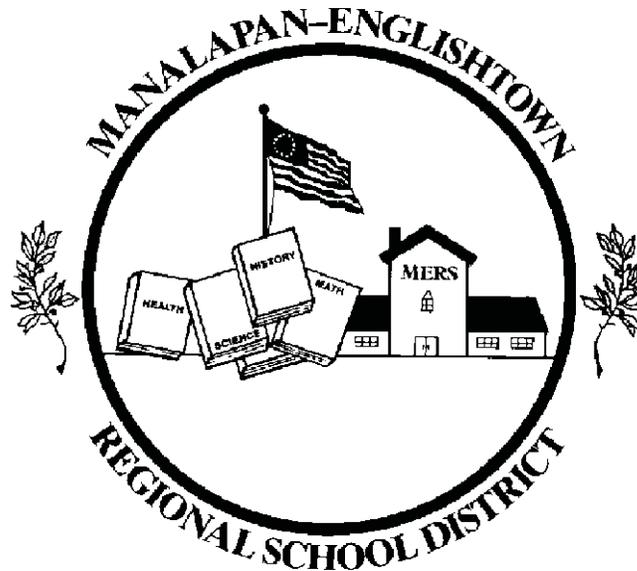


# MANALAPAN - ENGLISHTOWN

*REGIONAL SCHOOLS*



A REGIONAL DISTRICT COMPRISED OF THE  
TOWNSHIP OF MANALAPAN  
AND THE  
BOROUGH OF ENGLISHTOWN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

*FOR THE FISCAL YEAR ENDED*

*June 30, 2011*



**MANALAPAN-ENGLISHTOWN SCHOOL DISTRICT**  
**ENGLISHTOWN, NEW JERSEY**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2011**

**Prepared by**

**Manalapan-Englishtown Regional School District Business Office,  
Sharon Silvia Assistant Business Administrator**



## OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	1-5
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
FINANCIAL SECTION	
Independent Auditor's Report	11-12
REQUIRED SUPPLEMENTARY INFORMATION - PART I	
Management's Discussion and Analysis	15-24
BASIC FINANCIAL STATEMENTS	
A. District-wide Financial Statements	
A-1 Statement of Net Assets	27
A-2 Statement of Activities	28
B. Fund Financial Statements	
Governmental Funds	
B-1 Balance Sheet	31
B-2 Statement of Revenues, Expenditures and Changes in Fund Balance	32
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Proprietary Funds	
B-4 Statement of Net Assets	34
B-5 Statement of Revenues, Expenses and Changes in Fund Net Assets	35
B-6 Statement of Cash Flows	36
Fiduciary Funds	
B-7 Statement of Fiduciary Net Assets	37
B-8 Statement of Changes in Fiduciary Net Assets	38
Notes to Basic Financial Statements	39-57

## OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

### REQUIRED SUPPLEMENTARY INFORMATION – PART II

	Page
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	63-67
C-2 Budgetary Comparison Schedule – Special Revenue Fund	71
Notes to Required Supplementary Information	
C-3 Budget-to-GAAP Reconciliation	75
Other Supplementary Information	
D. School Level 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 Special Revenue Fund – Budgetary Basis	79-82
E-2 Schedule of Preschool Education Aid Expenditures - Preschool – All Programs - Budgetary Basis	N/A
F. Capital Projects Fund	
F-1 Summary Schedule of Project Revenue, Expenditures and Changes in Fund Balance- Budgetary Basis	85
F-2 Summary Schedule of Revenues, Expenditures and Changes In Fund Balance – Budgetary Basis	86
F-2 Schedules of Project Revenues, Expenditures, Project Balance And Project Status – Budgetary Basis	87-93
G. Proprietary Funds	
Enterprise Fund	
G-1 Statement of Net Assets	97
G-2 Statement of Revenues, Expenses and Changes in Fund Net Assets	98
G-3 Statement of Cash Flows	99
Internal Service Fund	
G-4 Statement of Net Assets	N/A
G-5 Statement of Revenues, Expenses and Changes in Fund Net Assets	N/A
G-6 Statement of Cash Flows	N/A

## OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

	Page
H. Fiduciary Funds	
H-1 Statement of Fiduciary Net Assets	103
H-2 Statement of Changes in Fiduciary Net Assets	104
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	105
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	106
I. Long-Term Debt	
I-1 Schedule of Serial Bonds	109-110
I-2 Schedule of Obligations Under Capital Leases	111
I-3 Debt Service Fund Budgetary Comparison Schedule	112
J. Introduction to the Statistical Section	
Financial Trends	
J-1 Net Assets by Component	117
J-2 Changes in Net Assets	118-119
J-3 Fund Balances – Governmental Funds	120
J-4 Changes in Fund Balances, Governmental Funds	121
J-5 General Fund Other Local Revenue by Source	122
Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	123
J-7 Direct and Overlapping Property Tax Rates	124
J-8 Principal Property Taxpayers	125
J-9 Property Tax Levies and Collections	126
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	127
J-11 Ratios of General Bonded Debt Outstanding	128
J-12 Direct and Overlapping Governmental Activities Debt	129
J-13 Legal Debt Margin Information	130
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	131
J-15 Principal Employers	132
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	133
J-17 Operating Statistics	134
J-18 School Building Information	135
J-19 Schedule of Allowable Maintenance Expenditures by School Facility	136
J-20 Insurance Schedule	137-138

## OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL

	Page
K. Single Audit Section	
K-1 Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	141-142
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	143-144
K-3 Schedule of Expenditures of Federal Awards, Schedule A	145
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	146
K-5 Notes to the Schedules of Awards and Financial Assistance	147-149
K-6 Summary of Findings and Questioned Costs	150-152
K-7 Summary Schedule of Prior Audit Findings	153

## INTRODUCTORY SECTION





*Serving With Pride The  
Township of Manalapan  
and the  
Borough of Englishtown*

*John J. Marciante, Jr., Ph.D.  
Superintendent of Schools*

*Veronica Wolf  
Board Secretary*

**BUSINESS OFFICE**

**Veronica Wolf**  
*Business Administrator/  
Board Secretary*

**Sharon Silvia**  
*Assistant Business Administrator/  
Assistant Board Secretary*

54 Main Street  
Englishtown, NJ 07726-1529  
(732) 786-2500 Fax #: (732) 786-2541

November 15, 2011

Honorable President and Members  
of the Board of Education  
Manalapan-Englishtown Regional  
School District  
County of Monmouth, New Jersey

Dear Board Members:

With pleasure, we submit the Comprehensive Annual Financial Report (CAFR) of the Manalapan-Englishtown Regional School District for the fiscal year ended June 30, 2011. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with Management of the District. To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the 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 as follows:**

- ◆ The Introductory Section contains a Table of Contents, Letter of Transmittal, Roster of Officials, and an Organizational Chart of the School District;
- ◆ The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;
- ◆ The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School District, generally presented on a multi-year basis;
- ◆ The Single Audit Section – The District is required to undergo an annual audit in conformity with the provisions of the Single Audit Act of 1996, as amended, the U. S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.

## SCHOOL DISTRICT ORGANIZATION

The Manalapan-Englishtown Regional School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14 as amended by GASB 39. All funds of the District are included in this report. The Manalapan-Englishtown Regional Board of Education and all its schools constitute the District's reporting entity. The District has maintained a high quality of education, even though it is one of the largest K-8 districts in Monmouth County.

The Manalapan-Englishtown District serves the children of the Township of Manalapan and the Borough of Englishtown. The District provides a full range of programs and services appropriate to grades Pre-K through 8. An early learning center (The John I. Dawes Early Learning Center) houses the pre-K and kindergarten programs. Five elementary schools (Clark Mills, Milford Brook, Taylor Mills, Lafayette Mills, and Wemrock Brook) house grades 1 through 5. The Pine Brook School houses grade 6. The Manalapan-Englishtown Middle School (MEMS) houses grades 7 and 8.

Supervising district-wide goals is a district superintendent, an assistant superintendent for curriculum and human resources, a business administrator, three district wide curriculum supervisors, a director of special education and a supervisor of special education. The Early Learning Center has its own principal. Each 1 - 5 elementary has its own principal and one assistant principal. Pine Brook has one principal and one assistant principal. The middle school has one principal and two assistant principals.

The Board of Education, comprised of nine members, each elected to 3-year terms, meets on the first and third Tuesday of each month to determine district goals and priorities and conduct the business of the Board of Education. The Board of Education utilizes a committee structure as well as operates as a committee of the whole. All committee of the whole meetings are open to the public and begin at 7:30 PM and conclude at 11:30 PM unless the board passes a resolution to extend the meeting.

Ad-hoc advisory committees composed of representatives from the community; administration, PTA's, and the Township and Borough are often formed to provide the Board of Education with information and input on specific issues. In the 2010-11 school year the Board of Education did not have a specific Ad-Hoc committee, although the district did seek input from community members and the PTA's regarding curriculum program offerings, impact of proposed budget reductions and changes in transportation.

PTA's are highly active in the District and provide community support for a variety of programs and activities for the children. A senior citizen group provides the District with information regarding community members who no longer have children in the district.

To maintain communication with the various constituent groups, the District utilizes its web site. Budget information, while available on the web site, is also presented to the township committee and borough council.

In March 2011, the New Jersey Department of Education released its Comparative Spending Guide for all school districts in the State. The guide compares districts with those who are similar in enrollment/configurations. The information on expenditures was taken from certified budgets on file with the State Department of Education. This reports shows that the district spends \$11,580 per pupil while the average costs for similar districts are \$12,667.

According to the report, per pupil costs range from a low of \$7,952 to a high of \$17,086. Of the 88 K-8 school districts in the state with enrollments exceeding 751 children, Manalapan-Englishtown Regional ranked 26th lowest in total cost per pupil.

## EDUCATIONAL PROGRAM

Each of the schools in the district follows the district-wide goals and educational approaches to the teaching of children, while maintaining a unique personality that makes up that particular school. All curricula in our district have been aligned to the New Jersey Core Curriculum Content Standards. The following table presents the actual historical pupil enrollment, as of October 15, for the school years 2001-02 through 2010-11.

<i>School Year</i>	<i>Enrollment As of October 15</i>
2001-02	5,717
2002-03	5,584
2003-04	5,545
2004-05	5,486
2005-06	5,495
2006-07	5,446
2007-08	5,471
2008-09	5,454
2009-10	5,364
2010-11	5,188

## ECONOMIC CONDITION AND OUTLOOK

Monmouth County is steeped in history from pre-revolutionary times to the present day. Rich in natural resources, Monmouth's deep forests, rolling countryside and miles of beautiful sandy beaches offer a perfect backdrop for the vast variety of recreational, cultural and leisure opportunities in the area. The County has horse country and thriving agricultural industry in the west, beaches and seaside resorts in the east, and a booming business community throughout. The Manalapan-Englishtown Regional School District serves students from a wide range of socioeconomic backgrounds.

Monmouth County is located in the center of the state approximately 47 miles south of New York City and 55 miles east of Philadelphia. Newark Liberty International Airport is just 40 minutes away. The public and private transportation systems include more than 2,600 miles of rails and roads, making the County accessible to virtually all of New Jersey as well as nearby New York and Philadelphia.

Because Monmouth County continues to be among the fastest growing in New Jersey, change is constant in the Manalapan-Englishtown Regional School District. Sales of both new and existing homes are occurring at a slow pace. Existing homes continue to stay on the market for a much longer period of time than a few years ago. Just last year, the number of families relocating in the area has dropped compared to years 2007 and 2008, respectively.

The District, along with all of the other public school systems in the state, will continue to face difficult economic situations in the future since the primary funding source is and will continue to be property tax revenue. The proposed budget for the fiscal year 2011-12 passed. Overall tax revenue for 2010-2011 was increased slightly by 2.83%, but the increased expenditures from the growing cost of contractual salary increases, employee health care, increases in the contributions to the retirement system, and rising insurance premiums have outpaced the additional revenue. We recognize that the state is in a financial crisis and want to assure our residents that the Manalapan-Englishtown Regional School District is doing its part to maintain a responsible budget. The District's administration closely monitors the cost of operations and continues to look for new funding sources in order to maintain the quality education services that the district has been accustomed to providing. Manalapan-Englishtown Regional School's Foundation donated generously during the 2010-2011 school year as well as Manalapan-Englishtown Regional School District's PTA's.

## MAJOR INITIATIVES

Phase I of the Pine Brook Elementary School renovations began at the end of the school year 2009-2010. This project involved the replacement of windows and HVAC equipment in several wings of the building. Phase I was completed before the start of school in September 2010. The project is currently completed. The Taylor Mills School renovation project is currently completed. The project involved replacement of windows and HVAC equipment. Renovations are also taking place at Milford Brook and Lafayette Mills Schools. Those projects involve roof replacement and HVAC equipment replacement. Minor renovation projects are planned for other school buildings over the next 2 years.

The administration and the Board of Education approved the restructuring of six of the eight schools on December 9, 2008. There are both educational and economic rationales for changing grade level configurations to create five neighborhood schools and a sixth grade learning center. The restructuring plan called for a reduction in teaching staff that would be accomplished through attrition. Another economic benefit was a decrease in the number of buses needed to transport students to and from school. Savings came in the form of reduced transportation salaries, health benefits, gasoline, insurance and vehicle maintenance costs. Further savings were realized in the transportation department during the 2010-2011 school year through the implementation of cluster bus stops, where possible.

## **INTERNAL CONTROLS**

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

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

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

## **BUDGETARY CONTROLS**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipalities. Annual appropriated budgets are adopted for the general fund, the special revenue funds, and the debt service 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.

## **CASH MANAGEMENT**

The investment policy of the District is guided in large part by state statute as detailed in Notes to the Basic Financial Statements, Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provision of the Governmental Unit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

## **RISK MANAGEMENT**

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, fidelity bonds and worker's compensation. A schedule of insurance coverage is found in Exhibit J-20.

## INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Jump, Scutellaro & Co. LLP 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 requirements of the Single Audit Act Amendments of 1996 and the related U.S Office of Management and Budget Circular, "Audits of State, Local Governments and Non-Profit Organizations" A-133 and the State Treasury Circular Letter 04-04 OMB "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditors' report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

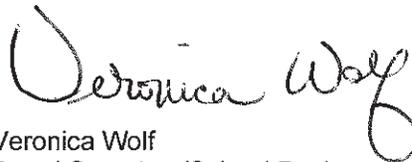
## ACKNOWLEDGMENTS

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

Respectfully submitted,

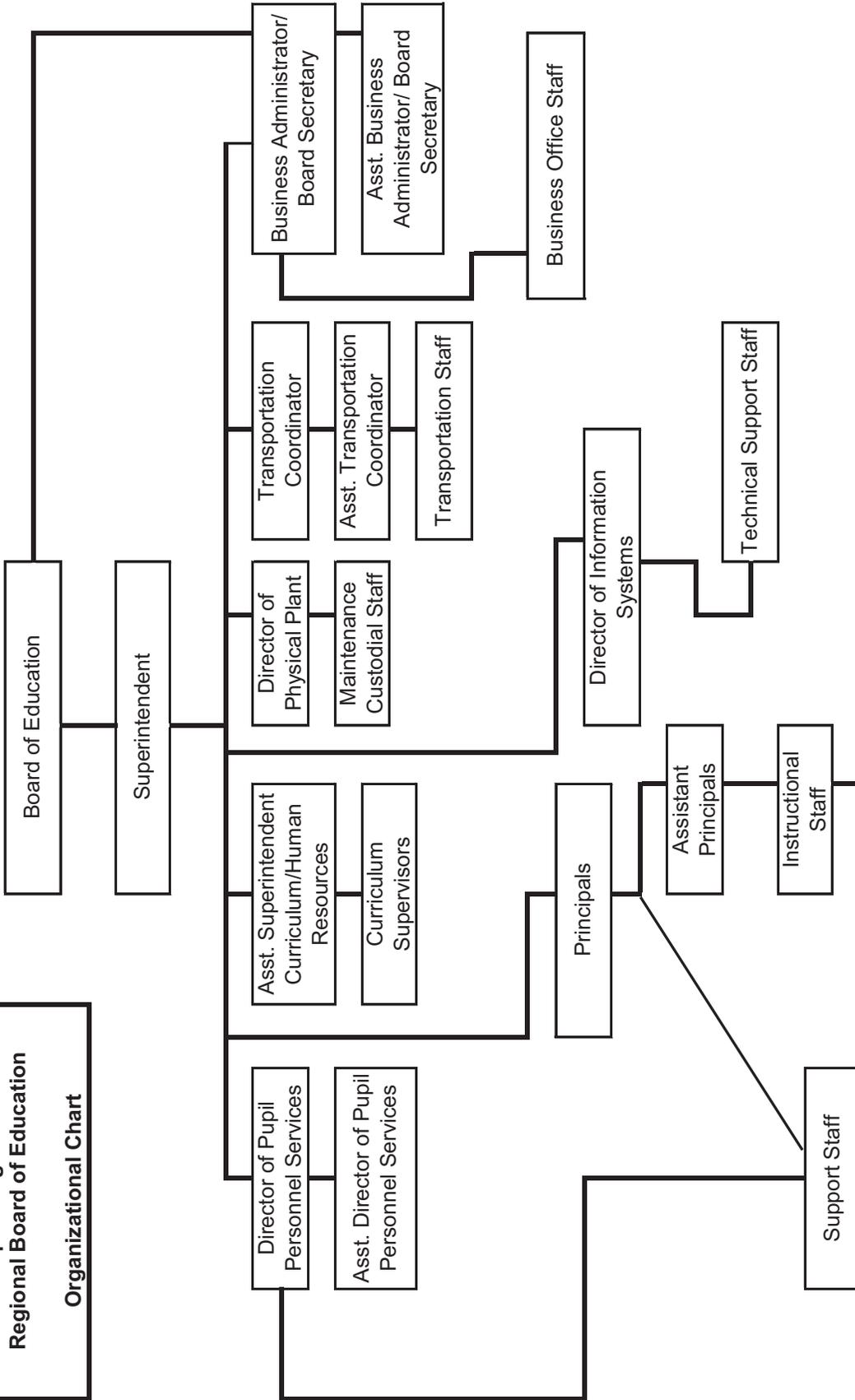


John J. Marciante, Jr., PH. D  
Superintendent



Veronica Wolf  
Board Secretary/School Business Administrator

**Manalapan-Englishtown  
Regional Board of Education  
Organizational Chart**



**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**

**ENGLISHTOWN, NEW JERSEY**

**ROSTER OF OFFICIALS**

JUNE 30, 2011

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Michele Stipelman, President	2014
Lori Semel, Vice President	2012
James Mumolie	2013
Joseph De Pasquale	2012
AnnaMarie Galante	2012
Ralph Cafaro	2014
Diane Bindler	2013
Dotty Porcaro	2014
Brian Graime	2013

**Other Officials**

John J. Marciante, Jr., Ph.D., Superintendent

Veronica Wolf, Business Administrator/Board Secretary

Sharon Silvia, Assistant Business Administrator/Assistant Board Secretary

Sanford Brown, Solicitor

**MANALAPAN-ENGLISHTOWN BOARD OF EDUCATION**

**Consultants and Advisors**

June 30, 2011

**Architect**

The Musial Group  
191 Mill Lane  
Mountainside, NJ 07092

**Audit Firm**

Jump, Scutellaro & Co., LLP  
12 Lexington Ave.  
Toms River, NJ 08754

**Attorney**

Sanford D. Brown, Esq.  
1127 Highway 35  
Ocean Township, NJ 07712

**Official Depository**

PNC Bank  
109 Route 9  
Marlboro, New Jersey 07726

**Financial Advisor**

Public Resources, Inc.  
39 South Point Blvd.  
Barnegat, New Jersey 08005

**Bond Council**

John L. Kraft, Esq.  
Lomurro, Eastman & Munoz, P.A.  
100 Willowbrook Road  
Freehold, NJ 07728

## FINANCIAL SECTION



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  
Manalapan-Englishtown Regional 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 Manalapan-Englishtown Regional 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 Manalapan-Englishtown Regional 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 Manalapan-Englishtown Regional 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 Manalapan-Englishtown Regional School District of Monmouth County's internal control over the financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

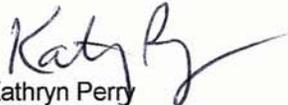
The Management's Discussion and Analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information, although not a part of the basic financial statements, is 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 Manalapan-Englishtown Regional 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



MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
ENGLISHTOWN, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED

The Discussion and Analysis (MD&A) of Manalapan-Englishtown Regional School District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance. Certain comparative information between the current year (2010-2011) and the prior year (2009-2010) is required to be presented in the MD&A.

**Financial Highlights**

Key financial highlights for 2011 are as follows:

- ❖ In total, net assets of governmental activities increased \$1,546,375, which represents a 2.91% increase from 2010. Net assets of business-type activities increased \$3,425, which represents a .57% increase from 2010.
- ❖ General revenues accounted for \$72,498,351 in revenue or 91.42% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$6,808,229 or 8.58% of total revenues of \$79,306,580.
- ❖ Total assets of governmental activities decreased by \$314,426 as cash and cash equivalents increased by \$583,391, receivables increased by \$12,532, net capital assets decreased by \$263,000, and other assets decreased by \$647,349.
- ❖ The District had \$77,760,205 in governmental activity expenses; only \$6,808,229 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$72,498,351 were adequate to provide for these programs.
- ❖ In the governmental funds, the general fund had \$72,957,387 in revenues and \$71,432,269 in expenditures. The general fund's fund balance increased \$1,642,717 over 2010.

**Using this Comprehensive Annual Financial Report (CAFR)**

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

The focus of governmental accounting differs from that of business enterprises. In government, the financial statement user is concerned with determining accountability for funds, evaluating operating results, and assessing services that can be provided by the government along with its ability to meet obligations as they become due. In comparison, the primary emphasis in the private sector from both an operational and reporting perspective is on the maximization of profits.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Manalapan-Englishtown Regional School District, the general fund is by far the most significant fund.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
ENGLISHTOWN, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)

**Reporting the School District as a Whole**

**Statement of Net Assets and the Statement of Activities**

This document contains the large number of funds used by the District to provide programs and activities. The view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011?" The Statement of Net Assets and the Statement of Activities help answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

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

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

- ◆ Governmental Activities – All of the District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation, and extracurricular activities.
- ◆ Business-Type Activities – This service is provided on a charge for goods or services basis in order to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

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

**Fund Financial Statements**

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

**Governmental Funds**

The District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental funds information help the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
ENGLISHTOWN, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)

**Proprietary Fund**

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

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the basic financial statements can be found on pages 34 to 54 of this report.

**The School District as a Whole**

Recall that the Statement of Net Assets provides the perspective of the school district as a whole. Net assets may serve over time as a useful indicator of a government's financial position.

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

Table 1 provides a summary of the school district's net assets for 2011 and 2010

<b>Table 1</b>				
<b>Net Assets</b>				
	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
<b>Assets</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Current and Other Assets	\$ 12,137,237	\$ 12,188,663	\$ 327,844	\$ 324,142
Capital Assets, Net	98,860,279	99,123,279	371,425	400,723
<b>Total Assets</b>	<b>\$ 110,997,516</b>	<b>\$ 111,311,942</b>	<b>\$ 699,269</b>	<b>\$ 724,865</b>
<b>Liabilities</b>				
Long-term Liabilities	\$ 50,587,829	\$ 52,607,593	\$ -	\$ -
Other Liabilities	5,690,737	5,531,774	92,644	121,665
<b>Total Liabilities</b>	<b>\$ 56,278,566</b>	<b>\$ 58,139,367</b>	<b>\$ 92,644</b>	<b>\$ 121,665</b>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	\$ 48,214,716	\$ 47,152,557	\$ 371,425	\$ 400,723
Restricted	8,644,609	6,876,066	-	-
Unrestricted	(2,140,375)	(856,048)	235,200	202,477
<b>Total Net Assets</b>	<b>\$ 54,718,950</b>	<b>\$ 53,172,575</b>	<b>\$ 606,625</b>	<b>\$ 603,200</b>

The district's combined net assets were \$55,325,575 on June 30, 2011. This was an increase of \$1,549,800, 2.88% from the prior year.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
ENGLISHTOWN, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)

Table 2 shows the changes in net assets from fiscal year 2011 and fiscal year 2010.

**Table 2**  
**Changes in Net Assets**

	Governmental Activities		Business-type Activities	
	2011	2010	2011	2010
<b>Revenues</b>				
Program Revenues:				
Charges for Services	\$ -	\$ 618	\$ 1,494,172	\$ 1,492,831
Operating Grant & Contributions	6,808,229	6,716,398	360,597	354,794
General Revenues:				
Property Taxes	53,051,585	51,592,782	-	-
Grants and Entitlements	19,140,955	20,633,679	-	-
Other	305,811	219,862	-	-
<b>Total Revenues</b>	<u>79,306,580</u>	<u>79,163,339</u>	<u>1,854,769</u>	<u>1,847,625</u>
<b>Program Expenses</b>				
Instruction	48,228,392	48,117,074	-	-
Support Services:				
Pupils and Instructional Staff	8,068,021	9,034,478	-	-
General Administration, School Administration, and Central Svcs	5,330,274	5,622,186	-	-
Operations and Maint. Of Facilities	7,355,550	8,451,271	-	-
Pupil Transportation	5,723,635	5,442,491	-	-
Interest on debt	3,054,333	2,428,292	-	-
Food Service	-	-	1,851,344	1,856,888
<b>Total Expenses</b>	<u>77,760,205</u>	<u>79,095,792</u>	<u>1,851,344</u>	<u>1,856,888</u>
<b>Increase(Decrease) in Net Assets</b>	<u>\$ 1,546,375</u>	<u>\$ 67,547</u>	<u>\$ 3,425</u>	<u>\$ (9,263)</u>

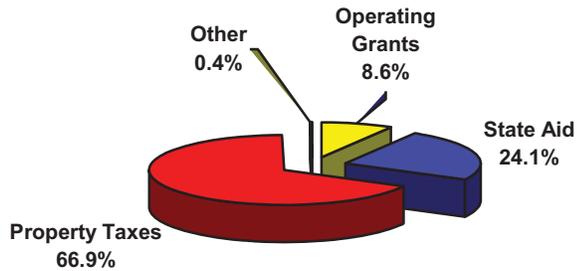
**Governmental Activities**

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the District operations. Property taxes made up 66.89% of revenues for governmental activities for the Manalapan-Englishtown Regional Public School District for fiscal year 2011 and 65.17% of revenues for fiscal year 2010. Property tax revenues increased by \$1,458,803, which is a 2.8% increase from the prior year. The District's total revenues for governmental activities were \$79,306,580 for the year ended June 30, 2011. Federal, state and local grants accounted for another 24.14% of revenue.

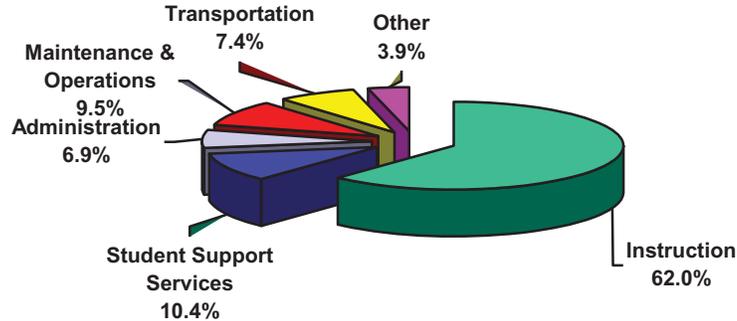
MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
ENGLISHTOWN, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)

**Sources of Revenues for Fiscal Year 2011**



**Expenses for Fiscal Year 2011**



The total cost of all programs and services was \$77,760,205. Instruction comprised 62.0% of district expenses.

**Business-Type Activities**

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

- Food service revenues exceeded expenses by \$3,425.
- Charges for services, which are the amounts paid by patrons for daily food services, represent \$1,494,172 of total revenue.
- Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$360,597.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
ENGLISHTOWN, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)

**Governmental Activities**

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

**Table 3**  
**Cost of Services**

	<b>Total Cost of Services 2011</b>	<b>Net Cost of Services 2011</b>	<b>Total Cost of Services 2010</b>	<b>Net Cost of Services 2010</b>
Instruction	\$ 48,228,392	\$ 43,376,390	\$ 48,117,074	\$ 43,511,662
Support Services:				
Pupils and Instructional Staff	8,068,021	7,692,496	9,034,478	8,618,798
General Administration, School Administration, and Central Srvc	5,330,274	4,712,512	5,622,186	4,878,100
Operations and Maint. Of Facilities	7,355,550	6,916,529	8,451,271	7,958,426
Pupil Transportation	5,723,635	5,382,016	5,442,491	5,125,106
Interest on debt	3,054,333	2,872,033	2,428,292	2,286,684
Total Expenses	<u>\$ 77,760,205</u>	<u>\$ 70,951,976</u>	<u>\$ 79,095,792</u>	<u>\$ 72,378,776</u>

- ❖ Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.
- ❖ Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.
- ❖ General administration, school administration and business include expenses associated with administrative and financial supervision of the District.
- ❖ Operation and maintenance of facilities activities involve keeping the school grounds, buildings, and equipment in effective working condition.
- ❖ Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.
- ❖ Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to District debt.

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$79,282,799 and expenditures were \$79,178,578. The net positive changes in fund balances for the year were in the general fund, which showed an increase of \$1,642,717, the capital projects fund, which showed a decrease of \$1,422,281 and the debt service fund, which showed an increase of \$1,384. The most significant change was in the capital projects fund, which is due to continued construction costs paid during the year for the Taylor Mills, Lafayette Mills, Manalapan-Englishtown Middle School and Pine Brook schools. The increase in the general fund was primarily due to budget cuts, employee

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
ENGLISHTOWN, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)

layoffs and wage freezes. As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

**Table 4**  
**Revenues for the Fiscal Year Ended June 30,**

	<b>2011 Amount</b>	<b>2010 Amount</b>	<b>Percent Change</b>
Property taxes	\$ 53,051,585	\$ 51,592,782	2.83%
Tuition	-	618	-100.00%
Interest earnings	5,380	8,984	-40.12%
Miscellaneous	296,182	241,804	22.49%
State sources	23,723,115	22,454,877	5.65%
Federal sources	2,206,537	4,864,274	-54.64%
<b>Total</b>	<b>\$ 79,282,799</b>	<b>\$ 79,163,339</b>	<b>0.15%</b>

Revenues were up \$119,360 or .15% over the prior year, mostly due to an increase in state aid and property taxes. We saw a decrease in federal funding due to the one year funding of American Reinvestment Recovery Act (ARRA) funds in 2010. Interest earnings significantly decreased due to lowered interest rates because of current economic conditions.

**Table 5**  
**Expenditures for the Fiscal Year Ended June 30,**

	<b>2011 Amount</b>	<b>2010 Amount</b>	<b>Percent Change</b>
Salaries and wages	\$ 43,286,024	\$ 45,961,920	-5.82%
Benefits	17,320,315	16,331,470	6.05%
Purchased services	9,629,553	9,705,410	-0.78%
Supplies and other	2,582,023	2,810,274	-8.12%
Capital outlay	2,309,714	2,107,383	9.60%
Debt service	4,050,949	4,066,662	-0.39%
<b>Total</b>	<b>\$ 79,178,578</b>	<b>\$ 80,983,119</b>	<b>-2.23%</b>

Expenditures were down \$1,804,541 or 2.23% over the prior year. The overall decrease is due to budget cuts, employee layoffs and wage freezes. Capital outlay increased due to projects being completed.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
ENGLISHTOWN, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)

Fund balance is an integral part of the district financial position. The unreserved and undesignated fund balances in the general fund for the past six years are as follows:

**Table 6**  
**Fund Balance**

<u>School Year</u>	<u>GAAP</u>	<u>Budgetary Basis</u>
05-06	418,537	1,324,202
06-07	478,393	1,323,525
07-08	511,166	1,420,992
08-09	(424,907)	372,805
09-10	(563,211)	1,571,181
10-11	(91,073)	1,672,188

In 2003, P.L. 2003, c.97 provided that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides the legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes the liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the District cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable.

**General Fund Budgeting Highlights**

The District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the general fund.

During the course of the fiscal year 2011, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. The following explains the reasons for significant budget transfers:

- ✓ The district received \$303,476 in extraordinary aid for special education costs that was not budgeted. The district is eligible to receive additional funding for each special education student whose program costs exceed \$40,000. However, the state does not have adequate funding for these students and prorates the amount given to districts based on the applications received for this aid and the total amount allocated. Since there is no guarantee that the district will receive any funds in this category, we do not include this potential source of funds in our revenue budget.
- ✓ TPAF, which is the state's contribution to the pension fund, is an "on-behalf" revenue and expenditure item to the District and is required to be reflected in the financial statements.
- ✓ Legal services for construction litigation, employee litigation and special education cases.
- ✓ Significant price increases for fuel for the district buses and other district vehicles.
- ✓ Increases in transportation contract repair services.
- ✓ Additional students sent out of district.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
ENGLISHTOWN, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)

**Capital Assets**

At the end of the fiscal year 2011, the school district had \$98,860,279 invested in land, buildings and improvements and machinery and equipment. Table 7 shows fiscal 2011 balances compared to 2010.

**Table 7**  
**Capital Assets (Net of Depreciation) at June 30,**

<u>School Year</u>	<u>2011</u>	<u>2010</u>
Land	\$ 9,747,190	\$ 9,747,190
Construction in progress	6,538,993	5,227,282
Building and improvements	79,712,164	81,735,275
Machinery and equipment	2,861,932	2,413,532
Totals	<u>\$ 98,860,279</u>	<u>\$ 99,123,279</u>

Overall, the capital assets decreased \$263,000 from fiscal year 2010 to fiscal year 2011. This decrease in net assets is due to the excise of equipment. For more detailed information, please refer to Note 6 in the Notes to the Basic Financial Statements.

**Debt Administration**

As of June 30, 2011 the District had \$52,833,261 of outstanding debt. Of this amount, \$2,049,302 is for compensated absences, \$478,959 for bus and equipment leases, and the balance of \$50,305,000 for bonds for school construction.

At June 30, 2011, the District's overall legal debt limit was \$200,452,819 and the unvoted debt margin was \$150,147,818. For more detailed information, please refer to Note 7 in the Notes to the Basic Financial Statements. Following is a listing of all bond issues for which the District is currently paying debt service.

	<u>Date of Issue</u>	<u>Original Amount of Issue</u>	<u>Balance Remaining</u>
General Obligation Bonds - 2003	12/15/03	34,500,000	15,010,000
General Obligation Bonds - 2004	10/15/04	18,995,000	15,985,000
General Obligation Bonds - 2006	10/01/06	9,695,000	9,615,000
General Obligation Bonds - 2007	01/05/07	9,795,000	9,695,000

**For the Future**

- It is the opinion of the Superintendent and Business Administrator that while the Manalapan-Englishtown Regional School District has historically maintained a strong financial position we will be facing a more difficult financial situation due to the state's inability to fund the current school funding formula. The District is proud of the community's support of its public schools.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
ENGLISHTOWN, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED (CONTINUED)

- Key areas of concern are the decreased state funding, the new funding formula for schools that was enacted in January 2008 and the continued necessary increased reliance on local property taxes. Manalapan-Englishtown Regional is primarily a residential community with very few commercial ratables; thus the burden is focused on homeowners to bear the tax burden.
- With the continued concern over property taxes it is important to highlight the areas of either shared services or buying cooperatives in an effort to reduce expenses. These areas include utilizing Educational Data Services, Middlesex Regional Educational Services Commission, Monmouth Ocean Educational Services Commission, and Manalapan Township Refuse & Recycling Co-Op for the purchase of classroom supplies, art supplies, maintenance supplies, copy paper, and other services. As part of the 1998 bond referendum, the district built a new fuel facility at the Wemrock School site; this includes a fully operating maintenance center and includes bus washing capabilities, which the district will offer to neighboring districts as part of on-going cost efficiencies. The District is exploring further opportunities for future purchases jointly with other districts within the Freehold Regional area.
- In conclusion, the Manalapan-Englishtown Regional Public School District has committed itself to financial excellence for many years. In addition, the District's system for financial planning, budgeting and internal financial controls are well regarded. The District plans to continue its sound fiscal management practices to meet the challenges of the future.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the school district's finances and to show the school district's accountability for the money it receives. If you have questions about this report or need additional information, contact Veronica Wolf, School Business Administrator/Board Secretary, Manalapan-Englishtown Regional Board of Education, 54 Main Street, Englishtown, NJ 07746 or e-mail [vwolf@mers.k12.nj.us](mailto:vwolf@mers.k12.nj.us).

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

The statements of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District; except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business type activities of the District.



**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Statement of Net Assets**  
**June 30, 2011**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 9,443,423	\$ 279,413	\$ 9,722,836
Receivables, net	12,468	2,002	14,470
Receivables - state	1,611,969	-	1,611,969
Receivables - other governments	513,586	17,993	531,579
Inventory	-	28,436	28,436
Bond defeasance cost	365,000	-	365,000
Deferred bond issuance costs, net	190,791	-	190,791
Capital assets, net (Note 6):	98,860,279	371,425	99,231,704
Total assets	<u>110,997,516</u>	<u>699,269</u>	<u>111,696,785</u>
<b>LIABILITIES</b>			
Accounts payable	1,131,166	80,156	1,211,322
Accrued expenses	-	-	-
Accrued bond interest	417,395	-	417,395
Other current liabilities	1,825,851	-	1,825,851
Deferred revenue	70,893	12,488	83,381
Noncurrent liabilities (Note 7):			
Due within one year	2,245,432	-	2,245,432
Due beyond one year	50,587,829	-	50,587,829
Total liabilities	<u>56,278,566</u>	<u>92,644</u>	<u>56,371,210</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	48,214,716	371,425	48,586,141
Restricted for:			
Debt service	1,810	-	1,810
Capital projects	2,397,817	-	2,397,817
Other purposes	6,244,982	-	6,244,982
Unrestricted	(2,140,375)	235,200	(1,905,175)
Total net assets	<u>\$ 54,718,950</u>	<u>\$ 606,625</u>	<u>\$ 55,325,575</u>

See accompanying notes to basic financial statements.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
Statement of Activities  
For the Fiscal Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
Current:							
Regular instruction	\$ 33,965,643	\$ -	\$ 2,859,977	\$ -	\$ (31,105,666)	\$ -	\$ (31,105,666)
Special schools instruction	11,552,809	-	1,799,463	-	(9,753,346)	-	(9,753,346)
Other special instruction	2,679,122	-	159,905	-	(2,519,217)	-	(2,519,217)
Nonpublic school programs	30,818	-	32,657	-	1,839	-	1,839
Support services and undistributed costs:							
Tuition	1,776,313	-	-	-	(1,776,313)	-	(1,776,313)
Student & instruction related services	6,291,708	-	375,525	-	(5,916,183)	-	(5,916,183)
General administration	1,195,452	-	370,973	-	(824,479)	-	(824,479)
School administrative services	2,771,894	-	165,442	-	(2,606,452)	-	(2,606,452)
Central services	972,595	-	58,050	-	(914,545)	-	(914,545)
Administrative information technology	390,333	-	23,297	-	(367,036)	-	(367,036)
Plant operations & maintenance	7,355,550	-	439,021	-	(6,916,529)	-	(6,916,529)
Pupil transportation	5,723,635	-	341,619	-	(5,382,016)	-	(5,382,016)
Other support services	-	-	-	-	-	-	-
Special schools	-	-	-	-	-	-	-
Interest on long-term debt	3,054,333	-	182,300	-	(2,872,033)	-	(2,872,033)
Unallocated depreciation	-	-	-	-	-	-	-
Total governmental activities	<u>77,760,205</u>	<u>-</u>	<u>6,808,229</u>	<u>-</u>	<u>(70,951,976)</u>	<u>-</u>	<u>(70,951,976)</u>
Business-type activities:							
Food service	1,851,344	1,494,172	360,597	-	-	3,425	3,425
Total business-type activities	<u>1,851,344</u>	<u>1,494,172</u>	<u>360,597</u>	<u>-</u>	<u>-</u>	<u>3,425</u>	<u>3,425</u>
Total primary government	<u>\$ 79,611,549</u>	<u>\$ 1,494,172</u>	<u>\$ 7,168,826</u>	<u>\$ -</u>	<u>\$ (70,951,976)</u>	<u>\$ 3,425</u>	<u>\$ (70,948,551)</u>
<b>General revenues:</b>							
Taxes:							
Property taxes levied for general purpose					49,550,724	-	49,550,724
Taxes levied for debt service					3,500,861	-	3,500,861
Federal and state aid - not restricted					18,590,865	-	18,590,865
State aid - restricted					550,090	-	550,090
Miscellaneous income					300,431	-	300,431
Investment earnings					5,380	-	5,380
Total general revenues, special items, extraordinary items and transfers					<u>72,498,351</u>	<u>-</u>	<u>72,498,351</u>
<b>Change in net assets</b>					1,546,375	3,425	1,549,800
<b>Net assets—beginning</b>					53,172,575	603,200	53,775,775
<b>Net assets—ending</b>					<u>\$ 54,718,950</u>	<u>\$ 606,625</u>	<u>\$ 55,325,575</u>

See accompanying notes to basic financial statements.

## **FUND FINANCIAL STATEMENTS**

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



**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2011**

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,989,348	\$ -	\$ 1,412,454	\$ 380,663	\$ 5,782,465
Receivables, net	-	12,468	-	-	12,468
Due from other funds	728,540	-	-	-	728,540
Receivables from other governments	573,576	513,586	1,038,393	-	2,125,555
Restricted cash and cash equivalents	3,660,958	-	-	-	3,660,958
<b>Total assets</b>	<b>\$ 8,952,422</b>	<b>\$ 526,054</b>	<b>\$ 2,450,847</b>	<b>\$ 380,663</b>	<b>\$ 12,309,986</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	1,014,246	63,890	53,030	-	1,131,166
Interfund payable	-	349,687	-	378,853	728,540
Payable to state government	-	53,297	-	-	53,297
Deferred revenue	28,113	42,780	-	-	70,893
Other current liabilities	1,756,154	16,400	-	-	1,772,554
<b>Total liabilities</b>	<b>2,798,513</b>	<b>526,054</b>	<b>53,030</b>	<b>378,853</b>	<b>3,756,450</b>
Fund Balances:					
Restricted for:					
Excess surplus	587,514	-	-	-	587,514
Excess surplus -- designated for Subsequent year's expenditures	657,729	-	-	-	657,729
Maintenance reserve account	1,600,000	-	-	-	1,600,000
Capital reserve account	2,060,958	-	-	-	2,060,958
Debt service fund	-	-	-	1,810	1,810
Capital Projects	-	-	777,951	-	777,951
Committed to:					
Other purposes	963,782	-	1,619,866	-	2,583,648
Assigned to:					
Designated by the BOE for subsequent year's expenditures	374,999	-	-	-	374,999
Unreserved, reported in:					
General fund	(91,073)	-	-	-	(91,073)
Capital projects fund	-	-	-	-	-
Permanent fund	-	-	-	-	-
<b>Total Fund balances</b>	<b>6,153,909</b>	<b>-</b>	<b>2,397,817</b>	<b>1,810</b>	<b>8,553,536</b>
<b>Total liabilities and fund balances</b>	<b>\$ 8,952,422</b>	<b>\$ 526,054</b>	<b>\$ 2,450,847</b>	<b>\$ 380,663</b>	

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 \$135,390,854 and the accumulated depreciation is \$36,530,575. 98,860,279

The costs associated with the issues of the various bonds are expensed in the governmental funds in the year the bonds are issued, but are capitalized in the Statement of Net Assets. The bond issuance costs are \$559,255 and the accumulated amortization is \$368,464. 190,791

Accrued bond interest (417,395)

Bond defeasance cost are \$1,095,000 and the accumulated amortization is \$730,000. 365,000

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (52,833,261)

Net assets of governmental activities \$ 54,718,950

**MANALAPAN-ENGLISHTOWN REGIONAL 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	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 49,550,724	\$ -	\$ -	\$ 3,500,861	\$ 53,051,585
Tuition charges	-	-	-	-	-
Interest on investments	2,350	-	1,382	-	3,732
Interest earned on capital reserve funds	1,648	-	-	-	1,648
Miscellaneous	276,650	19,532	-	-	296,182
Total - Local Sources	49,831,372	19,532	1,382	3,500,861	53,353,147
State sources	23,126,015	47,010	-	550,090	23,723,115
Federal sources	-	2,206,537	-	-	2,206,537
Total revenues	<u>72,957,387</u>	<u>2,273,079</u>	<u>1,382</u>	<u>4,050,951</u>	<u>79,282,799</u>
<b>EXPENDITURES</b>					
Current:					
Regular instruction	22,951,719	832,713	-	-	23,784,432
Special education instruction	7,841,838	1,109,926	-	-	8,951,764
Other special instruction	2,011,394	-	-	-	2,011,394
Nonpublic school programs	-	30,818	-	-	30,818
Support services and undistributed costs:					
Tuition	1,776,313	-	-	-	1,776,313
Student & instruction related services	6,094,814	-	-	-	6,094,814
General administration	921,129	272,823	-	-	1,193,952
School administrative services	2,752,470	-	-	-	2,752,470
Central services	972,595	-	-	-	972,595
Administrative information technology	390,333	-	-	-	390,333
Plant operations & maintenance	7,404,814	-	-	-	7,404,814
Pupil transportation	5,728,581	-	-	-	5,728,581
Employee benefits	11,128,801	-	-	-	11,128,801
Debt service:					
Principal	-	-	-	1,750,000	1,750,000
Interest and other charges	-	-	-	2,300,949	2,300,949
Capital outlay	1,457,468	26,799	1,422,281	-	2,906,548
Total expenditures	<u>71,432,269</u>	<u>2,273,079</u>	<u>1,422,281</u>	<u>4,050,949</u>	<u>79,178,578</u>
Excess (Deficiency) of revenues over expenditures	<u>1,525,118</u>	<u>-</u>	<u>(1,420,899)</u>	<u>2</u>	<u>104,221</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital leases	117,599	-	-	-	117,599
Transfer in	-	-	-	1,382	1,382
Transfers out	-	-	(1,382)	-	(1,382)
Total other financing sources and uses	<u>117,599</u>	<u>-</u>	<u>(1,382)</u>	<u>1,382</u>	<u>117,599</u>
Net change in fund balances	1,642,717	-	(1,422,281)	1,384	221,820
Fund balance—July 1	4,511,192	-	3,820,098	426	8,331,716
Fund balance—June 30	<u>\$ 6,153,909</u>	<u>\$ -</u>	<u>\$ 2,397,817</u>	<u>\$ 1,810</u>	<u>\$ 8,553,536</u>

See accompanying notes to basic financial statements.

**MANALAPAN-ENGLISHTOWN REGIONAL 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**

<b>Total net change in fund balances - governmental funds (from B-2)</b>	<b>\$</b>	<b>221,820</b>
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
	Depreciation expense	2,912,007
	Capital outlays	<u>(3,390,984)</u>
		(478,977)
<p>In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed.</p>		
	Accumulated depreciation on capital assets sold or retired during the fiscal year ended June 30, 2011	(3,817,955)
	Cost basis of capital assets sold or retired during the fiscal year ended June 30, 2011	<u>4,010,151</u>
		192,196
<p>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.</p>		
		1,750,000
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The change in accrued interest is an addition to the reconciliation.</p>		
		9,485
<p>In the Statement of Net Assets, the bond defeasance costs is capitalized as an other asset. In the governmental funds, the cost is amortized.</p>		
		(634,187)
<p>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.</p>		
		(13,162)
<p>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)</p>		
		213,023
<p>In the Statement of Activities, the payment for litigation settlement is recorded as a reduction in the long-term liability. In the governmental funds, the payments is an expenditure.</p>		
		253,954
<p>In the statement of activities, the fair market value of donated capital assets should be recognized as revenue in the period when all eligibility requirements are met (typically in the period when ownership is transferred). In the Governmental Funds, however, the fair market value of these donated assets are not reported as an increase in financial resources.</p>		
		23,781
<p>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. When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p>		
		<u>8,442</u>
<b>Change in net assets of governmental activities</b>	<b>\$</b>	<b><u>1,546,375</u></b>

See accompanying notes to basic financial statements.

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2011**

			Business-type-activities- Enterprise Funds
			Food Service
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$	279,413	
Investments		-	
Accounts receivable		17,993	
Other receivables		2,002	
Inventories		28,436	
Total current assets		327,844	
Noncurrent assets:			
Building improvements		192,533	
Furniture, machinery & equipment		1,303,303	
Less accumulated depreciation		(1,124,411)	
Total noncurrent assets		371,425	
Total assets	\$	699,269	
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$	80,156	
Deferred revenue		12,488	
Compensated absences		-	
Total current liabilities		92,644	
Noncurrent liabilities:			
Compensated absences		-	
Total noncurrent liabilities		-	
Total liabilities		92,644	
<b>NET ASSETS</b>			
Invested in capital assets net of related debt		371,425	
Restricted for:			
Capital projects		-	
Unrestricted		235,200	
Total net assets		606,625	
Total liabilities and net assets	\$	699,269	

See accompanying notes to basic financial statements.

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2011**

		<u>Business-type Activities - Enterprise Fund</u>
		<u>Food Service</u>
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$	844,570
Daily sales - non-reimbursable programs		639,863
Special functions		9,739
Total operating revenues		<u>1,494,172</u>
Operating expenses:		
Cost of sales		858,345
Salaries		529,810
Employee benefits		176,070
Other purchased professional services		129,562
Cleaning, repair and maintenance services		40,793
Miscellaneous expense		7,202
General supplies		43,011
Depreciation		66,551
Total Operating Expenses		<u>1,851,344</u>
Operating income (loss)		<u>(357,172)</u>
Nonoperating revenues (expenses):		
State sources:		
State school lunch program		22,205
Federal sources:		
National school lunch program		250,405
Special milk program		5,977
Food distribution program		81,889
Interest and investment revenue		121
Total nonoperating revenues (expenses)		<u>360,597</u>
Change in net assets		3,425
Total net assets—beginning		<u>603,200</u>
Total net assets—ending	\$	<u>606,625</u>

See accompanying notes to basic financial statements.

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Food Services Enterprise Fund**  
**Statement of Cash Flows**  
**for the Fiscal Year ended June 30, 2011**

	<b>Food Service</b>
Cash Flows from Operating Activities:	
Receipts from customers and other funds	\$ 1,497,835
Payments to employees	(529,810)
Payments for employee benefits	(176,070)
Payments to suppliers	(1,035,052)
Net cash used for operating activities	(243,097)
Cash Flows from Noncapital Financing Activities	
State sources	22,205
Federal sources	256,382
Net cash provided by noncapital financing activities	278,587
Cash Flows from Capital and Related Financing Activities	
Purchases of fixed assets	(37,253)
Net cash used for capital and related financing activities	(37,253)
Cash Flows from Investing Activities	
Interest on investments	121
Net cash provided by investing activities	121
Net increase (decrease) in cash and cash equivalents	(1,642)
Balances-beginning of the year	281,055
Balances-end of the year	\$ 279,413
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating loss	\$ (357,172)
Adjustments to reconcile operating loss to cash used by operating activities:	
Depreciation	66,551
Federal commodities	81,889
Change in assets and liabilities:	
Decrease (increase) in interfund receivable	3,225
Decrease (increase) in accounts receivable	438
Decrease (increase) in inventory	(5,782)
Increase (decrease) in accounts payable	(32,246)
Total adjustments	114,075
Net cash used by operating activities	\$ (243,097)

See accompanying notes to basic financial statements.

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Statement of Fiduciary Net Assets**  
**June 30, 2011**

	Trust			Agency			
	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Total Trust Fund	Student Activity	Payroll	Flex Spending	Total Agency
<b>ASSETS</b>							
Cash and cash equivalents	\$ 600,982	\$ 3,540	\$ 604,522	\$ 49,497	\$ 123,911	\$ 26,390	\$ 199,798
Other Accounts Receivable	-	-	-	-	-	-	-
Intrafund receivable	68,844	-	68,844	-	-	-	-
Total assets	<u>669,826</u>	<u>3,540</u>	<u>673,366</u>	<u>\$ 49,497</u>	<u>\$ 123,911</u>	<u>\$ 26,390</u>	<u>\$ 199,798</u>
<b>LIABILITIES</b>							
Accounts payable	25,748	-	25,748	-	14	-	14
Payroll deductions and withholdings	-	-	-	-	55,053	26,390	81,443
Payable to student groups	-	-	-	49,497	-	-	49,497
Intrafund payable	-	-	-	-	68,844	-	68,844
Other current liabilities	-	-	-	-	-	-	-
Total liabilities	<u>\$ 25,748</u>	<u>\$ -</u>	<u>\$ 25,748</u>	<u>\$ 49,497</u>	<u>\$ 123,911</u>	<u>\$ 26,390</u>	<u>\$ 199,798</u>
<b>NET ASSETS</b>							
Held in trust for unemployment claims and other purposes	644,078	-	644,078				
Reserved for scholarships	-	3,540	3,540				
Total net assets	<u>644,078</u>	<u>3,540</u>	<u>647,618</u>				
Total liabilities and net assets	<u>\$ 669,826</u>	<u>\$ 3,540</u>	<u>\$ 673,366</u>				

See accompanying notes to basic financial statements.

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2011**

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Total Trusts
<b>ADDITIONS</b>			
Contributions:			
Plan member	\$ 68,844	\$ -	\$ 68,844
Other	300,000	-	300,000
Total Contributions	<u>368,844</u>	<u>-</u>	<u>-</u>
Investment earnings:			
Net increase (decrease) in fair value of investments	-	-	-
Interest	211	-	211
Dividends	-	-	-
Less investment expense	-	-	-
Net investment earnings	<u>211</u>	<u>-</u>	<u>-</u>
Total additions	<u>369,055</u>	<u>-</u>	<u>-</u>
<b>DEDUCTIONS</b>			
Quarterly contribution reports	-	-	-
Unemployment claims	446,151	-	446,151
Scholarships awarded	-	-	-
Refunds of contributions	-	-	-
Administrative expenses	1,491	-	1,491
Total deductions	<u>447,642</u>	<u>-</u>	<u>-</u>
Change in net assets	(78,587)	-	(78,587)
Net assets—beginning of the year	<u>722,665</u>	<u>3,540</u>	<u>726,205</u>
Net assets—end of the year	<u>\$ 644,078</u>	<u>\$ 3,540</u>	<u>647,618</u>

See accompanying notes to basic financial statements.

# MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

## Notes to Basic Financial Statements

June 30, 2011

### 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Manalapan-Englishtown Regional School District (District) is organized under the Constitution of the State of New Jersey. The District operates under a locally elected Board form of government consisting of nine members elected to three-year terms, which are staggered. The District provides educational services as authorized by state and federal guidelines.

The District serves an area of 32 square miles. It is located in Monmouth County and provides education for all of Manalapan-Englishtown Regional's students in grades K through 8. The District currently operates eight instructional buildings, a transportation depot, buildings and grounds office, and an administrative building. The District services approximately 5,200 students and is one of the largest K through 8 Districts in Monmouth County.

#### A. Reporting Entity

The Board of Education (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 operations of the District include an early learning center, five elementary schools and two middle schools located in Manalapan and Englishtown, New Jersey.

In evaluating how to define the governmental reporting entity, the District follows the provisions of GASB Statement No. 14 as amended by GASB 39, *The Financial Reporting Entity*, under which the financial statements include all the organizations, activities, functions and component units for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's Board and either (1) the District's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the District. On this basis, the District's financial reporting entity has no component units.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board 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.

#### A. 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-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.

# MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

## Notes to Basic Financial Statements

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

#### A. Basis of Presentation (continued)

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

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

The District reports the following governmental funds:

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

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

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 capital 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.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

Notes to Basic Financial Statements

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

**A. Basis of Presentation (continued)**

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

Equipment	5-20 Years
-----------	------------

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 Student Activities Fund, Payroll Agency Fund, Unemployment Compensation Insurance Trust Fund and Private Purpose Trust Funds.

# MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

## Notes to Basic Financial Statements

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

#### B. Basis of Accounting

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 2.c.). 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.

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

#### C. Property Taxes

Ad Valorem (Property) Taxes are susceptible to accrual as per New Jersey State Statute whereby 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".

#### D. 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.

# MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

## Notes to Basic Financial Statements

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

#### D. Budgets/Budgetary Control (continued)

All budget amendments must be approved by School Board resolution. Budget amendments were made during the year ended June 30, 2011.

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.

#### E. 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.

#### F. 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.

#### G. Interfund Activity

Transfers between governmental and business-type activities on the district-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

Notes to Basic Financial Statements

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

**G. Interfund Activity (continued)**

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net assets, except for amounts between governmental and business-type activities or governmental and agency funds, which are presented as internal balances.

**H. Allowances for Uncollectible Accounts**

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

**I. 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.

**J. Capital Assets**

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

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Building	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, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

Notes to Basic Financial Statements

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

**K. 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.

**L. Deferred Revenue**

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

**M. Accrued Liabilities and Long-Term Obligations**

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

**N. 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 in the District-wide financial 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.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

Notes to Basic Financial Statements

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

**O. Fund Balance Reserves**

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.

**P. 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.

# MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

## Notes to Basic Financial Statements

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

#### Q. 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.

#### R. 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.

#### S. Allocation of Indirect Expense

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

### 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with 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.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

Notes to Basic Financial Statements

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

Deposits:

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

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

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

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

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. The District's cash and cash equivalents are classified below to inform financial statement users about the extent to which a government's deposits and investments are exposed to custodial credit risk. Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" (GASB 40), the District's operating cash 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 and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the 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. As of June 30, 2011 all of the District's deposits, except as noted below, were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk.

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

As of June 30, 2011, the carrying amount of the District's deposits for all funds was \$10,527,356 and the bank balance was \$11,455,054. All bank deposits, as of the balance sheet date are entirely insured or collateralized by a collateral pool maintained by public depositories as required by GUDPA.

Investments:

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives that have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

Notes to Basic Financial Statements

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives that have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

As of June 30, 2011, the District's Cash and Cash Equivalents consisted of the following:

	Cash and Cash Equivalents
	<u>                    </u>
Checking Accounts	8,459,161
Capital Reserve	2,060,958
N.J. CMF(Money Market)	7,037
Change Funds	<u>200</u>
Totals	<u>10,527,356</u>

The fiduciary funds had a balance of \$804,320 at June 30, 2011.

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 other than depositing all of its funds in banks covered by GUDPA.

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. RESTRICTED CASH RESERVES**

**A. Capital Reserve Account**

A capital reserve account was established by the District during fiscal year 2001-2002 in which it deposited \$100,000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the District's Long Range Facilities Plan, ("LRFP"). Upon submission of the LRFP to the department, a district may deposit funds by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.12(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

Notes to Basic Financial Statements

**4. RESTRICTED CASH RESERVES (CONTINUED)**

**A. Capital Reserve Account (Continued)**

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	\$778,364
Interest earnings	1,648
Deposit - June 14, 2011	2,000,000
Withdrawals	<u>719,054</u>
Ending balance, June 30, 2011	<u>\$2,060,958</u>

The June 30, 2009 LRFP balance of local support costs of uncompleted capital projects is \$3,978,750. There were no withdrawals from the capital reserve for DOE approved facilities projects.

**B. Maintenance Reserve**

A maintenance reserve account was established by the District during fiscal year 2007-2008 in which it deposited \$484,791 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The District approved a transfer in June 2009 to the maintenance reserve in the amount of \$600,000. The District withdrew \$484,791 during the 2009-2010 school year for required maintenance projects. The District approved a transfer in June 2010 to the maintenance reserve in the amount of \$500,000. The District withdrew \$600,000 during the 2010-2011 school year for required maintenance projects.

The District approved a transfer in June 2011 to the maintenance reserve in the amount of \$1,100,000. The balance in the maintenance reserve at June 30, 2011 is \$1,600,000.

**C. Emergency Reserve**

An emergency reserve account was established by the District during fiscal year 2008-2009 in which it deposited \$250,000 for the accumulation of funds for use as emergency expenditures in subsequent fiscal years. The District withdrew \$250,000 during the 2010-2011 school year as approved in the budget. The balance in the emergency reserve at June 30, 2011 is \$0.

**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:

	<b>Governmental Fund Financial Statements</b>	<b>District-Wide financial Statements</b>
Property Taxes	\$ -	\$ -
State Aid	1,611,969	3,375,230
Federal Aid	513,586	513,586
Other	<u>12,468</u>	<u>12,468</u>
Gross Receivables	2,138,023	3,901,284
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, Net	<u>2,138,023</u>	<u>3,901,284</u>

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

Notes to Basic Financial Statements

6. CAPITAL ASSETS

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

	Balance 6/30/2010	Transfers/ Additions	Transfers/ Retirements	Balance 6/30/2011
<b>Governmental Activities:</b>				
Capital assets not being depreciated				
Land and land improvements	\$ 9,747,190	\$ -	\$ -	\$ 9,747,190
Construction in progress	5,227,282	1,460,157	(148,446)	6,538,993
Total capital assets not being depreciated	14,974,472	1,460,157	(148,446)	16,286,183
Capital assets being depreciated				
Building and building imprvmts	106,372,871	531,223	(184,070)	106,720,024
Machinery & equipment	14,949,664	1,261,064	(3,826,081)	12,384,647
Totals at historical cost	121,322,535	1,792,287	(4,010,151)	119,104,671
Less accumulated depreciation for:				
Building and bldg & land imprvmts	(24,637,596)	(2,370,264)	-	(27,007,860)
Machinery & equipment	(12,536,132)	(541,743)	3,555,160	(9,522,715)
Total accumulated depreciation	(37,173,728)	(2,912,007)	3,555,160	(36,530,575)
Total capital assets being depreciated, net of accumulated depreciation	84,148,807	(1,119,720)	(454,991)	82,574,096
Governmental activity capital assets, net	<u>\$ 99,123,279</u>	<u>\$ 340,437</u>	<u>\$ (603,437)</u>	<u>\$ 98,860,279</u>
<b>Business-type Activities:</b>				
Capital assets being depreciated				
Building improvements	\$ 192,533	\$ -	\$ -	\$ 192,533
Machinery & equipment	1,266,050	37,253	-	1,303,303
Totals at historical cost	1,458,583	37,253	-	1,495,836
Less accumulated depreciation for:				
Building improvements	(83,580)	(9,627)	-	(93,207)
Machinery & equipment	(974,280)	(56,924)	-	(1,031,204)
Total accumulated depreciation	(1,057,860)	(66,551)	-	(1,124,411)
Enterprise fund capital assets, net	<u>\$ 400,723</u>	<u>\$ (29,298)</u>	<u>\$ -</u>	<u>\$ 371,425</u>

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 2,176,627
Special instruction	152,709
Student & instruction services	196,894
General administration	1,500
School administration	19,424
Plant operations & maintenance	124,405
Student transportation	240,448
Total depreciation expense	<u>\$ 2,912,007</u>

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

Notes to Basic Financial Statements

**7. LONG-TERM LIABILITIES**

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

	Balance 6/30/2010	Increase	Decrease	Balance 6/30/2011	Due Within One Year
Bonds Payable	\$ 52,055,000	\$ -	\$ 1,750,000	\$ 50,305,000	\$ 1,830,000
Obligations under capital leases	691,982	117,599	330,622	478,959	297,524
Compensated absences payable	2,057,744	130,316	138,758	2,049,302	117,908
	<u>\$ 54,804,726</u>	<u>\$ 247,915</u>	<u>\$ 2,219,380</u>	<u>\$ 52,833,261</u>	<u>\$ 2,245,432</u>

**A. Bonds Payable**

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

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

Year ending June 30,	Principal	Interest	Total
2012	\$ 1,830,000	\$ 2,215,524	\$ 4,045,524
2013	1,915,000	2,126,524	4,041,524
2014	2,015,000	2,041,168	4,056,168
2015	2,090,000	1,963,143	4,053,143
2016	2,160,000	1,871,556	4,031,556
2017-2026	28,740,000	11,768,134	40,508,134
2027-2029	11,555,000	726,006	12,281,006
	<u>\$ 50,305,000</u>	<u>\$ 22,712,055</u>	<u>\$ 73,017,055</u>

**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 buses and equipment totaling \$1,617,579, with a net book value of \$280,169 under capital leases. All capital leases are for terms of two to five years. The following is a schedule of the future minimum leases payments under capital leases and the present value of the net minimum leases payments as of June 30, 2011:

	Fiscal Year Ended June 30,	Amount of Lease
	2012	297,524
	2013	213,772
Total of Minimum Lease Payments		\$ 511,296
Less: amount representing interest		32,337
Present value of net minimum lease pmts		<u>\$ 478,959</u>

# MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

## Notes to Basic Financial Statements

### 8. PENSION PLANS

#### Description of Systems:

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

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

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan.

Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

## MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

### Notes to Basic Financial Statements

#### **8. PENSION PLANS (CONTINUED)**

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

During the fiscal year ended June 30, 2011, the State of New Jersey contributed \$2,207,932 to the TPAF for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,327,218 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 basic financial statements as a revenue and expenditure in accordance with GASB 24.

#### **9. POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits of those State employees who retire after reaching age 60 and accumulating 25 years of credited service. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits thru 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.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service.

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. 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 Statement of Net Assets.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

Notes to Basic Financial Statements

**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 Investment Planning, Inc.  
Equitable

**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. There have been no significant reductions in insurance coverage from prior year and no settlements have exceeded insurance coverage's over the past three years.

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

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2010-2011	\$ 300,211	\$ 68,844	\$ 446,151	\$ 644,078
2009-2010	250,120	74,002	155,402	722,665
2008-2009	7,084	74,162	99,278	555,235

**13. INTERFUND BALANCES AND ACTIVITY**

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

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 728,540	\$ -
Special Revenue Fund	-	349,687
Debt Service Fund	-	378,853
	<u>\$ 728,540</u>	<u>\$ 728,540</u>

The General Fund had to fund Special Revenue and Debt Service Funds for shortages due to the delay in the District receiving State aid funds. All interfund balances are expected to be repaid within one year.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

Notes to Basic Financial Statements

**14. INVENTORY**

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

Food	\$	16,114
Supplies		6,970
Commodities		5,352
	\$	<u>28,436</u>

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

**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 \$6,153,909 General Fund balance at June 30, 2011, \$963,782 of encumbrances is committed to other purposes, \$587,514 is restricted for excess surplus, \$657,729 is restricted for excess surplus designated for subsequent year's expenditures, \$374,999 is assigned to offset 2011-12 general fund expenditures, \$2,060,958 is restricted for capital reserve, \$1,600,000 is restricted for maintenance reserve, and \$(91,073) is unreserved and undesignated.

**17. DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$91,073 in the General Fund as of June 30, 2011 as reported in the fund statements. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district can not recognize the June state aid payments (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in June payments of state aid until the following fiscal year is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$1,145,132 is less than the two state aid payments.

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT

Notes to Basic Financial Statements

**18. 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 \$587,514.

**19. 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.

**20. 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



**BUDGETARY COMPARISON SCHEDULES**



**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 49,550,724	\$ -	\$ 49,550,724	\$ 49,550,724	\$ -
Interest	-	-	-	2,350	2,350
Interest earned on capital reserve funds	1,000	-	1,000	1,648	648
Miscellaneous	561,721	-	561,721	276,650	(285,071)
<b>Total - local sources</b>	<b>50,113,445</b>	<b>-</b>	<b>50,113,445</b>	<b>49,831,372</b>	<b>(282,073)</b>
State sources:					
Equilization aid	13,316,882	-	13,316,882	13,316,882	-
Transportation aid	1,234,642	-	1,234,642	1,234,642	-
Special education aid	2,928,266	-	2,928,266	2,928,266	-
Security aid	403,346	-	403,346	403,346	-
Extraordinary aid	145,000	-	145,000	303,476	158,476
Other state aid	-	-	-	33,122	33,122
TPAF post retirement medical (on-behalf - Non-budgeted)	-	-	-	2,207,932	2,207,932
TPAF social security (reimbursed - Non-budgeted)	-	-	-	2,327,218	2,327,218
<b>Total state sources</b>	<b>18,028,136</b>	<b>-</b>	<b>18,028,136</b>	<b>22,754,884</b>	<b>4,726,748</b>
<b>Total revenues</b>	<b>68,141,581</b>	<b>-</b>	<b>68,141,581</b>	<b>72,586,256</b>	<b>4,444,675</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Preschool/Kindergarten - Salaries of teachers	776,137	34,997	811,134	786,654	24,480
Grades 1-5 - Salaries of teachers	10,164,612	(352,825)	9,811,787	9,726,108	85,679
Grades 6-8 - Salaries of teachers	7,813,564	(308,116)	7,505,448	7,457,775	47,673
<b>Regular Programs - Home Instruction:</b>					
Salaries of teachers	50,000	-	50,000	37,340	12,660
Purchased professional-educational services	5,000	-	5,000	4,974	26
<b>Regular Programs - Undistributed Instruction</b>					
Other salaries for instruction	-	33,755	33,755	33,755	-
Purchased professional-educational services	18,000	(690)	17,310	16,646	664
Purchased technical services	9,600	(8,735)	865	865	-
Other purchased services (400-500 series)	308,110	(890)	307,220	290,801	16,419
General supplies	1,015,991	365,372	1,381,363	1,225,278	156,085
Textbooks	6,500	196,353	202,853	104,394	98,459
Other objects	-	1,843	1,843	1,821	22
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>20,167,514</b>	<b>(38,936)</b>	<b>20,128,578</b>	<b>19,686,411</b>	<b>442,167</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of teachers	654,974	(459,468)	195,506	190,408	5,098
Other salaries for instruction	418,437	(45,780)	372,657	350,527	22,130
General supplies	2,000	197	2,197	2,035	162
<b>Total Learning and/or Language Disabilities</b>	<b>1,075,411</b>	<b>(505,051)</b>	<b>570,360</b>	<b>542,970</b>	<b>27,390</b>
<b>Multiple Disabilities:</b>					
Salaries of teachers	247,092	446,377	693,469	679,389	14,080
Other salaries for instruction	74,748	104,247	178,995	178,995	-
Purchased technical services	2,500	-	2,500	610	1,890
General supplies	2,750	-	2,750	-	2,750
<b>Total Multiple Disabilities</b>	<b>327,090</b>	<b>550,624</b>	<b>877,714</b>	<b>858,994</b>	<b>18,720</b>
<b>Resource Room/Resource Center:</b>					
Salaries of teachers	4,622,952	91,376	4,714,328	4,683,468	30,860
Other salaries for instruction	141,771	(6,558)	135,213	123,404	11,809
General supplies	7,500	-	7,500	1,506	5,994
<b>Total Resource Room/Resource Center</b>	<b>4,772,223</b>	<b>84,818</b>	<b>4,857,041</b>	<b>4,808,378</b>	<b>48,663</b>
<b>PSH</b>					
Salaries of teachers	634,054	(74,340)	559,714	501,753	57,961
Other salaries for instruction	254,397	(104,352)	150,045	127,500	22,545
General supplies	3,000	-	3,000	431	2,569
<b>Total PSH:</b>	<b>891,451</b>	<b>(178,692)</b>	<b>712,759</b>	<b>629,684</b>	<b>83,075</b>
<b>Home Instruction</b>					
Salaries of teachers	5,000	-	5,000	4,079	921
<b>Total Home Instruction:</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>	<b>4,079</b>	<b>921</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>7,071,175</b>	<b>(48,301)</b>	<b>7,022,874</b>	<b>6,844,105</b>	<b>178,769</b>

**MANALAPAN-ENGLISHTOWN REGIONAL 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
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of teachers	\$ 1,303,248	\$ -	\$ 1,303,248	\$ 1,299,557	\$ 3,691
General supplies	4,800	(593)	4,207	3,497	710
<b>Total Basic Skills/Remedial - Instruction</b>	<b>1,308,048</b>	<b>(593)</b>	<b>1,307,455</b>	<b>1,303,054</b>	<b>4,401</b>
<b>Bilingual Education - Instruction</b>					
Salaries of teachers	230,534	-	230,534	225,211	5,323
Purchased technical services	2,000	(2,000)	-	-	-
General supplies	2,000	-	2,000	1,789	211
<b>Total Bilingual Education - Instruction</b>	<b>234,534</b>	<b>(2,000)</b>	<b>232,534</b>	<b>227,000</b>	<b>5,534</b>
<b>School-Spon. Cocurricular Actvts. - Instruction</b>					
Salaries	186,334	-	186,334	88,509	97,825
Other purchased services (400-500 series)	17,350	(2,500)	14,850	9,104	5,746
Supplies and materials	-	2,500	2,500	1,150	1,350
Other objects	11,250	-	11,250	355	10,895
<b>Total School-Spon. Cocurric. Actvts. - Instruction</b>	<b>214,934</b>	<b>-</b>	<b>214,934</b>	<b>99,118</b>	<b>115,816</b>
<b>School-Spon. Athletics - Instruction</b>					
Salaries	94,862	-	94,862	89,446	5,416
Other purchased services (400-500 series)	10,500	-	10,500	9,818	682
Supplies and materials	13,500	-	13,500	8,490	5,010
Other objects	3,500	-	3,500	2,359	1,141
<b>Total School-Spon. Athletics - Instruction</b>	<b>122,362</b>	<b>-</b>	<b>122,362</b>	<b>110,113</b>	<b>12,249</b>
<b>Total Instruction</b>	<b>29,118,567</b>	<b>(89,830)</b>	<b>29,028,737</b>	<b>28,269,801</b>	<b>758,936</b>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to other LEAs within the state - Regular	-	26,664	26,664	26,664	-
Tuition to other LEAs within the state - Special	294,071	1,050	295,121	278,881	16,240
Tuition to CSSD & Regional Day Schools	268,647	-	268,647	175,266	93,381
Tuition to Private Schools for the Disabled - Within State	1,501,170	(280,000)	1,221,170	1,065,023	156,147
Tuition to Private Schools for the Disabled - Outside the State	-	280,000	280,000	230,479	49,521
Tuition - Other	111,594	(35,964)	75,630	-	75,630
<b>Total Undistributed Expenditures - Instruction:</b>	<b>2,175,482</b>	<b>(8,250)</b>	<b>2,167,232</b>	<b>1,776,313</b>	<b>390,919</b>
<b>Undist. Expend. - Health Services</b>					
Salaries	659,973	6,315	666,288	663,587	2,701
Purchased professional and technical services	27,775	-	27,775	19,604	8,171
Supplies and materials	27,300	-	27,300	14,643	12,657
<b>Total Undistributed Expenditures - Health Services</b>	<b>715,048</b>	<b>6,315</b>	<b>721,363</b>	<b>697,834</b>	<b>23,529</b>
<b>Undist. Expend. - Speech, OT, PT &amp; Related Services</b>					
Salaries of other professional staff	1,275,975	48,356	1,324,331	1,321,299	3,032
Purchased professional - educational services	23,600	9,300	32,900	15,086	17,814
General supplies	3,300	-	3,300	1,051	2,249
<b>Total Undist. Expend. - Speech, OT, PT &amp; Related Services</b>	<b>1,302,875</b>	<b>57,656</b>	<b>1,360,531</b>	<b>1,337,436</b>	<b>23,095</b>
<b>Undist. Expend. - Other Supp. Services - Stud. - Extraord. Ser.</b>					
Other salaries for instruction	606,603	43,142	649,745	642,319	7,426
Purchased professional - educational services	35,000	650	35,650	12,582	23,068
Supplies and materials	10,000	-	10,000	9,675	325
<b>Total Undist. Expend. - Other Supp. Serv. Stud. - Extraord. Ser.</b>	<b>651,603</b>	<b>43,792</b>	<b>695,395</b>	<b>664,576</b>	<b>30,819</b>
<b>Undist. Expend. - Guidance</b>					
Salaries of other professional staff	460,490	(6,007)	454,483	454,483	-
Salaries of secretarial and clerical assistants	46,262	-	46,262	46,262	-
Other purchased services (400-500 series)	-	21,432	21,432	21,432	-
Supplies and materials	61,200	(17,904)	43,296	27,973	15,323
<b>Total Undist. Expend. - Guidance</b>	<b>567,952</b>	<b>(2,479)</b>	<b>565,473</b>	<b>550,150</b>	<b>15,323</b>
<b>Undist. Expend. - Child Study Teams</b>					
Salaries of other professional staff	1,073,492	65,634	1,139,126	1,129,784	9,342
Salaries of secretarial and clerical assistants	130,069	-	130,069	130,069	-
Other purchased professional and technical services	25,500	-	25,500	10,732	14,768
Misc. purchased service	450	-	450	-	450
Supplies and materials	12,500	(1,884)	10,616	3,994	6,622
Other objects	800	-	800	100	700
<b>Total Undist. Expend. - Child Study Teams</b>	<b>1,242,811</b>	<b>63,750</b>	<b>1,306,561</b>	<b>1,274,679</b>	<b>31,882</b>
<b>Undist. Expend. - Improvement of Instruction Services</b>					
Salaries of supervisor of instruction	140,803	-	140,803	132,121	8,682
Salaries of other professional staff	130,152	-	130,152	119,802	10,350
Salaries of secretarial and clerical assist.	33,062	-	33,062	32,925	137
Other salaries	2,000	-	2,000	-	2,000
Other purchased services (400-500)	13,250	2,665	15,915	4,819	11,096
Supplies and materials	3,500	(3,000)	500	27	473
Other objects	2,600	-	2,600	1,754	846
<b>Total Undist. Expend. - Improvement of Instruction Services</b>	<b>325,367</b>	<b>(335)</b>	<b>325,032</b>	<b>291,448</b>	<b>33,584</b>
<b>Undist. Expend. - Educational Media Services/School Library</b>					
Salaries	944,551	(1)	944,550	943,465	1,085
Supplies and materials	44,750	(18)	44,732	41,787	2,945
Other objects	11,000	-	11,000	8,988	2,012
<b>Total Undist. Expend. - Ed. Media Services/School Library</b>	<b>1,000,301</b>	<b>(19)</b>	<b>1,000,282</b>	<b>994,240</b>	<b>6,042</b>

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Undist. Expend. - Instruction Staff Training Services</b>					
Salaries of supervisors of instruction	\$ 236,201	\$ (10,500)	\$ 225,701	\$ 198,061	\$ 27,640
Salaries of other professional staff	29,951	-	29,951	29,951	-
Salaries of secretarial & clerical assist.	49,593	-	49,593	49,388	205
Purchased professional - educational services	14,800	-	14,800	-	14,800
Other purchased services (400-500 series)	3,600	5,838	9,438	3,793	5,645
Supplies and materials	5,419	258	5,677	3,169	2,508
Other objects	500	300	800	89	711
<b>Total Undist. Expend. - Instruction Staff Training Services</b>	<b>340,064</b>	<b>(4,104)</b>	<b>335,960</b>	<b>284,451</b>	<b>51,509</b>
<b>Undist. Expend. - Support Service - General Administration</b>					
Salaries	227,998	(4,000)	223,998	221,310	2,688
Legal services	137,500	25,000	162,500	154,391	8,109
Audit fees	52,500	6,400	58,900	46,400	12,500
Architectural/Engineering Services	26,250	8,470	34,720	31,642	3,078
Other purchased professional services	49,650	(4,900)	44,750	34,650	10,100
Communications/Telephone	235,000	46,385	281,385	280,159	1,226
BOE Other Purchased Services	4,500	(1,500)	3,000	-	3,000
Misc purchased services (400-500 series)	169,622	(900)	168,722	83,819	84,903
General supplies	6,000	(300)	5,700	1,471	4,229
BOE In-House Training/Meeting Supplies	3,250	2,500	5,750	1,572	4,178
Judgements against the School District	-	35,000	35,000	35,000	-
Miscellaneous expenditures	5,250	-	5,250	4,052	1,198
Membership Dues and Fees	31,500	-	31,500	26,663	4,837
<b>Total Undist. Expend. - Support Service - Gen. Admin.</b>	<b>949,020</b>	<b>112,155</b>	<b>1,061,175</b>	<b>921,129</b>	<b>140,046</b>
<b>Undist. Expend. - Support Service - School Administration</b>					
Salaries of principals/Assistant principals	1,699,602	(2,880)	1,696,722	1,689,414	7,308
Salaries of other professional staff	211,157	1,481	212,638	212,638	-
Salaries of secretarial and clerical assistants	756,560	-	756,560	751,723	4,837
Other purchased services (400-500 series)	40,150	(4,264)	35,886	20,486	15,400
Supplies and materials	59,575	20,548	80,123	64,525	15,598
Other objects	19,000	1,523	20,523	13,684	6,839
<b>Total Undist. Expend. - Support Service - School Admin.</b>	<b>2,786,044</b>	<b>16,408</b>	<b>2,802,452</b>	<b>2,752,470</b>	<b>49,982</b>
<b>Undist. Expend. - Support Service - Central Services</b>					
Salaries	683,592	(30,000)	653,592	650,345	3,247
Purchased professional services	61,000	(7,010)	53,990	40,531	13,459
Purchased technical services	157,450	(33,075)	124,375	115,803	8,572
Miscellaneous purchased services	329,250	(147,354)	181,896	147,543	34,353
Supplies and materials	32,500	(11,171)	21,329	13,559	7,770
Other objects	4,500	1,200	5,700	4,814	886
<b>Total Undist. Expend. - Support Service - Central Services</b>	<b>1,268,292</b>	<b>(227,410)</b>	<b>1,040,882</b>	<b>972,595</b>	<b>68,287</b>
<b>Undist. Expend. - Support Service - Admin. Information Tech.</b>					
Salaries	165,267	-	165,267	165,267	-
Purchased technical services	137,000	68,564	205,564	187,489	18,075
Other purchased services	20,000	(7,795)	12,205	11,477	728
Supplies and materials	6,100	20,000	26,100	26,100	-
Other objects	1,300	(1,300)	-	-	-
<b>Total Undist. Expend. - Support Service - Admin. Info. Tech.</b>	<b>329,667</b>	<b>79,469</b>	<b>409,136</b>	<b>390,333</b>	<b>18,803</b>
<b>Undist. Expend. - Required Maintenance for School Facilities</b>					
Cleaning, repair and maintenance services	505,210	539,321	1,044,531	892,393	152,138
General supplies	183,750	7,460	191,210	144,265	46,945
Other objects	-	5,193	5,193	5,193,000	-
<b>Total Undist. Expend. - Required Maint. for School Facilities</b>	<b>688,960</b>	<b>551,974</b>	<b>1,240,934</b>	<b>1,041,851</b>	<b>199,083</b>
<b>Undist. Expend. - Custodial services</b>					
Salaries	3,242,859	1	3,242,860	3,146,553	96,307
Salaries of Non-instructional Aides	283,227	-	283,227	251,575	31,652
Purchased professional and technical services	20,000	(20,000)	-	-	-
Cleaning, repair and maintenance services	601,879	(68,628)	533,251	327,067	206,184
Other purchased property services	170,000	-	170,000	155,202	14,798
Insurance	313,273	(16,000)	297,273	288,215	9,058
Miscellaneous purchased services	-	1,000	1,000	-	1,000
General supplies	215,250	62,810	278,060	242,491	35,569
Energy - Natural gas	685,000	(181,507)	503,493	437,815	65,678
Energy - Electricity	1,310,000	(25,000)	1,285,000	1,074,536	210,464
Other objects	10,700	(60)	10,640	8,645	1,995
<b>Total Undist. Expend. - Custodial Services</b>	<b>6,852,188</b>	<b>(247,384)</b>	<b>6,604,804</b>	<b>5,932,099</b>	<b>672,705</b>
<b>Undistributed Expenditures - Care and Upkeep of Grounds</b>					
Salaries	232,916	(10,000)	222,916	212,098	10,818
Cleaning, Repair, and Maintenance Services	138,192	7,485	145,677	98,600	47,077
Other purchased services	-	660	660	657	3
General Supplies	63,878	52,000	115,878	83,474	32,404
Other Objects	650	440	1,090	625	465
<b>Total Undistributed Expenditures - Care and Upkeep of Grounds</b>	<b>435,636</b>	<b>50,585</b>	<b>486,221</b>	<b>395,454</b>	<b>90,767</b>
<b>Undistributed Expenditures - Security</b>					
Cleaning, Repair, and Maintenance Services	83,567	18,526	102,093	35,410	66,683
General Supplies	-	500	500	-	500
<b>Total Undistributed Expenditures - Security</b>	<b>83,567</b>	<b>19,026</b>	<b>102,593</b>	<b>35,410</b>	<b>67,183</b>

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Undist. Expend. - Student Transportation Services</b>					
Salaries of Non-instructional Aides	\$ 401,065	\$ -	\$ 401,065	\$ 279,057	\$ 122,008
Salaries for pupil transp.(between home and school) - Regular	1,889,321	(100,000)	1,789,321	1,725,205	64,116
Salaries for pupil transp.(between home and school) - Special	501,246	(139,000)	362,246	239,533	122,713
Salaries for pupil transp.(other than between home and school)	35,000	-	35,000	6,806	28,194
Social security contributions	217,650	-	217,650	169,493	48,157
Workers compensation	250,000	-	250,000	235,138	14,862
Health benefits	1,198,810	-	1,198,810	1,198,810	-
Other purchased professional and technical services	10,000	-	10,000	6,080	3,920
Cleaning, repair and maintenance services	62,500	20,000	82,500	76,696	5,804
Lease purchase payments - School buses	275,000	(27,000)	248,000	186,652	61,348
Contract services - Aid in Lieu of Payment for NP school students	165,000	-	165,000	121,307	43,693
Contract services (Between Home and School) - Joint agreements	125,000	-	125,000	65,331	59,669
Contract services (Sp Ed Stds) - Joint agreements	675,000	-	675,000	583,005	91,995
Miscellaneous purchased services - Transportation	77,388	-	77,388	62,354	15,034
Supplies and materials	15,000	-	15,000	11,212	3,788
Transportation Supplies	703,500	147,000	850,500	757,089	93,411
Miscellaneous expenditures	11,000	-	11,000	4,813	6,187
<b>Total Undist. Expend. - Student Transportation Services</b>	<u>6,612,480</u>	<u>(99,000)</u>	<u>6,513,480</u>	<u>5,728,581</u>	<u>784,899</u>
<b>UNALLOCATED EMPLOYEE BENEFITS</b>					
Group insurance	-	292	292	292	-
Social security contributions	834,736	-	834,736	778,732	56,004
Other Retirement Contributions	1,097,750	150,000	1,247,750	1,243,731	4,019
Unemployment Compensation	544,088	-	544,088	300,000	244,088
Workmen's compensation	165,000	-	165,000	119,551	45,449
Health benefits	9,744,793	(662,955)	9,081,838	8,447,223	634,615
Tuition reimbursement	175,000	4,994	179,994	93,830	86,164
Other employee benefits	272,200	(292)	271,908	145,442	126,466
<b>TOTAL UNALLOCATED EMPLOYEE BENEFITS</b>	<u>12,833,567</u>	<u>(507,961)</u>	<u>12,325,606</u>	<u>11,128,801</u>	<u>1,196,805</u>
On-behalf TPAF post retirement med. contrib.(non-budgeted)	-	-	-	2,207,932	(2,207,932)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	2,327,218	(2,327,218)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,535,150</u>	<u>(4,535,150)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>12,833,567</u>	<u>(507,961)</u>	<u>12,325,606</u>	<u>15,663,951</u>	<u>(3,338,345)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>41,160,924</u>	<u>(95,812)</u>	<u>41,065,112</u>	<u>41,705,000</u>	<u>(639,888)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>70,279,491</u>	<u>(185,642)</u>	<u>70,093,849</u>	<u>69,974,801</u>	<u>119,048</u>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Regular Programs - Instruction:</b>					
Grades 1-5	25,000	13,060	38,060	13,968	24,092
<b>Undistributed:</b>					
Undistributed expenditures - Central services	15,000	(5)	14,995	3,046	11,949
Undistributed expenditures - Admin Info Tech.	10,000	1,225	11,225	11,225	-
Undistributed expenditures - School administration	-	2,529	2,529	2,529	-
Undistributed expenditures - Operation & maint. of plant services	50,000	23,565	73,565	39,035	34,530
Undistributed expenditures - Student transp. - Non-inst. Serv.	55,586	18,975	74,561	25,650	48,911
Undistributed expenditures - Non-instr. Serv.	-	25,000	25,000	-	25,000
<b>Total Equipment</b>	<u>155,586</u>	<u>84,349</u>	<u>239,935</u>	<u>95,453</u>	<u>144,482</u>
<b>Facilities Acquisition and Construction Services</b>					
Architectural/Engineering Services	-	324,298	324,298	281,816	42,482
Construction Services	781,221	252,320	1,033,541	813,065	220,476
Other Objects	143,833	5,702	149,535	149,535	-
<b>Total Facilities Acquisition and Construction Services</b>	<u>925,054</u>	<u>582,320</u>	<u>1,507,374</u>	<u>1,244,416</u>	<u>262,958</u>
<b>Assets Acquired Under Capital Leases (non-budgeted)</b>					
<b>Undistributed Expenditures:</b>					
School Administration	-	-	-	117,599	(117,599)
<b>Assets Acquired Under Capital Leases (non-budgeted)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,599</u>	<u>(117,599)</u>
Capital reserve - Transfer to	1,000	-	1,000	-	1,000
<b>TOTAL CAPITAL OUTLAY</b>	<u>1,081,640</u>	<u>666,669</u>	<u>1,748,309</u>	<u>1,457,468</u>	<u>290,841</u>
<b>TOTAL EXPENDITURES</b>	<u>71,361,131</u>	<u>481,027</u>	<u>71,842,158</u>	<u>71,432,269</u>	<u>409,889</u>

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	\$ (3,219,550)	\$ 481,027	\$ (3,700,577)	\$ 1,153,987	\$ 4,854,564
<b>Other Financing Sources(Uses):</b>					
<b>Capital leases - Non-budgeted</b>	-	-	-	117,599	117,599
<b>Total Other Financing Sources:</b>	-	-	-	117,599	117,599
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	(3,219,550)	481,027	(3,700,577)	1,271,586	4,972,163
<b>Fund Balance, July 1</b>	6,645,584	-	6,645,584	6,645,584	-
<b>Fund Balance, June 30</b>	<u>\$ 3,426,034</u>	<u>\$ 481,027</u>	<u>\$ 2,945,007</u>	<u>\$ 7,917,170</u>	<u>\$ 4,972,163</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Capital reserve				2,060,958	
Maintenance reserve				1,600,000	
Excess surplus - current year				587,514	
Excess surplus - designated for subsequent year's expenditures				657,729	
<b>Committed Fund Balance:</b>					
Other purposes				-	
Year-end encumbrances				963,782	
<b>Assigned Fund Balance:</b>					
Designated for subsequent year's expenditures				374,999	
<b>Unrestricted/undesignated fund balance</b>				1,672,188	
<b>Reconciliation to governmental funds statements (GAAP)</b>					
State aid payments not recognized on GAAP basis				(1,763,261)	
<b>Fund balance per governmental funds (GAAP)</b>				<u>\$ (91,073)</u>	



**OTHER SUPPLEMENTARY INFORMATION**



**MANALAPAN-ENGLISHTOWN REGIONAL 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
<b>REVENUES</b>					
Local sources	\$ -	\$ 46,839	\$ 46,839	\$ 19,532	\$ (27,307)
State sources	65,070	(14,393)	50,677	47,010	(3,667)
Federal sources	1,304,841	1,272,858	2,577,699	2,164,249	(413,450)
<b>Total Revenues</b>	<b>1,369,911</b>	<b>1,305,304</b>	<b>2,675,215</b>	<b>2,230,791</b>	<b>(444,424)</b>
<b>EXPENDITURES</b>					
<b>Instruction:</b>					
Salaries of teachers	1,289,397	(80,826)	1,208,571	1,144,165	64,406
Other salaries for instruction	-	-	-	-	-
Purchased professional services	-	221,143	221,143	200,410	20,733
Textbooks	12,341	(5,009)	7,332	3,665	3,667
Tuition	-	354,490	354,490	232,302	122,188
Miscellaneous expense	-	6,984	6,984	6,180	804
General supplies	15,444	396,938	412,382	288,960	123,422
<b>Total instruction</b>	<b>1,317,182</b>	<b>893,720</b>	<b>2,210,902</b>	<b>1,875,682</b>	<b>335,220</b>
<b>Support services:</b>					
Other professional staff salaries	-	150,524	150,524	112,836	37,688
Secretarial/clerical salaries	-	-	-	-	-
Personal services - employee benefits	-	75,984	75,984	52,922	23,062
Purchased professional - educational services	15,944	69,376	85,320	70,821	14,499
Other purchased professional services	-	26,815	26,815	24,661	2,154
Purchased technical services	36,785	(5,967)	30,818	17,322	13,496
Travel	-	6,418	6,418	4,450	1,968
Other purchased services (400-500 series)	-	-	-	-	-
Supplies & materials	-	24,434	24,434	22,235	2,199
<b>Total support services</b>	<b>52,729</b>	<b>347,584</b>	<b>400,313</b>	<b>305,247</b>	<b>95,066</b>
<b>EXPENDITURES (CONT'D):</b>					
<b>Facilities acquisition and const. serv.:</b>					
Instructional equipment	-	64,000	64,000	49,862	14,138
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>64,000</b>	<b>64,000</b>	<b>49,862</b>	<b>14,138</b>
<b>Total expenditures</b>	<b>1,369,911</b>	<b>1,305,304</b>	<b>2,675,215</b>	<b>2,230,791</b>	<b>444,424</b>
<b>Excess (deficiency) of revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Over (under) expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**



**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2010**

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

		General Fund		Special Revenue Fund
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	<b>[C-1]</b>	\$ 72,586,256	<b>[C-2]</b>	\$ 2,230,791
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		42,288
The 2009-10 State aid payments are 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.		2,134,392		-
The 2010-11 State aid payments are 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.		(1,763,261)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<b>[B-2]</b>	\$ 72,957,387	<b>[B-2]</b>	\$ 2,273,079
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<b>[C-1]</b>	\$ 71,432,269	<b>[C-2]</b>	\$ 2,230,791
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.		-		42,288
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<b>[B-2]</b>	\$ 71,432,269	<b>[B-2]</b>	\$ 2,273,079



**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to specific purposes,



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

	<u>Title I Part A 10/11</u>	<u>Title II Part A 10/11</u>	<u>Title II Part A 09/10</u>	<u>Title III 10/11</u>	<u>Title IV 09/10</u>
Revenues:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	<u>182,424</u>	<u>81,361</u>	<u>46,236</u>	<u>11,873</u>	<u>1,277</u>
Total revenues	<u>182,424</u>	<u>81,361</u>	<u>46,236</u>	<u>11,873</u>	<u>1,277</u>
Expenditures:					
Instruction:					
Salaries of teachers	159,128	50,725	17,822	-	-
Other salaries/instruction	-	-	-	-	-
Purchased professional services	-	-	-	-	1,277
General supplies	-	-	22,255	11,122	-
Tuition	-	-	-	-	-
Textbooks	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total instruction	<u>159,128</u>	<u>50,725</u>	<u>40,077</u>	<u>11,122</u>	<u>1,277</u>
Support services:					
Other support services - students - special:					
Other professional staff salaries	-	-	-	-	-
Secretarial/Clerical salaries	-	-	-	-	-
Purchased professional services	-	15,800	-	-	-
Other purchased professional services	-	-	-	-	-
Purchased technical services	-	-	4,795	-	-
Employee benefits	23,296	3,880	1,363	-	-
Travel	-	1,538	-	647	-
Miscellaneous purchased services	-	-	-	-	-
General supplies	-	9,418	1	104	-
Purchased prof.-educ.services	-	-	-	-	-
Total other support services - students - special	<u>23,296</u>	<u>30,636</u>	<u>6,159</u>	<u>751</u>	<u>-</u>
Total support services	<u>23,296</u>	<u>30,636</u>	<u>6,159</u>	<u>751</u>	<u>-</u>
Equipment:					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 182,424</u>	<u>\$ 81,361</u>	<u>\$ 46,236</u>	<u>\$ 11,873</u>	<u>\$ 1,277</u>

(continued on next page)

**MANALAPAN-ENGLISHTOWN REGIONAL 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)

	ARRA				
	IDEA-Part B-Basic Reg Prog 09/10	IDEA-Part B-Basic Reg Prog 10/11	IDEA-Part B-Preschool Reg Prog 10/11	IDEA-Part B-Basic Reg Prog 09/10	IDEA-Part B-Preschool Reg Prog 09/10
Revenues:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	139,491	1,133,447	55,200	510,209	2,731
<b>Total revenues</b>	<b>139,491</b>	<b>1,133,447</b>	<b>55,200</b>	<b>510,209</b>	<b>2,731</b>
Expenditures:					
Instruction:					
Salaries of teachers	92,015	761,012	52,470	10,993	-
Other salaries/instruction	-	-	-	-	-
Purchased professional services	-	45,499	-	153,134	-
General supplies	30,858	122,017	2,730	81,091	2,710
Tuition	-	-	-	232,302	-
Textbooks	-	-	-	-	-
Miscellaneous expenses	-	3,325	-	-	-
<b>Total instruction</b>	<b>122,873</b>	<b>931,853</b>	<b>55,200</b>	<b>477,520</b>	<b>2,710</b>
Support services:					
Other support services - students - special:					
Other professional staff salaries	1,561	107,263	-	4,012	-
Secretarial/Clerical salaries	-	-	-	-	-
Purchased professional services	15,057	2,300	-	6,846	-
Other purchased professional services	-	-	-	20,000	21
Purchased technical services	-	-	-	-	-
Employee benefits	-	23,542	-	841	-
Travel	-	2,265	-	-	-
Miscellaneous purchased services	-	4,640	-	-	-
General supplies	-	11,722	-	990	-
Purchased prof.-educ.services	-	-	-	-	-
<b>Total other support services - students - special</b>	<b>16,618</b>	<b>151,732</b>	<b>-</b>	<b>32,689</b>	<b>21</b>
<b>Total support services</b>	<b>16,618</b>	<b>151,732</b>	<b>-</b>	<b>32,689</b>	<b>21</b>
Equipment:					
Regular programs instruction	-	49,862	-	-	-
Non-instructional equipment	-	-	-	-	-
<b>Total equipment</b>	<b>-</b>	<b>49,862</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>\$ 139,491</b>	<b>\$ 1,133,447</b>	<b>\$ 55,200</b>	<b>\$ 510,209</b>	<b>\$ 2,731</b>

(continued on next page)

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

(Continued from prior page)

	Non-Public		Chapter 193 Nonpublic		
	Nursing 10/11	Textbook 10/11	Classification 10/11	Speech 10/11	Instruction 10/11
Revenues:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	12,527	3,665	9,088	20,340	1,390
Federal sources	-	-	-	-	-
<b>Total revenues</b>	<u>12,527</u>	<u>3,665</u>	<u>9,088</u>	<u>20,340</u>	<u>1,390</u>
Expenditures:					
Instruction:					
Salaries of teachers	-	-	-	-	-
Other salaries/instruction	-	-	-	-	-
Purchased professional services	-	-	-	-	-
General supplies	-	-	-	-	-
Tuition	-	-	-	-	-
Textbooks	-	3,665	-	-	-
Miscellaneous expenses	-	-	-	-	-
<b>Total instruction</b>	<u>-</u>	<u>3,665</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support services:					
Other support services - students - special:					
Other professional staff salaries	-	-	-	-	-
Secretarial/Clerical salaries	-	-	-	-	-
Purchased professional services	-	-	-	-	-
Other purchased professional services	-	-	-	-	-
Purchased technical services	12,527	-	-	-	-
Employee benefits	-	-	-	-	-
Travel	-	-	-	-	-
Miscellaneous purchased services	-	-	-	-	-
General supplies	-	-	-	-	-
Purchased prof.-educ.services	-	-	9,088	20,340	1,390
Other purchased services	-	-	-	-	-
<b>Total other support services - students - special</b>	<u>12,527</u>	<u>-</u>	<u>9,088</u>	<u>20,340</u>	<u>1,390</u>
<b>Total support services</b>	<u>12,527</u>	<u>-</u>	<u>9,088</u>	<u>20,340</u>	<u>1,390</u>
Equipment:					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
<b>Total equipment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>\$ 12,527</u>	<u>\$ 3,665</u>	<u>\$ 9,088</u>	<u>\$ 20,340</u>	<u>\$ 1,390</u>

(continued on

**MANALAPAN-ENGLISHTOWN REGIONAL 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)

	Pass Grants 10/11	Target Take Charge of Education 10/11	Foundation for MERS 10/11	Other Local Grants 10/11	Total 2011
Revenues:					
Local sources	\$ 2,972	\$ 11,548	\$ 3,355	\$ 1,657	\$ 19,532
State sources	-	-	-	-	47,010
Federal sources	-	-	-	-	2,164,249
Total revenues	<u>2,972</u>	<u>11,548</u>	<u>3,355</u>	<u>1,657</u>	<u>\$ 2,230,791</u>
Expenditures:					
Instruction:					
Salaries of teachers	-	-	-	-	\$ 1,144,165
Other salaries/instruction	-	-	-	-	-
Purchased professional services	-	-	500	-	200,410
General supplies	2,972	11,548	-	1,657	288,960
Tuition	-	-	-	-	232,302
Textbooks	-	-	-	-	3,665
Miscellaneous expenses	-	-	2,855	-	6,180
Total instruction	<u>2,972</u>	<u>11,548</u>	<u>3,355</u>	<u>1,657</u>	<u>1,875,682</u>
Support services:					
Other support services - students - special:					
Other professional staff salaries	-	-	-	-	112,836
Secretarial/Clerical salaries	-	-	-	-	-
Purchased professional services	-	-	-	-	40,003
Other purchased professional services	-	-	-	-	20,021
Purchased technical services	-	-	-	-	17,322
Employee benefits	-	-	-	-	52,922
Travel	-	-	-	-	4,450
Miscellaneous purchased services	-	-	-	-	4,640
General supplies	-	-	-	-	22,235
Purchased prof.-educ.services	-	-	-	-	30,818
Other purchased services	-	-	-	-	-
Total other support services - students - special	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>305,247</u>
Total support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>305,247</u>
Equipment:					
Regular programs instruction	-	-	-	-	49,862
Non-instructional equipment	-	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,862</u>
Total expenditures	<u>\$ 2,972</u>	<u>\$ 11,548</u>	<u>\$ 3,355</u>	<u>\$ 1,657</u>	<u>\$ 2,230,791</u>

**CAPITAL PROJECTS FUND  
DETAIL STATEMENT**

The Capital Project Fund is used to account for the acquisition, construction and/or renovation of major facilities and equipment purchases other than those financed by Proprietary Funds.



**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Project Expenditures**  
**For the Fiscal Year Ended June 30, 2011**

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP		Unexpended Appropriations June 30, 2011
			Prior Years	Expenditures to Date Current Year	
Additions and Alterations to Clark Mills Elementary School	4/14/2005	\$ 17,508,103	\$ 17,508,103	\$ -	\$ -
Alterations to Taylor Mills Elementary School	4/14/2005	2,571,048	1,076,946	897,878	596,224
Alterations to Pine Brook Elementary School	4/14/2005	2,032,879	2,553,933	288,728	(809,782)
Alterations to Milford Brook Elementary School	4/14/2005	431,325	32,911	-	398,414
Alterations to Lafayette Mills Elementary School	4/14/2005	1,878,354	1,215,720	185,029	477,605
Manalapan-Englishtown Middle School Retrofit Lighting	5/25/2005	723,760	673,114	50,646	-
Additions and Alterations to Manalapan-Englishtown Middle School	4/14/2005	<u>23,334,189</u>	<u>22,952,571</u>	<u>-</u>	<u>381,618</u>
<b>Totals</b>		<b>\$ 48,479,658</b>	<b>\$ 46,013,298</b>	<b>\$ 1,422,281</b>	<b>\$ 1,044,079</b>

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis**  
**For the Year Ended June 30, 2011**

<b>Revenues and Other Financing Sources</b>	
State Sources - SCC Grant	\$ -
Bond proceeds and transfers	-
Contribution from private source	-
Transfer from capital reserve	-
Interest	-
Total revenues	-
 <b>Expenditures and Other Financing Uses</b>	
Purchased professional and technical services	279,403
Construction services	2,762,744
Transfers out	-
Total expenditures	3,042,147
Excess (deficiency) of revenues over (under) expenditures	(3,042,147)
Fund balance - beginning	3,820,098
Fund balance - ending	\$ 777,951

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Additions and Alterations to Clark Mills Elementary School**  
**For the Fiscal Year Ended June 30, 2011**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 3,768,607	\$ -	\$ 3,768,607	\$ 3,768,607
Bond proceeds and transfers	14,253,235	(212,462)	14,040,773	14,040,773
Total revenues	<u>18,021,842</u>	<u>(212,462)</u>	<u>17,809,380</u>	<u>17,809,380</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	1,584,107	-	1,584,107	1,584,107
Construction services	15,577,643	-	15,577,643	15,577,643
Equipment purchases	346,353	-	346,353	346,353
Total expenditures	<u>17,508,103</u>	<u>-</u>	<u>17,508,103</u>	<u>17,508,103</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 513,739</u>	<u>\$ (212,462)</u>	<u>\$ 301,277</u>	<u>\$ 301,277</u>
Additional project information:				
Project Number	2920-050-03-1217			
Grant Date	4/14/2005			
Bond Authorization Date	9/30/2003			
Bonds Authorized	\$	12,577,967		
Bonds Issued	\$	12,577,967		
Original Authorized Cost	\$	13,459,393		
Additional Authorized Cost	\$	4,349,986		
Revised Authorized Cost	\$	17,809,379		
Percentage Increase over Original Authorized Cost	32.32%			
Percentage Completion	98.31%			
Original target completion date	September 06			
Revised target completion date	September 11			

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Alterations to Taylor Mills Elementary School**  
**For the Fiscal Year Ended June 30, 2011**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 1,008,279	\$ -	\$ 1,008,279	\$ 1,008,279
Bond proceeds and transfers	1,562,769	13,975	1,576,744	1,562,769
Total revenues	<u>2,571,048</u>	<u>13,975</u>	<u>2,585,023</u>	<u>2,571,048</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	272,984	53,663	326,647	249,272
Construction services	803,962	1,430,760	2,234,722	2,321,776
Equipment purchases	-	-	-	-
Total expenditures	<u>1,076,946</u>	<u>1,484,423</u>	<u>2,561,369</u>	<u>2,571,048</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 1,494,102</u>	<u>\$ (1,470,448)</u>	<u>\$ 23,654</u>	<u>\$ -</u>
Additional project information:				
Project Number	2920-090-03-1222			
Grant Date	4/14/2005			
Bond Authorization Date	9/30/2003			
Bonds Authorized	\$	1,512,419		
Bonds Issued	\$	1,512,419		
Original Authorized Cost	\$	2,520,698		
Additional Authorized Cost	\$	64,325		
Revised Authorized Cost	\$	2,585,023		
Percentage Increase over Original Authorized Cost	2.55%			
Percentage Completion	99.08%			
Original target completion date	September 07			
Revised target completion date	September 11			

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Alterations to Pine Brook Elementary School**  
**For the Fiscal Year Ended June 30, 2011**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 700,000	\$ -	\$ 700,000	\$ 700,000
Bond proceeds and transfers	1,896,879	5,000	1,901,879	1,056,879
Transfer from capital reserve	276,000	-	276,000	276,000
Total revenues	<u>2,872,879</u>	<u>5,000</u>	<u>2,877,879</u>	<u>2,032,879</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	398,337	16,456	414,793	230,370
Construction services	2,155,596	274,034	2,429,630	1,802,509
Equipment purchases	-	-	-	-
Total expenditures	<u>2,553,933</u>	<u>290,490</u>	<u>2,844,423</u>	<u>2,032,879</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 318,946</u>	<u>\$ (285,490)</u>	<u>\$ 33,456</u>	<u>\$ -</u>
Additional project information:				
Project Number	2920-075-03-1221			
Grant Date	4/14/2005			
Bond Authorization Date	9/30/2003			
Bonds Authorized	\$	1,050,000		
Bonds Issued	\$	1,050,000		
Original Authorized Cost	\$	1,750,000		
Additional Authorized Cost	\$	1,127,879		
Revised Authorized Cost	\$	2,877,879		
Percentage Increase over Original Authorized Cost	64.45%			
Percentage Completion	98.84%			
Original target completion date	September 06			
Revised target completion date	September 11			

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Alterations to Milford Brook Elementary School**  
**For the Fiscal Year Ended June 30, 2011**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 172,730	\$ -	\$ 172,730	\$ 172,730
Bond proceeds and transfers	258,595	64,750	323,345	258,595
Total revenues	<u>431,325</u>	<u>64,750</u>	<u>496,075</u>	<u>431,325</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	32,911	69,500	102,411	42,297
Construction services	-	-	-	389,028
Equipment purchases	-	-	-	-
Total expenditures	<u>32,911</u>	<u>69,500</u>	<u>102,411</u>	<u>431,325</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 398,414</u>	<u>\$ (4,750)</u>	<u>\$ 393,664</u>	<u>\$ -</u>
Additional project information:				
Project Number	2920-063-03-1220			
Grant Date	4/14/2005			
Bond Authorization Date	9/30/2003			
Bonds Authorized	\$	259,095		
Bonds Issued	\$	259,095		
Original Authorized Cost	\$	431,325		
Additional Authorized Cost	\$	64,750		
Revised Authorized Cost	\$	496,075		
Percentage Increase over Original Authorized Cost	15.01%			
Percentage Completion	20.64%			
Original target completion date	September 07			
Revised target completion date	September 11			

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Alterations to Lafayette Mills Elementary School**  
**For the Fiscal Year Ended June 30, 2011**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 755,760	\$ -	\$ 755,760	\$ 755,760
Bond proceeds and transfers	1,122,592	508,330	1,630,922	1,122,594
Total revenues	<u>1,878,352</u>	<u>508,330</u>	<u>2,386,682</u>	<u>1,878,354</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	145,775	89,138	234,913	159,835
Construction services	1,069,945	1,057,950	2,127,895	1,718,519
Equipment purchases	-	-	-	-
Total expenditures	<u>1,215,720</u>	<u>1,147,088</u>	<u>2,362,808</u>	<u>1,878,354</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 662,632</u>	<u>\$ (638,758)</u>	<u>\$ 23,874</u>	<u>\$ -</u>
Additional project information:				
Project Number	2920-050-03-1218			
Grant Date	4/14/2005			
Bond Authorization Date	9/30/2003			
Bonds Authorized	\$	1,133,640		
Bonds Issued	\$	1,133,640		
Original Authorized Cost	\$	1,889,400		
Additional Authorized Cost	\$	497,282		
Revised Authorized Cost	\$	2,386,682		
Percentage Increase over Original Authorized Cost	26.32%			
Percentage Completion	99.00%			
Original target completion date	September 07			
Revised target completion date	September 11			

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Manalapan-Englishtown Middle School Retrofit Lighting**  
**For the Fiscal Year Ended June 30, 2011**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 259,096	\$ -	\$ 259,096	\$ 259,096
Bond proceeds and transfers	464,665	(1)	464,664	464,664
Total revenues	<u>723,761</u>	<u>(1)</u>	<u>723,760</u>	<u>723,760</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	99,124	50,646	149,770	10,000
Construction services	573,990	-	573,990	713,760
Equipment purchases	-	-	-	-
Total expenditures	<u>673,114</u>	<u>50,646</u>	<u>723,760</u>	<u>723,760</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 50,647</u>	<u>\$ (50,647)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	2920-060-04-1000			
Grant Date	5/25/2005			
Bond Authorization Date	N/A			
Bonds Authorized	\$	-		
Bonds Issued	\$	-		
Original Authorized Cost	\$	309,776		
Additional Authorized Cost	\$	413,984		
Revised Authorized Cost	\$	723,760		
Percentage Increase over Original Authorized Cost	133.64%			
Percentage Completion	100.00%			
Original target completion date	September 08			
Revised target completion date	September 10			

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Additions and Alterations to Manalapan-Englishtown Middle School**  
**For the Fiscal Year Ended June 30, 2011**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 7,920,940	\$ -	\$ 7,920,940	\$ 7,920,940
Bond proceeds and transfers	15,413,249	(379,592)	15,033,657	15,033,657
Total revenues	<u>23,334,189</u>	<u>(379,592)</u>	<u>22,954,597</u>	<u>22,954,597</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	2,254,550	-	2,254,550	2,254,550
Construction services	20,018,091	-	20,018,091	20,399,709
Equipment purchases	679,930	-	679,930	679,930
Total expenditures	<u>22,952,571</u>	<u>-</u>	<u>22,952,571</u>	<u>23,334,189</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 381,618</u>	<u>\$ (379,592)</u>	<u>\$ 2,026</u>	<u>\$ (379,592)</u>
Additional project information:				
Project Number	2920-060-03-1219			
Grant Date	4/14/2005			
Bond Authorization Date	9/30/2003			
Bonds Authorized	\$ 20,854,060			
Bonds Issued	\$ 20,854,060			
Original Authorized Cost	\$ 28,775,000			
Additional Authorized Cost	\$ (5,820,403)			
Revised Authorized Cost	\$ 22,954,597			
Percentage Increase over Original Authorized Cost	-20.23%			
Percentage Completion	99.99%			
Original target completion date	September 06			
Revised target completion date	September 07			



**PROPRIETARY FUND  
DETAIL STATEMENTS**

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

**Food Services Fund** – This fund provides for the operation of food services in all schools within the School District.



Exhibit G-1

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
 Enterprise Fund  
 Statement of Net Assets  
 June 30, 2011

	<u>Food Service</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 279,413
Accounts receivable:	
State	2,605
Federal	15,388
Other	2,002
Inventories	<u>28,436</u>
Total current assets	<u>327,844</u>
Capital assets:	
Building improvements	192,533
Equipment	1,303,303
Accumulated depreciation	<u>(1,124,411)</u>
Total capital assets	<u>371,425</u>
Total assets	<u>\$ 699,269</u>
Liabilities and Fund Equity:	
Liabilities:	
Accounts payable	80,156
Deferred revenue	<u>12,488</u>
Total liabilities	<u>92,644</u>
Net assets:	
Invested in capital assets, net of related debt	371,425
Unrestricted net assets	<u>235,200</u>
Total net assets	<u>606,625</u>
Total liabilities and net assets	<u>\$ 699,269</u>

Exhibit G-2

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Food Services Enterprise Fund**  
**Statement of Revenues, Expenses and**  
**Changes in Net Assets**  
**for the Fiscal Year ended June 30, 2011**

	<b>Food Service</b>
Operating revenues:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$ 844,570
Special functions	9,739
	854,309
Total-daily sales-reimbursable programs	854,309
Daily sales non-reimbursable programs	639,863
Total operating revenues	1,494,172
Operating expenses:	
Salaries	529,810
Employee benefits	176,070
Purchased property	-
Other purchased services	129,562
Repairs and maintenance	40,793
Supplies and materials	43,011
Miscellaneous expenses	7,202
Depreciation	66,551
Cost of sales	858,345
Total operating expenses	1,851,344
Operating loss	(357,172)
Nonoperating revenues:	
State sources:	
State school lunch program	22,205
Federal sources:	
National school lunch program	250,405
Special milk program	5,977
U.S.D.A. commodities	81,889
Interest income	121
Total nonoperating revenues	360,597
Change in net assets	3,425
Total net assets beginning	603,200
Total net assets ending	\$ 606,625

Exhibit G-3

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Food Services Enterprise Fund**  
**Statement of Cash Flows**  
**for the Fiscal Year ended June 30, 2011**

	<b>Food Service</b>
Cash Flows from Operating Activities:	
Receipts from customers and other funds	\$ 1,497,835
Payments to employees	(529,810)
Payments for employee benefits	(176,070)
Payments to suppliers	(1,035,052)
Net cash used for operating activities	(243,097)
Cash Flows from Noncapital Financing Activities	
State sources	22,205
Federal sources	256,382
Net cash provided by noncapital financing activities	278,587
Cash Flows from Capital and Related Financing Activities	
Purchases of fixed assets	(37,253)
Net cash used for capital and related financing activities	(37,253)
Cash Flows from Investing Activities	
Interest on investments	121
Net cash provided by investing activities	121
Net increase in cash and cash equivalents	(1,642)
Balances-beginning of the year	281,055
Balances-end of the year	\$ 279,413
Reconciliation of operating loss to net cash provided by (used for) operating activities:	
Operating loss	\$ (357,172)
Adjustments to reconcile operating loss to cash used by operating activities:	
Depreciation	66,551
Federal commodities	81,889
Change in assets and liabilities:	
Increase in deferred revenue	3,225
Decrease in accounts receivable	438
Increase in inventory	(5,782)
Decrease in accounts payable	(32,246)
Total adjustments	114,075
Net cash used by operating activities	\$ (243,097)



**FIDUCIARY FUNDS  
DETAIL STATEMENTS**

The Fiduciary Funds are used to account for funds received by the School District for a specific purpose.

Agency Funds are used to account for assets held by the School District as an agent for Individuals, private organization, other governments and/or other funds.

**Student Activity Fund** – This agency fund is used to account for student funds held at the school.

**Payroll Fund** – This agency fund is used to account for the payroll transactions of the School District.



**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Statement of Agency Fund Assets and Liabilities**  
 Fiduciary Funds  
 June 30, 2011

	Trust		Total Trust Fund	Agency				Total Agency
	Unemployment Compensation Trust	Private Purpose Scholarship Fund		Student Activity	Payroll	Flex Spending		
<b>ASSETS</b>								
Cash and cash equivalents	\$ 600,982	\$ 3,540	\$ 604,522	\$ 49,497	\$ 123,911	\$ 26,390	\$ 199,798	
Other Accounts Receivable	-	-	-	-	-	-	-	
Intrafund receivable	68,844	-	68,844	-	-	-	-	
Total assets	<u>669,826</u>	<u>3,540</u>	<u>673,366</u>	<u>\$ 49,497</u>	<u>\$ 123,911</u>	<u>\$ 26,390</u>	<u>\$ 199,798</u>	
<b>LIABILITIES</b>								
Accounts payable	25,748	-	25,748	-	14	-	14	
Payroll deductions and withholdings	-	-	-	-	55,053	26,390	81,443	
Payable to student groups	-	-	-	49,497	-	-	49,497	
Intrafund payable	-	-	-	-	68,844	-	68,844	
Other current liabilities	-	-	-	-	-	-	-	
Total liabilities	<u>25,748</u>	<u>-</u>	<u>25,748</u>	<u>49,497</u>	<u>123,911</u>	<u>26,390</u>	<u>199,798</u>	
<b>NET ASSETS</b>								
Held in trust for unemployment claims and other purposes	644,078	-	644,078					
Reserved for scholarships	-	3,540	3,540					
Total net assets	<u>644,078</u>	<u>3,540</u>	<u>647,618</u>					
Total liabilities and net assets	<u>\$ 669,826</u>	<u>\$ 3,540</u>	<u>\$ 673,366</u>					

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2011**

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Total Trusts
<b>ADDITIONS</b>			
Contributions:			
Plan member	\$ 68,844	\$ -	\$ 68,844
Other	300,000	-	300,000
Total Contributions	<u>368,844</u>	<u>-</u>	<u>368,844</u>
Investment earnings:			
Net increase (decrease) in fair value of investments	-	-	-
Interest	211	-	211
Dividends	-	-	-
Less investment expense	-	-	-
Net investment earnings	<u>211</u>	<u>-</u>	<u>211</u>
Total additions	<u>369,055</u>	<u>-</u>	<u>369,055</u>
<b>DEDUCTIONS</b>			
Quarterly contribution reports	-	-	-
Unemployment claims	446,151	-	446,151
Scholarships awarded	-	-	-
Refunds of contributions	-	-	-
Administrative expenses	1,491	-	1,491
Total deductions	<u>447,642</u>	<u>-</u>	<u>447,642</u>
Change in net assets	(78,587)	-	(78,587)
Net assets—beginning of the year	<u>722,665</u>	<u>3,540</u>	<u>726,205</u>
Net assets—end of the year	<u>\$ 644,078</u>	<u>\$ 3,540</u>	<u>\$ 647,618</u>

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Fiscal Year ended June 30, 2011**

	<u>Balance</u> <u>July 1, 2010</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2011</u>
Pine Brook School	\$ 238	\$ 1	\$ -	\$ 239
Manalapan-Englishtown Middle School	21,520	2,973	4,618	19,875
Odyssey of the Mind Fundraising	886	1	-	887
Wemrock Brook School	590	231	72	749
General - unallocated	27,702	45	-	27,747
Total all schools	<u>\$ 50,936</u>	<u>\$ 3,251</u>	<u>\$ 4,690</u>	<u>\$ 49,497</u>

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
 Payroll Agency Fund  
 Schedule of receipts and disbursements  
 For the Fiscal Year ended June 30, 2011**

	<u>Balance</u> <u>July 1, 2010</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2011</u>
Payroll deductions and withholdings	\$ 356,322	\$ 20,686,227	\$ 20,961,106	\$ 81,443
Intrafund accounts payable	<u>74,002</u>	<u>68,844</u>	<u>74,002</u>	<u>68,844</u>
 Total	 <u>\$ 430,324</u>	 <u>\$ 20,755,071</u>	 <u>\$ 21,035,108</u>	 <u>\$ 150,287</u>

**LONG-TERM DEBT SCHEDULES**

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding and obligations under capital leases.



**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF SERIAL BONDS PAYABLE  
AS OF JUNE 30, 2011**

Issue	Date of Issue	Amount of Issue	Date	Amount	Interest Rate	July 1, 2010	Issued	Retired	Balance June 30, 2011
School District Bonds	12/15/2003	\$ 34,500,000	10/01/11	425,000	4.125%	\$ 15,385,000	-	\$ 375,000	\$ 15,010,000
			10/01/12	515,000	4.125%				
			10/01/13	605,000	4.125%				
			10/01/14	700,000	4.125%				
			10/01/15	795,000	4.125%				
			10/01/16	900,000	4.125%				
			10/01/17	1,010,000	4.250%				
			10/01/18	1,125,000	4.250%				
			10/01/19	1,240,000	4.250%				
			10/01/20	1,370,000	4.250%				
			10/01/21	1,500,000	4.350%				
			10/01/22	1,640,000	4.375%				
			10/01/23	3,185,000	4.400%				
			12/01/11	1,360,000	5.000%	17,315,000	-	1,330,000	15,985,000
			12/01/12	1,355,000	5.0%, 3.375%				
			12/01/13	1,355,000	4.000%				
			12/01/14	1,335,000	3.375%				
			12/01/15	1,310,000	5.500%				
			12/01/16	1,315,000	5.500%				
			12/01/17	1,315,000	5.500%				
			12/01/18	1,320,000	5.500%				
			12/01/19	1,320,000	5.750%				
			12/01/20	1,325,000	5.750%				
			12/01/21	1,335,000	5.750%				
			12/01/22	1,340,000	5.750%				
School District Bonds	10/15/2004	\$ 18,995,000							

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF SERIAL BONDS PAYABLE  
AS OF JUNE 30, 2011**

Issue	Date of Issue	Amount of Issue	Date	Amount	Interest Rate	July 1, 2010	Issued	Retired	Balance June 30, 2011
School District Bonds	10/1/2006	\$ 9,695,000	10/01/11	20,000	3.500%	9,635,000	-	20,000	9,615,000
			10/01/12	20,000	4.000%				
			10/01/13	25,000	4.000%				
			10/01/14	25,000	4.000%				
			10/01/15	25,000	4.000%				
			10/01/16	25,000	4.000%				
			10/01/17	25,000	4.000%				
			10/01/18	30,000	4.000%				
			10/01/19	30,000	4.000%				
			10/01/20	30,000	4.000%				
			10/01/21	30,000	4.000%				
			10/01/22	35,000	4.000%				
			10/01/23	35,000	4.000%				
			10/1/2024-2028	9,260,000	4.000%				
School District Bonds	1/5/2007	\$ 9,795,000	10/01/11	25,000	3.500%	9,720,000	-	25,000	9,695,000
			10/01/12	25,000	4.000%				
			10/01/13	30,000	4.000%				
			10/01/14	30,000	4.000%				
			10/01/15	30,000	4.000%				
			10/01/16	30,000	4.000%				
			10/01/17	35,000	4.000%				
			10/01/18	35,000	4.000%				
			10/01/19	35,000	4.000%				
			10/01/20	35,000	4.000%				
			10/01/21	40,000	4.000%				
			10/01/22	40,000	4.000%				
			10/01/23	40,000	4.000%				
			10/1/2024-2028	9,265,000	4.000%				
						<u>\$ 52,055,000</u>	<u>\$ -</u>	<u>\$ 1,750,000</u>	<u>\$ 50,305,000</u>

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
AS OF JUNE 30, 2011**

	Interest Rate Payables	Amount of Original Issue	Balance July 1, 2010	Additions Current Year	Retired Current Year	Balance June 30, 2011
2 - 54 Passenger Buses	3.98%	164,110	34,578	-	34,578	-
Dell Computers	6.46%	55,786	4,193	-	4,193	-
6 - 54 Passenger Buses	4.62%	547,494	223,600	-	109,276	114,324
1 - 16 Passenger Buses	4.62%	48,695	19,887	-	9,719	10,168
2 16 Passenger Buses	4.19%	91,990	55,007	-	17,626	37,381
Apple Computers	4.33%	591,905	354,717	-	113,265	241,452
Dell Computers	7.00%	117,599	-	117,599	41,965	75,634
			<u>\$ 691,982</u>	<u>\$ 117,599</u>	<u>\$ 330,622</u>	<u>\$ 478,959</u>

**MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 3,500,861	\$ -	\$ 3,500,861	\$ 3,500,861	\$ -
Miscellaneous	-	-	-	-	-
Total revenues - local sources	<u>3,500,861</u>	<u>-</u>	<u>3,500,861</u>	<u>3,500,861</u>	<u>-</u>
State sources:					
Debt service aid type II	550,090	-	550,090	550,090	-
Total state sources	<u>550,090</u>	<u>-</u>	<u>550,090</u>	<u>550,090</u>	<u>-</u>
<b>TOTAL REVENUES</b>	<u>4,050,951</u>	<u>-</u>	<u>4,050,951</u>	<u>4,050,951</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular debt service:					
Interest	2,300,951	-	2,300,951	2,300,949	2
Redemption of principal	1,750,000	-	1,750,000	1,750,000	-
Total regular debt service	<u>4,050,951</u>	<u>-</u>	<u>4,050,951</u>	<u>4,050,949</u>	<u>2</u>
<b>TOTAL EXPENDITURES</b>	<u>4,050,951</u>	<u>-</u>	<u>4,050,951</u>	<u>4,050,949</u>	<u>2</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	2	2
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating transfers in:					
Transfer from General Fund	-	-	-	-	-
Interest Earned in Capital Projects Fund	-	-	-	1,382	1,382
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,382</u>	<u>1,382</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES</b>	-	-	-	1,384	1,384
<b>FUND BALANCES, July 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>426</u>	<u>426</u>
<b>FUND BALANCES, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,810</u>	<u>\$ 1,810</u>

## STATISTICAL SECTION



**Manalapan-Englishtown Regional School District  
Statistical Section**

<b><u>Contents</u></b>	<b><u>Pages</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	<b>117-122</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	<b>123-126</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue	<b>127-130</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>131-132</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	<b>133-138</b>

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



**Manalapan-Englishtown Regional School District**  
**Net Assets by Component**  
**Last Nine Fiscal Years\***  
**UNAUDITED**  
*(accrual basis of accounting)*

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental activities</b>									
Invested in capital assets, net of related debt	\$ 25,267,416	\$ 29,589,885	\$ 31,962,198	\$ 21,179,284	\$ 35,315,385	\$ 41,543,203	\$ 45,563,523	\$ 47,152,557	\$ 48,214,716
Restricted	2,416,872	2,322,930	2,325,326	17,107,028	15,317,812	8,589,571	8,714,054	6,876,066	8,644,609
Unrestricted	(851,406)	(3,110,248)	(1,697,577)	2,360,951	(15,561)	2,498,313	(1,114,974)	(656,046)	(2,140,375)
<b>Total governmental activities net assets</b>	<b>\$ 26,832,882</b>	<b>\$ 28,802,567</b>	<b>\$ 32,589,947</b>	<b>\$ 40,667,263</b>	<b>\$ 50,617,636</b>	<b>\$ 52,631,087</b>	<b>\$ 53,162,603</b>	<b>\$ 53,172,575</b>	<b>\$ 54,718,950</b>
<b>Business-type activities</b>									
Invested in capital assets, net of related debt	\$ 490,440	\$ 436,202	\$ 382,323	\$ 439,740	\$ 413,474	\$ 406,439	\$ 397,870	\$ 400,723	\$ 371,425
Restricted	420,672	350,968	333,117	252,860	243,277	233,029	214,593	202,477	235,200
Unrestricted	911,112	787,170	715,440	692,600	656,751	639,468	612,463	603,200	606,625
<b>Total business-type activities net assets</b>	<b>\$ 911,112</b>	<b>\$ 787,170</b>	<b>\$ 715,440</b>	<b>\$ 692,600</b>	<b>\$ 656,751</b>	<b>\$ 639,468</b>	<b>\$ 612,463</b>	<b>\$ 603,200</b>	<b>\$ 606,625</b>
<b>District-wide</b>									
Invested in capital assets, net of related debt	\$ 25,757,856	\$ 30,026,087	\$ 32,344,521	\$ 21,619,024	\$ 35,728,859	\$ 41,949,642	\$ 45,961,393	\$ 47,553,280	\$ 48,586,141
Restricted	2,416,872	2,322,930	2,325,326	17,107,028	15,317,812	8,589,571	8,714,054	6,876,066	8,644,609
Unrestricted	(430,734)	(2,759,280)	(1,364,460)	2,633,811	(227,716)	2,731,342	(900,381)	(653,571)	(1,905,175)
<b>Total district net assets</b>	<b>\$ 27,743,994</b>	<b>\$ 29,589,737</b>	<b>\$ 33,305,387</b>	<b>\$ 41,389,863</b>	<b>\$ 51,274,387</b>	<b>\$ 53,270,555</b>	<b>\$ 53,775,066</b>	<b>\$ 53,775,775</b>	<b>\$ 55,328,575</b>

Notes:

\*The J-1 is a ten year schedule. This sample is for the year of implementation of GASBS 44.

Districts are not required by GASB to report years prior to the implementation date of Statement 44. However, the department strongly encourages districts to report retroactively back to the year they implemented Statement 34. This illustration is for a district which implemented GASB 34 in 6/30/03 and is reporting retroactively.

Manalapan-Englishtown Regional School District

Changes in Net Assets  
Last Nine Fiscal Years\*  
UNAUDITED  
(accrual basis of accounting)

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>									
Governmental activities:									
Instruction									
Regular	\$ 22,663,105	\$ 23,808,625	\$ 24,276,030	\$ 27,139,725	\$ 28,994,649	\$ 31,171,381	\$ 33,506,844	\$ 33,846,747	\$ 33,965,643
Special education	6,666,307	7,869,802	8,968,107	8,688,674	10,647,262	9,922,314	10,682,191	11,369,023	11,552,809
Other instruction	1,801,936	1,824,198	1,866,902	2,282,008	2,242,841	2,641,438	2,655,615	2,838,026	2,679,122
Nonpublic school programs	-	-	-	99,239	343,008	93,242	84,267	43,278	30,818
Support Services:									
Tuition	-	7,727,181	7,735,817	7,702,456	-	1,888,440	2,050,142	1,906,419	1,776,313
Student & instruction related services	7,357,979	2,369,107	2,934,638	2,788,359	7,193,342	7,779,382	6,845,377	7,128,059	6,291,708
General and Business administrative services	2,286,246	2,883,280	3,125,213	3,256,411	2,787,010	2,732,552	2,044,524	2,718,555	2,558,380
School administrative services	2,747,114	7,054,538	7,456,433	7,918,521	3,489,906	3,786,233	2,897,738	2,903,631	2,771,894
Plant operations and maintenance	6,804,910	4,282,351	4,365,137	4,817,676	8,136,749	8,902,229	7,973,821	8,451,271	7,355,550
Pupil transportation	4,204,123	2,604,789	2,796,411	3,037,345	5,751,596	5,921,455	5,778,039	5,442,491	5,723,635
Interest on long-term debt	1,919,530	959,914	863,244	-	3,033,991	2,624,909	2,608,523	2,428,292	3,054,333
Unallocated depreciation	964,209	61,373,785	64,007,932	67,730,414	72,620,354	77,463,575	77,126,881	79,095,792	77,760,205
Total governmental activities expenses	\$ 57,437,459	\$ 61,373,785	\$ 64,007,932	\$ 67,730,414	\$ 72,620,354	\$ 77,463,575	\$ 77,126,881	\$ 79,095,792	\$ 77,760,205
Business-type activities:									
Food service	1,082,446	1,317,885	1,295,088	1,370,233	1,545,177	1,650,433	1,709,349	1,856,888	1,851,344
Total business-type activities expense	\$ 1,082,446	\$ 1,317,885	\$ 1,295,088	\$ 1,370,233	\$ 1,545,177	\$ 1,650,433	\$ 1,709,349	\$ 1,856,888	\$ 1,851,344
Total district expenses	\$ 58,519,905	\$ 62,691,670	\$ 65,303,020	\$ 69,100,647	\$ 74,165,531	\$ 79,114,008	\$ 78,836,230	\$ 80,952,680	\$ 79,611,549
<b>Program Revenues</b>									
Governmental activities:									
Charges for services	\$ 2,854,193	\$ 2,860,842	\$ 2,906,935	\$ 7,532,450	\$ 15,045,299	\$ 10,162,308	\$ 6,402,574	\$ 6,716,398	\$ 6,808,229
Operating grants and contributions	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	7,837,956	-	-	-	-
Total governmental activities program revenues	\$ 2,854,193	\$ 2,860,842	\$ 2,906,935	\$ 7,532,450	\$ 22,883,255	\$ 10,162,308	\$ 6,402,574	\$ 6,716,398	\$ 6,808,229

**Manalapan-Englishtown Regional School District**  
**Changes in Net Assets**  
**Last Nine Fiscal Years\***  
**UNAUDITED**  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Business-type activities:</b>									
Charges for services									
Food service	1,020,518	1,020,518	1,044,555	1,163,356	1,265,852	1,362,815	1,391,715	1,492,831	1,494,172
Operating grants and contributions	173,425	173,425	178,803	184,037	243,476	270,335	290,629	354,776	360,597
Total business type activities program revenues	1,193,943	1,193,943	1,223,358	1,347,393	1,509,328	1,633,150	1,682,344	1,847,625	1,854,769
Total district program revenues	4,048,136	4,054,765	4,130,293	8,879,843	24,392,583	11,795,458	8,084,918	8,564,023	8,662,998
<b>Net (Expense)/Revenue</b>									
Governmental activities	(54,583,266)	(58,512,943)	(61,100,997)	(60,197,964)	(49,737,099)	(67,301,267)	(70,724,307)	(72,379,394)	(70,951,976)
Business-type activities	111,497	(123,942)	(71,730)	(22,840)	(38,849)	(17,283)	(27,005)	(9,263)	3,425
Total district-wide net expense	(54,471,769)	(58,636,885)	(61,172,727)	(60,220,804)	(49,775,948)	(67,318,550)	(70,751,312)	(72,388,657)	(70,948,551)
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental activities:									
Property taxes levied for general purposes, net	35,527,327	35,527,327	36,796,835	38,123,331	41,439,169	45,271,265	46,624,684	48,175,874	49,550,724
Taxes levied for debt service	3,331,531	3,331,531	4,663,725	3,804,014	4,432,464	4,654,157	3,086,701	3,416,908	3,500,861
Unrestricted grants and contributions	21,117,271	21,117,271	21,795,155	24,890,813	12,715,639	18,651,092	20,881,811	20,633,679	19,140,955
Tuition received	-	-	-	28,502	16,304	6,722	2,101	618	-
Investment earnings	391,835	391,835	866,707	1,212,736	893,960	337,246	183,020	8,984	5,380
Miscellaneous income	114,664	114,664	765,956	215,883	253,738	393,236	477,505	210,878	300,431
Total governmental activities	60,482,628	60,482,628	64,888,378	68,275,279	59,751,274	69,313,718	71,255,822	72,446,941	72,498,351
Business-type activities:									
Investment earnings	-	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-	-	-
Total district-wide	60,482,628	60,482,628	64,888,378	68,275,279	59,751,274	69,313,718	71,255,822	72,446,941	72,498,351
<b>Change in Net Assets</b>									
Governmental activities	5,899,362	1,969,685	3,787,381	8,077,315	10,014,175	2,012,451	531,515	67,547	1,546,375
Business-type activities	111,497	(123,942)	(71,730)	(22,840)	(38,849)	(17,283)	(27,005)	(9,263)	3,425
Total district	6,010,859	1,845,743	3,715,651	8,054,475	9,975,326	1,995,168	504,510	58,284	1,549,800

\* 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.

Manalapan-Englishtown Regional School District  
 Fund Balances, Governmental Funds,  
 Last Nine Fiscal Years\*  
 UNAUDITED  
 (modified accrual basis of accounting)

	Fiscal Year Ended June 30								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
Reserved	\$ 1,452,080	\$ 1,088,948	\$ 1,809,375	\$ 1,678,453	\$ 1,986,901	\$ 1,741,564	\$ 5,049,103	\$ 5,074,406	\$ 6,244,882
Unreserved	1,357,737	1,668,882	1,830,114	1,397,859	1,391,837	1,579,787	(424,907)	(563,211)	(91,073)
Total general fund	\$ 2,809,817	\$ 2,757,830	\$ 3,639,489	\$ 3,076,312	\$ 3,380,738	\$ 3,321,351	\$ 4,624,196	\$ 4,511,195	\$ 6,153,809
All Other Governmental Funds									
Reserved	\$ 192,415	\$ 1,901,484	\$ 15,712,535	\$ 13,127,496	\$ 12,087,709	\$ -	\$ 5,627,141	\$ 3,820,098	\$ 2,397,817
Unreserved, reported in:	(12,317)	-	-	-	-	-	-	-	-
Special revenue fund	227,421	31,274,293	13,025,880	5,103,453	-	7,429,795	-	-	-
Capital projects fund	78,958	341,518	404,927	138,461	327,758	173,382	(99,842)	426	1,810
Debt service fund	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 486,477	\$ 33,517,295	\$ 29,143,342	\$ 18,369,410	\$ 12,415,467	\$ 7,603,177	\$ 5,527,299	\$ 3,820,524	\$ 2,399,627

\* 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.

**Manalapan-Englishtown Regional School District**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(modified accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>										
Tax levy	\$ 33,744,311	\$ 35,989,389	\$ 38,858,858	\$ 41,460,560	\$ 41,927,345	\$ 45,871,633	\$ 49,925,422	\$ 49,711,385	\$ 51,592,782	\$ 53,051,585
Tuition charges	2,669	970	1,091	3,066	25,502	16,305	6,722	2,101	618	-
Interest earnings	108,406	64,512	94,091	156,463	1,212,736	893,960	337,246	183,020	8,984	5,380
Miscellaneous	2,032,894	185,045	88,975	383,993	215,883	285,865	393,236	497,002	241,804	296,182
State sources	20,301,528	20,829,108	22,665,762	23,280,602	30,556,663	33,926,997	26,851,458	25,479,664	22,454,877	23,723,115
Federal sources	1,037,890	1,271,346	1,312,351	1,421,488	1,789,024	1,595,967	1,997,503	1,785,224	4,864,274	2,206,537
Total revenue	\$ 57,227,698	\$ 58,340,370	\$ 63,021,128	\$ 66,708,172	\$ 75,730,153	\$ 82,570,727	\$ 79,511,587	\$ 77,658,396	\$ 79,163,339	\$ 79,282,799
<b>Expenditures</b>										
Instruction										
Regular instruction	16,691,130	17,151,711	17,736,547	17,968,698	25,787,984	27,479,320	30,064,503	31,798,853	24,832,870	23,784,432
Special education instruction	4,206,572	5,332,343	5,781,589	6,184,188	8,599,184	10,521,685	9,816,932	10,558,365	8,894,859	8,951,764
Other instruction	1,599,041	1,749,216	1,765,344	1,821,477	2,282,008	2,234,484	2,641,438	2,655,615	2,200,942	2,011,394
Nonpublic school programs	-	-	-	-	99,239	341,912	93,242	84,267	43,278	30,818
Support Services:										
Student & instruction related services	5,499,681	6,122,834	6,323,702	6,360,814	7,579,855	7,039,216	9,508,313	8,725,739	8,834,805	7,871,127
General administrative services	1,044,862	1,061,635	1,156,129	840,757	3,244,157	1,046,952	1,046,952	760,764	1,385,295	1,193,952
School Administrative services	2,240,911	2,178,781	2,240,371	2,385,831	918,308	3,484,307	3,769,498	2,880,785	2,883,934	2,752,470
Business administrative services	870,430	966,132	1,009,737	1,836,955	1,251,726	1,803,465	1,685,600	1,283,760	1,333,260	1,362,928
Plant operations and maintenance	5,150,169	6,027,429	6,184,495	6,479,421	417,825	8,080,781	8,788,456	7,945,281	8,017,578	7,404,814
Pupil transportation	3,542,247	3,622,082	4,038,683	4,026,766	7,870,532	5,469,811	5,449,955	5,514,689	5,589,827	5,728,881
Unallocated employee benefits	6,737,823	8,909,104	10,149,618	11,087,393	4,575,302	5,469,811	5,449,955	5,514,689	10,633,068	11,128,801
Capital outlay	1,312,102	1,314,141	3,812,566	5,321,604	18,667,020	15,034,457	6,116,652	3,722,024	2,267,640	2,906,548
Debt service:										
Principal	1,925,000	2,865,000	3,020,000	3,420,000	3,190,000	21,755,000	3,580,000	1,630,000	1,695,000	1,750,000
Interest and other charges	2,905,581	1,938,908	1,795,933	3,301,351	3,037,345	2,880,600	2,624,909	2,439,462	2,371,662	2,300,949
Total expenditures	\$ 53,725,549	\$ 59,239,316	\$ 65,074,614	\$ 71,035,255	\$ 87,520,485	\$ 106,946,644	\$ 85,186,450	\$ 79,999,603	\$ 80,983,118	\$ 79,178,578
Excess (Deficiency) of revenues over (under) expenditures	\$ 3,502,149	\$ (898,946)	\$ (1,993,486)	\$ (4,327,083)	\$ (11,790,332)	\$ (24,375,917)	\$ (5,674,863)	\$ (2,341,207)	\$ (1,819,779)	\$ 104,221
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)	-	-	138,230	10,300	509,280	331,400	803,186	683,895	-	117,599
Bond proceeds	-	-	-	-	-	18,395,000	-	-	-	-
Par amount of bonds	-	-	34,500,000	78,836	-	-	-	-	-	-
Accrued interest	-	-	34,934	34,239	-	-	-	-	-	-
Transfers in	51,508	16,398	309,489	708,244	1,314,834	818,634	29,277	945,160	100,266	1,382
Transfers out	(51,508)	(16,398)	(309,489)	(708,244)	(1,370,891)	(818,634)	(29,277)	(60,881)	(100,266)	(1,382)
Total other financing sources (uses)	\$ 707,360	\$ -	\$ 34,673,164	\$ 123,375	\$ 453,223	\$ 18,726,400	\$ 803,186	\$ 1,568,174	\$ -	\$ 117,599
Net change in fund balances	\$ 4,209,509	\$ (898,946)	\$ 32,679,678	\$ (4,203,708)	\$ (11,337,109)	\$ (5,649,517)	\$ (4,871,677)	\$ (773,033)	\$ (1,819,779)	\$ 221,820
Debt service as a percentage of noncapital expenditures	9.2%	8.3%	7.9%	10.2%	9.0%	26.8%	7.8%	5.3%	5.2%	5.3%

**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

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rentals	Misc.	Total
2002	108,406	2,669	26,160	232,799	370,034
2003	64,512	970	29,433	155,612	250,527
2004	94,091	1,091	29,678	59,297	184,157
2005	158,463	3,006	37,500	346,493	545,462
2006	306,509	28,502	1,000	201,109	537,120
2007	351,326	16,305	10,578	166,689	544,898
2008	307,969	6,722	16,223	355,998	686,912
2009	116,351	2,101	16,610	477,505	612,567
2010	173	618	-	210,878	211,669
2011	2,350	-	-	276,650	279,000

Source: District records

Manalapan-Englishtown Regional School District  
Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years

MANALAPAN TOWNSHIP

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2002	59,236,700	2,013,660,600	17,722,500	3,025,900	171,351,300	11,142,600	-	2,276,139,600	-	4,033,844	2,280,173,444	1.469	3,028,017,290
2003	51,469,900	2,074,986,500	17,829,900	2,940,700	179,219,000	11,519,100	-	2,337,965,100	-	3,816,262	2,341,783,362	1.535	3,483,837,544
2004	47,746,800	2,116,801,900	16,905,600	2,828,900	178,727,000	11,519,100	-	2,374,529,300	-	3,330,216	2,377,859,516	1.660	3,977,921,781
2005	79,348,800	2,154,592,600	16,211,800	2,126,100	181,799,700	11,519,100	-	2,445,598,100	-	2,977,355	2,448,575,455	1.592	4,480,195,412
2006	85,683,900	2,214,794,300	17,355,100	2,183,400	182,740,300	11,519,100	-	2,514,266,100	-	2,632,821	2,516,898,921	1.674	5,056,910,192
2007	200,229,100	5,485,094,000	36,588,500	2,296,200	402,831,900	24,603,500	-	6,151,643,200	-	5,707,918	6,157,351,118	1.674	5,837,550,667
2008	200,478,700	5,658,484,200	36,779,500	2,315,700	403,109,300	24,603,500	-	6,325,770,900	-	6,259,681	6,332,030,581	0.747	6,267,559,710
2009	160,219,400	5,732,755,580	36,725,860	2,314,400	425,667,160	24,667,000	-	6,382,285,900	-	7,636,903	6,389,922,803	0.776	6,480,948,402
2010	102,803,800	5,111,395,600	32,933,960	2,338,000	377,965,540	22,667,200	-	5,652,093,900	-	9,382,496	5,661,476,396	1.888	6,542,677,046
2011	102,803,800	5,111,395,600	32,933,960	2,253,000	380,040,400	22,667,200	-	5,652,093,900	-	9,382,496	5,661,476,396	1.961	6,281,820,516

ENGLISHTOWN TOWNSHIP

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2002	1,496,100	72,832,900	164,000	2,500	14,991,500	3,259,800	633,000	93,379,800	-	2,234,590	95,614,390	1.408	109,374,056
2003	1,486,200	73,641,200	164,000	2,500	14,516,500	3,259,800	633,000	93,703,200	-	2,363,187	96,066,387	1.615	129,907,273
2004	1,444,600	74,025,200	164,000	2,500	13,026,100	3,275,900	633,000	92,571,300	-	1,980,282	94,551,582	1.729	151,953,225
2005	1,576,400	74,384,600	164,000	2,500	13,476,100	3,275,900	633,000	93,512,300	-	1,725,109	95,237,609	1.775	169,651,537
2006	2,781,400	75,336,000	-	-	13,585,100	3,275,900	743,200	95,721,600	-	1,551,774	97,273,374	1.806	189,388,163
2007	1,454,000	80,771,800	-	-	14,729,700	2,975,900	743,200	100,674,600	-	1,170,831	101,845,431	1.789	218,018,531
2008	3,353,400	188,838,400	-	-	42,425,900	10,229,600	1,262,100	256,109,400	-	3,772,717	259,882,117	1.927	238,835,137
2009	3,978,000	198,110,000	-	-	42,080,100	9,879,300	1,262,100	255,309,500	-	5,904,759	261,214,259	0.758	246,645,548
2010	3,892,300	198,206,200	-	-	42,019,600	9,879,300	1,262,100	255,269,500	-	4,454,083	259,713,583	1.775	250,643,293
2011	3,788,700	198,279,700	-	-	39,134,100	9,879,300	1,262,100	252,343,900	-	4,454,083	256,797,983	1.788	242,547,058

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

<sup>a</sup> Taxable value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies

<sup>b</sup> Tax rates are per \$100

**Manalapan-Englishtown Regional School District**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	Manalapan-Englishtown Board of Education			Manalapan Township				Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation		Freehold Regional School District	Overlapping Rates		Monmouth County	
		Debt Service <sup>b</sup>	Total Direct		Manalapan Township	Library/Other		
2002	1.411	0.058	1.469	0.710	0.480	0.029	0.584	3.272
2003	1.477	0.058	1.535	0.795	0.490	0.030	0.606	3.456
2004	1.594	0.066	1.660	0.798	0.499	0.031	0.603	3.591
2005	1.529	0.063	1.592	0.812	0.494	0.031	0.599	3.528
2006	1.606	0.068	1.674	0.812	0.494	0.031	0.582	3.593
2007	0.675	0.072	0.747	0.363	0.268	0.014	0.252	1.644
2008	0.700	0.076	0.776	0.360	0.284	0.014	0.230	1.664
2009	0.700	0.076	0.776	0.364	0.295	0.014	0.235	1.684
2010	0.753	0.076	0.829	0.432	0.332	0.016	0.279	1.888
2011	0.849	0.060	0.909	0.421	0.332	0.020	0.279	1.961

Fiscal Year Ended June 30,	Manalapan-Englishtown Board of Education			Englishtown Borough				Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation		Freehold Regional School District	Overlapping Rates		Monmouth County	
		Debt Service <sup>b</sup>	Total Direct		Englishtown Borough	Library/Other		
2002	1.208	0.200	1.408	0.466	0.439	0.034	0.507	2.854
2003	1.399	0.216	1.615	0.525	0.439	0.027	0.551	3.157
2004	1.497	0.214	1.711	0.631	0.668	0.028	0.566	3.604
2005	1.558	0.200	1.758	0.595	0.725	0.030	0.583	3.691
2006	1.625	0.164	1.789	0.683	0.785	0.030	0.574	3.861
2007	1.741	0.186	1.927	0.646	0.785	0.031	0.586	3.975
2008	0.687	0.071	0.758	0.268	0.328	0.012	0.225	1.591
2009	0.707	0.045	0.752	0.303	0.365	0.013	0.236	1.669
2010	0.784	0.024	0.808	0.318	0.385	0.013	0.251	1.775
2011	0.785	0.054	0.839	0.299	0.405	0.013	0.232	1.788

Source: District Records and Municipal Tax Collector

**Note:** NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the

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

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

**Manalapan-Englishtown Regional School District  
Principal Property Tax Payers  
Current Year and Nine Years Ago**

MANALAPAN TOWNSHIP

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Manalapan Realty	\$ 42,593,600	1	0.72%	\$ 10,519,600	3	0.49%
Manalapan VF	29,989,700	2	0.51%	-		0.00%
K Hovnanian at Manalapan II	28,026,800	3	0.47%	-		0.00%
Towne Point Associates	11,867,500	4	0.20%	7,216,900	4	0.33%
Trans Equity Realty, LLC	9,694,600	5	0.16%	4,450,000	8	0.21%
Reiss Manufacturing, Inc.	7,958,000	6	0.13%	-		0.00%
Taylor 9 South Associates, LLC	7,593,400	7	0.13%	-		0.00%
Monmouth Investors, LLC	7,500,000	8	0.13%	-		0.00%
Lenine, LLC	7,356,000	9	0.12%	-		0.21%
Pension Road Realty	7,200,000	10	0.12%	4,192,000	9	0.19%
Muscarelle/Am Properties				12,374,800	1	0.57%
Manalapan Industries				11,400,000	2	0.53%
Calton Homes, Inc.				6,985,800	5	0.32%
SGS Communities				4,642,500	6	0.21%
Westmon Corp.				4,471,800	7	0.21%
Bell Atlantic - NJ				4,174,774	10	0.20%
Total	<u>\$ 159,779,600</u>		<u>2.71%</u>	<u>\$ 70,428,174</u>		<u>3.27%</u>

ENGLISHTOWN BOROUGH

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
BAL Governor's Crossing LLC	\$ 7,425,200	1	0.13%	-		0.00%
BTR Englishtown LLC	7,229,300	2	0.12%	\$ -		0.00%
Dorothy Leo Inc.	3,495,400	3	0.06%	-		0.00%
Wemacs, LLC	3,366,700	4	0.06%	598,000	5	0.67%
Village Center Associates LLC	3,312,700	5	0.06%	-		0.00%
Durling Realty, LLC	2,150,300	6	0.04%	-		0.00%
Brooklawn Gardens, Inc.	2,021,800	7	0.03%	-		0.00%
K & K Englishtown, Inc.	1,782,800	8	0.03%	550,000	6	0.62%
Moskowitz, K Trust & Berger V	1,374,700	9	0.02%	-		0.00%
Carr, Pauline H & Carr, John	1,293,800	10				
Ruck, DiRubbio & MacCauley				6,500,000	1	7.34%
Englishtown Industrial Park				2,462,500	2	2.78%
Individual Taxpayer #1				1,203,100	3	1.36%
Verizon New Jersey				600,000	4	0.68%
Jolor Realty Co.				422,800	7	0.48%
Individual Taxpayer #2				406,300	8	0.46%
Individual Taxpayer #3				399,400	9	0.45%
Exxon Corporation				372,400	10	0.42%
Total	<u>\$ 26,027,500</u>		<u>0.42%</u>	<u>\$ -</u>		<u>15.26%</u>

**Manalapan-Englishtown Regional School District  
Property Tax Levies and Collections  
Last Seven Fiscal Years**

MANALAPAN TOWNSHIP

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	
2004	89,387,231	87,443,600	97.83%	-
2005	89,914,296	88,520,335	98.45%	-
2006	95,442,237	94,037,409	98.53%	-
2007	105,569,145	103,781,032	98.31%	-
2008	111,238,139	109,196,505	98.16%	-
2009	111,863,760	110,272,757	98.58%	-
2010	115,530,685	113,968,838	98.65%	-

ENGLISHTOWN BOROUGH

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	
2004	1,551,411	1,551,411	100.00%	-
2005	1,635,126	1,635,126	100.00%	-
2006	1,691,301	1,691,301	100.00%	-
2007	1,757,710	1,757,710	100.00%	-
2008	1,780,484	1,780,484	100.00%	-
2009	1,983,899	1,983,899	100.00%	-
2010	1,976,369	1,976,369	100.00%	-

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

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

**Manalapan-Englishtown Regional School District**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**UNAUDITED**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities			Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2002	39,695,000	-	1,128,323	-	-	40,823,323	0.11%	43,521	
2003	36,830,000	-	638,797	-	-	37,468,797	0.11%	42,849	
2004	68,310,000	-	382,963	-	-	68,692,963	0.06%	43,427	
2005	64,415,000	-	147,801	-	-	64,562,801	0.07%	44,005	
2006	61,225,000	-	429,286	-	-	61,654,286	0.07%	44,599	
2007	58,960,000	-	487,106	-	-	59,447,106	0.08%	45,201	
2008	55,380,000	-	809,476	-	-	56,189,476	0.09%	51,455	
2009	53,750,000	-	1,087,289	-	-	54,837,289	0.10%	54,801	
2010	52,055,000	-	691,982	-	-	52,746,982	0.11%	56,755	
2011	50,305,000	-	478,959	-	-	50,783,959	0.11%	54,771	

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

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

- a** See Exhibit NJ J-13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

**Manalapan-Englishtown Regional School District  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2002	39,695,000	-	39,695,000	1.67%	43,521
2003	36,830,000	-	36,830,000	1.51%	42,849
2004	68,310,000	-	68,310,000	2.76%	43,427
2005	64,415,000	-	64,415,000	2.53%	44,005
2006	61,225,000	-	61,225,000	2.34%	44,599
2007	58,960,000	-	58,960,000	0.94%	45,201
2008	55,380,000	-	55,380,000	0.84%	51,455
2009	53,750,000	-	53,750,000	0.81%	54,801
2010	52,055,000	-	52,055,000	0.88%	56,755
2011	50,305,000	-	50,305,000	0.85%	54,771

**Note:**

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

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

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

**Manalapan-Englishtown Regional School District  
 Ratios of Overlapping Governmental Activities Debt  
 As of June 30, 2011**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Manalapan Township	\$ 16,930,221	100.0000%	\$ 16,930,221
Englishtown Borough	1,115,000	100.0000%	1,115,000
<b>Other debt</b>			
Western Monmouth Utility Authority	13,042,550	50.3840%	6,571,358
Freehold Regional High School:			-
Manalapan Township	38,490,000	20.0468%	7,716,015
Englishtown Borough	38,490,000	0.6333%	243,757
Monmouth County:			
Manalapan Township	488,135,115	5.0640%	24,719,027
Englishtown Borough	488,135,115	0.1916%	935,052
Subtotal, overlapping debt			58,230,431
<b>Manalapan-Englishtown School District Direct Debt</b>			50,305,000
<b>Total direct and overlapping debt</b>			<u>\$ 108,535,431</u>

**Sources:** Manalapan Township Finance Officer, Englishtown Borough Finance Officer, Monmouth County Finance Office and Utility Authorities.

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

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

Manalapan-Englishtown Regional School District  
 Legal Debt Margin Information,  
 Last Ten Fiscal Years  
 UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized valuation basis	
2011	\$ 6,281,820,516
2010	6,542,677,046
2009	6,480,948,402
[A]	\$ 19,305,445,964
[A/3]	\$ 6,435,148,655
[B]	193,054,460
[C]	48,126,794
[B-C]	\$ 144,927,666

Fiscal Year for Manalapan Township	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 81,914,765	\$ 92,053,757	\$ 104,777,497	\$ 119,289,724	\$ 135,049,016	\$ 146,527,033	\$ 171,620,206	\$ 185,860,588	\$ 192,081,122	\$ 193,054,460
Total net debt applicable to limit	38,189,636	35,543,985	65,892,814	62,099,138	61,225,000	87,958,491	52,982,046	51,422,625	49,801,019	48,126,794
Legal debt margin	\$ 43,725,129	\$ 56,509,772	\$ 38,884,683	\$ 57,190,586	\$ 73,824,016	\$ 58,568,542	\$ 118,638,160	\$ 134,437,963	\$ 142,280,103	\$ 144,927,666
Total net debt applicable to the limit as a percentage of debt limit	46.62%	38.61%	62.89%	52.06%	45.34%	60.03%	30.87%	27.67%	25.93%	24.93%

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized valuation basis	
2011	\$ 242,547,058
2010	250,643,293
2009	246,645,548
[A]	\$ 739,835,899
[A/3]	\$ 246,611,966
[B]	7,398,359
[C]	2,178,207
[B-C]	\$ 5,220,152

Fiscal Year for Englishtown Borough	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 2,848,317	\$ 3,330,193	\$ 3,843,616	\$ 4,449,340	\$ 5,049,243	\$ 5,078,616	\$ 6,462,418	\$ 7,034,992	\$ 7,364,512	\$ 7,398,359
Total net debt applicable to limit	1,505,364	1,286,015	2,471,186	2,315,862	2,579,498	2,608,871	2,397,954	2,327,375	2,253,982	2,178,207
Legal debt margin	\$ 1,342,953	\$ 2,044,178	\$ 1,372,430	\$ 2,133,478	\$ 2,469,745	\$ 2,469,745	\$ 4,064,464	\$ 4,707,617	\$ 5,110,530	\$ 5,220,152
Total net debt applicable to the limit as a percentage of debt limit	52.85%	38.62%	64.29%	52.05%	51.09%	51.37%	37.11%	33.08%	30.61%	29.44%

Source: Abstract of Rates and District Records CAFR Schedule J-6

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

**Manalapan-Englishtown Regional School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
UNAUDITED**

MANALAPAN TOWNSHIP

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2002	36,257	1,548,690,075	42,819	4.1%
2003	36,956	1,583,147,687	42,962	4.2%
2004	37,175	1,711,653,408	46,066	3.5%
2005	37,257	1,782,595,500	47,724	3.5%
2006	37,628	1,868,675,299	51,455	3.3%
2007	38,591	1,975,131,600	54,286	3.5%
2008	39,063	2,071,718,441	57,028	3.2%
2009	38,956	2,134,827,756	54,801	4.2%
2010	39,390	2,235,579,450	56,755	7.8%
2011	38,872	2,129,058,312	54,771	7.8%

ENGLISHTOWN BOROUGH

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2002	1,829	78,214,500	42,819	4.2%
2003	1,827	78,377,498	42,962	4.4%
2004	1,830	84,334,648	46,066	3.6%
2005	1,817	87,019,764	47,724	3.4%
2006	1,862	89,954,852	51,455	3.5%
2007	1,893	93,813,970	54,286	3.4%
2008	1,914	96,970,411	57,028	3.1%
2009	1,917	105,053,517	54,801	4.0%
2010	1,916	108,742,580	56,755	6.7%
2011	1,916	104,941,236	54,771	6.8%

**Source:**

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

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

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

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

**Manalapan-Englishtown Regional School District  
Principal Employers,  
Current Year and Ten Years Ago  
UNAUDITED**

Employer	2011			2002		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Manalapan-Englishtown Regional School District	815	1	0.00%			
Wegman's Super Market	588	2	0.00%			
Target	196	3	0.00%			
Manalapan Township	171	4	0.00%			
Stop-N-Shop	87	5	0.00%			
Applebee's	65	6	0.00%			
Western Monmouth Utilities	55	7	0.00%			
Babies R Us	52	8	0.00%			
Rex Lumber	50	9	0.00%			
Petsmart	37	10	0.00%			
	<u>2,116</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

**Source:** Township Administration Office

**Note:** Information for 2001 not available. Percentage of total employment not available.

**Manalapan-Englishtown Regional School District  
Full-time Equivalent District Employees by Function/Program,  
Last Ten Fiscal Years  
UNAUDITED**

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction										
Regular	396	399	408	408	411	339	339	349	256	270
Special education	121	125	125	124	135	105	118	128	163	160
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	69	72	72	70	78	163	154	154	131	133
General administrative services	4	4	4	2	1	21	21	4	3	2
School administrative services	25	25	26	28	26	40	40	40	40	35
Business administrative services	8	8	8	8	11	6	6	6	6	14
Plant operations and maintenance	52	53	53	51	51	66	63	63	62	65
Pupil transportation	65	68	62	67	72	79	75	75	85	86
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>740</b>	<b>754</b>	<b>758</b>	<b>758</b>	<b>785</b>	<b>819</b>	<b>816</b>	<b>819</b>	<b>746</b>	<b>765</b>

**Source:** District Personnel Records

Manalapan-Englishtown Regional School District  
 Operating Statistics  
 Last Ten Fiscal Years  
 UNAUDITED

Fiscal Year Ended June 30,	Pupil/Teacher Ratio										
	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Elementary	Middle School	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2002	5,568	48,894,968	8,781	12.12%	445	1:15	1:17	5,710	5,446	0.30%	96.24%
2003	5,533	52,618,286	9,510	8.30%	453	1:15	1:17	5,583	5,337	-2.22%	95.85%
2004	5,486	57,023,923	10,394	9.30%	454	1:15	1:17	5,566	5,315	-0.30%	96.01%
2005	5,495	58,339,003	10,617	2.14%	452	1:15	1:17	5,500	5,244	-1.19%	95.86%
2006	5,446	61,614,260	11,314	6.56%	464	1:15	1:17	5,518	5,278	0.33%	95.80%
2007	5,552	66,001,695	11,888	5.08%	467	1:15	1:17	5,493	5,253	-0.45%	96.30%
2008	5,521	64,169,311	11,623	-2.23%	457	1:13	1:14	5,499	5,266	0.11%	95.80%
2009	5,464	72,208,117	13,215	13.70%	819	1:13	1:14	5,464	5,204	-0.64%	95.20%
2010	5,364	74,648,816	13,917	5.31%	746	1:13	1:14	5,400	5,176	-1.17%	95.90%
2011	5,275	72,221,081	13,691	-1.62%	765	1:13	1:14	5,292	5,047	-2.00%	95.90%

Sources: District records, ASSA and Schedules J-4, J-12, J-14

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4

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

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

**Manalapan-Englishtown Regional School District  
School Building Information  
Last Ten Fiscal Years  
UNAUDITED**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>District Building</b>										
<b>Early Learning Center</b>										
John I. Dawes Early Learning Center (2008)										
Square Feet	-	-	-	-	-	-	42,000	42,000	42,000	42,000
Capacity (students)	-	-	-	-	-	-	550	550	550	550
Enrollment	-	-	-	-	-	-	530	530	530	530
<b>Elementary</b>										
Clark Mills Elementary (1957)										
Square Feet	73,551	73,551	73,551	73,551	73,551	73,551	73,551	73,551	73,551	73,551
Capacity (students)	851	851	851	851	851	851	851	851	851	851
Enrollment	735	723	733	775	766	813	605	605	605	605
Taylor Mills Elementary (1965)										
Square Feet	73,454	73,454	73,454	73,454	73,454	73,454	73,454	73,454	73,454	73,454
Capacity (students)	521	521	521	521	521	521	521	521	521	521
Enrollment	740	691	698	688	676	676	519	519	519	519
Pine Brook Elementary (1966)										
Square Feet	83,260	83,260	83,260	83,260	83,260	83,260	83,260	83,260	83,260	83,260
Capacity (students)	816	816	816	816	816	816	816	816	816	816
Enrollment	884	887	890	839	844	814	778	778	778	778
Lafayette Mills Elementary (1968)										
Square Feet	63,230	63,230	63,230	63,230	63,230	63,230	63,230	63,230	63,230	63,230
Capacity (students)	517	517	517	517	517	517	517	517	517	517
Enrollment	590	521	539	521	524	495	508	508	508	508
Milford Brook Elementary (1971)										
Square Feet	68,900	68,900	68,900	68,900	68,900	68,900	68,900	68,900	68,900	68,900
Capacity (students)	584	584	584	584	584	584	584	584	584	584
Enrollment	827	802	807	760	745	773	604	604	604	604
Wemrock Brook Elementary (2002)										
Square Feet	98,252	98,252	98,252	98,252	98,252	98,252	98,252	98,252	98,252	98,252
Capacity (students)	642	642	642	642	642	642	642	642	642	642
Enrollment	551	574	579	585	565	609	631	631	631	631
<b>Middle School</b>										
Manalapan Englishtown Middle (1992)										
Square Feet	205,977	205,977	205,977	205,977	278,977	278,977	278,977	278,977	278,977	278,977
Capacity (students)	1,346	1,346	1,346	1,346	1,424	1,424	1,424	1,424	1,424	1,424
Enrollment	1,390	1,390	1,345	1,364	1,417	1,372	1,346	1,346	1,346	1,346
<b>Other</b>										
Administration Building (1909)										
Square Feet	12,109	12,109	12,109	12,109	12,109	12,109	12,109	12,109	12,109	12,109
Transportation (2002)										
Square Feet	4,760	4,760	4,760	4,760	4,760	4,760	4,760	4,760	4,760	4,760
Bus Repair Facility (2003)										
Square Feet	-	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Bus Wash Facility (2002)										
Square Feet	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Fuel Facility (2002)										
Square Feet	-	-	-	-	-	-	-	-	-	-

Number of Schools at June 30, 2010

Early Learning Center = 1  
Elementary = 6

Source: District records, ASSA

Middle School = 1  
Other = 5

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

Manalapan-Englishtown Regional School District  
 Schedule of Required Maintenance  
 Last Seven Fiscal Years  
 UNAUDITED

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

* School Facilities Project # (s)	Clark Mills Elementary N/A	Lafayette Mills Elementary N/A	Manalapan- Englishtown Middle N/A	Milford Brook Elementary N/A	Pine Brook Elementary N/A	Taylor Mills Elementary N/A	Wemrock Brook Elementary N/A	John I. Dawes Early Learning Center N/A	Other Facilities	Total
2004	\$ 155,178	\$ 154,378	\$ 236,351	\$ 150,778	\$ 159,678	\$ 152,278	\$ 177,827	\$ -	\$ -	1,186,468
2005	127,818	104,706	340,904	111,806	146,967	122,373	162,611	-	45,700	1,162,885
2006	135,176	163,357	225,016	153,538	158,129	132,413	157,619	-	18,066	1,143,314
2007	123,041	156,191	211,823	144,642	150,042	119,792	149,442	-	-	1,054,973
2008	154,123	181,766	244,945	169,653	176,589	141,702	159,259	11,799	-	1,239,836
2009	144,111	123,889	546,608	134,998	163,134	143,921	192,508	82,292	49,706	1,581,167
2010	137,420	118,137	521,230	128,730	155,560	137,239	183,570	78,471	47,399	1,507,756
2011	94,956	81,632	360,167	88,952	107,491	94,831	126,846	54,223	32,752	1,041,851
Total School Facilities	\$ 1,071,823	\$ 1,084,055	\$ 2,687,045	\$ 1,083,097	\$ 1,217,590	\$ 1,044,549	\$ 1,309,683	\$ 226,785	\$ 193,623	\$ 9,918,250

\* 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

**Manalapan-Englishtown Regional School District  
Insurance Schedule  
For the Fiscal Year Ended June 30, 2011  
Unaudited**

Company	Type of Coverage	Coverage	Deductible
<b>COMMERCIAL PACKAGE POLICY</b>			
Utica Mutual Insurance	Property Blanket Building & Contents (Replacement Cost Values)	\$ 214,204,207	\$ 1,000
	Flood/Earthquake	2,500,000	25,000
	Personal Property Limit	Included	-
	Business Income/Extra Expense	Actual loss sustained	-
	Valuation	Replacement Cost	-
	Extra Expense	Included	-
	Boiler & Machinery	Included	-
	Ordinance or Law Coverage		
	Coverage B - Demolition Cost	1,000,000	-
	Coverage C - Inc Cost of Insurance	1,000,000	1,000
	Musical Instruments	500,000	250
Utica Mutual Insurance	<b>Inland Marine: Additional Limits</b>		
	Data/Media Computer Programs -		
	Blanket All Locations	6,094,729	1,000
	Extra Expense - Blanket All Locations	240,000	1,000
	Musical Instruments	500,000	250
	Outside Equipment	25,000	-
Utica Mutual Insurance	<b>Crime Coverage</b>		
	Employee Dishonesty	100,000	None
	Forgery or Alteration	100,000	None
	Theft, Disappearance and Destruction	25,000	-
Utica Mutual Insurance	<b>Comprehensive General Liability</b>		
	Per Occurrence	1,000,000	None
	General Aggregate	3,000,000	None
	Products/Completed Operations	3,000,000	None
	Personal/Advertising Injury	1,000,000	None
	Fire/Legal Damage	1,000,000	None
	Medical Expense	10,000	None
	Employee Benefit Liability(excludes students)	1,000,000	None
	Aggregate	3,000,000	None
	School District/Educational Legal		
	Occurrence	1,000,000	-
	Aggregate	3,000,000	-
	Retention	10,000	-
	Maximum Additional Defense	100,000/50,000	-
	Abuse/Molestation Liability	-	-
	Each Claim	1,000,000	-
	Aggregate	3,000,000	-

(Continued)

Source: District Records

**Manalapan-Englishtown Regional School District  
Insurance Schedule  
For the Fiscal Year Ended June 30, 2011  
Unaudited**

Company	Type of Coverage	Coverage	Deductible
Utica Mutual Insurance	<b>Automobile Policy</b>		
	Automobile Liability	\$ 1,000,000	\$ -
	Uninsured/Underinsured Motorist	1,000,000	-
	Medical Payments	10,000	
	Comprehensive General Liability	Included	500
	Collision Coverage	Included	1,000
Utica Mutual Insurance	<b>Umbrella Liability</b>		
	Each Occurrence	10,000,000	-
	General Aggregate	10,000,000	-
	Self Insured Retention	10,000	-
Fireman's Fund	<b>Excess Umbrella - NJ CAP Program</b>		
	Limit of Insurance	50,000,000	None
	Aggregate	50,000,000	None
Midwest Employers Casualty Company	<b>Excess Worker's Compensation</b>		
	Coverage A - Worker's Compensation	25,000,000	-
	Coverage B - Employers Liability	1,000,000	-
	<b>Self Insured Retention</b>	350,000	-
Peoples Benefit Life Insurance Company	<b>Student Accident - Voluntary Program</b>		
	Benefit Period - 5 years	1,000,000	-
Western Surety	<b>Fidelity Bonds</b>		
	School Business Administrator/Board Secy.	300,000	None
	Asst. School Bus. Admin./Asst. Bd. Secy.	200,000	None
	Treasurer of School Monies	350,000	None
Commerce & Industry	<b>Underground Storage Tank</b>		
	Each Occurrence	1,000,000	5,000
	Annual Aggregate	1,000,000	5,000

## SINGLE AUDIT SECTION



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*

Honorable President and Members  
of the Board of Education  
Manalapan-Englishtown Regional School District  
County of Monmouth, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unity, each major fund, and the aggregate remaining fund information of the Board of Education of the Manalapan-Englishtown Regional School District, in the County of Monmouth, State of New Jersey (District) as of and for the year ended June 30, 2011, which collectively comprise the 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; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in 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 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of the District's Board, the New Jersey Department of Education, 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 & COMPANY, L.L.P.



Kathryn Perry, Partner  
Licensed Public School Accountant  
No. CS 20CS00226400

November 16, 2011

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's Circular Letter 04-04

Honorable President and Members  
of the Board of Education  
Manalapan-Englishtown Regional School District  
County of Monmouth, New Jersey

Compliance

We have audited the Board of Education of the Manalapan-Englishtown Regional School District's compliance with the types of compliance requirements described in *OMB Circular A-133 Compliance Supplement* and the *New Jersey OMB Circular 04-04* that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2011. The District's major federal and state programs are identified in the summary of auditors' 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 District's management. Our responsibility is to express an opinion on the 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; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the 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 District's compliance with those requirements.

In our opinion, the 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.

#### Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the District's internal control over compliance with the 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 District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be 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 and use of the District's Board, the New Jersey Department of Education, 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 & COMPANY, L.L.P.



Kathryn Perry, Partner  
Licensed Public School Accountant  
No. CS 20CS00226400

November 16, 2011

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2011

Federal Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2010	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	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: Enterprise Fund:												
Food Distribution Program	10.550	7/1/10-6/30/11	81,889	-	-	81,889	(81,889)	-	-	-	-	-
National School Lunch Program	10.555	7/1/10-6/30/11	250,405	-	-	235,412	(250,405)	-	-	-	(14,993)	-
National School Lunch Program	10.555	7/1/09-6/30/10	225,670	(16,692)	-	16,692	-	-	-	-	(395)	-
Special Milk Program	10.556	7/1/10-6/30/11	5,977	-	-	5,982	(5,977)	-	-	-	-	-
Special Milk Program	10.556	7/1/09-6/30/10	6,784	(540)	-	540	-	-	-	-	-	-
<b>Total Enterprise Fund</b>				<b>(17,232)</b>	<b>-</b>	<b>340,115</b>	<b>(338,271)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,388)</b>	<b>-</b>
U.S. Department of Education Passed-through State Department of Education: Special Revenue Fund:												
Title I	84.010A	9/1/10-8/31/11	190,954	-	-	127,302	(182,424)	-	-	-	(55,122)	-
Title I	84.010A	9/1/09-8/31/10	180,585	(36,406)	-	36,406	-	-	-	-	-	-
Title II Part A	84.367A	9/1/10-8/31/11	104,959	-	-	65,636	(81,361)	-	-	-	(15,725)	-
Title II Part A	84.367A	9/1/09-8/31/10	104,325	19,454	-	36,115	(46,236)	-	-	9,333	-	-
Title II Part D	84.318X	9/1/10-8/31/11	416	-	-	-	-	-	-	-	-	-
Title II Part D	84.318X	9/1/09-8/31/10	1,672	(1,652)	-	1,652	-	-	-	-	-	-
Title III	84.365A	9/1/10-8/31/11	19,744	-	-	10,637	(11,873)	-	-	-	(1,236)	-
Title III	84.365A	9/1/09-8/31/10	25,517	(1,368)	-	-	-	-	-	460	-	-
Title III	84.365A	9/1/07-8/31/08	16,928	1,828	1,828	-	-	-	-	-	-	-
Title IV	84.186A	9/1/07-8/31/08	14,402	1,277	(1,828)	-	-	-	(963)	-	-	-
Title V	84.296A	9/1/07-9/1/08	6,394	963	-	-	-	-	(1,277)	-	-	-
Title V	84.296A	9/1/06-8/31/07	7,267	124	-	-	-	-	(124)	-	-	-
ID.E.A. Part B Basic Regular	84.027	9/1/10-8/31/11	1,260,613	-	80,421	750,776	(1,133,447)	-	-	-	(382,671)	-
ID.E.A. Part B Basic Regular	84.027	9/1/09-8/31/10	1,176,343	(243,737)	(80,421)	384,658	(139,491)	-	-	1,430	-	-
ID.E.A. Part B Preschool	84.173	9/1/10-8/31/11	55,505	-	8	36,730	(65,200)	-	-	-	(18,470)	-
ID.E.A. Part B Preschool	84.173	9/1/09-8/31/10	53,864	(32,973)	(6)	32,973	-	-	-	-	-	-
ARRA ID.E.A. Part B Basic Regular	84.391	9/1/09-8/31/10	1,177,557	(193,616)	-	562,341	(510,209)	-	-	-	(141,464)	-
ARRA ID.E.A. Part B Preschool	84.392	9/1/09-8/31/10	42,586	(9,885)	-	9,361	(2,731)	-	-	-	(3,285)	-
Molly Pitcher Liberty History	84.215X	9/1/06-8/31/09	953,990	(10,513)	-	10,513	-	-	-	-	-	-
<b>Total Special Revenue Fund</b>				<b>(506,504)</b>	<b>-</b>	<b>2,065,100</b>	<b>(2,164,249)</b>	<b>-</b>	<b>(1,087)</b>	<b>11,223</b>	<b>(617,963)</b>	<b>-</b>
<b>Total Expenditures of Federal Awards</b>				<b>(523,736)</b>	<b>-</b>	<b>2,405,215</b>	<b>(2,502,520)</b>	<b>-</b>	<b>(1,087)</b>	<b>11,223</b>	<b>(633,351)</b>	<b>-</b>

See accompanying notes to schedules of expenditures.

MANALAPAN-ENGLISHTOWN REGIONAL 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	Final Award Amount	Balance at June 30, 2010	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments/ 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	11-495-034-5120-014	7/1/10-6/30/11	1,234,642	\$ -	\$ -	\$ 1,234,642	(1,234,642)	\$ -	\$ -	\$ -	\$ -	\$ 123,484	\$ 1,234,642
Special Education Aid	11-495-034-5120-019	7/1/10-6/30/11	2,928,895	-	-	2,928,895	(2,928,895)	-	-	-	-	292,889	2,928,895
Security Aid	11-495-034-5120-084	7/1/10-6/30/11	19,768,889	-	-	19,768,889	(19,768,889)	-	-	-	-	1,366,856	19,768,889
Security Aid	11-495-034-5120-084	7/1/10-6/30/11	403,346	-	-	403,346	(403,346)	-	-	-	-	40,335	403,346
Extraordinary Aid	11-495-034-5120-044	7/1/10-6/30/11	303,476	-	-	-	(303,476)	-	(303,476)	-	-	-	-
Extraordinary Aid	11-495-034-5120-044	7/1/09-6/30/10	179,803	(179,803)	-	179,803	-	-	-	(30,125)	-	-	-
Non-public transportation aid	11-495-034-5120-014	7/1/10-6/30/11	30,125	-	-	-	(30,125)	-	(30,125)	-	-	-	-
Non-public transportation aid	11-495-034-5120-014	7/1/09-6/30/10	23,518	(23,518)	-	23,518	-	-	-	(1,499)	-	-	-
TPAF Grant	Wape Freizee	7/1/10-6/30/11	2,997	-	-	1,498	(2,997)	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution	11-495-034-5095-002	7/1/10-6/30/11	2,327,218	-	-	2,213,325	(2,327,218)	-	-	(113,893)	-	-	-
Reimbursed TPAF Social Security Contribution	11-495-034-5095-002	7/1/09-6/30/10	2,444,272	(119,577)	-	119,577	-	-	119,577	-	-	-	-
On-behalf TPAF Post-Retirement Medical Contribution (1)	11-495-034-5095-001	7/1/10-6/30/11	2,207,932	-	-	2,207,932	(2,207,932)	-	-	-	-	-	(2,207,932)
Total General Fund			25,402,477	(322,898)	-	22,628,789	(22,754,884)	-	-	(329,416)	-	1,763,261	15,675,204
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Textbook	11-100-034-5120-064	7/1/10-6/30/11	7,332	-	-	7,332	(3,665)	-	-	-	3,667	-	-
Textbook	10-100-034-5120-064	7/1/09-6/30/10	14,519	9,187	-	-	-	(9,187)	-	-	-	-	-
Nursing	11-100-034-5120-070	7/1/10-6/30/11	12,527	-	-	12,527	(12,527)	-	-	-	-	-	-
Evening Instruction	11-100-034-5120-066	7/1/10-6/30/11	9,088	2,470	-	-	-	(2,102)	-	-	-	-	-
Evening Instruction	11-100-034-5120-066	7/1/09-6/30/10	9,088	-	-	9,088	(9,088)	-	-	-	368	-	-
Supplemental Instruction	11-100-034-5120-066	7/1/10-6/30/11	1,390	-	-	1,390	(1,390)	-	-	-	-	-	-
Supplemental Instruction	11-100-034-5120-066	7/1/10-6/30/11	20,340	-	-	20,340	(20,340)	-	-	-	-	-	-
Corrective Speech	11-100-034-5120-066	7/1/10-6/30/11	83,954	11,657	-	50,677	(47,010)	(11,288)	-	-	4,035	-	-
Total Special Revenue Fund			550,090	-	-	550,090	(550,090)	-	-	-	-	-	-
Debt Service Fund:			550,090	-	-	550,090	(550,090)	-	-	-	-	-	-
Debt service aid	11-495-034-5120-125	7/1/10-6/30/11	550,090	-	-	550,090	(550,090)	-	-	-	-	-	-
Enterprise Fund:													
State School Lunch Program	11-100-010-3360-067	7/1/10-6/30/11	22,205	-	-	19,600	(22,205)	-	-	(2,605)	-	-	-
State School Lunch Program	10-100-010-3360-067	7/1/09-6/30/10	22,518	(1,661)	-	1,661	-	-	-	-	-	-	-
State School Lunch Program			44,723	(1,661)	-	21,261	(22,205)	-	-	(2,605)	-	-	-
Total Expenditures of State Awards			\$ 26,081,244	\$ (312,902)	\$ -	\$ 23,250,817	\$ (23,374,189)	\$ (11,288)	\$ -	\$ (332,021)	\$ 4,035	\$ 1,763,261	\$ 15,675,204

See accompanying notes to schedules of expenditures.

(1) Not subject to Single Audit

# Manalapan-Englishtown Regional School District

## Notes to Schedules of Expenditures of Federal and State Awards

Year ended June 30, 2011

### **1. General**

The accompanying schedules of expenditures of federal and state awards present the activity of all federal and state award programs of the Manalapan-Englishtown Regional School District (District). The District is defined in Note 1 to the District's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

### **2. Basis of Accounting**

The accompanying schedules of expenditures of federal and state awards 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 District's basic financial statements. The information in these schedules are presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in the preparation of, the basic financial statements.

### **3. Relationship to Basic Financial Statements**

Amounts reported in the accompanying schedules agree with or reconcile to amounts reported in the basic financial statements which present the General Fund and Special Revenue Fund on a GAAP basis. Budgetary comparison statements and schedules (RSI) are presented for the General Fund and Special Revenue Fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the fiscal 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 of accounting with the exception of the revenue recognition of the last two state aid payments in the current year, which is mandated pursuant to NJSA 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of

Manalapan-Englishtown Regional School District

Notes to Schedules of Expenditures of  
Federal and State Awards

Year ended June 30, 2011

**3. Relationship to Basic Financial Statements (continued)**

the last two state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes the last two state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of the last two state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes the last two state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$371,131 for the General Fund and \$42,288 for the Special Revenue Fund. See the Note to Required Supplementary Information (C-3) for a reconciliation of the budgetary basis to the GAAP basis of accounting for the General Fund and Special Revenue Fund. Financial award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	\$ -	\$ 23,126,015	\$ 23,126,015
Special Revenue Fund	2,206,537	47,010	2,253,547
Debt Service Fund	-	550,090	550,090
Food Service Fund	338,271	22,205	360,476
Total awards and financial assistance	<u>\$ 2,544,808</u>	<u>\$ 23,745,320</u>	<u>\$ 26,290,128</u>

**4. Relationship to Federal and State Financial Reports**

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

Manalapan-Englishtown Regional School District

Notes to Schedules of Expenditures of  
Federal and State Awards

Year ended June 30, 2011

**5. Other**

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions respectively. TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2011.

The TPAF post retirement/medical benefits expenditures are not subject to New Jersey OMB Circular 04-04.

MANALAPAN-ENGLISHTOWN REGIONAL 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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027,84.173,84.391</u>	<u>ARRA - IDEA Part B and Preschool Cluster</u>

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

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

MANALAPAN-ENGLISHTOWN REGIONAL 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: \$701,226

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:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>11-495-034-5120-078</u>	<u>Equalization Aid</u>

MANALAPAN-ENGLISHTOWN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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Section II – Financial Statement Findings

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

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

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

MANALAPAN-ENGLISHTOWN REGIONAL 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.