

SCHOOL DISTRICT  
OF  
FREEHOLD TOWNSHIP  
OF MONMOUTH COUNTY

FREEHOLD TOWNSHIP SCHOOL DISTRICT

FREEHOLD, NEW JERSEY

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2010

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

of the

Freehold Township School District  
of Monmouth County

Freehold, New Jersey

For the Fiscal Year Ended June 30, 2010

Prepared by

Freehold Township School District  
of Monmouth County Board of Education  
Finance Department

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INTRODUCTORY SECTION



# Freehold Township Schools

William J. Setaro, Ed.D., Superintendent of Schools

732-462-8400 ext. 8807 ♦ 732-761-1809 fax

wsetaro@freeholdtn.k12.nj.us

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*"...preparing all students to  
be responsible citizens and  
life long learners."*

November 23, 2010

Honorable President and  
Members of the Board of Education  
Freehold Township School District  
Monmouth County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Freehold Township School District for the fiscal year ended June 30, 2010, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1) REPORTING ENTITY AND ITS SERVICES: Freehold Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Freehold Township School District Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, as well as special education for youngsters with disabilities. The District completed the 2009-2010 fiscal year with an enrollment of 4,500 students, which is 21 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
1991-92	2,689	4.71%
1992-93	2,785	3.57%
1993-94	2,880	3.41%
1994-95	3,037	5.45%
1995-96	3,217	5.93%
1996-97	3,290	2.27%
1997-98	3,375	2.58%
1998-99	3,734	10.63%
1999-00	3,898	4.39%
2000-01	4,085	4.79%
2002-02	4,347	6.41%
2002-03	4,452	2.42%
2003-04	4,565	1.03%
2004-05	4,635	1.02%
2005-06	4,658	1.01%
2006-07	4,595	1.35%
2007-08	4,651	1.20%
2008-09	4,521	-2.80%
2009-10	4,500	-0.05%

2) ECONOMIC CONDITION AND OUTLOOK: The economic climate in the State of Jersey was such that the state rescinded state aid to districts that had fund balances available. For Freehold Township this resulted in a \$1.3 million rescission of state aid. In addition, the state notified the district that the 2010-2011 state aid was reduced by \$ 3 million. The district was able to manage its funds such that it produced additional fund balance to be used in subsequent years. As of this writing the economic situation in the state is slowly improving.

3) MAJOR INITIATIVES: The school district applied to and received from the State of New Jersey for Regular Operating District Grants for construction. The projects included ceiling and lighting replacements, asbestos abatement and flooring replacement and upgraded HVAC equipment for the Joseph J. Catena School and C.T. Barkalow School gymnasiums. The projects were completed in the 2009-2010 school year.

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

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

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

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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2010.

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

7) FINANCIAL INFORMATION AT FISCAL YEAR-END: 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. Readers should refer to the Management's Discussion and Analysis for a summary of the financial statements in relation to the prior year.

8) DEBT ADMINISTRATION: At June 30, 2010, the District's outstanding debt issues included \$54,220,000 of general obligation bonds (Note 7).

9) 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 GUDPA.

10) RISK MANAGEMENT: The District maintains a comprehensive insurance program, including (but not limited to) blanket building and contents property insurance, general liability, auto liability, umbrella liability and workers compensation. In addition, the District purchases special coverages such as builders risk on the new school, boiler and machinery, sports accident, and student trip insurances. Annual reviews of the entire program are done in order to evaluate potential insurance changes.

11) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Scutellaro and Company, L.L.P. 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 of 1997 and the related OMB Circular A-133 and State Treasury Circular Letter OMB 04-04. The auditor's report on the basic 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.

12) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Freehold Township School District Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the 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,



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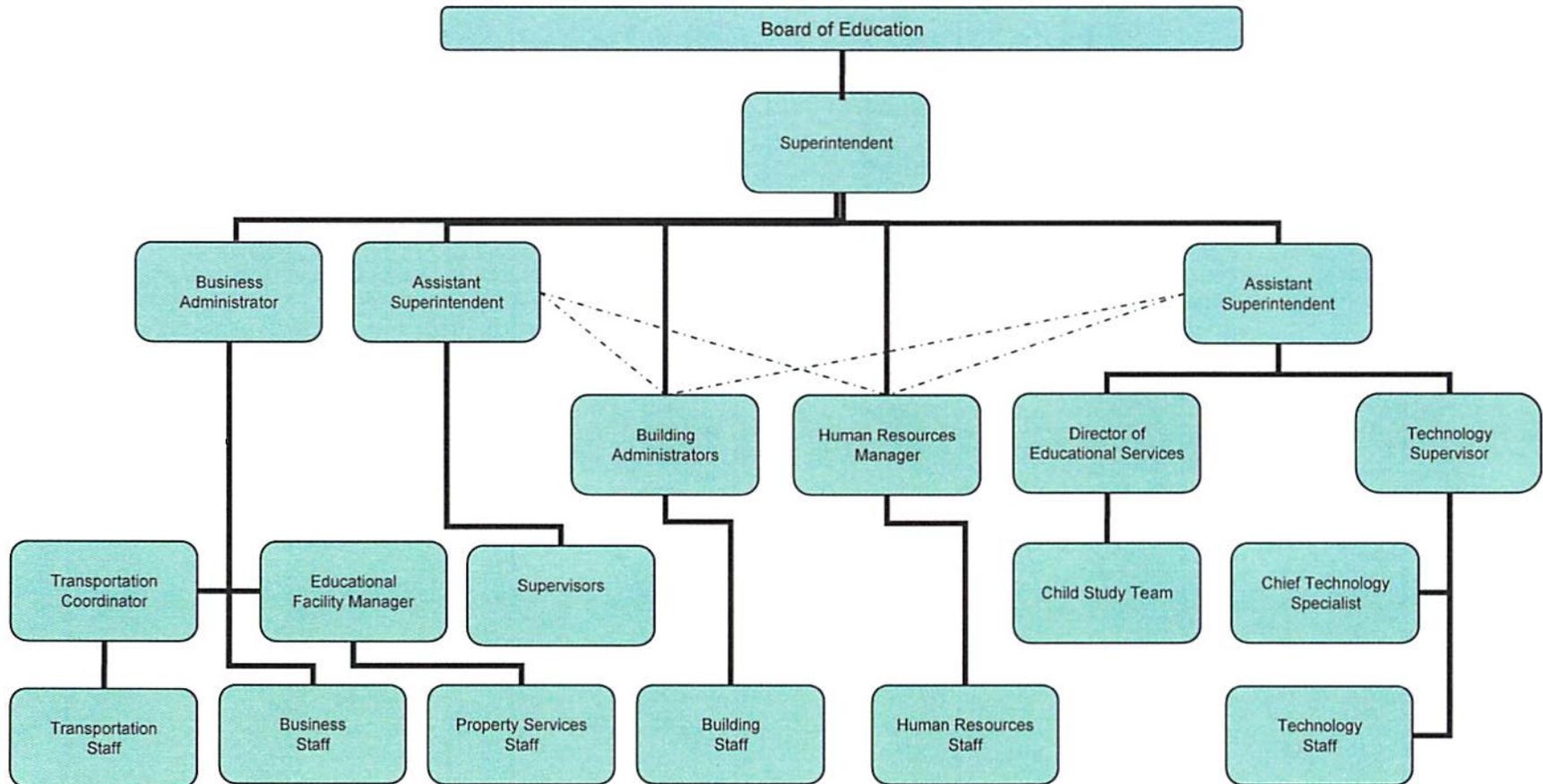
William J. Setaro, Ed.D.  
Superintendent of Schools



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Brian P. Boyle  
Business Administrator/Board Secretary

# FREEHOLD TOWNSHIP SCHOOLS



FREEHOLD TOWNSHIP SCHOOL DISTRICT

FREEHOLD, NEW JERSEY

Roster of Officials

June 30, 2010

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mindy Willie, President	2010
Kay Poklemba-Holtz, Vice President	2012
Robert Hoppes	2011
Grace McMillian	2011
Mike Williams	2011
Daniel DiBlasio	2010
Stephen Buffett	2010
Fillip Gershon	2012
Christopher Marion	2012

Other Officials

William J. Setaro, Ed.D., Superintendent

Brian P. Boyle, Board Secretary/School Business Administrator

Marylou Angelo, Treasurer

Michael Gross, Attorney

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Consultants and Advisors

Architect

Faridy Veisz Fraytak  
1515 Lower Ferry Road  
P.O. Box 7371  
Trenton, NJ 08628

Audit Firm

Jump, Scutellaro and Company, L.L.P.  
12 Lexington Avenue  
Toms River, NJ 08754

Attorney

Michael Gross, Esq.  
Kenney, Gross, Kovats, Campbell & Pruchnik  
130 Maple Avenue/Bldg 8  
P.O. Box 8610  
Red Bank, NJ 07701

Official Depository

TD Bank  
600 West Main Street  
Freehold, NJ 07728

FINANCIAL SECTION

**JUMP, SCUTELLARO AND COMPANY, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS**

12 LEXINGTON AVENUE · TOMS RIVER, NJ 08753 PHONE (732) 240-7377 FAX (732) 505-8307 WEBSITE: jumpcpa.com

UNQUALIFIED OPINION ON BASIC FINANCIAL  
STATEMENTS ACCOMPANIED BY REQUIRED SUPPLEMENTARY  
INFORMATION AND SUPPLEMENTARY SCHEDULE OF FEDERAL AWARDS AND OTHER SUPPLEMENTARY  
INFORMATION- GOVERNMENTAL ENTITY

The Honorable President and  
Members of the Board of Education  
Freehold Township School District  
County of Monmouth  
Freehold, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Freehold Township School District County of Monmouth, 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 basic financial statements are the responsibility of Board of Education of the Freehold 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 standard 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic 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, and each major fund and the aggregate remaining fund information as of the Board of Education of the Freehold Township School District County of Monmouth, State of New Jersey, as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows 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 a report dated November 23, 2010 on our consideration of the Board of Education of the Freehold Township School District of Monmouth County's internal control over the financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

The Management's Discussion and Analysis and Budgetary Comparison Information are not a required part of the basic 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 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 Freehold Township Board of Education's basic financial statements. The accompanying introduction section, and other supplementary information such as combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied to the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied to the audit of the basic 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 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 basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

JUMP, SCUTELLARO AND COMPANY, L.L.P.



Kathryn Peary  
Licensed Public School Accountant  
No. CS 20CS00226400

Toms River, New Jersey  
November 23, 2010

REQUIRED SUPPLEMENTARY INFORMATION – PART I

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Management Discussion and Analysis

For the year ended June 30, 2010

The Management's Discussion and Analysis (MD&A) of the Freehold Township Board of Education provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2010. It should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found starting on page 1 of the Introductory Section, and the School Board's financial statements found in the Financial Section starting on page 19, and the notes thereto.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2009-2010 fiscal year include the following:

In total, net assets decreased \$754,472, which represents a 5.14% decrease from 2009.

Total assets of governmental activities decreased by \$910,338 as cash and cash equivalents increased by \$59,571; receivables decreased by \$124,212; and capital assets decreased by \$833,257.

Total liabilities of governmental activities decreased by \$155,866, as accounts payable increased by \$933,460, non-current liabilities (sick leave reimbursement and bonds payable) decreased by \$1,037,350.

General revenues account for \$66,337,340 in revenue or 93.3% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$4,750,312 or 6.7% of the total revenues of \$71,087,652.

Total spending for all programs was \$71,842,124, including a charge of \$2,179,118 for depreciation. Expenses in the amount of \$4,750,312 were offset by specific charges for services and grants or contributions. General revenues (primarily local tax levy and state aid) of \$66,337,340 were adequate to provide for the balance of these programs, exclusive of the charge for depreciation.

## **USING THE ANNUAL REPORT**

The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Assets and the Statement of Activities Exhibits A-1 and A-2 provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. The School Board's financial statements start with Exhibit B-1. For the School Board's governmental activities, these statements tell how the School Board financed its services in the short-term as well as what remains for future spending. Fund statements also may give the reader some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds-such as the School Board's General Fund, Special Revenue Fund and Capital Project Fund. The remaining statement-Statement of Fiduciary Net Assets presents financial information about activities for which the School Board acts solely as an agent for the benefit of employees and students.

The School Board's auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

The School Board prepared the Introductory Section and the Statistical Section without association by the independent auditors. Accordingly, the School Board assumes full responsibility for the accuracy of these sections.

THE SCHOOL DISTRICT AS A WHOLE

Table I provides a summary of the School Board's net assets as of June 30, 2010 and 2009.

Table I  
Statement of Net Assets  
June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>	Percentage of Change <u>2009-2010</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,010,701	\$ 6,951,130	0.86%
Receivables	1,821,715	1,945,927	-6.38%
Inventory	-	-	0.00%
Other Assets	7,499	7,864	-4.64%
Due from other funds	246,367	258,442	-4.67%
Capital Assets	<u>61,144,759</u>	<u>61,978,016</u>	-1.34%
Total assets	<u>70,231,041</u>	<u>71,141,379</u>	-1.28%
<b>LIABILITIES</b>			
Accounts payable	938,196	4,736	19709.88%
Deferred revenue	18,665	70,641	-73.58%
Other current liabilities	-	-	0.00%
Noncurrent liabilities:			0.00%
Due within one year	1,195,000	985,000	21.32%
Due beyond one year	<u>54,160,500</u>	<u>55,407,850</u>	-2.25%
Total liabilities	<u>56,312,361</u>	<u>56,468,227</u>	-0.28%
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	7,171,126	7,031,458	1.99%
Restricted for:			0.00%
Capital projects	1,819,856	1,737,692	4.73%
Debt service	-	-	0.00%
Other purposes	4,683,542	4,856,842	-3.57%
Unrestricted	<u>244,156</u>	<u>1,047,160</u>	-76.68%
Total net assets	<u>\$ 13,918,680</u>	<u>\$ 14,673,152</u>	-5.14%

Total assets decreased by \$910,338. Unrestricted net assets, the part of net assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements of the School Board, decreased by \$803,004 due to the board utilizing fund balance as a source of funding for the year.

Total liabilities decreased by \$155,866. This was due to increases in accounts payable and decreases in deferred revenue and non-current liabilities beyond one year. The district continues to pay down long-term debt.

Table II  
Changes in Net Assets  
For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>	<u>Percentage of Change 2009-2010</u>
<b>REVENUE</b>			
Program revenue:			
Charges for services	\$ 984,049	\$ 888,068	10.81%
Federal, state and local aid-restricted	3,766,263	3,475,101	8.38%
General revenue:			
Local tax levy	58,847,172	56,341,417	4.45%
Federal and State aid-unrestricted	6,926,199	6,550,587	5.73%
State and local aid-restricted	281,693	1,380,082	-79.59%
Other general revenue	<u>282,276</u>	<u>362,732</u>	-22.18%
Total revenues	<u>71,087,652</u>	<u>68,997,987</u>	3.03%
<b>FUNCTION/PROGRAM EXPENSES</b>			
Instruction:			
Regular instruction	18,325,288	17,411,815	5.25%
Special instruction	6,764,491	6,138,006	10.21%
Other instruction	1,051,618	1,178,085	-10.73%
Support services:			
Instruction	2,707,378	2,975,952	-9.02%
Health services	748,168	738,305	1.34%
Other support services	5,255,099	4,842,689	8.52%
Educational media services	785,885	775,884	1.29%
Instructional staff training	57,940	105,659	-45.16%
General administration	906,972	938,678	-3.38%
School administration	1,905,909	1,892,484	0.71%
Central services	762,903	732,698	4.12%
Admin info technology	687,139	762,397	-9.87%
Operations and maintenance	7,017,728	7,047,418	-0.42%
Student transportation services	4,006,569	4,498,296	-10.93%
Unallocated employee benefits	13,859,389	13,004,256	6.58%
Non-budgeted expenditures	3,511,005	3,250,119	8.03%
Special schools	18,793	17,236	9.03%
Business type activities	1,027,458	1,066,717	-3.68%
Interest on long-term debt	<u>2,442,392</u>	<u>2,476,754</u>	-1.39%
Total expenses	<u>71,842,124</u>	<u>69,853,448</u>	2.85%
<b>Increase (decrease) in net assets</b>	<u>\$ (754,472)</u>	<u>\$ (855,461)</u>	-11.81%

Table II shows the changes in net assets for fiscal year 2010 as compared to fiscal year 2009. This table categorizes total revenue generated by the School Board between program and general revenue, and total expenditures between instruction, support services and special extraordinary items.

The tax levy increase was primarily due to increases in employee salaries and benefits, and the 4% decrease in federal and state aide is due to the decrease in state aid that has affected a majority of school districts.

The sharp decrease in other general revenue reflects the impact of the low interest earnings environment.

Instructional cost increased as a result of salary increases for instructional staff.

Unallocated employee benefits saw increases due to an increase in health insurance costs.

#### **THE SCHOOL BOARD'S FUNDS**

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allow the School Board to demonstrate its stewardship over and accountability for resources received from the Township of Freehold, State of New Jersey and other entities. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2010, it reported combined net assets of \$13,918,680 which is a decrease of \$755,472. The Reconciliation of the Statement of Revenue Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities, Exhibit B-3, presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

#### **GENERAL FUND BUDGETING HIGHLIGHTS**

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

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures.

A schedule showing the School Board's original and final budget compared with actual operating results is provided in Section C of the CAFR, entitled Budgetary Comparison Schedules. The School Board generally did better than had been budgeted in its General Fund since it uses conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

The General Fund finished the fiscal year approximately \$3,683,818 less than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$264,805 better than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

The expenditures rose because of salary and benefit expenditure increases. At the same time, general supplies were purchased at better prices than expected due to the district joining other schools in cooperative bidding. The district participated in a co-op for energy consumption.

The excesses will be carried forward into the beginning fund balance for the 2010-2011 fiscal year and will be used to reduce the local tax levy for the 2011-2012 fiscal year.

**CAPITAL ASSETS**

At June 30, 2010 the School Board had approximately \$61 Million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Increases during the year represent additions to those categories, while decreases represent retirement of assets during the year, and depreciation of depreciable assets for the year. Table III below shows the book value of capital assets at the end of the 2010 and 2009 fiscal years.

Table III  
Capital Assets (net of accumulated depreciation)  
June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>	Percentage of Change <u>2010-2009</u>
Site and site improvements	\$ 2,079,919	\$ 2,079,919	-%
Land, buildings and building improvements	57,232,135	58,500,517	-.02%
Furniture, vehicles and equipment	1,106,316	1,385,118	-20.13%
Construction in progress	<u>709,849</u>	<u>-</u>	100%
	<u>\$61,128,219</u>	<u>\$61,965,554</u>	-1.35%

During the current fiscal year, \$631,934 of fixed assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

The School Board anticipates that capital additions for the 2010-2011 fiscal year will be comparable to the current year.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

For the 2009-2010 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 15% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 83% of total revenue is from local tax levy.

The \$170,580 in unrestricted net assets for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have \$170,580 left.

The 2009-2010 budget was adopted based in part on the state education aid the School Board anticipated receiving. Due to the economic condition in the State of New Jersey, the State rescinded \$1.3 million in the state aid for 09-10 school year. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst districts, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the Township of Freehold for increased aid.

The School Board anticipates an increase in costs for the 2010-2011 fiscal year. If the School Board were to experience a significant increase in costs for items such as benefits or energy with no appreciable increase in state aid for future budgets, the School Board would be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

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

The School Board's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Brian P. Boyle, School Business Administrator/Board Secretary, at the Freehold Township Schools Board of Education, 384 West Main Street, New Jersey 07728, or e-mail at [bboyle@freeholdtwp.k12.nj.us](mailto:bboyle@freeholdtwp.k12.nj.us).

**FREEHOLD TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Assets**  
**June 30, 2010**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,943,708	\$ 66,993	\$ 7,010,701
Receivables - other	425,149	61,726	486,875
Receivables - state	1,318,146	-	1,318,146
Receivables - other governments	-	16,694	16,694
Inventory	-	7,499	7,499
Other assets	246,367	-	246,367
Due from other funds	-	-	-
Capital assets, net (Note 6):	61,128,219	16,540	61,144,759
Total assets	<u>70,061,589</u>	<u>169,452</u>	<u>70,231,041</u>
<b>LIABILITIES</b>			
Accounts payable	858,860	79,336	938,196
Other current liabilities	-	-	-
Deferred revenue	18,665	-	18,665
Noncurrent liabilities (Note 7):			
Due within one year	1,195,000	-	1,195,000
Due beyond one year	54,160,500	-	54,160,500
Total liabilities	<u>56,233,025</u>	<u>79,336</u>	<u>56,312,361</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	7,154,586	16,540	7,171,126
Restricted for:			
Debt service	-	-	-
Capital projects	1,819,856	-	1,819,856
Other purposes	4,683,542	-	4,683,542
Unrestricted	170,580	73,576	244,156
Total net assets	<u>\$ 13,828,564</u>	<u>\$ 90,116</u>	<u>\$ 13,918,680</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
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	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
Current:							
Regular instruction	\$ 18,325,288	\$ 74,213	\$ -	\$ -	\$ (18,251,075)	\$ -	\$ (18,251,075)
Special schools instruction	6,764,491	-	-	-	(6,764,491)	-	(6,764,491)
Other special instruction	1,051,618	-	-	-	(1,051,618)	-	(1,051,618)
Support services and undistributed costs:							
Instruction	2,707,378	-	-	-	(2,707,378)	-	(2,707,378)
Health services	748,168	-	-	-	(748,168)	-	(748,168)
Other support services	5,255,099	-	-	-	(5,255,099)	-	(5,255,099)
Educational media services	785,885	-	-	-	(785,885)	-	(785,885)
Instruction staff training	57,940	-	-	-	(57,940)	-	(57,940)
General administrative services	906,972	-	-	-	(906,972)	-	(906,972)
School administrative services	1,905,909	-	-	-	(1,905,909)	-	(1,905,909)
Central services	762,903	-	-	-	(762,903)	-	(762,903)
Admin info technology	687,139	-	-	-	(687,139)	-	(687,139)
Allowed maintenance for school facilities	873,572	-	-	-	(873,572)	-	(873,572)
Other operation & maintenance of plant	5,874,994	-	-	-	(5,874,994)	-	(5,874,994)
Care and upkeep of grounds	269,162	-	-	-	(269,162)	-	(269,162)
Student transportation services	4,006,569	121,992	-	-	(3,884,577)	-	(3,884,577)
Unallocated employee benefits	13,859,389	-	-	-	(13,859,389)	-	(13,859,389)
Non-budgeted expenditures	3,511,005	-	3,511,005	-	-	-	-
Special schools	18,793	-	-	-	(18,793)	-	(18,793)
Interest expense	2,442,392	-	-	-	(2,442,392)	-	(2,442,392)
Total governmental activities	70,814,666	196,205	3,511,005	-	(67,107,456)	-	(67,107,456)
Business-type activities:							
Food service	1,027,458	787,844	255,258	-	-	15,644	15,644
Total business-type activities	1,027,458	787,844	255,258	-	-	15,644	15,644
Total primary government	\$ 71,842,124	\$ 984,049	\$ 3,766,263	\$ -	\$ (67,107,456)	\$ 15,644	\$ (67,091,812)
<b>General revenues:</b>							
Taxes:							
Property taxes levied for general purpose					55,482,188	-	55,482,188
Taxes levied for debt service					3,364,984	-	3,364,984
Federal and state aid - not restricted					4,866,488	-	4,866,488
Federal and state aid -restricted					281,693	-	281,693
State aid - restricted					2,059,711	-	2,059,711
Miscellaneous income					240,783	-	240,783
Investment earnings					41,493	-	41,493
Total general revenues, special items, extraordinary items and transfers					66,337,340	-	66,337,340
<b>Change in net assets</b>					(770,116)	15,644	(754,472)
<b>Net assets-beginning</b>					14,598,680	74,472	14,673,152
<b>Net assets-ending</b>					\$ 13,828,564	90,116	\$ 13,918,680

See accompanying notes to financial statements.

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 Balance Sheet  
 Governmental Funds  
 June 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,257,235	\$ (135,900)	\$ (219,121)	\$ -	\$ 902,214
Cash on hand with fiscal agent	1,133,120	-	327,209	-	1,460,329
Investments	1,671,992	-	-	-	1,671,992
Capital reserve	1,415,241	-	-	-	1,415,241
Maintenance reserve	887,864	-	-	-	887,864
Emergency reserve	606,068	-	-	-	606,068
Receivables, net	-	-	317,824	-	317,824
Due from other funds	-	-	-	-	-
Receivables from other governments	1,145,948	172,198	-	-	1,318,146
Other - [tuition]	94,937	12,388	-	-	107,325
Total assets	<u>\$ 8,212,405</u>	<u>\$ 48,686</u>	<u>\$ 425,912</u>	<u>\$ -</u>	<u>\$ 8,687,003</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	807,542	30,021	21,297	-	858,860
Interfund payable	-	-	-	-	-
Deferred revenue	-	18,665	-	-	18,665
Other current liabilities	-	-	-	-	-
Total liabilities	<u>807,542</u>	<u>48,686</u>	<u>21,297</u>	<u>-</u>	<u>877,525</u>
Fund Balances:					
Reserved for:					
Encumbrances	486,488	-	235,439	-	721,927
Legally restricted -- unexpended additional spending proposal	-	-	169,176	-	169,176
Legally restricted -- designated for subsequent year's expenditures	1,065,647	-	-	-	1,065,647
Capital reserve account	1,415,241	-	-	-	1,415,241
Maintenance reserve account	887,864	-	-	-	887,864
Emergency reserve account	606,068	-	-	-	606,068
Excess surplus	-	-	-	-	-
Excess surplus -- designated for Subsequent year's expenditures	1,637,475	-	-	-	1,637,475
Other purposes	-	-	-	-	-
Unreserved, reported in:					
General fund	1,306,080	-	-	-	1,306,080
Total Fund balances	<u>7,404,863</u>	<u>-</u>	<u>404,615</u>	<u>-</u>	<u>7,809,478</u>
Total liabilities and fund balances	<u>\$ 8,212,405</u>	<u>\$ 48,686</u>	<u>\$ 425,912</u>	<u>\$ -</u>	

Amounts reported for governmental activities in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets are \$92,179,217 and the accumulated depreciation is \$31,061,902	61,128,219
Bond issuance costs are being amortized over the life of the related bonds. The amortization is not recorded in the funds. The original costs were \$303,484.	246,367
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7).	<u>(55,355,500)</u>
Net assets of governmental activities	<u>\$ 13,828,564</u>

**FREEHOLD TOWNSHIP SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2010**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	GAAP Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 55,482,188	\$ -	\$ -	\$ 3,364,984	\$ 58,847,172
Tuition charges	74,213	-	-	-	74,213
Interest on investments	36,734	-	-	-	36,734
Interest earned on capital reserve funds	4,759	-	-	-	4,759
Transportation fees	121,992	-	-	-	121,992
Miscellaneous	129,814	110,969	-	-	240,783
<b>Total - Local Sources</b>	<b>55,849,700</b>	<b>110,969</b>	<b>-</b>	<b>3,364,984</b>	<b>59,325,653</b>
State sources	8,377,493	61,957	317,824	50,333	8,807,607
Federal sources	281,693	1,629,597	-	-	1,911,290
<b>Total revenues</b>	<b>\$ 64,508,886</b>	<b>\$ 1,802,523</b>	<b>\$ 317,824</b>	<b>\$ 3,415,317</b>	<b>\$ 70,044,550</b>
<b>EXPENDITURES</b>					
Current:					
Regular instruction	\$ 17,055,796	\$ 1,269,492	\$ -	\$ -	\$ 18,325,288
Special education instruction	6,764,491	-	-	-	6,764,491
Other special instruction	1,051,618	-	-	-	1,051,618
Support services and undistributed costs:					
Instruction	2,707,378	-	-	-	2,707,378
Health services	748,168	-	-	-	748,168
Other support services	4,726,683	528,416	-	-	5,255,099
Educational media services	785,885	-	-	-	785,885
Instruction staff training	57,940	-	-	-	57,940
General administrative services	906,972	-	-	-	906,972
School administrative services	1,905,909	-	-	-	1,905,909
Allowed maintenance for school facilities	873,572	-	-	-	873,572
Other operation & maintenance of plant	4,315,889	-	-	-	4,315,889
Care and upkeep of grounds	269,162	-	-	-	269,162
Student transportation services	3,923,154	-	-	-	3,923,154
Central services	762,903	-	-	-	762,903
Admin info technology	687,139	-	-	-	687,139
Unallocated employee benefits	13,911,739	-	-	-	13,911,739
Non-budgeted expenditures	3,511,005	-	-	-	3,511,005
Special schools	18,793	-	-	-	18,793
Debt service:					
Principal	-	-	-	985,000	985,000
Interest and other charges	-	-	-	2,430,317	2,430,317
Capital outlay	83,415	4,615	717,155	-	805,185
<b>Total expenditures</b>	<b>65,067,611</b>	<b>1,802,523</b>	<b>717,155</b>	<b>3,415,317</b>	<b>71,002,606</b>
Excess (Deficiency) of revenues over expenditures	(558,725)	-	(399,331)	-	(958,056)
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond refunding	-	-	-	-	-
Other Uses-Original issue discount	-	-	-	-	-
Underwriters discount	-	-	-	-	-
Transfer in	-	-	476,737	-	476,737
Transfers out	(476,737)	-	-	-	(476,737)
<b>Total other financing sources and uses</b>	<b>(476,737)</b>	<b>-</b>	<b>476,737</b>	<b>-</b>	<b>-</b>
Net change in fund balances	(1,035,462)	-	77,406	-	(958,056)
Fund balance-July 1	8,440,325	-	327,209	-	8,767,534
<b>Fund balance-June 30</b>	<b>\$ 7,404,863</b>	<b>\$ -</b>	<b>\$ 404,615</b>	<b>\$ -</b>	<b>\$ 7,809,478</b>

**FREEHOLD TOWNSHIP SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2010**

**Total net change in fund balances - governmental funds (from B-2)** **\$ (958,056)**

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

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

Depreciation expense	(2,179,118)	
Capital outlays	<u>1,341,783</u>	(837,335)

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. 985,000

In the Statement of Activities, the amortization of bond issuance costs is recorded as interest expense. In the governmental funds, the amortization is not recorded. (12,075)

In the Statement of Activities, the principal payments on capital leases are recorded as a reduction in the long-term liability. In the governmental funds, the payments is an expenditure. -  
(Amount is net of payments included in capital outlay)

In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) 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, essentially, the amounts actually paid. This year, sick leave was reduced by \$5,082. 52,350

**Change in net assets of governmental activities** **\$ (770,116)**

Freehold Township School District  
Statement of Net Assets  
Proprietary Funds  
June 30, 2010

		<u>Business-type-activities- Enterprise Funds</u>
		<u>Food Service</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$	66,993
Investments		-
Accounts receivable		16,694
Interfund receivable		-
Other receivables		61,726
Inventories		7,499
Total current assets		<u>152,912</u>
Noncurrent assets:		
Restricted cash and cash equivalents		-
Furniture, machinery & equipment		118,231
Less accumulated depreciation		(101,691)
Total noncurrent assets		<u>16,540</u>
Total assets	\$	<u>169,452</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$	79,336
Deposits payable		-
Compensated absences		-
Total current liabilities		<u>79,336</u>
Noncurrent liabilities:		
Compensated absences		-
Total noncurrent liabilities		<u>-</u>
Total liabilities		<u>79,336</u>
<b>NET ASSETS</b>		
Invested in capital assets net of related debt		16,540
Contributed capital		20,746
Restricted for:		
Capital projects		-
Unrestricted		52,830
Total net assets		<u>90,116</u>
Total liabilities and net assets	\$	<u>169,452</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2010

		Business-type Activities - Enterprise Fund
		Food Service
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$	525,441
Daily sales - non-reimbursable programs		262,403
Special functions		-
Community service activities		-
Transportation fees from other LEA's within the state		-
Deductions from employees' salaries		-
Miscellaneous		-
Total operating revenues		<u>787,844</u>
Operating expenses:		
Cost of sales		296,614
Salaries		412,298
Employee benefits		75,108
Purchased property service		-
Other purchased professional services		161,731
Cleaning, repair and maintenance services		-
Rentals		-
Other purchased services:		
Contracted services (between home and school)		-
Contracted services (other than between home and school)		-
Contracted services (special education students) - vendors		-
Contracted services (special education students) - joint agreements		-
Insurance		-
General supplies		77,490
Depreciation		4,217
Total Operating Expenses		<u>1,027,458</u>
Operating income (loss)		<u>(239,614)</u>
Nonoperating revenues (expenses):		
State sources:		
State school lunch program		13,623
Federal sources:		
National school lunch program		162,643
Special milk program		-
Food distribution program		78,992
Interest and investment revenue		-
Miscellaneous expense		-
Total nonoperating revenues (expenses)		<u>255,258</u>
Change in net assets		<u>15,644</u>
Total net assets—beginning		<u>74,472</u>
Total net assets—ending	\$	<u>90,116</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 Food Services Enterprise Fund  
 Statement of Cash Flows  
 for the Fiscal Year ended June 30, 2010

	Food Service
Cash Flows from Operating Activities:	
Receipts from customers and other funds	660,742
Payments to employees	(412,298)
Payments for employee benefits	(75,108)
Payments to suppliers	(302,887)
Net cash used for operating activities	(129,551)
Cash Flows from Noncapital Financing Activities	
State sources	13,509
Federal sources	159,696
Net cash provided by noncapital financing activities	173,205
Cash Flows from Capital and Related Financing Activities	
Purchases of fixed assets	(8,295)
Net cash used for capital and related financing activities	(8,295)
Net increase in cash and cash equivalents	35,359
Balances-beginning of the year	31,634
Balances-end of the year	66,993
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	\$ (239,614)
Adjustments to reconcile operating loss to cash used by operating activities:	
Depreciation	4,217
Federal commodities	78,992
Change in assets and liabilities:	
Decrease (increase) in interfund receivable	-
Decrease (increase) in accounts receivable	(48,111)
Decrease (increase) in inventory	365
Increase (decrease) in accounts payable	74,600
Total adjustments	110,063
Net cash used by operating activities	\$ (129,551)

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
Statement of Fiduciary Net Assets  
June 30, 2010

	Unemployment Compensation Trust	Student Activity	Agency Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 72,328	\$ 37,164	\$ 279,810	\$ 389,302
Intergovernmental accounts receivable	-	-	-	-
Interfund receivable	-	-	-	-
Total assets	<u>\$ 72,328</u>	<u>\$ 37,164</u>	<u>\$ 279,810</u>	<u>\$ 389,302</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll deductions and withholdings	-	-	279,810	279,810
Payable to student groups	-	37,164	-	37,164
Interfund payable	-	-	-	-
Other current liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>37,164</u>	<u>279,810</u>	<u>316,974</u>
<b>NET ASSETS</b>				
Held in trust for unemployment claims and other purposes	72,328	-	-	72,328
Reserved for scholarships	-	-	-	-
Total net assets	<u>72,328</u>	<u>-</u>	<u>-</u>	<u>72,328</u>
Total liabilities and net assets	<u>\$ 72,328</u>	<u>\$ 37,164</u>	<u>\$ 279,810</u>	<u>\$ 389,302</u>

See accompanying notes to financial statements.

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2010

	Unemployment Compensation Trust
<b>ADDITIONS</b>	
Contributions:	
Plan members	\$ 65,897
Other	-
Total contributions	65,897
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	-
Dividends	348
Less investment expense	-
Net investment earnings	348
Total additions	66,245
<b>DEDUCTIONS</b>	
Quarterly contribution reports	-
Unemployment claims	144,403
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	144,403
Change in net assets	(78,158)
Net assets—beginning of the year	150,486
Net assets—end of the year	\$ 72,328

See accompanying notes to financial statements.

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2010

1. Summary of Significant Accounting Policies

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

a. Reporting Entity

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The district-wide financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include a preschool, elementary schools, and junior high schools located in Freehold. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

b. Basis of Presentation

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

District-wide Statements: The District adopted the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—For State and Local Governments; Statement No. 37, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus; and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements, as of July 1, 2002. The District's basic financial statements reflect the implementation.

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

The district-wide financial statements (A-1 and A-2) include the statement of net assets and the statement of activities. These statements report financial information of the District as a whole excluding the fiduciary activities. All interfund activity, excluding the fiduciary funds, has been eliminated in the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported through taxes and user fees, from business-type activities, generally financed in whole or in part with fees charged to external customers.

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

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

The District reports the following 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 non-instructional equipment which are classified in the Capital Outlay sub-fund.

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

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

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.

The District reports the following proprietary fund:

Enterprise Funds: The Enterprise Funds are 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 Food Service Fund.

Depreciation of all 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 are as follows:

Equipment

5-20 Years

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

c. Basis of Presentation (continued)

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Payroll Agency Fund and Unemployment Compensation Insurance Trust Fund.

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

District-wide, proprietary, and fiduciary fund financial statements: The district-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. The tax revenues are recognized in the year for which they are levied (see Note 1.e.). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all requirements have been satisfied.

Governmental fund financial statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon thereafter to pay current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

d. Property Taxes

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

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

1. 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 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. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6a:23-1.2.

All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2010 were insignificant.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles 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.

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.

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

Summary of Significant Accounting Policies (continued)

g. 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 plus accrued interest. 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

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.

h. Tuition Receivable

Tuition charges were established by the District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

i. Tuition Payable

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

j. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods are recorded as an expenditure during the year of purchase.

Inventories in the enterprise 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.

k. 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.

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

1. Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

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

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

m. 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.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences.

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

n. Deferred Revenue

Deferred revenue in the general and special revenue funds represent cash which has been received but not yet earned.

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

o. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. Bonds are recognized as a liability on the fund financial statements when due.

p. 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 balance of any borrowing 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 School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

q. 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. Fund balance reserves have been established for encumbrances and excess surplus as defined by State law.

r. Revenues - Exchange and Non-exchange Transactions

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

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

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

r. Revenues - Exchange and Non-exchange Transactions

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

s. Operating Revenues and Expenses

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

t. Management Estimates

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

2. Cash and Cash Equivalents and Investments

Operating cash, in the form of Negotiable Order of Withdrawal ("NOW") accounts, is held in the District's name by a commercial banking institution. At June 30, 2010, the carrying amount of the District's deposits was \$969,206.05 and the bank balance was \$1,104,737.19. Of the bank balance, \$250,000 was insured with Federal Deposit Insurance.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the District's NOW accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are uncollateralized (securities not pledged to be depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2010, all of the District's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The District does not have a policy for custodial credit risk.

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.

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

2. Cash and Cash Equivalents and Investments (continued)

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 GUDPA. 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.

3. Investments

Pursuant to the Enabling Act, the funds of the District may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the District may approve.

New Jersey Asset and Rebate Management Program - The Program has been established as a joint investment trust, (the "Trust"), by local governmental units in the State of New Jersey, (the "State"), consistent with the Interlocal Services Act, constituting Chapter 208 of the Pamphlet Laws of 1973 of the State of New Jersey and the acts amendatory thereof and supplemental thereto (N.J.S.A. 40:8A-1 et seq.), (the "Interlocal Services Act"), to make available to counties, municipalities, school districts, authorities, or other political subdivisions of the State, and where applicable, any bond trustee acting on behalf of such local government, a convenient method for investing and accounting for surplus cash and tax exempt debt proceeds. The Program seeks to invest tax-exempt bond and note proceeds in compliance with arbitrage management and rebate requirements of the Internal Revenue Code of 1986, as amended. The Program also provides for record keeping, depository and arbitrage rebate calculation.

As of June 30, 2010, the District had \$1,460,328.93 on deposit with the New Jersey Asset and Rebate Management Program.

Pursuant to the Enabling Act, the funds of the District may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the District may approve.

In order to maximize liquidity, the District utilized the New Jersey Cash Management Fund ("NJCMF") as its sole investment. The NJCMF is administered by the New Jersey Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At June 30, 2010, the District's balance was \$4,530,929.32.

Custodial Credit Risk: Pursuant to GASB 40, the NJCMF, which is a pooled investment, is exempt from custodial credit risk disclosure. The District does not have a policy for custodial credit risk.

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

3. Investments (continued)

Credit Risk: The District does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of U.S. government or investments guaranteed by the U.S. government. The NJCMF is not rated by a rating agency.

Interest Rate Risk: The District does not have a policy to limit interest rate risk. The average maturity of the District's sole investment, the NJCMF, is less than one year.

4. Capital Reserve Account

A capital reserve account was established by the District during fiscal year 2001-2002 in which it deposited \$100,000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's Long Range Facilities Plan, ("LRFP"). Upon submission of the LRFP to the department, a district may deposit funds by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate 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. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2009 to June 30, 2010 fiscal year is as follows:

Beginning balance, July 1, 2009	\$1,410,483
Interest earnings	4,759
Deposits	
Approved at June 2010 meeting	686,938
Approved at the annual school election	-
Withdrawals	(1,000,000)
Ending balance, June 30, 2010	<u>\$1,102,180</u>

The June 30, 2010 LRFP balance of local support costs of uncompleted capital projects is \$5,999,798. There were no withdrawals from the capital reserve for DOE approved facilities projects.

5. Receivables

Receivables at June 30, 2010, consisted of accounts (rent and tuition), accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of governmental receivables follows:

	Governmental Fund Financial Statements	District-Wide financial Statements
Property Taxes		
State Aid	1,318,146	1,318,146
Federal Aid	-	16,694
Other	425,149	486,875
Gross Receivables	<u>1,743,295</u>	<u>1,821,715</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

6. Capital Assets

Capital assets consisted of the following at June 30, 2010:

	Beginning Balance	Additions	Retirements	Ending Balance
<b>GOVERNMENTAL ACTIVITIES:</b>				
Capital assets that are not being depreciated:				
Site and site improvements	\$2,079,919	-	-	\$ 2,079,919
Construction in progress	-	709,849	-	709,849
Total capital assets not being depreciated	2,079,919	709,849	-	2,789,768
Building and building improvements	73,330,226	67,925	-	73,398,151
Machinery and equipment	15,410,502	564,009	-	15,974,511
Totals at historical cost	\$88,740,728	631,934	-	\$89,372,662
Less accumulated depreciation for :				
Building and improvements	(14,829,709)	(1,336,307)	-	(16,166,016)
Equipment	(14,025,384)	(842,811)	-	(14,868,195)
Total accumulated depreciation	(28,855,093)	(2,179,118)	-	(31,034,211)
Total capital assets being depr. Net of accumulated depreciation	59,885,635	(1,547,184)	-	(58,338,451)
Government activities capital assets, net	\$61,965,554	(837,335)	-	\$61,128,219
<b>BUSINESS-TYPE ACTIVITIES:</b>				
Equipment	\$109,936	8,295	-	\$118,231
Less: accumulated deprec. Business-type activities capital assets, net	(97,474)	(4,217)	-	(101,691)
	\$12,462	4,078	-	\$16,540

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$	-
Special schools instruction		-
Other support - students		-
General administration		-
School administration		-
Business services		-
Operations and maintenance	2,179,118	
Total depreciation expense	\$2,179,118	

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

7. Non-current Liabilities

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

	<u>Balance</u> <u>6-30-09</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>6-30-10</u>	<u>Due Within</u> <u>One Year</u>
Bonds payable	\$55,205,000	-	(985,000)	54,220,000	1,060,000
Obligations under capital leases	-	776,000	-	776,000	135,000
Compensated absences payable	<u>1,187,850</u>	<u>-</u>	<u>(52,350)</u>	<u>1,135,500</u>	<u>-</u>
	<u>\$56,392,850</u>	<u>776,000</u>	<u>(1,037,350)</u>	<u>56,131,500</u>	<u>1,195,000</u>

a. Bonds Payable

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

Principal and interest due on serial bonds outstanding is as follows:

<u>Year ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	1,060,000	2,388,517	3,448,517
2012	1,150,000	2,342,117	3,492,117
2013	1,220,000	2,296,960	3,516,960
2014	1,315,000	2,246,630	3,561,630
2015	1,425,000	2,190,988	3,615,988
2016-2020	9,775,000	9,820,080	19,595,080
2021-2025	14,260,000	7,193,542	21,453,542
2026-2030	18,325,000	3,449,285	21,774,285
2031-2032	<u>5,690,000</u>	<u>376,032</u>	<u>6,066,032</u>
	<u>\$54,220,000</u>	<u>32,304,151</u>	<u>86,524,151</u>

b. Bonds Authorized But Not Issued

As of June 30, 2010 the District had no authorized but not issued bonds.

c. Capital Leases:

The District is leasing equipment under a capital lease. The capital lease is for five years. The following is a schedule of the remaining future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2010:

Year ending June 30,	
2011	\$166,674
2012	173,490
2013	173,380
2014	171,785
2015	<u>172,380</u>
Total minimum lease payments	857,709
Less: Amounts representing interest	<u>(81,709)</u>
Present value of lease payments	<u>776,000</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

8. Pension Plans

Description of Systems:

All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of 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.

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 1/60 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.

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

8. Pension Plans (continued)

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>		<u>Net Pension Obligation</u>
6/30/10	None	100	%	\$ 0
6/30/09	None	100		0
6/30/08	None	100		0

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>Net Pension Obligation</u>
6/30/10	\$1,623,214	100	%	\$ 0
6/30/09	1,543,160	100		0
6/30/08	3,427,717	100		0

During the fiscal year ended June 30, 2010, the State of New Jersey contributed \$1,623,214 to the TPAF for normal and post-retirement 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 \$1,887,791 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 general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

9. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits of those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 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.

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

9. Post-Retirement Benefits (continued)

The state made post-retirement (PRM) contributions of \$1.38 billion for fiscal year 2009 and 3.22 million for fiscal year 2008.

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. In fiscal year 2009, the State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members.

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".

District employees are granted varying amounts of sick leave in accordance with the districts personnel policy. District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. Upon separation the District shall pay the employee for unused sick leave in accordance with the Districts' agreements with the various employees. Vacation days not used during the year may only be carried forward with approval from the Superintendent.

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term debt account group. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not 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.

11. Deferred Compensation

The Board 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, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

AIG/VALIC  
The Variable Annuity Life Insurance Co.  
AXA Equitable Life Insurance Co.  
Great American Financial Resources, Inc.  
Metlife Resources  
Security Benefit Corp.  
Legend Equities Corporation

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

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.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident 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 year:

<u>District Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2009-2010	\$ 65,897	348	144,403	72,328
2008-2009	31,273	437	3,080	150,486
2007-2008	154,015	385	31,502	121,856

13. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2010:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ -	\$ 807,542
Special Revenue Fund	-	-
Capital Projects Fund	-	-
Debt Service Fund	-	-
Enterprise Fund 875	-	-
Trust and Agency Fund	-	-
	<u>\$ -</u>	<u>\$ 807,542</u>

14. Inventory

Inventory in the Food Service Fund at June 30, 2010 consisted of the following:

Food	\$5,045
Supplies	<u>2,454</u>
	<u>\$ 7,499</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to Financial Statements

15. Contingent Liabilities

Grant Programs

The school district participates in federal awards and state financial assistance 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.

16. Fund Balance Appropriated

General Fund - Of the \$7,404,863 General Fund balance at June 30, 2010, \$486,488 is reserved for encumbrances, \$1,415,241 is reserved for capital reserve, \$887,864 is reserved for maintenance reserve, \$606,068 is reserved for the emergency reserve, \$2,703,122 is designated for subsequent year expenditures, \$- is reserved for excess surplus and \$1,306,080 is unreserved and undesignated.

17. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), 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 balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2010 is \$-. The excess fund balance at June 30, 2009 was \$ 639,172. Pursuant to the provisions of Executive Order No. 14, \$-0- of that amount was approved by the Commissioner of the Department of Education for withdrawal to address any budget shortfall in the general fund account group due to the 2009-10 withholding of state aid.

18. Subsequent Events

Management has evaluated subsequent events through November 23, 2010, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

**FREEHOLD TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 55,482,188	\$ -	\$ 55,482,188	55,482,188	\$ -
Tuition	62,613	-	62,613	74,213	11,600
Interest on investments	-	-	-	-	-
Interest	-	-	-	36,734	36,734
Interest earned on capital reserve funds	5,000	-	5,000	4,759	(241)
Transportation fees	-	-	-	121,992	121,992
Miscellaneous	332,987	-	332,987	129,814	(203,173)
<b>Total - local sources</b>	<b>55,882,788</b>	<b>-</b>	<b>55,882,788</b>	<b>55,849,700</b>	<b>(33,088)</b>
State sources:					
Core curriculum standards aid	-	-	-	-	-
Transportation aid	1,187,511	(415,629)	771,882	771,882	-
Special education aid	2,500,671	(334,904)	2,165,767	2,165,767	-
Bilingual education	-	-	-	-	-
Equalization aid	1,270,800	(433,825)	836,975	836,975	-
Stabilization aid	-	-	-	-	-
Academic achievement	-	-	-	-	-
Reward program	-	-	-	-	-
Extraordinary aid	598,139	-	598,139	896,032	297,893
Foundation aid	-	-	-	-	-
Security aid	343,530	(120,236)	223,294	223,294	-
Teacher quality mentoring	-	-	-	-	-
Other state aid	-	-	-	-	-
TPAF pension (on-behalf - Non-budgeted)	-	-	-	1,623,214	1,623,214
TPAF social security (reimbursed - Non-budgeted)	-	-	-	1,887,791	1,887,791
<b>Total state sources</b>	<b>5,900,651</b>	<b>(1,304,594)</b>	<b>4,596,057</b>	<b>8,404,955</b>	<b>3,808,898</b>
Federal sources:					
ARRA-ESF	271,195	-	271,195	271,195	-
ARRA-GSF	10,498	-	10,498	10,498	-
<b>Total federal sources</b>	<b>281,693</b>	<b>-</b>	<b>281,693</b>	<b>281,693</b>	<b>-</b>
<b>Total revenues</b>	<b>\$ 62,065,132</b>	<b>\$ (1,304,594)</b>	<b>\$ 60,760,538</b>	<b>64,536,348</b>	<b>\$ 3,775,810</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Preschool/Kindergarten - Salaries of teachers	\$ 1,575,820	\$ (25,000)	\$ 1,550,820	\$ 1,506,386	\$ 44,434
Grades 1-5 - Salaries of teachers	8,734,081	(380,965)	8,353,116	8,108,820	244,296
Grades 6-8 - Salaries of teachers	5,829,529	1,200	5,830,729	5,612,668	218,061
<b>Regular Programs - Home Instruction:</b>					
Salaries of teachers	22,700	11,077	33,777	33,060	717
Purchased professional-educational services	4,000	11,878	15,878	11,669	4,209
<b>Regular Programs - Undistributed Instruction</b>					
Other salaries for instruction	267,544	506	268,050	268,049	1
Purchased professional-educational services	-	-	-	-	-
Purchased technical services	66,408	9,669	76,077	70,860	5,217
Other purchased services (400-500 series)	46,310	(39,642)	6,668	2,857	3,811
General supplies	870,953	213,661	1,084,614	993,372	91,242
Textbooks	517,700	15,185	532,885	445,855	87,030
Other objects	2,800	-	2,800	2,200	600
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>17,937,845</b>	<b>(182,431)</b>	<b>17,755,414</b>	<b>17,055,796</b>	<b>699,618</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of teachers	963,485	19,898	983,383	983,383	-
Other salaries for instruction	794,460	(97,993)	696,467	696,392	75
General supplies	29,000	(3,610)	25,390	22,069	3,321
Textbooks	-	-	-	-	-
<b>Total Learning and/or Language Disabilities</b>	<b>1,786,945</b>	<b>(81,705)</b>	<b>1,705,240</b>	<b>1,701,844</b>	<b>3,396</b>
<b>Multiple Disabilities:</b>					
Salaries of teachers	322,393	-	322,393	274,380	48,013
Other salaries for instruction	316,600	3,203	319,803	306,222	13,581
General supplies	9,500	-	9,500	9,075	425
<b>Total Multiple Disabilities</b>	<b>648,493</b>	<b>3,203</b>	<b>651,696</b>	<b>589,677</b>	<b>62,019</b>

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Resource Room/Resource Center:</b>					
Salaries of teachers	2,629,340	(54,903)	2,574,437	2,545,759	28,678
Other salaries for instruction	402,220	547,858	950,078	941,648	8,430
General supplies	18,500	-	18,500	18,205	295
Textbooks	-	-	-	-	-
<b>Total Resource Room/Resource Center</b>	<b>3,050,060</b>	<b>492,955</b>	<b>3,543,015</b>	<b>3,505,612</b>	<b>37,403</b>
<b>Autism:</b>					
Salaries of teachers	134,328	(28,988)	105,340	105,340	-
Other salaries for instruction	317,840	(228,459)	89,381	88,340	1,041
General supplies	6,500	-	6,500	6,067	433
Textbooks	-	-	-	-	-
Other objects	-	-	-	-	-
<b>Total Autism</b>	<b>458,668</b>	<b>(257,447)</b>	<b>201,221</b>	<b>199,747</b>	<b>1,474</b>
<b>PSH</b>					
Salaries of teachers	458,225	(36,705)	421,520	421,020	500
Other salaries for instruction	373,049	(27,949)	345,100	337,389	7,711
Purchased technical services	1,120	-	1,120	250	870
General supplies	11,700	(2,500)	9,200	8,952	248
Other purchased services	100	-	100	-	100
<b>Total PSH:</b>	<b>844,194</b>	<b>(67,154)</b>	<b>777,040</b>	<b>767,611</b>	<b>9,429</b>
<b>Speech</b>					
Salaries of teachers	-	-	-	-	-
Other salaries for instruction	-	-	-	-	-
Purchased technical services	-	-	-	-	-
Other purchased services	-	-	-	-	-
General supplies	-	-	-	-	-
<b>Total Speech:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>6,788,360</b>	<b>89,852</b>	<b>6,878,212</b>	<b>6,764,491</b>	<b>113,721</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of teachers	670,368	(135,705)	534,663	526,624	8,039
General supplies	18,050	(3,108)	14,942	10,114	4,828
Textbooks	-	-	-	-	-
<b>Total Basic Skills/Remedial - Instruction</b>	<b>688,418</b>	<b>(138,813)</b>	<b>549,605</b>	<b>536,738</b>	<b>12,867</b>
<b>Bilingual Education - Instruction</b>					
Salaries of teachers	116,910	-	116,910	115,610	1,300
Other purchased services (400-500 series)	-	500	500	84	416
General supplies	4,100	(500)	3,600	2,558	1,042
Textbooks	-	-	-	-	-
Other objects	-	-	-	-	-
<b>Total Bilingual Education - Instruction</b>	<b>121,010</b>	<b>-</b>	<b>121,010</b>	<b>118,252</b>	<b>2,758</b>
<b>School-Spon. Cocurricular Actvts. - Instruction</b>					
Salaries	180,045	7,007	187,052	185,951	1,101
Supplies and materials	4,200	(1,110)	3,090	3,089	1
<b>Total School-Spon. Cocurric. Actvts. - Instruction</b>	<b>184,245</b>	<b>5,897</b>	<b>190,142</b>	<b>189,040</b>	<b>1,102</b>
<b>School-Spon. Athletics - Instruction</b>					
Salaries	163,334	(4,473)	158,861	158,860	1
Other purchased services (300-500 series)	23,000	1,513	24,513	24,513	-
Supplies and materials	22,000	(1,428)	20,572	20,572	-
Other objects	-	-	-	-	-
Supplies and materials	-	-	-	-	-
General supplies	-	-	-	-	-
<b>Total School-Spon. Athletics - Instruction</b>	<b>208,334</b>	<b>(4,388)</b>	<b>203,946</b>	<b>203,945</b>	<b>1</b>
<b>Other Instructional Programs - Instruction</b>					
Supplies and materials	4,000	1,000	5,000	3,484	1,516
General supplies	-	-	-	-	-
Miscellaneous Expenditures	-	204	204	159	45
<b>Total Other Instructional Programs - Instruction</b>	<b>4,000</b>	<b>1,204</b>	<b>5,204</b>	<b>3,643</b>	<b>1,561</b>
<b>Total Instruction</b>	<b>25,932,212</b>	<b>(228,679)</b>	<b>25,703,533</b>	<b>24,871,905</b>	<b>831,628</b>

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to other LEAs within the state-regular	43,695	-	43,695	30,687	13,008
Tuition to other LEAs within the state - special	920,889	(6,045)	914,844	830,122	84,722
Tuition to private schools for the handicapped - Within state	2,176,464	12,690	2,189,154	1,846,569	342,585
<b>Total Undistributed Expenditures - Instruction:</b>	<b>3,141,048</b>	<b>6,645</b>	<b>3,147,693</b>	<b>2,707,378</b>	<b>440,315</b>
<b>Undist. Expend. - Health Services</b>					
Salaries	748,614	(15,000)	733,614	706,366	27,248
Purchased professional and technical services	15,500	(1,000)	14,500	14,500	-
Other purchased services (400-500 series)	11,380	200	11,580	5,774	5,806
Supplies and materials	21,475	234	21,709	19,316	2,393
Other objects	3,850	-	3,850	2,212	1,638
Miscellaneous expenditures	-	-	-	-	-
<b>Total Undistributed Expenditures - Health Services</b>	<b>800,819</b>	<b>(15,566)</b>	<b>785,253</b>	<b>748,168</b>	<b>37,085</b>
<b>Undist. Expend. - Other Supp.Service - Stud. - Related Service</b>					
Salaries of other professional staff	722,922	-	722,922	692,934	29,988
Purchased professional - educational services	45,000	42,980	87,980	61,461	26,519
General supplies	8,500	-	8,500	8,418	82
Other objects	-	-	-	-	-
<b>Total Undist. Expend. - Other Supp. Serv - Stud. - Rel. Ser.</b>	<b>776,422</b>	<b>42,980</b>	<b>819,402</b>	<b>762,813</b>	<b>56,589</b>
<b>Undist. Expend. - Other Supp. Services - Stud. - Extraord. Ser.</b>					
Salaries	63,109	-	63,109	61,787	1,322
Purchased professional - educational services	-	-	-	-	-
Supplies and materials	3,000	(52)	2,948	2,948	-
<b>Total Undist. Expend. - Other Supp. Serv. Stud. - Extraord. Ser.</b>	<b>66,109</b>	<b>(52)</b>	<b>66,057</b>	<b>64,735</b>	<b>1,322</b>
<b>Undist. Expend. - Other Support Services Students-Regular</b>					
Salaries of other professional staff	775,169	(111,601)	663,568	661,484	2,084
Salaries of secretarial and clerical assistants	107,908	(4,587)	103,321	103,320	1
Purchased professional - educational services	5,000	(3,650)	1,350	1,350	-
Other purchased services (400-500 series)	15,000	8,527	23,527	23,527	-
Supplies and materials	19,925	5,630	25,555	24,582	973
<b>Total Undist. Expend. - Other Support Services - Stud.-Reg.</b>	<b>923,002</b>	<b>(105,681)</b>	<b>817,321</b>	<b>814,263</b>	<b>3,058</b>
<b>Undist. Expend. - Other Support Services - Students-Special</b>					
Salaries of other professional staff	1,892,243	9,790	1,902,033	1,876,522	25,511
Salaries of secretarial and clerical assistants	205,087	101	205,188	205,187	1
Purchased professional - educational services	-	-	-	-	-
Other purchased professional services	53,500	(21,593)	31,907	27,506	4,401
Residential costs	-	-	-	-	-
Miscellaneous purchased service	10,000	47	10,047	2,390	7,657
Supplies and materials	36,700	265	36,965	36,551	414
Other objects	4,000	(2,255)	1,745	1,644	101
<b>Total Undist. Expend. - Other Supp. Serv. - Stud.-Spec.</b>	<b>2,201,530</b>	<b>(13,645)</b>	<b>2,187,885</b>	<b>2,149,800</b>	<b>38,085</b>
<b>Undist. Expend. - Improvement of Instruction Services</b>					
Salaries of supervisor of instruction	751,519	88,477	839,996	781,111	58,885
Salaries of other professional staff	-	-	-	-	-
Salaries of secretarial and clerical assist.	-	-	-	-	-
Other salaries	153,013	16,294	169,307	117,359	51,948
Other purchased professional and technical services	-	1,682	1,682	1,672	10
Other purchased tech services	450	90	540	270	270
Other purchased prof. Services	-	-	-	-	-
Travel	-	3,318	3,318	3,318	-
Other purchased services (400-500)	-	-	-	-	-
Supplies and materials	18,750	4,500	23,250	19,065	4,185
Other objects	19,688	-	19,688	12,277	7,411
<b>Total Undist. Expend. - Improvement of Instruction Services</b>	<b>943,420</b>	<b>114,361</b>	<b>1,057,781</b>	<b>935,072</b>	<b>122,709</b>
<b>Undist. Expend. - Educational Media Services/School Library</b>					
Salaries	720,248	55,926	776,174	719,031	57,143
Purchased professional and technical services	-	-	-	-	-
Supplies and materials	71,500	(2,945)	68,555	66,854	1,701
<b>Total Undist. Expend. - Ed. Media Services/School Library</b>	<b>791,748</b>	<b>52,981</b>	<b>844,729</b>	<b>785,885</b>	<b>58,844</b>

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Instruction Staff Training Services</b>					
Salaries of supervisors of instruction	-	-	-	-	-
Other salaries	55,836	-	55,836	55,836	-
Purchased professional - educational services	3,000	-	3,000	-	3,000
Rentals	-	-	-	-	-
Other purchased services (400-500 series)	4,000	-	4,000	116	3,884
Supplies and materials	2,100	-	2,100	1,988	112
Other objects	-	-	-	-	-
<b>Total Undist. Expend. - Instruction Staff Training Services</b>	<b>64,936</b>	<b>-</b>	<b>64,936</b>	<b>57,940</b>	<b>6,996</b>
<b>Undist. Expend. - Support Service - General Administration</b>					
Salaries	472,209	34,511	506,720	485,341	21,379
Purchased Professional Services	-	52,365	52,365	51,565	800
Legal services	55,150	63,329	118,479	59,099	59,380
Audit fees	34,000	-	34,000	30,000	4,000
Architectural/Engineering Services	30,000	4,000	34,000	9,275	24,725
Other purchased professional services	8,000	3,900	11,900	9,295	2,605
Purchased technical services	23,400	(820)	22,580	16,777	5,803
Communications/Telephone	135,800	(25,026)	110,774	90,774	20,000
Travel	-	1,200	1,200	1,131	69
* Other Purchased Services	9,000	(1,000)	8,000	3,619	4,381
Other purchased services (400-500 series)	53,845	(1,550)	52,295	51,922	373
General supplies	28,935	(4,600)	24,335	22,734	1,601
In-House Training/Meeting Supplies	500	-	500	225	275
Judgments Against The School	-	9,515	9,515	9,515	-
Miscellaneous expenditures	51,400	(13,840)	37,560	37,560	-
* Membership Dues and Fees	34,300	-	34,300	28,140	6,160
<b>Total Undist. Expend. - Support Service - Gen. Admin.</b>	<b>936,539</b>	<b>121,984</b>	<b>1,058,523</b>	<b>906,972</b>	<b>151,551</b>
<b>Undist. Expend. - Support Service - School Administration</b>					
Salaries of principals/Assistant principals	1,136,064	(6,092)	1,129,972	1,129,972	-
Salaries of secretarial and clerical assistants	682,810	(21,268)	661,542	661,541	1
Purchased professional and technical services	5,000	(1,357)	3,643	-	3,643
Rentals	-	-	31,992	-	31,992
Other purchased services (400-500 series)	1,100	108	1,208	1,091	117
Travel	-	4,250	4,250	-	4,250
Supplies and materials	101,942	5,852	107,794	98,692	9,102
Other objects	17,200	(1,000)	16,200	14,613	1,587
<b>Total Undist. Expend. - Support Service - School Admin.</b>	<b>1,944,116</b>	<b>(19,507)</b>	<b>1,956,601</b>	<b>1,905,909</b>	<b>50,692</b>
<b>Undist. Expend. - Support Service - Central Services</b>					
Salaries	682,931	28,314	711,245	691,812	19,433
Other purchased professional services	17,500	14,000	31,500	23,120	8,380
Purchased technical services	22,048	2,000	24,048	20,426	3,622
Miscellaneous purchased services	-	-	-	-	-
Supplies and materials	16,500	-	16,500	13,608	2,892
Interest for lease purchase	-	-	-	-	-
Miscellaneous expenditures	43,600	(2,000)	41,600	13,937	27,663
<b>Total Undist. Expend. - Support Service - Central Services</b>	<b>782,579</b>	<b>42,314</b>	<b>824,893</b>	<b>762,903</b>	<b>61,990</b>
<b>Undist. Expend. - Support Service - Admin. Information Tech.</b>					
Salaries	350,128	2,885	353,013	353,012	1
Purchased professional	139,009	(4,357)	134,652	128,454	6,198
Other purchased professional services	130,090	(28,321)	101,769	99,783	1,986
Supplies and materials	102,010	46,840	148,850	105,890	42,960
<b>Total Undist. Expend. - Support Service - Admin. Info. Tech.</b>	<b>721,237</b>	<b>17,047</b>	<b>738,284</b>	<b>687,139</b>	<b>51,145</b>
<b>Undist. Expend. - Allowed Maintenance for School Facilities</b>					
Salaries	413,483	5,896	419,379	382,706	36,673
Cleaning, repair and maintenance services	394,348	3,938	398,286	345,697	52,589
Rentals	-	135	135	-	135
General supplies	167,098	1,854	168,952	145,169	23,783
<b>Total Undist. Expend. - Allowed Maint. for School Facilities</b>	<b>974,929</b>	<b>11,823</b>	<b>986,752</b>	<b>873,572</b>	<b>113,180</b>
<b>Undist. Expend. - Other Operation &amp; Maintenance of Plant</b>					
Salaries	1,768,607	72,062	1,840,669	1,830,517	10,152
Purchased professional and technical services	5,050	(1,000)	4,050	280	3,770
Cleaning, repair and maintenance services	52,500	6,900	59,400	52,913	6,487
Rental of land and building other than lease	-	2,324	2,324	-	-
Other purchased property services	94,425	(6,324)	88,101	53,797	34,304
Insurance	167,288	-	167,288	167,288	-
Miscellaneous purchased services	3,300	975	4,275	1,125	3,150
Supplies and materials	-	-	-	-	-
General supplies	155,893	2,305	158,198	155,093	3,105
Energy (energy and electricity)	2,007,450	18,000	2,025,450	1,690,370	335,080
Other objects	3,000	(500)	2,500	725	1,775
Energy (Natural Gas)	523,260	-	523,260	361,457	161,803
<b>Total Undist. Expend. - Other Operation &amp; Maint. Of Plant</b>	<b>4,780,773</b>	<b>94,742</b>	<b>4,875,515</b>	<b>4,315,889</b>	<b>559,626</b>
<b>Undist. Expend. - Care &amp; Upkeep of Grounds</b>					
Salaries	169,563	17,350	186,913	185,663	1,250
Cleaning, repair and maintenance services	64,000	(1,000)	63,000	52,158	10,842
General supplies	34,927	(4,375)	30,552	19,905	10,647
Purchased Prof. and Tech. Services	-	15,000	15,000	11,436	3,564
<b>Total Undist. Expend. - Care and Upkeep of Grounds</b>	<b>268,490</b>	<b>11,975</b>	<b>295,465</b>	<b>269,162</b>	<b>26,303</b>

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Student Transportation Services</b>					
Salaries for pupil transportation (between home and school) - R	1,731,331	118,151	1,849,482	1,813,404	36,078
Salaries for pupil transportation (between home and school) - S	626,554	-	626,554	602,146	24,408
Salaries for pupil transportation (other than between home and	31,453	357	31,810	21,395	10,415
Other purchased professional services	6,500	-	6,500	4,000	2,500
Cleaning, repair and maintenance services	347,798	24,873	372,671	372,670	1
Lease purchase payments - School buses	125,790	(24,873)	100,917	6,971	93,946
Other purchased services	1,200	-	1,200	-	1,200
Contract services (other than between home & school) - Vendors	8,500	(5,500)	3,000	3,000	-
Contract services - (regular education students) - ESCs & CTSAs	178,672	-	178,672	103,606	75,066
Contract services - (special education students) - ESCs & CTSAs	1,224,080	-	1,224,080	625,073	599,007
Aid in lieu of payments	116,136	5,746	121,882	80,886	40,996
Miscellaneous purchased services - Transportation	56,211	-	56,211	53,916	2,295
Supplies and materials	301,800	-	301,800	230,301	71,499
Miscellaneous expenditures	7,300	-	7,300	5,786	1,514
<b>Total Undist. Expend. - Student Transportation Services</b>	<b>4,763,325</b>	<b>118,754</b>	<b>4,882,079</b>	<b>3,923,154</b>	<b>958,925</b>
<b>Undist. Expend. - Business and Other Support Services</b>					
Salaries	-	-	-	-	-
Purchased professional services	-	-	-	-	-
Purchased technical services	-	-	-	-	-
Other purchased services (400-500 series)	-	-	-	-	-
Supplies and materials	-	-	-	-	-
Interest for lease purchase agreements	-	-	-	-	-
Miscellaneous expenditures	-	-	-	-	-
<b>Total Undist. Expend. - Business and Other Support Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>UNALLOCATED EMPLOYEE BENEFITS</b>					
Group insurance	-	-	-	-	-
Social security contributions TPAF	13,584	3,116	16,700	16,501	199
Social security contributions	910,000	58,543	968,543	968,543	-
* Other Retirement Contributions	883,471	(98,150)	785,321	785,284	37
Workmen's compensation	458,291	21,180	479,471	479,470	1
Health benefits	11,171,433	267,270	11,438,703	11,437,053	1,650
Tuition reimbursement	122,500	30,319	152,819	149,399	3,420
Other employee benefits	245,445	(54,843)	190,602	75,489	115,113
<b>TOTAL UNALLOCATED EMPLOYEE BENEFITS</b>	<b>13,804,724</b>	<b>227,435</b>	<b>14,032,159</b>	<b>13,911,739</b>	<b>120,420</b>
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	-	-
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	-	-
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	1,623,214	(1,623,214)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	1,887,791	(1,887,791)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,511,005</b>	<b>(3,511,005)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>13,804,724</b>	<b>227,435</b>	<b>14,032,159</b>	<b>17,422,744</b>	<b>(3,390,585)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>38,685,746</b>	<b>696,615</b>	<b>39,441,328</b>	<b>40,093,498</b>	<b>(652,170)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>\$ 64,617,958</b>	<b>\$ 467,936</b>	<b>\$ 65,144,861</b>	<b>64,965,403</b>	<b>\$ 179,458</b>

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Regular Programs - Instruction:</b>					
Grades 1-5	\$ -	\$ -	\$ -	-	\$ -
Grades 6-8	-	-	-	-	-
<b>Special Education - Instruction:</b>					
Preschool handicapped - Part-time	-	-	-	-	-
Basic skills/Remedial - Instruction	-	-	-	-	-
Bilingual education - Instruction	-	-	-	-	-
School - Sponsored and other instructional program	-	-	-	-	-
Undistributed expenditures - Instruction	-	8,600	8,600	8,450	150
Undistributed expenditures - Support services - Special	13,000	-	13,000	8,195	4,805
Undistributed expenditures - General administration	-	-	-	-	-
Undistributed expenditures - Admin Info Tech.	-	-	-	-	-
undistributed expenditures technology maintenance	-	-	-	-	-
Undistributed expenditures - School administration	-	-	-	-	-
Undistributed expenditures - Operation & maintenance of plant s	-	4,900	4,900	4,150	750
Undistributed expenditures - Student transportation	-	-	-	-	-
Undistributed expenditures - Business/Other support services	-	2,000	2,000	2,000	-
Grade 1-5	-	-	-	-	-
Classroom Furniture	-	-	-	-	-
Athletics	-	-	-	-	-
Construction services	1,000,601	(613,663)	386,938	-	386,938
Interest Earned on Capital Reserve	5,000	-	5,000	-	5,000
<b>Total Equipment</b>	<b>1,013,601</b>	<b>(598,163)</b>	<b>420,438</b>	<b>22,795</b>	<b>397,643</b>
<b>Facilities Acquisition and Construction Services</b>					
Current capital outlay transfer - Capital projects	-	3,765	3,765	3,765	-
Architect	-	128,261	128,261	56,855	71,406
Land and improvements	-	-	-	-	-
Lease purchase agreements - principal	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>132,026</b>	<b>132,026</b>	<b>60,620</b>	<b>71,406</b>
Capital reserve - Transfer to	-	-	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>1,013,601</b>	<b>(466,137)</b>	<b>552,464</b>	<b>83,415</b>	<b>469,049</b>
<b>SPECIAL SCHOOLS</b>					
<b>Summer School - Instruction</b>					
Salaries of teachers	15,068	-	15,068	15,068	-
Supplies and materials	500	-	500	457	43
Miscellaneous expenditures	1,000	-	1,000	-	1,000
<b>Total Summer School - Instruction</b>	<b>16,568</b>	<b>-</b>	<b>16,568</b>	<b>15,525</b>	<b>1,043</b>
<b>Summer School - Support Services</b>					
Salaries	3,268	-	3,268	3,268	-
<b>Total Summer School - Support Services</b>	<b>3,268</b>	<b>-</b>	<b>3,268</b>	<b>3,268</b>	<b>-</b>
<b>Total Summer School</b>	<b>19,836</b>	<b>-</b>	<b>19,836</b>	<b>18,793</b>	<b>1,043</b>
<b>TOTAL SPECIAL SCHOOLS</b>	<b>19,836</b>	<b>-</b>	<b>19,836</b>	<b>18,793</b>	<b>1,043</b>
<b>TOTAL EXPENDITURES</b>	<b>65,651,395</b>	<b>1,799</b>	<b>65,717,161</b>	<b>65,067,611</b>	<b>649,550</b>
<b>Excess (Deficiency) of Revenues</b>					
Over (Under) Expenditures	(3,586,263)	(1,306,393)	(4,956,623)	(531,263)	4,425,360
<b>Other Financing Sources:</b>					
Operating Transfer Out	-	476,737	476,737	476,737	-
Accumulated interest	-	-	-	-	-
<b>Total Other Financing Sources:</b>	<b>-</b>	<b>476,737</b>	<b>476,737</b>	<b>476,737</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources</b>					
Over (Under) Expenditures and Other Financing Sources (Uses)	(3,586,263)	(829,656)	(4,479,886)	(1,008,000)	4,425,360
<b>Fund Balance, July 1</b>	<b>6,024,515</b>	<b>(51,539)</b>	<b>5,972,976</b>	<b>8,927,039</b>	<b>2,954,063</b>
<b>Fund Balance, June 30</b>	<b>\$ 2,438,252</b>	<b>\$ (881,195)</b>	<b>\$ 1,493,090</b>	<b>7,919,039</b>	<b>\$ 7,379,423</b>
<b>Recapitulation:</b>					
Reserve for encumbrances				486,488	
Legally restricted-designated for subsequent year's expenditures				-	
Reserve for excess surplus				-	
Capital reserve				1,415,241	
Emergency reserve				606,068	
Maintenance reserve				887,864	
Excess surplus				-	
Designated for subsequent year's expenditures				2,703,122	
Unrestricted/undesignated fund balance				1,820,256	
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Last state aid payment not recongized on GAAP basis				(514,176)	
<b>Fund balance per governmental funds (GAAP)</b>				<b>1,306,080</b>	

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 ARRA ESF  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal sources:					
ARRA-ESF	271,195	-	271,195	271,195	-
Total federal sources	271,195	-	271,195	271,195	-
<b>EXPENDITURES:</b>					
<b>Regular Programs - Instruction</b>					
Grades 1-5 - Salaries of teachers	271,195	-	271,195	271,195	-
Total regular programs - instruction	271,195	-	271,195	271,195	-

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 ARRA GSF  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal sources:					
ARRA-GSF	10,498	-	10,498	10,498	-
Total federal sources	<u>10,498</u>	<u>-</u>	<u>10,498</u>	<u>10,498</u>	<u>-</u>
<b>EXPENDITURES:</b>					
<b>Regular Programs - Instruction</b>					
Grades 1-5 - Salaries of teachers	10,498	-	10,498	10,498	-
Total regular programs - instruction	<u>10,498</u>	<u>-</u>	<u>10,498</u>	<u>10,498</u>	<u>-</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local sources	\$ -	\$ 129,636	\$ 129,636	\$ 110,969	\$ (18,667)
State sources	-	61,957	61,957	61,957	-
Federal sources	1,190,522	1,248,608	2,439,130	1,661,852	(777,278)
<b>Total Revenues</b>	<b>1,190,522</b>	<b>1,440,201</b>	<b>2,630,723</b>	<b>1,834,778</b>	<b>(795,945)</b>
<b>EXPENDITURES</b>					
<b>Instruction:</b>					
Salaries of teachers	531,142	149,868	681,010	575,506	105,504
Other salaries for instruction	-	13,232	13,232	-	13,232
Purchased professional services	502,880	(81,757)	421,123	332,974	88,149
Textbooks	-	2,278	2,278	113,247	(110,969)
Miscellaneous expense	-	5,000	5,000	244	4,756
General supplies	30,000	489,666	519,666	224,460	295,206
<b>Total instruction</b>	<b>1,064,022</b>	<b>578,287</b>	<b>1,642,309</b>	<b>1,246,431</b>	<b>395,878</b>
<b>Support services:</b>					
Other professional staff salaries	6,000	475,187	481,187	201,780	279,407
Secretarial/clerical salaries	-	-	-	-	-
Personal services - employee benefits	500	136,178	136,678	44,191	92,487
Purchased professional - educational services	100,000	82,828	182,828	68,617	114,211
Other purchased professional services	20,000	71,540	91,540	106,083	(14,543)
Purchased technical services	-	-	-	76,670	(76,670)
Travel	-	33,849	33,849	33,849	-
Other purchased services (400-500 series)	-	-	-	3,200	(3,200)
Miscellaneous expenditures	-	-	-	4,072	(4,072)
Supplies & materials	-	57,632	57,632	45,270	12,362
<b>Total support services</b>	<b>126,500</b>	<b>857,214</b>	<b>983,714</b>	<b>583,732</b>	<b>399,982</b>
<b>EXPENDITURES (CONT'D):</b>					
<b>Facilities acquisition and const. serv.:</b>					
Instructional equipment	-	4,700	4,700	4,615	85
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>4,700</b>	<b>4,700</b>	<b>4,615</b>	<b>85</b>
<b>Total expenditures</b>	<b>1,190,522</b>	<b>1,440,201</b>	<b>2,630,723</b>	<b>1,834,778</b>	<b>795,945</b>
<b>Other financing sources (uses)</b>					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
<b>Total outflows</b>	<b>1,190,522</b>	<b>1,440,201</b>	<b>2,630,723</b>	<b>1,834,778</b>	<b>795,945</b>
<b>Excess (deficiency) of revenues Over (under) expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Last state aid payment not recongized on GAAP basis				\$ -	
Fund balance per governmental funds (GAAP)				\$ -	

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to Required Supplementary Information  
 For the Fiscal Year Ended June 30, 2010

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures**

		General Fund		Special Revenue Fund
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 64,536,348	[C-2]	\$ 1,834,778
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		(32,255)
The 2008-09 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 (GAAP 33).		486,714		-
The 2009-10 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 (GAAP 33).		(514,176)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 64,508,886	[B-2]	\$ 1,802,523
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 65,067,611	[C-2]	\$ 1,834,778
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 the supplies are received for financial reporting purposes.		-		(32,255)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 65,067,611	[B-2]	\$ 1,802,523

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2010

	Title I Part A 09/10	Title I Part A 08/09	Title II Part A 09/10	Title II Part A 08/09	Title II Part D 09/10	Title III 08/09	Title III 09/10
<b>Revenues:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	109,272	25,696	55,389	26,724	1,382	325	5,439
<b>Total revenues</b>	<b>109,272</b>	<b>25,696</b>	<b>55,389</b>	<b>26,724</b>	<b>1,382</b>	<b>325</b>	<b>5,439</b>
<b>Expenditures:</b>							
<b>Instruction:</b>							
Salaries of teachers	-	-	-	-	-	-	-
Other salaries/instruction	-	-	-	-	-	-	-
Purchased professional services	-	-	-	-	-	-	-
General supplies	90,349	16,460	144	22,200	-	-	5,439
Tuition	-	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-	-
<b>Total instruction</b>	<b>90,349</b>	<b>16,460</b>	<b>144</b>	<b>22,200</b>	<b>-</b>	<b>-</b>	<b>5,439</b>
<b>Support services:</b>							
<b>Other support services - students - special:</b>							
Other professional staff salaries	-	-	1,400	-	-	-	-
Secretarial/Clerical salaries	-	-	-	-	-	-	-
Purchased professional services	6,000	750	29,567	-	-	-	-
Other purchased professional services	6,225	240	-	1,400	1,382	-	-
Purchased technical services	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	325	-
Travel	-	-	-	-	-	-	-
Miscellaneous purchased services	3,200	-	-	-	-	-	-
General supplies	3,498	8,246	24,278	3,124	-	-	-
Miscellaneous expenses	-	-	-	-	-	-	-
<b>Total other support services - students - special</b>	<b>18,923</b>	<b>9,236</b>	<b>55,245</b>	<b>4,524</b>	<b>1,382</b>	<b>325</b>	<b>-</b>
<b>Total support services</b>	<b>18,923</b>	<b>9,236</b>	<b>55,245</b>	<b>4,524</b>	<b>1,382</b>	<b>325</b>	<b>-</b>
<b>Equipment:</b>							
Regular programs instruction	-	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-	-
<b>Total equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>\$ 109,272</b>	<b>\$ 25,696</b>	<b>\$ 55,389</b>	<b>\$ 26,724</b>	<b>\$ 1,382</b>	<b>\$ 325</b>	<b>\$ 5,439</b>

(continued on next page)

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2010

(Continued from prior page)

	Title IV 08/09	Title IV 09/10	IDEA-Part B-Basic Reg Prog 08/09	IDEA-Part B-Basic Reg Prog 09/10	IDEA-Part B-Basic ARRA 09/10	IDEA-Part B-Preschool Reg Prog 08/09	IDEA-Part B-Preschool Reg Prog 09/10	IDEA-Part B-Preschool ARRA 09/10
<b>Revenues:</b>								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-
Federal sources	2,518	6,671	75,969	922,056	375,376	-	38,612	16,423
<b>Total revenues</b>	<u>2,518</u>	<u>6,671</u>	<u>75,969</u>	<u>922,056</u>	<u>375,376</u>	<u>-</u>	<u>38,612</u>	<u>16,423</u>
<b>Expenditures:</b>								
<b>Instruction:</b>								
Salaries of teachers	-	-	-	475,026	100,480	-	-	-
Other salaries/instruction	-	-	-	-	-	-	-	-
Purchased professional services	-	-	-	332,974	-	-	-	-
General supplies	-	-	39,694	14,702	12,344	-	-	-
Tuition	-	-	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	244	-	-	-	-
<b>Total instruction</b>	<u>-</u>	<u>-</u>	<u>39,694</u>	<u>822,946</u>	<u>112,824</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Support services:</b>								
<b>Other support services - students - special:</b>								
Other professional staff salaries	-	6,000	-	5,500	188,880	-	-	-
Secretarial/Clerical salaries	-	-	-	-	-	-	-	-
Purchased professional services	-	-	12,171	3,908	13,519	-	-	-
Other purchased professional services	-	-	23,700	12,611	5,490	-	38,612	16,423
Purchased technical services	-	-	-	76,670	-	-	-	-
Employee benefits	306	459	404	421	42,276	-	-	-
Travel	-	-	-	-	-	-	-	-
Miscellaneous purchased services	-	-	-	-	-	-	-	-
General supplies	2,212	212	-	-	3,700	-	-	-
Miscellaneous expenses	-	-	-	-	4,072	-	-	-
<b>Total other support services - students - special</b>	<u>2,518</u>	<u>6,671</u>	<u>36,275</u>	<u>99,110</u>	<u>257,937</u>	<u>-</u>	<u>38,612</u>	<u>16,423</u>
<b>Total support services</b>	<u>2,518</u>	<u>6,671</u>	<u>36,275</u>	<u>99,110</u>	<u>257,937</u>	<u>-</u>	<u>38,612</u>	<u>16,423</u>
<b>Equipment:</b>								
Regular programs instruction	-	-	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	4,615	-	-	-
<b>Total equipment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,615</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>\$ 2,518</u>	<u>\$ 6,671</u>	<u>\$ 75,969</u>	<u>\$ 922,056</u>	<u>\$ 375,376</u>	<u>\$ -</u>	<u>\$ 38,612</u>	<u>\$ 16,423</u>

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FREEHOLD TOWNSHIP SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2010

(Continued from prior page)

	Enhancing/ Expanding 09/10	Enhancing/ Expanding 07/08	Nonpublic Textbook Aid 09/10	Nonpublic Transporation 09/10	Nonpublic Chap 192/193 09/10	Local 09/10	Total 2010
<b>Revenues:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,969	\$ 110,969
State sources	1,442	328	4,980	33,849	21,358	-	61,957
Federal sources	-	-	-	-	-	-	1,661,852
<b>Total revenues</b>	<b>1,442</b>	<b>328</b>	<b>4,980</b>	<b>33,849</b>	<b>21,358</b>	<b>110,969</b>	<b>1,834,778</b>
<b>Expenditures:</b>							
<b>Instruction:</b>							
Salaries of teachers	-	-	-	-	-	-	575,506
Other salaries/instruction	-	-	-	-	-	-	-
Purchased professional services	-	-	-	-	-	-	332,974
General supplies	1,442	328	-	-	21,358	-	224,460
Tuition	-	-	-	-	-	-	-
Textbooks	-	-	2,278	-	-	110,969	113,247
Miscellaneous expenses	-	-	-	-	-	-	244
<b>Total instruction</b>	<b>1,442</b>	<b>328</b>	<b>2,278</b>	<b>-</b>	<b>21,358</b>	<b>110,969</b>	<b>1,246,431</b>
<b>Support services:</b>							
<b>Other support services - students - special:</b>							
Other professional staff salaries	-	-	-	-	-	-	201,780
Secretarial/Clerical salaries	-	-	-	-	-	-	-
Purchased professional services	-	-	2,702	-	-	-	68,617
Other purchased professional services	-	-	-	-	-	-	106,083
Purchased technical services	-	-	-	-	-	-	76,670
Employee benefits	-	-	-	-	-	-	44,191
Travel	-	-	-	33,849	-	-	33,849
Miscellaneous purchased services	-	-	-	-	-	-	3,200
General supplies	-	-	-	-	-	-	45,270
Miscellaneous expenses	-	-	-	-	-	-	4,072
<b>Total other support services - students - special</b>	<b>-</b>	<b>-</b>	<b>2,702</b>	<b>33,849</b>	<b>-</b>	<b>-</b>	<b>583,732</b>
<b>Total support services</b>	<b>-</b>	<b>-</b>	<b>2,702</b>	<b>33,849</b>	<b>-</b>	<b>-</b>	<b>583,732</b>
<b>Equipment:</b>							
Regular programs instruction	-	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-	4,615
<b>Total equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,615</b>
<b>Total expenditures</b>	<b>\$ 1,442</b>	<b>\$ 328</b>	<b>\$ 4,980</b>	<b>\$ 33,849</b>	<b>\$ 21,358</b>	<b>\$ 110,969</b>	<b>\$ 1,834,778</b>

**FREEHOLD TOWNSHIP SCHOOL DISTRICT  
Capital Projects Fund**

**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis  
For the Year Ended June 30, 2010**

**Revenues and Other Financing Sources**

State Sources - SCC Grant	317,824
Bond proceeds and transfers	-
Contribution from private source	-
Transfer from capital reserve	-
Transfer from capital outlay	476,737
Total revenues	794,561

**Expenditures and Other Financing Uses**

Purchased professional and technical services	-
Land and improvements	-
Construction services	790,795
Equipment purchases	-
Total expenditures	790,795

Excess (deficiency) of revenues over (under) expenditures

3,766

Fund balance - beginning

165,410

Fund balance - ending

\$ 169,176

**FREEHOLD TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Additions and Renovations for various schools**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis**  
**CTBS**  
**From Inception and for the Year Ended June 30, 2010**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 1,558,965	\$ -	\$ 1,558,965	\$ -
Bond proceeds and transfers	3,726,295	-	3,726,295	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>5,285,260</u>	<u>-</u>	<u>5,285,260</u>	<u>-</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	332,313	-	332,313	-
Land and improvements	-	-	-	-
Construction services	4,842,964	(3,766)	4,839,198	-
Equipment purchases	107,723	-	107,723	-
Total expenditures	<u>5,283,000</u>	<u>(3,766)</u>	<u>5,279,234</u>	<u>-</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 2,260</u>	<u>\$ 3,766</u>	<u>\$ 6,026</u>	<u>\$ -</u>

## Additional project information:

Project Number	202232
Grant Date	7/3/2002
Bond Authorization Date	10/23/2001
Bonds Authorized	-
Bonds Issued	2/15/2002
Original Authorized Cost	\$ 5,058,340
Additional Authorized Cost	\$ 226,920
Revised Authorized Cost	\$ 5,285,260

Percentage Increase over Original Authorized Cost	3.3%
Percentage Completion	90%
Original target completion date	1/0/1900
Revised target completion date	6/30/2006

**FREEHOLD TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Additions and Renovations for various schools**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis**  
**ECLC**  
**From Inception and for the Year Ended June 30, 2010**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 364,390	\$ -	\$ 364,390	\$ -
Bond proceeds and transfers	352,458	-	352,458	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>716,848</u>	<u>-</u>	<u>716,848</u>	<u>-</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	67,607	-	67,607	-
Land and improvements	-	-	-	-
Construction services	536,641	-	536,641	-
Equipment purchases	19,008	-	19,008	-
Total expenditures	<u>623,256</u>	<u>-</u>	<u>623,256</u>	<u>-</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 93,592</u>	<u>\$ -</u>	<u>\$ 93,592</u>	<u>\$ -</u>

Additional project information:

Project Number	202226
Grant Date	7/3/2002
Bond Authorization Date	10/23/2001
Bonds Authorized	-
Bonds Issued	2/15/2002
Original Authorized Cost	\$ 911,000
Additional Authorized Cost	-
Revised Authorized Cost	\$ 716,848
Percentage Increase over Original Authorized Cost	-33.7%
Percentage Completion	100%
Original target completion date	9/13/2004
Revised target completion date	6/14/2005

**FREEHOLD TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Additions and Renovations for various schools**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis**  
**JJCS**  
**From Inception and for the Year Ended June 30, 2010**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 1,067,940	\$ -	\$ 1,067,940	\$ -
Bond proceeds and transfers	2,668,524	-	2,668,524	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	3,736,464	-	3,736,464	-
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	249,003	-	249,003	-
Land and improvements	-	-	-	-
Construction services	3,415,303	-	3,415,303	-
Equipment purchases	26,293	-	26,293	-
Total expenditures	3,690,599	-	3,690,599	-
Excess (deficiency) or revenues over (under) expenditures	\$ 45,865	\$ -	\$ 45,865	\$ -

## Additional project information:

Project Number	202231
Grant Date	7/3/2002
Bond Authorization Date	10/23/2001
Bonds Authorized	-
Bonds Issued	2/15/2002
Original Authorized Cost	\$ 3,562,868
Additional Authorized Cost	\$ 173,566
Revised Authorized Cost	\$ 3,736,434
Percentage Increase over Original Authorized Cost	4.9%
Percentage Completion	98.5%
Original target completion date	10/30/2003
Revised target completion date	6/30/2006

**FREEHOLD TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Additions and Renovations for various schools**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis**  
**WFS**  
**From Inception and for the Year Ended June 30, 2010**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 4,374,481	\$ -	\$ 4,374,481	\$ -
Bond proceeds and transfers	12,946,376	-	12,946,376	-
Contribution from private sources	977	-	977	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	17,321,834	-	17,321,834	-
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	1,124,976	-	1,124,976	-
Land and improvements	-	-	-	-
Construction services	15,831,315	-	15,831,315	-
Equipment purchases	365,543	-	365,543	-
Total expenditures	17,321,834	-	17,321,834	-
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Additional project information:				
Project Number	202227			
Grant Date	7/3/2002			
Bond Authorization Date	10/23/2001			
Bonds Authorized	-			
Bonds Issued	2/15/2002			
Original Authorized Cost	\$ 17,058,350			
Additional Authorized Cost	263,484			
Revised Authorized Cost	\$ 17,321,834			
Percentage Increase over Original				
Authorized Cost	0.9%			
Percentage Completion	97.1%			
Original target completion date	1/0/1900			
Revised target completion date	6/30/2006			

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
Capital Projects Fund

Exhibit F-1

Additions and Renovations to various Schools  
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis  
MWES  
From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 1,334,168	\$ -	\$ 1,334,168	\$ -
Bond proceeds and transfers	2,099,701	-	2,099,701	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>3,433,869</u>	<u>-</u>	<u>3,433,869</u>	<u>-</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	290,287	-	290,287	-
Land and improvements	-	-	-	-
Construction services	3,120,218	-	3,120,218	-
Equipment purchases	23,364	-	23,364	-
Total expenditures	<u>3,433,869</u>	<u>-</u>	<u>3,433,869</u>	<u>-</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

Project Number	202228
Grant Date	7/3/2002
Bond Authorization Date	2/15/2002
Bonds Authorized	-
Bonds Issued	2/15/2002
Original Authorized Cost	\$ 4,353,893
Additional Authorized Cost	-
Revised Authorized Cost	\$ 3,433,869
Percentage Increase over Original Authorized Cost	-21.1%
Percentage Completion	100%
Original target completion date	10/30/2003
Revised target completion date	6/30/2005

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
Capital Projects Fund

Exhibit F-1

Additions and Renovations to various Schools  
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis  
CRAS  
From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 1,337,884	\$ -	\$ 1,337,884	\$ -
Bond proceeds and transfers	2,281,833	-	2,281,833	-
Contribution from private sources	104,478	-	104,478	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>3,724,195</u>	<u>-</u>	<u>3,724,195</u>	<u>-</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	274,143	-	274,143	-
Land and improvements	-	-	-	-
Construction services	3,422,588	-	3,422,588	-
Equipment purchases	22,882	-	22,882	-
Total expenditures	<u>3,719,613</u>	<u>-</u>	<u>3,719,613</u>	<u>-</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 4,582</u>	<u>\$ -</u>	<u>\$ 4,582</u>	<u>\$ -</u>

Additional project information:

Project Number	202233
Grant Date	7/3/2002
Bond Authorization Date	10/23/2001
Bonds Authorized	-
Bonds Issued	2/15/2002
Original Authorized Cost	\$ 4,038,158
Additional Authorized Cost	-
Revised Authorized Cost	\$ 3,719,613
Percentage Increase over Original Authorized Cost	-7.9%
Percentage Completion	100%
Original target completion date	10/30/2003
Revised target completion date	6/14/2005

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Exhibit F-1

Capital Projects Fund

Ceiling Lighting Fixtures

Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis  
Applegate

From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ -	\$ 35,238	\$ 35,238	\$ -
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	52,858	52,858	-
Total revenues	-	88,096	88,096	-
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	88,096	88,096	-
Equipment purchases	-	-	-	-
Total expenditures	-	88,096	88,096	-
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -

Additional project information:

Project Number	1660-021-09-1006
Grant Date	8/11/2009
Bond Authorization Date	
Bonds Authorized	-
Bonds Issued	
Original Authorized Cost	\$ 85,163
Additional Authorized Cost	-
Revised Authorized Cost	\$ 85,163
Percentage Increase over Original Authorized Cost	0.0%
Percentage Completion	100%
Original target completion date	10/30/2003
Revised target completion date	6/14/2005

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 Capital Projects Fund

Exhibit F-1

Flooring  
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis  
 Eisenhower  
 From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ -	\$ 7,798	\$ 7,798	\$ -
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	11,696	11,696	-
Total revenues	-	19,494	19,494	-
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	19,494	19,494	-
Equipment purchases	-	-	-	-
Total expenditures	-	19,494	19,494	-
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
<b>Additional project information:</b>				
Project Number	1660-024-09-1005			
Grant Date	8/11/2009			
Bond Authorization Date				
Bonds Authorized	-			
Bonds Issued				
Original Authorized Cost	\$ 41,200			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 41,200			
Percentage Increase over Original Authorized Cost		0.0%		
Percentage Completion		100%		
Original target completion date	10/30/2003			
Revised target completion date	6/14/2005			

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 Capital Projects Fund

Exhibit F-1

Flooring  
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis  
 Barkalow  
 From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ -	\$ 5,757	\$ 5,757	\$ -
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	8,637	8,637	-
Total revenues	-	14,394	14,394	-
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	14,394	14,394	-
Equipment purchases	-	-	-	-
Total expenditures	-	14,394	14,394	-
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Additional project information:				
Project Number	1660-024-09-1004			
Grant Date	8/11/2009			
Bond Authorization Date				
Bonds Authorized	-			
Bonds Issued				
Original Authorized Cost	\$ 25,825			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 25,825			
Percentage Increase over Original				
Authorized Cost	0.0%			
Percentage Completion	100%			
Original target completion date	10/30/2003			
Revised target completion date	6/14/2005			

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 Capital Projects Fund  
 HVAC

Exhibit F-1

Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis  
 Catena  
 From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ -	\$ 71,200	\$ 71,200	\$ -
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	106,800	106,800	-
Total revenues	-	178,000	178,000	-
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	178,000	178,000	-
Equipment purchases	-	-	-	-
Total expenditures	-	178,000	178,000	-
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
<b>Additional project information:</b>				
Project Number	1660-020-09-1001			
Grant Date	8/6/2009			
Bond Authorization Date				
Bonds Authorized	-			
Bonds Issued				
Original Authorized Cost	\$ 375,594			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 375,594			
Percentage Increase over Original Authorized Cost	0.0%			
Percentage Completion	100%			
Original target completion date	10/30/2003			
Revised target completion date	6/14/2005			

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 Capital Projects Fund  
 HVAC

Exhibit F-1

Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis  
 Barkalow  
 From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ -	\$ 136,176	\$ 136,176	\$ -
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	204,264	204,264	-
Total revenues	-	340,440	340,440	-
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	340,440	340,440	-
Equipment purchases	-	-	-	-
Total expenditures	-	340,440	340,440	-
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
<b>Additional project information:</b>				
Project Number	1660-023-09-1002			
Grant Date	8/6/2009			
Bond Authorization Date				
Bonds Authorized	-			
Bonds Issued				
Original Authorized Cost	\$ 403,952			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 403,952			
Percentage Increase over Original Authorized Cost	0.0%			
Percentage Completion	100%			
Original target completion date	10/30/2003			
Revised target completion date	6/14/2005			

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Exhibit F-1

Capital Projects Fund

Ceiling Lighting Replacement

Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis

Barkalow

From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ -	\$ 48,040	\$ 48,040	\$ -
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	72,060	72,060	-
Total revenues	-	120,100	120,100	-
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	120,100	120,100	-
Equipment purchases	-	-	-	-
Total expenditures	-	120,100	120,100	-
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
<b>Additional project information:</b>				
Project Number	1660-023-09-1007			
Grant Date	8/11/2009			
Bond Authorization Date				
Bonds Authorized	-			
Bonds Issued				
Original Authorized Cost	\$ 191,850			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 191,850			
Percentage Increase over Original Authorized Cost		0.0%		
Percentage Completion		100%		
Original target completion date	10/30/2003			
Revised target completion date	6/14/2005			

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
Capital Projects Fund

Exhibit F-1

Flooring  
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis  
Catena  
From Inception and for the Year Ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ -	\$ 13,615	\$ 13,615	\$ -
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	20,422	20,422	-
Total revenues	-	34,037	34,037	-
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	34,037	34,037	-
Equipment purchases	-	-	-	-
Total expenditures	-	34,037	34,037	-
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
<b>Additional project information:</b>				
Project Number	1660-020-09-1003			
Grant Date	8/6/2009			
Bond Authorization Date				
Bonds Authorized	-			
Bonds Issued				
Original Authorized Cost	\$ 90,250			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 90,250			
Percentage Increase over Original Authorized Cost		0.0%		
Percentage Completion		100%		
Original target completion date	10/30/2003			
Revised target completion date	6/14/2005			

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
Enterprise Fund  
Statement of Net Assets  
June 30, 2010

	Food Service
<b>Assets:</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 66,993
Accounts receivable:	
State	1,259
Federal	15,435
Interfunds	
Other	61,726
Inventories	7,499
<b>Total current assets</b>	<b>152,912</b>
<b>Fixed assets:</b>	
Equipment	118,231
Accumulated depreciation	(101,691)
<b>Total fixed assets</b>	<b>16,540</b>
<b>Total assets</b>	<b>169,452</b>
<b>Liabilities and Fund Equity:</b>	
<b>Liabilities:</b>	
Accounts payable	79,336
Deferred revenue	-
<b>Total liabilities</b>	<b>79,336</b>
<b>Net assets:</b>	
Invested in capital assets, net of related debt	16,540
Restricted for other purposes	-
Contributed capital	20,746
Unrestricted net assets	52,830
<b>Total fund equity</b>	<b>90,116</b>
<b>Total liabilities and fund equity</b>	<b>\$ 169,452</b>

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 Food Services Enterprise Fund  
 Statement of Revenues, Expenses and  
 Changes in Net Assets  
 for the Fiscal Year ended June 30, 2010

	Food Service
Operating revenues:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$ 525,441
Summer transportation revenue	-
Special milk program	-
	525,441
Total-daily sales-reimbursable programs	525,441
Daily sales non-reimbursable programs	262,403
Total operating revenues	787,844
Operating expenses:	
Salaries	412,298
Employee benefits	75,108
Purchased property	-
Other purchased services	161,731
Supplies and materials	77,490
Depreciation	4,217
Cost of sales	296,614
Total operating expenses	1,027,458
Operating loss	(239,614)
Nonoperating revenues:	
State sources:	
State school lunch program	13,623
Federal sources:	
National school lunch program	162,643
Special milk program	-
U.S.D.A. commodities	78,992
Total nonoperating revenues	255,258
Change in net assets	15,644
Total net assets beginning	74,472
Total net assets ending	\$ 90,116

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 Food Services Enterprise Fund  
 Statement of Cash Flows  
 for the Fiscal Year ended June 30, 2010

	Food Service
Cash Flows from Operating Activities:	
Receipts from customers and other funds	660,742
Payments to employees	(412,298)
Payments for employee benefits	(75,108)
Payments to suppliers	(302,887)
Net cash provided by (used for) operating activities	(129,551)
Cash Flows from Noncapital Financing Activities	
State sources	13,509
Federal sources	159,696
Operating subsidies	-
Net cash provided by (used for) noncapital financing activities	173,205
Cash Flows from Capital and Related Financing Activities	
Purchases of fixed assets	(8,295)
Net cash provided by (used for) capital and related financing activities	(8,295)
Net increase (decrease) in cash and cash equivalents	35,359
Balances-beginning of the year	31,634
Balances-end of the year	66,993
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating loss	\$ (239,614)
Adjustments to reconcile operating loss to cash used by operating activities:	
Depreciation	4,217
Federal commodities	78,992
Change in assets and liabilities:	
Decrease (increase) in interfund receivable	-
Decrease (increase) in accounts receivable	(48,111)
Decrease (increase) in inventory	365
Increase (decrease) in accounts payable	74,600
Total adjustments	110,063
Net cash used by operating activities	\$ (129,551)

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
Statement of Agency Fund Assets and Liabilities  
Fiduciary Funds  
June 30, 2010

	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Agency Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 72,328	\$ 37,164	\$ 279,810	\$ 389,302
Intergovernmental Accounts Receivable	-	-	-	-
Interfund receivable	-	-	-	-
Total assets	<u>72,328</u>	<u>37,164</u>	<u>279,810</u>	<u>389,302</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll deductions and withholdings	-	-	279,810	279,810
Payable to student groups	-	37,164	-	37,164
Interfund payable	-	-	-	-
Other current liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>37,164</u>	<u>279,810</u>	<u>316,974</u>
<b>NET ASSETS</b>				
Held in trust for unemployment claims and other purposes	72,328	-	-	72,328
Reserved for scholarships	-	-	-	-
Total net assets	<u>72,328</u>	<u>-</u>	<u>-</u>	<u>72,328</u>
Total liabilities and net assets	<u>\$ 72,328</u>	<u>\$ 37,164</u>	<u>\$ 279,810</u>	<u>\$ 389,302</u>

**FREEHOLD TOWNSHIP SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2010**

	<b>Unemployment Compensation Trust</b>
<b>ADDITIONS</b>	
Contributions:	
Plan member	\$ 65,897
Other	-
Total Contributions	65,897
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	348
Dividends	-
Less investment expense	-
Net investment earnings	348
Total additions	66,245
<b>DEDUCTIONS</b>	
Quarterly contribution reports	-
Unemployment claims	144,403
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	144,403
Change in net assets	(78,158)
Net assets—beginning of the year	150,486
Net assets—end of the year	\$ 72,328

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 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>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2010</u>
Clifton T. Barkalow School	\$ 7,149	\$ 60,164	\$ 58,283	\$ 9,030
Dwight D. Eisenhower School	19,473	84,248	75,587	28,134
Total all schools	<u>\$ 26,622</u>	<u>\$ 144,412</u>	<u>\$ 133,870</u>	<u>\$ 37,164</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 Payroll 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>
Payroll deductions and withholdings	\$ 282,601	49,995,171	49,997,962	279,810
Total	<u>\$ 282,601</u>	<u>49,995,171</u>	<u>49,997,962</u>	<u>279,810</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 Long-Term Debt  
 Statement of Serial Bonds  
 June 30, 2010

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2009</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2010</u>	
Refunding of Additions and Renovations Bond issue (original issue 7/15/97)	5/15/2002	17,895,000	7/15/2010	730,000	4.000%	16,300,000	-	700,000.0	15,600,000	
			7/15/2011	765,000	4.000%					
			7/15/2012	795,000	4.000%					
			7/15/2013	830,000	4.200%					
			7/15/2014	875,000	4.300%					
			7/15/2015	915,000	4.400%					
			7/15/2016	960,000	4.500%					
			7/15/2017	1,005,000	4.625%					
			7/15/2018	1,060,000	4.750%					
			7/15/2019	1,115,000	4.750%					
			7/15/2020	1,175,000	4.875%					
			7/15/2021	1,240,000	4.875%					
			7/15/2022	1,305,000	4.875%					
			7/15/2023	1,375,000	5.000%					
			7/15/2024	1,455,000	5.000%					
Refunding of Additions and Renovations Bond issue (original issue 7/15/97)	3/9/2005	\$ 7,255,000	<b>Annual Maturities</b>		<b>Interest</b>		7,255,000	-	-	7,255,000
			1/15/2019	45,000	4.250%					
			1/15/2020	50,000	4.250%					
			1/15/2021	50,000	4.250%					
			1/15/2022	50,000	4.250%					
			1/15/2023	55,000	4.250%					
			1/15/2024	55,000	4.250%					
			1/15/2025	60,000	4.250%					
			1/14/2026	1,595,000	4.250%					
			1/15/2027	1,670,000	4.375%					
			1/15/2028	1,745,000	4.375%					
1/15/2029	1,835,000	4.500%								

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 Long-Term Debt  
 Statement of Serial Bonds  
 June 30, 2010

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2009</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2010</u>
(Continued from prior page)									
New K-5 Elementary School Additions and Renovations to various schools	2/15/02	\$ 30,873,000	2/15/2011	330,000	5.000%	615,000	-	285,000	330,000
Refunding School Bonds Series 2006 (original issue 2/15/02)	2/15/06	\$ 31,035,000	2/15/2012	385,000	3.625%				
			2/15/2013	425,000	4.000%				
			2/15/2014	485,000	4.000%				
			2/15/2015	550,000	5.000%				
			2/15/2016	625,000	5.000%				
			2/15/2017	855,000	4.000%				
			2/15/2018	940,000	4.000%				
			2/15/2019	1,030,000	4.000%				
			2/15/2020	1,130,000	4.125%				
			2/15/2021	1,235,000	4.125%				
			2/15/2022	1,350,000	4.200%				
			2/15/2023	1,475,000	4.200%				
			2/15/2024	1,615,000	4.750%				
			2/15/2025	1,765,000	4.750%				
			2/15/2026	1,935,000	4.250%				
			2/15/2027	2,105,000	4.300%				
2/15/2028	2,290,000	4.375%							
2/15/2029	2,495,000	4.375%							
2/15/2030	2,655,000	4.375%							
2/15/2031	2,785,000	4.375%							
2/15/2032	2,905,000	4.375%							
						<u>31,035,000</u>	<u>-</u>	<u>-</u>	<u>31,035,000</u>
						<u>\$ 55,205,000</u>	<u>\$ -</u>	<u>\$ 985,000</u>	<u>\$ 54,220,000</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 Long-Term Debt  
 Schedule of Obligations Under Capital Leases  
 Year Ended June 30, 2010

<u>Purpose</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Principal</u>	<u>of Original Interest</u>	<u>Interest Rate</u>	<u>Balance 06/30/09</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 06/30/10</u>
Equipment	11/10/2009	5 Years	\$ 776,000	\$ 81,709	2.00%	-	776,000	-	776,000

**FREEHOLD TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2010**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 3,364,984	\$ -	\$ 3,364,984	\$ 3,364,984	\$ -
State Sources:					
Debt Service Aid Type II	50,333	-	50,333	50,333	-
Total - State Sources	50,333	-	50,333	50,333	-
<b>Total Revenues</b>	<b>3,415,317</b>	<b>-</b>	<b>3,415,317</b>	<b>3,415,317</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	2,430,317	-	2,430,317	2,430,317	-
Redemption of Principal	985,000	-	985,000	985,000	-
Total Regular Debt Service	3,415,317	-	3,415,317	3,415,317	-
<b>Total expenditures</b>	<b>3,415,317</b>	<b>-</b>	<b>3,415,317</b>	<b>3,415,317</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources (uses):					
Bond refunding-par amount of bonds	-	-	-	-	-
Other Uses-Original issue discount	-	-	-	-	-
Underwriter's discount	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance	\$ -	-	\$ -	-	\$ -

STATISTICAL SECTION

**Freehold Township School District  
Statistical Section**

<b><u>Contents</u></b>	<b><u>Pages</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	<b>88-93</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	<b>94-97</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the	<b>98-101</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>102-103</b>
<b>Operating Information</b> 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.	<b>104-109</b>

**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.*

Freehold Township School District  
 Net Assets by Component  
 Last Seven Fiscal Years\*  
 UNAUDITED  
 (accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010
Governmental activities							
Invested in capital assets, net of related debt	\$ 5,172,344	\$ 8,626,932	\$ 10,362,081	\$ 9,193,571	\$ 7,708,309	\$ 7,018,996	\$ 7,154,586
Restricted	8,216,045	4,626,377	4,130,962	6,424,392	7,018,644	6,594,534	6,503,398
Unrestricted	947,501	(78,523)	36,859	111,167	702,906	985,150	170,580
Total governmental activities net assets	<u>\$ 14,335,890</u>	<u>\$ 13,174,786</u>	<u>\$ 14,529,902</u>	<u>\$ 15,729,130</u>	<u>\$ 15,429,859</u>	<u>\$ 14,598,680</u>	<u>\$ 13,828,564</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ 6,590	\$ 4,059	\$ 1,528	\$ 1,169	\$ 16,335	\$ 12,462	\$ 16,540
Restricted	-	-	-	-	-	-	-
Unrestricted	(10,057)	49,881	92,106	94,995	82,419	62,010	73,576
Total business-type activities net assets	<u>\$ (3,467)</u>	<u>\$ 53,940</u>	<u>\$ 93,634</u>	<u>\$ 96,164</u>	<u>\$ 98,754</u>	<u>\$ 74,472</u>	<u>\$ 90,116</u>
District-wide							
Invested in capital assets, net of related debt	\$ 5,178,934	\$ 8,630,991	\$ 10,363,609	\$ 9,194,740	\$ 7,724,644	\$ 7,031,458	\$ 7,171,126
Restricted	8,216,045	4,626,377	4,130,962	6,424,392	7,018,644	6,594,534	6,503,398
Unrestricted	937,444	(28,642)	128,965	206,162	785,325	1,047,160	244,156
Total district net assets	<u>\$ 14,332,423</u>	<u>\$ 13,228,726</u>	<u>\$ 14,623,536</u>	<u>\$ 15,825,294</u>	<u>\$ 15,528,613</u>	<u>\$ 14,673,152</u>	<u>\$ 13,918,680</u>

\* GASB requires that ten years of statistical data be presented, however in current year only the years above need to be presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

**Freehold Township School District**  
**Changes in Net Assets**  
**Last Seven Fiscal Years**  
**UNAUDITED**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
<b>Expenses</b>							
<b>Governmental activities</b>							
Instruction							
Regular	\$ 14,412,909	\$ 16,406,075	\$ 17,212,141	\$ 16,781,066	\$ 17,121,314	\$ 17,411,815	\$ 18,325,288
Special education	3,366,419	3,824,396	3,916,987	4,280,593	5,151,862	6,138,006	6,764,491
Other special education	997,381	938,616	1,086,846	857,762	1,132,928	1,178,085	1,051,618
Support Services:							
Instruction	1,833,389	1,770,605	2,058,265	2,572,438	2,472,231	2,975,952	2,707,378
Health services	470,529	582,447	510,633	549,783	668,865	738,305	748,168
Other support services	3,375,124	3,947,967	3,826,431	3,808,856	4,527,393	4,842,689	5,255,099
Educational media services	848,848	665,894	691,143	661,682	747,457	775,884	785,885
Instruction staff training	99,416	165,790	273,857	182,465	136,513	105,659	57,940
General administration	832,525	761,878	798,491	822,372	874,137	938,678	906,972
School administrative services	1,710,409	1,743,121	1,823,902	1,760,649	1,905,401	1,892,484	1,905,909
Central services	-	679,064	692,457	659,966	711,611	732,698	762,903
Plant operations and maintenance	5,822,376	6,975,418	6,462,881	7,101,527	7,503,164	7,047,418	6,748,566
Care & upkeep of grounds							269,162
Administrative information technology	-	573,883	645,476	816,708	710,567	762,397	687,139
Pupil transportation	2,940,942	2,987,588	2,604,881	3,646,404	4,729,358	4,498,296	4,006,569
Other support services	390,078	-	-	-			
Special schools	170,175	176,131	278,000	300,000	177,658	17,236	18,793
Interest on long-term debt	2,809,524	2,784,267	2,736,766	2,454,446	2,505,772	2,476,754	2,442,392
Unallocated employee benefits	7,782,960	9,117,279	9,812,499	10,319,400	12,231,548	13,004,256	13,859,389
Non-budgeted expenditures	2,732,567	2,991,780	3,227,460	3,340,257	5,206,363	3,250,119	3,511,005
Total governmental activities expenses	<u>50,595,571</u>	<u>57,092,199</u>	<u>58,659,116</u>	<u>60,916,374</u>	<u>68,514,142</u>	<u>68,786,731</u>	<u>70,814,666</u>
<b>Business-type activities:</b>							
Food service	972,557	936,346	1,011,892	1,034,551	1,058,446	1,066,717	1,027,458
Total business-type activities expense	<u>972,557</u>	<u>936,346</u>	<u>1,011,892</u>	<u>1,034,551</u>	<u>1,058,446</u>	<u>1,066,717</u>	<u>1,027,458</u>
Total district expenses	<u>\$ 51,568,128</u>	<u>\$ 58,028,545</u>	<u>\$ 59,671,008</u>	<u>\$ 61,950,925</u>	<u>\$ 69,572,588</u>	<u>\$ 69,853,448</u>	<u>\$ 71,842,124</u>
<b>Program Revenues</b>							
<b>Governmental activities:</b>							
<b>Charges for services:</b>							
Instruction (tuition)	\$ 3,595	\$ 50,618	\$ 3,359	\$ -	\$ -	\$ 70,615	\$ 196,205
Operating grants and contributions	2,732,567	2,991,780	3,227,460	3,340,257	5,206,363	3,250,119	3,511,005
Total governmental activities program revenues	<u>2,736,162</u>	<u>3,042,398</u>	<u>3,230,819</u>	<u>3,340,257</u>	<u>5,206,363</u>	<u>3,320,734</u>	<u>3,707,210</u>

**Freehold Township School District**  
**Changes in Net Assets**  
**Last Seven Fiscal Years**  
**UNAUDITED**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
<b>Business-type activities:</b>							
Charges for services							
Food service	773,850	816,480	862,485	837,340	837,999	817,453	787,844
Operating grants and contributions	156,941	177,273	189,101	199,741	223,037	224,982	255,258
Total business type activities program revenues	<u>930,791</u>	<u>993,753</u>	<u>1,051,586</u>	<u>1,037,081</u>	<u>1,061,036</u>	<u>1,042,435</u>	<u>1,043,102</u>
Total district program revenues	<u>\$ 3,666,953</u>	<u>\$ 4,036,151</u>	<u>\$ 4,282,405</u>	<u>\$ 4,377,338</u>	<u>\$ 6,267,399</u>	<u>\$ 4,363,169</u>	<u>\$ 4,750,312</u>
<b>Net (Expense)/Revenue</b>							
Governmental activities	\$ (47,859,409)	\$ (54,049,801)	\$ (55,428,297)	\$ (57,576,117)	\$ (63,307,779)	\$ (65,465,997)	\$ (67,107,456)
Business-type activities	(41,766)	57,407	39,694	2,530	2,590	(24,282)	15,644
Total district-wide net expense	<u>\$ (47,901,175)</u>	<u>\$ (53,992,394)</u>	<u>\$ (55,388,603)</u>	<u>\$ (57,573,587)</u>	<u>\$ (63,305,189)</u>	<u>\$ (65,490,279)</u>	<u>\$ (67,091,812)</u>
<b>General Revenues and Other Changes in Net Assets</b>							
Governmental activities:							
Property taxes levied for general purposes,	\$ 38,598,326	\$ 42,315,455	\$ 46,409,730	\$ 49,976,081	\$ 52,264,040	\$ 53,012,064	\$ 55,482,188
Taxes levied for debt service	2,997,036	3,327,435	3,218,058	3,144,916	3,263,588	3,329,353	3,364,984
Unrestricted grants and contributions	5,224,627	5,588,987	5,553,022	5,445,882	5,588,942	6,550,587	4,866,488
Payments in lieu of taxes	1,101,049	1,401,717	1,321,020	945,493	1,357,330	1,380,082	2,059,711
Investment earnings	136,453	118,686	239,933	361,229	370,205	156,725	41,493
Miscellaneous income	70,002	136,417	41,650	61,744	164,403	206,007	240,783
Total governmental activities	<u>48,127,493</u>	<u>52,888,697</u>	<u>56,783,413</u>	<u>59,935,345</u>	<u>63,008,508</u>	<u>64,634,818</u>	<u>66,055,647</u>
Business-type activities:							
Investment earnings	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>\$ 48,127,493</u>	<u>\$ 52,888,697</u>	<u>\$ 56,783,413</u>	<u>\$ 59,935,345</u>	<u>\$ 63,008,508</u>	<u>\$ 64,634,818</u>	<u>\$ 66,055,647</u>
<b>Change in Net Assets</b>							
Governmental activities	\$ 268,084	\$ (1,161,104)	\$ 1,355,116	\$ 2,359,228	\$ (299,271)	\$ (831,179)	\$ (1,051,809)
Business-type activities	(41,766)	57,407	39,694	2,530	2,590	(24,282)	15,644
Total district	<u>\$ 226,318</u>	<u>\$ (1,103,697)</u>	<u>\$ 1,394,810</u>	<u>\$ 2,361,758</u>	<u>\$ (296,681)</u>	<u>\$ (855,461)</u>	<u>\$ (1,036,165)</u>

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**Freehold Township School District  
Fund Balances, Governmental Funds,  
Last Seven Fiscal Years  
UNAUDITED**  
*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
General Fund							
Reserved	\$ 2,611,139	\$ 2,756,568	\$ 3,289,001	\$ 6,097,183	\$ 7,448,760	\$6,267,325	\$6,098,783
Unreserved	1,606,874	1,013,042	1,061,881	1,086,334	1,128,349	2,173,000	1,306,080
Total general fund	<u>\$ 4,218,013</u>	<u>\$ 3,769,610</u>	<u>\$ 4,350,882</u>	<u>\$ 7,183,517</u>	<u>\$ 8,577,109</u>	<u>\$8,440,325</u>	<u>\$7,404,863</u>
All Other Governmental Funds							
Reserved	\$ 7,307,707	\$ 1,869,809	\$ 841,961	\$ 327,209	\$ 327,209	\$ 327,209	\$ 404,615
Unreserved, reported in:							
Special revenue fund	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 7,307,707</u>	<u>\$ 1,869,809</u>	<u>\$ 841,961</u>	<u>\$ 327,209</u>	<u>\$ 327,209</u>	<u>\$ 327,209</u>	<u>\$ 404,615</u>

\* GASB requires that ten years of statistical data be presented, however in current year only the years above need to be presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

**Freehold Township School District**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Twelve Fiscal Years**  
**UNAUDITED**  
*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,											
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>												
Tax levy	\$ 26,624,059	\$ 27,953,631	\$ 30,364,887	\$ 34,035,850	\$ 38,244,527	\$ 41,595,362	\$ 45,642,890	\$ 49,627,788	\$ 53,120,997	\$ 55,527,628	\$ 56,341,417	\$ 58,847,172
Tuition charges	-	-	-	2,160	-	3,595	50,618	3,359	-	-	70,615	74,213
Interest earnings	1,160,521	344,561	187,426	360,432	564,058	136,453	118,686	239,933	361,229	370,205	156,725	41,493
Miscellaneous	47,244	107,337	63,887	64,964	141,522	70,002	136,417	41,650	61,744	164,403	206,007	240,783
Transportation fees	-	-	-	-	-	-	-	-	-	-	-	121,992
State sources	6,282,846	6,236,461	6,033,382	6,300,141	7,109,728	8,111,223	8,642,106	8,851,059	8,639,099	11,020,925	10,078,133	8,807,607
Federal sources	426,346	603,530	643,843	792,229	926,803	947,020	1,340,378	1,250,443	1,092,533	1,131,710	1,102,655	1,911,290
<b>Total revenue</b>	<b>34,541,016</b>	<b>35,245,520</b>	<b>37,293,426</b>	<b>41,555,776</b>	<b>46,986,638</b>	<b>50,863,655</b>	<b>55,931,095</b>	<b>60,014,232</b>	<b>63,275,602</b>	<b>68,214,871</b>	<b>67,955,552</b>	<b>70,044,550</b>
<b>Expenditures</b>												
<b>Instruction</b>												
Regular Instruction	11,333,039	12,284,805	12,330,533	13,252,589	14,206,901	14,412,909	16,406,075	17,212,141	16,781,066	17,121,314	17,411,815	18,325,288
Special education instruction	1,751,194	2,038,513	2,380,583	2,753,373	3,122,292	3,366,419	3,824,396	3,916,987	4,280,593	5,151,862	6,138,006	6,764,491
Other special instruction	920,275	431,214	545,773	947,903	889,962	997,381	938,616	1,086,846	857,762	1,132,928	1,178,085	1,051,618
<b>Support Services:</b>												
Tuition	1,073,783	1,409,684	1,493,483	1,450,582	1,495,481	1,833,389	1,770,605	2,058,265	2,572,438	2,472,231	2,975,952	2,707,378
Student & inst. related services	3,050,707	3,286,689	3,840,906	4,143,082	4,567,192	1,418,793	1,414,131	1,475,633	1,393,930	1,552,835	1,619,848	1,591,993
General administration	772,207	895,760	786,059	909,127	856,585	832,525	761,878	798,491	822,372	874,137	938,678	906,972
School administrative services	1,245,373	1,255,731	1,316,296	1,470,927	1,568,228	1,710,409	1,743,121	1,823,902	1,760,649	1,905,401	1,892,484	1,905,909
Central services	-	-	-	-	-	-	679,064	692,457	659,966	711,611	732,698	762,903
Admin. information technology	-	-	-	-	-	-	573,883	645,476	816,708	710,567	682,339	687,139
Plant operations and maintenance	2,296,424	2,674,279	2,919,045	3,178,401	3,367,060	3,766,786	4,361,519	4,820,800	5,113,975	5,209,977	5,455,180	5,189,461
Pupil transportation	1,973,657	2,429,320	2,809,541	2,947,244	3,178,628	3,869,933	4,138,229	4,167,716	4,273,704	4,089,304	3,982,569	3,923,154
Other Support Services	399,534	426,281	394,831	351,341	382,320	3,765,202	3,947,967	3,826,431	3,808,856	4,527,393	4,842,689	5,255,099
Care & upkeep of grounds	-	-	-	-	-	-	-	-	-	-	-	269,162
Employee benefits	4,082,166	4,876,834	4,913,377	5,472,664	6,407,936	7,827,999	9,181,772	9,879,042	10,369,255	12,023,947	12,999,174	13,911,739
Non-budgeted expenditures	1,353,557	1,477,407	1,663,651	1,447,232	2,260,917	2,732,567	2,991,780	3,227,460	3,340,257	5,206,363	3,250,119	3,511,005
Special Schools	36,503	40,730	23,042	114,375	114,375	170,175	176,131	278,000	300,000	177,658	17,236	18,793
Capital outlay	18,352,494	2,318,626	605,665	1,677,810	5,473,229	30,423,483	5,530,269	1,211,792	613,817	640,054	515,727	805,185
<b>Debt service:</b>												
Principal	-	345,000	365,000	1,399,933	410,000	480,000	595,000	31,458,000	750,000	820,000	915,000	985,000
Interest and other charges	2,171,115	1,438,354	1,419,716	385,000	2,596,155	2,809,524	2,782,960	2,659,369	2,442,371	2,493,697	2,464,679	2,430,317
<b>Total expenditures</b>	<b>50,812,028</b>	<b>37,629,228</b>	<b>37,807,498</b>	<b>41,901,583</b>	<b>50,897,261</b>	<b>80,417,494</b>	<b>61,817,396</b>	<b>91,238,808</b>	<b>60,957,719</b>	<b>66,821,279</b>	<b>68,092,336</b>	<b>71,002,606</b>
Excess (Deficiency) of revenues over (under) expenditures	(16,271,013)	(2,383,708)	(514,072)	(345,807)	(3,910,623)	(29,553,839)	(5,886,301)	(31,224,576)	2,317,883	1,393,592	(136,784)	(958,056)
<b>Other Financing sources (uses)</b>												
Proceeds from borrowing	-	-	-	30,983,000	-	-	7,255,000	31,035,000	-	-	-	-
Proceeds from refunding	-	-	-	17,160,000	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	(17,160,000)	-	-	(6,978,769)	-	-	-	-	-
State school building aid - Section 15 grant	-	-	-	12,787,295	-	-	-	-	-	-	-	-
Original issue discount	-	-	-	-	-	-	(125,442)	(178,042)	-	-	-	-
Accrued interest	88,672	-	-	1,355	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(97,859)	-	-	-	-	-	-	-
Costs of issuance	-	-	-	-	-	-	(150,789)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>88,672</b>	<b>-</b>	<b>-</b>	<b>43,771,650</b>	<b>(97,859)</b>	<b>-</b>	<b>30,856,958</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(16,182,341)</b>	<b>(2,383,708)</b>	<b>(514,072)</b>	<b>43,425,843</b>	<b>(4,008,482)</b>	<b>(29,553,839)</b>	<b>(5,886,301)</b>	<b>(367,618)</b>	<b>2,317,883</b>	<b>1,393,592</b>	<b>(136,784)</b>	<b>(958,056)</b>
Debt service as a percentage of noncapital expenditures	6.7%	5.1%	4.8%	4.4%	6.6%	6.6%	6.0%	37.90%	5.2%	5.01%	5.00%	4.87%
<b>Source: District records</b>												

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

**Freehold Township School District**  
**General Fund - Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,	Sale of Capital Assets	Donations	Rentals	Prior Year Refunds	Sale and Leaseback of Textbooks	Miscellaneous	Annual Totals
2001	-	-	-	-	-	63,887	63,887
2002	-	-	-	-	-	50,749	50,749
2003	-	-	-	-	-	123,066	123,066
2004	-	-	-	-	-	56,716	56,716
2005	-	-	-	-	-	135,559	135,559
2006	-	-	-	-	-	41,650	41,650
2007	-	-	-	-	-	49,583	49,583
2008	-	-	-	-	-	72,945	72,945
2009	-	-	-	-	-	165,928	165,928
2010	-	-	-	-	-	155,267	155,267

Source: District records

Freehold Township School District  
 Assessed Value and Actual Value of Taxable Property  
 Last Ten Fiscal Years  
 UNAUDITED

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2001	57,280,200	1,854,020,600	15,336,200	2,091,000	626,693,100	62,699,500	6,182,700	2,624,303,300	-	82,656,116	2,706,959,416	1.220	2,876,432,413
2002	51,326,200	1,920,317,900	15,480,700	2,400,000	626,546,000	71,895,300	10,177,700	2,698,143,800	-	63,422,340	2,761,566,140	1.349	3,288,107,808
2003	55,110,200	1,971,411,100	15,538,500	2,200,600	636,091,100	71,633,200	31,258,400	2,783,243,100	-	62,057,147	2,845,300,247	1.427	3,701,205,541
2004	51,833,800	2,021,577,700	15,765,400	2,077,500	634,523,200	75,334,300	30,958,400	2,832,070,300	-	57,693,210	2,889,763,510	1.546	4,177,454,308
2005	66,615,000	2,096,875,500	15,635,600	1,779,600	636,922,000	78,428,200	30,958,400	2,927,214,300	-	48,144,874	2,975,359,174	1.634	4,663,434,469
2006	65,790,600	2,146,671,100	15,123,200	1,726,900	642,767,600	79,946,600	30,948,600	2,982,974,600	-	42,025,816	3,025,000,416	1.725	5,391,727,021
2007	49,811,400	2,205,318,600	14,730,600	1,764,500	633,230,100	71,697,200	30,948,600	3,007,501,000	-	36,970,360	3,044,471,360	1.758	6,037,954,660
2008	43,886,000	2,245,621,400	14,932,600	1,700,500	644,466,200	74,628,300	30,165,900	3,055,400,900	-	32,780,996	3,088,181,896	1.792	6,539,260,827
2009	95,225,000	4,529,646,900	30,709,200	1,670,000	1,341,345,700	154,573,100	64,320,400	6,217,490,300	-	68,077,410	6,285,567,710	0.922	6,900,102,255
2010	79,832,500	4,549,534,600	30,233,300	1,654,900	1,291,205,600	154,573,100	61,500,000	6,168,534,000	-	49,220,887	6,217,754,887	0.936	6,647,432,225

Source: District records and Monmouth County Board of Taxation

Freehold Township School District  
 Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years  
 UNAUDITED  
 (rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Freehold Township School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Freehold Regional School District	Freehold Township	Monmouth County	
2001	1.156	0.064	1.220	0.443	0.226	0.512	2.401
2002	1.229	0.119	1.349	0.550	0.275	0.535	2.709
2003	1.321	0.105	1.426	0.582	0.305	0.558	2.871
2004	1.430	0.115	1.545	0.587	0.338	0.548	3.018
2005	1.526	0.108	1.634	0.597	0.389	0.541	3.161
2006	1.619	0.104	1.723	0.662	0.419	0.540	3.344
2007	1.651	0.107	1.758	0.700	0.439	0.541	3.438
2008	1.6838	0.1072	1.791	0.700	0.439	0.541	3.471
2009	1.684	0.108	1.792	0.707	0.475	0.523	3.497
2010	0.869	0.053	0.922	0.373	0.265	0.282	1.842

Source: District Records and Municipal Tax Collector

Freehold Township School District  
Principal Property Tax Payers,  
Current Year and Ten Years Ago  
UNAUDITED

Taxpayer	2010			2000		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Freemall Associates	\$ 312,000,000	1	5.02%	\$ 154,401,000	1	6.13%
Freehold Financing, LLC	51,500,000	2	0.83%			
Verizon - New Jersey	49,220,888	3	0.79%	29,139,300	2	1.16%
Center for Aging DBA/Applewood Estates	48,694,400	4	0.78%	19,489,500	3	0.77%
Iron Mountain, Inc.	44,818,200	5	0.72%			
Macy's East, Inc.	29,312,700	6	0.47%	12,204,600	7	0.48%
Raintree Towne Center Assoc. LP	28,116,800	7	0.45%	15,614,900	4	0.62%
New Jersey Bell Telephone Co	25,858,700	8	0.42%			
Freehold Shopping Associates	24,108,000	9	0.39%			
Ronardi Freehold Enterprises, LLC	21,282,400	10	0.34%			
Nordstrom				14,257,000	5	0.57%
Loews Theater				12,557,600	6	0.50%
JC Penny's				12,050,600	8	0.48%
Asbury Park Press				11,986,500	9	0.48%
Total	<u>\$ 634,912,088</u>		<u>5.19%</u>	<u>281,701,000</u>		<u>11.19%</u>

Source: District CAFR & Municipal Tax Assessor

Exhibit J-9

Freehold Township School District  
 Property Tax Levies and Collections,  
 Last Ten Fiscal Years  
 UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2001	30,364,887	30,364,887	100.00%	-
2002	34,035,850	34,035,850	100.00%	-
2003	38,244,527	38,244,527	100.00%	-
2004	41,595,362	41,595,362	100.00%	-
2005	45,642,890	45,642,890	100.00%	-
2006	49,697,788	49,697,788	100.00%	-
2007	53,120,997	53,120,997	100.00%	-
2008	55,527,628	55,527,628	100.00%	-
2009	56,341,417	56,341,417	100.00%	-
2010	58,887,862	58,887,862	100.00%	-

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

**Freehold Township School District  
 Ratios of Outstanding Debt by Type  
 Last Ten Fiscal Years  
 UNAUDITED**

Fiscal Year Ended June 30,	Governmental Activities				Business- Type Activities	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2001	26,190,000	n/a	1,687,633	n/a	n/a	27,877,633	0.00%	885
2002	57,908,000	n/a	1,767,186	n/a	n/a	59,675,186	0.00%	1,864
2003	57,498,000	n/a	1,749,405	n/a	n/a	59,247,405	0.00%	1,779
2004	57,018,000	n/a	2,606,013	n/a	n/a	59,624,013	0.00%	1,764
2005	56,953,000	n/a	2,764,792	n/a	n/a	59,717,792	0.00%	1,755
2006	56,530,000	n/a	979,535	n/a	n/a	57,509,535	0.00%	1,685
2007	55,780,000	n/a	-	n/a	n/a	55,780,000	0.00%	1,643
2008	56,120,000	n/a	-	n/a	n/a	56,120,000	0.00%	1,611
2009	55,205,000	n/a	-	n/a	n/a	55,205,000	0.00%	1,590
2010	54,220,000	n/a	776,000	n/a	n/a	54,996,000	0.00%	1,568

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

Freehold Township School District  
 Ratios of Net General Bonded Debt Outstanding  
 Last Ten Fiscal Years  
 UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2001	26,190,000	-	26,190,000	0.97%	\$ 831
2002	57,908,000	-	57,908,000	2.10%	\$ 1,809
2003	57,498,000	-	57,498,000	2.02%	\$ 1,726
2004	57,018,000	-	57,018,000	1.97%	\$ 1,687
2005	56,953,000	-	56,953,000	1.91%	\$ 1,674
2006	56,530,000	-	56,530,000	1.87%	\$ 1,656
2007	55,780,000	-	55,780,000	1.83%	\$ 1,643
2008	56,120,000	-	56,120,000	1.82%	\$ 1,609
2009	55,205,000	-	55,205,000	0.88%	\$ 1,590
2010	54,220,000	-	54,220,000	0.87%	\$ 1,568

Freehold Township School District  
 Ratios of Overlapping Governmental Activities Debt  
 As of June 30, 2010  
 UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Freehold Township	52,176,133	100.000%	52,176,133
<b>Other debt</b>			
Water Sewer System	14,440,000	100.000%	14,440,000
Freehold Regional High School	9,023,938	20.11%	1,814,804
Manasquan River Regional Sewerage Authority	4,519,437	39.48%	1,784,274
Monmouth County	25,003,989	5.35%	1,337,213
Subtotal, overlapping debt			71,552,424
<b>Freehold Township School District Direct Debt</b>			<u>54,220,000</u>
<b>Total direct and overlapping debt</b>			<u>\$ 125,772,424</u>

**Sources:** Freehold Township Finance Officer, Monmouth County Finance Office  
 and Utility Authorities

Freehold Township School District  
 Legal Debt Margin Information,  
 Last Eleven Fiscal Years  
 UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2010

	Equalized valuation basis	
	2010	\$ 6,647,432,225
	2009	\$ 6,900,102,255
	2008	\$ 6,539,260,827
	<b>[A]</b>	<u>\$ 20,086,795,307</u>
Average equalized valuation of taxable property	<b>[A/3]</b>	\$ 6,695,598,436
Debt limit (3 % of average	<b>[B]</b>	200,867,953 <sup>a</sup>
Net bonded school debt	<b>[C]</b>	\$ 54,220,000
Legal debt margin	<b>[B-C]</b>	<u>\$ 146,647,953</u>

	Fiscal Year										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 73,995,807	\$ 80,180,977	\$ 87,988,668	\$ 98,657,458	\$ 111,667,677	\$ 125,420,943	\$ 142,326,158	\$ 160,931,162	\$ 179,689,425	\$ 194,773,177	\$ 200,867,953
Total net debt applicable to limit	<u>26,555,000</u>	<u>26,190,000</u>	<u>57,908,000</u>	<u>57,498,000</u>	<u>57,018,000</u>	<u>56,953,000</u>	<u>57,690,000</u>	<u>56,940,000</u>	<u>56,120,000</u>	<u>55,205,000</u>	<u>54,220,000</u>
Legal debt margin	<u>\$ 47,440,807</u>	<u>\$ 53,990,977</u>	<u>\$ 30,080,668</u>	<u>\$ 41,159,458</u>	<u>\$ 54,649,677</u>	<u>\$ 68,467,943</u>	<u>\$ 84,636,158</u>	<u>\$ 103,991,162</u>	<u>\$ 123,569,425</u>	<u>\$ 139,568,177</u>	<u>\$ 146,647,953</u>
Total net debt applicable to the limit as a percentage of debt limit	35.89%	32.66%	65.81%	58.28%	51.06%	45.41%	40.53%	35.38%	31.23%	28.34%	26.99%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

<sup>a</sup> Limit set by NJS A 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

Freehold Township School District  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years  
 UNAUDITED

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2001	32,406	-	-	2.0%
2002	33,288	-	-	3.1%
2003	33,639	-	-	3.3%
2004	33,771	-	-	2.6%
2005	33,863	-	-	3.1%
2006	33,953	-	-	3.5%
2007	33,953	-	-	3.3%
2008	34,875	-	-	4.1%
2009	34,730	-	-	4.2%
2010	34,589	-	-	7.5%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income not available by municipality.

<sup>c</sup> Per Capita Income not available by municipality

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

Freehold Township School District  
Principal Employers,  
Current Year and Nine Years Ago  
UNAUDITED

Employer	2010			2001		
	Employees	Rank (Optional)	Percentage of Total Employment <sup>b</sup>	Employees	Rank (Optional)	Percentage of Total Employment <sup>b</sup>
CentraState Medical Center	2,028	1	10.93%			
Verizon	668	2	3.60%			
Center for Aging	495	3	2.67%			
Asbury Park Press/Gannett	350	4	1.89%			
Nordstrom	301	5	1.62%			
Walmart	300	6	1.62%			
Inverness Medical Nutritionals	272	7	1.47%			
Sam's Club	260	8	1.40%			
Macy's	234	9	1.26%			
Nestle-Hills Coffee Co.	209	10	1.13%			
Sears						
American Vitamin						
AT&T						
JC Penny						
	5,117		27.57%			

**Source:** Freehold Township Official Statement

<sup>b</sup> Total labor force provided by U.S. Department of Labor, Bureau of Labor Statistics

Freehold Township School District  
 Full-time Equivalent District Employees by Function/Program,  
 Last Ten 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										
Regular	n/a	n/a	n/a	n/a	261	267	272	295	284	277
Special education	n/a	n/a	n/a	n/a	100	104	105	153	186	187
Other special education	n/a	n/a	n/a	n/a	-	-	-	-	-	-
Vocational	n/a	n/a	n/a	n/a	-	-	-	-	-	-
Other instruction	n/a	n/a	n/a	n/a	-	-	-	-	-	-
Nonpublic school programs	n/a	n/a	n/a	n/a	-	-	-	-	-	-
Adult/continuing education programs	n/a	n/a	n/a	n/a	-	-	-	-	-	-
Support Services:										
Tuition	n/a	n/a	n/a	n/a	-	-	-	-	-	-
Student & instruction related services	n/a	n/a	n/a	n/a	90	88	90	89	67	72
General administrative services	n/a	n/a	n/a	n/a	7	7	7	5	5	5
School administrative services	n/a	n/a	n/a	n/a	28	28	23	25	24	24
Business administrative services	n/a	n/a	n/a	n/a	15	15	15	16	16	17
Plant operations and maintenance	n/a	n/a	n/a	n/a	56	58	69	74	73	71
Pupil transportation	n/a	n/a	n/a	n/a	88	93	87	90	92	89
Special Schools	n/a	n/a	n/a	n/a	-	-	-	-	-	-
Food Service	n/a	n/a	n/a	n/a	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>645</u>	<u>660</u>	<u>668</u>	<u>747</u>	<u>747</u>	<u>742</u>

Source: District Personnel Records

Freehold Township School District  
Operating Statistics  
Last Ten Fiscal Years  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2001	4,096	35,839,744	8,750	0.75%	279	1:17	1:25	4,085	3,924	4.80%	96.06%
2002	4,349	38,462,701	8,844	1.08%	293	1:17	1:25	4,256	4,074	4.19%	95.72%
2003	4,457	44,519,190	9,989	12.94%	297	1:17	1:25	4,405	4,197	3.50%	95.28%
2004	4,639	48,029,093	10,353	3.65%	287	1:17	1:25	4,543	4,351	3.13%	95.77%
2005	4,635	54,558,214	11,771	13.69%	321	1:17	1:25	4,623	4,710	1.76%	94.28%
2006	4,653	55,328,818	11,891	1.02%	323	1:17	1:25	4,658	4,447	0.76%	95.50%
2007	4,652	57,463,173	12,352	3.88%	272	1:17	1:25	4,629	4,418	-0.62%	95.50%
2008	4,622	61,739,327	13,358	8.14%	332	1:18	1:24	4,622	4,428	-0.15%	95.80%
2009	4,512	62,143,910	13,773	3.11%	405	1:14	1:25	4,521	4,330	-2.23% #	95.78%
2010	4,500	64,942,806	14,432	4.78%	341	1:15	1:24	4,500	4,312	-0.46%	95.82%

Sources: District records and Schedules J-12, J-14

a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1

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

**Freehold Township School District**  
**School Building Information**  
**Last Ten Fiscal Years**  
**UNAUDITED**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>District Building<sup>a</sup></b>										
<b>Early Learning Center</b>										
Early Childhood Learning Center (1936) <sup>b</sup>										
Square Feet	37,156	37,156	37,156	37,156	37,156	37,156	37,156	37,156	37,156	37,156
Capacity (students)	127	127	127	127	127	127	127	127	127	127
Enrollment <sup>b</sup>	238	242	235	235	0	84	75	79	83	83
<b>Elementary</b>										
Joseph J. Catena (1951)										
Square Feet	65,530	65,530	65,530	76,045	76,045	76,045	76,045	76,045	76,045	76,045
Capacity (students)	540	540	540	633	633	633	633	633	633	633
Enrollment	613	640	669	649	653	615	607	602	561	561
C. Richard Applegate (1972)										
Square Feet	71,319	71,319	71,319	81,963	81,963	81,963	81,963	81,963	81,963	81,963
Capacity (students)	554	554	554	606	606	606	606	606	606	606
Enrollment	536	561	590	588	557	544	542	509	544	544
Marshall W. Errickson (1972)										
Square Feet	68,792	68,792	68,792	78,130	78,130	78,130	78,130	78,130	78,130	78,130
Capacity (students)	500	500	500	698	698	698	606	606	606	606
Enrollment	651	667	671	677	668	627	542	611	561	561
Laura Donovan (1968)										
Square Feet	66,256	66,256	66,256	76,491	76,491	76,491	76,491	76,491	76,491	76,491
Capacity (students)	552	552	552	653	653	653	653	653	653	653
Enrollment	706	729	784	815	573	582	543	531	537	537
West Freehold (9/04)										
Square Feet	N/A	N/A	N/A	N/A	90,000	90,000	90,000	90,000	90,000	90,000
Capacity (students)	N/A	N/A	N/A	N/A	636	636	636	636	636	636
Enrollment	N/A	N/A	N/A	N/A	587	606	603	595	582	582
<b>Middle School</b>										
Clifton T. Barkalow (1965)										
Square Feet	89,917	89,917	89,917	110,553	110,553	110,553	110,553	110,553	110,553	110,553
Capacity (students)	675	675	675	831	831	831	831	831	831	831
Enrollment	652	714	740	758	786	850	754	853	822	822
Dwight D. Eisenhower (1971)										
Square Feet	94,501	94,501	94,501	114,979	114,979	114,979	114,979	114,979	114,979	114,979
Capacity (students)	701	701	701	855	855	855	863	863	863	863
Enrollment	662	731	753	808	781	767	754	827	822	822
<b>Other</b>										
Transportation & Maintenance Offices										
Square Feet	2,400	2,400	2,400	2,400	4,800	4,800	4,800	4,800	4,800	4,800

Number of Schools at June 30, 2007

Early Learning Center = 1  
Elementary = 5  
Middle School = 2  
Other = 1

**Source:** District records, ASSA

<sup>a</sup> Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count (ASSA). Only 7 years of data required to be kept.

<sup>b</sup> Prior to September 2004, the ECLC housed the West Freehold School. At the time of the ASSA in October 2004, the ECLC population was housed in the Joseph J. Catena & C. Richard Applegate Elementary Schools.

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 Schedule of Required Maintenance  
 Last Eight Fiscal Years  
 UNAUDITED

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

* School Facilities Project # (s)	Joseph J. Catena Elementary N/A	C. Richard Applegate Elementary N/A	Clifton T. Barkalow Middle School N/A	Dwight D. Eisenhower Middle School N/A	Marshall W. Errickson Elementary N/A	Laura Donovan Elementary N/A	West Freehold Elementary N/A	Early Childhood Learning Center N/A	Total
2003	107,076	115,409	155,638	161,898	110,012	107,704	-	52,318	810,055
2004	112,623	110,140	135,278	165,739	103,064	97,431	-	54,749	779,024
2005	76,224	85,166	107,152	108,620	73,491	78,218	92,959	35,212	657,042
2006	105,558	96,671	132,076	141,880	92,678	91,544	104,792	60,297	825,496
2007	89,770	128,153	139,890	134,249	125,509	89,471	108,542	47,905	863,489
2008	104,125	112,229	151,348	157,436	106,980	104,736	123,233	50,876	910,965
2009	111,559	120,240	162,153	168,675	114,617	112,213	132,031	54,508	975,995
2010	99,851	107,622	145,136	150,974	102,589	100,437	118,175	48,788	873,572
Total School Facilities	<u>\$ 806,786</u>	<u>\$ 875,630</u>	<u>\$ 1,128,671</u>	<u>\$ 1,189,471</u>	<u>\$ 828,941</u>	<u>\$ 781,754</u>	<u>\$ 679,732</u>	<u>\$ 404,653</u>	<u>\$ 6,695,638</u>

\* 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

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED

Company	Type of Coverage	Coverage	Deductible
American Zurich Insurance Company	<b>Property</b>		
	Blanket Building & Contents	\$ 169,109,901	\$ 5,000
	Business Income & Extra Exp.	5,000,000	
	Flood	5,000,000	
	Computer Equipment	2,500,000	
	Contractors Equipment	250,000	
	<b>Equipment Breakdown (Blanket)</b>		
	Per Breakdown	50,000,000	5,000
	<b>Commercial Liability</b>		
	Bodily Injury & Property Damage		
	Each Occurrence	1,000,000	
	General Aggregate	2,000,000	
	Damage to Premises Rented	2,000,000	
	Medical Payments	1,000,000	
	Personal & Advertising Inju	5,000	
	Employee Benefits Liability	1,000,000	
	<b>Crime</b>		
	Employee Theft		5,000
	Forgery or Alteration	500,000	
	Computer Fraud	100,000	1,000
	<b>Business Auto</b>		
	Combined Single Limit		
	Personal Injury Protection	1,000,000	
Medical Payments	Statutory		
Uninsured & Underinsured	5,000		
Comprehensive Deductible	1,000,000	1,000	
Collision Deductible		1,000	

Source: District Records

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED

Company	Type of Coverage	Coverage	Deductible
New Jersey School Boards Association Insurance Group	<b>School Board Legal</b>	10,000,000	15,000
	Limit of Liability		
	<b>Worker's Compensation</b>		
	Section A	Statutory	
	Section B	200,000/200,000/200,000	
Chubb	<b>Supplemental Worker's Compensation</b>		
	Maximum Benefit Period	52 Weeks	
	Waiting Period	7 days	
McCloskey	<b>Student Accident</b>		
	Maximum Benefit	1,000,000	
Selective	<b>Bonds</b>		
	Business Adm./Board Sec'y.	25,000	
	Board Treasurer	306,000	
American Zurich Insurance Company	<b>Environmental Policy</b>		
	Each Incident	1,000,000	5,000
	Aggregate	2,000,000	
	<b>Excess Umbrella</b>		
	Limit of Liability	10,000,000	
	Retention	10,000	
Fireman's Insurance Fund	<b>CAP Program</b>		
	Each Occurrence	50,000,000	
	Aggregate	50,000,000	

Source: District Records

SINGLE AUDIT SECTION

**JUMP, SCUTELLARO AND COMPANY, L.L.P.** CERTIFIED PUBLIC ACCOUNTANTS

12 LEXINGTON AVENUE TOMS RIVER, NJ 08753 · PHONE (732) 240-7377 · FAX (732) 505-8307 · WEBSITE: jumpcpa.com

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

The Honorable President and  
Members of the Board of Education  
Freehold Township School District  
County of Monmouth  
Freehold, New Jersey 08533

We have audited the basic financial statements of the Board of Education of the Freehold Township School District in the County of Monmouth, State of New Jersey as of and for the year ended June 30, 2010, and have issued our report thereon dated November 23, 2010. We conducted our audit in accordance with the generally accepted auditing standards of the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, 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 Board of Education of the Freehold Township 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 Board of Education of the Freehold Township School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Freehold Township 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 Board of Education of the Freehold Township School District's financial statements that is more than inconsequential will not be prevented or detected by the Board of Education of the Freehold Township School District's internal control.

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

This report is intended solely for the information of the Board of Education of the Freehold Township School District, 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.

Respectfully submitted,

JUMP, SCUTELLARO AND COMPANY, L.L.P.



Kathryn Perry  
Licensed Public School Accountant  
No. CS 20CS00226400

November 23, 2010

**JUMP, SCUTELLARO AND COMPANY, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS**

12 LEXINGTON AVENUE TOMS RIVER, NJ 08753 PHONE (732) 240-7377 FAX (732) 505-8307 WEBSITE: jumpcpa.com

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

The Honorable President and  
Members of the Board of Education  
Freehold Township School District  
County of Monmouth  
Freehold, New Jersey 08533

Compliance

We have audited the compliance of the Board of Education of the Freehold Township School District's with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and New Jersey OMB Circular 04-04 that are applicable to each of its major programs for the year ended June 30, 2010. The Board of Education of the Freehold Township School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. 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 Board of Education of the Freehold Township School District's management. Our responsibility is to express an opinion on the Board of Education of the Freehold Township School District'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; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04. Those standards and OMB Circular A-133 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 Board of Education of the Freehold Township School District'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 Board of Education of the Freehold Township School District's compliance with those requirements.

In our opinion, the Board of Education of the Freehold Township School District, 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 Board of Education of the Freehold Township School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to the federal and state programs. In planning and performing our audit, we considered the Board of Education of the Long Freehold Township School District's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Freehold Township 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 state or federal 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 be material weaknesses, as defined above.

This report is intended solely for the information of the board of education, management, 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.

Respectfully submitted,

JUMP, SCUTELLARO AND COMPANY, L.L.P.



Kathryn Perry  
Licensed Public School Accountant  
No. CS 20CS00226400

November 23, 2010

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 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 Period	Award Amount	Balance at June 30, 2009	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior years' Balances	Deferred Revenue at June 30, 2010	(Accounts Receivable) at June 30, 2010	Due to Grantor at June 30, 2010
General Fund:											
ARRA-ESF	84.394	7/1/09-6/30/10	\$ 271,195	\$ -	\$ -	\$ 271,195	\$ (271,195)	\$ -	\$ -	\$ -	\$ -
ARRA-GSF	84.397	7/1/09-6/30/10	10,498	-	-	10,498	(10,498)	-	-	-	-
				-	-	281,693	(281,693)	-	-	-	-
U.S. Department of Agriculture Passed-through State Department of Education:											
Food Distribution Program	10.550	7/1/09-6/30/10	78,992	-	-	78,992	(78,992)	-	-	-	-
National School Lunch Program	10.555	7/1/08-6/30/09	152,762	(12,488)	-	12,488	-	-	-	-	-
National School Lunch Program	10.555	7/1/09-6/30/10	-	-	-	147,208	(162,643)	-	-	(15,435)	-
Total U.S. Department of Agriculture				(12,488)	-	238,688	(241,635)	-	-	(15,435)	-
U.S. Department of Education Passed-through State Department of Education:											
Title I	84.010	9/1/08-8/31/09	138,578	(20,977)	-	46,673	(25,696)	-	-	-	-
Title I	84.010	9/1/09-8/31/10	140,704	-	-	95,741	(109,272)	-	-	(13,531)	-
Title II Part A	84.367A	9/1/08-8/31/09	78,913	(45,648)	-	72,372	(26,724)	-	-	-	-
Title II Part A	84.367A	9/1/09-8/31/10	79,617	-	-	53,393	(55,389)	-	-	(1,996)	-
Title II Part D	84.318X	9/1/08-8/31/09	1,148	-	-	-	-	-	-	-	-
Title II Part D	84.318X	9/1/09-8/31/10	1,382	-	-	1,317	(1,382)	-	-	(65)	-
Title III	84.365A	9/1/08-8/31/09	10,331	(5,080)	-	5,405	(325)	-	-	-	-
Title III	84.365A	9/1/09-8/31/10	12,543	-	-	2,061	(5,439)	-	-	(3,378)	-
Title IV	84.186	9/1/08-8/31/09	8,529	(5,176)	-	7,694	(2,518)	-	-	-	-
Title IV	84.186	9/1/09-8/31/10	8,035	-	-	6,644	(6,671)	-	-	(27)	-
I.D.E.A. Part B Basic Regular	84.027	9/1/08-8/31/09	908,645	(221,411)	-	297,380	(75,969)	-	-	-	-
I.D.E.A. Part B Basic Regular	84.027	9/1/09-8/31/10	922,056	-	-	782,787	(922,056)	-	-	(139,269)	-
I.D.E.A. ARRA	84.391	9/1/09-8/31/10	375,376	-	-	361,444	(375,376)	-	-	(13,932)	-
I.D.E.A. Part B Preschool	84.027	9/1/08-8/31/09	38,788	-	-	-	-	-	-	-	-
I.D.E.A. Part B Preschool	84.027	9/1/09-8/31/10	38,612	-	-	38,612	(38,612)	-	-	-	-
I.D.E.A. Part B Preschool - ARRA	84.391	9/1/09-8/31/10	16,423	-	-	16,423	(16,423)	-	-	-	-
Total U.S. Department of Education				(298,292)	-	1,787,946	(1,661,852)	-	-	(172,198)	-
Total Expenditures of Federal Awards				\$ (310,780)	\$ -	\$ 2,308,327	\$ (2,185,180)	\$ -	\$ -	\$ (187,633)	\$ -

See accompanying notes to schedules of expenditures.

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 Schedule of Expenditures of State Awards  
 for the Fiscal Year ended June 30, 2010

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2009	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2010	(Accounts Receivable) at June 30, 2010	Due to Grantor at June 30, 2010	Budgetary Receivable	Total Expenditures
State Department of Education													
General Fund:													
Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	771,882	\$ -	\$ -	\$ 716,924	\$ (794,112)	\$ -	\$ -	\$ -	\$ -	\$ (77,188)	771,882
Transportation Aid	09-495-034-5120-014	7/1/08-6/30/09	994,260	(99,418)	-	994,418	-	-	-	-	-	-	-
Special Education Aid	10-495-034-5120-011	7/1/09-6/30/10	1,894,007	-	-	1,444,996	(1,775,957)	-	-	-	-	(330,961)	1,894,007
Special Education Aid	09-495-034-5120-011	7/1/08-6/30/09	2,518,661	(212,911)	-	212,911	-	-	-	-	-	-	-
Equalization Aid	10-495-034-5120-008	7/1/09-6/30/10	836,975	-	-	809,326	(893,024)	-	-	-	-	(83,698)	836,975
Equalization Aid	09-495-034-5120-008	7/1/08-6/30/09	1,463,767	(139,748)	-	139,748	-	-	-	-	-	-	-
Security Aid	10-495-034-5120-022	7/1/09-6/30/10	223,294	-	-	213,274	(235,603)	-	-	-	-	(22,329)	223,294
Security Aid	09-495-034-5120-022	7/1/08-6/30/09	346,368	(34,637)	-	34,637	-	-	-	-	-	-	-
Extraordinary Aid	10-495-034-5120-044	7/1/09-6/30/10	1,145,948	-	-	-	(1,145,948)	-	-	(1,145,948)	-	-	1,145,948
Extraordinary Aid	09-495-034-5120-044	7/1/08-6/30/09	1,457,163	(1,457,163)	-	1,457,163	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution	10-495-034-5095-002	7/1/09-6/30/10	1,623,214	-	-	1,623,214	(1,623,214)	-	-	-	-	-	1,623,214
Reimbursed TPAF Social Security Contribution	09-495-034-5095-002	7/1/08-6/30/09	1,706,959	(91,970)	-	91,970	-	-	-	-	-	-	-
On-behalf TPAF Social Security Contribution	10-495-034-5095-001	7/1/09-6/30/10	1,887,791	-	-	1,887,791	(1,887,791)	-	-	-	-	-	1,887,791
Total General Fund				(2,035,847)	-	8,731,372	(8,355,649)	-	-	(1,145,948)	-	(514,176)	8,383,111
Enterprise Fund:													
State School Lunch Program	10-100-010-3360-067	7/1/09-6/30/10	13,623	-	-	12,364	(13,623)	-	-	(1,259)	-	(1,259)	13,623
State School Lunch Program	09-100-010-3360-067	7/1/08-6/30/09	14,156	(1,145)	-	1,145	-	-	-	-	-	-	-
				(1,145)	-	13,509	(13,623)	-	-	(1,259)	-	(1,259)	13,623
Debt Service Fund:													
Debt service aid	10-495-034-5120-017	7/1/09-6/30/10	50,333	-	-	50,333	(50,333)	-	-	-	-	-	50,333
				-	-	50,333	(50,333)	-	-	-	-	-	50,333
Special Revenue Fund:													
N.J. Nonpublic Textbook Aid	10-100-034-5120-064	7/1/09-6/30/10	4,980	-	-	4,980	(4,980)	-	-	-	-	-	4,980
N.J. Nonpublic Transportation Aid	10-100-034-5120-068	7/1/09-6/30/10	33,849	-	-	33,849	(33,849)	-	-	-	-	-	33,849
Chapter 192/193		7/1/09-6/30/10	21,358	-	-	21,358	(21,358)	-	-	-	-	-	21,358
Expand/Enhancement Grant, State	09-100-034-5065-091-H070	7/1/08-6/30/09	175,000	(21,586)	-	21,914	(328)	-	-	-	-	-	328
Expand/Enhancement Grant, State	10-100-034-5065-091-H070	7/1/09-6/30/10	175,000	-	-	1,442	(1,442)	-	-	-	-	-	-
Total Special Revenue Fund				(21,586)	-	83,543	(61,957)	-	-	-	-	-	60,515
Total Expenditures of State Awards				\$ (2,058,578)	\$ -	\$ 8,878,757	\$ (8,481,562)	\$ -	\$ -	\$ (1,147,207)	\$ -	\$ (515,435)	\$ 8,507,582

See accompanying notes to schedules of expenditures.

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to the Schedules of Expenditures of Awards and Financial Assistance

June 30, 2010

1. General

The accompanying schedules of expenditures of awards present the activity of all federal awards and state financial assistance programs of the Board of Education, Freehold Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal awards and state financial assistance 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 federal awards and state financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Note 1 to the Board's 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 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 last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97.(A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(27,462) for the general fund and \$(32,255) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to the Schedules of Expenditures of Awards and Financial Assistance

3. Relationship to Basic Financial Statements (continued)

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
General Fund	\$ 281,693	8,377,493	-	8,659,186
Special Revenue Fund	1,629,597	61,957	110,969	1,834,778
Debt Service Fund	-	50,333	-	50,333
Food Service Fund	<u>241,635</u>	<u>13,623</u>	<u>-</u>	<u>255,258</u>
Total awards and financial assistance	<u>\$2,152,925</u>	<u>8,503,406</u>	<u>110,969</u>	<u>\$10,799,555</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. 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 Contributions represents the amount paid by the state on behalf of the district for the 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.

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

*Section I --Summary of Auditor's Results*

Financial Statement Section

Type of auditor's report issued: Unqualified opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified? \_\_\_\_\_ yes        X   no
- 2) Reportable condition(s) 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 Section

Internal Control over major programs:

- 1) Material weakness(es) identified? \_\_\_\_\_ yes        X   no
- 2) Significant deficiencies 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 Opinion

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(s)</u>	<u>Name of Federal Program or Cluster</u>
84.394	ARRA - ESF
84.397	ARRA - GSF
84.391	IDEA Part B Basic Regular ARRA
84.027	IDEA Part B Basic Regular

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

Auditee qualified as low-risk auditee?   X   yes      \_\_\_\_\_ no

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Section I --Summary of Auditor's Results (cont'd.)

State Awards Section

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

Auditee qualified as low-risk auditee?              X   yes                   no

Type of auditor's report issued on compliance for major programs: Unqualified Opinion

Internal Control over major programs:

1) Material weakness(es) identified?                   yes              X   no

2) Reportable condition(s) identified that  
are not considered to be material  
weaknesses?                   yes              X   none reported

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

Identification of major programs:

GMIS Number(s)

Name of State Program

10-495-034-5120-014

State Transportation Aid

10-495-034-5120-044

Extraordinary Aid

Freehold Township School District  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2010

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Section II - Financial Statement Findings

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No matters were reported for the period ended June 30, 2010.

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Section III - Federal Awards and State Financial Assistance  
Findings and Questioned Costs

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No matters were reported for the period ended June 30, 2010.

Freehold Township School District  
Summary Schedule of Prior-Year Audit Findings  
and Questioned Costs as Prepared by Management  
For the Fiscal Year Ended June 30, 2010

STATUS OF PRIOR YEAR FINDINGS

No matters were reported.