,286.00</u>	<u>302,394.00</u>	<u>2,284,680.00</u>
Total liabilities	<u>1,982,286.00</u>	<u>302,394.00</u>	<u>2,284,680.00</u>
NET POSITION:			
Net investment in capital assets	9,930.00	97,719.00	107,649.00
Unrestricted	<u>1,781,204.00</u>	<u>802,159.00</u>	<u>2,583,363.00</u>
Total net position	<u>\$1,791,134.00</u>	<u>\$899,878.00</u>	<u>\$2,691,012.00</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, 2017

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		TOTAL
	MAJOR FUND CHILDRENS' COMMUNITY ENRICHMENT FUND	NON-MAJOR FUND FOOD SERVICE FUND	
OPERATING REVENUES:			
Charges for services:			
Daily sales - Reimbursable Programs		\$1,422,870.00	\$1,422,870.00
Daily sales - Non-Reimbursable Programs		987,920.00	987,920.00
Special Functions			
Program fees	\$3,481,195.00		3,481,195.00
Total operating revenues	3,481,195.00	2,410,790.00	5,891,985.00
OPERATING EXPENSES:			
Salaries	1,997,797.00	1,063,305.00	3,061,102.00
Employee Benefits	837,710.00	331,660.00	1,169,370.00
Other Purchase Service (Administrative Expenses)	282,931.00	239,487.00	522,418.00
General Supplies	379,457.00	256,480.00	635,937.00
Depreciation	4,755.00	25,547.00	30,302.00
Cost of sales - reimbursable programs		1,014,578.00	1,014,578.00
Cost of sales - non-reimbursable programs		363,870.00	363,870.00
Total operating expenses	3,502,650.00	3,294,927.00	6,797,577.00
Operating income (loss)	(21,455.00)	(884,137.00)	(905,592.00)
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program		31,045.00	31,045.00
Federal Sources:			
National School Lunch Program		629,401.00	629,401.00
National School Breakfast Program		77,184.00	77,184.00
National food distribution commodities		282,785.00	282,785.00
Miscellaneous	10,948.00		10,948.00
Interest on Investments	1,266.00	55.00	1,321.00
Total nonoperating revenues	12,214.00	1,020,470.00	1,032,684.00
Change in net position	(9,241.00)	136,333.00	127,092.00
Total net position - beginning of the year	1,800,375.00	763,545.00	2,563,920.00
Total net position - end of the year	\$1,791,134.00	\$899,878.00	\$2,691,012.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>MAJOR FUND CHILDRENS' COMMUNITY ENRICHMENT FUND</u>	<u>NON-MAJOR FUND FOOD SERVICE FUND</u>	<u>TOTAL</u>
Cash flows from operating activities:			
Receipts from customers	\$3,584,983.00	\$2,299,014.00	\$5,883,997.00
Payments to employees	(1,997,797.00)	(1,063,305.00)	(3,061,102.00)
Payments to employee benefits	(855,509.00)	(331,660.00)	(1,187,169.00)
Payments to suppliers	(306,637.00)	(1,574,994.00)	(1,881,631.00)
Net cash provided by (used for) operating activities	<u>425,040.00</u>	<u>(670,945.00)</u>	<u>(245,905.00)</u>
Cash flows from noncapital financing activities:			
State Sources		31,045.00	31,045.00
Federal Sources		706,585.00	706,585.00
Interfund Activity			
Operating subsidies and transfers to other funds	<u>278,665.00</u>		<u>278,665.00</u>
Net cash provided by noncapital financing activities:	<u>278,665.00</u>	<u>737,630.00</u>	<u>1,016,295.00</u>
Cash flows from investing activities:			
Interest	<u>1,266.00</u>	<u>55.00</u>	<u>1,321.00</u>
Net cash provided by (used for) investing activities	<u>1,266.00</u>	<u>55.00</u>	<u>1,321.00</u>
Net increase (decrease) in cash and cash equivalents	704,971.00	66,740.00	771,711.00
Cash and cash equivalents, July 1, 2016	<u>3,039,756.00</u>	<u>804,987.00</u>	<u>3,844,743.00</u>
Cash and cash equivalents, June 30, 2017	<u>\$3,744,727.00</u>	<u>\$871,727.00</u>	<u>\$4,616,454.00</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(\$21,455.00)	(\$884,137.00)	(\$905,592.00)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	4,755.00	25,547.00	30,302.00
Federal commodities		282,785.00	282,785.00
Change in assets and liabilities:			
(Increase) decrease in accounts receivable - other	792.00	(93,037.00)	(92,245.00)
(Increase) decrease in inventories		12,984.00	12,984.00
(Increase) decrease in prepaid expenses	(180.00)		(180.00)
Increase (decrease) in accounts payable	355,931.00	3,652.00	359,583.00
Increase (decrease) in unearned revenue	102,996.00	(18,739.00)	84,257.00
Increase (decrease) in compensated absences	(17,799.00)		(17,799.00)
	<u>446,495.00</u>	<u>213,192.00</u>	<u>659,687.00</u>
Net cash provided by (used for) operating activities	<u>\$425,040.00</u>	<u>(\$670,945.00)</u>	<u>(\$245,905.00)</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, 2017

	AGENCY FUNDS		TRUST FUNDS		TOTALS
	STUDENT ACTIVITY	PAYROLL AGENCY	PRIVATE PURPOSE AWARD FUNDS	UNEMPLOYMENT COMPENSATION	
ASSETS:					
Cash and cash equivalents	\$443,537.00	\$758,814.00	\$30,850.00	\$269,112.00	\$1,502,313.00
Total assets	443,537.00	758,814.00	30,850.00	269,112.00	1,502,313.00
LIABILITIES:					
Accounts Payable				2,873.00	2,873.00
Interfunds Payable		31,880.00			31,880.00
Payroll deductions and withholdings		704,109.00			704,109.00
Net Payroll		22,825.00			22,825.00
Due to student groups	443,537.00				443,537.00
Total liabilities	443,537.00	758,814.00		2,873.00	1,205,224.00
NET POSITION:					
Held in trust for unemployment claims				266,239.00	266,239.00
Held in Trust for Scholarships			30,850.00		30,850.00
Total net position	\$-0-	\$-0-	\$30,850.00	\$266,239.00	\$297,089.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	PRIVATE PURPOSE AWARD FUNDS	STATE	TOTAL
	CARLTON	UNEMPLOYMENT	TOTAL
	ROSE	COMPENSATION	
		TRUST FUND	
ADDITIONS:			
Contributions:			
Plan Members	\$5,000.00	\$125,062.00	\$125,062.00
Other	5,000.00	5,000.00	5,000.00
Total contributions	5,000.00	125,062.00	130,062.00
Investment earnings:			
Interest	41.00	219.00	260.00
Net investment earnings	41.00	219.00	260.00
Total additions	5,041.00	125,281.00	130,322.00
DEDUCTIONS			
Awards	5,000.00		5,000.00
Unemployment claims		170,109.00	170,109.00
Total deductions	5,000.00	170,109.00	175,109.00
Change in net assets	41.00	(44,828.00)	(44,787.00)
Net position beginning of year	30,809.00	311,067.00	402,080.00
Net position end of year	\$30,850.00	\$266,239.00	\$357,293.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BALANCE</u> <u>JUNE 30, 2016</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSE-</u> <u>MENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2017</u>
PROGRAMS:				
Brooks Crossing	\$10,677.00	\$30,577.95	\$30,195.95	\$11,059.00
Brunswick Acres	4,169.00	24,415.75	22,953.75	5,631.00
Cambridge	6,562.00	51,771.42	47,941.42	10,392.00
Constable	5,731.00	12,901.00	12,756.00	5,876.00
Greenbrook	4,344.00	3,171.00	5,414.00	2,101.00
Indian Fields	4,964.00	14,536.86	16,912.86	2,588.00
Monmouth Junction	4,070.00	14,621.44	14,994.44	3,697.00
	<u>40,517.00</u>	<u>151,995.42</u>	<u>151,168.42</u>	<u>41,344.00</u>
MIDDLE SCHOOLS:				
Crossroads North	40,399.00	327,600.70	284,106.70	83,893.00
Crossroads South	65,741.00	313,768.06	341,178.06	38,331.00
Crossroads South Athletic		21,401.30	16,184.30	5,217.00
	<u>106,140.00</u>	<u>662,770.06</u>	<u>641,469.06</u>	<u>127,441.00</u>
HIGH SCHOOL AND ATHLETIC FUND				
High School	324,291.00	598,925.58	648,489.58	274,727.00
Athletic Fund		99,535.76	99,510.76	25.00
	<u>324,291.00</u>	<u>698,461.34</u>	<u>748,000.34</u>	<u>274,752.00</u>
Total all schools	<u><u>\$470,948.00</u></u>	<u><u>\$1,513,226.82</u></u>	<u><u>\$1,540,637.82</u></u>	<u><u>\$443,537.00</u></u>

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BALANCE</u> <u>JULY 1, 2016</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2017</u>
ASSETS:				
Cash and cash equivalents	<u>\$63,536.00</u>	<u>\$135,545,568.35</u>	<u>\$134,850,290.35</u>	<u>\$758,814.00</u>
Total assets	<u><u>63,536.00</u></u>	<u><u>135,545,568.35</u></u>	<u><u>134,850,290.35</u></u>	<u><u>758,814.00</u></u>
LIABILITIES:				
Payroll deductions and withholdings	30,172.00	89,859,356.33	89,185,419.33	704,109.00
Net payroll	1,285.00	45,686,171.87	45,664,631.87	22,825.00
Interfunds payable	<u>32,079.00</u>	<u>40.15</u>	<u>239.15</u>	<u>31,880.00</u>
Total liabilities	<u><u>\$63,536.00</u></u>	<u><u>\$135,545,568.35</u></u>	<u><u>\$134,850,290.35</u></u>	<u><u>\$758,814.00</u></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, 2017

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES		RATE OF INTEREST	BALANCE JUNE 30, 2016	ISSUED	RETIRED	BALANCE JUNE 30, 2017
			DATE	AMOUNT					
Refunding School Bonds, Series May 10, 2007AA	5/10/2007	\$36,330,000.00	08/01/2017	\$2,300,000.00	5.000%	\$21,285,000.00		18,955,000.00	\$2,330,000.00
Refunding School Bonds, Series March, 2012		29,525,000.00	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%		23,425,000.00		2,605,000.00	20,820,000.00	
Refunding School Bonds, Series March, 2014		\$19,890,000.00	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		18,695,000.00		1,220,000.00	17,475,000.00	

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
LONG-TERM LIABILITY
SCHEDULE OF SERIAL BONDS
JUNE 30, 2017

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES</u>		<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2016</u>	<u>ISSUED</u>	<u>BALANCE JUNE 30, 2017</u>
			<u>DATE</u>	<u>AMOUNT</u>				
School Energy Savings Obligation Refunding Bonds Series 1	11/22/2016	10,785,000.00	08/01/2018	715,000.00	3.000%			
			08/01/2019	760,000.00	3.000%			
			08/01/2020	485,000.00	4.000%			
			08/01/2021	500,000.00	4.000%			
			08/01/2022	545,000.00	5.000%			
			08/01/2023	280,000.00	5.000%			
			08/01/2024	310,000.00	5.000%			
			08/01/2025	340,000.00	5.000%			
			08/01/2026	375,000.00	5.000%			
			08/01/2027	405,000.00	4.000%			
			08/01/2028	435,000.00	4.000%			
			08/01/2029	470,000.00	4.000%			
			08/01/2030	505,000.00	4.000%			
			08/01/2031	545,000.00	4.000%			
			08/01/2032	580,000.00	3.375%			
			08/01/2033	620,000.00	3.500%			
			08/01/2034	660,000.00	4.000%			
08/01/2035	705,000.00	4.000%						
08/01/2036	750,000.00	4.000%						
08/01/2037	800,000.00	4.000%						
						10,785,000.00		10,785,000.00
School Energy Savings Obligation Refunding Bonds Series 2	4/5/2017	15,180,000.00	08/01/2018	430,000.00	3.000%			
			08/01/2019	470,000.00	4.000%			
			08/01/2020	360,000.00	4.000%			
			08/01/2021	400,000.00	4.000%			
			08/01/2022	440,000.00	4.000%			
			08/01/2023	480,000.00	4.000%			
			08/01/2024	525,000.00	4.000%			
			08/01/2025	570,000.00	4.000%			
			08/01/2026	620,000.00	4.000%			
			08/01/2027	670,000.00	4.000%			
			08/01/2028	725,000.00	4.000%			
			08/01/2029	785,000.00	4.000%			
			08/01/2030	845,000.00	4.000%			
			08/01/2031	905,000.00	4.000%			
			08/01/2032	975,000.00	4.000%			
			08/01/2033	1,040,000.00	4.000%			
			08/01/2034	1,115,000.00	4.000%			
08/01/2035	1,190,000.00	4.000%						
08/01/2036	1,275,000.00	4.000%						
08/01/2037	1,360,000.00	4.000%						
						15,180,000.00		15,180,000.00

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<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	\$6,915,343.00		\$6,915,343.00	\$6,915,343.00	
Interest					
Miscellaneous				5.00	5.00
State sources:					
Debt service aid type II	1,355,336.00		1,355,336.00	1,355,336.00	
Total revenues	8,270,679.00		8,270,679.00	8,270,684.00	5.00
EXPENDITURES:					
Regular debt service:					
Interest	2,484,475.00		2,484,475.00	2,484,475.00	
Redemption of principal	6,125,000.00		6,125,000.00	6,125,000.00	
Total regular debt service-expenditures	8,609,475.00		8,609,475.00	8,609,475.00	
Excess (deficiency) of revenues over (under) expenditures	(338,796.00)		(338,796.00)	(338,791.00)	5.00
Other financing sources:					
Transfers in/(out)	(338,796.00)		(338,796.00)	255,229.00 (83,562.00)	255,229.00 255,234.00
Fund balance, July 1	338,827.00		338,827.00	338,827.00	
Fund balance, June 30	\$31.00		\$31.00	\$255,265.00	\$255,234.00

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities										
Net investment in capital assets	\$55,997,749.00	\$74,053,037.00	\$72,559,828.00	\$63,335,360.00	\$61,939,623.00	\$59,184,894.00	\$53,701,638.00	\$50,803,355.00	\$47,499,772.00	\$44,131,631.00
Restricted	11,021,293.00	11,850,660.00	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
Unrestricted (deficit)	(26,322,590.00)	(44,717,639.00)	(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)
Total governmental activities net position	\$40,696,452.00	\$41,186,058.00	\$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
Business-type activities										
Net investment in capital assets	\$107,649.00	\$137,951.00	\$122,790.00	\$166,939.00	\$162,138.00	\$217,859.00	\$277,941.00	\$338,914.00	\$397,696.00	\$477,861.00
Unrestricted	2,583,363.00	2,425,969.00	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
Total business-type activities net position	\$2,691,012.00	\$2,563,920.00	\$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
District-wide										
Net investment in capital assets	\$56,105,398.00	\$74,190,988.00	\$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
Restricted	11,021,293.00	11,850,660.00	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
Unrestricted (deficit)	(23,739,227.00)	(42,291,670.00)	(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
Total district net position	\$43,387,464.00	\$43,749,978.00	\$43,156,087.00	\$82,534,040.00	\$81,338,680.00	\$76,544,895.00	\$65,903,380.00	\$59,526,700.00	\$57,746,736.00	\$53,730,927.00

Source: CAFR Schedule A-1

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
EXPENSES										
Governmental activities										
Instruction										
Regular	\$77,106,794.63	\$70,009,925.00	\$65,349,533.00	\$57,089,429.00	\$56,388,709.00	\$54,274,563.98	\$53,582,917.00	\$55,324,209.00	\$52,927,826.00	\$53,170,838.00
Special education	21,987,609.12	19,939,165.00	18,337,767.00	16,173,614.00	16,736,400.00	15,690,117.97	15,728,205.00	13,910,000.00	13,910,000.00	13,573,180.00
Other instruction	6,758,564.93	6,065,671.00	5,120,602.00	4,780,803.00	5,031,682.00	4,660,805.32	5,025,305.00	5,480,477.00	5,650,838.00	5,617,164.00
Nonpublic school programs										
Support Services:										
Tuition	4,856,485.00	4,379,014.00	4,596,453.00	4,043,405.00	4,032,629.00	3,717,704.00	3,063,861.00	3,291,372.00	3,478,852.00	3,527,618.00
Student & instruction related services	19,814,535.54	17,662,613.00	15,764,938.00	13,666,162.00	13,637,027.00	13,280,083.52	13,714,791.00	14,617,892.00	13,376,777.00	13,500,768.00
General administrative services	1,993,855.68	1,934,737.00	2,100,853.00	2,032,432.00	2,476,323.00	2,198,166.47	2,165,141.00	2,140,518.00	1,944,739.00	1,628,235.00
School administrative services	12,129,983.53	11,024,492.00	9,520,212.00	7,868,748.00	7,571,650.00	7,224,606.72	7,372,351.00	8,054,434.00	8,408,878.00	8,483,495.00
Central services/Admin. Info. Technology	6,877,272.92	4,918,855.00	3,839,734.00	3,484,647.00	3,217,634.00	2,685,982.88	3,141,657.00	3,185,959.00	3,239,296.00	3,239,296.00
Plant operations and maintenance	15,834,086.49	15,864,246.00	17,627,912.00	17,886,955.00	15,772,832.00	14,619,485.15	15,004,768.00	15,623,182.00	15,997,925.00	15,997,925.00
Student transportation services	11,523,842.16	10,370,724.00	10,062,915.00	9,469,443.00	9,382,979.00	9,072,200.00	8,758,253.00	9,032,115.00	9,519,703.00	9,318,972.00
Charter School	251,948.00	185,023.00	152,945.00	45,484.00						
Interest on long-term debt	786,086.00	2,544,801.00	2,786,792.00	3,705,394.00	3,329,820.00	1,974,768.00	4,350,662.00	4,481,377.00	4,915,994.00	4,603,992.00
Unallocated amortization	187,843.00				13,696.00	631,015.00	75,180.00	84,507.00	158,880.00	158,880.00
Unallocated depreciation					156,667.00	167,526.00	166,572.00	161,947.00	149,380.00	141,201.00
Special schools										
Total governmental activities expenses	180,108,916.99	164,919,266.00	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	132,981,564.00
Business-type activities:										
Trips										
Transportation										
Extraordinary services										
Adult education										
Computer services										
Golden Talents										
Food Service	3,294,927.00	3,375,527.00	2,892,570.00	3,076,896.00	3,029,707.00	3,086,700.00	3,002,383.00	3,029,761.00	3,025,529.00	2,971,184.00
Community School	3,502,650.00	3,572,359.00	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	3,137,887.00
Purchasing	6,797,577.00	6,947,886.00	6,069,530.00	6,082,072.00	6,186,568.00	6,073,776.00	5,861,956.00	5,858,632.00	5,932,386.00	6,109,081.00
Total business-type activities expense	188,906,493.99	171,867,152.00	161,340,186.00	146,317,588.00	143,944,618.00	138,270,811.01	138,011,420.00	142,687,577.00	139,149,590.00	139,070,645.00
Total district expenses										
PROGRAM REVENUES										
Governmental activities:										
Charges for services										
Operating grants and contributions	\$51,370,246.00	\$40,451,427.00	\$27,457,872.00	\$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
Capital grants and contributions										
Total governmental activities program revenues	51,370,246.00	40,451,427.00	27,457,872.00	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
Business-type activities:										
Charges for services										
Food Service	2,410,790.00	2,456,620.00	2,269,107.00	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
Community School	3,481,195.00	3,893,325.00	3,229,617.00	3,108,230.00	3,057,546.00	2,988,767.00	2,980,654.00	2,917,341.00	2,937,642.00	3,195,427.00
Extraordinary services										
Adult education										
Computer services										
Golden Talents										
Miscellaneous										
Purchasing	1,031,363.00	1,003,276.00	832,294.00	779,774.00	782,788.00	748,386.00	682,860.00	695,897.00	581,885.00	513,421.00
Operating grants and contributions	6,923,348.00	7,353,221.00	6,351,018.00	6,236,260.00	6,194,635.00	6,168,674.00	6,102,695.00	5,956,493.00	5,949,934.00	6,163,842.00
Total business-type activities program revenues	58,935,594.00	\$47,804,648.00	\$33,808,690.00	\$19,451,905.00	\$21,842,185.00	\$19,775,097.00	\$18,917,968.00	\$19,410,608.00	\$17,141,640.00	\$19,512,851.00
Total district program revenues										
NET(EXPENSE)REVENUE										
Governmental activities										
Total business-type activities program revenues	(128,736,671.00)	(124,467,839.00)	(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)
Business-type activities	125,771.00	405,335.00	281,488.00	154,188.00	8,067.00	94,898.00	240,743.00	97,861.00	17,638.00	54,761.00
Total district-wide net expense	(\$128,612,900.00)	(\$124,062,504.00)	(\$127,531,496.00)	(\$126,865,683.00)	(\$122,102,431.00)	(\$116,495,714.01)	(\$119,093,452.00)	(\$123,256,969.00)	(\$122,007,950.00)	(\$119,557,794.00)

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Property taxes levied for general purposes, net	\$103,055,614.00	\$101,034,916.00	\$98,149,466.00	\$96,224,967.00	96,244,567.00	95,307,567.00	95,730,875.00	96,009,320.00	93,923,003.00	94,583,349.00
Taxes levied for debt service	6,915,343.00	5,877,540.00	6,065,300.00	7,227,248.00	6,411,373.00	8,623,643.00	8,200,335.00	7,921,890.00	7,357,742.00	8,403,341.00
Unrestricted grants and contributions	17,448,163.00	17,340,327.00	24,088,658.00	24,082,291.00	23,666,803.00	22,719,409.00	20,972,954.00	20,407,708.00	22,790,844.00	20,367,838.00
Disposal of capital assets	(79,167.00)	(58,866.00)	-	-	-	-	-	-	(7,232.00)	(1,000.00)
Receivables cancelled	909,112.00	469,267.00	693,371.00	525,599.00	571,719.00	485,072.00	663,256.00	692,799.00	895,072.00	1,620,008.00
Miscellaneous income										1,293,731.00
Transfers										(84,408.00)
Total governmental activities	128,249,065.00	124,653,184.00	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
Business-type activities:										
Transfers in (out)	1,321.00	1,211.00	611.00	938.00	1,749.00	1,538.00	2,276.00	5,214.00	18,709.00	84,408.00
Miscellaneous income										47,532.00
Disposal of capital assets										
Total business-type activities	1,321.00	1,211.00	611.00	938.00	1,749.00	1,538.00	2,276.00	5,214.00	18,709.00	131,940.00
Total district-wide	\$128,250,386.00	\$124,654,395.00	\$129,607,406.00	\$129,001,043.00	\$128,646,217.00	\$128,672,229.00	\$127,846,696.00	\$130,246,931.00	\$144,713,011.00	\$258,122,800.00
CHANGE IN NET POSITION										
Governmental activities	(\$469,606.00)	\$165,345.00	\$1,183,811.00	\$1,040,234.00	\$4,763,970.00	\$10,545,078.99	\$6,233,225.00	\$1,676,887.00	\$3,978,714.00	\$6,570,304.00
Business-type activities	127,092.00	406,546.00	282,099.00	155,126.00	9,816.00	96,436.00	243,019.00	103,075.00	36,347.00	186,701.00
Total district	(\$342,514.00)	\$571,891.00	\$1,465,910.00	\$1,195,360.00	\$4,773,786.00	\$10,641,514.99	\$6,476,244.00	\$1,779,962.00	\$4,015,061.00	\$6,757,005.00

Source: CAFR Schedule A-2

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund	\$11,691,754.00	\$12,687,485.00	\$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
Restricted	-	200,000.00	750,000.00	740,107.00						
Committed		173,004.00	434,976.00	388,470.00	1,924,628.00	2,224,133.00	944,812.00			
Assigned	267,294.00	628,552.00	660,428.00	466,091.00	157,028.00	563,064.00	2,079,263.00	582,386.00	578,304.00	1,912,763.00
Unassigned	643,194.00	\$13,689,041.00	\$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
Total general fund	\$12,602,242.00	\$13,689,041.00	\$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
All Other Governmental Funds										
Reserved	\$5,238,783.00	\$31.00	\$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
Restricted										
Committed	24,187,541.00	338,796.00	747,130.00	850,000.00						
Assigned										
Unreserved, reported in:										
Capital projects fund								1,901,195.00	3,297,320.00	3,284,007.00
Debt service fund								17,885.00	175,566.00	1,146,494.00
Total all other governmental funds	\$29,426,324.00	\$338,827.00	\$1,085,926.00	\$1,868,847.00	\$1,842,988.00	\$1,855,254.00	\$1,854,566.00	\$1,919,080.00	\$3,579,582.00	\$4,552,818.00

Source: CAFR Schedule B-1

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Tax levies	\$ 109,870,957.00	\$ 106,912,456.00	\$ 104,214,766.00	\$ 103,462,215.00	\$ 102,655,940.00	\$ 103,931,210.00	\$ 103,931,210.00	\$ 103,931,210.00	\$ 101,280,745.00	\$ 102,986,690.00
Tuition charges					182,930.00	160,800.00	153,913.00	204,312.00	232,797.00	337,766.00
Transportation fees from other LEAs	\$ 20,956.00		\$ 2,779.00	\$ 884.00	16,796.00	13,260.00	36,728.00	61,845.00		
Interest on capital reserve					2,775.00	2,417.00	3,807.00	7,662.00	33,174.00	30,247.00
Miscellaneous	901,722.00	510,291.00	716,749.00	541,311.00	415,916.00	362,586.00	513,572.00	464,884.00	807,508.00	1,067,802.00
State sources	41,048,288.00	38,928,959.00	36,855,164.00	34,858,844.00	36,758,370.00	32,845,725.00	30,495,285.00	27,196,844.00	32,480,011.00	33,017,710.00
Federal sources	2,446,818.00	2,822,235.00	2,311,992.00	2,422,496.00	2,519,297.00	3,426,110.00	3,248,174.00	6,618,975.00	2,371,199.00	2,302,625.00
Total revenue	154,388,721.00	149,173,941.00	144,103,450.00	141,275,750.00	142,552,024.00	140,742,114.00	138,382,689.00	138,485,832.00	137,205,435.00	139,742,840.00
Expenditures										
Instruction										
Regular instruction	39,588,706.00	38,763,627.00	38,289,755.00	37,799,391.00	36,657,469.00	36,489,446.00	36,089,629.00	38,713,723.00	38,436,785.00	36,474,673.00
Special education instruction	12,393,538.00	12,536,596.00	12,089,012.00	11,985,425.00	11,990,075.00	11,392,639.00	11,655,826.00	11,619,698.00	10,603,437.00	10,064,919.00
Other instruction	3,569,342.00	3,664,192.00	3,304,865.00	3,469,093.00	3,681,066.00	3,359,749.00	3,617,176.00	4,077,578.00	4,272,283.00	4,051,780.00
Nonpublic school programs										
Support Services:										
Tuition	4,856,485.00	4,379,014.00	4,596,453.00	4,043,405.00	4,032,629.00	3,717,704.00	3,063,661.00	3,291,372.00	3,478,652.00	3,527,618.00
Student & instruction related services	11,514,479.00	10,971,833.00	10,231,447.00	9,897,463.00	9,684,711.00	9,663,915.00	10,219,368.00	11,139,795.00	10,265,697.00	10,196,921.00
General administrative services	1,652,811.00	1,794,079.00	1,776,422.00	1,771,556.00	1,736,341.00	1,654,451.00	1,657,549.00	1,692,227.00	1,476,644.00	1,405,036.00
School Administrative services	6,041,216.00	6,128,984.00	5,812,975.00	5,458,890.00	5,043,308.00	4,943,041.00	5,037,118.00	5,775,201.00	6,189,665.00	5,892,733.00
Business and other support services	2,800,804.00	2,566,720.00	2,426,991.00	2,517,907.00	2,388,952.00	2,113,804.00	2,322,087.00	2,356,302.00	2,349,904.00	2,304,271.00
Central services/Administration Information Technology	12,129,338.00	13,425,453.00	13,108,592.00	14,659,792.00	12,809,395.00	12,123,404.00	12,479,103.00	13,242,455.00	13,981,974.00	13,892,894.00
Plant operations and maintenance	8,820,637.00	8,488,606.00	8,261,749.00	7,961,425.00	7,849,043.00	7,574,093.00	7,234,223.00	7,786,687.00	8,225,898.00	7,960,766.00
Student transportation services	1,816,593.00	1,750,920.00	1,677,965.00	1,497,018.00	1,406,811.00	1,298,620.00	1,320,627.00	1,288,456.00	1,168,048.00	1,179,498.00
Allocated employee benefits	37,499,146.00	33,927,315.00	32,239,143.00	30,384,806.00	31,386,217.00	29,513,567.00	27,936,415.00	27,238,535.00	24,319,390.00	26,527,272.00
Unallocated employee benefits	3,575,405.00	2,259,436.00	10,282,325.00	2,967,282.00	3,466,804.00	2,942,434.00	2,588,355.00	4,141,843.00	2,298,984.00	4,490,446.00
Capital outlay	251,948.00	185,023.00	152,945.00	45,484.00						
Charter School										
Debt service:										
Principal	6,125,000.00	5,090,000.00	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
Interest and other charges	2,484,475.00	2,710,525.00	2,886,635.00	3,170,270.00	3,361,420.00	3,625,941.00	4,396,415.00	4,631,340.00	4,667,390.00	4,589,445.00
Total expenditures	155,119,923.00	148,562,323.00	152,232,244.00	142,394,207.00	140,008,241.00	137,007,808.00	134,947,552.00	142,280,212.00	137,104,970.00	138,183,272.00
Excess (Deficiency) of revenues over (under) expenditures	(731,202.00)	591,618.00	(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
Other Financing sources (uses)										
Capital leases (non-budgeted)	1,081,564.00									1,357,842.00
Bond proceeds	41,740,000.00			19,890,000.00						4,270,000.00
Premium on sale of bonds	3,198,602.80			2,907,383.00						21,442.00
Cost of issuance	(289,468.41)	1,685,336.00		(183,751.00)						(12,039.00)
Payment to refunded bonds escrow agent	(16,998,798.39)			(22,695,486.00)						(4,239,788.00)
Bond selling expenditures										(25,620.00)
Long-Term debt issued										
State aid receivable canceled										
Transfers in (out)					(10,006.00)					(84,408.00)
Non-Allowable program income									(945.00)	(1,550.00)
Administrative cost transfer									(600.00)	(3,009.00)
Total other financing sources (uses)	28,731,900.00	1,685,336.00		18,146.00	(10,006.00)				(1,445.00)	1,282,870.00
Net change in fund balances	\$ 28,000,698.00	\$ 2,276,954.00	(\$ 8,128,794.00)	(\$ 1,100,311.00)	\$ 2,533,777.00	\$ 3,734,306.00	\$ 3,435,137.00	(\$ 3,794,380.00)	\$ 99,020.00	\$ 2,842,438.00
Debt service as a percentage of noncapital expenditures	5.68%	5.29%	5.62%	5.69%	5.77%	7.62%	7.36%	7.18%	7.47%	7.65%

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>
2017	\$ 289,960.00	\$ 34,013.00	\$ 76,603.00	\$ 20,956.00	\$ 226,566.00	\$ 648,098.00
2016	271,238.00	18,997.00	78,050.00		90,951.00	459,236.00
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

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	Public Utilities a	Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
2017	\$94,053,400	\$2,420,513,000	\$15,098,700	\$1,822,900	\$285,216,100	\$776,204,600	\$88,984,200	\$6,662,532	\$3,688,555,432	\$3.019	\$8,677,593,421
2016	95,056,600	2,377,216,400	14,981,700	1,969,600	272,150,800	784,435,300	88,984,200	6,523,012	3,641,317,612	2.979	8,732,176,528
2015	91,042,100	2,367,054,100	15,101,900	2,090,700	283,762,500	768,957,900	88,730,000	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	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	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	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	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	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	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	8,051,905	3,825,586,405	2.605	8,333,674,118

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 ^a	General Obligation Debt Service ^b	Total Direct	South Brunswick Township	Middlesex County	Fire District 1	
2017	\$2.829	\$0.190	\$3.019	\$0.953	\$0.938	\$0.082	\$5.127
2016	2.815	0.164	2.979	0.937	0.941	0.082	5.066
2015	2.744	0.170	2.914	0.921	0.874	0.080	4.892
2014	2.683	0.201	2.884	0.884	0.866	0.078	4.812
2013	2.675	0.178	2.853	0.862	0.813	0.076	4.696
2012	2.616	0.237	2.853	0.837	0.801	0.074	4.657
2011	2.581	0.221	2.802	0.837	0.743	0.072	4.544
2010	2.476	0.204	2.680	0.760	0.641	0.079	4.249
2009	2.416	0.189	2.605	0.709	0.627	0.076	4.102
2008	2.392	0.213	2.605	0.665	0.613	0.073	4.042

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 TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

		2017			2008		
	<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>
	Forsgate Industrial Complex	\$ 117,968,600	1	3.198%	\$ 149,348,900	1	3.904%
	Dow Jones & Company, Inc.	53,340,600	2	1.446%	81,341,500	2	2.126%
	Heller SBIP, Heller XI Part., other Heller Properties	34,268,400	3	0.929%	59,622,200	3	1.559%
	Royal Oaks Apartments, LLC	29,450,700	4	0.798%	39,149,600	4	1.023%
	Windsor South Ridge LLC	29,072,700	5	0.788%	33,605,500	5	0.878%
	CNJ Company IV, LLC	23,207,900	6	0.629%	33,121,000	6	0.866%
	KTR NJ I, LLC	22,296,600	7	0.604%	33,006,800	7	0.863%
	Middlesex Industrial Developers	21,485,700	8	0.582%	28,073,300	8	0.734%
	AMB / ERIE, LP c/o Prologis	17,838,500	9	0.484%	23,565,100	9	0.616%
	426 Royal, LLC	16,810,100	10	0.456%	23,189,600	10	0.606%
	Total	\$ 365,739,800		9.916%	\$ 504,023,500		13.176%

Source: District CAFR J11 & Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2017	\$109,970,957	\$109,970,957	100.00%	
2016	106,912,456	106,912,456	100.00%	
2015	104,214,766	104,214,766	100.00%	
2014	103,452,215	103,452,215	100.00%	
2013	102,655,940	102,655,940	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	102,986,690	102,986,690	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 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 June 30,	Governmental Activities		Total District	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Capital Leases			
2017	\$ 82,365,000.00	\$ 985,443.00	\$ 83,350,443.00	*	\$ 1,822.86
2016	63,405,000.00	0.00	63,405,000.00	*	1,388.51
2015	68,435,000.00	0.00	68,435,000.00	0.08%	1,507.78
2014	73,530,000.00	0.00	73,530,000.00	0.07%	1,638.15
2013	80,522,000.00	0.00	80,522,000.00	0.06%	1,810.05
2012	85,037,000.00	0.00	85,037,000.00	0.06%	1,931.91
2011	93,187,000.00	0.00	93,187,000.00	0.05%	2,138.98
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	0.04%	2,563.97
2008	109,022,000.00	2,052,969.00	111,074,969.00	0.04%	2,756.41

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 <u>June 30.</u>	General Bonded Debt Outstanding			Percentage of Actual Taxable Value (a) of <u>Property</u>	<u>Per Capita (b)</u>
	General Obligation <u>Bonds</u>	<u>Deductions</u>	Net General Bonded Debt <u>Outstanding</u>		
2017	\$82,365,000.00	-0-	\$82,365,000.00	2.237%	\$1,801.31
2016	63,405,000.00	-0-	63,405,000.00	1.744%	1,388.51
2015	68,435,000.00	-0-	68,435,000.00	1.892%	1,507.78
2014	73,530,000.00	-0-	73,530,000.00	2.046%	1,638.15
2013	80,522,000.00	-0-	80,522,000.00	2.234%	1,810.05
2012	85,037,000.00	-0-	85,037,000.00	2.355%	1,931.91
2011	93,187,000.00	-0-	93,187,000.00	2.518%	2,138.98
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	2.856%	2,705.46

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, 2016
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	\$48,781,732.00	100.00%	\$48,781,732.00
Other debt			
Middlesex County	512,964,315.00	8.5300%	43,755,856.00
Stony Brook Regional Sewerage Authority	27,338,050.00	40.4500%	11,058,241.00
Middlesex County Utilities Authority	184,829,079.00	8.5300%	15,765,920.00
Subtotal, overlapping debt			\$119,361,749.00
South Brunswick School District Direct Debt			57,280,000.00
Total direct and overlapping debt			<u>\$176,641,749.00</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 2016:

Equalized Valuation Basis

Calendar Year	
2016	\$ 8,530,379,254.00
2015	8,673,235,492.00
2014	7,893,996,925.00
	<u>\$ 25,097,611,671.00</u>
Average Equalized Valuation of Taxable Property	\$ 8,365,870,557.00
Debt Limit (4% of average equalization value)	334,634,822.28
Total Net Debt Applicable to Limit	<u>57,280,000.00</u>
Legal Debt Margin	<u>\$ 277,354,822.28</u>

	Fiscal Year Ending June 30,									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Debt Limit	\$334,634,822.28	\$325,406,277.09	\$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
Total Net Debt Applicable To Limit	57,280,000.00	63,405,000.00	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
Legal Debt Margin	<u>\$277,354,822.28</u>	<u>\$262,001,277.09</u>	<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>
Total Net Debt Applicable to the Limit as a % of Debt Limit	17.12%	19.48%	21.93%	23.14%	24.61%	25.18%	27.64%	29.46%	31.72%	53.92%

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>
2017	45,725	*	*	3.80%
2016	45,664	*	*	4.00%
2015	45,388	2,426,760,196.00	53,467.00	5.00%
2014	44,886	2,355,886,596.00	52,486.00	6.10%
2013	44,486	2,236,177,762.00	50,267.00	6.80%
2012	44,017	2,212,338,437.00	50,261.00	6.80%
2011	43,566	2,129,636,778.00	48,883.00	7.20%
2010	41,257	1,921,421,004.00	46,572.00	7.10%
2009	40,887	1,873,810,323.00	45,829.00	3.20%
2008	40,297	1,944,249,656.00	48,248.00	2.80%

Source:

- (a) Population information provided by the NJ Dept. of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (c) Per capita personal income by municipality estimated based upon the 2000 Census 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>	2017			2008		
	<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	1,167	2	4.82%	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		
Aurolife 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>5,620</u>		<u>23.22%</u>	<u>0</u>		<u>0.00%</u>

Source: Municipal Records

2015 - Latest data available

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

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Instruction:										
Regular	584	639	637	627	613	597	594	673.7	680.7	678.7
Special education	138	215	206	204	201	195	195	196.2	196.2	195.7
Support Services:										
Student & instruction related services	119	74	69	70	68	55	80	87	88.8	88.8
General administrative services	84	30	32	31	31	27	27	25	30.6	30.6
School administrative services	61	97	96	96	98	98	98	110.5	118.1	118.1
Central services	9	7	6	6	6	6	9	8	9.0	9.0
Plant operations and maintenance	112	113	110	114	114	96	103	117.6	119.6	119.6
Pupil transportation	60	75	75	74	71	70	81	81	81.0	81.0
Total	1,167	1,249	1,231	1,222	1,202	1,144	1,187	1,299	1,324	1,322

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			High School	Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School					
2017	8,656	142,935,043.00	16,512.83	5.51%	722	1:12	1:11	1:13	8,744	8,382	0.51%	95.86%	
2016	8,855	138,582,362.00	15,650.18	1.67%	733	1:12	1:11	1:13	8,700	8,380	0.52%	96.32%	
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%	

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
District Building										
Elementary										
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	793	815	841	804	827	791	759	725	725	651
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 ^a	542	540	556	539	558	556	530	518	518	524
Cambridge										
Square Feet	59,500	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	544	546	571	567	558	530	591	548	548	517
Constable										
Square Feet	70,973	70,973	70,973	70,973	70,973	70,973	70,973	70,973	70,973	70,973
Capacity (students)	681	681	681	681	681	681	681	681	681	681
Enrollment	572	596	568	564	529	525	507	462	462	468
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	471	479	462	470	459	456	444	424	424	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	723	711	680	660	628	609	588	596	596	661
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	48,625	48,625	48,625	48,625	48,625	48,625	48,625	48,625	48,625	48,625
Capacity (students)	506	506	506	506	506	506	506	506	506	506
Enrollment	402	363	385	422	401	375	369	355	355	343

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>Middle School</u>										
Crossroads North(1967)										
Square Feet	142,849	142,849	142,849	142,849	142,849	142,849	142,849	142,849	142,849	142,849
Capacity (students)	900	900	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150
Enrollment	863	898	1,011	1,062	1,096	1,049	1,059	1,017	1,017	1,004
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	1,173	1,219	1,153	1,113	1,108	1,086	1,054	1,139	1,139	1,143
<u>High School</u>										
South Brunswick High School(1997)										
Square Feet	472,000	472,000	472,000	472,000	472,000	472,000	472,000	472,000	472,000	472,000
Capacity (students)	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Enrollment	2,644	2,657	2,739	2,840	2,834	2,857	2,895	2,919	2,919	2,921
<u>Other</u>										
Maintenance Annex										
Square Feet	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
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, 2017	8,727	8,824	8,966	7,928	7,890	7,748	7,742	7,564	7,564	7,513

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)	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Brooks Crossing Elementary	N/A	103,037	104,555	136,566	198,732	149,878	120,008	64,855	107,180	93,025	101,267
Brunswick Acres Elementary	N/A	78,634	97,429	104,223	113,388	110,643	138,936	124,023	178,829	153,380	177,224
Cambridge Elementary	N/A	66,109	188,101	128,100	189,322	136,507	111,219	97,425	112,943	151,871	165,635
Constable Elementary	N/A	92,457	119,040	128,623	195,984	132,182	115,664	85,910	107,471	114,562	98,832
Indian Fields @ Dayton Elementary	N/A	10,252	1,877	12,296	74,550	43,429	18,560	14,340	42,904	49,569	19,854
Brooks Crossing @ Deans Elementary	N/A	9,530	25,487	24,818	48,650	40,230	25,139	33,163	12,221	23,565	68,119
Greenbrook Elementary	N/A	112,734	111,189	104,236	132,837	147,715	122,934	95,827	125,484	133,547	163,892
Indian Fields Elementary	N/A	97,110	135,305	129,504	230,987	118,511	131,805	95,394	135,777	130,707	155,369
Monmouth Junction Elementary	N/A	91,596	85,342	91,616	110,157	128,200	115,616	89,987	104,385	149,855	207,159
Crossroads North Middle	N/A	225,247	306,866	323,491	488,719	320,861	264,039	179,222	241,876	341,324	327,280
Crossroads South Middle	N/A	222,788	207,154	248,183	1,272,008	445,568	322,721	247,830	298,850	408,287	404,639
High School	N/A	527,435	366,184	486,537	905,731	859,802	745,730	653,673	613,980	741,759	605,285
Total School Facilities		1,636,930	1,748,550	1,918,193	3,961,064	2,633,526	2,232,371	1,781,747	2,081,900	2,491,452	2,494,554
Other Facilities		575,050	736,127	701,071	73,553	74,327	60,786	48,799	67,709	176,224	24,662
Grand Total		2,211,980	2,484,677	2,619,264	4,034,616	2,707,853	2,293,157	1,830,546	2,149,609	2,667,676	2,519,216

Source District Records

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED

<u>Type</u>	<u>Coverage</u>	<u>Deductible</u>	<u>Carrier</u>	<u>Policy #</u>
<u>Property</u>			NJSIG	P808AG
Blanket, building and contents	\$ 423,154,416			
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>	423,154,416			
Spoilage	500,000			
Extra expense	5,000,000			
Deductible		5,000		
<u>School Board Legal</u>			NJSIG	E808AH
Limit of liability	10,000,000	20,000		
<u>Catastrophe Access</u>			Fireman's Fund	SHX00015236458
Limit of liability - Group Limit	50,000,000			
<u>Environmental Impairment Liability</u>			Beazley	WIBF08160101
Limit of liability - Each Loss	1,000,000	10,000		
Limit of liability - Aggregate				
<u>Commercial Liability</u>				P808AH
Bodily Injury & Property Damage	\$ 11,000,000			
(Each Occurrence)				
Personal Injury/Advertising Medical Expense	\$ 11,000,000			
	5,000			
<u>Crime</u>				P808AH
Money & Securities-inside	50,000	\$ 1,000		
Money & Securities-outside	50,000	\$ 1,000		
Employee Dishonesty	500,000	\$ 1,000		
Depositories Forgery	500,000	\$ 1,000		
<u>Builders Risk Property Coverage</u>				

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
INSURANCE SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED

<u>Type</u>	<u>Coverage</u>	<u>Deductible</u>	<u>Carrier</u>	<u>Policy #</u>
<u>Business Auto</u>				P808AG
Bodily Injury & Property Damag	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	MCB5858701
Limit of Liability	5,000,000			
Athletics	5,000,000			
<u>Bonds</u>				
Board Secretary/Business Admin	510,000		Selective	B1177206
<u>Supplemental Wage Reimbursement</u>			NJSIG	64775774
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, 2017, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 30, 2017.

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.

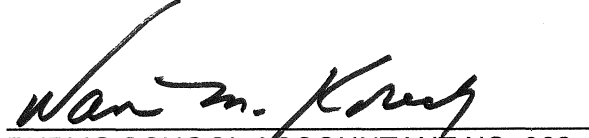
Compliance and Other Matters

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. 962

November 30, 2017



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 REQUIRED BY THE
UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

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 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, 2017. 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 requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (*Uniform Guidance*) and *New Jersey OMB 15-08*. Those standards, the *Uniform Guidance* and *New Jersey OMB 15-08* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Township of South Brunswick School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

SUPLEE, CLOONEY & COMPANY

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

Opinion on Each Major Federal and State Program

In our opinion, the Township of South Brunswick School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2017.

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 *Uniform Guidance* and New Jersey *OMB 15-08*, 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 the *Uniform Guidance* and State of New Jersey *OMB 15-08*. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 962

November 30, 2017

TOWNSHIP OF SOUTH BRUNSWICK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

STATE GRANTOR/PROGRAM TITLE	PROJECT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD FROM	GRANT PERIOD TO	BALANCE AT JUNE 30, 2016		CARRYOVER AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS OF PRIOR YEAR BALANCES	BALANCE AT JUNE 30, 2017		MEMO CUMULATIVE TOTAL EXPENDITURES
					(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE					(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	
State Department of Education													
General Funds:													
Special Education:													
Special Education Ad	17-495-034-5120-089	5,478,992.00	7/1/16	6/30/17	\$	\$	\$	\$	\$	\$	\$	\$	\$
Special Education Ad	17-495-034-5120-094	183,321.00	7/1/16	6/30/17			4,946,890.00	(5,478,992.00)	(1,652,000.00)			(1,652,000.00)	(5,478,992.00)
Equalization Aid	17-015-5120-078	17,015,512.00	7/1/16	6/30/17			85,487.00	183,321.00	(17,015,512.00)			(17,015,512.00)	(17,015,512.00)
PAFCC Readiness	17-495-034-5120-098	87,450.00	7/1/16	6/30/17			78,943.00	(87,450.00)	(8,507.00)			(8,507.00)	(8,507.00)
Professional Learning Community Aid	17-495-034-5120-101	86,150.00	7/1/16	6/30/17			77,769.00	(86,150.00)	(8,381.00)			(8,381.00)	(8,381.00)
Per Pupil Growth	17-495-034-5120-097	87,450.00	7/1/16	6/30/17			78,943.00	(87,450.00)	(8,507.00)			(8,507.00)	(8,507.00)
Total State Aid Cluster							20,706,160.00	(22,959,775.00)	(2,253,615.00)			(2,253,615.00)	(2,253,615.00)
Transportation Aid	17-495-034-5120-014	711,504.00	7/1/16	6/30/17			642,288.00	(711,504.00)	(86,216.00)			(86,216.00)	(711,504.00)
Nonpublic Transportation Aid	N/A	57,086.00	7/1/15	6/30/16			57,086.00		(58,116.00)			(58,116.00)	(58,116.00)
Nonpublic Transportation Aid	N/A	81,224.00	7/1/16	6/30/17					(81,224.00)			(81,224.00)	(81,224.00)
Extraordinary Special Education Costs Aid	17-495-034-5120-044	653,670.00	7/1/15	6/30/16			653,670.00						
Extraordinary Special Education Costs Aid	16-495-034-5120-044	5,742,183.00	7/1/16	6/30/17			5,742,183.00						
On-Behalf TPAF Pension Contribution	17-495-034-5094-002	208,050.00	7/1/16	6/30/17			208,050.00						
On-Behalf TPAF - Non-contributory Insurance	17-495-034-5094-004	208,050.00	7/1/16	6/30/17			208,050.00						
On-Behalf TPAF Post-Retirement Medical Benefits	17-495-034-5094-001	4,857,839.00	7/1/16	6/30/17			4,857,839.00						
Reimbursed TPAF Social Security Contribution	17-495-034-5094-003	4,026,025.00	7/1/16	6/30/17			3,820,229.00	(4,957,839.00)	(4,957,839.00)			(4,957,839.00)	(4,957,839.00)
Reimbursed TPAF Social Security Contribution	16-495-034-5094-003	4,051,537.00	7/1/15	6/30/16			202,297.00	(4,026,025.00)	(205,802.00)			(205,802.00)	(4,026,025.00)
Total General Fund							37,009,032.00	(39,315,952.00)	(2,306,920.00)			(2,306,920.00)	(39,315,952.00)
Special Revenue Funds:													
N.J. Non-Public Aid:													
Handicapped Services:													
Corrective Speech	17-100-034-5120-066	29,333.00	7/1/16	6/30/17			29,333.00						
Corrective Speech	16-100-034-5120-066	32,607.00	7/1/15	6/30/16					(1,672.00)			(1,672.00)	(1,672.00)
Examination and Classification	17-100-034-5120-065	28,461.00	7/1/16	6/30/17			28,461.00		11,822.00			11,822.00	(23,414.00)
Examination and Classification	16-100-034-5120-065	28,461.00	7/1/16	6/30/17			19,932.00						(8,529.00)
Auxiliary Services:													
Compensatory Education	17-100-034-5120-067	92,267.00	7/1/16	6/30/17			92,267.00						
E.S.L.	16-100-034-5120-067	20,706.00	7/1/15	6/30/16					(5,176.00)			(5,176.00)	(5,176.00)
E.S.L.	17-100-034-5120-067	16,443.00	7/1/16	6/30/17			16,443.00						
Nonpublic Technology Aid	17-100-034-5120-373	23,698.00	7/1/16	6/30/17			23,698.00						
Nonpublic Technology Aid	16-100-034-5120-373	23,656.00	7/1/15	6/30/16					42.00			42.00	(42.00)
Nonpublic Textbook Aid	17-100-034-5120-064	52,337.00	7/1/16	6/30/17			52,337.00						
Nonpublic Textbook Aid	16-100-034-5120-064	23,750.00	7/1/15	6/30/16					(917.00)			(917.00)	(917.00)
Nonpublic Security Aid	17-100-034-5120-509	47,450.00	7/1/16	6/30/17			47,450.00						
Nonpublic Security Aid	16-100-034-5120-509	85,410.00	7/1/16	6/30/17			85,410.00						
Nonpublic Nursing Services	17-100-034-5120-070	2,375.00	11/16	12/31/17			1,698.00						
Nonpublic Nursing Services	N/A	2,950.00	7/1/15	12/31/15					578.00			(261.00)	(1,969.00)
Every Parent Influences Children													
Every Parent Influences Children													
Passed Through Department of Children and Families, Division of Prevention and Family Friendly Centers Initiative													
Family Friendly Centers Initiative	16-100-016-1630-024	45,463.00	7/1/15	6/30/16			628.00						
Family Friendly Centers Initiative	17-100-016-1630-024	45,463.00	7/1/16	6/30/17			45,463.00						
Total Special Revenue Fund							1,206.00	19,729.00					
Debt Service Fund:													
Debt Service Ad - Type II	17-495-034-5120-075	1,355,336.00	7/1/16	6/30/17			455,339.00						
Total Debt Service Fund							1,265,336.00	(1,355,336.00)					(90,000.00)
Enterprise Fund:													
National School Lunch Program (State Share)	17-100-010-3350-023	31,045.00	7/1/16	6/30/17			26,152.00						
National School Lunch Program (State Share)	16-100-010-3350-023	31,167.00	7/1/15	6/30/16			4,094.00						
Total Enterprise Fund							30,246.00						
Total State Financial Assistance							823,147.00	(823,147.00)					
Less: On-Behalf amounts not utilized for determination of Major Programs:													
On-Behalf TPAF Pension Contribution	17-495-034-5094-002	5,742,183.00	7/1/16	6/30/17			5,742,183.00						
On-Behalf TPAF Long Term Disability Insurance	17-495-034-5094-004	11,386.00	7/1/16	6/30/17			11,386.00						
On-Behalf TPAF Post-Retirement Medical Benefits	17-495-034-5094-001	4,857,839.00	7/1/16	6/30/17			4,857,839.00						
Total State Financial Assistance Subject to Single Audit							\$	\$	\$	\$	\$	\$	\$

Township of South Brunswick School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2017

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 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 District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance, 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. The District has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

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, 2017

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$26,757.00) for the general fund and (\$27,683.00) for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$57,981.00	\$39,315,952.00	\$39,373,933.00
Special Revenue Fund	2,388,837.00	403,737.00	2,792,574.00
Debt Service Fund		1,355,336.00	1,355,336.00
Food Service Fund	989,370.00	31,045.00	1,020,415.00
Total Awards & Financial Assistance	<u>\$3,436,188.00</u>	<u>\$41,106,070.00</u>	<u>\$44,542,258.00</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, post-retirement medical benefits and long-term disability insurance represents the amount paid by the state on behalf of the district for the year ended June 30, 2017. 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, 2017.

Township of South Brunswick School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

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 Uniform Guidance? | No |

Township of South Brunswick School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

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>
Child Nutrition Cluster	10.555

(5) Program Threshold Determination:

Type A Federal Program Threshold > \$750,000.00

Type B Federal Program Threshold <= \$750,000.00

(6) Auditee qualified as a low-risk auditee under OMB Uniform Guidance? Yes

Township of South Brunswick School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

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 15-08? No
- (4) Identification of Major State Program(s):

<u>Program</u>	<u>Grant Number</u>
Extraordinary Special Education Aid	495-034-5120-044
Reimbursed TPAF Social Security Cont.	495-034-5094-003
Debt Service Aid	495-034-5120-017

- (5) Program Threshold Determination:
 - Type A State Program Threshold > \$905,942.00
 - Type B State Program Threshold <= \$905,942.00
- (6) Auditee qualified as a low-risk auditee under OMB Circular 15-08? Yes

Township of South Brunswick School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

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

