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, 2011

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

Freehold Township School District of Monmouth County

Freehold, New Jersey

For the Fiscal Year Ended June 30, 2011

Prepared by

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

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTRODUCTORY SECTION	Page
Letter of Transmittal	1-4
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7
FINANCIAL SECTION	
Independent Auditor's Report	9-10
REQUIRED SUPPLEMENTARY INFORMATION - PART I	
Management's Discussion and Analysis	12-18
BASIC FINANCIAL STATEMENTS	
A. District-wide Financial Statements	
A-1 Statement of Net Assets	19
A-2 Statement of Activities	20
B. Fund Financial Statements	
Governmental Funds	
B-1 Balance Sheet	21
B-2 Statement of Revenues, Expenditures and Changes in Fund Balance	22
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Proprietary Funds	
B-4 Statement of Net Assets	24
B-5 Statement of Revenues, Expenses and Changes in Fund Net Assets	25
B-6 Statement of Cash Flows	26
Fiduciary Funds	
B-7 Statement of Fiduciary Net Assets	27
B-8 Statement of Changes in Fiduciary Net Assets	28
Notes to Financial Statements	29-47

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

REQUIRED SUPPLEMENTARY INFORMATION – PART II

		Page
C. Budgetary Comparison Schedules		
C-1	Budgetary Comparison Schedule – General Fund	49-54
C-1a	Combining Schedule of Revenues, Expenses, and Changes in Fund Balance	n/a
C-1b	American Recovery and Reinvestment Act- Budget and Actual	n/a
C-2	Budgetary Comparison Schedule – Special Revenue Fund	55
Notes to Required Supplementary Information		
C-3	Budgetary to GAAP Reconciliation	56
Other Supplementary Information		
D. School Based Budget Schedules		
D-1	Combining Balance Sheet	N/A
D-2	Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3	Blended Resource Fund – Schedule of Blended Expenditures Budget and Actual	N/A
E. Special Revenue Fund		
E-1	Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	57-59
E-2	Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis	N/A
F. Capital Projects Fund		
F-1	Summary Schedule of Project Revenue, Expenditures and Changes in Fund Balance- Budgetary Basis	60-77
G. Proprietary Funds		
Enterprise Fund		
G-1	Combining Schedule of Net Assets	78
G-2	Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets	79
G-3	Combining Schedule of Cash Flows	80
Internal Service Fund		
G-4	Combining Schedule of Net Assets	N/A
G-5	Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets	N/A
G-6	Combining Schedule of Cash Flows	N/A

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

		Page
H. Fiduciary Funds		
H-1	Combining Statement of Fiduciary Net Assets	81
H-2	Combining Statement of Changes in Fiduciary Net Assets	82
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	83
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	84
I. Long-Term Debt		
I-1	Schedule of Serial Bonds	85-86
I-2	Schedule of Obligations Under Capital Leases	87
I-3	Debt Service Fund Budgetary Comparison Schedule	88
J. Introduction to the Statistical Section		
Financial Trends		
J-1	Net Assets by Component	91
J-2	Changes in Net Assets	92-93
J-3	Fund Balances – Governmental Funds	94
J-4	Changes in Fund Balances, Governmental Funds	95
J-5	General Fund Other Local Revenue by Source	96
Revenue Capacity		
J-6	Assessed Value and Estimated Actual Value of Taxable Property	97
J-7	Direct and Overlapping Property Tax Rates	98
J-8	Principal Property Taxpayers	99
J-9	Property Tax Levies and Collections	100
Debt Capacity		
J-10	Ratios of Outstanding Debt by Type	101
J-11	Ratios of General Bonded Debt Outstanding	102
J-12	Direct and Overlapping Governmental Activities Debt	103
J-13	Legal Debt Margin Information	104
Demographic and Economic Information		
J-14	Demographic and Economic Statistics	105
J-15	Principal Employers	106
Operating Information		
J-16	Full-time Equivalent District Employees by Function/Program	107
J-17	Operating Statistics	108
J-18	School Building Information	109
J-19	Schedule of Allowable Maintenance Expenditures by School Facility	110
J-20	Insurance Schedule	111-112

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL

		Page
K. Single Audit Section		
K-1	Report on Internal Control over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	114-115
K-2	Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 And New Jersey OMB Circular Letter 04-04	116-117
K-3	Schedule of Expenditures of Federal Awards, Schedule A	118
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	119
K-5	Notes to the Schedules of Awards and Financial Assistance	120-121
K-6	Summary of Findings and Questioned Costs	122-124
K-7	Summary Schedule of Prior Audit Findings	125

INTRODUCTORY SECTION

Freehold Township Schools
Ross Kasun, Ed.D., Superintendent of Schools
732-462-8400 ext. 8807 ♦ 732-761-1809 fax
rkasun@freeholdtwp.k12.nj.us

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

November 16, 2011

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, 2011, 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 2010-2011 fiscal year with an enrollment of 4375 students, which is 125 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
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%
2010-11	4,375	-2.80%

2) ECONOMIC CONDITION AND OUTLOOK: The economic climate in the State of Jersey was such that the state reduced state aid to districts. For Freehold Township this resulted in a 44%, or $3 million dollar, reduction of state aid. 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 Dwight D. Eisenhower School media center and gymnasium. The projects were in progress in the 2010-2011 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, 2011.

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, 2011, the District's outstanding debt issues included $53,160,000 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 coverage such as 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.

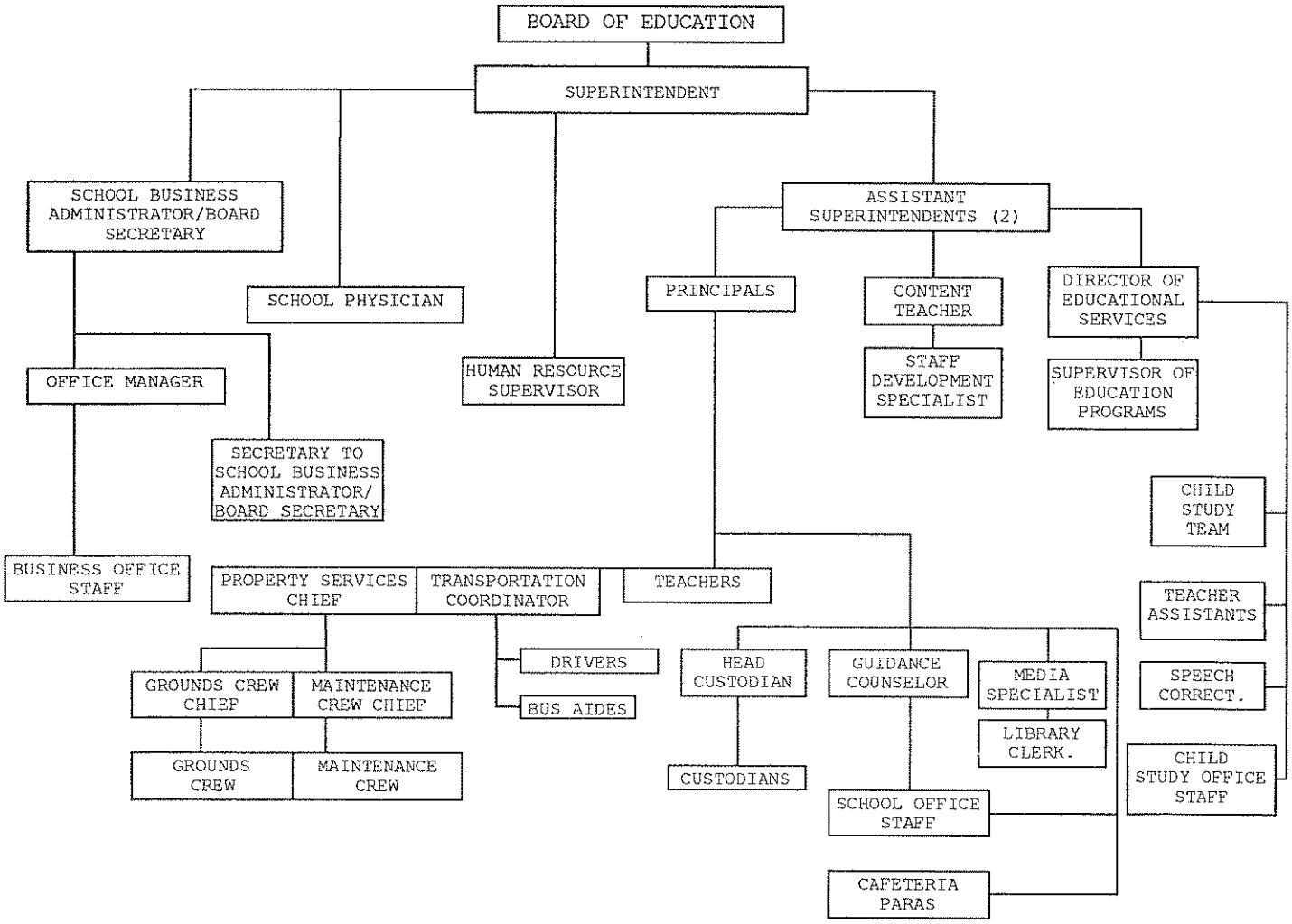
12) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Freehold Township School District Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the District and thereby contributing their full support to the development and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

Ross Kasun. Ed.D.
Superintendent of Schools

Brian P. Boyle
Business Administrator/Board Secretary

1110 ORGANIZATIONAL CHART



Adopted: 28 November 2000

FREEHOLD TOWNSHIP SCHOOL DISTRICT

FREEHOLD, NEW JERSEY

Roster of Officials

June 30, 2011

Members of the Board of Education	Term Expires
Mindy Willie, President	2013
Kay Poklemba-Holtz, Vice President	2012
Michelle Lambert	2014
Jennifer Patten	2014
Michael Amoroso	2014
Daniel DiBlasio	2013
Vincent Bruno	2013
Jason Levy	2012
Christopher Marion	2012

Other Officials

William J. Setaro, Superintendent

Brian P. Boyle, Board Secretary/School Business Administrator

Michael Gross, Attorney

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Consultants and Advisors

Architect

Fraytak Veisz Hopkins Duthie PC
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, & Parton
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 · 08754 · 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, 2011, 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, 2011, 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 16, 2011 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.

PENNSYLVANIA OFFICE: 1000 GERMANTOWN PIKE · SUITE H-1 · PLYMOUTH MEETING, PA · 19462 · PHONE (610) 275-0356 · FAX (610) 275-0894

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

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 Perry
Licensed Public School Accountant
No. CS 20CS00226400

Toms River, New Jersey
November 16, 2011

REQUIRED SUPPLEMENTARY INFORMATION – PART I

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Management Discussion and Analysis

For the year ended June 30, 2011

The Management Discussion and Analysis (MD&A) of the Freehold Township Board of Education provide an overview of the School Board's financial activities for the fiscal year ended June 30, 2011. 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 District-Wide Financial Statements Section starting on page 19, and the notes thereto.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2010-2011 fiscal year include the following:

In total, net assets decreased $129,565, which represents a 0.93% decrease from 2010.

Total assets of governmental activities decreased by $140,088, as cash and cash equivalents decreased by $370,924; receivables increased by $661,074; and capital assets decreased by $1,100,307.

Total liabilities of governmental activities decreased by $691,070, as accounts payable decreased by $433,266, non-current liabilities (sick leave reimbursement and bonds payable) decreased by $729,230.

General revenues accounted for $65,211,769 in revenue or 93.6% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for $4,486,762 or 6.4% of the total revenues of $69,698,531.

Total spending for all programs was $69,828,096, including a charge of $1,720,913 for depreciation. Expenses in the amount of $4,486,762 were offset by specific charges for services and grants or contributions. General revenues (primarily local tax levy and state aid) of $65,211,769 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 Boards 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 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, 2011 and 2010.

Table I
Statement of Net Assets
June 30, 2011 and 2010

	2011	2010	Percentage of Change 2010-2011
ASSETS			
Cash and cash equivalents	$ 6,639,777	$ 7,010,701	-5.29%
Receivables	2,482,789	1,821,715	36.29%
Inventory	9,096	7,499	21.30%
Other Assets	234,292	246,367	-4.90%
Due from other funds	-	-	-
Capital Assets	60,044,452	61,144,759	-1.80%
Total assets	69,410,406	70,231,041	-1.17%
LIABILITIES			
Accounts payable	504,930	938,196	-46.18%
Deferred revenue	57,325	18,665	207.13%
Other current liabilities	-	-	0.00%
Noncurrent liabilities:			0.00%
Due within one year	1,396,640	1,195,000	16.87%
Due beyond one year	53,662,396	54,160,500	-0.91%
Total liabilities	55,621,291	56,312,361	-1.23%
NET ASSETS			
Invested in capital assets, net of related debt	6,477,744	7,171,126	-9.67%
Restricted for:			0.00%
Capital projects	1,958,821	1,819,856	7.64%
Debt service	-	-	0.00%
Other purposes	2,301,483	4,683,542	-50.86%
Unrestricted	3,051,067	244,156	1149.64%
Total net assets	$13,789,115	$ 3,918,680	-0.93%

Total assets decreased by $820,635. 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, increased by $2,806,911 due to the board taking prudent fiscal measures to reduce spending during the year.

Total liabilities decreased by $691,070. This was due to significant decreases in accounts payable and increases 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, 2011 and 2010

	2011	2010	Percentage of Change 2010-2011
REVENUE			
Program revenue:			
Charges for services	$ 755,117	$ 984,049	-23.26%
Federal, state and local aid-restricted	3,731,645	3,766,263	-0.92%
General revenue:			
Local tax levy	58,887,862	58,847,172	0.07%
Federal and State aid-unrestricted	6,072,367	6,926,199	-12.33%
State and local aid-restricted	-	281,693	-100%
Other general revenue	251,540	282,276	-10.89%
Total revenues	69,698,531	71,087,652	-1.95%
FUNCTION/PROGRAM EXPENSES			
Instruction:			
Regular instruction	16,766,651	18,325,288	-8.51%
Special instruction	6,618,571	6,764,491	-2.16%
Other instruction	935,634	1,051,618	-11.03%
Support services:			
Instruction	2,510,459	2,707,378	-7.27%
Health services	607,047	748,168	-18.86%
Other support services	4,936,401	5,255,099	-6.06%
Educational media services	563,301	785,885	-28.32%
Instructional staff training	60,687	57,940	4.74%
General administration	783,530	906,972	-13.61%
School administration	1,891,199	1,905,909	-0.77%
Central services	716,620	762,903	-6.07%
Admin info technology	522,942	687,139	-23.90%
Operations and maintenance	7,768,360	7,017,728	10.70%
Student transportation services	3,475,591	4,006,569	-13.25%
Unallocated employee benefits	14,809,335	13,859,389	6.85%
Non-budgeted expenditures	3,509,504	3,511,005	-0.04%
Special schools	15,266	18,793	-18.77%
Business type activities	936,407	1,027,458	-8.86%
Interest on long-term debt	2,400,591	2,442,392	-1.71%
Total expenses	69,828,096	71,842,124	-2.80%
Increase (decrease) in net assets	$(129,565)	$(754,472)	82.83%

Table II shows the changes in net assets for fiscal year 2011 as compared to fiscal year 2010. 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 slight tax levy increase was primarily due to increases in employee benefits. The decrease in federal and state aid is due to the suppression of state aid that has affected a majority of school districts.

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

Instructional costs decreased as a result of salary freezes for instructional staff and the reduction of expenditures in non-salary areas.

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 Federal Government, 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, 2011, it reported combined net assets of $13,789,115 which is a decrease of $129,565. 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 $581,927 less than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about $207,623 worse 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 were held in check due to fiscal prudence by the administration to slow the rate of spending. 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 2011-2012 fiscal year and will be used to reduce the local tax levy for the 2012-2013 fiscal year.

CAPITAL ASSETS

At June 30, 2011 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 IV below shows the book value of capital assets at the end of the 2011 and 2011 fiscal years.

Table IV
Capital Assets (net of accumulated depreciation)
June 30, 2011 and 2010

	2011	2010	Percentage of Change 2011-2010
Site and site improvements	$ 2,079,919	$ 2,079,919	-%
Land, buildings and building improvements	73,398,151	73,398,151	-%
Furniture, vehicles and equipment	15,842,670	15,974,511	3.66%
Construction in progress	1,248,143	709,849	
	$92,568,883	$92,162,430	.70%

During the current fiscal year, $83,402 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 2010-2011 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 9.7%% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 90.3% of total revenue is from local tax levy. The district lost 44% of its state aid due to state budget cuts.

The $2,965,878 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 $2,965,878 left.

The 2010-2011 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 reduced state aid for the 10-11 school year by 44%. The economic climate is such that any future increases in state aid will be minimal. In fact, they will not be increases but restoration of what was cut in 2010-2011. 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 a decrease in costs for the 2011-2012 fiscal year. However, 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.

Exhibit A-1

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 6,628,889	$ 10,888	$ 6,639,777
Receivables - other	96,870	64,298	161,168
Receivables - state	1,953,431	742	1,954,173
Receivables - federal	357,322	10,126	367,448
Inventory	-	9,096	9,096
Other assets	234,292	-	234,292
Due from other funds	(42,517)	42,517	-
Capital assets, net (Note 6):	60,029,002	15,450	60,044,452
Total assets	69,257,289	153,117	69,410,406
LIABILITIES			
Accounts payable	452,452	52,478	504,930
Other current liabilities	-	-	-
Deferred revenue	57,325	-	57,325
Noncurrent liabilities (Note 7):			
Due within one year	1,396,640	-	1,396,640
Due beyond one year	53,662,396	-	53,662,396
Total liabilities	55,568,813	52,478	55,621,291
NET ASSETS			
Invested in capital assets, net of related debt	6,462,294	15,450	6,477,744
Restricted for:			
Debt service	-	-	-
Capital projects	1,958,821	-	1,958,821
Other purposes	2,301,503	-	2,301,503
Unrestricted	2,965,858	85,189	3,051,047
Total net assets	$ 13,688,476	$ 100,639	$ 13,789,115

Exhibit A-2

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental activities:							
Current:							
Regular instruction	$ 16,766,651	$ 5,110	$ -	$ -	$ (16,761,541)	$ -	$ (16,761,541)
Special schools instruction	6,618,571	-	-	-	(6,618,571)	-	(6,618,571)
Other special instruction	935,634				(935,634)		(935,634)
Support services and undistributed costs:							
Instruction	2,510,459	-	-	-	(2,510,459)		(2,510,459)
Health services	607,047	-	-	-	(607,047)	-	(607,047)
Other support services	4,936,401	-	-	-	(4,936,401)	-	(4,936,401)
Educational media services	563,301	-	-	-	(563,301)	-	(563,301)
Instruction staff training	60,687	-	-	-	(60,687)	-	(60,687)
General administrative services	783,530	-	-	-	(783,530)	-	(783,530)
School administrative services	1,891,199	-	-	-	(1,891,199)	-	(1,891,199)
Central services	716,620	-	-	-	(716,620)	-	(716,620)
Admin info technology	522,942	-	-	-	(522,942)	-	(522,942)
Allowed maintenance for school facilities	871,662	-	-	-	(871,662)	-	(871,662)
Other operation & maintenance of plant	6,595,386	-	-	-	(6,595,386)	-	(6,595,386)
Care and upkeep of grounds	301,312	-	-	-	(301,312)	-	(301,312)
Student transportation services	3,475,591	25,218	-	-	(3,450,373)	-	(3,450,373)
Unallocated employee benefits	14,809,335	-	-	-	(14,809,335)	-	(14,809,335)
Non-budgeted expenditures	3,509,504	-	3,509,504	-	-		-
Special schools	15,266	-	-	-	(15,266)	-	(15,266)
Interest expense	2,400,591	-	-	-	(2,400,591)	-	(2,400,591)
Total governmental activities	68,891,689	30,328	3,509,504	-	(65,351,857)	-	(65,351,857)
Business-type activities:							
Food service	936,407	724,789	222,141	-	-	10,523	10,523
Total business-type activities	936,407	724,789	222,141	-	-	10,523	10,523
Total primary government	$ 69,828,096	$ 755,117	$ 3,731,645	$ -	$ (65,351,857)	$ 10,523	$ (65,341,334)

	Governmental Activities	Business-type Activities	Total
General revenues:			
Taxes:			
Property taxes levied for general purpose	55,482,188	-	55,482,188
Taxes levied for debt service	3,405,674	-	3,405,674
Federal and state aid - not restricted	3,750,186	-	3,750,186
Federal and state aid -restricted	-	-	-
State aid - restricted	2,322,181	-	2,322,181
Miscellaneous income	232,848	-	232,848
Investment earnings	18,692	-	18,692
Total general revenues, special items, extraordinary items and transfers	65,211,769	-	65,211,769
Change in net assets	(140,088)	10,523	(129,565)
Net assets—beginning	13,828,564	90,116	13,918,680
Net assets—ending	$ 13,688,476	100,639	$ 13,789,115

Exhibit B-1

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 1,661,107	$ (293,452)	$ 114,586	$ 1	$ 1,482,242
Cash on hand with fiscal agent	1,134,619	-	327,209	-	1,461,828
Investments	2,962,997	-	-	-	2,962,997
Capital reserve	721,822	-	-	-	721,822
Receivables, net	-	-	-	-	-
Due from other funds	-	-	-	-	-
Receivables - State	1,138,227	-	815,204	-	1,953,431
Receivables - Federal	-	357,322	-	-	357,322
Other - [tuition]	85,221	11,649	-	-	96,870
Total assets	$ 7,703,993	$ 75,519	$ 1,256,999	$ 1	$ 9,036,512
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	402,133	30,319	20,000	-	452,452
Interfund payable	42,517	-	-	-	42,517
Deferred revenue	12,125	45,200	-	-	57,325
Other current liabilities	-	-	-	-	-
Total liabilities	456,775	75,519	20,000	-	552,294
Fund Balances:					
Restricted for:					
Unexpended additional spending proposal	-	-	165,411	-	165,411
Capital reserve account	721,822	-	-	-	721,822
Maintenance reserve account	411,700	-	-	-	411,700
Emergency reserve account	607,284	-	-	-	607,284
Excess surplus	758,604	-	-	-	758,604
Excess surplus -- designated for Subsequent year's expenditures	315,179	-	-	-	315,179
Committed to:					
Other purposes	208,736	-	1,071,588	-	1,280,324
Assigned to:					-
Debt service fund	-	-	-	1	1
Designated by the BOE for subsequent year's expen	2,100,688	-	-	-	2,100,688
Capital projects fund	-	-	-	-	-
Other purposes	-	-	-	-	-
Unassigned to:					
General fund	2,123,205	-	-	-	2,123,205
Total Fund balances	7,247,218	-	1,236,999	1	8,484,218
Total liabilities and fund balances	$ 7,703,993	$ 75,519	$ 1,256,999	$ 1	

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 $92,568,883 and the accumulated depreciation is $32,539,881	60,029,002
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.	234,292
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilties in the funds (see Note 7).	(55,059,036)
Net assets of governmental activities	$ 13,688,476

Exhibit B-2

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	GAAP Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	$ 55,482,188	$ -	$ -	$ 3,405,674	$ 58,887,862
Tuition charges	5,110	-	-	-	5,110
Interest on investments	16,532	-	-	-	16,532
Interest earned on capital reserve funds	2,160	-	-	-	2,160
Transportation fees	25,218	-	-	-	25,218
Miscellaneous	186,982	45,866	-	-	232,848
Total - Local Sources	55,718,190	45,866	-	3,405,674	59,169,730
State sources	7,259,690	17,902	497,380	42,843	7,817,815
Federal sources	-	1,764,056	-	-	1,764,056
Total revenues	$ 62,977,880	$ 1,827,824	$ 497,380	$ 3,448,517	$ 68,751,601
EXPENDITURES					
Current:					
Regular instruction	$ 15,486,884	$ 1,279,767	$ -	$ -	$ 16,766,651
Special education instruction	6,618,571	-	-	-	6,618,571
Other special instruction	935,634	-	-	-	935,634
Support services and undistributed costs:					
Instruction	2,510,459	-	-	-	2,510,459
Health services	607,047	-	-	-	607,047
Other support services	4,408,249	528,152	-	-	4,936,401
Educational media services	563,301	-	-	-	563,301
Instruction staff training	60,687	-	-	-	60,687
General administrative services	783,530	-	-	-	783,530
School administrative services	1,891,199	-	-	-	1,891,199
Allowed maintenance for school facilities	871,662	-	-	-	871,662
Other operation & maintenance of plant	4,166,921	-	-	-	4,166,921
Care and upkeep of grounds	301,312				301,312
Student transportation services	3,475,591	-	-	-	3,475,591
Central services	716,620	-	-	-	716,620
Admin info technology	522,942	-	-	-	522,942
Unallocated employee benefits	14,686,799	-	-	-	14,686,799
Non-budgeted expenditures	3,509,504	-	-	-	3,509,504
Special schools	15,266	-	-	-	15,266
Debt service:					
Principal	-	-	-	1,060,000	1,060,000
Interest and other charges	-	-	-	2,388,516	2,388,516
Capital outlay	217,064	19,905	451,279	-	688,248
Total expenditures	62,349,242	1,827,824	451,279	3,448,516	68,076,861
Excess (Deficiency) of revenues over expenditures	628,638	-	46,101	1	674,740
OTHER FINANCING SOURCES (USES)					
Bond refunding	-	-	-	-	-
Other Uses-Original issue discount	-	-	-	-	-
Underwriters discount	-	-	-	-	-
Transfer in	-	-	786,283	-	786,283
Transfers out	(786,283)	-	-	-	(786,283)
Total other financing sources and uses	(786,283)	-	786,283	-	-
Net change in fund balances	(157,645)	-	832,384	1	674,740
Fund balance—July 1	7,404,863	-	404,615	-	7,809,478
Fund balance—June 30	$ 7,247,218	$ -	$ 1,236,999	$ 1	$ 8,484,218

Exhibit B-3

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, 2011

Total net change in fund balances - governmental funds (from B-2)		**$ 674,740**
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	(1,505,670)	
Capital outlays	406,453	(1,099,217)
In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed.		
Accumulated depreciation on capital assets sold or retired during the fiscal year ended June 30, 2011	(215,243)	
Cost basis of capital assets sold or retired during the fiscal year ended June 30, 2011	215,243	-
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.		1,060,000
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)
Capital leases are an other financing source in the Governmental Funds; however, the acquisition increases long-term liabilities in the Statement of Net Assets and is not reported in the Statement of Activities.		(776,000)
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)		135,000
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 $316,933		(122,536)
Change in net assets of governmental activities		**$ (140,088)**

Exhibit B-4

Freehold Township School District
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-type-activities-Enterprise Funds	
		Food Service
ASSETS		
Current assets:		
Cash and cash equivalents	$	10,888
Investments		-
Accounts receivable - State		742
Account receivable - Federal		10,126
Interfund receivable		42,517
Other receivables		64,298
Inventories		9,096
Total current assets		137,667
Noncurrent assets:		
Restricted cash and cash equivalents		-
Furniture, machinery & equipment		121,731
Less accumulated depreciation		(106,281)
Total noncurrent assets		15,450
Total assets	$	153,117
LIABILITIES		
Current liabilities:		
Accounts payable	$	52,478
Deposits payable		-
Compensated absences		-
Total current liabilities		52,478
Noncurrent liabilities:		
Compensated absences		-
Total noncurrent liabilities		-
Total liabilities		52,478
NET ASSETS		
Invested in capital assets net of related debt		15,450
Contributed capital		20,746
Restricted for:		
Capital projects		-
Unrestricted		64,443
Total net assets		100,639
Total liabilities and net assets	$	153,117

Exhibit B-5

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Fund Food Service
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	$ 473,136
Daily sales - non-reimbursable programs	251,653
Special functions	-
Community service activities	-
Transportation fees from other LEA's within the state	-
Deductions from employees' salaries	-
Miscellaneous	-
Total operating revenues	724,789
Operating expenses:	
Cost of sales	233,744
Salaries	392,979
Employee benefits	76,037
Purchased property service	-
Other purchased professional services	153,508
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	75,549
Depreciation	4,590
Total Operating Expenses	936,407
Operating income (loss)	(211,618)
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	12,450
Federal sources:	
National school lunch program	166,011
Special milk program	-
Food distribution program	43,680
Interest and investment revenue	-
Miscellaneous expense	-
Total nonoperating revenues (expenses)	222,141
Change in net assets	10,523
Total net assets—beginning	90,116
Total net assets—ending	$ 100,639

Exhibit B-6

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Food Services Enterprise Fund
Statement of Cash Flows
for the Fiscal Year ended June 30, 2011

	Food Service
Cash Flows from Operating Activities:	
Receipts from customers and other funds	723,380
Payments to employees	(392,979)
Payments for employee benefits	(76,037)
Payments to suppliers	(491,256)
Net cash used for operating activities	(236,892)
Cash Flows from Noncapital Financing Activities	
State sources	12,967
Federal sources	171,320
Net cash provided by noncapital financing activities	184,287
Cash Flows from Capital and Related Financing Activities	
Purchases of fixed assets	(3,500)
Net cash used for capital and related financing activities	(3,500)
Net increase in cash and cash equivalents	(56,105)
Balances-beginning of the year	66,993
Balances-end of the year	10,888
Reconciliation of operating loss to net cash used for opeating activities:	
Operating loss	$ (211,618)
Adjustments to reconcile operating loss to cash used by operating activities:	
Depreciation	4,590
Federal commodities	43,680
Change in assets and liabilities:	
Decrease (increase) in interfund receivable	(42,517)
Decrease (increase) in accounts receivable	(2,572)
Decrease (increase) in inventory	(1,597)
Increase (decrease) in accounts payable	(26,858)
Total adjustments	(25,274)
Net cash used by operating activities	$ (236,892)

Exhibit B-7

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Assets
June 30, 2011

	Unemployment Compensation Trust	Student Activity	Agency Fund	Total
ASSETS				
Cash and cash equivalents	$ 122,331	$ 45,513	$ 62,283	$ 230,127
Intergovernmental accounts receivable	-	-	-	-
Interfund receivable	-	-	-	-
Total assets	$ 122,331	$ 45,513	$ 62,283	$ 230,127
LIABILITIES				
Accounts payable	$ -	$ -	$ -	$ -
Payroll deductions and withholdings		-	62,283	62,283
Payable to student groups	-	45,513	-	45,513
Interfund payable	-	-	-	-
Other current liabilities	-	-	-	-
Total liabilities	-	45,513	62,283	107,796
NET ASSETS				
Held in trust for unemployment claims and other purposes	122,331	-	-	122,331
Reserved for scholarships	-	-	-	-
Total net assets	122,331	-	-	122,331
Total liabilities and net assets	$ 122,331	$ 45,513	$ 62,283	$ 230,127

Exhibit B-8

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2011

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan members	$ 380,493
Other	-
Total contributions	380,493
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	-
Dividends	33
Less investment expense	-
Net investment earnings	33
Total additions	380,526
DEDUCTIONS	
Quarterly contribution reports	-
Unemployment claims	330,523
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	330,523
Change in net assets	50,003
Net assets—beginning of the year	72,328
Net assets—end of the year	$ 122,331

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 middle 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.

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 pubic 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.

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

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".

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, 2011 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.

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 2010-2011 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, 2011.

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.

1. Summary of Significant Accounting Policies (continued)

l. 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:

Asset Class	Estimated Useful Lives
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.

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 Resources

In February 2009, the GASB issued GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions ("GASB 54"). GASB 54 is effective for periods beginning after June 15, 2010 and established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

1. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
2. Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed – includes amounts that can be spent only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.
4. Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned – includes all spendable amounts not contained in the other classifications

1. Summary of Significant Accounting Policies (continued)

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.

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, 2011, the carrying amount of the District’s deposits was $471,207 and the bank balance was $1,023,044. Of the bank balance, $250,000 was insured with Federal Deposit Insurance.

2. Cash and Cash Equivalents and Investments (continued)

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, 2011, 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.

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.

3. Investments (continued)

As of June 30, 2011, the District had $1,512,116 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 it 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, 2011, the District's balance was $4,656,453.

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.

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.

4. Capital Reserve Account (continued)

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, 2010 to June 30, 2011 fiscal year is as follows:

Beginning balance, July 1, 2010	$1,102,180
Interest earnings	2,160
Deposits	
Approved at June 2011 meeting	400,000
Approved at the annual school election	-
Withdrawals	782,518
Ending balance, June 30, 2011	$721,822

The June 30, 2011 LRFP balance of local support costs of uncompleted capital projects is $5,999,798. There were withdrawals from the capital reserve in the amount of $782,518 for DOE approved facilities projects.

5. Receivables

Receivables at June 30, 2011, 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	1,953,431	1,954,173
Federal Aid	357,322	367,448
Other	96,870	161,168
Gross Receivables	2,407,623	2,482,789

6. Capital Assets

Capital assets consisted of the following at June 30, 2011:

	Beginning Balance	Additions	Retirements	Ending Balance
GOVERNMENTAL ACTIVITIES:				
Capital assets that are not being depreciated:				
Site and site improvements	$ 2,079,919	-	-	$ 2,079,919
Construction in progress	709,849	538,294	-	1,248,143
Total capital assets not being depreciated	2,789,768	538,294		3,328,062
Building and building Improvements	73,398,151			73,398,151
Machinery and equipment	15,974,511	83,402	(215,243)	15,842,670
Totals at historical cost	$89,372,662	83,402	(215,243)	$89,240,821
Less accumulated depreciation for :				
Building and improvements	(16,166,016)	(1,429,312)		(17,595,328)
Equipment	(14,868,195)	(291,601)	215,243	(14,944,553)
Total accumulated depreciation	(31,034,211)	(1,720,913)	215,243	(32,539,881)
Total capital assets being depr. Net of accumulated depreciation	(58,338,451)	(1,637,511)	-	(56,700,940)
Government activities capital assets, net	$61,128,219	(1,099,217)	-	$60,029,002
BUSINESS-TYPE ACTIVITIES:				
Equipment	$118,231	3,500	-	$121,731
Less: accumulated deprec.	(101,691)	(4,590)	-	(106,281)
Business-type activities capital assets, net	$16,540	(1,090)	-	$15,450

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	$1,720,913
Total depreciation expense	$1,720,913

7. Non-current Liabilities

During the fiscal year ended June 30, 2011 the following changes occurred in the non-current liabilities:

	Balance 6-30-10	Increase	Decrease	Balance 6-30-11	Due Within One Year
Bonds payable	$54,220,000	-	$1,060,000	$53,160,000	1,150,000
Obligations under capital leases	-	776,000	135,000	641,000	154,000
Compensated absences payable	1,135,500	439,469	316,933	1,258,036	92,640
	$55,355,500	1,215,469	1,511,933	55,059,036	1,396,640

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:

Year ending June 30,	Principal	Interest	Total
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	1,540,000	2,124,544	3,664,544
2017-2021	10,695,000	9,380,442	20,075,442
2022-2026	15,330,000	6,521,701	21,851,701
2027-2031	17,580,000	2,685,158	20,265,158
2032	2,905,000	127,094	3,032,094
	$53,160,000	29,915,634	83,075,634

b. Bonds Authorized But Not Issued

As of June 30, 2011 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, 2011:

Year ending June 30,	
2012	$173,490
2013	173,380
2014	171,785
2015	172,380
Total minimum lease payments	691,035
Less: Amounts representing interest	(50,035)
Present value of lease payments	641,000

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 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/11	$1,028,412	100 %	$ 0
6/30/10	785,284	100	0
6/30/09	616,003	100	0

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/11	$1,762,917	100 %	$ 0
6/30/10	1,623,214	100	0
6/30/09	1,543,160	100	0

During the fiscal year ended June 30, 2011, the State of New Jersey contributed $1,762,917 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 $1,746,587 during the year ended June 30, 2011 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, 2010, there were 87,288 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.

9. Post-Retirement Benefits (continued)

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2010, the State paid $126.3 million toward Chapter 126 benefits for 14,050 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:

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

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:

District Fiscal Year	Employee Contributions	Interest	Amount Reimbursed	Ending Balance
2010-2011	$380,493	33	330,523	$122,331
2009-2010	65,897	348	144,403	72,328
2008-2009	31,273	437	3,080	150,486

13. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2011:

Fund	Interfund Receivable	Interfund Payable
General Fund	$ -	$42,517
Special Revenue Fund	-	-
Capital Projects Fund	-	-
Debt Service Fund	-	-
Enterprise Fund	42,517	-
Trust and Agency Fund	-	-
	$42,517	$ 42,517

14. Inventory

Inventory in the Food Service Fund at June 30, 2011 consisted of the following:

Food	$5,595
Supplies	3,501
	$ 9,096

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.

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 Balances

General Fund – Of the $7,247,218 General Fund balance at June 30, 2011, $208,736 of encumbrances is committed to other purposes, $721,822 is restricted for capital reserve, $411,700 is restricted for maintenance reserve, $607,284 is restricted for the emergency reserve, $315,179 is restricted for excess surplus for subsequent year expenditures, $2,100,688 has been classified as assigned fund balance designated for subsequent year expenditures, $758,604 is restricted for excess surplus and $2,123,205 is unassigned. Of the $1 of fund balances in the Debt Service Fund, all of this amount is assigned for debt service purposes. Of the $1,236,999 fund balances in Capital Projects Fund, $165,411 is restricted for unexpended additional spending proposal and $1,071,588 is committed to other purposes.

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, 2011 is $758,604. The excess fund balance at June 30, 2010 was $315,179. 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 2010-11 withholding of state aid.

18. Uncertain Tax Positions

The school district adopted the accounting pronouncement dealing with uncertain tax positions, as of July 1, 2009. Upon adoption of this accounting pronouncement, the school district had no unrecognized tax benefits. Furthermore, the school district had no unrecognized tax benefits at June 30, 2011. The school district files tax returns in the U.S. federal jurisdiction and various states. The school district has no open year prior to June 30, 2008.

19. Subsequent Events

Management has evaluated subsequent events through November 16, 2011, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

Exhibit C-1

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	$ 55,482,188	$ -	$ 55,482,188	55,482,188	$ -
Tuition	62,613	-	62,613	5,110	(57,503)
Interest on investments	-	-			
Interest	-	-	-	16,532	16,532
Interest earned on capital reserve funds	8,000	-	8,000	2,160	(5,840)
Transportation fees	116,558	-	116,558	25,218	(91,340)
Miscellaneous	216,429	-	216,429	186,982	(29,447)
Total - local sources	55,885,788	-	55,885,788	55,718,190	(167,598)
State sources:					
Core curriculum standards aid	-	-	-	-	-
Transportation aid	-	-	-	-	-
Special education aid	939,871	1,365,454	2,305,325	2,305,325	-
Bilinqual education	1,365,454	(1,365,454)	-	-	-
Equalization aid	-	-	-	-	-
Stabilization aid	-	-	-	-	-
Academic achievement	-	-	-	-	-
Reward program		-		-	-
Extraordinary aid	1,145,948	-	1,145,948	1,105,923	(40,025)
Foundation aid	-	-	-		-
Security aid	-	-	-	-	-
Teacher quality mentoring	-	-	-	-	-
Other state aid	-	32,304	32,304	32,304	-
TPAF pension (on-behalf - Non-budgeted)	-	-	-	1,762,917	1,762,917
TPAF social security (reimbursed - Non-budgeted)	-	-	-	1,746,587	1,746,587
Total state sources	3,451,273	32,304	3,483,577	6,953,056	3,469,479
Federal sources:					
ARRA-ESF	-	-	-	-	-
ARRA-GSF	-	-	-	-	-
Total federal sources	-	-	-	-	-
Total revenues	$ 59,337,061	$ 32,304	$ 59,369,365	62,671,246	$ 3,301,881
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	$ 1,529,649	$ (157,071)	$ 1,372,578	$ 1,198,244	$ 174,334
Grades 1-5 - Salaries of teachers	7,854,160	(189,955)	7,664,205	7,495,597	168,608
Grades 6-8 - Salaries of teachers	5,512,650	82,522	5,595,172	5,474,810	120,362
Regular Programs - Home Instruction:					
Salaries of teachers	25,046	717	25,763	25,429	334
Purchased professional-educational services	10,000	-	10,000	7,799	2,201
Regular Programs - Undistributed Instruction					
Other salaries for instruction	263,790	38,192	301,982	301,981	1
Purchased professional-educational services	-	700	700	650	50
Purchased technical services	19,300	8,137	27,437	21,108	6,329
Other purchased services (400-500 series)	55,150	942	56,092	49,764	6,328
General supplies	861,225	61,967	923,192	810,555	112,637
Textbooks	43,950	56,831	100,781	100,771	10
Other objects	5,700	-	5,700	176	5,524
TOTAL REGULAR PROGRAMS - INSTRUCTION	16,180,620	(97,018)	16,083,602	15,486,884	596,718
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of teachers	960,955	(519,647)	441,308	441,308	-
Other salaries for instruction	529,324	(123,406)	405,918	405,918	-
General supplies	21,500	-	21,500	15,599	5,901
Textbooks	-	-	-	-	-
Total Learning and/or Language Disabilities	1,511,779	(643,053)	868,726	862,825	5,901
Multiple Disabilities:					
Salaries of teachers	367,124	(65,974)	301,150	292,304	8,846
Other salaries for instruction	377,069	(162,879)	214,190	212,978	1,212
General supplies	5,000	-	5,000	2,496	2,504
Total Multiple Disabilities	749,193	(228,853)	520,340	507,778	12,562

Exhibit C-1

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of teachers	2,569,722	247,964	2,817,686	2,817,686	-
Other salaries for instruction	950,664	124,730	1,075,394	1,075,393	1
General supplies	17,700	(300)	17,400	16,196	1,204
Textbooks	-	-	-	-	-
Total Resource Room/Resource Center	3,538,086	372,394	3,910,480	3,909,275	1,205
Autism:					
Salaries of teachers	130,556	145,517	276,073	276,072	1
Other salaries for instruction	195,344	44,287	239,631	239,631	-
General supplies	10,500	-	10,500	4,509	5,991
Textbooks	-	-	-	-	-
Other objects					-
Total Autism	336,400	189,804	526,204	520,212	5,992
PSH					
Salaries of teachers	374,107	84,031	458,138	448,206	9,932
Other salaries for instruction	293,944	55,221	349,165	337,468	11,697
Purchased technical services	1,000	-	1,000	1,000	-
General supplies	8,000	(540)	7,460	7,384	76
Other purchased services	750	-	750	-	750
Total PSH:	677,801	138,712	816,513	794,058	22,455
Speech					
Salaries of teachers	-	24,424	24,424	24,423	1
Other salaries for instruction	-	-	-	-	-
Purchased technical services	-	-	-	-	-
Other purchased services	-	-	-	-	-
General supplies	-	-	-	-	-
Total Speech:	-	24,424	24,424	24,423	1
TOTAL SPECIAL EDUCATION - INSTRUCTION	6,813,259	(146,572)	6,666,687	6,618,571	48,116
Basic Skills/Remedial - Instruction					
Salaries of teachers	434,476	116,968	551,444	551,444	-
General supplies	12,500	-	12,500	8,221	4,279
Textbooks	-	-	-	-	-
Total Basic Skills/Remedial - Instruction	446,976	116,968	563,944	559,665	4,279
Bilingual Education - Instruction					
Salaries of teachers	116,738	-	116,738	112,216	4,522
Other purchased services (400-500 series)	950	305	1,255	360	895
General supplies	4,100	-	4,100	4,084	16
Textbooks	-	-	-	-	-
Other objects	-	-	-	-	-
Total Bilingual Education - Instruction	121,788	305	122,093	116,660	5,433
School-Spon. Cocurricular Actvts. - Instruction					
Salaries	60,336	90,876	151,212	149,062	2,150
Supplies and materials	4,200	-	4,200	1,612	2,588
Total School-Spon. Cocurric. Actvts. - Instruction	64,536	90,876	155,412	150,674	4,738
School-Spon. Athletics - Instruction					
Salaries	137,820	(65,610)	72,210	72,209	1
Other purchased services (300-500 series)	25,000	-	25,000	19,392	5,608
Supplies and materials	25,000	(12,632)	12,368	11,330	1,038
Other objects	-	-	-	-	-
Supplies and materials	-	-	-	-	-
General supplies	-	-	-	-	-
Total School-Spon. Athletics - Instruction	187,820	(78,242)	109,578	102,931	6,647
Other Instructional Programs - Instruction					
Supplies and materials	5,000	1,100	6,100	5,704	396
General supplies	-	-	-	-	-
Miscellaneous expenditures	-	-	-	-	-
Total Other Instructional Programs - Instruction	5,000	1,100	6,100	5,704	396
Total Instruction	23,819,999	(112,583)	23,707,416	23,041,089	666,327

Exhibit C-1

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuiton to other LEAs within the state-regular	48,000	-	48,000	6,604	41,396
Tuition to other LEAs within the state - special	932,812	(30,000)	902,812	766,215	136,597
Tuition to private schools for the handicapped - Within state	2,182,237	(14,060)	2,168,177	1,737,640	430,537
Total Undistributed Expenditures - Instruction:	3,163,049	(44,060)	3,118,989	2,510,459	608,530
Undist. Expend. - Health Services					
Salaries	653,215	(41,702)	611,513	573,691	37,822
Purchased professional and technical services	16,725	-	16,725	14,935	1,790
Other purchased services (400-500 series)	12,340	-	12,340	5,081	7,259
Supplies and materials	21,800	(1,700)	20,100	12,745	7,355
Other objects	3,850	-	3,850	595	3,255
Miscellaneous expenditures	-	-	-	-	-
Total Undistributed Expenditures - Health Services	707,930	(43,402)	664,528	607,047	57,481
Undist. Expend. - Other Supp.Service - Stud. - Related Service					
Salaries of other professional staff	715,691	(27,298)	688,393	671,765	16,628
Purchased professional - educational services	93,260	18,500	111,760	90,853	20,907
General supplies	5,000	-	5,000	2,996	2,004
Other objects	-	-	-	-	-
Total Undist. Expend. - Other Supp. Serv - Stud. - Rel. Ser.	813,951	(8,798)	805,153	765,614	39,539
Undist. Expend. - Other Supp. Services - Stud. - Extraord. Ser.					
Salaries	42,558	31,826	74,384	74,384	-
Purchased professional - educational services	-	-	-	-	-
Supplies and materials	7,150	-	7,150	7,150	-
Total Undist. Expend. - Other Supp. Serv. Stud. - Extraord. Ser.	49,708	31,826	81,534	81,534	-
Undist. Expend. - Other Support Services Students-Regular					
Salaries of other professional staff	657,184	(15,018)	642,166	608,982	33,184
Salaries of secretarial and clerical assistants	106,758	1,151	107,909	107,908	1
Purchased professional - educational services	2,000	13,018	15,018	14,744	274
Other purchased services (400-500 series)	10,000	-	10,000	738	9,262
Supplies and materials	16,250	1,200	17,450	12,453	4,997
Total Undist. Expend. - Other Support Services - Stud.-Reg.	792,192	351	792,543	744,825	47,718
Undist. Expend. - Other Support Services - Students-Special					
Salaries of other professional staff	1,650,887	17,640	1,668,527	1,625,444	43,083
Salaries of secretarial and clerical assistants	204,387	500	204,887	204,457	430
Purchased professional - educational services	-	-	-	-	-
Other purchased professional services	50,500	41,296	91,796	76,958	14,838
Residential costs		-			-
Miscellaneous purchased service	10,000	-	10,000	1,661	8,339
Supplies and materials	37,000	-	37,000	31,595	5,405
Other objects	3,000	-	3,000	714	2,286
Total Undist. Expend. - Other Supp. Serv. - Stud.-Spec.	1,955,774	59,436	2,015,210	1,940,829	74,381
Undist. Expend. - Improvement of Instruction Services					
Salaries of supervisor of instruction	677,434	80,922	758,356	758,356	-
Salaries of other professional staff	-	-	-	-	-
Salaries of secretarial and clerical assist.	-	-	-	-	-
Other salaries	131,350	780	132,130	102,643	29,487
Other purchased professional and technical services	-	-	-	-	-
Other purchased tech services	9,000	(4,000)	5,000	1,207	3,793
other purchased prof. Services	-	-	-	-	-
Travel	3,000	1,600	4,600	1,375	3,225
Other purchased services (400-500)	-	-	-	-	-
Supplies and materials	29,550	-	29,550	6,339	23,211
Other objects	19,430	(1,360)	18,070	5,527	12,543
Total Undist. Expend. - Improvement of Instruction Services	869,764	77,942	947,706	875,447	72,259
Undist. Expend. - Educational Media Services/School Library					
Salaries	497,345	-	497,345	491,200	6,145
Purchased professional and technical services	-	-	-	-	-
Supplies and materials	71,821	5,131	76,952	72,101	4,851
Total Undist. Expend. - Ed. Media Services/School Library	569,166	5,131	574,297	563,301	10,996

Exhibit C-1

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Instruction Staff Training Services					
Salaries of supervisors of instruction	-	-	-	-	-
Other salaries	55,835	1	55,836	55,836	-
Purchased professional - educational services	4,000	-	4,000	-	4,000
Rentals	-	-	-	-	-
Other purchased services (400-500 series)	3,000	-	3,000	-	3,000
Supplies and materials	6,250	-	6,250	4,851	1,399
Other objects	-	-	-	-	-
Total Undist. Expend. - Instruction Staff Training Services	69,085	1	69,086	60,687	8,399
Undist. Expend. - Support Service - General Administration					
Salaries	448,388	1,250	449,638	410,950	38,688
Purchased Professional Services	-	3,140	3,140	3,139	1
Legal services	67,600	59,380	126,980	63,290	63,690
Audit fees	30,000	-	30,000	28,000	2,000
Architectural/Engineering Services	30,285	15,205	45,490	9,094	36,396
Other purchased professional services	8,500	9,000	17,500	14,805	2,695
Purchased technical services	20,370	-	20,370	7,459	12,911
Communications/Telephone	140,100	8,893	148,993	85,488	63,505
Travel	5,900	-	5,900	2,157	3,743
* Other Purchased Services	11,000	(4,000)	7,000	1,755	5,245
Other purchased services (400-500 series)	63,586	2,848	66,434	66,434	-
General supplies	28,950	1,171	30,121	16,970	13,151
In-House Training/Meeting Supplies	300	-	300	197	103
Judgments Against The School	-	14,060	14,060	14,060	-
Miscellaneous expenditures	51,870	(3,750)	48,120	33,069	15,051
* Membership Dues and Fees	30,000	-	30,000	26,663	3,337
Total Undist. Expend. - Support Service - Gen. Admin.	936,849	107,197	1,044,046	783,530	260,516
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	1,097,900	(3,843)	1,094,057	1,068,359	25,698
Salaries of secretarial and clerical assistants	642,639	18,628	661,267	661,266	1
Purchased professional and technical services	3,000	-	3,000	-	3,000
Rentals	29,362	34,467	63,829	53,853	9,976
Other purchased services (400-500 series)	2,000	-	2,000	-	2,000
Travel	-	-	-	-	-
Supplies and materials	102,928	592	103,520	93,245	10,275
Other objects	17,628	-	17,628	14,476	3,152
Total Undist. Expend. - Support Service - School Admin.	1,895,457	49,844	1,945,301	1,891,199	54,102
Undist. Expend. - Support Service - Central Services					
Salaries	594,430	17,490	611,920	610,390	1,530
Other purchased professional services	15,050	7,000	22,050	21,229	821
Purchased technical services	24,936	40,000	64,936	57,605	7,331
Other Purchased Services	600	-	600	-	600
Miscellaneous purchased services	-	-	-	-	-
Supplies and materials	17,900	(768)	17,132	9,401	7,731
Interest for lease purchase	-	-	-	-	-
Miscellaneous expenditures	44,600	1,000	45,600	17,995	27,605
Total Undist. Expend. - Support Service - Central Services	697,516	64,722	762,238	716,620	45,618
Undist. Expend. - Support Service - Admin. Information Tech.					
Salaries	356,724	(91,000)	265,724	265,011	713
Purchased professional	122,289	-	122,289	97,977	24,312
Purchased property services	1,000	-	1,000	-	1,000
Other purchased professional services	124,350	(6,068)	118,282	65,154	53,128
Supplies and materials	105,730	20,732	126,462	94,800	31,662
Total Undist. Expend. - Support Service - Admin. Info. Tech.	710,093	(76,336)	633,757	522,942	110,815
Undist. Expend. - Allowed Maintenance for School Facilities					
Salaries	362,893	14,228	377,121	355,722	21,399
Cleaning, repair and maintenance services	442,324	12,681	455,005	383,176	71,829
Rentals	500	-	500	-	500
General supplies	175,710	11,291	187,001	132,764	54,237
Total Undist. Expend. - Allowed Maint. for School Facilities	981,427	38,200	1,019,627	871,662	147,965
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries	1,765,572	47,950	1,813,522	1,813,522	-
Purchased professional and technical services	5,252	-	5,252	174	5,078
Cleaning, repair and maintenance services	60,000	1,524	61,524	38,838	22,686
Rental of land and building other than lease	48,711	-	48,711	39,345	9,366
Other purchased property services	94,042	(27,149)	66,893	54,631	12,262
Insurance	179,554	(1,955)	177,599	177,599	-
Miscellaneous purchased services	4,448	-	4,448	1,429	3,019
Supplies and materials	-	-	-	-	-
General supplies	173,390	906	174,296	173,295	1,001
Energy (energy and electricity)	1,926,655	(37,546)	1,889,109	1,533,707	355,402
Other objects	3,120	-	3,120	400	2,720
Energy (Natural Gas)	523,260	-	523,260	333,981	189,279
Total Undist. Expend. - Other Operation & Maint. Of Plant	4,784,004	(16,270)	4,767,734	4,166,921	600,813

Exhibit C-1

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	182,303	15,011	197,314	197,314	-
Cleaning, repair and maintenance services	64,256	6,560	70,816	70,789	27
Grounds rentals	-	4,050	4,050	-	4,050
General supplies	37,777	(9,096)	28,681	22,783	5,898
Purchased Prof. and Tech. Services	15,000	-	15,000	10,426	4,574
Total Undist. Expend. - Care and Upkeep of Grounds	299,336	16,525	315,861	301,312	14,549
Undist. Expend. - Student Transportation Services					
Salaries for pupil transportation (between home and school) - R	1,248,476	248,810	1,497,286	1,497,286	-
Salaries for pupil transportation (between home and school) - S	549,068	(125,228)	423,840	422,074	1,766
Salaries for pupil transportation (other than between home and	27,882	-	27,882	-	27,882
Other purchased professional services	16,250	18,000	34,250	33,030	1,220
Cleaning, repair and maintenance services	365,188	-	365,188	305,931	59,257
Lease purchase payments - School buses	118,035	-	118,035	118,035	-
Other purchased services	-	-	-	-	-
Contract services (other than between home & school) - Vendors	11,000	(6,000)	5,000	-	5,000
Contract services - (regular education students) - ESCs & CTSAs	185,819	-	185,819	162,076	23,743
Contract services - (special education students) - ESCs & CTSAs	1,285,284	660	1,285,944	561,249	724,695
Aid in lieu of payments	120,781	(14,464)	106,317	57,981	48,336
Miscellaneous purchased services - Transportation	40,145	874	41,019	39,711	1,308
Supplies and materials	321,630	47,111	368,741	273,410	95,331
Miscellaneous expenditures	7,592	-	7,592	4,808	2,784
Total Undist. Expend. - Student Transportation Services	4,297,150	169,763	4,466,913	3,475,591	991,322
Undist. Expend. - Business and Other Support Services					
Salaries	-	-	-	-	-
Purchased professional services	-	-	-	-	-
Purchased technical services	-	-	-	-	-
Other purchased services (400-500 series)	-	-	-	-	-
Supplies and materials	-	-	-	-	-
Interest for lease purchase agreements	-	-	-	-	-
Miscellaneous expenditures	-	-	-	-	-
Total Undist. Expend. - Business and Other Support Services	-	-	-	-	-
UNALLOCATED EMPLOYEE BENEFITS					
Group insurance					-
Social security contributions TPAF	18,900	-	18,900	10,210	8,690
Social security contributions	998,785	-	998,785	922,400	76,385
* Other Retirement Contributions	937,871	90,541	1,028,412	1,028,412	-
Unemployment compensation	430,604	-	430,604	350,000	80,604
Workmen's compensation	471,323	-	471,323	443,110	28,213
Health benefits	11,587,430	(88,891)	11,498,539	11,449,964	48,575
Tuition reimbursement	117,500	36,786	154,286	152,485	1,801
Other employee benefits	276,699	58,937	335,636	330,218	5,418
TOTAL UNALLOCATED EMPLOYEE BENEFITS	14,839,112	97,373	14,936,485	14,686,799	249,686
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	-	-
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	-	-
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	-	-
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	1,762,917	(1,762,917)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	1,746,587	(1,746,587)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	3,509,504	(3,509,504)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	14,839,112	97,373	14,936,485	18,196,303	(3,259,818)
TOTAL UNDISTRIBUTED EXPENDITURES	38,431,563	512,920	38,961,008	39,075,823	(114,815)
TOTAL GENERAL CURRENT EXPENSE	$ 62,251,562	$ 400,337	$ 62,668,424	62,116,912	$ 551,512

Exhibit C-1

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Grades 1-5	$ -	$ -	$ -	-	$ -
Grades 6-8	-	-	-	-	-
Special Education - Instruction:					
Preschool handicapped - Part-time	-	-	-	-	
Basic skills/Remedial - Instruction	-	-	-	-	-
Bilingual education - Instruction	-	-	-	-	-
School - Sponsored and other instructional program	-	-	-	-	-
Undistributed expenditures - Instruction	-	-	-	-	-
Undistributed expenditures - Support services - Special	13,000	-	13,000	5,165	7,835
Undistributed expenditures - General administration	-	-	-	-	-
Undistributed expenditures - Admin Info Tech.	16,000	(16,000)	-	-	-
undistributed expenditures technology maintenance	-	-	-	-	-
Undistributed expenditures - School administration	-	-	-	-	-
Undistributed expenditures - Operation & maintenance of plant s	-	4,698	4,698	4,698	-
Undistributed expenditures - Student transportation	-	-	-	-	-
Undistributed expenditures - Business/Other support services	-	-	-	-	-
Grade 1-5		-			-
Classsroom Furniture		-	-	-	-
Athletics		-		-	-
Construction services	136,328	-	136,328	136,328	-
Interest Earned on Capital Reserve	8,000	-	8,000	-	8,000
Total Equipment	173,328	(11,302)	162,026	146,191	15,835
Facilities Acquisition and Construction Services					
Current capital outlay transfer - Capital projects	-	-	-	-	-
Architect	-	85,426	85,426	70,873	14,553
Land and improvements	-	-			
Lease purchase agreements - principal	-	-	-	-	-
Total Facilities Acquisition and Construction Services	-	85,426	85,426	70,873	14,553
Capital reserve - Transfer to	-	-	-	-	-
TOTAL CAPITAL OUTLAY	173,328	74,124	247,452	217,064	30,388
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of teachers	14,793	-	14,793	14,793	-
Supplies and materials	500	-	500	473	27
Miscellaneous expenditures	-	-	-	-	-
Total Summer School - Instruction	15,293	-	15,293	15,266	27
Summer School - Support Services					
Salaries	-	-	-	-	-
Total Summer School - Support Services	-	-	-	-	-
Total Summer School	15,293	-	15,293	15,266	27
TOTAL SPECIAL SCHOOLS	15,293	-	15,293	15,266	27
TOTAL EXPENDITURES	62,440,183	474,461	62,931,169	62,349,242	581,927
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,103,122)	(442,157)	(3,561,804)	322,004	3,883,808
Other Financing Sources:					
Transfer out of Capital Reserve	917,927	44,598	962,525	786,283	176,242
Accumulated interest	-	-	-	-	-
Total Other Financing Sources:	917,927	44,598	962,525	786,283	176,242
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(4,021,049)	(486,755)	(4,524,329)	(464,279)	4,060,050
Fund Balance, July 1	7,919,039	-	7,919,039	7,919,039	-
Fund Balance, June 30	$ 3,897,990	$ (486,755)	$ 3,394,710	7,454,760	$ 4,060,050

Recapitulation:	
Restricted Fund Balance:	
Capital reserve	721,822
Emergency reserve	607,284
Maintenance reserve	411,700
Excess surplus - current year	758,604
Excess surplus - designated for subsequent year's expenditures	315,179
Committed Fund Balance:	
Other purposes	-
Year-end encumbrances	208,736
Assigned Fund Balance:	
Designated for subsequent year's expenditures	2,100,688
Unrestricted/undesignated fund balance	2,330,747
Reconciliation to governmental funds statements (GAAP)	
Last state aid payment not recongized on GAAP basis	(207,542)
Fund balance per governmental funds (GAAP)	2,123,205

Exhibit C-2

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	$ -	$ 91,067	$ 91,067	$ 45,866	$ (45,201)
State sources	-	17,902	17,902	17,902	-
Federal sources	1,332,304	720,675	2,052,979	1,751,660	(301,319)
Total Revenues	1,332,304	829,644	2,161,948	1,815,428	(346,520)
EXPENDITURES					
Instruction:					
Salaries of teachers	497,754	267,142	764,896	699,040	65,856
Other salaries for instruction		-	-	-	-
Purchased professional services	454,552	(28,034)	426,518	347,268	79,250
Textbooks	-	-	-	-	-
Miscellaneous expense		11,000	11,000	378	10,622
General supplies	56,814	233,229	290,043	222,129	67,914
Total instruction	1,009,120	483,337	1,492,457	1,268,815	223,642
Support services:					
Other professional staff salaries	201,884	88,957	290,841	259,091	31,750
Secretarial/clerical salaries	-	-	-	-	-
Personal services - employee benefits	440	143,844	144,284	108,981	35,303
Purchased professional - educational services	-	32,591	32,591	28,490	4,101
Other purchased professional services	-	-	-	-	-
Purchased technical services	93,110	(23,063)	70,047	47,011	23,036
Travel	-	-	-	-	-
Miscellaneous purchased services (400-500 series)	27,750	56,460	84,210	62,405	21,805
Miscellaneous expenditures	-	-	-	-	-
Supplies & materials	-	27,613	27,613	20,730	6,883
Total support services	323,184	326,402	649,586	526,708	122,878
EXPENDITURES (CONT'D):					
Facilities acquisition and const. serv.:					
Instructional equipment	-	19,905	19,905	19,905	-
Total facilities acquisition and const. serv.	-	19,905	19,905	19,905	-
Total expenditures	**1,332,304**	**829,644**	**2,161,948**	**1,815,428**	**346,520**
Other financing sources (uses)					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
	-	-	-	-	-
Total outflows	**1,332,304**	**829,644**	**2,161,948**	**1,815,428**	**346,520**
Excess (deficiency) of revenues Over (under) expenditures	$ -	$ -	$ -	$ -	$ -

Reconciliation to governmental funds statements (GAAP)	
Last state aid payment not recongized on GAAP basis	$ -
Fund balance per governmental funds (GAAP)	$ -

Exhibit C-3

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Fiscal Year Ended June 30, 2011

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	**[C-1]**	$ 62,671,246	**[C-2]**	$ 1,815,428
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		12,396
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		-
The 2010-11 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).		(207,542)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	**[B-2]**	$ 62,977,880	**[B-2]**	$ 1,827,824
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	**[C-1]**	$ 62,349,242	**[C-2]**	$ 1,815,428
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.		-		12,396
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	**[B-2]**	$ 62,349,242	**[B-2]**	$ 1,827,824

Exhibit E-1

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Title I Part A 10/11	Title I Part A 09/10	Title II Part A 10/11	Title II Part A 09/10	Title III 10/11	Title III 09/10
Revenues:						
Local sources	$ -	$ -	$ -	$ -	$ -	$ -
State sources	-	-	-	-	-	-
Federal sources	107,816	46,152	72,725	30,613	18,679	7,629
Total revenues	107,816	46,152	72,725	30,613	18,679	7,629
Expenditures:						
Instruction:						
Salaries of teachers	20,096	-	-	-	15,470	-
Other salaries/instruction	-	-	-	-	-	-
Purchased professional services	-	-	-	-	-	200
General supplies	48,813	41,765	-	7,000	450	6,505
Tuition	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
Total instruction	68,909	41,765	-	7,000	15,920	6,705
Support services:						
Other support services - students - special:						
Other professional staff salaries	22,000	-	36,000	-	1,000	-
Secretarial/Clerical salaries	-	-	-	-	-	-
Purchased professional services	1,900	4,003	-	1,500	-	-
Other purchased professional services	-	-	-	-	-	-
Purchased technical services	-	-	-	-	-	-
Employee benefits	3,221	-	2,754	-	1,259	-
Travel	-	-	-	-	-	-
Miscellaneous purchased services	5,570	-	32,682	11,078	500	924
General supplies	6,216	384	1,289	11,035	-	-
Miscellaneous expenses	-	-	-	-	-	-
Total other support services - students - special	38,907	4,387	72,725	23,613	2,759	924
Total support services	38,907	4,387	72,725	23,613	2,759	924
Equipment:						
Regular programs instruction	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-
Total equipment	-	-	-	-	-	-
Total expenditures	$ 107,816	$ 46,152	$ 72,725	$ 30,613	$ 18,679	$ 7,629

(continued on next page)

Exhibit E-1

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

(Continued from prior page)

	Title IV 09/10	IDEA-Part B-Basic Reg Prog 10/11	IDEA-Part B-Basic Reg Prog 09/10	IDEA-Part B-Basic ARRA 10/11	IDEA-Part B-Preschool Reg Prog 10/11	IDEA-Part B-Preschool ARRA 10/11
Revenues:						
Local sources	$ -	$ -	$ -	$ -	$ -	$ -
State sources	-	-	-	-	-	-
Federal sources	7,382	780,445	61,972	563,226	40,095	14,926
Total revenues	7,382	780,445	61,972	563,226	40,095	14,926
Expenditures:						
Instruction:						
Salaries of teachers	-	465,783	-	197,691	-	-
Other salaries/instruction	-	-	-	-	-	-
Purchased professional services	-	255,708	-	34,670	40,095	-
General supplies	-	13,000	37,485	24,917	-	14,926
Tuition	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-
Miscellaneous expenses	-	378	-	-	-	-
Total instruction	-	734,869	37,485	257,278	40,095	14,926
Support services:						
Other support services - students - special:						
Other professional staff salaries	6,000	-	-	194,091	-	-
Secretarial/Clerical salaries	-	-	-	-	-	-
Purchased professional services	-	-	21,087	-		-
Other purchased professional services	-	-	-	-	-	-
Purchased technical services	-	33,102	-	13,909	-	-
Employee benefits	-	3,799	-	97,948	-	-
Travel	-	-	-	-	-	-
Miscellaneous purchased services	-	8,251	3,400	-	-	-
General supplies	1,382	424	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
Total other support services - students - special	7,382	45,576	24,487	305,948	-	-
Total support services	7,382	45,576	24,487	305,948	-	-
Equipment:						
Regular programs instruction	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-
Total equipment	-	-	-	-	-	-
Total expenditures	$ 7,382	$ 780,445	$ 61,972	$ 563,226	$ 40,095	$ 14,926

Exhibit E-1

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

(Continued from prior page)

	Nonpublic Textbook Aid 10/11	Nonpublic Nursing Aide 10/11	Nonpublic Chap 192/193 10/11	Local 10/11	Total 2011
Revenues:					
Local sources	$ -	$ -	$ -	$ 45,866	$ 45,866
State sources	1,307	1,550	15,045	-	17,902
Federal sources	-	-	-	-	1,751,660
Total revenues	1,307	1,550	15,045	45,866	1,815,428
Expenditures:					
Instruction:					
Salaries of teachers	-	-	-	-	699,040
Other salaries/instruction	-	-	-	-	-
Purchased professional services	-	1,550	15,045	-	347,268
General supplies	1,307	-	-	25,961	222,129
Tuition	-	-	-	-	-
Textbooks	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	378
Total instruction	1,307	1,550	15,045	25,961	1,268,815
Support services:					
Other support services - students - special:					
Other professional staff salaries	-	-	-	-	259,091
Secretarial/Clerical salaries	-	-	-	-	-
Purchased professional services	-	-	-	-	28,490
Other purchased professional services	-	-	-	-	-
Purchased technical services	-	-	-	-	47,011
Employee benefits	-	-	-	-	108,981
Travel	-	-	-	-	-
Miscellaneous purchased services	-	-	-	-	62,405
General supplies	-	-	-	-	20,730
Miscellaneous expenses	-	-	-	-	-
Total other support services - students - special	-	-	-	-	526,708
Total support services	-	-	-	-	526,708
Equipment:					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	19,905	19,905
Total equipment	-	-	-	19,905	19,905
Total expenditures	$ 1,307	$ 1,550	$ 15,045	$ 45,866	$ 1,815,428

Exhibit F-1

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, 2011

Revenues and Other Financing Sources	
State Sources - SCC Grant	497,380
Bond proceeds and transfers	-
Contribution from private source	-
Transfer from capital reserve	786,283
Transfer from capital outlay	-
Total revenues	1,283,663
Expenditures and Other Financing Uses	
Purchased professional and technical services	-
Land and improvements	-
Construction services	1,287,428
Equipment purchases	-
Total expenditures	1,287,428
Excess (deficiency) of revenues over (under) expenditures	(3,765)
Fund balance - beginning	169,176
Fund balance - ending	$ 165,411

Exhibit F-1

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, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
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	5,285,260	-	5,285,260	-
Expenditures and Other Financing Uses				
Purchased prof. and technical services	332,313	-	332,313	-
Land and improvements	-	-	-	-
Construction services	4,839,198	3,765	4,842,963	-
Equipment purchases	107,723	-	107,723	-
Total expenditures	5,279,234	3,765	5,282,999	-
Excess (deficiency) or revenues over (under) expenditures	$ 6,026	$ (3,765)	$ 2,261	$ -

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 Authrorized 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

Exhibit F-1

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, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
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	716,848	-	716,848	-
Expenditures and Other Financing Uses				
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	623,256	-	623,256	-
Excess (deficiency) or revenues over (under) expenditures	$ 93,592	$ -	$ 93,592	$ -

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 Authrorized 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

Exhibit F-1

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, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
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	-
Expenditures and Other Financing Uses				
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 Authrorized 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

Exhibit F-1

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, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
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	-
Expenditures and Other Financing Uses				
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 Authrorized 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 **Exhibit F-1**

Capital Projects Fund

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, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
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	3,433,869	-	3,433,869	-
Expenditures and Other Financing Uses				
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	3,433,869	-	3,433,869	-
Excess (deficiency) or revenues over (under) expenditures	$ -	$ -	$ -	$ -

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 Authrorized 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 **Exhibit F-1**

Capital Projects Fund

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, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
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	3,724,195	-	3,724,195	-
Expenditures and Other Financing Uses				
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	3,719,613	-	3,719,613	-
Excess (deficiency) or revenues over (under) expenditures	$ 4,582	$ -	$ 4,582	$ -

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 Authrorized 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, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	$ 35,238	$ (1,000)	$ 34,238	$ -
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	52,858	(1,501)	51,357	-
Transfer from capital outlay	-	-	-	-
Total revenues	88,096	(2,501)	85,595	-
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	88,096	(2,501)	85,595	-
Equipment purchases	-	-	-	-
Total expenditures	88,096	(2,501)	85,595	-
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 Authrorized 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 **Exhibit F-1**

Capital Projects Fund

HVAC

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

Catena

From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	$ 71,200	$ (3,209)	$ 67,991	$ -
Bond proceeds and transfers	-	0	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	106,800	(5,084)	101,716	-
Transfer from capital outlay	-	-	-	-
Total revenues	178,000	(8,293)	169,707	-
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	178,000	(8,293)	169,707	-
Equipment purchases	-	-	-	-
Total expenditures	178,000	(8,293)	169,707	-
Excess (deficiency) or revenues over (under) expenditures	$ -	$ -	$ -	$ -

Additional project information:	
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 Authrorized 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 **Exhibit F-1**

Capital Projects Fund

HVAC

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

Barkalow

From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	$ 136,176	$ (1,295)	$ 134,881	$ -
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	204,264	(1,942)	202,322	-
Transfer from capital outlay	-	-	-	-
Total revenues	340,440	(3,237)	337,203	-
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	340,440	(3,237)	337,203	-
Equipment purchases	-	-	-	-
Total expenditures	340,440	(3,237)	337,203	-
Excess (deficiency) or revenues over (under) expenditures	$ -	$ -	$ -	$ -

Additional project information:	
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 Authrorized 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, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	$ 48,040	$ 8,014	$ 56,054	$ -
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	72,060	17,395	89,455	-
Transfer from capital outlay	-		-	-
Total revenues	120,100	25,409	145,509	-
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	120,100	25,409	145,509	-
Equipment purchases	-	-	-	-
Total expenditures	120,100	25,409	145,509	-
Excess (deficiency) or revenues over (under) expenditures	$ -	$ -	$ -	$ -

Additional project information:	
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 Authrorized 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 **Exhibit F-1**

Capital Projects Fund

Fire Alarm

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

Catena

From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	$ -	$ 60,520	$ 60,520	$ -
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	90,780	90,780	-
Transfer from capital outlay	-	-	-	-
Total revenues	-	151,300	151,300	-
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	151,300	151,300	-
Equipment purchases	-	-	-	-
Total expenditures	-	151,300	151,300	-
Excess (deficiency) or revenues over (under) expenditures	$ -	$ -	$ -	$ -

Additional project information:	
Project Number	1660-020-10-1001
Grant Date	8/23/2010
Bond Authorization Date	
Bonds Authorized	
Bonds Issued	
Original Authorized Cost	$ 247,808
Additional Authorized Cost	(96,508)
Revised Authrorized Cost	$ 151,300
Percentage Increase over Original Authorized Cost	
Percentage Completion	
Original target completion date	
Revised target completion date	

FREEHOLD TOWNSHIP SCHOOL DISTRICT **Exhibit F-1**

Capital Projects Fund

Fire Alarms

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

MWES

From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	$ -	$ 63,680	$ 63,680	$ -
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	95,520	95,520	-
Transfer from capital outlay	-	-	-	-
Total revenues	-	159,200	159,200	-
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	159,200	159,200	-
Equipment purchases	-	-	-	-
Total expenditures	-	159,200	159,200	-
Excess (deficiency) or revenues over (under) expenditures	$ -	$ -	$ -	$ -

Additional project information:	
Project Number	1660-025-10-1005
Grant Date	8/23/2010
Bond Authorization Date	
Bonds Authorized	
Bonds Issued	
Original Authorized Cost	$ 247,808
Additional Authorized Cost	(88,608)
Revised Authrorized Cost	$ 159,200
Percentage Increase over Original Authorized Cost	
Percentage Completion	
Original target completion date	
Revised target completion date	

FREEHOLD TOWNSHIP SCHOOL DISTRICT **Exhibit F-1**

Capital Projects Fund

Fire Alarms

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

Applegate

From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	$ -	$ 52,638	$ 52,638	$ -
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	78,957	78,957	-
Transfer from capital outlay	-	-	-	-
Total revenues	-	131,595	131,595	-
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	131,595	131,595	-
Equipment purchases	-	-	-	-
Total expenditures	-	131,595	131,595	-
Excess (deficiency) or revenues over (under) expenditures	$ -	$ -	$ -	$ -

Additional project information:		
Project Number	1660-021-10-1003	
Grant Date	8/23/2010	
Bond Authorization Date		
Bonds Authorized		
Bonds Issued		
Original Authorized Cost	$	243,200
Additional Authorized Cost		(111,605)
Revised Authrorized Cost	$	131,595
Percentage Increase over Original Authorized Cost		
Percentage Completion		
Original target completion date		
Revised target completion date		

FREEHOLD TOWNSHIP SCHOOL DISTRICT **Exhibit F-1**

Capital Projects Fund

Catena

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

Asbestos Removal

From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	$ -	$ 9,165	$ 9,165	$ -
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	13,748	13,748	-
Transfer from capital outlay	-	-	-	-
Total revenues	-	22,913	22,913	-
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	22,913	22,913	-
Equipment purchases	-	-	-	-
Total expenditures	-	22,913	22,913	-
Excess (deficiency) or revenues over (under) expenditures	$ -	$ -	$ -	$ -

Additional project information:	
Project Number	1660-20-10-1002
Grant Date	8/25/2010
Bond Authorization Date	
Bonds Authorized	
Bonds Issued	
Original Authorized Cost	$ 44,296
Additional Authorized Cost	(21,383)
Revised Authrorized Cost	$ 22,913
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

Asbestos Removal

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

MWES

From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	$ -	$ 99,267	$ 99,267	$ -
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	148,900	148,900	-
Transfer from capital outlay	-	-	-	-
Total revenues	-	248,167	248,167	-
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	248,167	248,167	-
Equipment purchases	-	-	-	-
Total expenditures	-	248,167	248,167	-
Excess (deficiency) or revenues over (under) expenditures	$ -	$ -	$ -	$ -

Additional project information:	
Project Number	1660-025-10-1006
Grant Date	4/28/2011
Bond Authorization Date	
Bonds Authorized	
Bonds Issued	
Original Authorized Cost	$ 249,429
Additional Authorized Cost	(1,262)
Revised Authrorized Cost	$ 248,167
Percentage Increase over Original Authorized Cost	
Percentage Completion	
Original target completion date	
Revised target completion date	

FREEHOLD TOWNSHIP SCHOOL DISTRICT **Exhibit F-1**

Capital Projects Fund

HVAC

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

Eisenhower

From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	$ -	$ 209,600	$ 209,600	$ -
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	314,400	314,400	-
Transfer from capital outlay	-	-	-	-
Total revenues	-	524,000	524,000	-
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	524,000	524,000	-
Equipment purchases	-	-	-	-
Total expenditures	-	524,000	524,000	-
Excess (deficiency) or revenues over (under) expenditures	$ -	$ -	$ -	$ -

Additional project information:	
Project Number	1660-024-10-1004
Grant Date	8/25/2010
Bond Authorization Date	
Bonds Authorized	
Bonds Issued	
Original Authorized Cost	$ 579,168
Additional Authorized Cost	(55,168)
Revised Authrorized Cost	$ 524,000
Percentage Increase over Original Authorized Cost	
Percentage Completion	
Original target completion date	
Revised target completion date	

FREEHOLD TOWNSHIP SCHOOL DISTRICT **Exhibit F-1**

Capital Projects Fund
Fire Alarms
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Property Services/Transportation
From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	$ -	$ -	$ -	$ -
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	35,110	35,110	-
Transfer from capital outlay	-	-	-	-
Total revenues	-	35,110	35,110	-
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	35,110	35,110	-
Equipment purchases	-	-	-	-
Total expenditures	-	35,110	35,110	-
Excess (deficiency) or revenues over (under) expenditures	$ -	$ -	$ -	$ -

Additional project information:	
Project Number	1660-060-10-1005
Grant Date	8/23/2010
Bond Authorization Date	
Bonds Authorized	
Bonds Issued	
Original Authorized Cost	$ -
Additional Authorized Cost	35,110
Revised Authrorized Cost	$ 35,110
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

Exhibit G-1

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Enterprise Fund
Statement of Net Assets
June 30, 2011

	Food Service
Assets:	
Current assets:	
Cash and cash equivalents	$ 10,888
Accounts receivable:	
State	742
Federal	10,126
Interfunds	42,517
Other	64,298
Inventories	9,096
Total current assets	137,667
Fixed assets:	
Equipment	121,731
Accumulated depreciation	(106,281)
Total fixed assets	15,450
Total assets	153,117
Liabilities and Fund Equity:	
Liabilities:	
Accounts payable	52,478
Deferred revenue	-
Total liabilities	52,478
Net assets:	
Invested in capital assets, net of related debt	15,450
Restricted for other purposes	-
Contributed capital	20,746
Unrestricted net assets	64,443
Total fund equity	100,639
Total liabilities and fund equity	$ 153,117

Exhibit G-2

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Food Services Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Assets
for the Fiscal Year ended June 30, 2011

	Food Service
Operating revenues:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	$ 473,136
Summer transportation revenue	-
Special milk program	-
Total-daily sales-reimbursable programs	473,136
Daily sales non-reimbursable programs	251,653
Total operating revenues	724,789
Operating expenses:	
Salaries	392,979
Employee benefits	76,037
Purchased property	-
Other purchased services	153,508
Supplies and materials	75,549
Depreciation	4,590
Cost of sales	233,744
Total operating expenses	936,407
Operating loss	(211,618)
Nonoperating revenues:	
State sources:	
State school lunch program	12,450
Federal sources:	
National school lunch program	166,011
Special milk program	-
U.S.D.A. commodities	43,680
Total nonoperating revenues	222,141
Change in net assets	10,523
Total net assets beginning	90,116
Total net assets ending	$ 100,639

Exhibit G-3

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	723,380
Payments to employees	(392,979)
Payments for employee benefits	(76,037)
Payments to suppliers	(491,256)
Net cash provided by (used for) operating activities	(236,892)
Cash Flows from Noncapital Financing Activities	
State sources	12,967
Federal sources	171,320
Operating subsidies	-
Net cash provided by (used for) noncapital financing activities	184,287
Cash Flows from Capital and Related Financing Activities	
Purchases of fixed assets	(3,500)
Net cash provided by (used for) capital and related financing activities	(3,500)
Net increase (decrease) in cash and cash equivalents	(56,105)
Balances-beginning of the year	66,993
Balances-end of the year	10,888

Reconciliation of operating income (loss) to net cash provided by (used for) opeating activities:

Operating loss	$ (211,618)
Adjustments to reconcile operating loss to cash used by operating activities:	
Depreciation	4,590
Federal commodities	43,680
Change in assets and liabilities:	
Decrease (increase) in interfund receivable	(42,517)
Decrease (increase) in accounts receivable	(2,572)
Decrease (increase) in inventory	(1,597)
Increase (decrease) in accounts payable	(26,858)
Total adjustments	(25,274)
Net cash used by operating activities	$ (236,892)

Exhibit H-1

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Agency Fund Assets and Liabilities
Fiduciary Funds
June 30, 2011

	Unemployment Compensation Trust	Student Activity	Agency Fund	Total
ASSETS				
Cash and cash equivalents	$ 122,331	$ 45,513	$ 62,283	$ 230,127
Intergovernmental Accounts Receivable	-	-	-	-
Interfund receivable	-	-	-	-
Total assets	122,331	45,513	62,283	230,127
LIABILITIES				
Accounts payable	$ -	$ -	$ -	$ -
Payroll deductions and withholdings	-	-	62,283	62,283
Payable to student groups	-	45,513	-	45,513
Interfund payable	-	-	-	-
Other current liabilities	-	-	-	-
				-
Total liabilities	-	45,513	62,283	107,796
NET ASSETS				
Held in trust for unemployment claims and other purposes	122,331	-	-	122,331
Reserved for scholarships	-	-	-	-
Total net assets	122,331	-	-	122,331
Total liabilities and net assets	$ 122,331	$ 45,513	$ 62,283	$ 230,127

Exhibit H-2

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2011

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	$ 380,493
Other	-
Total Contributions	380,493
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	33
Dividends	-
Less investment expense	-
Net investment earnings	33
Total additions	380,526
DEDUCTIONS	
Quarterly contribution reports	-
Unemployment claims	330,523
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	330,523
Change in net assets	50,003
Net assets—beginning of the year	72,328
Net assets—end of the year	$ 122,331

Exhibit H-3

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2011

	Balance July 1, 2010	Receipts	Disbursements	Balance June 30, 2011
Clifton T. Barkalow School	$ 9,030	$ 61,038	$ 58,951	$ 11,117
Dwight D. Eisenhower School	28,134	85,362	79,100	34,396
Total all schools	$ 37,164	$ 146,400	$ 138,051	$ 45,513

Exhibit H-4

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of receipts and disbursements
For the Fiscal Year ended June 30, 2011

	Balance July 1, 2010	Cash Receipts	Cash Disbursements	Balance June 30, 2011
Payroll deductions and witholdings	$ 279,810	59,053,197	59,270,724	62,283
Total	$ 279,810	59,053,197	59,270,724	62,283

Exhibit I-1

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Statement of Serial Bonds
June 30, 2011

Issue	Date of Issue	Amount Of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2010	Issued	Retired	Balance June 30, 2011
Refunding of Additions and Renovations Bond issue (original issue 7/15/97)	5/15/2002	17,895,000	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%	15,600,000	-	730,000.0	14,870,000

			Annual Maturities		Interest				
Refunding of Additions and Renovations Bond issue (original issue 7/15/97)	3/9/2005	$ 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%	7,255,000	-	-	7,255,000

Exhibit I-1

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Statement of Serial Bonds
June 30, 2011

Issue	Date of Issue	Amount Of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2010	Issued	Retired	Balance June 30, 2011
(Continued from prior page)									
New K-5 Elementary School Additions and Renovations to various schools	2/15/02	$ 30,873,000				330,000	-	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%	31,035,000	-	-	31,035,000
						$ 54,220,000	$ -	$ 1,060,000	$ 53,160,000

Exhibit I-2

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Capital Leases
Year Ended June 30, 2011

Purpose	Date of Lease	Term of Lease	Amount of Original Principal	Interest Interest	Interest Rate	Balance 06/30/10	Issued	Retired	Balance 06/30/11
Equipment	11/10/2009	5 Years	$ 776,000	$ 81,709	2.00%	776,000	-	135,000	641,000

Exhibit I-3

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 3,405,674	$ -	$ 3,405,674	$ 3,405,674	$ -
State Sources:					
Debt Service Aid Type II	42,843	-	42,843	42,843	-
Total - State Sources	42,843	-	42,843	42,843	-
Total Revenues	3,448,517	-	3,448,517	3,448,517	-
EXPENDITURES:					
Regular Debt Service:					
Interest	2,388,517	-	2,388,517	2,388,516	1
Redemption of Principal	1,060,000	-	1,060,000	1,060,000	-
Total Regular Debt Service	3,448,517	-	3,448,517	3,448,516	1
Total expenditures	3,448,517	-	3,448,517	3,448,516	**1**
Excess (Deficiency) of Revenues Over (Under) Expendit	-	-	-	1	(1)
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	-	-	-	1	(1)
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ -	$ 1	$ (1)
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	$ -		$ -	$ -	$ -

STATISTICAL SECTION

Freehold Township School District
Statistical Section

Contents **Pages**

Financial Trends **91-96**

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

Revenue Capacity **97-100**

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

Debt Capacity **101-104**

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

Demographic and Economic Information **105-106**

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

Operating Information **107-112**

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

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

Exhibit J-1

Freehold Township School District
Net Assets by Component
Last Eight Fiscal Years*
UNAUDITED

(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011
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	$ 6,462,294
Restricted	8,216,045	4,626,377	4,130,962	6,424,392	7,018,644	6,594,534	6,503,398	4,260,324
Unrestricted	947,501	(78,523)	36,859	111,167	702,906	985,150	170,580	2,965,858
Total governmental activities net assets	$ 14,335,890	$ 13,174,786	$ 14,529,902	$ 15,729,130	$ 15,429,859	$ 14,598,680	$ 13,828,564	$ 13,688,476
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	$ 15,450
Restricted	-	-	-	-	-	-	-	-
Unrestricted	(10,057)	49,881	92,106	94,995	82,419	62,010	73,576	85,189
Total business-type activities net assets	$ (3,467)	$ 53,940	$ 93,634	$ 96,164	$ 98,754	$ 74,472	$ 90,116	$ 100,639
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	$ 6,477,744
Restricted	8,216,045	4,626,377	4,130,962	6,424,392	7,018,644	6,594,534	6,503,398	4,260,324
Unrestricted	937,444	(28,642)	128,965	206,162	785,325	1,047,160	244,156	3,051,047
Total district net assets	$ 14,332,423	$ 13,228,726	$ 14,623,536	$ 15,825,294	$ 15,528,613	$ 14,673,152	$ 13,918,680	$ 13,789,115

* 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.

Exhibit J-2

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

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Expenses								
Governmental activities								
Instruction								
Regular	$ 14,412,909	$ 16,406,075	$ 17,212,141	$ 16,781,066	$ 17,121,314	$ 17,411,815	$ 18,325,288	$ 16,766,651
Special education	3,366,419	3,824,396	3,916,987	4,280,593	5,151,862	6,138,006	6,764,491	6,618,571
Other special education	997,381	938,616	1,086,846	857,762	1,132,928	1,178,085	1,051,618	935,634
Support Services:								
Instruction	1,833,389	1,770,605	2,058,265	2,572,438	2,472,231	2,975,952	2,707,378	2,510,459
Health services	470,529	582,447	510,633	549,783	668,865	738,305	748,168	607,047
Other support services	3,375,124	3,947,967	3,826,431	3,808,856	4,527,393	4,842,689	5,255,099	4,936,401
Educational media services	848,848	665,894	691,143	661,682	747,457	775,884	785,885	563,301
Instruction staff training	99,416	165,790	273,857	182,465	136,513	105,659	57,940	60,687
General administration	832,525	761,878	798,491	822,372	874,137	938,678	906,972	783,530
School administrative services	1,710,409	1,743,121	1,823,902	1,760,649	1,905,401	1,892,484	1,905,909	1,891,199
Central services	-	679,064	692,457	659,966	711,611	732,698	762,903	716,620
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	7,467,048
Care & upkeep of grounds							269,162	301,312
Administrative information technol	-	573,883	645,476	816,708	710,567	762,397	687,139	522,942
Pupil transportation	2,940,942	2,987,588	2,604,881	3,646,404	4,729,358	4,498,296	4,006,569	3,475,591
Other support services	390,078	-	-	-				
Special schools	170,175	176,131	278,000	300,000	177,658	17,236	18,793	15,266
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	2,400,591
Unallocated employee benefits	7,782,960	9,117,279	9,812,499	10,319,400	12,231,548	13,004,256	13,859,389	14,809,335
Non-budgeted expenditures	2,732,567	2,991,780	3,227,460	3,340,257	5,206,363	3,250,119	3,511,005	3,509,504
Total governmental activities expenses	50,595,571	57,092,199	58,659,116	60,916,374	68,514,142	68,786,731	70,814,666	68,891,689
Business-type activities:								
Food service	972,557	936,346	1,011,892	1,034,551	1,058,446	1,066,717	1,027,458	936,407
Total business-type activities expense	972,557	936,346	1,011,892	1,034,551	1,058,446	1,066,717	1,027,458	936,407
Total district expenses	$ 51,568,128	$ 58,028,545	$ 59,671,008	$ 61,950,925	$ 69,572,588	$ 69,853,448	$ 71,842,124	$ 69,828,096
Program Revenues								
Governmental activities:								
Charges for services:								
Instruction (tuition)	$ 3,595	$ 50,618	$ 3,359	$ -	$ -	$ 70,615	$ 196,205	$ 30,328
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	3,509,504
Total governmental activities program reve	2,736,162	3,042,398	3,230,819	3,340,257	5,206,363	3,320,734	3,707,210	3,539,832

Exhibit J-2

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

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities:								
Charges for services								
Food service	773,850	816,480	862,485	837,340	837,999	817,453	787,844	724,789
Operating grants and contributions	156,941	177,273	189,101	199,741	223,037	224,982	255,258	222,141
Total business type activities program rev	930,791	993,753	1,051,586	1,037,081	1,061,036	1,042,435	1,043,102	946,930
Total district program revenues	$ 3,666,953	$ 4,036,151	$ 4,282,405	$ 4,377,338	$ 6,267,399	$ 4,363,169	4,750,312	4,486,762
Net (Expense)/Revenue								
Governmental activities	$(47,859,409)	$(54,049,801)	$(55,428,297)	$(57,576,117)	$(63,307,779)	$(65,465,997)	$(67,107,456)	$(65,351,857)
Business-type activities	(41,766)	57,407	39,694	2,530	2,590	(24,282)	15,644	10,523
Total district-wide net expense	$(47,901,175)	$(53,992,394)	$(55,388,603)	$(57,573,587)	$(63,305,189)	$(65,490,279)	$(67,091,812)	$(65,341,334)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Property taxes levied for general purp	$ 38,598,326	$ 42,315,455	$ 46,409,730	$ 49,976,081	$ 52,264,040	$ 53,012,064	$ 55,482,188	$ 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	3,405,674
Unrestricted grants and contributions	5,224,627	5,588,987	5,553,022	5,445,882	5,588,942	6,550,587	5,148,181	3,750,186
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	2,322,181
Investment earnings	136,453	118,686	239,933	361,229	370,205	156,725	41,493	18,692
Miscellaneous income	70,002	136,417	41,650	61,744	164,403	206,007	240,783	232,848
Total governmental activities	48,127,493	52,888,697	56,783,413	59,935,345	63,008,508	64,634,818	66,337,340	65,211,769
Business-type activities:								
Investment earnings	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-	-
Total district-wide	$ 48,127,493	$ 52,888,697	$ 56,783,413	$ 59,935,345	$ 63,008,508	$ 64,634,818	$ 66,337,340	$ 65,211,769
Change in Net Assets								
Governmental activities	$ 268,084	$ (1,161,104)	$ 1,355,116	$ 2,359,228	$ (299,271)	$ (831,179)	$ (770,116)	$ (140,088)
Business-type activities	(41,766)	57,407	39,694	2,530	2,590	(24,282)	15,644	10,523
Total district	$ 226,318	$ (1,103,697)	$ 1,394,810	$ 2,361,758	$ (296,681)	$ (855,461)	$ (754,472)	$ (129,565)

* 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.

Exhibit J-3

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

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
General Fund								
Reserved	$ 2,611,139	$ 2,756,568	$ 3,289,001	$ 6,097,183	$ 7,448,760	$ 6,267,325	$ 6,098,783	$5,124,013
Unreserved	1,606,874	1,013,042	1,061,881	1,086,334	1,128,349	2,173,000	1,306,080	2,123,205
Total general fund	$ 4,218,013	$ 3,769,610	$ 4,350,882	$ 7,183,517	$ 8,577,109	$ 8,440,325	$ 7,404,863	$7,247,218
All Other Governmental Funds								
Reserved	$ 7,307,707	$ 1,869,809	$ 841,961	$ 327,209	$ 327,209	$ 327,209	$ 404,615	$1,237,000
Unreserved, reported in:								
Special revenue fund	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-	-
Total all other governmental	$ 7,307,707	$ 1,869,809	$ 841,961	$ 327,209	$ 327,209	$ 327,209	$ 404,615	$1,237,000

* 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.

Exhibit J-4

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

	Fiscal Year Ending June 30,											
	1999	2000	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues												
Tax levy	$ 26,624,059	$ 27,953,631	$ 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	$ 58,887,862
Tuition charges	-	-	2,160	-	3,595	50,618	3,359	-	-	70,615	74,213	5,110
Interest earnings	1,160,521	344,561	360,432	564,058	136,453	118,686	239,933	361,229	370,205	156,725	41,493	18,692
Miscellaneous	47,244	107,337	64,964	141,522	70,002	136,417	41,650	61,744	164,403	206,007	240,783	232,848
Transportaion fees	-	-	-	-	-	-	-	-	-	-	121,992	25,218
State sources	6,282,846	6,236,461	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	7,817,815
Federal sources	426,346	603,530	792,229	926,803	947,020	1,340,378	1,250,443	1,092,533	1,131,710	1,102,655	1,911,290	1,764,056
Total revenue	34,541,016	35,245,520	41,555,776	46,986,638	50,863,655	55,931,095	60,014,232	63,275,602	68,214,871	67,955,552	70,044,550	68,751,601
Expenditures												
Instruction												
Regular Instruction	11,333,039	12,284,805	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	16,766,651
Special education instruction	1,751,194	2,038,513	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	6,618,571
Other special instruction	920,275	431,214	947,903	889,962	997,381	938,616	1,086,846	857,762	1,132,928	1,178,085	1,051,618	935,634
Support Services:												
Tuition	1,073,783	1,409,684	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	2,510,459
Student & inst. related services	3,050,707	3,286,689	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	1,231,035
General administration	772,207	895,760	909,127	856,585	832,525	761,878	798,491	822,372	874,137	938,678	906,972	783,530
School administrative services	1,245,373	1,255,731	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	1,891,199
Central services	-	-	-	-	-	679,064	692,457	659,966	711,611	732,698	762,903	716,620
Admin. information technology	-	-	-	-	-	573,883	645,476	816,708	710,567	762,397	687,139	522,942
Plant operations and maintenance	2,296,424	2,674,279	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	5,038,583
Pupil transportation	1,973,657	2,429,320	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	3,475,591
Other Support Services	399,534	426,281	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	4,936,401
Care & upkeep of grounds	-	-	-	-	-	-	-	-	-	-	269,162	301,312
Employee benefits	4,082,166	4,876,834	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	14,686,799
Non-budgeted expenditures	1,353,557	1,477,407	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	3,509,504
Special Schools	36,503	40,730	114,375	114,375	170,175	176,131	278,000	300,000	177,658	17,236	18,793	15,266
Capital outlay	18,352,494	2,318,626	1,677,810	5,473,229	30,423,483	5,530,269	1,211,792	613,817	640,054	515,727	805,185	688,248
Debt service:												
Principal	-	345,000	1,399,933	410,000	480,000	595,000	31,458,000	750,000	820,000	915,000	985,000	1,060,000
Interest and other charges	2,171,115	1,438,354	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	2,388,516
Total expenditures	50,812,028	37,629,228	41,901,583	50,897,261	80,417,494	61,817,396	91,238,808	60,957,719	66,821,279	68,092,336	71,002,606	68,076,861
Excess (Deficiency) of revenues over (under) expenditures	(16,271,013)	(2,383,708)	(345,807)	(3,910,623)	(29,553,839)	(5,886,301)	(31,224,576)	2,317,883	1,393,592	(136,784)	(958,056)	674,740
Other Financing sources (uses)												
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)	-	-	-	-	-	-
Total other financing sources (uses)	88,672	-	43,771,650	(97,859)	-	-	30,856,958	-	-	-	-	-
Net change in fund balances	(16,182,341)	(2,383,708)	43,425,843	(4,008,482)	(29,553,839)	(5,886,301)	(367,618)	2,317,883	1,393,592	(136,784)	(958,056)	674,740
Debt service as a percentage of noncapital expenditures	6.7%	5.1%	4.4%	6.6%	6.6%	6.0%	37.90%	5.29%	5.01%	5.00%	4.87%	5.12%

Source: District records

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

Exhibit J-5

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
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
2011	-	-	-	-	-	172,515	172,515

Source: District records

Exhibit J-6

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 Propert y	Public Utilities [a]	Net Valuation Taxable	Total Direct School Tax Rate [b]	Estimated Actual (County Equalized Value)
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
2011	69,363,900	4,551,925,900	31,282,000	1,541,900	1,247,563,400	154,791,300	61,500,000	6,117,968,400	-	41,218,304	6,159,186,704	0.966	6,427,603,681

Source: District records and Monmouth County Board of Taxation

Exhibit J-7

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

	Freehold Township School District			Overlapping Rates			
Fiscal Year Ended June 30,	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Freehold Regional School District	Freehold Township	Monmouth County	Total Direct and Overlapping Tax Rate
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	0.869	0.053	0.922	0.707	0.265	0.282	1.842
2010	0.882	0.054	0.936	0.373	0.28	0.286	1.892
2011	0.910	0.056	0.966	0.39	0.304	0.291	1.96

Source: District Records and Municipal Tax Collector

Exhibit J-8

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

	2011			2001		
Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Freemall Associates	$ 314,471,800	1	5.11%	$ -	1	0.00%
Freehold Financing, LLC	51,500,000	2	0.84%			0.00%
Center for Aging DBA/Applewood Estates	48,535,900	3	0.79%	-	3	0.00%
Iron Mountain, Inc.	45,169,200	4	0.73%	-		0.00%
New Jersey Bell Telephone Co	25,858,700	5	0.42%	-		0.00%
Freehold Shopping Associates	24,108,000	6	0.39%	-		0.00%
Raintree Towne Center Assoc. LP	23,800,000	7	0.39%	-	4	0.00%
Verizon - New Jersey	23,028,665	8	0.37%	-	2	0.00%
Ronardi Freehold Enterprises, LLC	21,282,400	9	0.35%	-		0.00%
Silver Shore Land Co. Inc.	21,209,100	10	0.34%	-		0.00%
Macy's East, Inc.				-	7	0.00%
Nordstrom				-	5	0.00%
Loews Theater				-	6	0.00%
JC Penny's				-	8	0.00%
Asbury Park Press					9	
Total	$ 598,963,765		9.72%	-		0.00%

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	
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%	-
2011	60,183,318	60,183,318	100.00%	-

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

Exhibit J-10

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			
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of Personal Income [a]	Per Capita [a]
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
2011	53,160,000	n/a	641,000	n/a	n/a	53,801,000	0.00%	1,469

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

Exhibit J-11

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			Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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
2011	53,160,000	-	53,160,000	0.86%	$ 1,469

Exhibit J-12

Freehold Township School District
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2011
UNAUDITED

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Freehold Township	54,353,373	100.000%	54,353,373
Other debt			
Water Sewer System	18,852,368	100.000%	18,852,368
Freehold Regional High School	38,490,000	20.75%	7,986,713
Manasquan River Regional Sewerage Authority	2,453,438	39.00%	956,841
Monmouth County	470,129,076	0.05%	247,653
Subtotal, overlapping debt			82,396,948
Freehold Township School District Direct Debt			53,160,000
Total direct and overlapping debt			$ 135,556,948

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

Exhibit J-13

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

Legal Debt Margin Calculation for Fiscal Year 2011

		Equalized valuation basis	
		2011	$ 6,427,603,681
		2010	$ 6,647,432,225
		2009	$ 6,900,102,255
		[A]	$ 19,975,138,161
Average equalized valuation of taxable property	**[A/3]**		$ 6,658,379,387
Debt limit (3 % of average	**[B]**		199,751,382 **a**
Net bonded school debt	**[C]**		$ 53,160,000
Legal debt margin	**[B-C]**		$ 146,591,382

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	$ 87,988,668	$ 98,657,458	$ 111,667,677	$ 125,420,943	$ 142,326,158	$ 160,931,162	$ 179,689,425	$ 194,773,177	$ 135,475,345	$ 199,751,382
Total net debt applicable to limit	57,908,000	57,498,000	57,018,000	56,953,000	57,690,000	56,940,000	56,120,000	55,205,000	54,220,000	53,160,000
Legal debt margin	$ 30,080,668	$ 41,159,458	$ 54,649,677	$ 68,467,943	$ 84,636,158	$ 103,991,162	$ 123,569,425	$ 139,568,177	$ 81,255,345	$ 146,591,382
Total net debt applicable to the limit as a percentage of debt limit	65.81%	58.28%	51.06%	45.41%	40.53%	35.38%	31.23%	28.34%	40.02%	26.61%

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

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

Exhibit J-14

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

Year	Population [a]	Personal Income (thousands of dollars) [b]	Per Capita Personal Income [c]	Unemployment Rate [d]
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%
2011	36,184	-	-	7.7%

Source:
[a] Population information provided by the NJ Dept of Labor and Workforce Development
b Personal income not available by municipality.
[c] Per Capita Income not available by municipality
[d] Unemployment data provided by the NJ Dept of Labor and Workforce Development

Exhibit J-15

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

	2011			2001		
Employer	**Employees**	**Rank (Optional)**	**Percentage of Total Employment[b]**	**Employees**	**Rank (Optional)**	**Percentage of Total Employment[b]**
CentraState Medical Center	2,028	1	11.14%			
Verizon	668	2	3.67%			
Center for Aging	495	3	2.72%			
Asbury Park Press/Gannett	350	4	1.92%			
Nordstrom	301	5	1.65%			
Walmart	300	6	1.65%			
Inverness Medical Nutritiona	272	7	1.49%			
Sam's Club	260	8	1.43%			
Macy's	234	9	1.29%			
Nestle-Hills Coffee Co.	209	10	1.15%			
Sears						
American Vitamin						
AT&T						
JC Penny						
	5,117		28.12%			

Source: Freehold Township Official Statement

[b] Total labor force provided by U.S. Department of Labor, Bureau of Labor Statistics

Exhibit J-16

Freehold Township School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years
UNAUDITED

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction										
Regular	n/a	n/a	n/a	261	267	272	295	284	277	271
Special education	n/a	n/a	n/a	100	104	105	153	186	187	195
Other special education	n/a	n/a	n/a	-	-	-	-	-	-	-
Vocational	n/a	n/a	n/a	-	-	-	-	-	-	-
Other instruction	n/a	n/a	n/a	-	-	-	-	-	-	-
Nonpublic school programs	n/a	n/a	n/a	-	-	-	-	-	-	-
Adult/continuing education programs	n/a	n/a	n/a	-	-	-	-	-	-	-
Support Services:										
Tuition	n/a	n/a	n/a	-	-	-	-	-	-	-
Student & instruction related services	n/a	n/a	n/a	90	88	90	89	67	72	66
General adminsitrative services	n/a	n/a	n/a	7	7	7	5	5	5	4
School administrative services	n/a	n/a	n/a	28	28	23	25	24	24	24
Business adminsitrative services	n/a	n/a	n/a	15	15	15	16	16	17	14
Plant operations and maintenance	n/a	n/a	n/a	56	58	69	74	73	71	75
Pupil transportation	n/a	n/a	n/a	88	93	87	90	92	89	66
Special Schools	n/a	n/a	n/a	-	-	-	-	-	-	-
Food Service	n/a	n/a	n/a	-	-	-	-	-	-	-
Total	-	-	-	645	660	668	747	747	742	715

Source: District Personnel Records

Exhibit J-17

Freehold Township School District
Operating Statistics
Last Ten Fiscal Years
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil	Percentage Change	Teaching Staff [b]	Pupil/Teacher Ratio: Elementary	Pupil/Teacher Ratio: Middle School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
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%
2011	4,375	61,778,766	14,121	-2.15%	338	1:14	1:25	4,365	4,170	-3.00%	95.53%

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.

Exhibit J-18

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
District Building[a]										
Early Learning Center										
Early Childhood Learning Center (1936)[b]										
Square Feet	37,156	37,156	37,156	37,156	37,156	37156	37156	37156	37156	37156
Capacity (students)	127	127	127	127	127	127	127	127	127	127
Enrollment[b]	242	235	235	0	84	75	79	83	83	101
Elementary										
Joseph J. Catena (1951)										
Square Feet	65,530	65,530	76,045	76,045	76,045	76,045	76,045	76,045	76,045	76,045
Capacity (students)	540	540	633	633	633	633	633	633	633	633
Enrollment	640	669	649	653	615	607	602	561	561	518
C. Richard Applegate (1972)										
Square Feet	71,319	71,319	81,963	81,963	81,963	81,963	81,963	81,963	81,963	81,963
Capacity (students)	554	554	606	606	606	606	606	606	606	606
Enrollment	561	590	588	557	544	542	509	544	544	531
Marshall W. Errickson (1972)										
Square Feet	68,792	68,792	78,130	78,130	78,130	78,130	78,130	78,130	78,130	78,130
Capacity (students)	500	500	698	698	698	606	606	606	606	606
Enrollment	667	671	677	668	627	542	611	561	561	546
Laura Donovan (1968)										
Square Feet	66,256	66,256	76,491	76,491	76,491	76,491	76,491	76,491	76,491	76,491
Capacity (students)	552	552	653	653	653	653	653	653	653	653
Enrollment	729	784	815	573	582	543	531	537	537	508
West Freehold (9/04)										
Square Feet	N/A	N/A	N/A	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Capacity (students)	N/A	N/A	N/A	636	636	636	636	636	636	636
Enrollment	N/A	N/A	N/A	587	606	603	595	582	582	553
Middle School										
Clifton T. Barkalow (1965)										
Square Feet	89,917	89,917	110,553	110,553	110,553	110,553	110,553	110,553	110,553	110,553
Capacity (students)	675	675	831	831	831	831	831	831	831	831
Enrollment	714	740	758	786	850	754	853	822	822	808
Dwight D. Eisenhower (1971)										
Square Feet	94,501	94,501	114,979	114,979	114,979	114,979	114,979	114,979	114,979	114,979
Capacity (students)	701	701	855	855	855	863	863	863	863	863
Enrollment	731	753	808	781	767	754	827	822	822	800
Other										
Transportation & Maintenance Offices										
Square Feet	2,400	2,400	2,400	4,800	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

[a] 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.

[b] 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.

Exhibit J-19

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Schedule of Required Maintenance
Last Six 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
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
2011	99,633	107,387	144,819	150,644	102,365	100,217	117,917	48,681	871,663
Total School Facilities	$ 906,419	$ 983,017	$ 1,273,490	$ 1,340,115	$ 931,305	$ 881,971	$ 797,649	$ 453,334	$ 7,567,300

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

Source: District records

Exhibit J-20

FREEHOLD TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED

Company	Type of Coverage	Coverage	Deductible
American Zurich Insurance Company	**Property**		
	Blanket Building & Contents	$ 169,109,901	$ 5,000
	Business Income & Extra Exp.	5,000,000	
	Flood	5,000,000	
	Computer Equipment	3,000,000	
	Contractors Equipment	250,000	
	Equipment Breakdown (Blanket)		
	Per Breakdown	50,000,000	5,000
	Commercial Liability		
	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 Injur	5,000	
	Employee Benefits Liability	1,000,000	
	Crime	1,000,000	
	Employee Theft		5,000
	Forgery or Alteration	500,000	
	Computer Fraud	100,000	1,000
	Business Auto	50,000	
	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

Exhibit J-20

FREEHOLD TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED

Company	Type of Coverage	Coverage	Deductible
New Jersey School Boards Association Insurance Group	**School Board Legal**	10,000,000	15,000
	Limit of Liability		
	Worker's Compensation		
	Section A	Statutory	
	Section B	200,000/200,000/200,000	
Chubb	**Supplemental Worker's Compensation**		
	Maximum Benefit Period	52 Weeks	
	Waiting Period	7 days	
McCloskey	**Student Accident**		
	Maximum Benefit	1,000,000	
Selective	**Bonds**		
	Business Adm./Board Sec'y.	32,000	
American Zurich Insurance Company	**Environmental Policy**		
	Each Incident	1,000,000	5,000
	Aggregate	2,000,000	
	Excess Umbrella		
	Limit of Liability	10,000,000	
	Retention	10,000	
Fireman's Insurance Fund	**CAP Program**		
	Each Occurence	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 · 08754 · 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 *GOVERNMENT 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 financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the 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, 2011, which collectively comprise the Board of Education of the Freehold Township School District's basic financial statements and have issued our report thereon dated November 16, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

PENNSYLVANIA OFFICE: 1000 GERMANTOWN PIKE · SUITE H-1 · PLYMOUTH MEETING, PA · 19462 · PHONE (610) 275-0356 · FAX (610) 275-0894

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 laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 16, 2011

JUMP, SCUTELLARO AND COMPANY, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS
12 LEXINGTON AVENUE · TOMS RIVER, NJ · 08754 · PHONE (732) 240-7377 · FAX (732) 505-8307 · WEBSITE: jumpcpa.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON 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 Board of Education of the Freehold Township School District's compliance 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 could have a direct and material effect on each of the Board of Education of the Freehold Township School District's major programs for the year ended June 30, 2011. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2011.

PENNSYLVANIA OFFICE: 1000 GERMANTOWN PIKE · SUITE H-1 · PLYMOUTH MEETING, PA · 19462 · PHONE (610) 275-0356 · FAX (610) 275-0894

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 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 to determine the auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 16, 2011

Exhibit K-3

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2010	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior years' Balances	Deferred Revenue at June 30, 2011	(Accounts Receivable) at June 30, 2011	Due to Grantor at June 30, 2011
U.S. Department of Agriculture											
Passed-through State Department of Education:											
Food Distribution Program	10.550	7/1/10-6/30/11	43,680	-	-	43,680	(43,680)	-	-	-	-
National School Lunch Program	10.555	7/1/09-6/30/10	-	(15,435)	-	15,435	-	-	-	-	-
National School Lunch Program	10.555	7/1/10-6/30/11	166,011	-	-	155,885	(166,011)	-	-	(10,126)	-
Total U.S. Department of Agriculture				(15,435)	-	215,000	(209,691)	-	-	(10,126)	-
U.S. Department of Education											
Passed-through State Department of Education:											
Title I	84.010	9/1/09-8/31/10	140,704	(13,531)	-	59,683	(46,152)	-	-	-	
Title I	84.010	9/1/10-8/31/11	143,028	-	-	56,865	(107,816)	-	-	(50,951)	
Title II Part A	84.367A	9/1/09-8/31/10	79,617	(1,996)		32,609	(30,613)	-	-	-	
Title II Part A	84.367A	9/1/10-8/31/11	80,309	-	-	45,396	(72,725)	-	-	(27,329)	
Title II Part D	84.318X	9/1/09-8/31/10	1,382	(65)		65	-	-	-	-	
Title II Part D	84.318X	9/1/10-8/31/11	343	-	-	-	-	-	-	-	-
Title III	84.365A	9/1/09-8/31/10	12,543	(3,378)		11,007	(7,629)	-	-	-	
Title III	84.365A	9/1/10-8/31/11	18,679	-	-	12,459	(18,679)	-	-	(6,220)	-
Title IV	84.186	9/1/09-8/31/10	8,035	(27)		7,409	(7,382)	-	-	-	
Title IV	84.186	9/1/10-8/31/11	-			-	-	-	-	-	
I.D.E.A. Part B Basic Regular	84.027	9/1/09-8/31/10	922,056	(139,269)	-	201,241	(61,972)	-	-	-	
I.D.E.A. Part B Basic Regular	84.027	9/1/10-8/31/11	915,017	-	-	599,295	(780,445)	-	-	(181,150)	-
I.D.E.A. ARRA	84.391	9/1/09-8/31/10	375,376	(13,932)	-	13,932	-	-	-	-	-
I.D.E.A. ARRA	84.391	9/1/10-8/31/11	609,160	-	-	449,286	(563,226)	-	-	(113,940)	-
I.D.E.A. Part B Preschool	84.173	9/1/09-8/31/10	-	-		-	-	-	-	-	
I.D.E.A. Part B Preschool	84.173	9/1/10-8/31/11	40,095	-	-	-	(40,095)	-	-	(40,095)	-
I.D.E.A. Part B Preschool - ARRA	84.392	9/1/10-8/31/11	17,489	-	-	12,966	(14,926)	-	-	(1,960)	-
Total U.S. Department of Education				(172,198)	-	1,502,213	(1,751,660)	-	-	(421,645)	-
Total Expenditures of Federal Awards				$ (187,633)	$ -	$ 1,717,213	$ (1,961,351)	$ -	$ -	$ (431,771)	$ -

See accompanying notes to schedules of expenditures.

Exhibit K-4

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Awards
for the Fiscal Year ended June 30, 2011

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2010	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2011	(Accounts Receivable) at June 30, 2011	Due to Grantor at June 30, 2011	Budgetary Receivable	Total Expenditures
State Department of Education													
General Fund:													
Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	$ 994,260	$ (77,188)	$ -	$ 77,188	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Special Education Aid	11-495-034-5120-011	7/1/10-6/30/11	2,305,325	-	-	2,097,783	(2,305,325)	-	-	-	-	(207,542)	2,305,325
Special Education Aid	10-495-034-5120-011	7/1/09-6/30/10	1,894,007	(330,961)	-	330,961	-	-	-	-	-	-	-
Equalization Aid	10-495-034-5120-008	7/1/09-6/30/10	836,975	(83,698)	-	83,698	-	-	-	-	-	-	-
Security Aid	10-495-034-5120-022	7/1/09-6/30/10	223,294	(22,329)	-	22,329	-	-	-	-	-	-	-
Extraordinary Aid	11-495-034-5120-044	7/1/10-6/30/11	1,105,923	-	-	-	(1,105,923)	-	-	(1,105,923)	-	-	1,105,923
Extraordinary Aid	10-495-034-5120-044	7/1/09-6/30/10	1,145,948	(1,145,948)	-	1,145,948	-	-	-	-	-	-	-
Nonpublic Transportation Aid	11-495-034-5120-089	7/1/10-6/30/11	32,304	-	-	-	(32,304)	-	-	(32,304)	-	-	(32,304)
Reimbursed TPAF Social Security Contribution	11-495-034-5095-002	7/1/10-6/30/11	1,746,587	-	-	1,661,366	(1,746,587)	-	-	(85,221)	-	-	1,746,587
On-behalf TPAF Social Security Contribution	11-495-034-5095-001	7/1/10-6/30/11	1,762,917	-	-	1,762,917	(1,762,917)	-	-	-	-	-	1,762,917
Total General Fund				(1,660,124)	-	7,182,190	(6,953,056)	-	-	(1,223,448)	-	(207,542)	6,888,448
Enterprise Fund:													
State School Lunch Program	11-100-010-3360-067	7/1/10-6/30/11	12,450	-	-	11,708	(12,450)	-	-	(742)	-	-	12,450
State School Lunch Program	10-100-010-3360-067	7/1/09-6/30/10	13,623	(1,259)	-	1,259	-	-	-	-	-	-	-
				(1,259)	-	12,967	(12,450)	-	-	(742)	-	-	12,450
Debt Service Fund:													
Debt service aid	11-495-034-5120-017	7/1/10-6/30/11	42,843	-	-	42,843	(42,843)	-	-	-	-	-	42,843
				-	-	42,843	(42,843)	-	-	-	-	-	42,843
Special Revenue Fund:													
N.J. Nonpublic Textbook Aid	11-100-034-5120-064	7/1/10-6/30/11	1,307	-	-	1,307	(1,307)	-	-	-	-	-	1,307
N.J. Nonpublic Transportation Ai	11-100-034-5120-068	7/1/10-6/30/11	1,550	-	-	1,550	(1,550)	-	-	-	-	-	1,550
Chapter 192/193		7/1/10-6/30/11	15,045	-	-	15,045	(15,045)	-	-	-	-	-	15,045
Total Special Revenue Fund				-	-	17,902	(17,902)	-	-	-	-	-	17,902
Total Expenditures of State Awards				$ (1,661,383)	$ -	$ 7,255,902	$ (7,026,251)	$ -	$ -	$ (1,224,190)	$ -	$ (207,542)	$ 6,961,643

See accompanying notes to schedules of expenditures.

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Notes to the Schedules of Expenditures of Awards and Financial Assistance

June 30, 2011

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 $306,634 for the general fund and $12,396 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:

3. Relationship to Basic Financial Statements (continued)

	Federal	State	Local	Total
General Fund	$ -	7,259,690	-	$7,259,690
Special Revenue Fund	1,764,056	17,902	45,866	1,827,824
Debt Service Fund	-	42,843	-	42,843
Food Service Fund	209,691	12,450	-	222,141
Total awards and financial assistance	$1,973,747	7,332,885	45,866	$ 9,352,498

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, 2011. 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, 2011.

FREEHOLD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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:

CFDA Number(s)	Name of Federal Program or Cluster
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, 2011

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
11-495-034-5120-089	Special Education Categorical Aid

Freehold Township School District

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2011

Section II – Financial Statement Findings

No matters were reported for the period ended June 30, 2011.

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

No matters were reported for the period ended June 30, 2011.

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, 2011

STATUS OF PRIOR YEAR FINDINGS

No matters were reported.