

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Prepared by

**Amy P. Gallagher, CPA
Business Administrator and
The School Business Administrator's Staff**

Of the North Brunswick Township Board of Education

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INTRODUCTORY SECTION

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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Tele. (732) 289-3000

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Amy P. Gallagher, CPA
Business Administrator/Board Secretary
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LETTER OF TRANSMITTAL

October 6, 2010

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

Dear Board Members:

It is with pleasure that we submit the Comprehensive Annual Financial Report (CAFR) of the North Brunswick Township School District for the fiscal year ended June 30, 2010. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes and an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;

- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School District generally presented on a multi-year basis;
- The Single Audit Section – The District is required to undergo an annual audit in conformity with the provisions of the Single Audit act of 1986, as amended the U.S. Office of Management and Budget Circular A-133, "Audit of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs if any, is included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES**

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

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

The District's enrollment at October 15, 2009 was 5,898 students, which is a 2.27% increase above the previous October 15 count. The following details the changes in enrollment over the last five years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2009 - 2010	5,898	2.27%
2008 - 2009	5,767	4.32%
2007 - 2008	5,528	(1.34%)
2006 - 2007	5,603	1.49%
2005 - 2006	5,521	8.72%

District Enrollment



2. ECONOMIC CONDITION AND OUTLOOK

The value of the township's tax ratable base decreased approximately \$31 million for the 2009-2010 fiscal year and has decreased approximately \$15.5 million for the 2010-2011 fiscal year. The district's allocated state aid for the 2010-2011 budget year is approximately \$4.5 million less than the 2009-2010 allocation. A tax levy cap of 2% has recently been enacted for all New Jersey school districts, which will further limit the amount of revenue that can be raised through taxation.

3. LONG TERM FINANCIAL PLANNING/MAJOR INITIATIVES

The Board is currently evaluating various capital projects, including the replacement and repair of roofs at four schools that will be partially funded through NJ Schools Development Authority grants; Americans With Disabilities compliance work at the Maple Meade administration building, and a major district-wide solar/roofing replacement project. District administrators are also evaluating the long term financial impact of increased state mandated initiatives and decreased levels of state funding.

4. INTERNAL ACCOUNTING CONTROLS

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

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

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

5. BUDGETARY CONTROLS

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservation of fund balance at June 30, 2010.

6. ACCOUNTING SYSTEM AND REPORTS

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

7. **DEBT ADMINISTRATION**

The District's outstanding debt issues included \$62,502,000 of general obligation bonds as of June 30, 2010.

8. **CASH MANAGEMENT**

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

9. **RISK MANAGEMENT**

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

10. **OTHER INFORMATION**

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

11. **ACKNOWLEDGEMENTS**

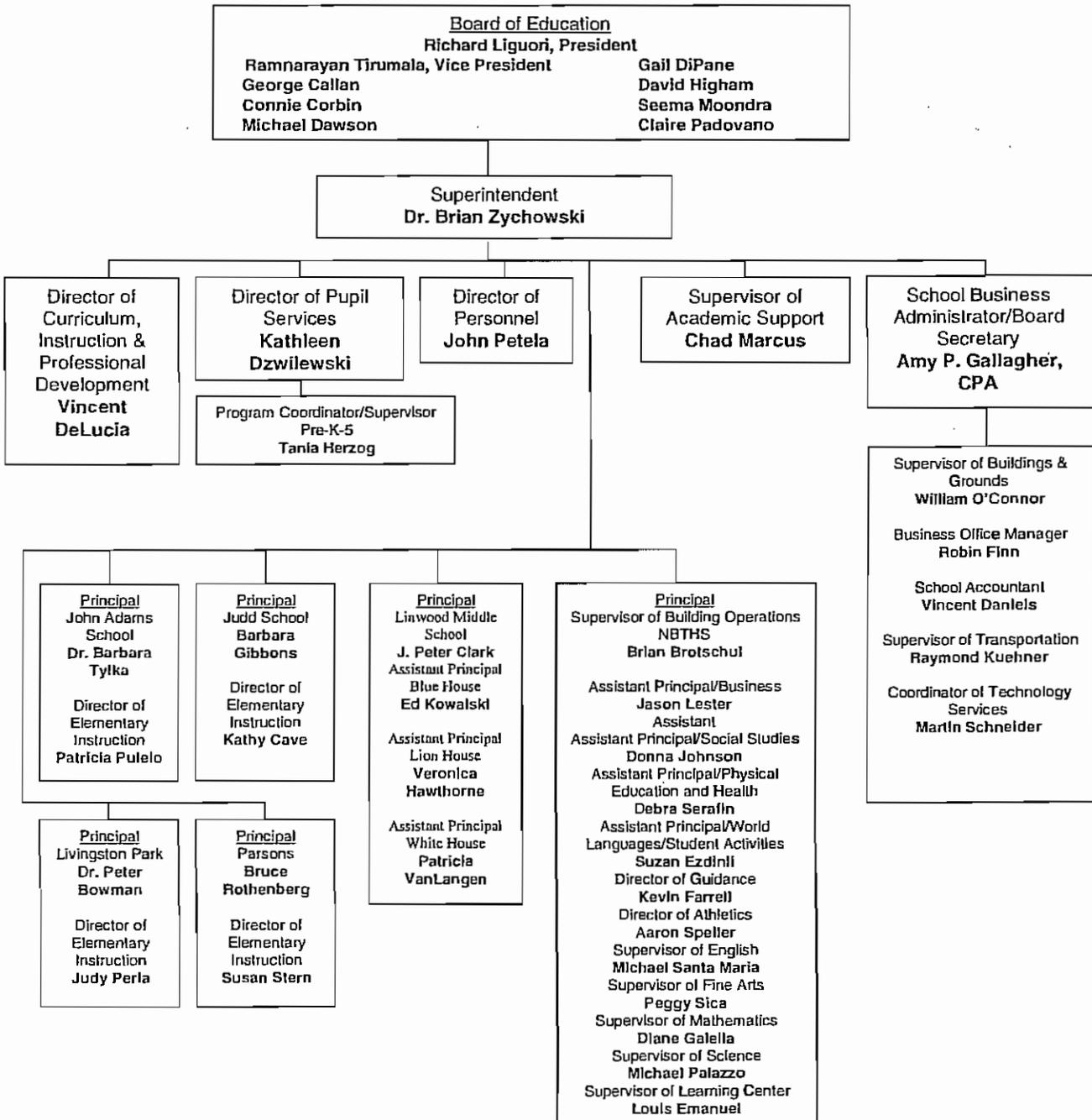
We would like to express our appreciation of the members of the North Brunswick Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial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

Respectfully submitted,


Dr. Brian Zychowski
Superintendent


Amy P. Gallagher, CPA
Business Administrator

**NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
Organizational Chart 2009-2010**



June 30, 2010

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

ROSTER OF OFFICIALS

June 30, 2010

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Richard Liguori, President	2013
Ramnarayan Tirumala, Vice-President	2011
George Callan	2013
Connie Corbin	2011
Michael Dawson	2012
Gail DiPane	2012
David Higham	2013
Seema Moondra	2011
Claire Padovano	2012

Other Officials

Dr. Brian Zychowski, Superintendent

Amy P. Gallagher, CPA, School Business Administrator/Board Secretary

Gerald Seneski, Treasurer of School Funds

Anthony Vignuolo, Esq., Solicitor

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

JUNE 30, 2010

Consultants and Advisors

Audit Firm

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Attorney

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Official Depository

TD Bank
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East Brunswick, NJ 08816

FINANCIAL SECTION

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business type activities each major fund and the aggregate remaining fund information of the Board of Education of the North Brunswick Township School District, County of Middlesex, State of New Jersey, as of and for the year ended June 30, 2010 which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Board of Education of the North Brunswick Township School District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities each major fund and the aggregate remaining fund information of the Board of Education of the North Brunswick Township School District, as of June 30, 2010, and the respective changes in financial position and cash flows where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

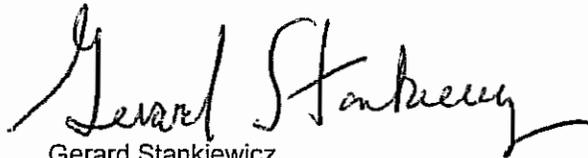
In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2010, on our consideration of the Board of Education of the North Brunswick Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

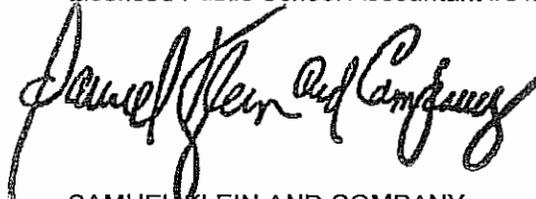
The Management Discussion and Analysis and Budgetary Comparison Information on pages 10 through 20 and 66 through 79 are not a required part of the financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the North Brunswick Township School District Board of Education's financial statements. The accompanying introductory section, other supplementary information such as the combining fund and individual financial fund statements, long term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and long term debt schedules have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in the relation to the financial statements taken as a whole. The introductory section, financial schedules and statistical tables have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
October 6, 2010

REQUIRED SUPPLEMENTARY INFORMATION – PART I

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

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

District Web Site: www.nbtschools.org

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Amy P. Gallagher, CPA
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MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

UNAUDITED

Management's Discussion and Analysis

The discussion and analysis of North Brunswick Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34- Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999. Certain comparative information between the current year (2009-2010) and the prior year (2008-2009) is required to be presented in MD&A. The District has elected to prepare comparative data which includes prior year's financial statements.

Financial Highlights

Key financial highlights for 2009-2010 are as follows:

- General revenues accounted for \$88,225,884 in revenue or 93.52% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and accounted for \$5,971,334 or 6.48% to total revenues of \$92,197,218.
- Total net assets of governmental activities decreased by \$1,838,245.
- The School District had \$94,053,873 in expenses, of which only \$5,971,334 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes of \$68,846,705) along with Federal and State aid were not adequate to provide for these programs. The state withheld \$2,080,999 of the District's State aid allocation during the 2009-2010 year. This resulted in the use of approximately \$1,100,000 in unrestricted fund balance to fund expenses.
- The Governmental – General Fund had \$79,794,543 in revenues and \$83,938,748 in expenditures. The General Fund's fund balance decreased \$4,003,413 compared to 2009.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

UNAUDITED – (CONTINUED)

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

Comparative Statement of Net Assets and Comparative Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2010?". The Comparative Statement of Net Assets and the Comparative Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Business Type Activities — This service is provided on a charge for goods or services basis to recover all the expenses of the goods and services provided. The Food Service enterprise fund is reported as a business activity.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

UNAUDITED – (CONTINUED)

Reporting the School District's Most Significant Funds

Fund Financial Statement

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

Governmental Funds

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

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

Enterprise Fund

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found on pages 36 to 66 of this report.

The School District as a Whole

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

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

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

UNAUDITED – (CONTINUED)

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

Table 1 provides a comparative summary of the School District's net assets for 2010 and 2009.

Table 1 – Comparative Summary of Net Assets

Assets	2010	2009
Current and Other Assets	\$ 8,648,250	\$ 12,126,540
Capital Assets, Net	107,956,271	109,482,582
Total Assets	\$ 116,604,521	\$ 121,609,122
Liabilities		
Long-Term Liabilities	\$ 61,687,191	\$ 70,653,974
Other Liabilities	8,339,516	2,520,679
Total Liabilities	\$ 70,026,707	\$ 73,174,653
Net Assets		
Invested in Capital Assets, Net of Debt	\$ 45,312,991	\$ 42,956,339
Restricted	3,774,522	6,809,617
Unrestricted - Other	(2,509,699)	(1,331,487)
Total Net Assets	\$ 46,577,814	\$ 48,434,469

The District's combined net assets were \$46,577,814 on June 30, 2010. This is a decrease of \$1,856,655 or 3.8% from the prior year and is primarily related to a decrease in cash and receivables.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

UNAUDITED – (CONTINUED)

Table 2 shows the comparative changes in net assets from fiscal year 2010 and 2009.

Table 2 – Comparative Changes in Net Assets

	<u>2010</u>	<u>2009</u>	<u>Total % Change</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 2,107,143	\$ 2,057,155	2.43%
Operating Grants and Contributions	3,864,191	3,098,501	24.71%
General Revenues:			
Property Taxes	68,846,705	69,211,892	-0.53%
Grants and Entitlements	16,046,272	17,818,802	-9.95%
Other	<u>1,332,907</u>	<u>1,005,742</u>	32.53%
Total Revenues	\$ <u>92,197,218</u>	\$ <u>93,192,092</u>	-1.07%
Program Expenses:			
Instruction	\$ 50,495,094	\$ 46,581,787	8.40%
Support Services:			
Pupils and Instructional Staff	14,122,832	14,470,453	-2.40%
Other Administration	3,302,398	3,487,200	-5.30%
General Administration	3,875,200	2,833,762	36.75%
Operations and maintenance of Facilities	10,181,775	10,108,540	0.72%
Pupil Transportation	5,792,096	5,444,094	6.39%
Interest on Debt	2,676,629	3,010,253	-11.08%
Business Activities	3,191,116	3,075,137	3.77%
Other	<u>416,733</u>	<u>408,907</u>	1.91%
Total Expense	\$ <u>94,053,873</u>	\$ <u>89,420,133</u>	5.18%
Increase/(Decrease) in Net Assets	(1,856,655)	3,771,959	
Beginning Net Assets (as restated - see Note 5)	<u>48,434,469</u>	<u>44,662,510</u>	
Ending Net Assets	\$ <u><u>46,577,814</u></u>	\$ <u><u>48,434,469</u></u>	

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

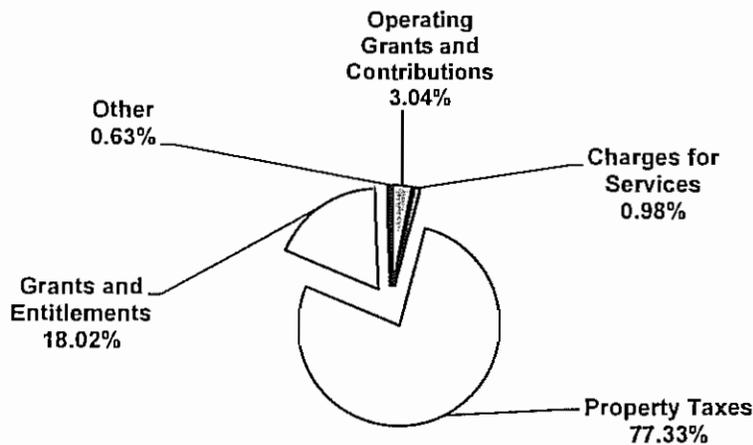
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

UNAUDITED – (CONTINUED)

Governmental Activities

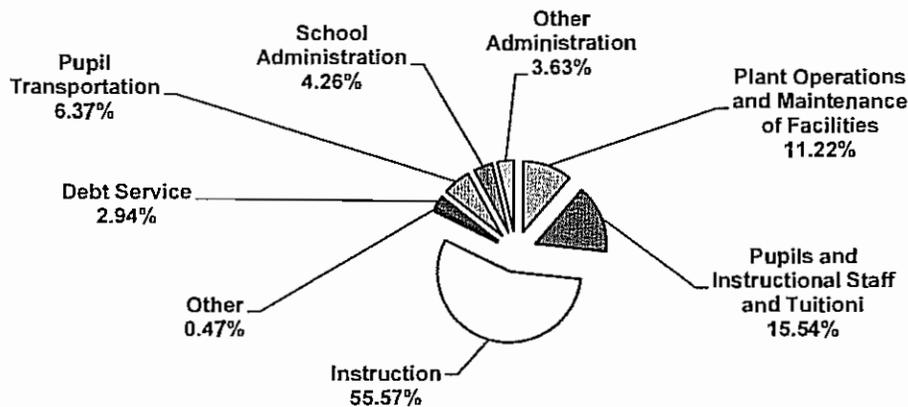
The unique nature of property taxes in New Jersey creates the legal requirement to annually seek voter approval for the School District operations. Property taxes of \$68,846,705 made up 77.33% of revenue for governmental activities for the North Brunswick School District for fiscal year 2010. The District's total revenues were \$89,024,512 for the year ended June 30, 2010. Federal, state and local grants accounted for another 18.02% of revenue.

Revenue for Fiscal Year 2010



The total cost of all programs and services was \$90,862,757.

Expenses for Fiscal Year 2010



NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

UNAUDITED – (CONTINUED)

Business-Type Activities

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

Food service revenues exceeded expenses by \$59,611.

Charges for services represent \$1,446,796, or 55.7% of revenue. This represents amounts paid by patrons for daily food service, as well as special functions.

Federal and state reimbursement for meals, including payments for free and reduced priced lunches and donated commodities was \$1,152,815.

Governmental Activities

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

Table 3 - Comparative Statement of Activities

	Total Cost of Services			Net Cost of Services		
	2009-2010	2008-2009	% Change	2009-2010	2008-2009	% Change
Regular Instruction	\$ 36,301,673	33,485,533	8.41%	\$ 34,130,131	31,925,631	6.91%
Special Education	8,246,705	7,340,790	12.34%	8,246,705	7,340,790	12.34%
Other Instruction	5,946,716	5,755,464	3.32%	5,946,716	5,755,464	3.32%
Tuition	3,162,045	4,033,613	-21.61%	3,097,674	4,002,122	-22.60%
Student and Instruction Related Services	10,960,787	10,436,840	5.02%	10,420,953	9,871,074	5.57%
General and Business Administrative Services	3,302,398	2,833,762	16.54%	3,302,398	2,833,762	16.54%
School Administrative Services	3,875,200	3,487,200	11.13%	3,875,200	3,487,200	11.13%
Plant Operations and Maintenance	10,181,775	10,108,540	0.72%	10,181,775	10,108,540	0.72%
Pupil Transportation	5,792,096	5,444,094	6.39%	5,769,215	5,439,557	6.06%
Charter Schools	416,436	408,290	2.00%	416,436	408,290	2.00%
Scholarship	297	617	-51.86%	297	617	-51.86%
Interest and Fiscal Charges	2,676,629	3,010,253	-11.08%	2,676,629	3,010,253	-11.08%
Total Expenses	\$ 90,862,757	\$ 86,344,996	5.23%	\$ 88,064,129	\$ 84,183,300	4.61%

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

UNAUDITED – (CONTINUED)

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

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

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

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

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

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

"Other" includes special schools and unallocated depreciation.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$88,555,562 and expenditures were \$93,531,901.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a comparative summary of the revenues of the general fund, special revenue fund and debt service fund for the fiscal years ended June 30, 2010 and June 30, 2009, and the amount of increase and decreases in relation to prior year revenues.

Comparative Summary of Revenues

Revenue	2009-2010		2008-2009		Increase/ (Decrease) from 2008-2009 to 2009-2010
	Amount	Percent of Total	Amount	Percent of Total	
Local Sources	\$ 69,856,135	78.88%	\$ 70,287,984	78.77%	\$ (431,849)
State Sources	14,848,209	16.77%	16,560,907	19.22%	(1,712,698)
Federal Sources	3,851,218	4.35%	1,831,478	2.01%	2,019,740
	<u>\$ 88,555,562</u>	<u>100.00%</u>	<u>\$ 88,680,369</u>	<u>100.00%</u>	<u>\$ (124,807)</u>

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

UNAUDITED – (CONTINUED)

Local revenues decreased by \$431,849. The decrease in local revenue was due to a reduction in the tax levy for 2009-2010.

Federal revenues increased primarily due to the receipt of approximately \$1.2 million in American Reinvestment and Recovery Act funds. These funds replaced aid previously funded by the state, which resulted in a corresponding decrease in revenue from state sources.

The following schedule presents a comparative summary of general fund, special revenue fund and debt service fund expenditures for the fiscal years ended June 30, 2010 and June 30, 2009, and the increases and decreases in relation to prior year amounts.

Comparative Summary of Expenditures

Expenditures	2009-2010		2008-2009		Increase/ (Decrease) from 2008-2009 to 2009-2010
	Amount	Percent of Total	Amount	Percent of Total	
Current Expenses:					
Instruction	\$ 36,898,731	39.81%	\$ 35,870,976	37.51%	\$ 1,027,755
Undistributed Expenditures	47,525,840	51.27%	45,809,697	53.09%	1,716,143
Capital Outlay	2,299,613	2.48%	1,677,694	2.83%	621,919
Debt Service:					
Principal	3,030,000	3.27%	2,895,000	2.99%	135,000
Interest	2,941,726	3.17%	3,058,464	3.58%	(116,738)
	<u>\$ 92,695,910</u>	<u>100.00%</u>	<u>\$ 89,311,831</u>	<u>100.00%</u>	<u>\$ 3,384,079</u>

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

General Fund Budgeting Highlights

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

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

UNAUDITED – (CONTINUED)

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

Capital Assets

At the end of the fiscal year 2010, the School District had \$139,675,079 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2010 balances compared to 2009.

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

	<u>2010</u>	<u>2009</u>
Land	\$ 14,000	\$ 14,000
Buildings and Improvements	104,424,965	106,591,863
Machinery and Equipment	<u>3,462,652</u>	<u>2,824,238</u>
Totals	<u>\$ 107,901,617</u>	<u>\$ 109,430,101</u>

Overall capital assets decreased by \$1,528,484 from fiscal year 2009 to fiscal year 2010. The decrease in capital assets is due primarily to depreciation expense for the year exceeding the capital additions.

Debt Administration

At June 30, 2010, the School District had \$66,448,026 of outstanding debt. Of this amount \$2,827,992 is for compensated absences; \$1,118,034 is for various capital leases and \$62,502,000 is for serial bonds for school construction.

For the Future

The school district is proud of the support that the community demonstrated by approving its budget for the 2010-2011 school year. However, state aid to schools is a primary area of concern. The district is substantially underfunded according to the state aid formula and is spending below the adequacy amount determined by the state. Enrollment also continues to increase, particularly in the lower grades. These challenges could have a significant impact on the district's operations over the next five years.

NORTH BRUNSWICK TOWNSHIP PUBLIC SCHOOLS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

UNAUDITED – (CONTINUED)

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

Contacting the School District's Financial Management

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

Respectfully submitted,



Dr. Brian A. Zychowski
Superintendent



Amy P. Gallagher, CPA
School Business Administrator

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF NET ASSETS
JUNE 30, 2010

<u>ASSETS</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 1,365,184	\$ 686,809	\$ 2,051,993
Receivables - Net	1,512,613	152,205	1,664,818
Inventory		28,242	28,242
Restricted Assets:		1,335	1,335
Cash and Cash Equivalents	1,083,781		1,083,781
Cash - Capital Reserve Account	2,332,956		2,332,956
Receivables - Grant	1,485,125		1,485,125
Capital Assets, Net	<u>107,901,617</u>	<u>54,654</u>	<u>107,956,271</u>
Total Assets	<u>\$ 115,681,276</u>	<u>\$ 923,245</u>	<u>\$ 116,604,521</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,116,874	\$ 195,139	\$ 2,312,013
Accrued Liability for Arbitrage	47,015		47,015
Other Current Liabilities	40,156	2,042	42,198
Payable to Federal and State Government	13,562		13,562
Deferred Revenue	79,009	68,530	147,539
Accrued Interest Payable	1,016,355		1,016,355
General Long-Term Debt:			
Due Within One Year	4,760,833		4,760,833
Due Beyond One Year	<u>61,687,191</u>		<u>61,687,191</u>
Total Liabilities	<u>\$ 69,760,996</u>	<u>\$ 265,711</u>	<u>\$ 70,026,707</u>
<u>NET ASSETS</u>			
Invested in Capital Assets - Net of Related Debt	\$ 45,258,337	\$ 54,654	\$ 45,312,991
Restricted for:			
Capital Projects	2,332,956		2,332,956
Other Purposes	1,441,566		1,441,566
Unrestricted	<u>(3,112,579)</u>	<u>602,880</u>	<u>(2,509,699)</u>
Total Net Assets	<u>\$ 45,920,280</u>	<u>\$ 657,534</u>	<u>\$ 46,577,814</u>

See accompanying notes to financial statements.

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 36,301,673		\$ 2,171,542	\$ (34,130,131)		\$ (34,130,131)
Special Education	8,246,705			(8,246,705)		(8,246,705)
Other Special Education	4,314,135			(4,314,135)		(4,314,135)
Other Instruction	1,632,581			(1,632,581)		(1,632,581)
Support Services:						
Tuition	3,162,045	\$ 84,371		(3,097,674)		(3,097,674)
Student and Instruction Related Services	10,960,787		539,834	(10,420,953)		(10,420,953)
Other Administrative Services	3,302,398			(3,302,398)		(3,302,398)
School Administrative Services	3,875,200			(3,875,200)		(3,875,200)
Plant Operations and Maintenance	10,181,775			(10,181,775)		(10,181,775)
Pupil Transportation	5,792,096	22,881		(5,769,215)		(5,769,215)
Charter Schools	416,436			(416,436)		(416,436)
Scholarships	297			(297)		(297)
Interest on Long Term Debt	2,676,629			(2,676,629)		(2,676,629)
Total Governmental Activities	\$ 90,862,757	\$ 87,252	\$ 2,711,376	\$ (88,064,129)		\$ (88,064,129)
Business-Type Activities:						
Food Service	\$ 2,540,000	\$ 1,446,796	\$ 1,152,815		\$ 59,611	\$ 59,611
School Facilities	330,186	363,380			33,194	33,194
Integrated Pre-K	122,627	144,810			22,183	22,183
Summer Enrichment	70,356	64,905			(5,451)	(5,451)
Data Processing	127,947				(127,947)	(127,947)
Total Business-Type Activities	\$ 3,191,116	\$ 2,019,891	\$ 1,152,815		\$ (18,410)	\$ (18,410)
Total Primary Government	\$ 94,053,873	\$ 2,107,143	\$ 3,864,191	\$ (88,064,129)	\$ (18,410)	\$ (88,082,539)
<u>General Revenues</u>						
Property Taxes Levied for:						
General Purposes				\$ 62,874,980		\$ 62,874,980
Debt Service				5,971,725		5,971,725
Federal and State Aid Not Restricted				15,988,052		15,988,052
Federal and State Aid Restricted (SCC)				58,220		58,220
Investment Earnings				90,263		90,263
Miscellaneous Income				832,255		832,255
Special and Extraordinary Items, Net				410,389		410,389
Total General Revenues				\$ 86,225,884		\$ 86,225,884
Change in Net Assets				\$ (1,838,245)	\$ (18,410)	\$ (1,856,655)
Net Assets - Beginning (as restated)				\$ 47,758,525	\$ 675,944	\$ 48,434,469
Net Assets - Ending				\$ 45,920,280	\$ 657,534	\$ 46,577,814

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

ASSETS

	General Fund	Special Revenue Fund	Permanent Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Cash and Cash Equivalents	\$ 995,613	\$ 361,810	\$ 44,825	\$ 1,038,956	\$ 7,760	\$ 2,448,964
Intergovernmental Accounts Receivable	568,547	944,066		1,528,904		3,041,517
Interfund Receivable	2,506,802				334	2,507,136
Restricted Cash and Cash Equivalents	<u>2,332,956</u>					<u>2,332,956</u>
Total Assets	<u>\$ 6,403,918</u>	<u>\$ 1,305,876</u>	<u>\$ 44,825</u>	<u>\$ 2,567,860</u>	<u>\$ 8,094</u>	<u>\$ 10,330,573</u>

LIABILITIES AND FUND BALANCE

Liabilities:						
Accounts Payable	\$ 1,894,529	\$ 213,340				\$ 2,107,869
Accrued Liability for Arbitrage				\$ 40,156		40,156
Other Current Liabilities	47,015					47,015
Intergovernmental Accounts Payable		13,562				13,562
Interfund Payable	9,005	999,965		1,507,171		2,516,141
Deferred Revenue		79,009				79,009
Total Liabilities	<u>\$ 1,950,549</u>	<u>\$ 1,305,876</u>		<u>\$ 1,547,327</u>		<u>\$ 4,803,752</u>
Fund Balances Reserved for:						
Encumbrances	\$ 46,255					\$ 173,483
Capital Reserve Account	2,332,956			\$ 127,228		2,332,956
Excess Surplus - Designated for Subsequent Year's Expenditures	350,486					350,486
Unreserved:						
Unreserved - Designated for Subsequent Year's Expenditures	1,000,000			893,305		1,893,305
Unreserved, Reported in:						
General Fund	723,672					723,672
Debt Service Fund					\$ 8,094	8,094
Permanent Fund			\$ 44,825			44,825
Total Fund Balances	<u>\$ 4,453,369</u>		<u>\$ 44,825</u>	<u>\$ 1,020,533</u>	<u>\$ 8,094</u>	<u>\$ 5,526,821</u>
Total Liabilities and Fund Balance	<u>\$ 6,403,918</u>	<u>\$ 1,305,876</u>	<u>\$ 44,825</u>	<u>\$ 2,567,860</u>	<u>\$ 8,094</u>	<u>\$ 10,330,573</u>

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2010

		Total Governmental Funds
Total Fund Balances above	\$	5,526,821
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Assets (A-1) are different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of capital assets is \$139,689,079 and the accumulated depreciation is \$31,787,482. (see Note 5)	107,901,617	
Long-term liabilities, including bonds, loans, leases payable and compensated absence are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 7)	(66,448,027)	
Certain liabilities are not due and payable in the current period, and therefore are not reported in the funds:		
Accrued Interest Payable		(1,016,355)
(Accrued interest is a current liability that will be paid from the debt service fund. Therefore, the liability reduces the restricted for debt service net asset balance.)		
Construction Grants are reported in governmental funds as revenues, however, in the Statement of Activities grant awards are not recognized as revenue until related expenditures are incurred. (SCC Grant of \$19,051,689 less Cumulative Expenditures of \$19,007,913.)	(43,776)	
		\$ 45,920,280
Net assets of governmental activities (A-1)		

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	General Fund	Special Revenue Fund	Permanent Fund	Capital Projects Fund	Debt Service Fund	Total Government Funds
<u>REVENUES</u>						
Local sources:						
Local tax levy	\$ 62,874,980				\$ 5,971,725	\$ 68,846,705
Interest on Investments	18,772	\$	340	3,858		4,198
Interest earned on capital reserve funds	739,106	\$ 247,694				18,772
Miscellaneous						986,800
Total - Local Sources	\$ 63,632,858	\$ 247,694	\$ 340	3,858	\$ 5,971,725	\$ 69,856,475
State Sources	14,821,020	27,189				14,848,209
Federal Sources	1,340,665	2,510,553				3,851,218
Total Revenues	\$ 79,794,543	\$ 2,785,436	\$ 340	3,858	\$ 5,971,725	\$ 88,555,902
<u>EXPENDITURES</u>						
Current:						
Regular Instruction	\$ 24,490,286	\$ 2,171,542				\$ 26,661,828
Special Education Instruction	5,947,877					5,947,877
Other Special Instruction	3,111,539					3,111,539
Other Instruction	1,177,487					1,177,487
Support Services and Undistributed Costs:						
Tuition	3,162,045					3,162,045
Student and Instruction Related Services	7,358,095	539,833				7,897,928
Other Administrative Services	2,381,831					2,381,831
School Administrative Services	2,794,960					2,794,960
Plant Operations and Maintenance	7,343,532					7,343,532
Pupil Transportation	4,177,508					4,177,508
Employee Benefits	19,299,636	51,964				19,351,600
Transfer to Charter Schools	416,436					416,436
Scholarships						297
Debt Service:						
Principal					\$ 3,030,000	3,030,000
Interest					2,941,726	2,941,726
Capital Outlay	2,277,516	22,097		\$ 835,991		3,135,604
Total Expenditures	\$ 83,938,748	\$ 2,785,436	\$ 297	\$ 835,991	\$ 5,971,725	\$ 93,532,198

BOARD OF EDUCATION
 NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	General Fund	Special Revenue Fund	Permanent Fund	Capital Projects Fund	Debt Service Fund	Total Government Funds
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ (4,144,205)	\$	\$ 43	\$ (832,133)	\$ (1)	\$ (4,976,296)
Other Financing Sources/(Uses):						
Transfer In/(Out)	3,524					
Interest earned	137,268			(3,858)	334	
Cancellation of Capital Projects - Local Share				(137,268)		
Total Other Financing Sources (Uses)	\$ 140,792			\$ (141,126)	\$ 334	
Net Change in Fund Balances	\$ (4,003,413)	\$	\$ 43	\$ (973,259)	\$ 333	\$ (4,976,296)
Fund Balance - July 1	8,456,782		44,782	1,993,792	7,761	10,503,117
Fund Balance - June 30	\$ 4,453,369		\$ 44,825	\$ 1,020,533	\$ 8,094	\$ 5,526,821

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (4,976,296)

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciated expense. This is the amount by which capital outlays exceeded depreciation in the period.

Capital outlay	\$ 3,135,604	
Capital outlays-lease principal already capitalized	(1,126,400)	
Capital Assets, Net retired	(100,849)	
Depreciation expense	<u>(3,436,839)</u>	(1,528,484)

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

3,030,000

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

Refunded bond-Principal	18,199,000	
Proceeds of long-term debt refunding	<u>17,865,000</u>	334,000

Repayment of lease principal is an expenditure in the governmental funds, but the payment reduces long-term debt in the statement of net assets and is not reported in the statement of activities.

1,126,400

In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation.

265,097

In the statement of activities, certain operating expenses, e.g. compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.

(324,450)

Construction Grants are reported in governmental funds as revenues; however, in the Statement of Activities grant awards are not recognized as revenue until related expenditures are incurred.

58,220

Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds

177,268

Change in Net Assets of Governmental Activities \$ (1,838,245)

**PROPRIETARY FUNDS –
ENTERPRISE FUNDS**

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUNDS - ENTERPRISE FUND
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Business-Type Activities <u>Enterprise Funds</u>
<u>ASSETS</u>	<u>Total Enterprise</u>
Current Assets:	
Cash and Cash Equivalents	\$ 686,809
Accounts Receivable:	
State Sources	3,879
Federal Sources	70,951
Other Accounts Receivable	77,375
Prepaid Expenses	1,335
Inventories	<u>28,242</u>
Total Current Assets	\$ <u>868,591</u>
 <u>NONCURRENT ASSETS</u> 	
Furniture, Machinery and Equipment	\$ 593,095
Less: Accumulated Depreciation	<u>538,441</u>
Total Noncurrent Assets	\$ <u>54,654</u>
Total Assets	\$ <u><u>923,245</u></u>
 <u>LIABILITIES</u> 	
Current Liabilities:	
Accounts Payable	\$ 195,139
Deferred Revenue	68,530
Unrestricted	<u>2,042</u>
Total Liabilities	\$ <u><u>265,711</u></u>
 <u>NET ASSETS</u> 	
Invested in Capital Assets Net of Related Debt	\$ 54,654
Unrestricted	<u>602,880</u>
Total Net Assets	\$ <u><u>657,534</u></u>

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUNDS - ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Business-Type Activities</u> <u>Enterprise Funds</u>
<u>OPERATING REVENUES</u>	<u>Total Enterprise</u>
Local Sources:	
Daily sales - reimbursable programs:	
School lunch program	\$ 505,761
School breakfast program	20,132
School after school snack program	22,363
Daily sales - non-reimbursable programs	895,239
Tuition and services	573,095
Interest on Investments	3,301
	\$ 2,019,891
<u>OPERATING EXPENSES</u>	
Cost of sales	1,188,215
Salaries	1,235,124
Employee benefits	171,444
Insurance	57,744
General Supplies	166,795
Management fee	115,861
Depreciation	8,265
Administration Fee	108,631
Other	11,090
	\$ 3,063,169
Operating loss	\$ (1,043,278)
<u>NONOPERATING REVENUES</u>	
State sources:	
State school lunch program	\$ 37,984
State breakfast program	15,334
Federal sources:	
National school lunch program	737,983
National breakfast program	233,073
School snack program	5,565
Food distribution program	122,876
	\$ 1,152,815
Change in net assets	\$ 109,537
Total net assets - beginning	547,997
Total net assets - ending	\$ 657,534

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUNDS - ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Business-Type Activities</u> <u>Enterprise Funds</u>
	<u>Total Enterprise</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers	\$ 1,975,512
Payments to Employees	(1,228,178)
Payments for Employee Benefits	(225,201)
Payments to Suppliers	<u>(1,447,113)</u>
Net Cash Used by Operating Activities	<u>(924,980)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
State Sources	\$ 58,600
Federal Sources	<u>1,063,221</u>
Net Cash Provided by Noncapital Financing Activities	<u>\$ 1,121,821</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Purchase of Capital Assets	<u>\$ (10,438)</u>
Net Cash Used by Capital and Related Financing Activities	<u>\$ (10,438)</u>
Net increase in cash and cash equivalents	\$ 186,403
Cash and cash equivalents - beginning of year	<u>500,406</u>
Cash and cash equivalents - end of year	<u>\$ <u>686,809</u></u>
<u>Reconciliation of Operating Loss to Net Cash</u> <u>Used by Operating Activities</u>	
Operating Loss	<u>\$ (1,043,278)</u>
Adjustments to Reconcile Operating Loss to Cash Used by Operating Activities:	
Depreciation	\$ 8,265
Federal Commodities	122,876
Change in Assets and Liabilities:	
(Increase) in Accounts Receivable	(51,683)
Decrease in Inventories	23,898
Increase in Accounts Payable	20,501
(Decrease) in Other Current Liabilities	(784)
(Increase) in Prepaid Expenses	(1,335)
(Decrease) in Deferred Revenue	<u>(3,440)</u>
Total Adjustments	<u>118,298</u>
Net Cash Used by Operating Activities	<u>\$ (924,980)</u>

**PROPRIETARY FUNDS –
INTERNAL SERVICE FUNDS**

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUNDS - INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Internal Service Fund</u>
	<u>Total</u> <u>Data Processing</u>
<u>OPERATING EXPENSES</u>	
Salaries	\$ 75,459
Purchase technical services	19,172
Other purchased services	31,660
Equipment	<u>1,656</u>
Total operating expenses	\$ <u>127,947</u>
Change in net assets	\$ (127,947)
Total net assets - beginning	\$ <u>127,947</u>
Total net assets - ending (Ceased operations)	<u><u> </u></u>

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUNDS - INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Internal Service Fund</u>
	<u>Total</u>
	<u>Data Processing</u>
<u>Cash Flows from Operating Activities</u>	
Payments to Employees	\$ (75,459)
Payments to Suppliers	<u>(52,488)</u>
Net Cash Used by Operating Activities	\$ <u>(127,947)</u>
Net Decrease in Cash and Cash Equivalents	\$ (127,947)
Cash and cash equivalents - beginning of year	<u>127,947</u>
Cash and cash equivalents - end of year (Ceased operations)	\$ <u><u> </u></u>
Reconciliation of change in net assets to Net Cash <u>Used by Operating Activities</u>	
Change in Net Assets	\$ <u>(127,947)</u>
Net Cash Used by Operating Activities	\$ <u><u>(127,947)</u></u>

FIDUCIARY FUNDS

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2010

	<u>Trust Funds</u>	<u>Agency Fund</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 290,303	\$ 970,035
Accounts receivable - other	<u>761</u>	<u>9,005</u>
Total Assets	<u>\$ 291,064</u>	<u>\$ 979,040</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 21,652	
Payable to Student Groups		\$ 302,759
Payroll Deductions and Withholdings		675,520
Interfund Payable - Unemployment Fund		<u>761</u>
Total Liabilities	<u>\$ 21,652</u>	<u>\$ 979,040</u>
<u>NET ASSETS</u>		
Held in Trust for Unemployment Claims and Other Purposes	\$ 214,844	
Unreserved	<u>54,568</u>	
Total Net Assets	<u>\$ 269,412</u>	

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF CHANGES IN NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Trust Fund</u>
<u>ADDITIONS</u>		
Contributions:		
Plan Members	\$ 110,459	
Interest Earned	<u>1,814</u>	\$ <u>447</u>
Total Contributions	\$ <u>112,273</u>	\$ <u>447</u>
Total Additions	\$ <u>112,273</u>	\$ <u>447</u>
<u>DEDUCTIONS</u>		
Quarterly Contribution Reports	\$ 31,621	
Unemployment Claims	131,340	
Expenditures	842	
Scholarships Awarded	<u> </u>	\$ <u>5,100</u>
Total Deductions	\$ <u>163,803</u>	\$ <u>5,100</u>
Change in Net Assets	\$ (51,530)	\$ (4,653)
Total Net Assets - Beginning of the Year	\$ <u>266,374</u>	\$ <u>59,221</u>
Total Net Assets - Ending of the Year	\$ <u><u>214,844</u></u>	\$ <u><u>54,568</u></u>

NOTES TO THE FINANCIAL STATEMENTS

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The North Brunswick Township School District (the "District") is a Type II district located in the County of Middlesex, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (the "Board"). The Board is comprised of nine (9) members elected to three (3) year terms. The purpose of the District is to educate students in grades pre-K-12. The District had an approximate enrollment at June 30, 2010 of 5,767 students.

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

1. Government-Wide Financial Statements

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation (Continued)

1. Government-Wide Financial Statements (Continued)

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

2. Fund Financial Statements

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

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

B. Fund Accounting

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

1. Governmental Funds

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

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

1. Governmental Funds (Continued)

General Fund (Continued)

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

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

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

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

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

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

2. Proprietary Fund Type

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

2. Proprietary Fund Type (Continued)

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

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

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

Summer Enrichment: This fund provides for the Summer Enrichment program.

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

Integrated Pre-K: The fund provides for the attendance of regular education students within the preschool program.

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

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

Internal Service Fund – The Internal Service fund is utilized to account for the District's data processing center. Services are sold to other public school districts. This fund's operation has ceased as of June 30, 2010.

3. Fiduciary Funds

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

3. Fiduciary Funds (Continued)

Private Purpose Scholarship Funds

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

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

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

C. Measurement Focus

1. Government-Wide Financial Statements

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

2. Fund Financial Statements

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus (Continued)

2. Fund Financial Statements (Continued)

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

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

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

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

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. 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 for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C 6A:23A-2.3 (et seq.).

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

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

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets/Budgetary Control (Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources:		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules.	\$ 79,920,167	\$ 2,785,436
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.	None	None
State aid payment recognized per GAAP standards in the current year previously recognized for budgetary purposes.	1,112,051	None
The last State aid payment 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).	\$ <u>(1,237,675)</u>	<u>None</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ <u>79,794,543</u>	\$ <u>2,785,436</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 83,938,748	\$ 2,785,436
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	<u>None</u>	<u>None</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ <u>83,938,748</u>	\$ <u>2,785,436</u>

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Encumbrances

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

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

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

G. Assets, Liabilities and Equity

1. Cash, Cash Equivalents and Investments

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

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

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

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

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

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

2. **Inventories and Prepaid Expenses**

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

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2010.

3. **Allowance for Uncollectible Accounts**

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

4. **Tuition Receivable**

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

5. **Tuition Payable**

Tuition charges for the fiscal years 2008-09 and 2009-2010 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

6. **Short-Term Interfund Receivables/Payables**

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

7. **Capital Assets**

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

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

7. Capital Assets (Continued)

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

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

8. Compensated Absences

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

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

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

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

9. Accrued Liabilities and Long-Term Obligations

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

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

10. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are 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.

11. Deferred Revenue

Deferred revenue in the general and special revenue fund represent program revenues that have been received but not yet earned.

12. Fund Equity

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

13. Fund Balance Reserves

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

14. Proprietary Funds Revenues and Expenses

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

15. Rebatable Arbitrage

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

16. Non-Monetary Transactions

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

17. Allocation of Expenses

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

18. Extraordinary and Special Items

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

A. Deposits

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

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

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

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

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

As of June 30, 2010, cash and cash equivalents (Deposits) of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking Accounts - Interest Bearing	\$ 7,231,351
New Jersey Arbitrage Management Program	334
State of New Jersey Cash	
Management Fund (Investment Pool)	552
MBIA Asset Management	875,083
Certificate of Deposit	30,000
	\$ 8,137,319
Reconciliation:	
Governmental Funds	\$ 5,991,653
Proprietary Funds	686,809
Fiduciary Funds	1,458,857
	\$ 8,137,319

Of the total amount deposits of \$2,353,576 has been earmarked towards the Capital Reserve Account (see Note 15).

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of June 30, 2010, the District had \$552 on deposit with the New Jersey Cash Management Fund.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Allocation of Cash and Cash Equivalents

Unrestricted	\$	3,255,930
Restricted		<u>4,881,389</u>
	\$	<u><u>8,137,319</u></u>

Risk Analysis – The NJ ARM and MBIA accounts are collateralized by U.S. government securities (both U.S. Treasury and Federal Agency) and other permitted money market instruments and not exposed to custodial credit risk. The checking accounts were on deposit in a bank which had the Government Unit Deposit Protection Act coverage ("GUDPA") AS OF June 30, 2010 which minimizes credit risk.

B. Investments

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

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

The District had no securities that would be considered investments as of June 30, 2010.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

4. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE

Intergovernmental Accounts Receivable at June 30, 2010 consisted of Federal source, State source, transportation, a capital project grant for the high school and elementary school renovation and other revenue. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Financial Statements</u>	<u>Business Type Activities</u>
State Aid:		
General Fund		
Extraordinary Aid	\$ 420,551	
Non-Public Transportation - Cost Reimbursement	40,864	
Homeless Tuition Reimbursement	1,893	
Semi Aid	30,727	
Transportation Jointure	10,608	
FICA reimbursement	63,904	
Special Revenue Fund		
Federal - Title I	1	
Federal - Title III	430	
Federal - IDEA, Basic ARRA	2,770	
Federal - IDEA, Preschool	720	
Federal - Perkins	2,800	
Township of North Brunswick - Soil Remediation	927,353	
Due from MRESC	796	
State - Personalized Student Learning Pilot	1,760	
Local Grants	7,436	
Capital Projects Fund		
NJ School Construction Corporation (SCC)	<u>1,528,904</u>	
	<u>\$ 3,041,517</u>	
Proprietary Fund:		
Enterprise Fund		
State Source		<u>\$ 3,879</u>
Federal Source		<u>\$ 70,951</u>

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

5. CAPITAL ASSETS, NET

Capital asset activity for the fiscal year ended June 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers (Retirements)</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 14,000	_____	_____	\$ 14,000
Total capital assets not being depreciated	<u>14,000</u>	_____	_____	<u>14,000</u>
Capital assets being depreciated:				
Building and Building Improvements	\$ 133,112,280	\$ 835,991		\$ 133,948,271
Machinery and Equipment	4,864,568	1,173,213	\$ (310,973)	6,348,754
Total at historical cost	<u>137,976,848</u>	<u>2,009,204</u>	<u>(310,973)</u>	<u>140,297,025</u>
Less accumulated depreciation for:				
Building and Building Improvements	(26,520,417)	(3,002,889)		(29,523,306)
Machinery and Equipment	<u>(2,040,330)</u>	<u>(433,950)</u>	<u>(210,124)</u>	<u>(2,264,156)</u>
Total accumulated depreciation	<u>(28,560,747)</u>	<u>(3,436,839)</u>	<u>(210,124)</u>	<u>(31,787,462)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>109,416,101</u>	<u>(1,427,635)</u>	<u>(521,097)</u>	<u>108,509,563</u>
Governmental activities capital assets, net	<u>\$ 109,430,101</u>	<u>\$ (1,427,635)</u>	<u>\$ (521,097)</u>	<u>\$ 108,523,563</u>
<u>Business-Type Activities:</u>				
Furniture, machinery and equipment	\$ 582,657	\$ 10,438		\$ 593,095
Totals at historical cost	<u>582,657</u>	<u>10,438</u>	_____	<u>593,095</u>
Less accumulated depreciation for:				
Furniture, machinery and equipment	(530,176)	(8,265)		(538,441)
Total accumulated depreciation	<u>(530,176)</u>	<u>(8,265)</u>	_____	<u>(538,441)</u>
Business type activities capital assets, net	<u>\$ 52,481</u>	<u>\$ 2,173</u>	_____	<u>\$ 54,654</u>
<u>Detail of additions</u>				
Governmental Activities:				
General Fund		\$ 1,151,116.00		
Special Fund		22,097.00		
Capital Projects Fund		<u>835,991.00</u>		
		<u>\$ 2,009,204.00</u>		

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

5. CAPITAL ASSETS, NET (CONTINUED)

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 1,490,117
Special Education Instruction	332,414
Other Special Instruction	173,897
Other Instruction	65,807
Support Services and Undistributed Cost:	
Student and Instruction Related Services	441,398
School Administrative Services	133,116
General and Business Administrative Services	156,204
Plant Operations and Maintenance	410,414
Pupil Transportation	<u>233,472</u>
Total	<u>\$ 3,436,839</u>

6. INVENTORY

The value of Federal donated commodities as reflected on Schedule A of \$122,876 (required by the Single Audit Act) is the difference between market value and cost of the commodities at the date of the purchase and has been included as an item of nonoperating revenue in the financial statements. As of June 30, 2010, the federal donated commodities food inventory of \$23,898 was included in the year end food and supplies amount of \$28,242.

7. LONG-TERM DEBT

During the fiscal year ended June 30, 2010 the following changes occurred in liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Long-Term Portion</u>
<u>Governmental Activities:</u>						
Bonds Payable -						
General Obligation						
Debt	\$ 65,866,000	\$ 17,865,000	\$ 21,229,000	\$ 62,502,000	\$ 3,360,000	\$ 59,142,000
Compensated						
Absences Payable	\$ 2,503,541	\$ 676,491	\$ 352,040	\$ 2,827,992	\$ 282,801	\$ 2,545,191
Capital Leases	<u>2,244,434</u>		<u>1,126,400</u>	<u>1,118,034</u>	<u>1,118,034</u>	
	<u>\$ 4,747,975</u>	<u>\$ 676,491</u>	<u>\$ 1,478,440</u>	<u>\$ 3,946,026</u>	<u>\$ 1,400,835</u>	<u>\$ 2,545,191</u>
	<u>\$ 70,613,975</u>	<u>\$ 18,541,491</u>	<u>\$ 22,707,440</u>	<u>\$ 66,448,026</u>	<u>\$ 4,760,835</u>	<u>\$ 61,687,191</u>

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

7. LONG-TERM DEBT (CONTINUED)

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

School District Bonds, Series 2002

The proceeds of the Bonds will be used to finance the construction of additions and renovations to the North Brunswick Township High School, including acquisition and installation of furnishings and equipment and site work. Authorized and issued \$22,149,000 dated July 15, 2002. Remaining annual maturities ranging from \$600,000 to \$750,000. Final maturity is due July 15, 2012 with interest rates on remaining maturities of \$4.250%. During year ended 2010, \$18,199,000 of this issue was refunded. Refer to 2010 Series Bonds.

\$ 1,950,000

School District Bonds, Series 2005

The purpose of the bonds is to construct additions, renovations and alternations to John Adams Elementary School, Livingston Park Elementary School, Judd Elementary School, Parsons Elementary School and Linwood Middle School and make the necessary onsite and offsite improvements and purchase the necessary furniture and equipment associated with such improvements. Authorized and issued \$24,781,000 dated January 15, 2005. Remaining annual maturities ranging from \$150,000 to \$4,776,000. Final maturity is due January 15, 2025 with interest rates on remaining maturities ranging from 4.375% to 4.625%.

\$ 24,381,000

Redemption: The bonds maturing prior to January 15, 2016 are not subject to redemption prior to their stated maturities. The bonds maturing on or after January 15, 2016 are redeemable at the option of the Board in whole or in part, on any date on or after January 15, 2015 at par, plus unpaid accrued interest to the date fixed for redemption.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

7. LONG-TERM DEBT (CONTINUED)

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

School District Bonds, Series 2006

Additional school bonds to fund the completion of the North Brunswick Township High School project. Acquisition of land and construction of a new elementary school Authorized and Issued \$7,391,000 dated March 15, 2006. Remaining annual maturities ranging from \$285,000 to \$506,000. Final maturity is due on March 15, 2026 with interest rates on remaining maturities ranging from 4.0% to 4.10%.

\$ 6,341,000

Redemption: The bonds maturing prior to March 15, 2017 are not subject to redemption prior to their stated maturities. The bonds maturing on or after March 15, 2017 are redeemable at the option of the Board in whole or in part, on any date on or after March 15, 2016 at par, plus unpaid accrued interest to the date fixed for redemption.

School District Bonds, Series 2006

Refinancing of \$18,420,000 of 1997 Series Bonds due on or after February 1, 2009 which were issued for the acquisition of land and construction of a new elementary school Authorized and Issued \$18,350,000 dated February 1, 2007. Annual remaining maturities of \$1,000,000 to \$2,610,000. Final maturity is due on February 1, 2015 with interest rates on remaining maturities ranging from 4.0% to 5.0%.

\$ 11,965,000

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

7. LONG-TERM DEBT (CONTINUED)

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

School District Bonds, Series 2010

Refinancing of \$18,199,000 of 2002 Series Bonds due on or after July 15, 2022 to finance the construction of additions and renovations to the North Brunswick Township High School, including acquisition and installation of furnishings and equipment and site work, Authorized and Issued \$17,865,000 dated March 25, 2010. Annual remaining maturities of \$135,000 to \$2,350,000. Final maturity is due on July 15, 2022 with interest rates on remaining maturities ranging from 3.0% to 5.0%.

\$ 17,865,000

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

TOTAL	\$ <u>62,502,000</u>
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The Bonds are general obligations of the Board and are secured by a pledge of the full faith and credit of the Board for the payment of the principal thereof and the interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes to be levied on all taxable real property in the school district, without limitation as to rate or amount. The Bonds are additionally secured by the provisions of the New Jersey School Bond Reserve Act.

The District, in conjunction with the issuance of the Bonds, has agreed to undertake and provide certain information to Bondholders on a continuing basis. The Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) "Continuing Disclosure" requirements, which the District has adopted, requires that various financial information about the District and the Municipality be provided annually to various information repositories. The requirement effective for the fiscal years ended June 30, 1997 through June 30, 2010 has been complied with.

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

7. LONG-TERM DEBT (CONTINUED)

B. Debt Service Requirements

Debt service requirements on serial bonds payable at June 30, 2010 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2011	\$ 3,360,000	\$ 2,626,596	\$ 5,986,596
2012	3,375,000	2,631,875	6,006,875
2013	3,645,000	2,468,437	6,113,437
2014	3,810,000	2,300,900	6,110,900
2015	4,170,000	2,139,837	6,309,837
	<u>18,360,000</u>	<u>12,167,645</u>	<u>30,527,645</u>
2016	3,565,000	1,931,187	5,496,187
2017	3,715,000	1,779,487	5,494,487
2018	3,880,000	1,621,287	5,501,287
2019	4,040,000	1,456,187	5,496,187
2020	4,220,000	1,279,100	5,499,100
	<u>19,420,000</u>	<u>8,067,248</u>	<u>27,487,248</u>
2021	4,415,000	974,025	5,389,025
2022	4,620,000	710,587	5,330,587
2023	4,840,000	605,985	5,445,985
2024	5,065,000	493,820	5,558,820
2025	5,276,000	262,136	5,538,136
2026	506,000	20,746	526,746
	<u>24,722,000</u>	<u>3,067,299</u>	<u>27,789,299</u>
Total	<u>\$ 62,502,000</u>	<u>\$ 23,302,192</u>	<u>\$ 85,804,192</u>

C. Bonds Authorized But Not Issued

As of June 30, 2010, the District had a bond authorization which had not been issued. The authorization for \$1,200,000 was approved by the voters in November, 1994, was designed to purchase property for a proposed elementary school. The property identified in the referendum is no longer available for sale and the District will be required to seek voter approval for an alternate site.

D. Defeasance

On March 25, 2010 the Board issued \$17,865,000 (refer to Note 7A) in general obligation bonds to advance refund \$18,199,000 of outstanding 2002 Series Bonds callable on or after July 15, 2012. The net proceeds which included a premium of \$2,081,589.15 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 2002 Series Bonds, which were included in the refunding. As a result, the related portion of the 2002 Series Bonds are considered defeased and the liability for these bonds has been removed from the District's records. The transaction was done at an economic savings to the District in accordance with the State of New Jersey Local Finance Board requirements and their present value savings criteria.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

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

E. **Capital Lease Obligations Payable**

Lease/Purchase Agreements – Equipment and Vehicles

The District is leasing school buses and equipment. All capital leases are for terms of five to ten years. For the year ending June 30, 2011 the Energy Systems Upgrade lease will have a payment of \$1,151,635 including of \$33,601 in interest.

F. **Operating Lease Obligation**

The District leases twenty three (23) copy machines of various sizes and capability which is part of a revolving lease plan that requires the Board to pay \$15,715 per month plus a factor for each copy over a certain amount for sixty (60) months, commencing October 1, 2007. All machines have been included in the Capital Assets, Net of the District and the lease payments charged to the operating budget. The minimum annual lease payments are \$182,585.

8. **PENSION PLANS**

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

Teachers' Pension and Annuity Fund (TPAF): The Teachers' Pension and Annuity Fund was established 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 provisions 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.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

8. PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions: The vesting and benefit provisions for 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 eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the system.

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.

Contribution Requirements: The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contribution employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The various pension funds provide for employee contributions based on 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both PERS and TPAF. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the TPAF and PERS. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premium.

During the year ended June 30, 2010 for TPAF, which is a cost sharing plan with special funding situations, the annual pension costs equals annual required contribution. For PERS, which is a cost sharing multi-employer pension plan, the annual pension costs differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	Annual Pension <u>Cost (APC)</u>	Net Cost to District	Percentage of APC <u>Contributed</u>
June 30, 2010	\$ 727,923 *	\$ 727,923	100%
June 30, 2009	618,900 *	618,900	100%
June 30, 2008	554,439 *	443,551	80%

* Offset either totally or partially by Pension credits.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

8. PENSION PLANS (CONTINUED)

Contribution Requirements (Continued):

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

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Post-Retirement Medical Benefits</u>
June 30, 2010	\$ 118,376	100%	\$ 2,223,275
June 30, 2009	110,131	100%	2,101,016
June 30, 2008	2,441,216	100%	1,878,000

During the fiscal year ended June 30, 2010, the State of New Jersey contributed \$118,376 to the TPAF for normal pension and \$2,223,275 for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,821,008 during the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 24.

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

9. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2009 there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve of one half of 1% of the active State payroll.

The State made post-retirement (PRM) contributions of \$1.38 billion for TPAF and \$3.22 million for PERS in fiscal year 2009.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

9. POST-RETIREMENT BENEFITS (CONTINUED)

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in fiscal year 2009.

10. COMPENSATED ABSENCES

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of Net Assets in the current and long-term liabilities. The current portion of the compensated absence balance of the governmental funds is shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2010 no liability existed for compensated absences in the proprietary fund types.

11. DEFERRED COMPENSATION

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

AIG Valic
AXA Equitable
Financial Resources & Retirement Advisory, Inc.
Lincoln Investment Planning Inc.

LPL Financial
New York Life Insurance Company/
Mainstay Investments

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

12. RISK MANAGEMENT

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

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

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Interest</u> <u>Earned</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2010	None	\$ 1,814	\$ 110,459	\$ 163,803	\$ 214,844
2009	None	3,200	108,771	134,730	266,374
2008	None	8,317	98,252	63,218	289,133

Health Benefits: The Board of Education has procured medical insurance coverage for its employees under a "minimum premium plan". This arrangement allows the Board to retain funds that would normally be paid either at the inception of the coverage period, or in accordance with a premium payment schedule included in the coverage agreement. Instead, subject to the indemnification provisions of the insurance coverage, the Board makes payments to its provider based on loss experience. The amount of supplemental premium due on each monthly premium due date shall be calculated in accordance with the following formula:

- (a) An amount equal to the estimated liability for incurred, but unreported, claims at the close of the preceding policy year; plus
- (b) The unpaid portion, if any, of the maximum monthly payments from the beginning of the subsequent policy year to the date as of which item (a) is revised.

At June 30, 2010 the Board has an accrued liability for medical claims in the General Fund in the amount of \$426,307 for this purpose.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

13. INTERFUND BALANCES AND TRANSFERS

The interfund receivable/payable as of June 30, 2010 will be liquidated in the normal course of business in the succeeding year.

	<u>Receivable</u>		<u>Payable</u>
General Fund	\$ 2,506,802	\$	9,005
Special Revenue Fund			999,965
Payroll Agency Fund	9,005		
Capital Projects Fund			1,507,171
Debt Service Fund	334		

14. CAPITAL RESERVE ACCOUNT

A Capital Reserve Account was established by the Board by inclusion on October 10, 2000 and June 25, 2009 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. During the fiscal year ended June 30, 2010, the District had interest earnings of \$18,772 for the year bringing the total reserve to \$2,332,956.

Analysis of Capital Reserve Activity since Inception:

Contributions from Board			
Prior to June 30, 2009	\$ 3,327,400	\$	3,327,400
Interest Earned			
Prior to June 30, 2009	\$ 104,637		
During year ended June 30, 2010	\$ 18,772	\$	123,409
Less Withdrawals:			
Prior to June 30, 2009	\$ 645,250		
During year ended June 30, 2010	\$ 472,603	\$	1,117,853
Balance June 30, 2010		\$	<u>2,332,956</u>

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

15. FUND BALANCE APPROPRIATED

General Fund - Of the \$4,453,369 General Fund fund balance at June 30, 2010, \$46,255 is reserved for encumbrances; \$2,332,956 is reserved in the Capital Reserve Account; \$350,486 is excess surplus – designated for subsequent years expenditures and has been appropriated and included as anticipated revenue for the year ended June 30, 2010; \$1,000,000 is unreserved and designated for subsequent year's expenditures; and \$723,672 is unreserved and undesignated.

Debt Service Fund – The \$8,094 Debt Service Fund balance at June 30, 2010 is unreserved and undesignated.

Capital Projects Fund – Of the \$1,020,533 Capital Projects Fund Balance at June 30, 2010 \$127,228 is reserved for encumbrances and \$893,305 is unreserved and designated for subsequent year's expenditures.

16. CONTINGENT LIABILITIES AND COMMITMENTS

- A. **Grant Programs** – The school district participates in federal, state and locally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.
- B. **Pending Litigation** – As of the date of this report, in the opinion of the management, there was no litigation pending of which, in the event of an adverse or unfavorable outcome, would materially impair the financial position of the District. There were several matters pending that are being handled by the Board's insurance carrier which should not have any adverse impact.
- C. **Contracts** – The Board awarded contracts for improvements and renovations to the elementary schools and also to the high school. The balance of the contracts remaining equals the reserve for encumbrances in the Capital Projects Fund.
- D. **Interlocal Services Agreement** – The District has an agreement with the Township for reimbursement for unforeseen soil remediation at the High School. The Township adopted an Improvement Authorization to provide funds and the District actually awarded and managed the related contracts. The agreement also requires payment back to the Township for debt service.

17. CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was no excess fund balance as a result of the 2009-2010 school year at June 30, 2010.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2010

18. RECONCILIATION OF FUND BALANCE – GENERAL FUND

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

Balance on a Budget Basis on the General Fund	
Budgetary Basis Comparison -	
Reserve for Excess Surplus - designated for subsequent years expenditures	\$ 1,588,161
Less: Allocation of State aid payment not recognized on a GAAP basis	<u>1,237,675</u>
	<u>\$ 350,486</u>

19. ECONOMIC DEPENDENCY

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

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local sources:					
Local tax levy	\$ 62,874,980		\$ 62,874,980	\$ 62,874,980	
Interest earned on capital reserve fund	500		500	18,772	\$ 18,272
Miscellaneous	350,500		350,500	739,106	388,606
Total - local sources	\$ 63,225,980		\$ 63,225,980	\$ 63,632,858	\$ 406,878
State sources:					
Extraordinary aid	\$ 330,318		\$ 330,318	\$ 420,551	\$ 90,233
Categorical Special Education Aid	3,267,444		3,267,444	3,267,444	
Equalization Aid	8,814,968	\$ (1,236,549)	5,578,419	4,392,617	(1,185,802)
Categorical Security Aid	844,419		844,419	548,872	(295,547)
Categorical Transportation Aid	1,713,287		1,713,287	1,113,637	(599,650)
Non-public transportation - cost reimbursement				40,864	40,864
On behalf - TPAF - Pension Contribution (Non-budgeted)				118,376	118,376
On behalf - TPAF - Post Retirement Medical (Non-budgeted)				2,223,275	2,223,275
Reimbursed TPAF social security contributions (Non-budgeted)				2,621,008	2,621,008
Total - state sources	\$ 12,970,436	(1,236,549)	\$ 11,733,887	\$ 14,946,644	\$ 3,212,757
Federal sources:					
Medical Assistance Program - Semi aid	\$ 85,043		\$ 85,043	\$ 104,116	\$ 19,073
American Recovery and Reinvestment Act - ESF		\$ 1,190,464	1,190,464	1,190,464	
American Recovery and Reinvestment Act - GSF		46,085	46,085	46,085	
Total - federal sources	\$ 85,043	\$ 1,236,549	\$ 1,321,592	\$ 1,340,665	\$ 19,073
TOTAL REVENUES	\$ 76,281,459		\$ 76,281,459	\$ 79,920,167	\$ 3,638,708

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
CURRENT EXPENSE:					
Transfer of funds to charter schools	\$ 400,000	\$ 16,436	\$ 416,436	\$ 416,436	
Subtotal transfer of funds to charter schools	\$ 400,000	\$ 16,436	\$ 416,436	\$ 416,436	
Regular programs - Instruction:					
Salaries of teachers:					
Kindergarten	\$ 918,854	\$ (2,204)	\$ 916,650	\$ 916,263	\$ 387
Grades 1 - 5	7,255,937	1,271,133	8,527,070	8,527,070	
Grades 6 - 8	5,661,419	(192,231)	5,469,188	5,469,188	
Grades 9 - 12	7,938,838	(97,386)	7,841,452	7,841,452	
	\$ 21,775,048	979,312	\$ 22,754,360	\$ 22,753,973	\$ 387
Regular programs - home instruction:					
Salaries of teachers	\$ 70,000	\$ 5,789	\$ 75,789	\$ 75,789	
Purchased professional - education services		8,373	8,373	8,247	126
Total regular programs - home instruction	\$ 70,000	\$ 14,162	\$ 84,162	\$ 84,036	\$ 126
Regular programs - undistributed instruction:					
Other salaries for instruction	\$ 175,687	58,577	\$ 235,274	\$ 235,274	
Purchased professional - educational services	2,800		2,800	1,190	1,610
Other purchased services (400-500 Series)	453,900	(152,545)	301,355	300,784	571
General supplies	1,028,663	(81,234)	947,429	872,092	75,337
Textbooks	246,534	(22,701)	223,833	216,620	5,013
Other objects	21,524	6,320	27,844	24,117	3,727
	\$ 1,930,116	\$ (191,563)	\$ 1,738,553	\$ 1,652,277	\$ 86,258
Total regular programs - undistributed instruction	\$ 1,930,116	\$ (191,563)	\$ 1,738,553	\$ 1,652,277	\$ 86,258
Total regular programs - instructions	\$ 23,775,166	\$ 801,891	\$ 24,577,057	\$ 24,490,266	\$ 86,771
Special education instruction:					
Learning and/or language disabilities:					
Salaries of teachers	\$ 995,422	\$ (58,360)	\$ 937,062	\$ 937,061	\$ 1
Other salaries for instruction	289,703	(110,524)	179,179	179,163	16
General supplies	17,178	(6,214)	10,964	9,608	1,356
Textbooks	5,493	(1,395)	4,097	3,945	152
	\$ 1,307,796	\$ (176,494)	\$ 1,131,302	\$ 1,129,777	\$ 1,525
Total learning and/or language disabilities	\$ 1,307,796	\$ (176,494)	\$ 1,131,302	\$ 1,129,777	\$ 1,525
Behavioral Disabilities:					
Salaries of teachers	\$ 77,625	\$ 100,645	\$ 178,270	\$ 178,269	\$ 1
Other salaries for instruction	36,225	(35,648)	577	577	
Total resource room/resource center	\$ 113,850	\$ 64,997	\$ 178,847	\$ 178,846	\$ 1

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Resource room/resource center:					
Salaries of teachers	\$ 3,858,879	\$ (56,027)	\$ 3,802,852	\$ 3,797,150	\$ 5,702
Other salaries for instruction	385,446	34,311	419,757	419,757	
General supplies	13,049	(710)	12,339	10,048	2,291
Textbooks	1,886	120	2,006	2,005	1
Total resource room/resource center	\$ 4,259,260	\$ (22,306)	\$ 4,236,954	\$ 4,228,960	\$ 7,994
Preschool disabilities - part-time:					
Salaries of teachers	\$ 154,697	\$ (60,000)	\$ 94,697	\$ 94,541	\$ 156
Other salaries for instruction	53,089	(23,485)	29,604	29,604	
General supplies	6,000	(286)	5,714	5,561	153
Total preschool disabilities-part-time	\$ 213,786	\$ (83,771)	\$ 130,015	\$ 129,706	\$ 309
Preschool disabilities - full time					
Salaries of teachers	\$ 115,864	\$ (72,555)	\$ 43,309	\$ 42,983	\$ 326
Other salaries for instruction	9,644	60,716	70,360	70,360	
Total preschool disabilities-full-time	\$ 125,508	\$ (11,839)	\$ 113,669	\$ 113,343	\$ 326
Home instruction:					
Salaries of teachers	\$ 140,000	\$ 1,000	\$ 141,000	\$ 141,000	
Purchased professional-educational services		26,245	26,245	26,245	
Total home instruction	\$ 140,000	\$ 27,245	\$ 167,245	\$ 167,245	
Total special education - Instruction	\$ 6,160,200	\$ (202,168)	\$ 5,958,032	\$ 5,947,877	\$ 10,155
Basic skills/remedial - Instruction:					
Salaries of Teachers	\$ 2,382,771	\$ (160,150)	\$ 2,222,621	\$ 2,220,954	\$ 1,667
Other salaries for instruction	59,450	11,169	70,619	70,590	29
Other purchased services	1,872	(1,800)	72	72	
General supplies	17,926	(5,100)	12,826	12,774	52
Total basic skills/remedial - Instruction	\$ 2,462,019	\$ (155,881)	\$ 2,306,138	\$ 2,304,318	\$ 1,820
Bilingual education - Instruction:					
Salaries of teachers	\$ 827,183	\$ (80,435)	\$ 746,748	\$ 746,748	\$ 85
Other salaries for instruction	53,559	(4,400)	49,159	49,074	85
Other purchased services (400-500 Series)	648		648	648	
General supplies	16,175	(6,000)	10,175	9,465	710
Textbooks	2,615		2,615	1,934	681
Total bilingual education - Instruction	\$ 900,180	\$ (90,835)	\$ 809,345	\$ 807,221	\$ 2,124

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
School sponsored co/extra - curricular activities - Instruction:					
Salaries	\$ 207,122	\$ 1,946	\$ 209,068	\$ 209,068	\$ 7,161
Supplies and materials	23,634	(2,080)	21,554	14,393	
Total school sponsored co/extra - curricular activities - Instruction	\$ 230,756	\$ (134)	\$ 230,622	\$ 223,461	\$ 7,161
School sponsored athletics - Instruction:					
Salaries	\$ 633,194	\$ 59,339	\$ 692,533	\$ 692,533	\$ 157
Purchased services (300-500 Series)	126,000	(20,630)	105,370	105,213	11,320
Supplies and materials	129,750	11,088	140,838	129,518	2,790
Other objects	25,000	4,552	29,552	25,762	
Total school sponsored athletic activities	\$ 913,944	\$ 54,349	\$ 968,293	\$ 954,026	\$ 14,267
Total special programs	\$ 4,506,899	\$ (192,501)	\$ 4,314,398	\$ 4,289,026	\$ 25,372
Total Instructional programs	\$ 34,442,265	\$ 407,222	\$ 34,849,487	\$ 34,727,189	\$ 122,298
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state - regular	\$ 30,000	\$ 164,637	\$ 194,637	\$ 175,802	\$ 18,835
Tuition to other LEAs within the state - special	923,684	(426,965)	496,719	483,773	12,946
Tuition to CSSD and regular day schools	157,200	(30,000)	127,200	117,500	9,700
Tuition to private schools-disabled within the state	2,871,561	(45,919)	2,825,642	2,245,590	580,052
Tuition - state facilities	139,380		139,380	139,380	
Tuition - other	85,000	(82,436)	2,564		2,564
Total undistributed expenditures - instruction	\$ 4,205,825	\$ (420,663)	\$ 3,785,142	\$ 3,162,045	\$ 624,097
Attendance and social work:					
Salaries	\$ 2,500	\$ 1,078	\$ 3,578	\$ 3,578	\$ 4,097
Purchased professional and technical services	100,000	(91,378)	8,622	4,525	300
Other purchased services (400-500 Series)		300	300		
Total attendance and Social Work	\$ 102,500	\$ (90,000)	\$ 12,500	\$ 8,103	\$ 4,397
Health services:					
Salaries	\$ 666,537	\$ (127,840)	\$ 538,697	\$ 536,990	\$ 1,707
Purchased professional and technical services	24,600	(20,200)	4,400	4,352	48
Supplies and materials	16,500		16,500	13,247	3,253
Total health services	\$ 707,637	\$ (148,040)	\$ 559,597	\$ 554,589	\$ 5,008

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Other support services - student-related services:					
Salaries	\$ 534,983	\$ (11,190)	\$ 523,793	\$ 523,176	\$ 617
Purchased professional - educational services	82,360	(27,060)	55,320	55,261	59
Travel	3,000	1,000	1,000		1,000
Supplies and materials	750	750	3,750	3,460	290
Other objects	1,000	(1,000)			
Total other support services - student-related services	\$ 621,353	\$ (37,500)	\$ 583,853	\$ 581,897	\$ 1,956
Other support services - student extra services					
Salaries	\$ 820,595	\$ 80,484	\$ 901,079	\$ 875,096	\$ 5,983
Purchased professional - educational services	422,000	(189,860)	232,140	231,533	607
Total other support services - student-extra services	\$ 1,242,595	\$ (129,376)	\$ 1,113,219	\$ 1,106,629	\$ 6,590
Other support services - students - regular:					
Salaries of other professional staff	\$ 1,035,480	\$ (85,000)	\$ 950,480	\$ 950,071	\$ 409
Salaries of secretarial & clerical assistants	186,060	(21,500)	164,560	164,334	226
Supplies and materials	23,130	(6,755)	16,375	15,729	646
Total other support services - students - regular	\$ 1,244,670	\$ (113,255)	\$ 1,131,415	\$ 1,130,134	\$ 1,281
Other support services - students - special:					
Salaries of other professional staff	\$ 1,605,483	\$ 81,918	\$ 1,687,401	\$ 1,687,401	\$
Salaries of secretarial & clerical assistants	351,914	(5,616)	346,298	336,281	10,017
Purchased professional - educational services	60,000	(28,000)	32,000	31,573	427
Other purchased professional and technical services	2,500		2,500	1,300	1,200
Miscellaneous purchased services (400-500 Series other than residential costs)		7,000	7,000	3,660	3,340
Supplies and materials	60,987	(2,000)	58,987	50,430	8,557
Other objects	8,800	(7,000)	1,800	1,234	566
Total other support services - students - special	\$ 2,089,484	\$ 46,302	\$ 2,135,786	\$ 2,111,879	\$ 23,907
Improvement of instructional services:					
Salaries of supervisors of instruction	\$ 966,915	\$ (46,000)	\$ 920,915	\$ 940,335	\$ 480
Salaries of other professional staff	53,820	(13,732)	40,088	19,151	20,937
Salaries of secretarial & clerical assistants	50,133		50,133	41,775	8,358
Purchased professional - educational services	80,000	(64,632)	15,368	15,240	128
Other purchased services (400-500 Series)	450		450	137	313
Supplies and materials	2,700	1,405	4,105	4,100	5
Other objects		1,053	1,053	546	507
Total improvement of instructional services	\$ 1,173,918	\$ (121,905)	\$ 1,052,013	\$ 1,021,284	\$ 30,728

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Educational media services/school library:					
Salaries	\$ 556,503	\$ (49,000)	\$ 507,503	\$ 504,168	\$ 3,335
Other purchased services (400-500 Series)	60,000	(47,000)	13,000	6,728	4,272
Supplies and materials	78,406		78,406	75,891	1,515
Total educational media services/school library	\$ 694,909	\$ (96,000)	\$ 598,909	\$ 589,787	\$ 9,122
Instructional staff training services:					
Salaries of supervisors of instruction	\$ 27,439	\$ (10,310)	\$ 17,129	\$ 16,193	\$ 936
Salaries of other professional staff	78,570	35,178	111,748	111,748	
Salaries of secretarial & clerical assistants	36,923	135	37,058	36,711	347
Purchased professional - educational services	30,000	5,836	35,836	33,614	2,222
Other purchased prof. and tech. services	19,411	500	20,000	90	19,910
Other purchased services (400-500 Series)		34,225	34,225	46,165	7,471
Supplies and materials		1,350	1,350	782	568
Other objects		9,900	9,900	8,490	1,410
Total instructional staff training services	\$ 190,343	\$ 76,814	\$ 267,157	\$ 253,793	\$ 13,364
Support services - general administration:					
Salaries	\$ 279,674	\$ (9,657)	\$ 270,017	\$ 269,743	\$ 274
Legal services	146,779	11,907	158,686	155,368	3,318
Audit fee	43,000	(2,900)	40,100	40,100	
Architects/Engineering services		6,100	6,100	6,038	62
Other purchased professional services	15,000	(1,200)	13,800	11,572	2,228
Purchased technical services	15,000	1,200	16,200	16,186	14
Communications/telephone	268,100	63,418	331,518	330,413	1,105
BOE other purchased services	23,500	(10,147)	13,353	13,353	
Other purchased services (400-500)	47,000	(16,011)	30,989	26,258	4,731
General supplies	49,780		49,780	42,086	7,694
Judgments Against the School District			5,000	5,000	
BOE membership dues and fees	30,000	5,000	30,000	29,916	84
Total support services - general administration	\$ 917,833	\$ 47,710	\$ 965,543	\$ 946,033	\$ 19,510

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Support services - school administration:					
Salaries of principals/assistant principals	\$ 1,655,986	\$ 778	\$ 1,656,764	\$ 1,655,499	\$ 1,265
Salaries of other professional staff	131,567	2,302	133,869	131,567	2,302
Salaries of secretarial and clerical assistants	927,679	(27,533)	900,346	898,779	1,567
Purchased professional and technical services	13,000		13,000	12,955	45
Other purchased services (400-500 Series)	98,650	14,285	14,265	10,856	3,429
Supplies and materials		3,065	101,715	64,849	16,866
Other objects		456	456	455	1
Total support services - school administration	\$ 2,627,062	\$ (6,647)	\$ 2,620,435	\$ 2,794,960	\$ 25,475
Central services:					
Salaries	\$ 860,027	\$ (42,760)	\$ 617,267	\$ 816,965	\$ 302
Purchased professional services	5,000	14,235	19,235	19,235	
Purchased technical services	20,000	(4,577)	15,423	8,502	6,921
Miscellaneous purchased services (400-500 Series)	7,000	537	7,537	7,537	
Supplies and materials	15,300	(1,000)	14,300	11,571	2,729
Interest on lease purchase agreements	122,242	(43,000)	79,242	78,794	448
Miscellaneous expenditures	4,000	11,000	15,000	14,448	552
Total central services	\$ 1,033,569	\$ (65,565)	\$ 968,004	\$ 957,052	\$ 10,952
Admin. info. technology:					
Salaries	\$ 300,213	\$ 24,039	\$ 324,252	\$ 324,252	\$ 526
Purchased technical services	113,170	(5,200)	107,970	107,444	2,000
Other purchased services (400-500 Series)	4,500	8,200	12,700	10,700	672
Supplies and materials	39,850	(2,828)	37,022	36,350	
Total admin. info. technology	\$ 457,733	\$ 24,211	\$ 481,944	\$ 478,746	\$ 3,198
Required maintenance for school facilities:					
Salaries	\$ 1,199,599	\$ (170,068)	\$ 1,029,531	\$ 1,016,159	\$ 11,372
Cleaning, repair and maintenance services	207,268	13,605	220,873	210,549	10,324
General supplies	164,855	65,737	250,392	199,403	50,989
Total required maintenance for school facilities	\$ 1,571,522	\$ (70,726)	\$ 1,500,796	\$ 1,428,111	\$ 72,685

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Other operation and maintenance of plant:					
Salaries	\$ 2,908,513	\$ (342,131)	\$ 2,566,382	\$ 2,541,502	\$ 24,880
Salaries of non-instructional aids		126,623	126,623	126,623	
Purchased professional and technical services	70,000	(68,152)	1,848	600	1,248
Cleaning, repair and maintenance services	81,629	(6,599)	75,030	58,367	16,663
Other purchased property services	99,918		99,918	87,699	12,219
Insurance	453,013	(43,811)	409,202	405,223	2,979
Travel		3,000	3,000	1,607	1,393
Miscellaneous purchased services	10,600	(3,000)	7,600	600	7,000
General supplies	237,379	10,418	247,797	215,877	31,920
Energy (Natural Gas)	929,527	(353,216)	576,311	535,391	40,920
Energy (Electricity)	1,744,591	(102,083)	1,642,508	1,589,451	53,057
Total other operation and maintenance of plant	\$ 6,535,170	\$ (778,951)	\$ 5,756,219	\$ 5,563,940	\$ 192,279
Total operation and maintenance of plant services	\$ 8,106,692	\$ (849,677)	\$ 7,257,015	\$ 6,992,051	\$ 264,964
Care and upkeep of grounds					
Salaries	\$ 194,823	\$ 45,793	\$ 240,616	\$ 240,616	
General supplies	30,000	(7,654)	22,346	18,290	4,056
Total care and upkeep of grounds	\$ 224,823	\$ 38,139	\$ 262,962	\$ 258,906	\$ 4,056
Security:					
Salaries	\$ 50,000	\$ 5,520	\$ 55,520	\$ 55,520	
Purchased technical services		5,000	5,000	5,000	
General supplies	52,563	(10,520)	42,043	32,055	9,988
Total security	\$ 102,563	\$	\$ 102,563	\$ 92,575	\$ 9,988
Student transportation services:					
Salaries of Pupil transportation (between home and school) - regular	\$ 329,662	\$ (58,172)	\$ 271,490	\$ 250,030	\$ 21,460
Salaries of Pupil transportation (between home and school) - special education	299,626	116,593	416,219	416,219	
Other purchased professional and technical services	9,000	2,500	11,500	11,269	231
Cleaning, repair and maintenance services	21,451	(5,382)	16,069	12,076	3,993
Contracted services (between home and school) - vendors	1,383,396	(50,175)	1,333,221	1,333,221	
Contracted services (other than between home and school) - vendors	295,179	131,518	426,697	385,977	40,720
Contracted services (between home and school) - joint agreements	175,074	67,036	243,036	243,036	
Contracted services (special education students) - vendors	1,441,019	(191,587)	1,249,432	1,220,942	28,490
Contracted services - aid in lieu of payments - nonpublic schools	161,087	(3,778)	157,309	157,054	255
Travel		770	770	770	
Supplies and materials	140,606	(8,766)	131,840	130,995	844
Miscellaneous expenditures	2,760	13,243	16,003	15,919	85
Total student transportation services	\$ 4,258,860	\$ 14,725	\$ 4,273,585	\$ 4,177,508	\$ 96,078

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Unallocated benefits - Employee benefits:					
Social security contribution	\$ 943,938	\$ 40,817	\$ 984,755	\$ 984,755	
Other retirement contributions - regular	767,124	(37,395)	729,729	729,639	\$ 90
Workmen's compensation	347,127	5,881	353,008	353,008	
Health benefits	10,541,509	994,761	11,536,270	11,536,270	
Tuition reimbursement	102,700	41,466	144,166	143,587	579
Other employee benefits	242,131	147,587	389,718	389,718	
Total unallocated benefits	\$ 12,944,529	\$ 1,193,117	\$ 14,137,646	\$ 14,136,977	\$ 669
On behalf - TPAF - Pension Contribution (Non-budgeted)				\$ 118,376	\$ (118,376)
On behalf - TPAF - Post Retirement Medical (Non-budgeted)				2,223,275	(2,223,275)
Reimbursed TPAF social security contributions (Non-budgeted)				2,821,008	(2,821,008)
Total on behalf - Contributions				\$ 5,162,659	\$ (5,162,659)
Total personnel services - employee benefits	\$ 12,944,529	\$ 1,193,117	\$ 14,137,646	\$ 19,299,636	\$ (5,161,990)
Total undistributed expenditures	\$ 43,147,928	\$ (637,630)	\$ 42,510,298	\$ 46,517,607	\$ (4,007,309)
TOTAL EXPENDITURES - CURRENT EXPENSE	\$ 77,990,193	\$ (213,972)	\$ 77,776,221	\$ 81,661,232	\$ (3,885,011)
CAPITAL OUTLAY:					
Equipment:					
Regular programs - Instruction:					
Grades 1-5	\$ 7,500	\$ 50,147	\$ 57,647	\$ 57,647	
Undistributed expenditures:					
Support services - students - special	6,000	(2,830)	3,170	3,170	
Admin Info tech	21,000	51,828	72,828	72,685	\$ 143
School administration		25,040	25,040	25,040	
Buildings & Grounds	85,043	96,288	181,331	181,331	
Total equipment	\$ 119,543	\$ 220,473	\$ 340,016	\$ 339,873	\$ 143
Facilities acquisition and construction services:					
Other purchased professional and technical services					
Construction services	\$ 48,771	\$ 12,810	\$ 12,810	\$ 12,810	
Land and Improvements	40,000	401,179	449,950	401,177	\$ 48,773
Lease purchase agreements - principal	1,082,952	379,719	419,719	397,256	22,463
		43,998	1,126,950	1,126,400	550
Total facilities acquisition and construction services	\$ 1,171,723	\$ 837,706	\$ 2,009,429	\$ 1,937,643	\$ 71,786
TOTAL EXPENDITURES - CAPITAL OUTLAY	\$ 1,291,266	\$ 1,058,179	\$ 2,349,445	\$ 2,277,516	\$ 71,929
TOTAL GENERAL FUND EXPENDITURES	\$ 79,281,459	\$ 844,207	\$ 80,125,666	\$ 83,938,748	\$ (3,813,082)

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Excess/(deficiency) of revenues over/(under) expenditures	\$ (3,000,000)	\$ (844,207)	\$ (3,844,207)	\$ (4,018,581)	\$ 174,374
Other financing sources/(uses):					
Operating Transfers in/(out)					
Capital projects fund interest earned				3,524	\$ (3,524)
Cancellation of Capital Projects - Local Share				137,268	(137,268)
Total other financing sources/(uses)				\$ 140,792	\$ (140,792)
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing sources/(uses)	\$ (3,000,000)	\$ (844,207)	\$ (3,844,207)	\$ (3,877,789)	\$ (33,582)
Fund balance, July 1	\$ 9,568,833		\$ 9,568,833	\$ 9,568,833	
Fund balance, June 30	\$ 6,568,833	\$ (844,207)	\$ 5,724,626	\$ 5,691,044	\$ (33,582)
Fund balance appropriated per budget	\$ 3,000,000				
Less: Increase in capital reserve	(500)				
	\$ 2,999,500				
Detail of budget transfers:					
Reserved for encumbrances - prior year	\$ 371,604				
Capital Reserve Appropriated	472,603				
	\$ 844,207				
Recapitulation:					
Reserved for encumbrances				\$ 46,255	
Unreserved - designated for subsequent year's expenditures				1,000,000	
Excess Surplus - designated for subsequent year's expenditures				1,588,161	
Capital reserve				2,332,956	
Unrestricted fund balance				723,672	
Reconciliation to governmental funds statements (GAAP):				\$ 5,691,044	
Last State Aid Payment not recognized on GAAP basis				(1,237,675)	
Fund balance per governmental funds (GAAP)				\$ 4,453,369	

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)
EDUCATION STABILIZATION FUND (ESF)
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
Federal sources:			
ARRA - Equalization Stabilization Fund	\$ 1,190,464.00	\$ 1,190,464.00	_____
Total federal sources	\$ 1,190,464.00	\$ 1,190,464.00	_____
Total revenues	\$ 1,190,464.00	\$ 1,190,464.00	=====
	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Unallocated benefits - Employee benefits:			
Health benefits	\$ 1,190,464.00	\$ 1,190,464.00	_____
Total unallocated benefits	\$ 1,190,464.00	\$ 1,190,464.00	_____
Total expenditures	\$ 1,190,464.00	\$ 1,190,464.00	=====

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)
GOVERNMENT SERVICES FUND (GSF)
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
Federal sources:			
ARRA - Government Services Fund	\$ 46,085.00	\$ 46,085.00	_____
Total federal sources	\$ 46,085.00	\$ 46,085.00	_____
Total revenues	\$ 46,085.00	\$ 46,085.00	=====
	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Unallocated benefits - Employees benefits			
Health benefits	\$ 46,085.00	\$ 46,085.00	_____
Total unallocated services	\$ 46,085.00	\$ 46,085.00	_____
Total expenditures	\$ 46,085.00	\$ 46,085.00	=====

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal Sources	\$ 2,675,714	\$ 1,931,634	\$ 4,607,348	\$ 2,510,553	\$ 2,096,795
State Sources	28,235	75,990	104,225	27,189	77,036
Local Sources		266,387	266,387	247,694	18,692
Total Revenues	<u>\$ 2,703,949</u>	<u>\$ 2,274,011</u>	<u>\$ 4,977,960</u>	<u>\$ 2,785,436</u>	<u>\$ 2,192,523</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 791,127	\$ 309,879	\$ 1,101,006	\$ 632,675	\$ 468,331
Salaries of Other Professional Staff		10,258	10,258	10,258	
Purchased Professional and Technical Services	10,092	153,967	164,059	44,971	119,088
Other Purchased Services	1,584,587	(386,082)	1,198,505	1,072,483	126,022
General Supplies	7,721	974,264	981,985	406,691	575,294
Other Objects		9,341	9,341	4,463	4,878
Total Instruction	<u>\$ 2,393,527</u>	<u>\$ 1,071,627</u>	<u>\$ 3,465,154</u>	<u>\$ 2,171,541</u>	<u>\$ 1,293,613</u>
Support Services:					
Personal Services - Salaries		\$ 275,550	\$ 275,550	\$ 113,104	\$ 162,446
Salaries of Supervisors of Instruction	\$ 300,000	(204,450)	95,550	52,671	42,879
Personal Services - Employee Benefits		383,835	383,835	51,964	331,871
Purchased Professional and Technical Services	10,422	621,666	632,088	345,360	286,728
Other Purchased Professional and Technical Services		69,765	69,765	18,415	51,350
Travel		3,655	3,655	3,156	499
Supplies and Materials		12,963	12,963	5,128	7,835
Other Objects		2,000	2,000	2,000	
Total Support Services	<u>\$ 310,422</u>	<u>\$ 1,164,984</u>	<u>\$ 1,475,406</u>	<u>\$ 591,798</u>	<u>\$ 883,608</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment		\$ 37,400	\$ 37,400	\$ 22,097	\$ 15,302
Total Facilities Acquisition and Construction Services		<u>\$ 37,400</u>	<u>\$ 37,400</u>	<u>\$ 22,097</u>	<u>\$ 15,302</u>
Total Expenditures	<u>\$ 2,703,949</u>	<u>\$ 2,274,011</u>	<u>\$ 4,977,960</u>	<u>\$ 2,785,436</u>	<u>\$ 2,192,523</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Explanation of Differences 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	C-1 \$ 79,920,167	C-2 \$ 2,785,436
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	None	None
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,112,051	None
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(1,237,675)</u>	<u>None</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	B-2 \$ <u>79,794,543</u>	B-2 \$ <u>2,785,436</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	C-1 \$ 83,938,748	C-2 \$ 2,785,436
Difference - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	<u>None</u>	<u>None</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	B-2 \$ <u>83,938,748</u>	B-2 \$ <u>2,785,436</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Total Brought Forward (Sch. E-1a)	Title II				I.D.E.A. Part B				Title I				Totals 2010
		2009-2010		2009-2010		2009-2010		2009-2010		2009-2010		2009-2010		
		Part A	Part A	Part D	Part D - Tech	Regular Program	Regular Program	Regular Program	Regular Program	ARRA	ARRA	ARRA	ARRA	
REVENUES:														
State sources	\$ 27,189													
Federal sources	\$ 51,831													
Local sources	\$ 247,894													
Total revenues	\$ 326,914	\$ 102,550	\$ 17,310	\$ 1,753	\$ 4,886	\$ 936,950	\$ 186,455	\$ 362,430	\$ 362,430	\$ 720	\$ 290,842	\$ 380,051	\$ 140,353	\$ 2,785,439
EXPENDITURES:														
Instruction:														
Salaries of teachers	\$ 1,825					\$ 13,169		\$ 133,286		\$ 194,210	\$ 151,530	\$ 12,136		\$ 632,675
Salaries of other professional staff	\$ 10,250													\$ 10,250
Purchased professional and technical services	\$ 5,029					\$ 807,344	\$ 185,139			\$ 34,558	\$ 5,364			\$ 44,971
Other purchased services	\$ 62,163					\$ 97	\$ 33	\$ 161,116	\$ 720	\$ 3,921	\$ 133,956	\$ 20,408		\$ 1,074,483
General supplies	\$ 4,463													\$ 4,463
Other Objects														
Total Instruction	\$ 83,730					\$ 820,900	\$ 185,172	\$ 314,416	\$ 720	\$ 232,666	\$ 280,870	\$ 32,542		\$ 2,171,542
Support services:														
Personal services - salaries	\$ 3,339	\$ 64,550	\$ 17,310	\$ 244										\$ 115,104
Salaries of program director														\$ 52,671
Personal services-employee benefits	\$ 237,757	\$ 7,000	\$ 4,842	\$ 1,500	\$ 4,842	\$ 16,350	\$ 1,293	\$ 47,099	\$ 200	\$ 23,549	\$ 51,038	\$ 628		\$ 51,994
Purchased professional/technical services	\$ 6,852							\$ 815		\$ 171	\$ 10,477			\$ 345,360
Travel	\$ 3,156													\$ 18,415
Supplies and materials	\$ 1,975													\$ 3,156
Other objects	\$ 2,000													\$ 5,188
Total support services	\$ 254,976	\$ 102,550	\$ 17,310	\$ 4,886	\$ 1,753	\$ 16,350	\$ 1,293	\$ 48,014	\$ 200	\$ 27,653	\$ 66,181	\$ 928	\$ 15,559	\$ 591,797
Facilities acquisition and construction services:														
Instructional equipment	\$ 22,097													\$ 22,097
Total facilities acquisition and construction services	\$ 22,097													\$ 22,097
Total expenditures	\$ 350,814	\$ 102,550	\$ 17,310	\$ 4,886	\$ 1,753	\$ 936,950	\$ 166,455	\$ 362,430	\$ 720	\$ 290,642	\$ 380,051	\$ 33,470	\$ 140,353	\$ 2,785,439

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Total Budget Forward (Ech. E.1a)	Title III			Title IV		Parties Grant	Nonpublic Leadsheets	Totals Carried Forward 2010
		2009-2010	Carryover	Immigrant	Immigrant Carryover	2009-2010			
REVENUES:									
State sources	\$ 23,803							\$ 3,285	\$ 27,188
Federal sources	247,694	\$ 21,334	\$ 1,142	\$ 1,889	\$ 11,500	\$ 11,561	\$ 32,424		\$ 55,931
Local sources									247,894
Total revenues	\$ 271,497	\$ 21,334	\$ 1,142	\$ 1,889	\$ 11,500	\$ 11,561	\$ 32,424	\$ 3,369	\$ 360,814
EXPENDITURES:									
Instruction:									
Salaries of teachers	\$ 1,825								\$ 1,825
Salaries of other professional staff	5,020				\$ 10,258				10,258
Purchased professional and technical services	18,275	\$ 13,075	\$ 1,053		\$ 11,500	1,050	\$ 13,820	\$ 3,386	\$ 52,183
General supplies							4,463		4,463
Other Objects									
Total Instruction	\$ 25,129	\$ 13,079	\$ 1,053	\$ 11,500	\$ 11,308	\$ 11,308	\$ 18,283	\$ 3,386	\$ 53,738
Support services:									
Personal services - salaries		\$ 1,077		\$ 1,889		\$ 273			\$ 3,339
Salaries of program director									
Personal services-employee benefits	\$ 231,757	5,000					\$ 1,000		237,757
Purchased professional/technical services	4,585	2,178	\$ 88						6,852
Other Purchased professional/technical services	195						2,881	\$ 1,393	3,196
Travel	462						2,000		1,875
Supplies and materials									2,000
Other objects									
Total support services	\$ 237,019	\$ 8,255	\$ 89	\$ 1,889	\$ 273	\$ 1,363	\$ 5,881	\$ 1,393	\$ 254,979
Facilities acquisition and construction services:									
Instructional equipment	\$ 9,349								\$ 22,097
Total facilities acquisition and construction services	\$ 9,349								\$ 22,097
Total expenditures	\$ 271,497	\$ 21,334	\$ 1,142	\$ 1,889	\$ 11,500	\$ 11,561	\$ 32,424	\$ 3,369	\$ 360,814

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	New Jersey Chapter 229		New Jersey Chapter 192 Auxiliary		New Jersey Chapter 153 Handicapped			Local		Totals	
	Nonpublic Nursing Services	Nonpublic Comp. Education	Nonpublic Transp.	Nonpublic Exam. and Clas.	Nonpublic Nonpublic Corrective Speech	PSLP	Grants	Soil Remediation	Carried Forward 2010		
REVENUES:											
State sources	\$ 4,014	\$ 1,152	\$ 422	\$ 2,558	\$ 897	\$ 14,760			\$	\$	23,803
Federal sources											
Local sources											
Total revenues	\$ 4,014	\$ 1,152	\$ 422	\$ 2,558	\$ 897	\$ 14,760	\$ 19,951	\$ 227,743	\$	\$	247,894
EXPENDITURES:											
Instruction:											
Salaries of teachers											
Salaries of other professional staff											
Purchased professional and technical services											
Other purchased services											
General supplies											
Other Objects											
Total instruction	\$	\$ 1,152	\$ 422	\$ 2,558	\$ 897	\$ 344	\$ 1,481	\$	\$	\$	1,825
Support services:											
Personal services - salaries											
Salaries of program director											
Personal services-employee benefits											
Purchased professional/technical services											
Other Purchased professional/technical services											
Travel											
Supplies and materials											
Other objects											
Total support services	\$ 4,014	\$	\$	\$ 4,585	\$ 185	\$ 227,743	\$	\$	\$	\$	231,757
Facilities acquisition and construction services:											
Instructional equipment											
Total facilities acquisition and construction services	\$	\$	\$	\$ 9,240	\$	\$ 5,087	\$ 185	\$ 227,743	\$	\$	237,019
Total expenditures	\$ 4,014	\$ 1,152	\$ 422	\$ 2,558	\$ 897	\$ 14,760	\$ 19,951	\$ 227,743	\$	\$	271,487

CAPITAL PROJECTS FUND

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2010</u>
			<u>Prior Years</u>	<u>Current Year</u>	
School Remodeling Project	11/01/94	\$ 116,918	\$ 9,800	\$ 107,118	
Construction of High School Addition and Remodeling	01/22/02	30,490,000	29,948,982	378,397	\$ 162,621
Elementary and Middle School Addition and Remodeling Project	01/25/05	32,538,250	32,066,994	457,594	13,662
Installation of New Fire Alarm	12/xx/04	358,858	342,370	16,488	
High School Soil Remediation	12/13/05	<u>7,391,802</u>	<u>6,533,890</u>		<u>857,912</u>
		\$ <u>70,895,828</u>	\$ <u>68,902,036</u>	\$ <u>835,991</u>	\$ <u>1,020,533</u>

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Revenues and Other Financing Sources		
Interest on investments	\$	3,858
		<hr/>
Total revenues	\$	3,858
		<hr/>
Expenditures and Other Financing Uses		
Employee benefits		
Legal fees		
Purchased professional and technical services	\$	59,860
Other purchased services		
Construction services		776,131
Supplies and materials		<hr/>
Total expenditures	\$	835,991
		<hr/>
Excess(deficiency) of revenues over (under) expenditures	\$	(832,133)
Other financing sources/(uses):		
transfer in/(out):		
interest earned		(3,858)
cancellation of Capital Projects - Local Share		<hr/> (137,268)
Net change in fund balance	\$	(973,259)
		<hr/>
Fund balance, beginning		1,993,792
		<hr/>
Fund balance, ending	\$	1,020,533
		<hr/> <hr/>
Analysis of Balance:		
Bond proceeds	\$	976,754
Grant receivable		<hr/> 43,779
Balance	F-1	\$ 1,020,533
		<hr/> <hr/>

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
SCHOOL REMODELING PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant				
Bond proceeds				
Transfer from capital outlay	\$ 116,918		\$ 116,918	\$ 116,918
Transfer to/(from) capital projects-local share		\$ (107,118)	(107,118)	(107,118)
Total revenues	\$ 116,918	\$ (107,118)	\$ 9,800	\$ 9,800
Expenditures and Other Financing Uses				
Supplies and Material	\$ 9,800		\$ 9,800	\$ 9,800
Total expenditures	\$ 9,800		\$ 9,800	\$ 9,800
Excess (deficiency) of revenues over/(under) expenditures	\$ 107,118	\$ (107,118)		
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	\$ 116,918			
Additional Authorized Cost	\$ (107,118)			
Revised Authorized Cost	\$ 9,800			
Percentage Increase over Original Authorized Cost		0.00		
Percentage completion		100.00%		
Original target completion date		8/15/1997		
Revised target completion date		8/31/1997		

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
CONSTRUCTION OF HIGH SCHOOL ADDITION AND REMODELING
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 7,840,534		\$ 7,840,534	\$ 7,840,534
Bond proceeds	22,149,000		22,149,000	22,149,000
Transfer from capital outlay	500,466		500,466	500,466
Total revenues	\$ 30,490,000		\$ 30,490,000	\$ 30,490,000
Expenditures and Other Financing Uses				
Salaries	\$ 162,784		\$ 162,784	\$ 162,784
Employee Benefits	44,895		44,895	44,895
Legal Fees	129,386		129,386	129,386
Purchase Technical Services	238,150		238,150	238,150
Purchase Professional/Technical Services	2,431,194	\$ 59,860	2,491,054	2,494,704
Other Purchased Services	165		165	165
Construction Services	26,526,297	318,537	26,844,834	27,003,805
Supplies and Material	416,111		416,111	416,111
Total expenditures	\$ 29,948,982	\$ 378,397	\$ 30,327,379	\$ 30,490,000
Excess (deficiency) of revenues over/(under) expenditures	\$ 541,018	\$ (378,397)	\$ 162,621	

Additional project information:

Project Number	#202205
Grant Date	11/26/2001
Bond Authorization Date	1/22/2002
Bonds Authorized	\$ 22,149,000
Bonds Issued	\$ 22,149,000
Original Authorized Cost	\$ 29,990,000
Additional Authorized Cost	\$ 500,000
Revised Authorized Cost	\$ 30,490,000

Percentage Increase over

Original Authorized Cost	1.67%
Percentage completion	99.46%
Original target completion date	1/1/2005
Revised target completion date	9/1/2006

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
ELEMENTARY AND MIDDLE SCHOOL ADDITION AND REMODELING PROJECT - JOHN ADAMS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 1,616,528		\$ 1,616,528	\$ 1,616,528
Bond proceeds	5,205,994		5,205,994	5,205,994
Transfer to(from) capital projects-local share	(10,727)	\$ 1,725	(9,002)	(9,002)
Transfer from capital outlay	838		838	838
	<u>6,812,633</u>	<u>1,725</u>	<u>6,814,358</u>	<u>6,814,358</u>
Total revenues	\$ 6,812,633	\$ 1,725	\$ 6,814,358	\$ 6,814,358
Expenditures and Other Financing Uses				
Legal Fees	\$ 9,008		\$ 9,008	\$ 9,008
Purchase Professional/Technical Services	636,831		636,831	636,831
Other Purchased Services	181,819		181,819	181,819
Construction Services	5,933,150	\$ 37,593	5,970,743	5,970,743
Supplies and Material	15,957		15,957	15,957
	<u>6,776,765</u>	<u>37,593</u>	<u>6,814,358</u>	<u>6,814,358</u>
Total expenditures	\$ 6,776,765	\$ 37,593	\$ 6,814,358	\$ 6,814,358
Excess (deficiency) of revenues over/(under) expenditures	\$ 35,868	\$ (35,868)	\$	\$
Additional project information:				
Project Number	3620-060-05-1000			
Grant Date	1/18/2005			
Bond Authorization Date	1/25/2005			
Bonds Authorized	\$ 5,205,994			
Bonds Issued	\$ 5,205,994			
Original Authorized Cost	\$ 6,823,360			
Additional Authorized Cost	\$ (10,727)			
Revised Authorized Cost	\$ 6,812,633			
Percentage Increase over Original Authorized Cost	0.00			
Percentage completion	100.00%			
Original target completion date				
Revised target completion date	8/15/2008			

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
ELEMENTARY AND MIDDLE SCHOOL ADDITION AND REMODELING PROJECT - JUDD
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 1,440,582		\$ 1,440,582	\$ 1,440,582
Bond proceeds	5,035,287		5,035,287	5,035,287
Transfer to/(from) capital projects-local share	487,531	\$ 6,017	493,548	493,548
Total revenues	\$ 6,963,400	\$ 6,017	\$ 6,969,417	\$ 6,969,417
Expenditures and Other Financing Uses				
Legal Fees	\$ 7,831		\$ 7,831	\$ 7,831
Purchase Professional/Technical Services	620,557		620,557	620,557
Other Purchased Services	157,962		157,962	157,962
Construction Services	6,124,963	\$ 44,762	6,169,725	6,169,725
Supplies and Material	13,342		13,342	13,342
Total expenditures	\$ 6,924,655	\$ 44,762	\$ 6,969,417	\$ 6,969,417
Excess (deficiency) of revenues over/(under) expenditures	\$ 38,745	\$ (38,745)		

Additional project information:

Project Number	3620-055-05-1000
Grant Date	1/18/2005
Bond Authorization Date	1/25/2005
Bonds Authorized	\$ 5,035,287
Bonds Issued	\$ 5,035,287
Original Authorized Cost	\$ 6,475,869
Additional Authorized Cost	\$ 487,531
Revised Authorized Cost	\$ 6,963,400

Percentage Increase over Original Authorized Cost	0.00
Percentage completion	100.00%
Original target completion date	
Revised target completion date	8/15/2008

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
ELEMENTARY AND MIDDLE SCHOOL ADDITION AND REMODELING PROJECT - PARSONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 1,521,917		\$ 1,521,917	\$ 1,521,917
Transfer to(from) capital projects-local share	(699,346)	\$ (2,787)	(702,133)	(702,133)
Transfer from capital reserve	105,250		105,250	105,250
Bond proceeds	4,732,522		4,732,522	4,732,522
Total revenues	\$ 5,660,343	\$ (2,787)	\$ 5,657,556	\$ 5,657,556
Expenditures and Other Financing Uses				
Legal Fees	\$ 8,240		\$ 8,240	\$ 8,240
Purchase Professional/Technical Services	612,330		612,330	612,330
Other Purchased Services	55,067		55,067	55,067
Construction Services	4,967,529		4,967,529	4,967,529
Supplies and Material	14,390		14,390	14,390
Total expenditures	\$ 5,657,556		\$ 5,657,556	\$ 5,657,556
Excess (deficiency) of revenues over/(under) expenditures	\$ 2,787	\$ (2,787)		

Additional project information:

Project Number	3620-090-05-1000
Grant Date	1/18/2005
Bond Authorization Date	1/25/2005
Bonds Authorized	\$ 4,732,522
Bonds Issued	\$ 4,732,522
Original Authorized Cost	\$ 6,254,439
Additional Authorized Cost	\$ (594,096)
Revised Authorized Cost	\$ 5,660,343

Percentage Increase over Original Authorized Cost	0.00
Percentage completion	100.00%
Original target completion date	
Revised target completion date	11/15/2008

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
ELEMENTARY AND MIDDLE SCHOOL ADDITION AND REMODELING PROJECT - LIVINGSTON PARK
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 1,612,187		\$ 1,612,187	\$ 1,612,187
Transfer to(from) capital projects-local share	(310,289)	\$ (12,661)	(322,950)	(322,950)
Bond proceeds	4,989,553		4,989,553	4,989,553
Total revenues	\$ 6,291,451	\$ (12,661)	\$ 6,278,790	\$ 6,278,790
Expenditures and Other Financing Uses				
Legal Fees	\$ 8,223		\$ 8,223	\$ 8,223
Purchase Professional/Technical Services	747,153		747,153	747,153
Other Purchased Services	123,750		123,750	123,750
Construction Services	5,079,884	\$ 301,320	5,381,204	5,381,204
Supplies and Material	18,460		18,460	18,460
Total expenditures	\$ 5,977,470	\$ 301,320	\$ 6,278,790	\$ 6,278,790
Excess (deficiency) of revenues over/(under) expenditures	\$ 313,981	\$ (313,981)		

Additional project information:

Project Number	3620-070-05-1000
Grant Date	1/18/2005
Bond Authorization Date	1/25/2005
Bonds Authorized	\$ 4,989,553
Bonds Issued	\$ 4,989,553
Original Authorized Cost	\$ 6,601,740
Additional Authorized Cost	\$ (310,289)
Revised Authorized Cost	\$ 6,291,451

Percentage Increase over Original Authorized Cost	0.00
Percentage completion	100.00%
Original target completion date	
Revised target completion date	7/1/2009

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
ELEMENTARY AND MIDDLE SCHOOL ADDITION AND REMODELING PROJECT - LINWOOD
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 1,459,948		\$ 1,459,948	\$ 1,459,948
Transfer to(from) capital projects-local share	532,831	\$ (5,956)	526,875	526,875
Bond proceeds	4,817,644		4,817,644	4,817,644
Total revenues	\$ 6,810,423	\$ (5,956)	\$ 6,804,467	\$ 6,804,467
Expenditures and Other Financing Uses				
Legal Fees	\$ 7,406		\$ 7,406	\$ 7,406
Purchase Professional/Technical Services	612,509		612,509	612,509
Other Purchased Services	116,704		116,704	116,704
Construction Services	5,971,188	\$ 73,919	6,045,107	6,045,107
Supplies and Material	22,740		22,740	22,740
Total expenditures	\$ 6,730,548	\$ 73,919	\$ 6,804,467	\$ 6,804,467
Excess (deficiency) of revenues over/(under) expenditures	\$ 79,875	\$ (79,875)		

Additional project information:

Project Number	3620-065-05-1000
Grant Date	1/18/2005
Bond Authorization Date	1/25/2005
Bonds Authorized	\$ 4,817,644
Bonds Issued	\$ 4,817,644
Original Authorized Cost	\$ 6,277,592
Additional Authorized Cost	\$ 532,831
Revised Authorized Cost	\$ 6,810,423

Percentage Increase over Original Authorized Cost	0.00
Percentage completion	100.00%
Original target completion date	
Revised target completion date	8/15/2008

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
INSTALLATION OF NEW FIRE ALARM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 103,138		\$ 103,138	\$ 103,138
Transfer to(from) capital projects-local share		\$ (16,488)	(16,488)	(16,488)
Transfer from capital outlay	255,720		255,720	255,720
Total revenues	\$ 358,858	\$ (16,488)	\$ 342,370	\$ 342,370
Expenditures and Other Financing Uses				
Purchase Professional/Technical Services	\$ 16,670		\$ 16,670	\$ 16,670
Construction Services	325,700		325,700	325,700
Total expenditures	\$ 342,370		\$ 342,370	\$ 342,370
Excess (deficiency) of revenues over/(under) expenditures	\$ 16,488	\$ (16,488)		

Additional project information:

Project Number	
Grant Date	
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 358,858
Additional Authorized Cost	\$ (16,488)
Revised Authorized Cost	\$ 342,370

Percentage Increase over Original Authorized Cost	0.00
Percentage completion	100.00%
Original target completion date	3/12/2005
Revised target completion date	2/28/2006

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL SOIL REMEDIATION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Bond proceeds	\$ 7,391,000		\$ 7,391,000	\$ 7,391,000
Transfer from capital outlay	802		802	802
Total revenues	\$ 7,391,802		\$ 7,391,802	\$ 7,391,802
Expenditures and Other Financing Uses				
Salaries	\$ 160,360		\$ 160,360	\$ 160,360
Employee Benefits	90,687		90,687	90,687
Legal Fees	8,250		8,250	8,250
Purchase Professional/Technical Services	179,862		179,862	179,862
Other Purchased Services	63,650		63,650	63,650
Construction Services	5,988,030		5,988,030	6,845,942
Supplies and Material	43,051		43,051	43,051
Total expenditures	\$ 6,533,890		\$ 6,533,890	\$ 7,391,802
Excess (deficiency) of revenues over/(under) expenditures	\$ 857,912		\$ 857,912	

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	12/13/2005
Bonds Authorized	\$ 7,391,000
Bonds Issued	\$ 7,391,000
Original Authorized Cost	\$ 7,391,802
Additional Authorized Cost	
Revised Authorized Cost	\$ 7,391,802

Percentage Increase over Original Authorized Cost	
Percentage completion	100.00%
Original target completion date	1/1/2005
Revised target completion date	9/1/2006

**PROPRIETARY FUNDS –
ENTERPRISE FUND**

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUNDS - ENTERPRISE FUND
STATEMENT OF NET ASSETS
JUNE 30, 2010

ASSETS

	<u>Food Service</u>	<u>School Facilities</u>	<u>Integrated Pre-K</u>	<u>Summer Enrichment</u>	<u>Total Enterprise</u>
Current assets:					
Cash and cash equivalents	\$ 484,445	\$ (33,811)	\$ 186,982	\$ 49,193	\$ 686,809
Accounts receivable:					
State	3,879				3,879
Federal	70,951				70,951
Other	39,863	37,512			77,375
Prepaid expenses				1,335	1,335
Inventories	28,242				28,242
Total current assets	<u>\$ 627,380</u>	<u>\$ 3,701</u>	<u>\$ 186,982</u>	<u>\$ 50,528</u>	<u>\$ 868,591</u>

NON-CURRENT ASSETS

Furniture, machinery and equipment	\$ 593,095				\$ 593,095
Less: accumulated depreciation	538,441				538,441
Total noncurrent assets	<u>\$ 54,654</u>				<u>\$ 54,654</u>
Total assets	<u>\$ 682,034</u>	<u>\$ 3,701</u>	<u>\$ 186,982</u>	<u>\$ 50,528</u>	<u>\$ 923,245</u>

LIABILITIES

Current liabilities:					
Accounts payable	\$ 193,436	93	\$ 275	\$ 1,335	\$ 195,139
Deferred Revenue		2,500	18,125	47,905	68,530
Other	2,042				2,042
Total current liabilities	<u>\$ 195,478</u>	<u>2,593</u>	<u>\$ 18,400</u>	<u>49,240</u>	<u>\$ 265,711</u>

NET ASSETS

Invested in capital assets net of related debt	\$ 54,654				\$ 54,654
Unrestricted	431,902	1,108	168,582	1,288	602,880
Total net assets	<u>\$ 486,556</u>	<u>\$ 1,108</u>	<u>\$ 168,582</u>	<u>\$ 1,288</u>	<u>\$ 657,534</u>

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Food Service	School Facilities	Integrated Pre-K	Summer Enrichment	Total Enterprise
<u>Business-Type Activities Enterprise Fund</u>					
<u>OPERATING REVENUES</u>					
Local Sources:					
Daily sales - reimbursable programs:					
School lunch program	\$ 505,751				\$ 505,751
School breakfast program	20,132				20,132
School after school snack program	22,363				22,363
Daily sales - non-reimbursable programs	895,239				895,239
Tuition and services		\$ 363,380	\$ 144,810	\$ 64,905	
Interest on Investments	3,301				3,301
Total operating revenues	\$ 1,446,796	\$ 363,380	\$ 144,810	\$ 64,905	\$ 2,019,891
<u>OPERATING EXPENSES</u>					
Cost of sales	\$ 1,188,215				\$ 1,188,215
Salaries	724,151	\$ 328,384	\$ 120,759	\$ 83,830	1,235,124
Employee benefits	171,444				171,444
Insurance	57,744				57,744
General Supplies	158,781	2,633		5,381	166,795
Management fee	115,861				115,861
Depreciation	8,265				8,265
Administration Fee	108,631				108,631
Other	6,908	1,169	1,868	1,145	11,090
Total operating expenses	\$ 2,540,000	\$ 330,186	\$ 122,627	\$ 70,358	\$ 3,063,169
Operating income/(loss)	\$ (1,093,204)	\$ 33,194	\$ 22,183	\$ (5,451)	\$ (1,043,278)
<u>NONOPERATING REVENUES</u>					
State sources:					
State school lunch program	\$ 37,984				\$ 37,984
State breakfast program	15,334				15,334
Federal sources:					
National school lunch program	737,983				737,983
National breakfast program	233,073				233,073
School snack program	5,565				5,565
Food distribution program	122,876				122,876
Total nonoperating revenues	\$ 1,152,815				\$ 1,152,815
Income/(loss) before contributions and transfers	\$ 59,811	\$ 33,194	\$ 22,183	\$ (5,451)	\$ 109,537
Total net assets - beginning	426,945	(32,086)	146,399	6,739	547,997
Total net assets - ending	\$ 486,656	\$ 1,108	\$ 168,582	\$ 1,268	\$ 657,534

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUNDS - ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010**

	Business-Type Activities Enterprise Fund		
	<u>Food Service</u>	<u>Other Community Programs</u>	<u>Total Enterprise</u>
<u>Cash Flows from Operating Activities</u>			
Receipts from Customers	\$ 1,443,368	\$ 532,144	\$ 1,975,512
Payments to Employees	(717,194)	(510,984)	(1,228,178)
Payments for Employee Benefits	(225,201)		(225,201)
Payments to Suppliers	(1,435,295)	(11,818)	(1,447,113)
Net Cash Provided by/(Used for) Operating Activities	\$ (934,322)	\$ 9,342	\$ (924,980)
<u>Cash Flows from Noncapital Financing Activities</u>			
State Sources	\$ 58,600		\$ 58,600
Federal Sources	1,063,221		1,063,221
Net Cash Provided by/(Used for) Noncapital Financing Activities	\$ 1,121,821		\$ 1,121,821
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Purchases of Capital Assets	\$ (10,438)		\$ (10,438)
Net Cash Provided by/(Used for) Capital and Related Financing Activities	\$ (10,438)		\$ (10,438)
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ 177,061	\$ 9,342	186,403
Balances - Beginning of Year	307,384	193,022	500,406
Balances - End of Year	\$ 484,445	\$ 202,364	686,809
<u>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities</u>			
Operating Gain/(Loss)	\$ (1,093,204)	\$ 49,926	\$ (1,043,278)
Adjustments to Reconcile Operating Loss to Cash Provided/(Used) by Operating Activities:			
Depreciation	\$ 8,265		\$ 8,265
Federal Commodities	122,876		122,876
Change in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	(14,171)	\$ (37,512)	(51,683)
Decrease in Inventories	23,898		23,898
Increase in Accounts Payable	18,798	1,703	20,501
(Decrease) in Other Current Liabilities	(784)		(784)
(Increase)/Decrease in Prepaid Expenses		(1,335)	(1,335)
Increase/(Decrease) in Deferred Revenue		(3,440)	(3,440)
Total Adjustments	\$ 158,882	\$ (40,584)	\$ 118,298
Net Cash Provided/(Used) by Operating Activities	\$ (934,322)	\$ 9,342	\$ (924,980)

**PROPRIETARY FUND –
INTERNAL SERVICE FUND**

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUNDS - INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

		<u>Internal Service Fund</u>
		<u>Data Processing</u>
<u>OPERATING EXPENSES</u>		
Salaries	\$	75,459
Purchased technical services		19,172
Other purchased services		31,660
Equipment		<u>1,656</u>
Total operating expenses	\$	<u>127,947</u>
Change in net assets	\$	(127,947)
Total net assets - beginning	\$	<u>127,947</u>
Total net assets - ending (ceased operations)		<u><u> </u></u>

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUNDS - INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Internal Service Fund</u>
	<u>Data Processing</u>
<u>Cash Flows from Operating Activities</u>	
Payments to Employees	\$ (75,459)
Payments to Suppliers	<u>(52,488)</u>
Net Cash Provided by/(Used for) Operating Activities	\$ <u>(127,947)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ (127,947)
Balances - Beginning of Year	<u>127,947</u>
Balances - End of Year (ceased operations)	\$ <u><u> </u></u>
Reconciliation of Operating Income/(Loss) to Net Cash <u> Provided/(Used) by Operating Activities</u>	
Change in Net Assets	\$ <u>(127,947)</u>
Net Cash Provided/(Used) by Operating Activities	\$ <u><u>(127,947)</u></u>

FIDUCIARY FUNDS

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
TRUST AND AGENCY FUNDS
JUNE 30, 2010

	<u>Trust</u>		<u>Agency</u>				<u>Total</u> <u>Agency Funds</u>
	<u>Unemployment</u> <u>Compensation</u>	<u>Private Purpose</u>	<u>Total</u> <u>Trust Funds</u>	<u>Student</u> <u>Activity</u>	<u>Flexible</u> <u>Spending</u>	<u>Payroll</u>	
<u>ASSETS</u>							
Cash and Cash Equivalents	\$ 235,735	\$ 54,568	\$ 290,303	\$ 302,759	\$ 7,451	\$ 659,825	\$ 970,035
Interfund Receivable - Payroll Agency	761		761				
Interfund Receivable - General Fund						9,005	9,005
Total Assets	\$ 236,496	\$ 54,568	\$ 291,064	\$ 302,759	\$ 7,451	\$ 668,830	\$ 979,040
<u>LIABILITIES</u>							
Accounts Payable	\$ 21,652		\$ 21,652				
Payable to Student Groups				\$ 302,759			\$ 302,759
Payroll Deductions and Withholdings					\$ 7,451	\$ 668,069	\$ 675,520
Interfund Payable - Unemployment Fund						761	761
Total Liabilities	\$ 21,652		\$ 21,652	\$ 302,759	\$ 7,451	\$ 668,830	\$ 979,040
<u>NET ASSETS</u>							
Held in Trust for Unemployment Claims and Other Purposes Unreserved	\$ 214,844		\$ 214,844				
		\$ 54,568	\$ 54,568				
Total Net Assets	\$ 214,844	\$ 54,568	\$ 269,412				

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF CHANGES IN NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Unemployment Compensation <u>Trust</u>	Private Purpose <u>Trust Fund</u>
<u>ADDITIONS</u>		
Contributions:		
Plan Members	\$ 110,459	
Interest Earned	<u>1,814</u>	\$ <u>447</u>
Total Contributions	\$ <u>112,273</u>	\$ <u>447</u>
Total Additions	\$ <u>112,273</u>	\$ <u>447</u>
<u>DEDUCTIONS</u>		
Quarterly Contribution Reports	\$ 31,621	
Unemployment Claims	131,340	
Expenditures	842	
Scholarships Awarded	<u> </u>	\$ <u>5,100</u>
Total Deductions	\$ <u>163,803</u>	\$ <u>5,100</u>
Change in Net Assets	\$ (51,530)	\$ (4,653)
Total Net Assets - Beginning of the Year	<u>266,374</u>	<u>59,221</u>
Total Net Assets - Ending of the Year	<u>\$ 214,844</u>	<u>\$ 54,568</u>

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2010</u>
Elementary Schools:				
Judd	\$ 15,635	\$ 45,832	\$ 56,605	\$ 4,863
John Adams	2,310	16,694	16,618	2,387
Livingston Park	14,908	21,368	28,325	7,952
Parsons	<u>18,955</u>	<u>21,510</u>	<u>29,217</u>	<u>11,248</u>
Total Elementary Schools	\$ <u>51,808</u>	\$ <u>105,404</u>	\$ <u>130,765</u>	\$ <u>26,450</u>
Middle School:				
Linwood	\$ 82,137	\$ 77,646	\$ 80,680	\$ 79,103
Athletic Account	<u>(100)</u>	<u>10,588</u>	<u>10,471</u>	<u>17</u>
Total Middle School	\$ <u>82,036</u>	\$ <u>88,234</u>	\$ <u>91,151</u>	\$ <u>79,119</u>
Senior High School:				
High School	\$ 131,118	\$ 550,969	\$ 491,778	\$ 190,308
School Store	1,401	15,342	15,612	1,131
Athletic Account	<u>6,069</u>	<u>83,585</u>	<u>83,903</u>	<u>5,751</u>
Total Senior High School	\$ <u>138,587</u>	\$ <u>649,896</u>	\$ <u>591,293</u>	\$ <u>197,190</u>
Total All Schools	\$ <u><u>272,431</u></u>	\$ <u><u>843,534</u></u>	\$ <u><u>813,209</u></u>	\$ <u><u>302,759</u></u>

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 30,035	\$ 51,104,197	\$ 50,466,956	\$ 667,276
Interfund Receivable - General Fund	<u>9,006</u>			<u>9,006</u>
Total Assets	<u>\$ 30,035</u>	<u>\$ 51,113,203</u>	<u>\$ 50,466,956</u>	<u>\$ 676,282</u>
<u>LIABILITIES</u>				
Payroll Deductions and Withholdings	\$ 16,922	\$ 20,029,340	\$ 19,378,192	\$ 668,070
Flexible Spending Account	422	86,487	79,458	7,451
Net Pay		30,996,615	30,996,615	
Interfund Payable - Unemployment Fund	8,627	761	8,627	761
Interfund Payable - General Fund	<u>4,064</u>		<u>4,064</u>	
Total Liabilities	<u>\$ 30,035</u>	<u>\$ 51,113,203</u>	<u>\$ 50,466,956</u>	<u>\$ 676,282</u>

LONG-TERM DEBT

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
AS OF JUNE 30, 2010**

Issue	Original		Annual Maturities Date	Interest Rate	Balance July 1, 2009	Issued	Retired	Balance June 30, 2010
	Date of Original Issue	Amount of Issue						
High School Addition and Renovations	7/15/2002	\$ 22,149,000.00	7/15/2010	4.250%				
			7/15/2011	4.250%				
			7/15/2012	4.250%	\$ 20,649,000		\$ 18,699,000	\$ 1,950,000
Elementary Schools and Middle School Additions and Renovations	1/15/2005	24,781,000.00	1/15/2011	4.375%				
			1/15/2012	4.500%				
			1/15/2013	4.500%				
			1/15/2014	4.500%				
			1/15/2015	4.500%				
			1/15/2016	4.500%				
			1/15/2017	4.500%				
			1/15/2018	4.500%				
			1/15/2019	4.500%				
			1/15/2020	4.500%				
			1/15/2021	4.500%				
			1/15/2022	4.500%				
			1/15/2023	4.600%				
			1/15/2024	4.625%				
			1/15/2025	4.625%	24,531,000		150,000	24,381,000
Construction of a New High School (Completion)	3/15/2005	\$ 7,391,000.00	3/15/2011	4.000%				
			3/15/2012	4.000%				
			3/15/2013	4.000%				
			3/15/2014	4.000%				
			3/15/2015	4.000%				
			3/15/2016	4.000%				
			3/15/2017	4.000%				
			3/15/2018	4.000%				
			3/15/2019	4.000%				
			3/15/2020	4.000%				
			3/15/2021	4.000%				
		3/15/2022	4.050%					
		3/15/2023	4.100%					
		3/15/2024	4.100%					
		3/15/2025	4.100%	6,616,000		275,000	6,341,000	

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
AS OF JUNE 30, 2010**

Issue	Date of Original Issue	Original Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2009	Issued	Retired	Balance June 30, 2010
			Date	Amount					
2008 Refunding Bonds - (Refunding a Portion of 1997 Bonds)	1/4/2007	\$ 18,350,000.00	2/1/2011	1,000,000	4.000%				
			2/1/2011	1,190,000	5.000%				
			2/1/2012	2,275,000	5.000%				
			2/1/2013	2,385,000	5.000%				
			2/1/2014	2,505,000	4.250%				
			2/1/2015	2,610,000	5.000%	\$ 14,070,000	\$ 2,105,000	\$ 11,965,000	
2010 Refunding Bonds - (Refunding a Portion of 2002 Bonds)	3/25/2010	17,865,000.00	7/15/2010	135,000	3.000%				
			7/15/2013	730,000	3.000%				
			7/15/2014	970,000	4.000%				
			7/15/2015	1,695,000	4.000%				
			7/15/2016	1,770,000	4.000%				
			7/15/2017	1,855,000	4.000%				
			7/15/2018	1,940,000	4.000%				
			7/15/2019	2,035,000	4.500%				
			7/15/2020	2,135,000	4.500%				
			7/15/2021	2,250,000	5.000%				
			7/15/2022	2,350,000	5.000%	\$ 17,865,000			17,865,000
Total						\$ 65,866,000	\$ 17,865,000	\$ 21,229,000	\$ 62,502,000

Budget Appropriation \$ 3,030,000
Refunded Portion \$ 18,199,000
\$ 21,229,000

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
AS OF JUNE 30, 2010

<u>Series</u>	<u>Interest</u> <u>Rate Payable</u>	<u>Amount of</u> <u>Original Issue</u>	<u>Balance</u> <u>July 1, 2009</u>	<u>Retired</u> <u>Current Year</u>	<u>Balance</u> <u>June 30, 2010</u>
School Buses	3.560%	\$ 250,000	\$ 51,717	\$ 51,717	
Energy System Upgrades	3.994%	5,185,344	<u>2,192,717</u>	<u>1,074,683</u>	\$ 1,118,034
			\$ <u>2,244,434</u>	\$ <u>1,126,400</u>	\$ <u>1,118,034</u>

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 5,971,725		\$ 5,971,725	\$ 5,971,725	
Total - Local Sources	\$ 5,971,725		\$ 5,971,725	\$ 5,971,725	
Total Revenues	\$ 5,971,725		\$ 5,971,725	\$ 5,971,725	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	\$ 2,941,725	1	\$ 2,941,726	\$ 2,941,726	
Redemption of Principal	3,030,000		3,030,000	3,030,000	
Total Regular Debt Service	\$ 5,971,725	1	\$ 5,971,726	\$ 5,971,726	
Total Expenditures	\$ 5,971,725	1	\$ 5,971,726	\$ 5,971,726	

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$	(1)	\$ (1)	\$ (1)	\$ (1)
Other Financing Sources/(Uses):					
Transfers In/(Out)				334	\$ 334
Total Other Financing Sources/(Uses)				334	\$ 334
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	\$	(1)	\$ (1)	\$ 333	\$ 334
Fund Balance, July 1	\$ 7,761		7,761	7,761	
Fund Balance, June 30	\$ 7,761	(1)	7,760	8,094	\$ 334
Recapitulation of Excess/(Deficiency) of Revenues Over/(Under) Expenditures:					
Budgeted Fund Balance	\$	(1)	\$ (1)	\$ 333	\$ 334

STATISTICAL TABLES (SECTION)
(UNAUDITED)

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

<u>Contents</u>	<u>Exhibit</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-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-6 to J-9
Debt Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	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 & J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

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

FINANCIAL TRENDS

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NET ASSETS BY COMPONENT
LAST SIX (6) FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year Ending June 30,					
	2005	2006	2007	2008	2009	2010
Governmental activities						
Invested in capital assets, net of related debt	\$ 32,540,154	\$ 26,106,641	\$ 40,078,361	\$ 48,902,070	\$ 42,903,658	\$ 45,258,337
Restricted	9,076,443	8,720,536	6,388,687	7,672,923	6,809,617	3,774,522
Unrestricted	<u>(1,577,007)</u>	<u>(671,462)</u>	<u>(2,371,869)</u>	<u>(2,176,603)</u>	<u>(1,954,950)</u>	<u>(3,112,579)</u>
Total governmental activities net assets	\$ 40,039,590	\$ 34,155,715	\$ 44,095,179	\$ 54,398,390	\$ 47,758,525	\$ 45,920,280
Business-type activities						
Invested in capital assets, net of related debt	\$ 12,313	-	\$ 15,209	\$ 54,403	\$ 52,481	\$ 54,654
Unrestricted	501,289	581,917	675,944	702,718	623,463	602,880
Total business-type activities net assets	\$ 513,602	\$ 581,917	\$ 691,153	\$ 757,121	\$ 675,944	\$ 657,534
District-wide						
Invested in capital assets, net of related debt	\$ 32,552,467	\$ 26,106,641	\$ 40,093,570	\$ 38,463,472	\$ 42,956,339	\$ 45,312,991
Restricted	9,076,443	8,720,536	6,388,687	7,672,923	6,809,617	3,774,522
Unrestricted	<u>(1,075,718)</u>	<u>(89,545)</u>	<u>(1,695,925)</u>	<u>(1,473,885)</u>	<u>(1,331,487)</u>	<u>(2,509,699)</u>
Total district net assets	\$ 40,553,192	\$ 34,737,632	\$ 44,786,332	\$ 44,662,510	\$ 48,434,469	\$ 46,577,814

Source: CAFR Exhibit A-1

Note: Only the last six years of information are presented as GASB 34 was implemented during fiscal year ended June 30, 2004.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT

**COUNTY OF MIDDLESEX
CHANGES IN NET ASSETS
LAST SIX (6) FISCAL YEARS
(UNAUDITED)**

(accrual basis of accounting)

	Fiscal Year Ending June 30,					
	2005	2006	2007	2008	2009	2010
Expenses						
Governmental activities						
Instruction						
Regular	\$ 30,354,520	\$ 31,153,558	\$ 31,916,456	\$ 32,890,197	\$ 33,485,533	\$ 36,301,673
Special education	5,265,046	6,251,701	6,465,864	6,884,668	7,340,790	8,246,705
Other special education			2,873,018	3,348,669	4,235,344	4,314,135
Other instruction	3,618,637	3,962,609	1,212,118	1,284,816	1,520,120	1,632,581
Support Services:						
Tuition	4,023,507	3,937,701	3,220,811	4,182,922	4,033,613	3,162,045
Student & instruction related services	8,191,174	9,152,561	9,569,890	10,205,367	10,436,840	10,960,787
School Administrative services	2,728,759	2,854,091	3,935,475	3,315,348	2,833,762	3,302,398
General administration	2,344,436	2,988,151	2,815,922	3,752,769	3,487,200	3,875,200
Plant operations and maintenance	6,608,611	7,491,684	8,919,461	9,995,342	10,108,540	10,181,775
Pupil transportation	4,009,339	4,098,576	4,932,925	5,487,348	5,444,094	5,792,096
Other support services	1,049	11,126				
Township interlocal agreement	6,132,819					
Special Schools	3,386	2,900				
Charter Schools	68,165	153,227	217,172	303,978	408,290	416,436
Scholarships	800	1,200	1,800	1,796	617	297
Interest on long-term debt	2,227,161	3,012,194	4,127,619	3,124,152	3,010,253	2,676,629
Unallocated depreciation	367,194	391,878				
Total governmental activities expenses	75,944,613	75,463,157	80,208,531	84,777,372	86,344,996	90,862,757
Business-type activities:						
Food service	1,801,597	1,819,911	1,892,861	2,131,751	2,388,844	2,540,000
School Facilities					304,642	330,186
Integrated Pre-K					64,159	122,627
Summer Enrichment					60,439	70,356
Adult/community education	238,226	225,660	178,247	170,455		
Data processing	250,534	342,576	222,889	268,664	257,053	127,947
Total business-type activities expense	2,290,357	2,388,147	2,293,997	2,570,870	3,075,137	3,191,116
Total district expenses	\$ 78,234,970	\$ 77,851,304	\$ 82,502,528	\$ 87,348,242	\$ 89,420,133	\$ 94,053,873

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT

**COUNTY OF MIDDLESEX
CHANGES IN NET ASSETS
LAST SIX (6) FISCAL YEARS
(UNAUDITED)**

(accrual basis of accounting)

	Fiscal Year Ending June 30,					
	2005	2006	2007	2008	2009	2010
Program Revenues						
Governmental activities:						
Charges for services:						
Instruction (tuition)	\$ -	\$ -	\$ 32,800	\$ 126,257	\$ 31,491	\$ 64,371
Pupil transportation				33,190	4,537	22,881
Special schools						
Operating grants and contributions	8,629,317	2,492,360	2,990,912	3,549,773	2,125,668	2,711,376
Capital grants and contributions	7,754,300	-	-	-	-	-
Total governmental activities program revenues	16,383,617	2,492,360	3,023,712	3,709,220	2,161,696	2,798,628
Business-type activities:						
Charges for services:						
Food service	\$ 1,202,339	\$ 1,206,560	\$ 1,224,542	\$ 1,315,864	\$ 1,448,288	\$ 1,446,796
School Facilities					272,556	363,380
Integrated Pre-K					107,805	144,810
Summer Enrichment					67,178	64,905
Adult/community education	240,915	225,565	190,212	217,415		
Data processing	235,636	382,797	289,731	279,270	125,300	
Operating grants and contributions	595,385	641,540	698,747	824,289	972,833	1,152,815
Total business type activities program revenues	2,274,274	2,456,462	2,403,232	2,636,838	2,993,960	3,172,706
Total district program revenues	\$ 18,657,891	\$ 4,948,822	\$ 5,426,944	\$ 6,346,058	\$ 5,155,656	\$ 5,971,334
Net (Expense)/Revenue						
Governmental activities	\$ (59,560,996)	\$ (72,970,797)	\$ (77,184,819)	\$ (81,068,152)	\$ (84,183,300)	\$ (88,064,129)
Business-type activities	(16,083)	68,315	109,235	65,968	(81,177)	(18,410)
Total district-wide net expense	\$ (59,577,079)	\$ (72,902,482)	\$ (77,075,584)	\$ (81,002,184)	\$ (84,264,477)	\$ (88,082,539)

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT

**COUNTY OF MIDDLESEX
CHANGES IN NET ASSETS
LAST SIX (6) FISCAL YEARS
(UNAUDITED)**

(accrual basis of accounting)

	Fiscal Year Ending June 30,					
	2005	2006	2007	2008	2009	2010
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes levied for general purposes, net	\$ 51,676,821	\$ 54,879,049	\$ 60,096,571	\$ 62,874,980	\$ 63,431,596	\$ 62,874,980
Taxes levied for debt service	3,986,290	4,694,732	5,831,755	5,812,720	5,780,296	5,971,725
Unrestricted grants and contributions	11,982,812	12,253,491	15,759,328	16,043,949	16,266,717	15,988,052
MCEs receivable	337					
Restricted grants			2,460,632	5,255,645	1,552,085	58,220
Tuition Received	35,195	38,476				
Receipt of deferred revenue - state	658,371	679,681				
Investment earnings	551,468	1,426,036	1,814,725	1,061,660	146,860	90,263
Miscellaneous income	388,818	740,618	527,666	444,357	893,204	832,255
Transfers	358,948	(1,198,564)	633,606	(121,949)	(34,322)	410,389
Total governmental activities	\$ 69,639,060	\$ 73,513,519	\$ 87,124,283	\$ 91,371,362	\$ 88,036,436	\$ 86,225,884
Business-type activities:						
Investment earnings	\$ 6,708					
Prior year accounts payable canceled						
Transfers						
Total business-type activities	\$ 6,708	-	-	-	-	-
Total district-wide	\$ 69,645,768	\$ 73,513,519	\$ 87,124,283	\$ 91,371,362	\$ 88,036,436	\$ 86,225,884
Change in Net Assets						
Governmental activities	\$ 10,078,064	\$ 542,722	\$ 9,939,464	\$ 10,303,210	\$ 3,853,136	\$ (1,938,245)
Business-type activities	(9,375)	68,315	109,235	65,968	(81,177)	(18,410)
Total district	\$ 10,068,689	\$ 611,037	\$ 10,048,699	\$ 10,369,178	\$ 3,771,959	\$ (1,856,655)

Source: CAFR Exhibit A-2

Note: Only the last six years of information are presented as GASB 34 was implemented during fiscal year ended June 30, 2004.

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
FUND BALANCES - GOVERNMENTAL FUNDS
LAST SIX (6) FISCAL YEARS
(UNAUDITED)

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,					
	2005	2006	2007	2008	2009	2010
General Fund						
Reserved	\$ 867,646	\$ 836,069	\$ 5,488,141	\$ 7,555,805	\$ 6,634,501	\$ 3,729,697
Unreserved	949,407	1,307,176	2,117,992	1,447,042	1,822,281	723,672
Total general fund	<u>\$ 1,817,053</u>	<u>\$ 2,143,245</u>	<u>\$ 7,606,133</u>	<u>\$ 9,002,847</u>	<u>\$ 8,456,782</u>	<u>\$ 4,453,369</u>
All Other Governmental Funds						
Reserved	\$ 12,027,709	\$ 1,978,576	\$ 27,631,459	\$ 7,345,109	\$ 418,197	\$ 127,228
Unreserved, reported in:						
Special revenue fund	(20,072)	(20,072)	(8,708)	(24,980)	-	-
Capital projects fund	32,922,181	35,069,813	4,581,018	1,571,895	1,575,595	893,305
Debt service fund	229,714	76,901	178,445	178,659	7,761	8,094
Permanent fund	43,750	44,450	44,868	44,771	44,782	44,825
Total all other governmental funds	<u>\$ 45,203,282</u>	<u>\$ 37,149,668</u>	<u>\$ 32,427,082</u>	<u>\$ 9,115,454</u>	<u>\$ 2,046,335</u>	<u>\$ 1,073,452</u>

Source: CAFR Schedule B-1

Note: Only the last six years of information is presented as GASB 34 was implemented during fiscal year ended June 30, 2004.

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

	Fiscal Year Ending June 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Tax levy	\$ 36,973,370	\$ 42,688,555	\$ 47,812,737	\$ 51,691,700	\$ 55,683,111	\$ 59,573,781	\$ 65,928,326	\$ 68,887,700	\$ 69,211,892	\$ 68,846,705
Tuition charges		2,238	1,300	21,646	35,195	38,476	32,800	126,257	31,491	64,371
Transportation charges			236,180	452,482	551,469	1,428,036	1,375,979	715,242	49,357	22,881
Interest earnings		197,229	261,525	329,406	6,522,475	687,420	1,588,097	1,317,914	995,244	90,263
Miscellaneous	588,318	543,605	10,661,419	12,033,437	20,064,895	12,901,312	19,631,567	17,284,802	16,560,907	832,255
State sources	10,548,516	9,780,607	1,331,441	1,284,930	2,169,052	1,844,540	1,953,884	1,814,371	1,831,478	14,848,209
Federal sources	905,345	1,146,888								3,851,218
Total revenue	51,443,454	54,341,130	60,304,602	65,813,603	85,006,197	76,471,565	90,510,653	89,946,886	86,680,369	88,555,902
Expenditures										
Instruction										
Regular instruction	17,923,500	19,570,231	19,333,378	20,068,974	22,394,099	22,726,346	23,894,918	24,732,021	25,865,910	26,661,828
Special education instruction	2,372,253	3,029,099	3,415,346	4,266,871	3,895,449	4,430,385	4,751,479	5,073,551	5,608,099	5,947,877
Other special instruction	1,502,103	1,644,817	1,651,305	1,439,867	1,867,737	1,986,734	2,116,214	2,471,562	3,235,650	3,111,539
Other instruction	864,593	759,907	764,390	857,963	821,293	856,994	892,567	946,159	1,161,317	1,177,467
Support services:										
Tuition	3,171,422	2,841,492	4,234,279	3,661,575	4,023,507	3,871,045	3,220,811	4,182,922	4,033,613	3,152,045
Student & inst. related services	4,336,195	5,002,394	5,122,627	5,300,376	6,283,387	6,816,430	7,215,115	7,706,970	7,954,700	7,897,928
General administration	606,862	865,860	992,048	1,056,671	882,767	1,217,555	959,350	943,391	710,431	946,033
School administrative services	2,209,637	2,229,861	2,372,814	2,574,129	2,656,630	2,755,317	2,897,895	2,759,876	2,664,095	2,794,960
Central services					737,057	818,826	849,247	1,100,994	1,090,704	957,052
Admin. information technology					259,182	280,191	265,289	402,191	363,757	478,746
Plant operations and maintenance	3,954,963	4,213,317	4,439,926	5,183,300	5,439,914	5,997,571	6,566,608	7,371,153	7,722,561	7,343,532
Pupil transportation	2,734,331	2,944,278	3,097,927	3,459,017	3,796,323	3,771,709	3,632,616	4,046,311	4,199,092	4,177,508
Other Support Services	453,029	454,392	516,570	584,354	1,049					
Employee benefits	7,405,065	7,814,141	10,156,603	11,798,560	13,470,206	15,390,496	17,261,663	18,204,253	16,702,454	19,351,600
Special Schools	13,040	77,027	3,100	3,781	3,386	2,900	217,172	303,978	408,290	416,436
Charter Schools	18,810		76,687	112,907	68,165	153,227				
Unemployment claims	8,100	8,145								
Fund transfer		25,466								
Bond sale contributions	1,900	2,900	668	400	800	11,929	1,800	1,796	617	297
Scholarships	894,831	548,838	1,453,836	12,813,396	7,481,802	18,273,518	14,463,988	25,796,677	8,590,263	3,135,604
North brunswick township aid										
Capital outlay	1,160,013	1,231,420	1,417,797	1,509,594	1,750,985	1,915,000	2,733,000	2,650,000	2,895,000	3,030,000
Debt service:	1,591,547	1,517,540	1,925,629	2,325,591	2,227,161	3,012,194	3,014,082	3,167,995	3,056,464	2,941,726
Interest and other charges										
Total expenditures	51,023,994	54,781,125	60,974,820	77,195,326	84,220,873	92,269,667	94,965,744	111,861,800	96,225,017	93,532,198
Excess (Deficiency) of revenues over (under) expenditures	419,460	(439,995)	(670,218)	(11,381,723)	785,324	(15,798,102)	(4,455,091)	(21,914,914)	(7,544,648)	(4,976,296)

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

	Fiscal Year Ending June 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Other Financing sources (uses)										
Proceeds from borrowing			\$ 21,348,831		\$ 24,781,000	\$ 7,391,000				
Receipt of deferred revenue - state			7,840,534	\$ 31,846	656,371	679,681				
Grant - state of new jersey EDA							\$ 5,185,344			
Capital leases (non-budgeted)		\$ 600,169					10,048			
Improvement authorization	\$ 25,675	12,283	137,862	871,411	665,343	1,202,983			\$ (70,536)	
Proceeds from refunding	(25,770)	(12,283)	(199,886)	(371,411)	(410,461)	(1,202,983)				
Cancellation of Capital Projects - Local Share										
Transfers in										
Transfers out	(95)	800,169	29,127,359	531,646	25,694,253	8,070,681	5,195,392		(70,536)	
Total other financing sources (uses)	\$ 419,365	\$ 360,174	\$ 28,457,141	\$ (10,849,677)	\$ 26,479,577	\$ (7,727,421)	\$ 740,301	\$ (21,914,514)	\$ (7,615,164)	\$ (4,976,296)
Net change in fund balances										
Debt service as a percentage of noncapital expenditures	5.49%	5.07%	5.62%	5.96%	5.16%	6.48%	7.14%	6.76%	6.79%	6.61%

Source: CAFR Schedule B-2

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

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

(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Refund of Prior Years Expenditures	Tuition	Interest on Investments	Miscellaneous	Annual Totals
2001	\$ 245,431		\$ 398,170	\$ 342,887	\$ 986,488
2002	100,847	2,236	190,013	400,427	693,523
2003	153,615	1,300	97,498	102,910	355,323
2004	162,393	21,646	80,628	142,455	407,122
2005	225,682	35,195	140,101	135,992	536,970
2006	309,258	38,476	221,553	122,945	692,232
2007	262,791	32,800	438,746	252,746	987,083
2008	97,419	126,257	346,418	380,127	950,221
2009	291,443	48,780	97,503	174,647	612,373
2010	504,340	64,371	67,293	103,102	739,106

Source: District records

REVENUE CAPACITY

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

Fiscal Year Ended June 30.	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities *	Tax-Exempt Property	Net Valuation	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2001	91,632,400	1,407,384,500	2,283,000	170,200	347,011,200	374,694,000	142,646,900	2,366,022,200	5,662,790	369,418,300	2,741,103,290	2,635,897,094	1.801
2002	99,085,900	1,421,257,700	2,182,200	166,600	360,314,100	371,224,500	158,148,900	2,412,379,900	5,505,383	379,745,400	2,797,630,683	2,935,482,964	1.980
2003	88,936,800	1,439,023,900	2,182,200	226,400	372,493,700	369,487,600	161,673,100	2,434,025,700	5,140,305	376,918,500	2,816,084,505	3,268,464,757	2.120
2004	85,535,900	1,455,414,600	1,785,100	171,000	378,660,100	359,724,900	166,395,300	2,447,686,900	4,635,803	378,122,000	2,830,444,703	3,520,338,464	2.270
2005	70,297,000	1,478,975,000	1,785,100	171,000	382,024,400	350,486,700	173,969,300	2,457,728,500	4,297,309	384,717,600	2,846,743,409	3,960,883,965	2.420
2006	56,834,800	1,497,001,000	1,795,600	171,000	383,423,900	343,636,200	190,358,700	2,473,221,200	6,183,096	392,162,600	2,871,587,096	3,965,594,198	2.663
2007	55,827,300	1,513,303,500	1,795,600	177,600	379,944,300	351,718,700	204,271,600	2,507,038,600	3,423,961	408,272,300	2,916,734,861	4,631,649,744	2.736
2008	53,099,800	1,519,448,800	1,450,100	171,700	384,945,700	343,012,800	211,276,500	2,513,407,400	6,633,158	410,901,500	2,930,942,059	5,201,463,029	2.750
2009	41,407,900	1,525,030,700	1,450,100	171,700	375,511,700	333,769,100	204,731,400	2,482,132,600	3,351,217	412,207,700	2,897,691,517	5,159,816,933	2.770
2010	34,166,900	1,520,957,300	1,338,600	167,800	386,870,800	320,832,600	201,999,200	2,466,332,200	3,630,668	414,100,000	2,894,063,068	4,944,885,360	2.906

Source: Municipal Tax Assessor

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

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

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

b Tax rates are per \$100 of assessed valuation

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

Fiscal Year Ended June 30,	North Brunswick Township School District Direct Rate (From J-6)			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Direct School Tax Rate ^c	Municipality of North Brunswick	County of Middlesex	
2001	1.671	0.130	1.801	0.700	0.450	2.950
2002	1.850	0.130	1.980	0.700	0.480	3.160
2003	1.980	0.140	2.120	0.730	0.480	3.330
2004	2.100	0.170	2.270	0.780	0.490	3.540
2005	2.250	0.170	2.420	0.850	0.470	3.740
2006	2.423	0.240	2.663	0.894	0.520	4.232
2007	2.505	0.231	2.736	0.944	0.552	4.232
2008	2.521	0.229	2.750	1.004	0.597	4.351
2009	2.530	0.240	2.770	1.054	0.619	4.443
2010	2.664	0.242	2.906	1.109	0.504	4.619

Source: Municipal Tax Collector

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

- ^a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- ^b Rates for debt service are based on each year's requirements.
- ^c Tax rates are per \$100 of assessed valuation.

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

	2010			2001		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
ER Squibb & Sons Inc.	\$ 148,612,900	1	6.03%	\$ 130,326,300	1	5.51%
Kimco North Brunswick 617 Inc.	35,000,000	2	1.42%			
Sodowick S. Etals c/o No. Vill Assn.	28,700,000	3	1.16%			
Kaplan Assoc. LLC	26,000,000	4	1.05%			
North Brunswick TOD Associates LLC	28,065,200	5	1.14%			
Maebrook at Renaissance	23,515,600	6	0.95%			
Levin Properties LLC	23,267,400	7	0.94%			
Renaissance Terrace LLC	19,000,000	8	0.77%			
North Brunswick Manor LLC	18,986,000	9	0.77%			
Commerce CTR NB LLC % Persidge Inc.	17,272,000	10	0.70%			
Johnson & Johnson				51,073,200	2	2.16%
Kimco, North Brunswick				37,000,000	3	1.56%
Renaissance at North Brunswick				35,866,300	4	1.52%
Wilton Partners				31,815,000	5	1.34%
Brunswick Manor Associates				30,140,300	6	1.27%
Kaplan, Michael & Morris				30,127,800	7	1.27%
Samuel Sodowick				26,191,500	8	1.11%
First Fidelity				22,961,700	9	0.97%
Kinpark & Highpoint/Goodyear				15,890,000	10	0.67%
Total	\$ 130,106,200		5.28%	\$ 411,392,100		17.39%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for	Collected within the Fiscal Year of		Collections in Subsequent Years
	the Fiscal Year	the Levy ^a	Percentage of Levy	
	Amount	Amount		
2001	\$ 69,006,455	\$ 68,892,974	99.80%	\$ 113,481
2002	73,762,484	73,532,153	99.70%	230,331
2003	82,152,370	81,975,582	99.80%	176,788
2004	85,779,182	85,361,064	99.50%	418,118
2005	92,046,504	91,204,108	99.10%	842,396
2006	97,633,107	97,449,207	99.80%	183,900
2007	108,596,104	108,432,687	99.85%	600,661
2008	109,315,152	109,262,161	99.95%	81,726
2009	111,802,306	111,308,521	99.56%	N/A
2010	111,491,046	111,393,791	99.91%	N/A

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

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

DEBT CAPACITY

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANS)	Capital Leases	Total District	Personal Income ^a		
2001	\$ 27,726,938	\$ -	\$ 430,579	\$ -	\$ -	\$ 28,157,517	2.19%	827	
2002	26,495,519	-	344,757	-	-	26,840,276	2.08%	786	
2003	47,226,722	-	253,487	-	-	47,480,209	3.44%	1,309	
2004	45,707,985	-	156,424	-	-	45,864,409	3.36%	1,251	
2005	68,738,000	-	53,200	-	-	68,791,200	4.71%	1,821	
2006	74,214,000	-	-	-	-	74,214,000	5.02%	1,936	
2007	71,411,000	-	4,368,565	-	-	75,779,565	5.13%	1,911	
2008	68,761,000	-	3,327,385	-	-	72,088,385	4.87%	1,817	
2009	65,866,000	-	2,244,434	-	-	68,110,434	3.69%	1,721	
2010	62,502,000	-	1,151,635	-	-	63,653,635	3.26%	1,580	

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita _b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2001	\$ 27,726,938	\$ -	\$ 27,726,938	1.17%	\$ 764
2002	26,495,519	-	26,495,519	1.10%	710
2003	47,226,722	-	47,226,722	1.94%	1,244
2004	45,707,985	-	45,707,985	1.86%	1,190
2005	68,738,000	-	68,738,000	2.79%	1,768
2006	74,214,000	-	74,214,000	2.99%	1,896
2007	71,411,000	-	71,411,000	2.84%	1,780
2008	68,761,000	-	68,761,000	2.73%	1,733
2009	65,866,000	-	65,866,000	2.77%	1,735
2010	62,502,000	-	62,502,000	2.17%	1,580

Notes:

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

a See Exhibit J-6 for property tax data.

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

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2010
(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			
Township of North Brunswick County of Middlesex	\$ 71,198,640 628,889,774	100.000% 4.4424%	\$ 71,198,640 27,937,799
Subtotal, overlapping debt			\$ 99,136,439
Township of North Brunswick District Direct Debt			<u>63,702,000</u>
Total direct and overlapping debt			<u>\$ 162,838,439</u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2009

Equalized valuation basis	
2009	\$ 4,941,531,143
2008	5,217,536,641
2007	5,137,374,180
	\$ 15,296,441,964
	\$ 5,098,813,986

Average equalized valuation of taxable property

Debt limit (4 % of average equalization value)	
Total Net Debt Applicable to Limit	203,952,560 ^a
Legal debt margin	\$ 140,250,560

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 97,374,551	\$105,214,079	\$ 111,020,267	\$ 120,258,159	\$129,663,616	\$ 143,335,829	\$ 182,146,022	\$ 198,903,392	\$ 203,952,560	\$ 203,952,560
Total net debt applicable to limit	27,726,938	26,495,519	47,226,722	45,707,985	66,738,000	74,214,000	71,411,000	69,961,000	69,961,000	63,702,000
Legal debt margin	\$ 69,647,613	\$ 78,718,560	\$ 63,793,545	\$ 74,548,174	\$ 60,925,816	\$ 69,121,829	\$ 110,737,022	\$ 128,942,392	\$ 133,991,560	\$ 140,250,560
Total net debt applicable to the limit as a percentage of debt limit	28.47%	25.18%	42.54%	36.01%	53.01%	51.76%	39.20%	35.17%	34.30%	31.23%

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.

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2001	37,321	1,411,181,652	37,812	2.20%
2002	37,975	1,437,049,950	37,842	3.30%
2003	38,404	1,463,038,784	38,096	3.30%
2004	38,872	1,449,303,648	37,284	2.70%
2005	39,156	1,459,892,304	37,284	3.70%
2006	39,673	1,479,168,132	37,284	4.20%
2007	39,673	1,479,168,132	37,284	4.20%
2008	39,673	1,479,168,132	37,284	3.70%
2009	39,586	1,847,636,964	46,674	4.80%
2010	39,586	1,918,100,044	48,454	8.30%

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

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

	2010		2001	
Employer	Employees	Rank	Employees	Rank
Bristol Myers Squibb	3,250	1	N/A	
Silverline	3,000	2	N/A	
Wachovia	800	3	N/A	
North Brunswick BOE	775	4	N/A	
Vertis Inc.	600	5	N/A	
Church & Dwight	600	6	N/A	
Ranbaxy Pharmaceuticals	110	7	N/A	
Phoenix Container	100	8	N/A	
ABB Susa Inc.	90	9	N/A	
	9,325		N/A	

Source: 2006 General Obligation Bond Sale - Official Statement

OPERATING INFORMATION



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

<u>Function/Program</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Instruction	392	450	440	445	461	462	505	510	417	463
Regular	15	13	10	4	1	9	12	14	115	131
Special education	-	-	-	-	-	-	-	-	-	-
Other special education	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student & instruction related services	83	89	103	101	120	131	121	121	134	162
General administration	7	7	7	5	3	4	2	3	2	3
School administrative services	31	31	33	38	36	36	36	36	37	36
Other administrative services	-	-	-	-	-	-	-	-	-	-
Central services	-	-	-	11	11	11	12	13	14	12
Administrative Information Technology	-	-	-	5	4	4	5	5	5	7
Plant operations and maintenance	68	69	61	82	88	81	77	77	103	104
Pupil transportation	5	5	11	18	23	24	32	33	26	30
Other support services	8	8	8	-	1	-	-	-	-	-
Total	609	672	673	709	748	762	802	812	853	948

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures *	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Attendance			
						Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2001	5,076	47,377,603	9,330	-38.99%	438.00	1:13	1:12	1:12	4,976.4	4,877	1.23%	98.00%
2002	5,272	51,483,327	9,765	4.67%	484.00	1:13.5	1:12.9	1:11.8	5,166.6	5,063	3.82%	98.00%
2003	5,382	56,177,358	10,419	6.69%	464.00	1:13.5	1:12.9	1:11.6	5,284.2	5,179	2.28%	98.00%
2004	5,487	60,546,745	11,015	5.72%	484.00	1:12.2	1:11.2	1:11.1	5,387.1	5,279	1.95%	98.00%
2005	5,579	72,761,125	13,042	16.41%	505.00	1:13.4	1:11.7	1:12.3	5,467.4	5,358	1.49%	98.00%
2006	5,521	71,088,955	12,872	-1.30%	411.00	1:13.3	1:12	1:13.9	5,391.6	5,284	-1.39%	98.00%
2007	5,603	74,754,664	13,342	3.65%	489.00	1:12.1	1:10.7	1:11.6	5,448.9	5,338	1.03%	98.00%
2008	5,517	80,245,332	14,545	9.02%	541.00	1:11.9	1:10.5	1:12	5,513.0	5,403	1.21%	98.00%
2009	5,662	81,680,873	14,426	-0.82%	550.00	1:10.5	1:10.2	1:11	5,667.4	5,372	2.80%	94.79%
2010	5,521	84,424,571	15,292	-0.11%	575.00	1:10.6	1:10.4	1:11	5,624.9	5,545	4.61%	95.20%

Sources: District records

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

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

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHOOL BUILDING INFORMATION
LAST THREE (3) FISCAL YEARS
(UNAUDITED)

	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>District Building</u>			
<u>Elementary</u>			
Judd (1967)			
Square Feet	88,595	88,595	88,595
Capacity (students)	709	709	709
Enrollment	684	594	594
John Adams (1961)			
Square Feet	79,257	79,257	79,257
Capacity (students)	634	634	634
Enrollment	561	535	535
Livingston Park (1930)			
Square Feet	84,573	84,573	84,573
Capacity (students)	677	677	677
Enrollment	582	568	568
Parsons (1965)			
Square Feet	84,079	84,079	84,079
Capacity (students)	673	673	673
Enrollment	611	615	615
<u>Middle School</u>			
Linwood (1951)			
Square Feet	204,557	204,557	204,557
Capacity (students)	1,527	1,527	1,527
Enrollment	1,264	1,251	1,251
<u>High School</u>			
North Brunswick High School (1973)			
Square Feet	394,716	394,716	394,716
Capacity (students)	2,614	2,614	2,614
Enrollment	1,783	1,749	1,749
<u>Other</u>			
Athletic Building (1979)			
Square Feet	2,704	2,704	2,704
Central Administration (1927)			
Square Feet	24,642	24,642	24,642
Warehouse			
Square Feet	5,376	5,376	5,376
Number of Buildings at June 30, 2007			
Elementary Schools =	4		
Middle School =	1		
High School =	1		
Other =	3		

Source: District Facilities Office

Note: Enrollment is based on the average daily enrollment (ADE).

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF REQUIRED MAINTENANCE
FOR SCHOOL FACILITIES
LAST FOUR (4) FISCAL YEARS
(UNAUDITED)

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

School Facilities Project # (s)	North Brunswick H.S.								Total
	John Adams	Judd	Livingston Park	Parsons	Linwood M.S.	Brunswick H.S.	Other Facilities		
2007	100,885	96,588	98,042	138,700	237,969	637,639	83,940	1,393,763	
2008	110,586	100,086	93,110	142,010	228,550	599,900	84,700	1,358,942	
2009	145,594	156,110	149,023	148,152	360,442	695,514	43,421	1,698,256	
2010	125,010	134,054	128,073	127,198	309,535	597,335	37,488	1,458,693	
Total School Facilities	\$ 482,075	\$ 486,838	\$ 468,248	\$ 556,060	\$ 1,136,496	\$ 2,530,388	\$ 249,549	\$ 5,909,654	

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

Source: District records

NORTH BRUNSWICK TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX
INSURANCE SCHEDULE
JUNE 30, 2010
UNAUDITED

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

Source: District records.

SINGLE AUDIT SECTION

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

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

We have audited the financial statements of the Board of Education of the Township of North Brunswick School District, County of Middlesex, State of New Jersey, as of and for the year ended June 30, 2010, and have issued our report thereon dated October 6, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township of North Brunswick School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of North Brunswick School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township of North Brunswick School District's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

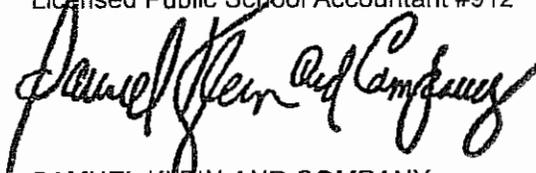
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information of the Board of Education of the Township of North Brunswick School District and its management, the New Jersey State Department of Education (the cognizant audit agency) and other federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.


Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912


SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
October 6, 2010

SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

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

Compliance

We have audited the compliance of the Township of North Brunswick Board of Education, in the County of Middlesex, State of New Jersey with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the year ended June 30, 2010. The Township of North Brunswick, Board of Education'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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Township of North Brunswick Board of Education's management. Our responsibility is to express an opinion on the Township of North Brunswick Board of Education's compliance based on our audit.

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; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations, and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Township of North Brunswick Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Township of North Brunswick Board of Education's compliance with those requirements.

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

In our opinion, the Township of North Brunswick Board of Education, in the County of Middlesex, State of New Jersey complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of the Township of North Brunswick Board of Education is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Township of North Brunswick Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, out 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 Township of North Brunswick School District's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to material weaknesses, as defined above. The Township of North Brunswick School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Township of North Brunswick School District's response and, accordingly, express no opinion on it.

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

This report is intended for the information and use of the Board of Education of the Township of North Brunswick and its management, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN & COMPANY

Freehold, New Jersey
October 6, 2010

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Federal Grantor / Pass - Through Grantor / Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Due to Grantor	June 30, 2009 Deferred Revenue	Accounts Receivable	Carryover/Walkover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Accounts Receivable	Balance, June 30, 2010	Deferred Revenue	Due to Grantor
U.S. Department of Education:																
General Fund:																
Medical Assistance Program	93.77B	N/A	\$ 104,115	7/1/2009 - 6/30/2010					\$ 73,369	\$ (104,116)		\$	\$ (30,727)			
State Fiscal Stabilization Fund:																
ARRA - Education State Grants	84.394	N/A	1,190,464	7/1/2009 - 6/30/2010					1,190,464	(1,190,464)						
ARRA - Government Services	84.397	N/A	46,085	7/1/2009 - 6/30/2010					46,085	(46,085)						
Total General Fund									\$ 1,309,938	\$ (1,340,655)		\$	\$ (30,727)			
U.S. Department of Education																
Passed - Through State Department of Education:																
Special Revenue Fund:																
Title 1 Part A Carryover	84.010A	NCLB-07	352,535	9/1/2008 - 8/31/2009	\$ 310							\$ (310)				
Title 1 Part A Carryover	84.010A	NCLB-08	356,294	9/1/2007 - 8/31/2006	7,313							(7,313)				
Title 1 Part A Carryover	84.010A	NCLB-09	736,581	9/1/2008 - 8/31/2009		\$ 2	\$ (157,147)		\$ 518,700	\$ (360,052)		\$	\$	\$ 1,501	\$ 2	
Title 1 Part A	84.010A	NCLB-10	689,008	9/1/2008 - 8/31/2010					232,958	(230,842)					2,314	
ARRA - Title 1 Part A	84.389	NCLB-11	419,509	9/1/2009 - 8/31/2011		13,064		\$ (13,064)	146,352	(146,353)		\$	\$ (1)			
Title 1 School Improvement Carryover	84.010A	NCLB-08	24,751	9/1/2009 - 8/31/2009					20,405	(13,064)						
Title 1 School Improvement Carryover	84.010A	NCLB-05	24,751	9/1/2009 - 8/31/2010				13,064	772	(20,408)						
Title 1 School Improvement Carryover	84.010A	NCLB-09	20,408	9/1/2009 - 8/31/2010					50,013	(772)						
ARRA - Title 1 School Improvement	84.389	NCLB-11	15,445	9/1/2009 - 8/31/2011					102,550	(17,310)						
Title II, Part A	84.281A	NCLB-10	126,177	9/1/2008 - 8/31/2009			(42,703)		1,754	(1,753)						1
Title II, Part A	84.318X	NCLB-10	4,704	9/1/2008 - 8/31/2010					4,886	(4,886)						
Title II, Part A	84.318X	NCLB-10	4,886	9/1/2008 - 8/31/2010					1,522	(1,142)						
Title III, Part A	84.385A	NCLB-09	51,417	9/1/2008 - 8/31/2009			(380)		20,504	(21,334)			(430)			
Title III, Part A	84.385A	NCLB-10	53,955	9/1/2008 - 8/31/2010												
Title III, Immigrant Carryover	84.385A	NCLB-08	27,178	9/1/2008 - 8/31/2010		11,500		(11,500)								
Title III, Immigrant Carryover	84.385A	NCLB-10	27,178	9/1/2008 - 8/31/2010				11,500								
Title IV Part A Carryover	84.385A	NCLB-09	37,784	9/1/2008 - 8/31/2010					2,489	(11,500)						500
Title IV Part A Carryover	84.385A	NCLB-10	14,956	9/1/2008 - 8/31/2010					5,255	(1,959)						
Title IV Part A	84.186A	NCLB-10	13,033	9/1/2008 - 8/31/2010			(5,255)		11,581	(11,581)						
ID.E.A. Part B, Basic Regular Carryover	84.027	FT-08	1,153,002	9/1/2008 - 8/31/2009												
ID.E.A. Part B, Basic Regular Carryover	84.027	FT-09	1,196,085	9/1/2008 - 8/31/2009	4,999											
ID.E.A. Part B, Basic Regular	84.027	FT-10	1,202,260	9/1/2008 - 8/31/2010			(400,392)		566,647	(186,455)	\$ 785	(4,999)				785
ARRA - ID.E.A. Part B, Basic Regular	84.391	FT-11	1,354,326	9/1/2009 - 8/31/2011					965,245	(936,950)						28,295
ID.E.A. Part B, Preschool Carryover	84.173	FT-08	36,905	9/1/2008 - 8/31/2009		280		(280)	359,560	(362,430)			(2,770)			
ID.E.A. Part B, Preschool Carryover	84.173	FT-09	38,905	9/1/2008 - 8/31/2010						(260)						1,640
ID.E.A. Part B, Preschool Carryover	84.173	FT-10	34,545	9/1/2008 - 8/31/2010			(32,368)		32,368	(720)			(720)			
ARRA - ID.E.A. Part B, Preschool	84.392	FT-11	46,649	9/1/2009 - 8/31/2011												
Partnership Grant	84.243A	N/A	32,282	7/1/2008 - 6/30/2009												
Partnership Grant	84.243A	N/A	34,186	7/1/2008 - 6/30/2010			(30,083)		30,492	(32,425)			(2,800)			1,230
Partnerships in Character Education	84.004	N/A	25,000	10/1/2008 - 9/30/2009					29,625	(32,425)						
Partnerships in Character Education	84.215V	N/A	5,000	9/1/2007 - 8/31/2008			(1,025)		12,500	(5,950)						7,215
Children's Health Insurance Program Reauthorization Act	84.215V	N/A	5,000	9/1/2007 - 8/31/2008											(226)	(111)
	84.215V	N/A	5,000	9/1/2007 - 8/31/2008												
Total Special Revenue Fund:									\$ 2,484	\$ (659,353)		\$ 4,946	\$ (6,721)	\$ 28,000	\$ 60,611	\$ 10,872

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

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Federal Grantor / Pass - Through Grantor / Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Due to Grantor	June 30, 2009 Deferred Revenue	(Accounts Receivable)	Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance, June 30, 2010	
				From	To									Deferred Revenue	Due to Grantor
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program	10.550	N/A	94,334	7/1/2008	- 6/30/2009		\$ 9,615								
School Breakfast Program	10.550	N/A	122,876	7/1/2009	- 6/30/2010				\$ 122,876	(9,515)				\$ 23,698	(1)
School Breakfast Program	10.553	N/A	181,864	7/1/2008	- 6/30/2009		\$ (38,508)		38,905	(98,576)					
National School Lunch Program	10.555	N/A	233,073	7/1/2009	- 6/30/2010				214,705	(233,073)		\$		(18,368)	
National School Lunch Program	10.555	N/A	633,243	7/1/2008	- 6/30/2009				118,064	(737,993)				(52,195)	
School Snack Program	10.555	N/A	737,993	7/1/2009	- 6/30/2010				665,788	(5,565)				(389)	
School Snack Program	10.555	N/A	5,562	7/1/2009	- 6/30/2009				978						
School Snack Program	10.555	N/A	5,565	7/1/2009	- 6/30/2010				5,177						
Total Enterprise Fund							\$ 9,615	\$ (157,551)	\$ 1,186,493	\$ (1,095,214)	\$ 4,946	\$ (16,135)	\$ (70,951)	\$ 23,698	
Total Federal Financial Assistance							\$ 34,450	\$ (826,904)	\$ 5,711,308	\$ (4,935,433)	\$ 4,946	\$ (16,135)	\$ (106,399)	\$ 64,509	\$ 10,872

(1) Equals inventory.

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

**BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2009 (Accounts Receivable)	Carryover/ (Walkover) Amount	Cash Received	Budgetary (Expenditures)	Adjustments	Repayment of Prior Year's Balances	Balance, June 30, 2010 (Accounts Receivable)	MEMO	
											Due to Grantor	Budgetary Receivable
State Department of Education:												
General Fund:												
Categorical Transportation Aid	10-495-034-5120-014	\$ 1,113,637	7/1/2009 - 6/30/2010			\$ 1,113,637	(1,113,637)				\$ 477,056	\$ 1,113,637
Categorical Special Education Aid	10-495-034-5120-011	3,267,444	7/1/2009 - 6/30/2010			3,267,444	(3,267,444)				760,620	3,267,444
Equalization Aid	10-495-034-5120-078	4,392,617	7/1/2009 - 6/30/2010			4,392,617	(4,392,617)					4,392,617
Categorical Security Aid	10-495-034-5120-084	548,672	7/1/2009 - 6/30/2010			548,672	(548,672)					548,672
Teacher's Pension and Annuity Fund - Pension	10-495-034-5095-006	118,376	7/1/2009 - 6/30/2010			118,376	(118,376)					118,376
Teacher's Pension and Annuity Fund - Post Retirement Medical	10-495-034-5095-001	2,223,275	7/1/2009 - 6/30/2010			2,223,275	(2,223,275)					2,223,275
Extraordinary Special Education Aid	09-100-034-5120-473	554,271	7/1/2008 - 6/30/2009	\$ (554,271)								
Extraordinary Special Education Aid	10-100-034-5120-473	420,551	7/1/2008 - 6/30/2010				(330,318)		\$ (420,551)			330,318
Reimbursed TPA/F Social Security Contributions	10-495-034-5095-002	2,621,008	7/1/2009 - 6/30/2010			2,757,104	(2,821,008)			(63,904)		2,821,008
Non Public Transportation	09-495-034-5120-014	70,326	7/1/2009 - 6/30/2009	(70,326)		70,326	(40,664)			(40,664)		40,664
Non Public Transportation	10-495-034-5120-014	40,864	7/1/2009 - 6/30/2010									
Total General Fund				\$ (624,599)		\$ 15,045,924	\$ (14,656,411)			\$ (525,319)	\$ 1,237,675	\$ 14,856,411
Capital Projects Fund												
Capital Projects Fund												
SCC Grant:												
High School Addition	#202205	7,840,534	Open									
Elementary Add. - John Adams	3620-060-05-1000	1,616,528	Open	\$ (1,528,904)		315,223				\$ (1,528,904)		
Elementary Additions - Judd	3620-065-05-1000	1,440,582	Open	(315,223)		280,913						
Elementary Additions - Parsons	3620-060-05-1000	1,521,917	Open	(280,913)		295,774						
Elementary Add-Livingston Park	3620-070-05-1000	1,612,167	Open	(295,774)		314,376						
Middle School Add. - Linwood	3620-065-05-1000	1,459,946	Open	(314,376)		294,690						
Installation of New Fire Alarm		103,136	Open	(294,690)								
Total Capital Projects Fund				\$ (3,020,881)		\$ 16,468	\$ (14,656,411)			\$ (1,528,904)		

See Accompanying Notes to Schedules of Financial Assistance.

BOARD OF EDUCATION
NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

State Grantor/ Program Title	Grant of State Project Number	Program or Award Amount	Grant Period From To	June 30, 2009 (Accounts Receivable)	Carryover/ (Walkover) Due to Grantor	Cash Received	Budgetary (Expenditures)	Adjustments	Repayment of Prior Year's Balances	Balance, June 30, 2010 (Accounts Receivable)	Due to Grantor	MEMO	
												Budgetary Receivable	Cumulative Total Expenditures
Special Revenue Fund:													
N.J. Republic Aid:													
Textbook Aid	10-100-034-5120-064	\$ 3,386	7/1/2009 - 6/30/2010			\$ 3,386	(3,386)					\$	3,386
Nursing Services	10-100-034-5120-070	4,014	7/1/2009 - 6/30/2010			4,014	(4,014)						4,014
Auxiliary Services:													
Compensatory Education	10-100-034-5120-067	1,152	7/1/2009 - 6/30/2010			1,152	(1,152)						1,152
English as a Second Language	09-100-034-5120-067	2,790	7/1/2006 - 6/30/2009		\$ 1,860				\$ 1,860				
English as a Second Language	10-100-034-5120-067	3,697	7/1/2009 - 6/30/2010			3,697	(897)						897
Handicapped Services: Examination and Classification	09-100-034-5120-066	1,326	7/1/2008 - 6/30/2009		1,326				1,326				
Examination and Classification	10-100-034-5120-066	2,558	7/1/2009 - 6/30/2010			2,558	(2,558)						2,558
Auxiliary/Handicapped Transportation Aid	10-100-034-5120-068	422	7/1/2009 - 6/30/2010			422	(422)						422
Governor's Autism Grant	07-100-034-5065-090	215,041	4/1/2007 - 6/30/2008		31	13,000	(14,780)		31				14,760
Personalized Student Learning Pilot	99999999	15,000	7/1/2009 - 6/30/2010										
Total Special Revenue Fund				\$ 3,217	\$ 1,326	\$ 28,119	\$ (27,159)		\$ 3,217	\$ (1,780)	\$ 2,690	\$	\$ 27,189
State Department of Agriculture Enterprise Fund:													
State School Lunch Program	09-100-010-3350-023	34,643	7/1/2008 - 6/30/2009			6,416							
State School Lunch Program	10-100-010-3350-023	37,984	7/1/2009 - 6/30/2010	(6,416)		35,325	(37,984)						37,984
State School Breakfast Program	09-100-010-3350-021	13,177	7/1/2006 - 6/30/2009	(2,745)		2,745							
State School Breakfast Program	10-100-010-3350-021	15,334	7/1/2009 - 6/30/2010			14,113	(15,333)						15,333
Total Enterprise Fund				\$ (9,161)		\$ 56,599	\$ (63,317)			\$ (3,879)		\$	\$ 53,317
Total State Financial Assistance				\$ (3,654,641)	\$ 16,488	\$ 16,824,618	\$ (14,936,917)	\$ (16,468)	\$ 3,217	\$ (2,059,662)	\$ 2,690	\$	\$ 14,536,917

See Accompanying Notes to Schedules of Financial Assistance.

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT, COUNTY OF MIDDLESEX
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

1. GENERAL

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

2. BASIS OF ACCOUNTING

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

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT, COUNTY OF MIDDLESEX
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED JUNE 30, 2010

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a negative, \$125,624 for the general fund and none for the special revenue fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 1,340,665	14,821,020	\$ 16,161,685
Special Revenue Fund	2,510,533	27,189	2,537,722
Food Service Fund	<u>1,099,497</u>	<u>53,318</u>	<u>1,152,815</u>
Total Awards and Assistance	<u>\$ 4,950,695</u>	<u>\$ 14,901,527</u>	<u>\$ 19,852,222</u>

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. FEDERAL AND STATE LOANS OUTSTANDING

The District had no federal or state loans outstanding.

6. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contribution and Post Retirement Medical Contributions represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2010. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2010.

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified, dated
October 6, 2010

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? yes x no

Federal Awards

Internal control over major programs:

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

Type of auditor's report issued on compliance for major programs: Unqualified, dated
October 6, 2010

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027 and 84.173</u>	<u>I.D.E.A. Part B, Basic and Pre-School</u>
<u>84.010A</u>	<u>Title I Grant</u>
<u>10.550, 553 and 555</u>	<u>National School Lunch Program</u>
<u>84.391</u>	<u>ARRA IDEA Part B Basic</u>
<u>84.394</u>	<u>ARRA Education State Grants – Recovery</u>

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

Auditee qualified as low-risk auditee? x yes no

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

State Awards

Dollar threshold used to distinguish between type A and type B Programs: \$448,108

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

Type of auditor's report issued on compliance for major programs: Unqualified, dated
October 6, 2010

Internal Control over major programs:

1. Material weakness(es) identified? Yes x no

2. Significant deficiency(ies) identified that are not considered to be material weakness(es): yes x none reported

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

Identification of major programs:

<u>GMIS Number</u>	<u>Name of State Program</u>
<u>10-495-034-5120-014</u>	<u>Categorical Transportation Aid</u>
<u>10-495-034-5120-089</u>	<u>Categorical Special Education Aid</u>
<u>10-495-034-5120-084</u>	<u>Categorical Security Aid</u>
<u>10-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>10-100-034-5095-002</u>	<u>Reimbursed TPAF Social Security Contribution</u>

Section II - Schedule of Financial Statement Findings
 None

Section III - Schedule of State Financial Assistance
 Findings and Questioned Costs
 None

BOARD OF EDUCATION
TOWNSHIP OF NORTH BRUNSWICK SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

FOR THE YEAR ENDED JUNE 30, 2009:

There were no findings for the year ended June 30, 2009.