

**Comprehensive Annual
Financial Report**

of the

Borough of Manville Board of Education

County of Somerset

Manville, New Jersey

For the Fiscal Year Ended June 30, 2011

Prepared by

**Borough of Manville, Board of Education
Finance Department**

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INTRODUCTORY SECTION



MANVILLE PUBLIC SCHOOLS

410 Brooks Boulevard
Manville, New Jersey 08835

Johanna S. Ruberto, Ed.D.
Superintendent of Schools
Phone (908) 231-8500 x8545
Fax (908) 707-3963

Kimberly A. Clelland
Business Administrator /Board Secretary
Phone (908) 231-8500 X 8504
Fax (908) 704-0510

November 3, 2011

Honorable President and
Members of the Board of Education
Manville School District
Somerset County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Manville School District for the fiscal year ended **June 30, 2011**, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State, 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 auditor's report on the internal control structure and compliance laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the **2010-2011** fiscal year with an enrollment of **1,315 students**. The following details the changes in the student enrollment of the District over the last 6 years.

Fiscal Year	Student Enrollment	Percent Change
2005-2006	1341	.0045
2006-2007	1322	(.015)
2007-2008	1320	(.001)
2008-2009	1313	(.005)
2009-2010	1316	(.002)
2010-2011	1315	(.001)

2. ECONOMIC CONDITIONS AND OUTLOOK: Manville is a community of moderately priced single-family homes. The Manville School District has and continues to maintain an extensive “Shared Services” agreement with the Borough of Manville. The School District provides janitorial services and general maintenance services while the Borough provides extensive grounds support in mowing grass and plowing snow in addition to providing security at all major events. Building security and student safety, providing a good educational atmosphere, has been and will continue to be a priority of the Board of Education. Manville is a pleasant place to live, work and attend school.

3. MAJOR INITIATIVES: The Manville School District has planned the following projects for the future school years:

1. Continue to add security cameras at each of the four school buildings.
2. Continued tile floor replacement in classrooms as necessary.
3. Continued retrofitting of classroom energy saving lighting throughout the District in cooperation with PSE&G.
4. Continue up grading courses through the District’s “Five Year Curriculum Plan”.
5. Continue repair/replacement of pavement in all District parking lots.
6. Continued Technology improvement throughout the District.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principals (GAAP). The internal control structure is designed to provide reasonable, but not absolute, 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's, 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.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balances at **June 30, 2011**.

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

7. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedule included in the financial section of this report, the District continues to meet its responsibility for sound financial management. You should review in detail the management's discussion and analysis for the fiscal year ended **June 30, 2011**, for Financial Summaries.

8. DEBT ADMINISTRATION: At **June 30, 2011** the District's outstanding debt issues included **\$1,004,000.00** of general obligation funds.

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

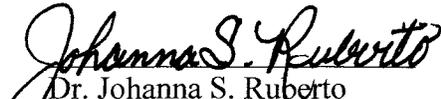
10. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive collision, hazard and the insurance on property and contents, and fidelity bonds.

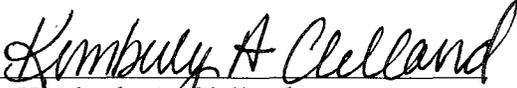
11. OTHER INFORMATION:

A.) Independent Audit - State statutes require an annual audit by independent certified public accountants or certified municipal accountants. The accounting firm of Suplee, Clooney and Company, CPAs was selected by the Board of Education at the annual Reorganization Meeting. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

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

Respectfully submitted,


Dr. Johanna S. Ruberto
Superintendent



Kimberly A. Clelland
Business Administrator/Board Secretary

**BOROUGH OF MANVILLE SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2011**

Members of the Board of Education

Term Expires

Heidi Alles – President	2014
Cathy Wiedwald – Vice-President	2012
Stephanie Cornelson	2013
Valerie Frank	2014
Kelly Harabin	2013
Jeanne Lombardino	2014
Ned Panfile	2012
Trish Rodzinak	2013
Andrew Zangara	2012

Other Officials

Dr. Johanna S. Ruberto, Superintendent of Schools

Kimberly Clelland, Business Administrator/Board Secretary

Lori Majeski, Treasurer of School Moneys

**BOROUGH OF MANVILLE SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
JUNE 30, 2011**

Audit Firm

Suplee, Clooney & Company

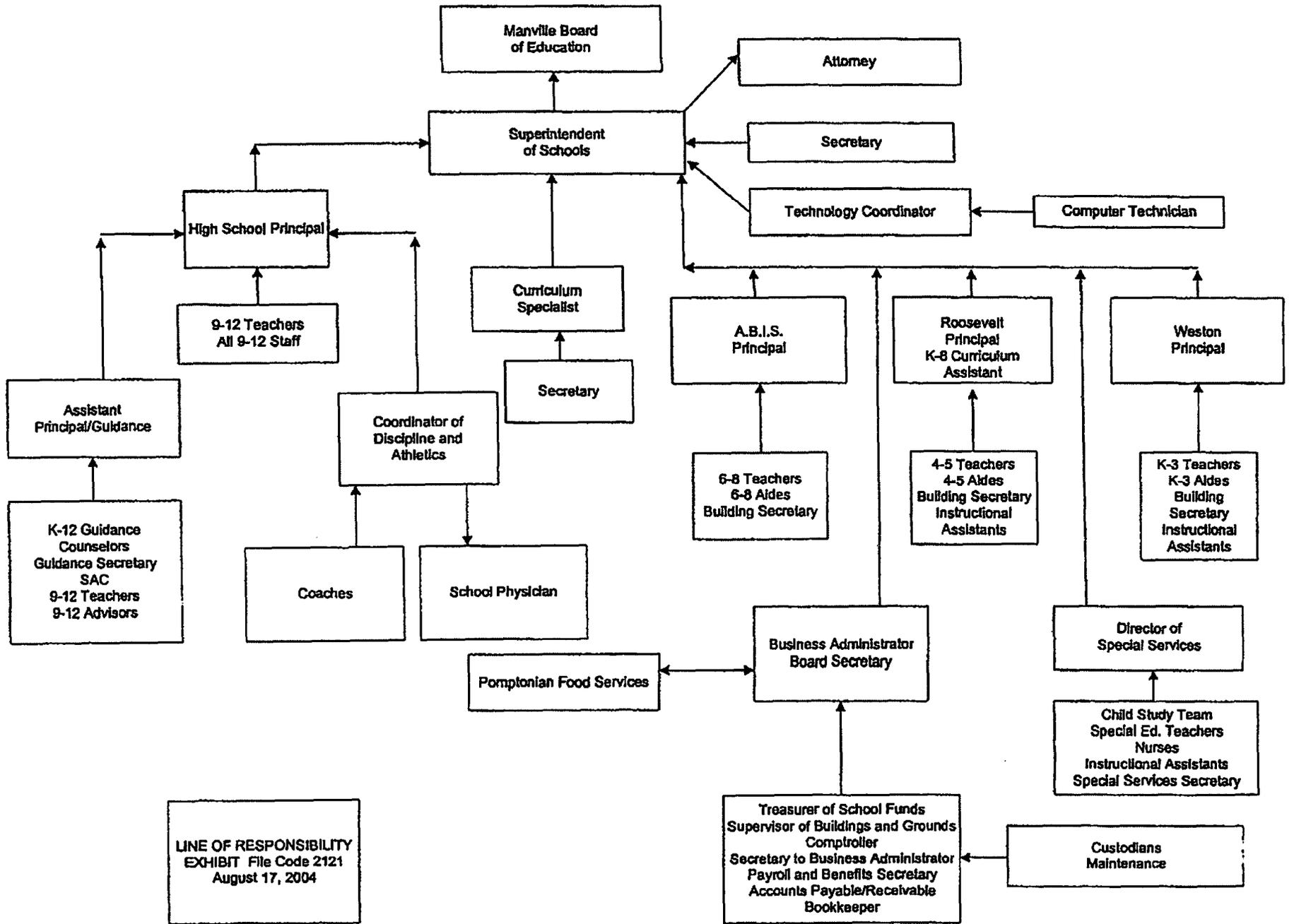
Attorney

David Rubin

Official Depository

TD Bank, NA

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LINE OF RESPONSIBILITY
 EXHIBIT File Code 2121
 August 17, 2004

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FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Manville Borough School District
County of Somerset
Manville, New Jersey 08835

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Manville Borough School District, County of Somerset, 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 financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey and the provisions of U. S. Office of Management and Budget (OMB) Circular A-133 "Audits of State, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Manville Borough School District, County of Somerset, New Jersey as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

SUPLEE, CLOONEY & COMPANY

In accordance with Government Auditing Standards, we have also issued our report dated November 3, 2011 on our consideration of the Manville Borough School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants 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 the required supplementary information, as listed in the foregoing table of contents, respectively, are not a required part of the basic financial statements but are supplementary information required by the U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Manville Borough School District's basic financial statements. The introductory section, combining and individual fund schedules and statements, other schedules, statistical tables and the schedules of expenditures of federal awards and state financial assistance as listed in the table of contents 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"; New Jersey OMB's Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" and State of New Jersey, Department of Education, Division of Finance and are not a required part of the basic financial statements of the Manville Borough School District, County of Somerset, New Jersey. Such information, except for the introductory section and that portion marked unaudited on which we express no opinion, 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.


CERTIFIED PUBLIC ACCOUNTANTS

November 3, 2011


PUBLIC SCHOOL ACCOUNTANT NO. 93

REQUIRED SUPPLEMENTARY INFORMATION – Part I

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

**BOROUGH OF MANVILLE SCHOOL DISTRICT
MANVILLE, NEW JERSEY**

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

The Management's Discussion and Analysis of the Borough of Manville School District (the "District") offers readers of the District's financial statements a narrative overview of the financial activities for the fiscal year ended June 30, 2011. The intent of this discussion is to look at the District's financial performance as a whole; therefore readers should also review the transmittal letter at the front of this report, along with the District's financial statements and notes to the financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- Revenue from governmental activities accounted for \$19,828,491.84 or 97.75 percent of total school district revenue. The other 2.25 percent of revenue was generated by the business type activities.
- Governmental fund revenues exceeded expenditures by \$572,091.56.
- Total net assets of the District increased by \$1,089,136.45.
- The Board of Education transferred \$376,200.00 to the Capital Reserve Account.

Overview of the Financial Statements

This Comprehensive Annual Financial Report ("CAFR") consists of three parts: Management's Discussion and Analysis (this section), The Basic Financial Statements, and Required Supplementary Information. The Basic Financial Statements include two kinds of statements that present different views of the District, District-wide Financial Statements and Fund Financial Statements.

- District-wide Financial Statements provide both short-term and long-term information about the District's overall financial status.
- Fund Financial Statements report the District's operations in more detail than the District-wide statements on individual parts of the District, the Governmental Funds, Proprietary Funds and Fiduciary Funds.

**BOROUGH OF MANVILLE SCHOOL DISTRICT
MANVILLE, NEW JERSEY**

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

- Governmental Funds Statements tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- Proprietary Funds Statements offer short and long-term financial information about the activities the District operates like a business, which include food services.
- Fiduciary Funds Statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The notes to financial statements are also included, which are an integral part of the financial statements. The information in the notes provides detailed data on the District's financial operations.

Required supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year. Exhibit A-1 reflects how the various parts of this annual report are arranged and related to one another.

District-wide Financial Statements

The District-wide Financial Statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or disbursed.

The District-wide Financial Statements report the District's net assets and how they have changed. Net assets, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net assets are an indicator of whether its financial position has improved or diminished. The causes of this change may be a 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 other factors.

In the District-wide Financial Statements, the District's activities are divided into two categories, governmental and business-type activities.

- Governmental activities - All of the District's programs and services are reported here including, but not limited to regular and special education instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. Property taxes and state formula aid finance most of these activities.

**BOROUGH OF MANVILLE SCHOOL DISTRICT
MANVILLE, NEW JERSEY**

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

- Business-type activities - These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. District charges fees to help it cover the costs of certain services it provided. The food service activities are reported as business activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on major funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (i.e. long-term debt) or to show that it is properly using certain restricted revenues (i.e. entitlement grants).

The District maintains three financial funds:

- Governmental Funds: The District's activities reported in governmental funds focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting that 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 fund information helps you 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 government-wide Statement of Net Assets and Statement of Activities) and governmental funds statements is reconciled in the financial statements.
- Proprietary Funds: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide financial statements. The District's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flow.
- Fiduciary Funds: The District is the trustee, or fiduciary, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

**BOROUGH OF MANVILLE SCHOOL DISTRICT
MANVILLE, NEW JERSEY**

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

Financial Analysis of the District as a Whole

The District's combined net assets have increased from the 2009-2010 fiscal year. The net assets from governmental funds increased \$1,076,103.89 as a result of a decrease in expenditures as compared to 2009-2010. Net assets from business-type activities increased \$13,032.56. The decrease in the restricted net assets from prior year was \$138,251.05 resulting from a decrease in capital reserve fund balance anticipated in the 2011-2012 Budget off-set by an increase in encumbrances in 2010-2011. Exhibit A-1 below reflects the District's net assets as a whole. Exhibit A-2 reflects the changes in net assets from operating results.

**Exhibit A-1
Condensed Statement of Net Assets**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage
	<u>FY 2011</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2010</u>	<u>Change</u>
Current and Other Assets	\$2,981,053.23	\$2,543,434.70	\$75,477.69	\$39,573.68	\$3,056,530.92	\$2,583,008.38	18.33%
Capital Assets	8,009,797.16	7,752,971.80	35,661.39	32,519.46	8,045,458.55	7,785,491.26	3.34%
Total Assets	10,990,850.39	10,296,406.50	111,139.08	72,093.14	11,101,989.47	10,368,499.64	7.07%
Long-Term Liabilities	1,048,147.02	1,278,814.60			1,048,147.02	1,278,814.60	-18.04%
Short-Term Liabilities	614,815.49	765,807.91	56,427.17	30,413.79	671,242.66	796,221.70	-15.70%
Total Liabilities	1,662,962.51	2,044,622.51	56,427.17	30,413.79	1,719,389.68	2,075,036.30	-17.14%
Net Assets:							
Invested in Capital Assets Net of Related Debt	7,005,797.16	6,564,703.75	35,661.39	32,519.46	7,041,458.55	6,597,223.21	6.73%
Restricted	1,899,908.81	2,038,159.86			1,899,908.81	2,038,159.86	-6.78%
Unrestricted	422,181.91	(351,079.62)	19,050.52	9,159.89	441,232.43	(341,919.73)	-229.05%
Total Net Assets	\$9,327,887.88	\$8,251,783.99	\$54,711.91	\$41,679.35	\$9,382,599.79	\$8,293,463.34	13.13%

**BOROUGH OF MANVILLE SCHOOL DISTRICT
MANVILLE, NEW JERSEY**

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

**Exhibit A-2
Changes in Net Assets from Operating Results**

	Governmental Activities <u>FY 2011</u>	Business-Type Activities <u>FY 2011</u>	Total School District <u>FY 2011</u>
Revenue:			
Program Revenue:			
Charges for Services		\$226,096.22	\$226,096.22
Operating Grants and Contributions	\$2,049,317.29	228,765.54	2,278,082.83
General Revenue:			
Property Taxes	13,003,302.00		13,003,302.00
Other State Aid	4,620,647.43		4,620,647.43
Other	155,225.12	1,055.17	156,280.29
Total Revenues	<u>19,828,491.84</u>	<u>455,916.93</u>	<u>20,284,408.77</u>
Expenses:			
Instruction	10,951,134.50		10,951,134.50
Student & Instructional Support Services	2,958,248.34		2,958,248.34
Administrative and Business	1,945,586.56		1,945,586.56
Maintenance & Operations	2,404,712.10		2,404,712.10
Transportation	316,949.52		316,949.52
Other	175,756.93	442,884.37	618,641.30
Total Expenses	<u>18,752,387.95</u>	<u>442,884.37</u>	<u>19,195,272.32</u>
Increase/(Decrease) in Net Assets	<u>\$1,076,103.89</u>	<u>\$13,032.56</u>	<u>\$1,089,136.45</u>

Sources of Revenue for Fiscal Year 2011

The District's total revenue for the 2010-2011 school year was \$20,284,408.77 as reflected in Exhibit A-3 below. Property taxes and state formula aid accounted for 86.65 percent of the total revenue with the other 13.35 percent consisting of other state and federal aid, federal and state grants, charges for services, and miscellaneous sources.

**BOROUGH OF MANVILLE SCHOOL DISTRICT
MANVILLE, NEW JERSEY**

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

**Exhibit A-3
Sources of Revenue for Fiscal Year 2011**

<u>Sources of Revenue</u>	<u>Amount</u>	<u>Percentage</u>
Property Taxes	\$13,003,302.00	64.11%
State Formula Aid	4,572,150.00	22.54%
Other State and Federal Aid	1,468,085.48	7.24%
Federal and State Grants	823,974.83	4.06%
Charges for Services	226,096.22	1.11%
Other	190,800.24	0.94%
	<u>\$20,284,408.77</u>	<u>100.00%</u>

Expenses for the Fiscal Year 2011

The total expenditures for the 2010-2011 fiscal year for all programs and services were \$19,195,272.32. Exhibit A-4 below summarizes these program costs. The District's expenses are predominantly related to instructing, providing services and transporting students, grades kindergarten through twelve, which accounts for 74.11 percent of the total District costs. Administrative and business expenses account for the costs of the Office of the Superintendent of Schools, the Business Office, and the Principal's Offices in all five school buildings. Maintenance and operations account for the costs of keeping the school buildings and grounds safe, clean and in good operating condition, and includes all the utility costs related to the school facilities. Other costs include interest on long-term debt, unallocated depreciation expense and the costs of the business-type activities of the proprietary funds. It is important to note that depreciation expense on capital assets is included in expenses for the year under the new accounting reporting model; expenses therefore include \$182,629.03 for depreciation.

**Exhibit A-4
Expenses for Fiscal Year 2011**

<u>Expense Category</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$10,951,134.50	57.05%
Student & Instruction Services	2,958,248.34	15.41%
Administrative and Business	1,945,586.56	10.14%
Maintenance & Operations	2,404,712.10	12.53%
Transportation	316,949.52	1.65%
Other	618,641.30	3.22%
	<u>\$19,195,272.32</u>	<u>100.00%</u>

**BOROUGH OF MANVILLE SCHOOL DISTRICT
MANVILLE, NEW JERSEY**

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

Governmental Activities

Exhibit A-5 presents the net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs) of seven major District activities: instruction, tuition, student and instructional services, administration and business, maintenance and operations, transportation, and other. The net cost shows the financial burden placed on the District's taxpayers and the state by each of these functions.

**Exhibit A-5
Net Cost of Governmental Activities**

<u>Expense Category</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$9,665,182.82	57.91%
Student & Instruction Services	2,464,918.46	14.77%
Administrative and Business	1,815,191.47	10.88%
Maintenance & Operations	2,280,404.46	13.66%
Transportation	316,949.52	1.90%
Other	148,446.54	0.88%
	<u>\$16,691,093.27</u>	<u>100.00%</u>

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey Statutes and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting.

Over the course of the year, the Board of Education approved revisions to the general fund budget as needed. These budget amendments were necessary for the following reasons:

- Realign budgeted salary accounts after contract negotiation settlement and staff transfers to various programs.
- Realigned appropriations in accordance with the prescribed chart of accounts as modified by the comprehensive educational improvement and financing act.
- Transferred from unexpended appropriations to purchase teaching materials, computers, and equipment to meet various program needs.

**BOROUGH OF MANVILLE SCHOOL DISTRICT
MANVILLE, NEW JERSEY**

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

Capital Assets

During the fiscal year 2010-2011 the District's depreciation expense and retired assets exceeded capital acquisitions, therefore capital assets net of depreciation decreased. Exhibit A-6 reflects the comparative balances of capital assets net of depreciation. The detail of the changes in capital assets is reflected in Note 3 to the financial statements.

**Exhibit A-6
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	<u>FY 2010</u>	<u>FY 2010</u>	<u>FY 2010</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2010</u>	
Land and Site Improvements	\$5,360,200.00	\$5,360,200.00			\$5,360,200.00	\$5,360,200.00	0.00%
Building and Building Improvements	2,550,609.57	2,339,803.78			2,550,609.57	2,339,803.78	9.01%
Machinery and Equipment	<u>98,987.59</u>	<u>52,968.02</u>	<u>\$35,661.39</u>	<u>\$32,519.46</u>	<u>134,648.98</u>	<u>85,487.48</u>	<u>57.51%</u>
Total Assets	<u><u>\$8,009,797.16</u></u>	<u><u>\$7,752,971.80</u></u>	<u><u>\$35,661.39</u></u>	<u><u>\$32,519.46</u></u>	<u><u>\$8,045,458.55</u></u>	<u><u>\$7,785,491.26</u></u>	<u><u>-3.34%</u></u>

Debt Administration

At June 30, 2011 the District had \$1,218,147.02 of outstanding long-term debt, consisting of bonds payable from construction, for compensated absences, and for capital leases. The District will continue to pay down its debt, as the obligations are due. Exhibit A-7 reflects the comparison of outstanding debt for the past two fiscal years. More information of the District's long-term debt is presented in Note 4 to the financial statements.

**Exhibit A-7
Outstanding Long-term Debt**

	Total School Debt		Total Percentage Change
	<u>FY 2011</u>	<u>FY 2010</u>	
Capital Leases		\$19,268.05	-100.00%
Compensated Absences	\$214,147.02	274,814.60	-22.08%
Bonds Payable	<u>1,004,000.00</u>	<u>1,169,000.00</u>	<u>-14.11%</u>
	<u><u>\$1,218,147.02</u></u>	<u><u>\$1,463,082.65</u></u>	<u><u>-16.74%</u></u>

**BOROUGH OF MANVILLE SCHOOL DISTRICT
MANVILLE, NEW JERSEY**

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

The District's Future

The District is presently in stable financial position. Prior to the new state senate bill requiring New Jersey School Districts to reduce fund balance to 2% of their operating expenditures the District had planned to maintain a fund balance of 5% of budgeted expenditures. This state requirement has forced the District to reconsider future planning, as more stringent state approvals have been forced on the District.

A major concern for the community is that state aid is being held at the same level or decreased; therefore, the burden of the rising cost of education is focused on taxpayers to support their local schools.

Despite these concerns, the Manville Borough Board of Education is committed to maintaining fiscal responsibility as well as achieving educational excellence for all of the students of the District.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mrs. Kim Clelland, School Business Administrator/Board Secretary at the Manville Board of Education, 410 Brooks Blvd., Manville, New Jersey 08835. Please visit our website at www.manvilleschools.org.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30,2011.

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement 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.

BOROUGH OF MANVILLE SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$1,265,589.71	\$60,574.69	\$1,326,164.40
Receivables, net	398,150.21	8,456.39	406,606.60
Inventory		6,446.61	6,446.61
Restricted assets:			
Restricted cash and cash equivalents	1,317,313.31		1,317,313.31
Capital assets:			
Land and improvements	5,360,200.00		5,360,200.00
Other capital assets, net of accumulated depreciation	<u>2,649,597.16</u>	<u>35,661.39</u>	<u>2,685,258.55</u>
Total assets	<u>10,990,850.39</u>	<u>111,139.08</u>	<u>11,101,989.47</u>
LIABILITIES			
Accounts payable	343,435.25	29,875.29	373,310.54
Contracts payable	27,852.65		27,852.65
Payable to state government	35,029.93		35,029.93
Interfunds payable		21,794.31	21,794.31
Deferred revenue	21,008.12	4,757.57	25,765.69
Interest payable	17,489.54		17,489.54
Noncurrent liabilities:			
Due within one year	170,000.00		170,000.00
Due beyond one year	<u>1,048,147.02</u>		<u>1,048,147.02</u>
Total liabilities	<u>1,662,962.51</u>	<u>56,427.17</u>	<u>1,719,389.68</u>
NET ASSETS			
Investment in capital assets, net of related debt	7,005,797.16	35,661.39	7,041,458.55
Restricted for:			
Capital projects fund	592,973.98		592,973.98
Debt service fund (deficit)	(15,788.19)		(15,788.19)
Other purposes	1,322,723.02		1,322,723.02
Unrestricted	<u>422,181.91</u>	<u>19,050.52</u>	<u>441,232.43</u>
	<u>\$9,327,887.88</u>	<u>\$54,711.91</u>	<u>\$9,382,599.79</u>

See accompanying notes to financial statements.

BOROUGH OF MANVILLE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2011

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular	\$6,852,014.07		\$746,299.67	(\$6,105,714.40)		(\$6,105,714.40)
Special education	3,214,146.75		489,883.39	(2,724,263.36)		(2,724,263.36)
Other	884,973.68		49,768.62	(835,205.06)		(835,205.06)
Support services:						
Student and instruction related services	2,958,248.34		493,329.88	(2,464,918.46)		(2,464,918.46)
General administrative services	531,337.47		24,860.09	(506,477.38)		(506,477.38)
School administrative services	943,711.91		74,879.32	(868,832.59)		(868,832.59)
Central services	428,083.65		30,655.68	(397,427.97)		(397,427.97)
Administration information technology	42,453.53			(42,453.53)		(42,453.53)
Plant operations and maintenance	2,404,712.10		124,307.64	(2,280,404.46)		(2,280,404.46)
Student transportation services	316,949.52			(316,949.52)		(316,949.52)
Special schools	2,000.00			(2,000.00)		(2,000.00)
Interest on long term debt	47,537.66		15,333.00	(32,204.66)		(32,204.66)
Unallocated depreciation	126,219.27			(126,219.27)		(126,219.27)
Total governmental activities	<u>18,752,387.95</u>		<u>2,049,317.29</u>	<u>(16,703,070.66)</u>		<u>(16,703,070.66)</u>
Business-type activities:						
Food service	<u>442,884.37</u>	<u>226,096.22</u>	<u>228,765.54</u>		<u>11,977.39</u>	<u>11,977.39</u>
Total business-type activities	<u>442,884.37</u>	<u>226,096.22</u>	<u>228,765.54</u>		<u>11,977.39</u>	<u>11,977.39</u>
Total primary government	<u>\$19,195,272.32</u>	<u>\$226,096.22</u>	<u>\$2,278,082.83</u>	<u>(\$16,703,070.66)</u>	<u>\$11,977.39</u>	<u>(\$16,691,093.27)</u>
			General Revenues:			
			Taxes:			
			Property taxes - general	\$12,803,846.00		\$12,803,846.00
			Property taxes - debt service	199,456.00		199,456.00
			Federal and state aid not restricted	4,620,647.43		4,620,647.43
			Miscellaneous income	155,225.12	1,055.17	156,280.29
			Total general revenues	<u>17,779,174.55</u>	<u>1,055.17</u>	<u>17,780,229.72</u>
			Change in net Assets	1,076,103.89	13,032.56	1,089,136.45
			Net Assets - beginning	<u>8,251,783.99</u>	<u>41,679.35</u>	<u>8,293,463.34</u>
			Net Assets ending	<u>\$9,327,887.88</u>	<u>\$54,711.91</u>	<u>\$9,382,599.79</u>

See accompanying notes to financial statements.

MAJOR FUND FINANCIAL STATEMENTS

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

BOROUGH OF MANVILLE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

ASSETS AND OTHER DEBITS:	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Assets:					
Cash and cash equivalents	\$649,941.73		\$613,946.63	\$1,701.35	\$1,265,589.71
Capital reserve account	1,317,313.31				1,317,313.31
Accounts receivable:					
Federal		\$325,261.27			325,261.27
State	52,132.82				52,132.82
Interfund	138,543.53		6,880.00		145,423.53
Total assets	<u>2,157,931.39</u>	<u>325,261.27</u>	<u>620,826.63</u>	<u>1,701.35</u>	<u>3,105,720.64</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	190,961.25	152,474.00			343,435.25
Contracts payable			27,852.65		27,852.65
Intergovernmental payable:					
State		35,029.93			35,029.93
Interfunds payable	7,918.19	116,749.22			124,667.41
Deferred revenue		21,008.12			21,008.12
Total liabilities	<u>198,879.44</u>	<u>325,261.27</u>	<u>27,852.65</u>		<u>551,993.36</u>
Fund balances:					
Restricted for:					
Capital reserve account	290,723.02				290,723.02
Capital reserve designated for subsequent years expenditures	782,000.00				782,000.00
Capital projects fund			477,573.98		477,573.98
Debt service fund				1,701.35	1,701.35
Assigned for year-end encumbrances	701,209.26				701,209.26
Committed for:					
Year-end encumbrances			115,400.00		115,400.00
Designated for subsequent years expenditures	250,000.00				250,000.00
Unassigned:					
General fund (deficit)	(64,880.33)				(64,880.33)
Total fund balances	<u>1,959,051.95</u>		<u>592,973.98</u>	<u>1,701.35</u>	<u>2,553,727.28</u>
Total liabilities and fund balances	<u>\$2,157,931.39</u>	<u>\$325,261.27</u>	<u>\$620,826.63</u>	<u>\$1,701.35</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$35,787,422.25 and the accumulated depreciation is \$27,777,625.09

8,009,797.16

Long term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported as liabilities in the funds

(1,235,636.56)

Net assets of governmental activities

\$9,327,887.88

See accompanying notes to financial statements.

BOROUGH OF MANVILLE 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
REVENUES:					
Local sources:					
Local tax levy	\$12,803,846.00			\$199,456.00	\$13,003,302.00
Interest earned on capital reserve funds	1,859.67				1,859.67
Miscellaneous	153,353.02	\$34,519.95	\$12.43		187,885.40
Total revenues-local sources	12,959,058.69	34,519.95	12.43	199,456.00	13,193,047.07
State sources	5,770,109.51	52,826.05		15,333.00	5,838,268.56
Federal sources	26,027.43	771,148.78			797,176.21
Total revenues	18,755,195.63	858,494.78	12.43	214,789.00	19,828,491.84
EXPENDITURES:					
Current expense:					
Instruction:					
Regular	4,859,447.92	224,865.88			5,084,313.80
Special education	1,611,149.13	322,337.03			1,933,486.16
Other instruction	637,724.37				637,724.37
Support services:					
Tuition	769,486.15				769,486.15
Student and instruction related services	2,013,477.00	311,291.87			2,324,768.87
General administrative services	443,499.20				443,499.20
School administrative services	701,950.77				701,950.77
Central services	320,726.39				320,726.39
Administrative technology	42,453.53				42,453.53
Plant operations and maintenance	1,942,051.18				1,942,051.18
Student transportation services	316,949.52				316,949.52
Employee benefits	4,073,343.95				4,073,343.95
Capital outlay					
Capital outlay - debt assessment	9,403.00		439,454.39		439,454.39
Special schools	2,000.00				2,000.00
Debt service:					
Principal				165,000.00	165,000.00
Interest				49,789.00	49,789.00
Total expenditures	17,743,662.11	858,494.78	439,454.39	214,789.00	19,256,400.28
Excess (deficiency) of revenues over (under) expenditures	1,011,533.52		(439,441.96)		572,091.56
Other financing sources (uses):					
Operating transfers in			961,180.00	12.43	961,192.43
Operating transfers out	(961,180.00)		(12.43)		(961,192.43)
Total financing sources (uses):	(961,180.00)		961,167.57	12.43	
Net change in fund balances	50,353.52		521,725.61	12.43	572,091.56
Fund balances, July 1, 2010	1,908,698.43		71,248.37	1,688.92	1,981,635.72
Fund balances, June 30, 2011	\$1,959,051.95		\$592,973.98	\$1,701.35	\$2,553,727.28

See accompanying notes to financial statements.

BOROUGH OF MANVILLE SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Total net change in fund balances - governmental funds (from B-2) \$572,091.56

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

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

Depreciation expense	(\$182,629.03)	
Capital outlays	448,857.39	
Capital outlays not capitalized	<u>(9,403.00)</u>	
		256,825.36

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

Payment of bonds 165,000.00

Repayment of long-term debt 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.

Payment of capital leases payable 19,268.05

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

2,251.34

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

60,667.58

Change in net assets of governmental activities

\$1,076,103.89

See accompanying notes to financial statements.

OTHER FUNDS

BOROUGH OF MANVILLE SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

BUSINESS-TYPE ACTIVITIES
ENTERPRISE FUND
FOOD
SERVICE
FUND

ASSETS:

Current assets:

Cash and cash equivalents	\$60,574.69
Accounts receivable:	
State	261.03
Federal	8,195.36
Inventory	6,446.61
	<hr/>

Total current assets	<hr/> 75,477.69
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Noncurrent assets:

Furniture, machinery & equipment	119,886.00
Less accumulated depreciation	(84,224.61)
	<hr/>

Total noncurrent assets	<hr/> 35,661.39
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Total assets	<hr/> 111,139.08
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LIABILITIES AND FUND EQUITY:

Current liabilities:

Accounts payable	29,875.29
Interfunds payable	21,794.31
Deferred revenue	4,757.57
	<hr/>

Total current liabilities	<hr/> 56,427.17
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NET ASSETS:

Invested in capital assets-net	35,661.39
Unrestricted	19,050.52
	<hr/>
Total net assets	<hr/> <hr/> \$54,711.91

See accompanying notes to financial statements.

BOROUGH OF MANVILLE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND FOOD SERVICE
OPERATING REVENUES:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$224,000.40
Daily sales non-reimbursable programs	2,095.82
Miscellaneous	990.60
	227,086.82
Total operating revenue	227,086.82
OPERATING EXPENSES:	
Salaries	130,964.26
Employee benefits	40,992.18
Management fee	27,338.92
Repairs and other	25,426.99
Depreciation	6,982.07
Cost of sales	211,179.95
	442,884.37
Total operating expenses	442,884.37
Operating (loss)	(215,797.55)
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	5,893.93
Federal sources:	
National school lunch program	194,077.70
National school breakfast program	5,073.86
Food distribution program	23,720.05
Interest revenue	64.57
	228,830.11
Total nonoperating revenues (expenses)	228,830.11
Net Income	13,032.56
Total net assets - beginning	41,679.35
Total net assets - ending	\$54,711.91

See accompanying notes to financial statements.

BOROUGH OF MANVILLE SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

BUSINESS-TYPE ACTIVITIES
ENTERPRISE FUND

FOOD
SERVICE

CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$244,585.87
Payments to employees	(130,964.26)
Payments to employee benefits	(40,992.18)
Payment to suppliers	<u>(245,948.02)</u>
Net cash provided (used for) by operating activities	<u>(173,318.59)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
State sources	6,206.06
Federal sources	<u>226,561.72</u>
Net cash provided by (used for) noncapital financing activities	<u>232,767.78</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest on investments	<u>64.57</u>
Net cash provided by (used for) investing activities	<u>64.57</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases of capital assets	<u>(10,124.00)</u>
Net cash provided (used for) capital and related financing activities	<u>(10,124.00)</u>
Net increase in cash and cash equivalents	49,389.76
Cash and cash equivalents- July 1	<u>11,184.93</u>
Cash and cash equivalents- June 30	<u><u>60,574.69</u></u>
Operating (loss)	(215,797.55)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:	
Depreciation	6,982.07
Change in assets and liabilities:	
(Increase) decrease in inventory	2,108.46
Increase (decrease) in deferred revenue	(68.11)
(Increase) decrease in accounts receivable	7,375.05
Increase (decrease) in accounts payable	<u>26,081.49</u>
Net cash provided (used) by operating activities	<u><u>(\$173,318.59)</u></u>

See accompanying notes to financial statements.

BOROUGH OF MANVILLE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	STATE UNEMPLOYMENT INSURANCE FUND	PRIVATE PURPOSE SCHOLARSHIP FUND	AGENCY FUND	
			STUDENT ACTIVITIES	PAYROLL
ASSETS:				
Cash and cash equivalents	\$2,074.37	\$57,639.66	\$73,335.69	\$335,768.76
Interfund receivables			1,038.19	
Intrafund receivables	28,335.01			
Total assets	30,409.38	57,639.66	74,373.88	335,768.76
LIABILITIES:				
Payroll deductions and withholdings				307,433.75
Interfunds payable				
Due to student groups			74,373.88	
Intrafunds payable				28,335.01
Total liabilities			74,373.88	335,768.76
NET ASSETS:				
Reserve for unemployment claims	30,409.38			
Reserve for scholarships		57,639.66		
Total net assets	\$30,409.38	\$57,639.66		

See accompanying notes to financial statements.

BOROUGH OF MANVILLE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	STATE UNEMPLOYMENT INSURANCE FUND	PRIVATE PURPOSE SCHOLARSHIP FUND	<u>TOTAL</u>
ADDITIONS:			
Contributions:			
Donations		\$15,159.56	\$15,159.56
Budget	\$40,000.00		40,000.00
Payroll deductions	5,855.10		5,855.10
Interest earned	67.53	194.39	261.92
	<hr/>	<hr/>	<hr/>
Total additions	45,922.63	15,353.95	61,276.58
	<hr/>	<hr/>	<hr/>
DEDUCTIONS:			
Unemployment claims	82,082.85		82,082.85
Scholarships awarded		16,974.36	16,974.36
	<hr/>	<hr/>	<hr/>
Total deductions	82,082.85	16,974.36	16,974.36
	<hr/>	<hr/>	<hr/>
Change in net assets	(36,160.22)	(1,620.41)	44,302.22
Net assets - July 1	66,569.60	59,260.07	125,829.67
	<hr/>	<hr/>	<hr/>
Net assets - June 30	\$30,409.38	\$57,639.66	\$170,131.89
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to financial statements.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Manville School District is a Type II District located in Somerset County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is governed by a 9 member board elected to three-year terms and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary, middle and high schools located in the Borough of Manville. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting

The 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.

Basis of Presentation

District-wide Statements: The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements 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.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

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

As required by the New Jersey State Department of Education, the District includes budgeted Capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (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, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

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.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Proprietary Fund

Enterprise Fund - The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Fiduciary Fund Types

Agency Funds – The agency funds are used to account for assets held by the district on behalf of others and are custodial in nature. The agency funds included in this category are as follows:

Unemployment Compensation Insurance Trust Fund - A trust fund used to account for assets to finance the costs of unemployment benefits. Since the Board has adopted the direct reimbursement method, the District is under obligation to appropriate sufficient funds out of its general fund and hold them in trust for this purpose.

Payroll and Student Activities Funds (Agency) - These are agency funds used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Private Purpose Scholarship Funds - A trust fund used to account for assets donated by individuals that will provide for the payment of awards to district students.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting – Measurement Focus

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

Districtwide, Proprietary, and Fiduciary Fund Financial Statements: The Districtwide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office 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. 6:20-2A.2(m)1. All budget amendments and transfers must be approved by School Board resolution.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the 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 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 records.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as 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 and capital projects fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

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

Interfunds

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The Interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.

Inventories and Prepaid Expenses

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future period, other than those recorded in the enterprise fund, are recorded as an expenditure in the year of purchase.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District has an established 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 that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

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

Compensated Absences

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

Under the existing policy of the District, employees are allowed to accumulate unused vacation and sick pay over the life of their working careers which may be taken as time off or paid at a later date. Employees who retire after fifteen (15) or more years of service in the district and who immediately qualify for TPAF/PERS benefits shall be able to convert unused sick leave to severance pay. The conversion rate shall be one day's pay at the employee's current rate (1/200th or 1/240th of the annual salary) for each of the three (3) days of accumulated sick leave. The maximum payout will be thirty-five (35) days per employee.

For the District-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the fund financial statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

Fund balance reserves are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designation of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unreserved fund balances represent the amount available for future budgetary operations.

Unrestricted retained earnings represents the remains of the District's equity in the cumulative earnings of the proprietary funds.

Deferred Revenue

Deferred revenue in the special revenue and capital projects funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is allowable under generally accepted accounting principles.

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.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves

The District reserves those portions of fund balance which are legally segregated for a specific future use of which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances in accordance with N.J.S.A. 18A:7F-7.

Revenues – Exchange and Nonexchange Transactions

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

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

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

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Revenues and Expenses

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

Allocation of Indirect Expenses

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

Extraordinary and Special Items

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

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, deposits in the government money market account, and short-term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000.00. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Borough of Manville School District had the following cash and cash equivalents at June 30, 2011.

	Cash in Bank	Additions	Deletions	Reconciled Balance
Governmental Funds	\$2,906,678.94		\$325,495.46	\$2,581,183.48
Proprietary Fund	60,604.89		30.20	60,574.69
Fiduciary Fund	474,036.01	\$16,713.64	22,969.36	467,780.29
	<u>\$3,441,319.84</u>	<u>\$16,713.64</u>	<u>\$348,495.02</u>	<u>\$3,109,538.46</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2011, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$250,000.00 was covered by Federal Depository Insurance and \$3,178,944.51 was covered by NJGUDPA. The New Jersey ARM Fund is an investment pool and is not insured by either FDIC or GUDPA.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments

The purchase of investments by the Board is strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts.
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and;
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2011, the Board had \$12,375.33 on deposit with the New Jersey A.R.M. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the District is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 3: CHANGE IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Ending Balance</u>
Governmental activities:			
Capital assets that are not depreciated:			
Land and Improvements	\$5,360,200.00	_____	\$5,360,200.00
Total capital assets that are not depreciated	<u>5,360,200.00</u>	<u>_____</u>	<u>5,360,200.00</u>
Capital assets being depreciated:			
Building and building improvements	28,117,526.46	\$439,454.39	28,556,980.85
Machinery and equipment	1,870,241.40	_____	1,870,241.40
Total capital assets being depreciated	<u>29,987,767.86</u>	<u>439,454.39</u>	<u>30,427,222.25</u>
Total gross assets	35,347,967.86	439,454.39	35,787,422.25
Less: accumulated depreciation for:			
Building and building improvements	(25,847,334.81)	(159,036.47)	(26,006,371.28)
Machinery and equipment	(1,747,661.25)	(23,592.56)	(1,771,253.81)
	<u>(27,594,996.06)</u>	<u>(182,629.03)</u>	<u>(27,777,625.09)</u>
Governmental activities capital assets, net	<u>7,752,971.80</u>	<u>256,825.36</u>	<u>8,009,797.16</u>
Business type activities:			
Machinery and equipment	109,762.00	10,124.00	119,886.00
Less: accumulated depreciation	<u>(77,242.54)</u>	<u>(6,982.07)</u>	<u>(84,224.61)</u>
Proprietary fund capital assets, net	<u>\$32,519.46</u>	<u>\$3,141.93</u>	<u>\$35,661.39</u>

Depreciation Expense was charged to governmental expenses as follows:

Instruction:	
Regular	(\$20,307.51)
Special	(6,769.17)
Other	(2,820.49)
Support Services:	
Student and instruction related services	(11,846.05)
General administration	(1,692.29)
School administration	(2,820.49)
Central services	(1,128.20)
Plant operations and maintainance	(9,025.56)
Direct Expense of Various Functions	<u>(126,219.27)</u>
	<u>(\$182,629.03)</u>

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 4: LONG-TERM DEBT

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

At June 30, 2011, the District had no bonds or notes authorized but not issued.

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2011.

	<u>Capital Leases Payable</u>	<u>Bonds Payable</u>	<u>Compensated Absences Payable</u>	<u>Total</u>
Balance, July 1, 2010	\$19,268.05	\$1,169,000.00	\$274,814.60	\$1,463,082.65
Additions/Issued			29,290.29	29,290.29
Reductions	<u>19,268.05</u>	<u>165,000.00</u>	<u>89,957.87</u>	<u>274,225.92</u>
Balance, June 30, 2011	<u>\$-0-</u>	<u>\$1,004,000.00</u>	<u>\$214,147.02</u>	<u>\$1,218,147.02</u>
Amounts Due Within One Year		<u>\$170,000.00</u>		<u>\$170,000.00</u>

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 4: LONG-TERM DEBT (CONTINUED)

Bonds Payable

The annual requirements to amortize all debt outstanding as of June 30, 2011, with interest payments on issued debt, are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$170,000.00	\$41,889.00	\$211,889.00
2013	173,000.00	33,789.00	206,789.00
2014	100,000.00	25,599.00	125,599.00
2015	105,000.00	21,499.00	126,499.00
2016	110,000.00	17,144.00	127,144.00
2017	110,000.00	12,579.00	122,579.00
2018	115,000.00	7,796.50	122,796.50
2019	121,000.00	2,662.00	123,662.00
	<u>\$1,004,000.00</u>	<u>\$162,957.50</u>	<u>\$1,166,957.50</u>

Under New Jersey Statutes the District may incur debt in an amount not to exceed 4% of the averaged equalized valuation basis of real property. For the calendar year ended December 31, 2010, the District borrowing capacity under N.J.S. 18A:24-19 would be as follows:

<u>Year</u>	<u>Equalized Valuation</u> <u>of Real Property</u>
2010	\$1,093,588,975.00
2009	1,151,697,151.00
2008	1,161,322,701.00
	<u>3,406,608,827.00</u>
Average equalized valuation of property	1,135,536,275.67
School borrowing margin (4% of average equalized valuation of property)	45,421,451.03
Net bonded school debt as of December 31, 2010	<u>1,084,000.00</u>
School borrowing power available	<u>\$44,337,451.03</u>

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 5: PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund 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 provision of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Vesting and Benefit Provisions - The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after 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 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years).

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 5: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions - 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 provision 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.

Significant Legislation – Chapter 103, P.L. 2007 changed the contribution rate of the TPAF and PERS to 5.5% of annual compensation; imposed an annual maximum contribution base for members hired on or after July 1, 2007; and amended the early retirement reduction formula for new members. Any members of the system enrolled on or after July 1, 2007 must be at least 60 years of age in order to retire without a reduction in their retirement allowance. In addition, the funding of the post-retirement medical benefits through the TPAF was eliminated. Chapter 92, P.L. 2007 changed the pension loan interest rate to 4.69% per annum. The legislation also removed language from the existing law that permitted the State Treasurer to reduce employer pension contributions needed to fund the system when excess assets are available.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 5: 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% 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 TPAF.

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
6/30/2011	\$240,837.00	100%	\$240,837.00
6/30/2010	\$170,838.00	100%	\$170,838.00
6/30/2009	\$150,394.00	100%	\$150,394.00

During the fiscal years ended June 30, 2011, 2010 and 2009, the State of New Jersey did not contribute to the TPAF pension system on behalf of the District.

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$595,865.51 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, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 6: OTHER POST-RETIREMENT BENEFITS

For eligible retired employees, the School District participates in the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 *et seq.*, to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on state disability retirement. P.L. 2007, Chapter 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

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

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

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 6: OTHER POST-RETIREMENT BENEFITS (CONTINUED)

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2011, 2010, and 2009 were \$553,562, \$510,763, and \$506,981, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

NOTE 7: LITIGATION

The Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the Board's financial position.

NOTE 8: CONTINGENCIES

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2010-2011 fiscal year were subject to the U.S. OMB A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal reimbursements and is subject to certain related federal regulations. These federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board management does not believe such an audit would result in material amounts of disallowed costs.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 9: 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, and student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

<u>Fiscal Year</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010-2011	\$45,922.63	\$82,082.85	\$30,409.35
2009-2010	87,828.42	69,787.68	66,569.57
2008-2009	14,661.13		48,528.83

NOTE 10: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$138,543.53	\$7,918.19
Special Revenue Fund		116,749.22
Capital Projects Fund	6,880.00	
Enterprise Fund		21,794.31
Trust & Agency Fund	1,038.19	
	<u>\$146,461.72</u>	<u>\$146,461.72</u>

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

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 11: FUND BALANCE APPROPRIATED

General Fund – Of the \$1,959,051.95 General Fund fund balance at June 30, 2011, \$701,209.26 is assigned for year-end encumbrances and \$1,072,732.02 has been restricted in the Capital Reserve Account of which \$782,000.00 has been designated for subsequent years expenditures. There also was an additional \$250,000.00 committed fund balance designated for subsequent year's expenditures. Unassigned fund balance was (\$64,880.33).

NOTE 12: 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 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. Based on this calculation, the Manville School District has \$-0- excess fund balance resulting from the year ended June 30, 2011.

NOTE 13: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Borough of Manville Board of Education by the inclusion of \$540,510.00 in the 2000-2001 school year for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 13: CAPITAL RESERVE ACCOUNT (continued)

The activity of the capital reserve for the year ending June 30, 2011 year is as follows:

Beginning Balance, July 1, 2010	\$694,663.45
Add: Interest Earnings	1,859.57
Transfer In - Board Resolution/Budget	376,200.00
	\$1,072,723.02
Less: Anticipated in 2011-2012 Budget	782,000.00
Ending balance, June 30, 2011	\$290,723.02

The June 30, 2011 LRFPP balance of local support costs of uncompleted capital projects is \$1,590,600.00. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the district's Long Range Facilities Plan.

NOTE 14: DEFERRED COMPENSATION

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. Since the District does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2011.

NOTE 15: INVENTORY

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

Food and Supplies	<u>\$6,446.61</u>
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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.

Borough of Manville School District
Notes to the Financial Statements
June 30, 2011

NOTE 16: DEFICIT FUND BALANCE

The District has a deficit of unreserved, undesignated fund balance of \$64,880.33 in the General Fund as of June 30, 2011 as reported in the GAAP fund statements (modified accrual basis). 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 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 delayed state aid payments in the subsequent fiscal year, the school district cannot recognize the delayed state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the delayed state aid payments, the General Fund and Special Revenue 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 result from a delay in state aid payments until the following fiscal year, is not considered a violation of New Jersey statute. The deficit in the General Fund is equal to or less than the delayed state aid payment and; therefore, no violation of New Jersey Statute or regulation exists; nor is there a need for corrective action.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF MANVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Local sources:					
Local tax levy	\$12,803,846.00		\$12,803,846.00	\$12,803,846.00	
Interest earned on capital reserve funds	3,000.00		3,000.00	1,859.67	(\$1,140.33)
Unrestricted miscellaneous	110,000.00		110,000.00	153,353.02	43,353.02
Total revenues-local sources	12,916,846.00		12,916,846.00	12,959,058.69	42,212.69
State sources:					
Categorical special education aid	244,747.00		244,747.00	764,591.00	519,844.00
Equalization aid	4,232,896.00		4,232,896.00	3,713,052.00	(519,844.00)
Extraordinary aid				22,470.00	22,470.00
On-behalf TPAF Pension - post retirement medical (non budgeted)				553,562.00	553,562.00
On-behalf TPAF pension contribution (non-budgeted)				26,062.00	26,062.00
Reimbursed TPAF social security cont. (non-budgeted)				595,865.51	595,865.51
Total - state sources	4,477,643.00		4,477,643.00	5,675,602.51	1,197,959.51
Federal sources:					
Medicaid Reimbursement	23,312.00		23,312.00	26,027.43	2,715.43
Total - federal sources	23,312.00		23,312.00	26,027.43	2,715.43
Total revenues	17,417,801.00		17,417,801.00	18,660,688.63	1,242,887.63
EXPENDITURES					
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool/kindergarten	222,094.00	\$10,000.00	232,094.00	214,656.76	17,437.24
Grades 1-5	1,548,760.00	68,000.00	1,616,760.00	1,599,796.57	16,963.43
Grades 6-8	1,048,413.00	(745.57)	1,047,667.43	1,018,539.15	29,128.28
Grades 9-12	1,822,723.00	(66,000.00)	1,756,723.00	1,609,261.19	147,461.81
Home instruction - regular programs:					
Salaries of teachers	10,000.00	11,500.00	21,500.00	17,502.60	3,997.40
Regular programs - undistributed instruction:					
Other purchased services	184,200.00	(24,000.00)	160,200.00	144,033.43	16,166.57
General supplies	155,400.00	68,619.43	224,019.43	189,991.77	34,027.66
Textbooks	44,000.00	24,449.52	68,449.52	49,522.85	18,926.67
Other Objects	47,600.00	(30,000.00)	17,600.00	16,143.60	1,456.40
Total regular programs	\$5,083,190.00	\$61,823.38	\$5,145,013.38	\$4,859,447.92	\$285,565.46

BOROUGH OF MANVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Special education:					
Learning and/or language disabilities:					
Salaries of teachers	\$96,366.00		\$96,366.00	\$85,490.75	\$10,875.25
Other salaries for instruction	20,628.00		20,628.00		20,628.00
General Supplies	100.00		100.00		100.00
Textbooks	100.00		100.00		100.00
Other Objects	101.00	(\$1.00)	100.00		100.00
Total language and/or language disabilities	<u>117,295.00</u>	<u>(1.00)</u>	<u>117,294.00</u>	<u>85,490.75</u>	<u>31,803.25</u>
Behavioral disabilities:					
Salaries of teachers	50,387.00		50,387.00	49,113.75	1,273.25
Other salaries for instruction	23,254.00		23,254.00	21,948.15	1,305.85
General Supplies	100.00		100.00		100.00
Textbooks	100.00		100.00		100.00
Other Objects	100.00		100.00		100.00
Total behavioral disabilities	<u>73,941.00</u>		<u>73,941.00</u>	<u>71,061.90</u>	<u>2,879.10</u>
Multiple disabilities:					
Salaries of teachers	172,481.00		172,481.00	166,551.50	5,929.50
Other salaries for instruction	115,443.00		115,443.00	111,201.26	4,241.74
General Supplies	100.00		100.00		100.00
Textbooks	100.00		100.00		100.00
Other Objects	100.00		100.00		100.00
Total multiple disabilities	<u>288,224.00</u>		<u>288,224.00</u>	<u>277,752.76</u>	<u>10,471.24</u>
Resource room/resource center:					
Salaries of teachers	808,231.00		808,231.00	787,752.98	20,478.02
Other salaries for instruction	282,449.00		282,449.00	276,577.97	5,871.03
General Supplies	100.00		100.00	100.00	
Textbooks	100.00		100.00	50.00	50.00
Other Objects	100.00		100.00	100.00	
Total resource room/center	<u>1,090,980.00</u>		<u>1,090,980.00</u>	<u>1,064,580.95</u>	<u>26,399.05</u>
Special Education- Autism		10,000.00	10,000.00	8,300.60	1,699.40
Total Autism		<u>10,000.00</u>	<u>10,000.00</u>	<u>8,300.60</u>	<u>1,699.40</u>
Preschool disabilities - full-time:					
Salaries of teachers	71,614.00		71,614.00	60,252.50	11,361.50
Other salaries for instruction	46,960.00		46,960.00	43,709.67	3,250.33
General supplies	100.00	100.00	200.00		200.00
Other objects	201.00	(101.00)	100.00		100.00
Total preschool disabilities - full-time	<u>118,875.00</u>	<u>(1.00)</u>	<u>118,874.00</u>	<u>103,962.17</u>	<u>14,911.83</u>
Total special education	<u>\$1,689,315.00</u>	<u>\$9,998.00</u>	<u>\$1,699,313.00</u>	<u>\$1,611,149.13</u>	<u>\$88,163.87</u>

BOROUGH OF MANVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2011

Basic skills/remedial:					
Salaries of Teachers	\$132,994.00		\$132,994.00	\$67,420.35	\$65,573.65
Other Salaries for Instruction	49,218.00		49,218.00	35,059.45	14,158.55
General supplies	2,000.00		2,000.00	1,836.31	163.69
Total basic skills/remedial	<u>184,212.00</u>		<u>184,212.00</u>	<u>104,316.11</u>	<u>79,895.89</u>
Bilingual education:					
Salaries of teachers	121,740.00		121,740.00	116,645.00	5,095.00
General supplies	3,000.00		3,000.00	2,041.00	959.00
Textbooks	2,000.00		2,000.00	1,087.40	912.60
Total bilingual education	<u>126,740.00</u>		<u>126,740.00</u>	<u>119,773.40</u>	<u>6,966.60</u>
School sponsored cocurricular activities:					
Salaries	110,510.00		110,510.00	96,740.25	13,769.75
Other purchased services (300-500 series)	14,200.00	\$640.00	14,840.00	10,106.50	4,733.50
Supplies and materials	10,500.00	999.99	11,499.99	4,626.55	6,873.44
Other objects	2,100.00	1,244.00	3,344.00	3,273.00	71.00
Total school sponsored cocurricular activities	<u>137,310.00</u>	<u>2,883.99</u>	<u>140,193.99</u>	<u>114,746.30</u>	<u>25,447.69</u>
School sponsored athletics:					
Salaries	236,026.00		236,026.00	221,174.67	14,851.33
Other purchased services	23,500.00	(16,088.79)	7,411.21	7,404.46	6.75
Supplies and Materials	35,000.00	25,100.00	60,100.00	59,207.00	893.00
Other objects	10,000.00	3,015.89	13,015.89	11,102.43	1,913.46
Total school sponsored athletics	<u>304,526.00</u>	<u>12,027.10</u>	<u>316,553.10</u>	<u>298,888.56</u>	<u>17,664.54</u>
Total other instructional programs	<u>752,788.00</u>	<u>14,911.09</u>	<u>767,699.09</u>	<u>637,724.37</u>	<u>129,974.72</u>
Total - instruction	<u>7,525,293.00</u>	<u>86,732.47</u>	<u>7,612,025.47</u>	<u>7,108,321.42</u>	<u>503,704.05</u>
Undistributed expenditures:					
Instruction:					
Tuition to Other LEAs Within the State-Special	500,000.00	(70,175.27)	429,824.73	417,127.38	12,697.35
Tuition for private schools for handicapped within the state	250,000.00	67,306.27	317,306.27	280,389.77	36,916.50
Tuition- State Facilities		61,500.00	61,500.00	61,500.00	
Tuition - other	4,000.00	8,369.00	12,369.00	10,469.00	1,900.00
Total instruction	<u>754,000.00</u>	<u>67,000.00</u>	<u>821,000.00</u>	<u>769,486.15</u>	<u>51,513.85</u>
Attendance and social services work:					
Salaries	1820.00	1.00	1821.00		1821.00
Total - attendance and social services work	<u>\$1,820.00</u>	<u>\$1.00</u>	<u>\$1,821.00</u>		<u>\$1,821.00</u>

BOROUGH OF MANVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Health services:					
Salaries	\$234,677.00		\$234,677.00	\$227,009.86	\$7,667.14
Purchased professional & technical services	20,000.00	(\$1,900.00)	18,100.00	18,000.00	100.00
Other purchased services	100.00	(60.00)	40.00		40.00
Supplies and materials	8,000.00	(1,740.00)	6,260.00	5,820.23	439.77
Other expenses	500.00	4,857.50	5,357.50	5,310.58	46.92
Total - health services	263,277.00	1,157.50	264,434.50	256,140.67	8,293.83
Other support services - students-related services:					
Salaries	210,491.00	(400.00)	210,091.00	202,436.25	7,654.75
Purchased profession & educational services	100.00	1,700.00	1,800.00	1,700.00	100.00
Supplies and materials	100.00	100.00	200.00		200.00
Other objects	100.00	(100.00)			
Total other support services - students-related services	210,791.00	1,300.00	212,091.00	204,136.25	7,954.75
Other support services - students-regular					
Salaries of other professional staff	379,628.00	23,000.00	402,628.00	356,251.33	46,376.67
Salaries of secretarial and clerical assistants	46,672.00		46,672.00	41,007.01	5,664.99
Other salaries	1,107.00		1,107.00	1,095.78	11.22
Purchased professional educational services	8,000.00	(8,000.00)			
Other purchased professional and technical services	7,500.00		7,500.00	6,387.70	1,112.30
Other purchased services	3,500.00		3,500.00	1,800.00	1,700.00
Supplies and materials	2,000.00		2,000.00	1,938.54	61.46
Other objects	3,500.00		3,500.00	3,140.27	359.73
Total other support services - students-regular	451,907.00	15,000.00	466,907.00	411,620.63	55,286.37
Other support services - students - special services:					
Salaries of other professional staff	587,315.00		587,315.00	501,781.80	85,533.20
Salaries of secretarial and clerical assistants	49,246.00		49,246.00	47,352.00	1,894.00
Purchased professional educational services	1,000.00		1,000.00		1,000.00
Residential Costs	600.00		600.00		600.00
Supplies and materials	2,500.00		2,500.00		2,500.00
Other objects	600.00		600.00		600.00
Total other support services - students - special services	\$641,261.00		\$641,261.00	\$549,133.80	\$92,127.20

BOROUGH OF MANVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Improvement of instructional services:					
Salaries of supervisors of instruction	\$152,201.00		\$152,201.00	\$142,640.58	\$9,560.42
Salaries of Secr and Clerical Assist.	46,672.00		46,672.00	44,876.88	1,795.12
Other Purch Prof. and Tech. Services	12,100.00		12,100.00	6,215.64	5,884.36
Other Purch Services (400-500)	100.00		100.00		100.00
Supplies and Materials	100.00		100.00		100.00
Other objects	18,000.00		18,000.00	17,963.00	37.00
Total improvement of instructional services	229,173.00		229,173.00	211,696.10	17,476.90
Educational media/school library:					
Salaries	218,518.00		218,518.00	209,287.51	9,230.49
Purchased Professional and Technical Services	35,000.00	(\$8,000.00)	27,000.00	26,906.64	93.36
Supplies and materials	71,820.00	2,984.09	74,804.09	66,768.12	8,035.97
Other objects	66,992.00	(11,692.00)	55,300.00	54,380.71	919.29
Total educational media/school library	392,330.00	(16,707.91)	375,622.09	357,342.98	18,279.11
Instructional staff training services:					
Purchased Professional - Educational Services	20,000.00		20,000.00	9,010.00	10,990.00
Other purchased services (400-500 series)	3,000.00	955.00	3,955.00	1,143.82	2,811.18
Supplies and Materials	100.00		100.00		100.00
Other objects	13,525.00	506.12	14,031.12	13,252.75	778.37
Total Instructional staff training services	36,625.00	1,461.12	38,086.12	23,406.57	14,679.55
Support services general administration:					
Salaries	235,568.00		235,568.00	216,622.86	18,945.14
Legal services	9,000.00	6,200.00	15,200.00	13,143.99	2,056.01
Audit fees	33,000.00		33,000.00	28,125.00	4,875.00
Architect	5,000.00		5,000.00	1,488.79	3,511.21
Other purchased professional services	10,000.00	19,676.64	29,676.64	27,227.00	2,449.64
Purchased technical services	59,500.00	(3,200.00)	56,300.00	42,642.86	13,657.14
Communications/telephone	39,000.00	7,000.00	46,000.00	35,135.11	10,864.89
BOE Other Purchased Services	7,000.00	(7,000.00)			
Other purchased services (400-500 series)	25,500.00	(3,000.00)	22,500.00	22,486.34	13.66
General supplies	15,000.00		15,000.00	13,375.58	1,624.42
Miscellaneous expenditures	17,000.00	(5,000.00)	12,000.00	11,266.75	733.25
BOE Membership Dues and Fees	2,000.00	30,000.00	32,000.00	31,984.92	15.08
Total support services general administration	\$457,568.00	\$44,676.64	\$502,244.64	\$443,499.20	\$58,745.44

BOROUGH OF MANVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Support services school administration:					
Salaries of principals/assistant principals	\$422,728.00		\$422,728.00	\$420,828.00	\$1,900.00
Salaries of other professional staff	5,512.00	(\$1.00)	5,511.00		5,511.00
Salaries of secretarial and clerical assistants	237,435.00	5,000.00	242,435.00	232,309.69	10,125.31
Other purchased services	400.00		400.00		400.00
Supplies and materials	33,250.00	2,302.40	35,552.40	33,893.76	1,658.64
Other objects	19,299.00	1.00	19,300.00	14,919.32	4,380.68
Total support services school administration	718,624.00	7,302.40	725,926.40	701,950.77	23,975.63
Central services:					
Salaries	273,261.00		273,261.00	267,123.60	6,137.40
Purchased professional services	27,000.00		27,000.00	25,745.06	1,254.94
Purchased technical services	25,500.00	(15,936.09)	9,563.91	8,819.26	744.65
Other purchased services (400-500 series)	12,000.00	(6,000.00)	6,000.00	3,363.22	2,636.78
Supplies and materials	10,000.00	4,030.71	14,030.71	10,981.22	3,049.49
Miscellaneous expenditures	19,000.00	(14,000.00)	5,000.00	4,694.03	305.97
Total central services	366,761.00	(31,905.38)	334,855.62	320,726.39	14,129.23
Administration information technology:					
Salaries	38,535.00		38,535.00	37,032.40	1,502.60
Purchased professional services	100.00		100.00		100.00
Purchased technical services	5,000.00		5,000.00	5,000.00	
Other objects	500.00		500.00	421.13	78.87
Total administration information technology	44,135.00		44,135.00	42,453.53	1,681.47
Required maintenance for school facilities:					
Salaries	256,126.00		256,126.00	236,650.57	19,475.43
Cleaning, repair, and maintenance services	339,977.00	43,687.15	383,664.15	320,942.97	62,721.18
General supplies	45,500.00	5,328.12	50,828.12	50,324.74	503.38
Other objects	500.00		500.00	225.00	275.00
Total required maintenance for school facilities	642,103.00	49,015.27	691,118.27	608,143.28	82,974.99
Other operations & maintenance of plant:					
Salaries	820,742.00	10,000.00	830,742.00	777,304.70	53,437.30
Other purchased property services	24,000.00	10,000.00	34,000.00	28,547.19	5,452.81
Insurance	163,500.00	(23,000.00)	140,500.00	137,907.28	2,592.72
General supplies	79,500.00	(10,000.00)	69,500.00	40,224.86	29,275.14
Energy (electricity)	436,634.00	(66,000.00)	370,634.00	336,464.96	34,169.04
Other objects	500.00		500.00		500.00
Total other operations & maintenance of plant	\$1,524,876.00	(\$79,000.00)	\$1,445,876.00	\$1,320,448.99	\$125,427.01

BOROUGH OF MANVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Security:					
Salaries	\$3,300.00	\$2,000.00	\$5,300.00	\$3,092.91	\$2,207.09
Purchased professional and technical services	31,000.00	(2,000.00)	29,000.00	10,366.00	18,634.00
Total required maintenance for school facilities	34,300.00		34,300.00	13,458.91	20,841.09
Total operations & maintenance of plant services	2,201,279.00	(29,984.73)	2,171,294.27	1,942,051.18	229,243.09
Student transportation services:					
Contracted services (other than between home and school) - vendors	70,350.00		70,350.00	57,034.55	13,315.45
Contracted services (special education students) - ESCs & CTSA's	500,000.00	(200,000.00)	300,000.00	259,914.97	40,085.03
Total student transportation services	570,350.00	(200,000.00)	370,350.00	316,949.52	53,400.48
Unallocated benefits:					
Social security contributions	228,045.00		228,045.00	213,210.54	14,834.46
Other retirement contributions - regular	167,476.00	13,859.00	181,335.00	194,786.01	(13,451.01)
Unemployment Compensation	47,500.00	177,492.00	224,992.00	218,255.45	6,736.55
Workmen's compensation	161,500.00	(500.00)	161,000.00	159,742.00	1,258.00
Health benefits	2,088,781.00	(11,000.00)	2,077,781.00	2,032,112.71	45,668.29
Tuition Reimbursement	34,400.00	9,000.00	43,400.00	31,101.12	12,298.88
Other employee benefits	60,002.00	(22,950.00)	37,052.00	48,646.61	(11,594.61)
Total unallocated benefits	2,787,704.00	165,901.00	2,953,605.00	2,897,854.44	55,750.56
On-behalf TPAF Pension - post retirement medical (non budgeted)				553,562.00	(553,562.00)
On-behalf TPAF pension contribution (non-budgeted)				26,062.00	(26,062.00)
Reimbursed TPAF Social Security contributions (non-budgeted)				595,865.51	(595,865.51)
				1,175,489.51	(1,175,489.51)
Total undistributed expenditures	10,127,605.00	25,201.64	10,152,806.64	10,623,937.69	(471,131.05)
TOTAL EXPENDITURES - CURRENT EXPENSE	\$17,652,898.00	\$111,934.11	\$17,764,832.11	\$17,732,259.11	\$32,573.00

BOROUGH OF MANVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
CAPITAL OUTLAY:					
Interest deposit to capital reserve	\$3,000.00		\$3,000.00		\$3,000.00
Equipment:					
Facilities Acquisition and Construction Services:					
Other objects	9,403.00		9,403.00	9,403.00	
TOTAL CAPITAL OUTLAY:	12,403.00		12,403.00	9,403.00	3,000.00
SPECIAL SCHOOLS:					
Salaries of Teachers	2,500.00		2,500.00	2,000.00	500.00
GENERAL FUND GRAND TOTAL	17,667,801.00	\$111,934.11	17,779,735.11	17,743,662.11	36,073.00
Excess (deficiency) of revenues over (under) expenditures	(250,000.00)	(111,934.11)	(361,934.11)	917,026.52	1,278,960.63
Other financing sources (uses):					
Operating transfer out - capital projects fund	(1,040,300.00)		(1,040,300.00)	(961,180.00)	79,120.00
Total other financing sources (uses)	(1,040,300.00)		(1,040,300.00)	(961,180.00)	79,120.00
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,290,300.00)	(111,934.11)	(1,402,234.11)	(44,153.48)	1,358,080.63
Fund balances, July 1	2,441,135.43		2,441,135.43	2,441,135.43	
Fund balances, June 30	\$1,150,835.43	(\$111,934.11)	\$1,038,901.32	\$2,396,981.95	\$1,358,080.63
Recapitulation:					
Reserve for encumbrances				\$701,209.26	
Capital reserve				290,723.02	
Excess fund balance - designated for subsequent year's expenditures				250,000.00	
Legally restricted - designated for subsequent year's expenditures				782,000.00	
Capital reserve - designated for subsequent year's expenditures				373,049.67	
Unrestricted Fund Balance				2,396,981.95	
Reconciliation to Government Fund Statements					
Last State Aid payment not recognized on GAAP basis				(437,930.00)	
Fund Balance per Governmental Funds (GAAP)				\$1,959,051.95	

BOROUGH OF MANVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR FISCAL YEARS ENDED JUNE 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
State sources	\$116,325.00	(\$29,327.00)	\$86,998.00	\$52,826.05	\$34,171.95
Federal sources	406,078.00	775,874.58	1,181,952.58	857,598.11	324,354.47
Other sources		53,790.25	53,790.25	34,675.68	19,114.57
Total revenues	<u>522,403.00</u>	<u>800,337.83</u>	<u>1,322,740.83</u>	<u>945,099.84</u>	<u>377,640.99</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	144,605.00	102,831.54	247,436.54	151,242.93	96,193.61
Purchased professional & technical services		131,957.35	131,957.35	115,598.96	16,358.39
Other purchased services		16,627.00	16,627.00	4,219.90	12,407.10
Tuition	105,000.00	38,019.08	143,019.08	97,264.95	45,754.13
General supplies	141,000.00	176,169.53	317,169.53	227,174.27	89,995.26
Textbooks	16,283.00	(7,643.00)	8,640.00	8,640.00	
Other objects		8,056.05	8,056.05	7,955.05	101.00
Total instruction	<u>406,888.00</u>	<u>466,017.55</u>	<u>872,905.55</u>	<u>612,096.06</u>	<u>260,809.49</u>
Support services:					
Other salaries		14,589.75	14,589.75	13,389.75	1,200.00
Purchased professional educational services		107,923.40	107,923.40	68,657.26	39,266.14
Other purchased professional services	4,465.00	90,758.13	95,223.13	73,854.75	21,368.38
Other purchased services	100,042.00	(12,250.00)	87,792.00	53,606.05	34,185.95
Personal services - employee benefits	11,008.00	51,238.73	62,246.73	59,596.91	2,649.82
Travel		4,959.75	4,959.75	4,702.62	257.13
Supplies and materials		77,100.52	77,100.52	59,196.44	17,904.08
Total support services	<u>115,515.00</u>	<u>334,320.28</u>	<u>449,835.28</u>	<u>333,003.78</u>	<u>116,831.50</u>
Total expenditures	<u>\$522,403.00</u>	<u>\$800,337.83</u>	<u>\$1,322,740.83</u>	<u>\$945,099.84</u>	<u>\$377,640.99</u>

BOROUGH OF MANVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$18,660,688.63	\$945,099.84
Difference - budget to GAAP Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and related revenue is recognized.		(86,605.06)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	532,437.00	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(437,930.00)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$18,755,195.63</u>	<u>\$858,494.78</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules	\$17,743,662.11	\$945,099.84
Difference - 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 purposes		(86,605.06)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfers (outflows) to general fund.		
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$17,743,662.11</u>	<u>\$858,494.78</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

BOROUGH OF MANVILLE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	TITLE I CARRYOVER	TITLE I	TITLE II PART A CARRYOVER - '09	TITLE II PART A CARRYOVER	TITLE II PART A	TITLE II PART D CARRYOVER	TITLE II PART D	TITLE III	TITLE III CARRYOVER - '09
REVENUES:									
State sources									
Federal sources	\$103,367.71	\$162,577.23	\$7,197.83	\$27,348.02	\$22,796.17	\$2,189.54	\$624.00	\$8,321.14	\$718.52
Other sources									
Total revenues	103,367.71	162,577.23	7,197.83	27,348.02	22,796.17	2,189.54	624.00	8,321.14	718.52
EXPENDITURES:									
Instruction:									
Salaries of teachers	13,959.20	75,438.73		6,287.50		1,975.00	520.00	3,687.50	
Purchased professional & technical services		4,219.90							
Other purchased professional services									
Tuition									
General supplies	49,363.58	40,959.60						157.85	718.52
Textbooks									
Other objects		6,000.00							
Total instruction	63,322.78	126,618.23		6,287.50		1,975.00	520.00	3,845.35	718.52
Support services:									
Other salaries			2,948.09	10,441.66					
Purchased professional & educational services	24,758.21	250.00	2,599.13	3,140.00	9,873.91	162.54			
Personal services - employee benefits	7,499.36	35,709.00	1,503.68	874.69	920.49		104.00	382.00	
Other purchased professional services				5,434.00	3,986.00				
Other purchased services									
Travel									
Supplies and materials	7,787.36		146.93	1,170.17	8,015.77	52.00		4,093.79	
Total support services	40,044.93	35,959.00	7,197.83	21,060.52	22,796.17	214.54	104.00	4,475.79	
Total expenditures	\$103,367.71	\$162,577.23	\$7,197.83	\$27,348.02	\$22,796.17	\$2,189.54	\$624.00	\$8,321.14	\$718.52

(Continued on next page)

BOROUGH OF MANVILLE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	TITLE IV <u>CARRYOVER</u>	TITLE V <u>CARRYOVER</u>	IDEA PART B <u>BASIC</u>	IDEA PART B <u>PRE-SCHOOL - C/O</u>	IDEA PART B <u>PRE-SCHOOL</u>	IDEA PART B - BASIC <u>CARRYOVER</u>	ARRA <u>IDEA BASIC</u>	ARRA <u>IDEA PRE-SCHOOL</u>	ARRA <u>TITLE I</u>
REVENUES:									
State sources									
Federal sources	\$4,795.00	\$53.52	\$208,253.84	\$5,535.00	\$10,168.94	\$74,406.44	\$137,968.62	\$5,748.60	\$75,527.99
Other sources									
Total revenues	<u>4,795.00</u>	<u>53.52</u>	<u>208,253.84</u>	<u>5,535.00</u>	<u>10,168.94</u>	<u>74,406.44</u>	<u>137,968.62</u>	<u>5,748.60</u>	<u>75,527.99</u>
EXPENDITURES:									
Instruction:									
Salaries of teachers							49,375.00		
Purchased professional & technical services			84,799.75	2,535.00	8,301.11	2,823.10	15,340.00		1,800.00
Other purchased professional services									
Tuition			54,245.87				43,019.08		
General supplies	4,795.00	53.52	23,108.67	1,200.00	417.83	14,454.25	25,255.18	5,748.60	35,267.99
Textbooks									
Other objects			1,399.00			556.05			
Total instruction	<u>4,795.00</u>	<u>53.52</u>	<u>163,553.29</u>	<u>3,735.00</u>	<u>8,718.94</u>	<u>60,852.48</u>	<u>89,970.18</u>	<u>5,748.60</u>	<u>37,067.99</u>
Support services:									
Other salaries									
Purchased professional & educational services			15,719.68	1,800.00	1,450.00	8,903.79			
Personal services - employee benefits							12,603.69		
Other purchased professional services							35,394.75		38,460.00
Other purchased services									
Travel			2,742.87			1,959.75			
Supplies and materials			26,238.00			2,690.42			
Total support services			<u>44,700.55</u>	<u>1,800.00</u>	<u>1,450.00</u>	<u>13,553.96</u>	<u>47,998.44</u>		<u>38,460.00</u>
Total expenditures	<u>\$4,795.00</u>	<u>\$53.52</u>	<u>\$208,253.84</u>	<u>\$5,535.00</u>	<u>\$10,168.94</u>	<u>\$74,406.44</u>	<u>\$137,968.62</u>	<u>\$5,748.60</u>	<u>\$75,527.99</u>

(Continued on next page)

BOROUGH OF MANVILLE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	NON-PUBLIC TEXTBOOKS	NON-PUBLIC COMP ED CH 192	NON-PUBLIC ESL CH 192	NON-PUBLIC SUPPL INST CH 193	NON-PUBLIC EXAM & CLASS CH 193	NON-PUBLIC SPEECH CH 193	NON-PUBLIC NURSING SERVICES	UNITED WAY - C/O	TURF DEDICATION
REVENUES:									
State sources	\$8,640.00	\$12,591.89	\$1,393.87	\$4,548.05	\$1,653.51	\$13,761.73	\$10,237.00		
Federal sources									
Other sources								\$165.53	\$1,914.57
Total revenues	<u>8,640.00</u>	<u>12,591.89</u>	<u>1,393.87</u>	<u>4,548.05</u>	<u>1,653.51</u>	<u>13,761.73</u>	<u>10,237.00</u>	<u>165.53</u>	<u>1,914.57</u>
EXPENDITURES:									
Instruction:									
Salaries									
Purchased professional & technical services									
Other purchased professional services									
Tuition									
General supplies								165.53	1,914.57
Textbooks	8,640.00								
Other objects									
Total instruction	<u>8,640.00</u>							<u>165.53</u>	<u>1,914.57</u>
Support services:									
Salaries									
Purchased professional & educational services									
Personal services - employee benefits									
Other purchased professional services									
Other purchased services		12,591.89	1,393.87	4,548.05	1,653.51	13,761.73	10,237.00		
Travel									
Supplies and materials									
Total support services		<u>12,591.89</u>	<u>1,393.87</u>	<u>4,548.05</u>	<u>1,653.51</u>	<u>13,761.73</u>	<u>10,237.00</u>		
Total expenditures	<u>\$8,640.00</u>	<u>\$12,591.89</u>	<u>\$1,393.87</u>	<u>\$4,548.05</u>	<u>\$1,653.51</u>	<u>\$13,761.73</u>	<u>\$10,237.00</u>	<u>\$165.53</u>	<u>\$1,914.57</u>

(Continued on next page)

BOROUGH OF MANVILLE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	WESTON PTA DONATION	ENVIRONMENTAL CARRYOVER	ORDER OF THE MOOSE - C/O	REAL CARE BABY - C/O	ABIS PTA ROCK WALL - C/O	ABIS OPEN TECH LAB	GIRLS ON THE RUN	AMERICAN LUNG ASSOCIATION - C/O	ERIC HERNANDEZ GRANT - C/O
REVENUES:									
State sources									
Federal sources									
Other sources	\$1,450.00	\$580.74	\$151.16	\$955.61	\$4,952.00	\$425.00	\$6,258.47	\$698.14	\$1,269.00
Total revenues	<u>1,450.00</u>	<u>580.74</u>	<u>151.16</u>	<u>955.61</u>	<u>4,952.00</u>	<u>425.00</u>	<u>6,258.47</u>	<u>698.14</u>	<u>1,269.00</u>
EXPENDITURES:									
Instruction:									
Salaries									
Purchased professional & technical services									
Other purchased professional services									
Tuition									
General supplies	1,450.00	580.74	151.16	955.61	4,952.00	425.00	6,258.47	698.14	1,269.00
Textbooks									
Other objects									
Total instruction	<u>1,450.00</u>	<u>580.74</u>	<u>151.16</u>	<u>955.61</u>	<u>4,952.00</u>	<u>425.00</u>	<u>6,258.47</u>	<u>698.14</u>	<u>1,269.00</u>
Support services:									
Salaries									
Purchased professional & educational services									
Personal services - employee benefits									
Other purchased professional services									
Other purchased services									
Travel									
Supplies and materials									
Total support services									
Total expenditures	<u>\$1,450.00</u>	<u>\$580.74</u>	<u>\$151.16</u>	<u>\$955.61</u>	<u>\$4,952.00</u>	<u>\$425.00</u>	<u>\$6,258.47</u>	<u>\$698.14</u>	<u>\$1,269.00</u>

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BOROUGH OF MANVILLE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

								COMPARATIVE TOTALS (MEMORANDUM ONLY)	
	J & J DONATION -C/O	REBEL - C/O	ROOSEVELT LIBRARY - C/O	MANVILLE EDUCATION FOUNDATION	TEACHER ORIENTATION	BOOKS ALIVE	DIGITAL SIGN FUNDRAISER	TOTAL 2011	TOTAL 2010
REVENUES:									
State sources								\$52,826.05	\$77,295.22
Federal sources								857,598.11	924,788.42
Other sources	\$1,177.58	\$213.63	\$356.07	\$4,138.22	\$560.00	\$407.96	\$9,002.00	34,675.68	14,952.50
Total revenues	1,177.58	213.63	356.07	4,138.22	560.00	407.96	9,002.00	945,099.84	1,017,036.14
EXPENDITURES:									
Instruction:									
Salaries of teachers								151,242.93	139,766.80
Purchased professional & technical services								115,598.96	101,651.90
Other purchased professional services								4,219.90	
Tuition								97,264.95	228,284.63
General supplies	1,177.58	213.63	356.07	4,138.22	560.00	407.96		227,174.27	246,158.54
Textbooks								8,640.00	8,919.00
Other objects								7,955.05	1,443.95
Total instruction	1,177.58	213.63	356.07	4,138.22	560.00	407.96		612,096.06	727,224.82
Support services:									
Other salaries								13,389.75	30,202.78
Purchased professional & educational services								68,657.26	101,663.39
Personal services - employee benefits								59,596.91	50,312.67
Other purchased professional services								73,854.75	9,735.00
Other purchased services								53,606.05	68,828.86
Travel								4,702.62	2,540.25
Supplies and materials							9,002.00	59,196.44	26,528.37
Total support services							9,002.00	333,003.78	289,811.32
Total expenditures	\$1,177.58	\$213.63	\$356.07	\$4,138.22	\$560.00	\$407.96	\$9,002.00	\$945,099.84	\$1,017,036.14

CAPITAL PROJECTS FUND DETAIL STATEMENTS

The capital projects fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

BOROUGH OF MANVILLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - REHABILITATION OF HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SCC grant	\$410,665.79		\$410,665.79	\$410,665.79
Bond proceeds	629,140.30		629,140.30	629,140.30
Total revenues and other financing sources	<u>1,039,806.09</u>		<u>1,039,806.09</u>	<u>1,039,806.09</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	88,733.26		88,733.26	88,733.26
Construction services	873,464.25		873,464.25	944,712.62
Other objects	6,360.21		6,360.21	6,360.21
Total expenditures and other financing uses	<u>968,557.72</u>		<u>968,557.72</u>	<u>1,039,806.09</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$71,248.37</u>	<u>\$-0-</u>	<u>\$71,248.37</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	3000-080-02-2558			
Grant date	5/21/02			
Bond authorization date	1/22/02			
Bonds authorized	686,336.00			
Bonds issued	686,336.00			
Original authorized cost	\$1,143,893.00			
Additional authorized cost	(104,086.91)			
Revised authorized cost	\$1,039,806.09			
Percentage increase over original authorized cost	N/A			
Percentage completion	100.00%			
Original target completion date	6/30/04			
Completion date	9/1/05			

BOROUGH OF MANVILLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - REPLACE LIGHTING - WESTON SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from capital reserve		\$100,000.00	\$100,000.00	\$100,000.00
Total revenues and other financing sources		100,000.00	100,000.00	100,000.00
EXPENDITURES AND OTHER FINANCING USES:				
Construction services		40,639.10	40,639.10	100,000.00
Total expenditures and other financing uses		40,639.10	40,639.10	100,000.00
Excess (deficiency) of revenues over (under) expenditures		\$59,360.90	\$59,360.90	
ADDITIONAL PROJECT INFORMATION:				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds authorized		N/A		
Bonds issued		N/A		
Original authorized cost	\$100,000.00			
Additional authorized cost				
Revised authorized cost	\$100,000.00			
Percentage increase over original authorized cost				
Percentage completion		100.00%		
Original target completion date		6/30/11		
Revised target completion date		N/A		

BOROUGH OF MANVILLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - SECURITY FENCING
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from capital reserve		\$16,000.00	\$16,000.00	\$16,000.00
Total revenues and other financing sources		16,000.00	16,000.00	16,000.00
EXPENDITURES AND OTHER FINANCING USES:				
Construction services		15,376.75	15,376.75	16,000.00
Total expenditures and other financing uses		15,376.75	15,376.75	16,000.00
Excess (deficiency) of revenues over (under) expenditures		\$623.25	\$623.25	
ADDITIONAL PROJECT INFORMATION:				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds authorized		N/A		
Bonds issued		N/A		
Original authorized cost	\$16,000.00			
Additional authorized cost				
Revised authorized cost	\$16,000.00			
Percentage increase over original authorized cost				
Percentage completion		100.00%		
Original target completion date		6/30/11		
Revised target completion date		N/A		

BOROUGH OF MANVILLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - REFINISH FOAM ROOF AT HIGH SCHOOL AND ROOSEVELT SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from capital reserve		\$100,000.00	\$100,000.00	\$100,000.00
Total revenues and other financing sources		100,000.00	100,000.00	100,000.00
EXPENDITURES AND OTHER FINANCING USES:				
Construction services				100,000.00
Total expenditures and other financing uses				100,000.00
Excess (deficiency) of revenues over (under) expenditures		\$100,000.00	\$100,000.00	
ADDITIONAL PROJECT INFORMATION:				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds authorized		N/A		
Bonds issued		N/A		
Original authorized cost	\$100,000.00			
Additional authorized cost				
Revised authorized cost	\$100,000.00			
Percentage increase over original authorized cost				
Percentage completion		on going		
Original target completion date		on going		
Revised target completion date		N/A		

BOROUGH OF MANVILLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - ABIS MEDIA CENTER HVAC
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from capital reserve		\$74,880.00	\$74,880.00	\$74,880.00
Total revenues and other financing sources		74,880.00	74,880.00	74,880.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services		7,500.00	7,500.00	7,500.00
Construction services		67,380.00	67,380.00	67,380.00
Total expenditures and other financing uses		74,880.00	74,880.00	74,880.00
Excess (deficiency) of revenues over (under) expenditures		\$-0-	\$-0-	
ADDITIONAL PROJECT INFORMATION:				
Project number	3000-065-10-1001			
Grant date	N/A			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$74,880.00			
Additional authorized cost				
Revised authorized cost	\$74,880.00			
Percentage increase over original authorized cost				
Percentage completion	100.00%			
Original target completion date	6/30/11			
Revised target completion date	N/A			

BOROUGH OF MANVILLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - REPLACE CAFETERIA TABLES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from capital reserve		\$48,000.00	\$48,000.00	\$48,000.00
Total revenues and other financing sources		48,000.00	48,000.00	48,000.00
EXPENDITURES AND OTHER FINANCING USES:				
Equipment		46,706.11	46,706.11	48,000.00
Total expenditures and other financing uses		46,706.11	46,706.11	48,000.00
Excess (deficiency) of revenues over (under) expenditures		\$1,293.89	\$1,293.89	
ADDITIONAL PROJECT INFORMATION:				
Project number	3000-065-09-1001			
Grant date	N/A			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$48,000.00			
Additional authorized cost				
Revised authorized cost	\$48,000.00			
Percentage increase over original authorized cost				
Percentage completion	100.00%			
Original target completion date	7/30/11			
Revised target completion date	N/A			

BOROUGH OF MANVILLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - ASBESTOS ABATEMENT AT WESTON AND ROOSEVELT SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from capital reserve		\$119,400.00	\$119,400.00	\$119,400.00
Total revenues and other financing sources		119,400.00	119,400.00	119,400.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services				4,000.00
Construction services		62,997.50	62,997.50	115,400.00
Total expenditures and other financing uses		62,997.50	62,997.50	119,400.00
Excess (deficiency) of revenues over (under) expenditures		\$56,402.50	\$56,402.50	
ADDITIONAL PROJECT INFORMATION:				
Project number	3000-090-10-1001			
Grant date	N/A			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$119,400.00			
Additional authorized cost				
Revised authorized cost	\$119,400.00			
Percentage increase over original authorized cost				
Percentage completion	80.00%			
Original target completion date	7/1/14			
Revised target completion date	N/A			

BOROUGH OF MANVILLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - UPGRADE DISTRICT NETWORK SERVER
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from capital reserve	_____	\$56,000.00	\$56,000.00	\$56,000.00
Total revenues and other financing sources	_____	56,000.00	56,000.00	56,000.00
EXPENDITURES AND OTHER FINANCING USES:				
Construction services	_____	34,266.47	34,266.47	56,000.00
Total expenditures and other financing uses	_____	34,266.47	34,266.47	56,000.00
Excess (deficiency) of revenues over (under) expenditures	=====	\$21,733.53	\$21,733.53	
ADDITIONAL PROJECT INFORMATION:				
Project number		N/A		
Grant date		N/A		
Bond authorization date		N/A		
Bonds authorized		N/A		
Bonds issued		N/A		
Original authorized cost	\$56,000.00			
Additional authorized cost				
Revised authorized cost	\$56,000.00			
Percentage increase over original authorized cost				
Percentage completion	100.00%			
Original target completion date	7/30/11			
Revised target completion date	N/A			

BOROUGH OF MANVILLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<u>ISSUE / PROJECT TITLE</u>	<u>ORIGINAL DATE</u>	<u>APPROPRIATION</u>	<u>EXPENDITURES TO DATE PRIOR YEARS</u>	<u>TRANSFER TO CAPITAL RESERVE</u>	<u>UNEXPENDED BALANCE JUNE 30, 2011</u>
Rehabilitation of High School	05/21/02	\$1,039,806.09	\$968,557.72		\$71,248.37
Replace Lighting - Weston School	06/30/11	100,000.00		\$40,639.10	59,360.90
Security Fencing	06/30/11	16,000.00		15,376.75	623.25
Replace Boiler at Roosevelt School	09/30/11	339,000.00		172,088.46	166,911.54
Refinish Roof at High School & Roosevelt School	On going	100,000.00			100,000.00
ABIS Media Center HVAC	06/30/11	74,880.00		74,880.00	
Replace Cafeteria Tables	07/30/11	48,000.00		46,706.11	1,293.89
Asbestos Abatement-Weston & Roosevelt Schools	On Going	119,400.00		62,997.50	56,402.50
Upgrade District Network Server	06/30/11	56,000.00		\$34,266.47	21,733.53
		<u>\$1,893,086.09</u>	<u>\$968,557.72</u>	<u>\$446,954.39</u>	<u>\$477,573.98</u>

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.

BOROUGH OF MANVILLE SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011

ASSETS:	BUSINESS-TYPE ACTIVITIES		
	<u>ENTERPRISE FUND</u>		
	<u>FOOD SERVICE FUND</u>	<u>COMPARATIVE TOTALS</u>	
		<u>2011</u>	<u>2010</u>
Current assets:			
Cash and cash equivalents	\$60,574.69	\$60,574.69	\$11,184.93
Accounts receivable:			
State	261.03	261.03	573.16
Federal	8,195.36	8,195.36	11,885.47
Other			7,375.05
Inventory	6,446.61	6,446.61	8,555.07
Total current assets	<u>75,477.69</u>	<u>75,477.69</u>	<u>39,573.68</u>
Noncurrent assets:			
Furniture, machinery & equipment	119,886.00	119,886.00	109,762.00
Less accumulated depreciation	<u>(84,224.61)</u>	<u>(84,224.61)</u>	<u>(77,242.54)</u>
Total noncurrent assets	<u>35,661.39</u>	<u>35,661.39</u>	<u>32,519.46</u>
Total assets	<u>111,139.08</u>	<u>111,139.08</u>	<u>72,093.14</u>
LIABILITIES AND FUND EQUITY:			
Current liabilities:			
Accounts payable	29,875.29	29,875.29	13,917.80
Interfunds payable	21,794.31	21,794.31	11,670.31
Deferred Revenue	4,757.57	4,757.57	4,825.68
Total current liabilities	<u>56,427.17</u>	<u>56,427.17</u>	<u>30,413.79</u>
NET ASSETS:			
Invested in capital fixed assets - net	35,661.39	35,661.39	32,519.46
Unrestricted	19,050.52	19,050.52	9,159.89
Total net assets	<u>\$54,711.91</u>	<u>\$54,711.91</u>	<u>\$41,679.35</u>

BOROUGH OF MANVILLE SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND</u>		
	<u>FOOD</u>	<u>COMPARATIVE TOTALS</u>	
	<u>SERVICE</u>	<u>2011</u>	<u>2010</u>
OPERATING REVENUES:			
Local sources:			
Daily sales-reimbursable programs:			
School lunch program	\$224,000.40	\$224,000.40	\$228,310.62
Daily sales non-reimbursable programs	2,095.82	2,095.82	3,111.84
Miscellaneous	990.60	990.60	12,396.56
Total operating revenue	<u>227,086.82</u>	<u>227,086.82</u>	<u>243,819.02</u>
OPERATING EXPENSES:			
Salaries	130,964.26	130,964.26	131,414.80
Employee Benefits	40,992.18	40,992.18	40,900.61
Management fee	27,338.92	27,338.92	28,018.81
Repairs and other	25,426.99	25,426.99	50,298.79
Depreciation	6,982.07	6,982.07	5,808.43
Cost of sales	211,179.95	211,179.95	223,616.79
Total operating expenses	<u>442,884.37</u>	<u>442,884.37</u>	<u>480,058.23</u>
Operating (loss)	<u>(215,797.55)</u>	<u>(215,797.55)</u>	<u>(236,239.21)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	5,893.93	5,893.93	9,099.96
State school breakfast program			385.50
Federal sources:			
National school lunch program	194,077.70	194,077.70	189,190.03
National school breakfast program	5,073.86	5,073.86	4,658.54
Food distribution program	23,720.05	23,720.05	10,015.35
Interest revenue	64.57	64.57	111.34
Total nonoperating revenues (expenses)	<u>228,830.11</u>	<u>228,830.11</u>	<u>213,460.72</u>
Net Income/(loss)	13,032.56	13,032.56	(22,778.49)
Total net assets - beginning	<u>41,679.35</u>	<u>41,679.35</u>	<u>64,457.84</u>
Total net assets - ending	<u>\$54,711.91</u>	<u>\$54,711.91</u>	<u>\$41,679.35</u>

BOROUGH OF MANVILLE SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2011

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>FOOD</u>	<u>COMPARATIVE TOTALS</u>	
	<u>SERVICE</u>	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:			
Receipts from customers	\$244,585.87	\$244,585.87	\$266,915.23
Payments to employees	(130,964.26)	(130,964.26)	(131,414.80)
Payments to employee benefits	(40,992.18)	(40,992.18)	(40,900.61)
Payment to suppliers	(245,948.02)	(245,948.02)	(333,770.67)
Net cash provided (used for) by operating activities	<u>(173,318.59)</u>	<u>(173,318.59)</u>	<u>(239,170.85)</u>
Cash flows from noncapital financing activities:			
State Sources	6,206.06	6,206.06	9,510.44
Federal Sources	226,561.72	226,561.72	207,038.84
Net cash provided by (used for) noncapital financing activities	<u>232,767.78</u>	<u>232,767.78</u>	<u>216,549.28</u>
Cash flows from investing activities:			
Interest on investments	64.57	64.57	111.34
Net cash provided by (used for) investing activities	<u>64.57</u>	<u>64.57</u>	<u>111.34</u>
Cash flows from capital and related financing activities:			
Purchases of capital assets	(10,124.00)	(10,124.00)	(10,283.00)
Net cash provided (used) by capital and related financing activities	<u>(10,124.00)</u>	<u>(10,124.00)</u>	<u>(10,283.00)</u>
Net increase (decrease) in cash and cash equivalents	49,389.76	49,389.76	(32,793.23)
Cash and cash equivalents- July 1	<u>11,184.93</u>	<u>11,184.93</u>	<u>43,978.16</u>
Cash and cash equivalents- June 30	<u>\$60,574.69</u>	<u>\$60,574.69</u>	<u>\$11,184.93</u>
Operating income (loss)	(\$215,797.55)	(\$215,797.55)	(\$236,239.21)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation	6,982.07	6,982.07	5,808.43
Change in assets and liabilities:			
(Increase) Decrease in Inventory	2,108.46	2,108.46	(3,817.43)
Increase (Decrease) in deferred revenue	(68.11)	(68.11)	
(Increase) Decrease in accounts receivable	7,375.05	7,375.05	21,425.90
Increase (Decrease) in accounts payable	26,081.49	26,081.49	(26,348.54)
Net cash provided (used) by operating activities	<u>(\$173,318.59)</u>	<u>(\$173,318.59)</u>	<u>(\$239,170.85)</u>

FIDUCIARY FUND DETAIL STATEMENTS

Fiduciary funds are used to account for assets when a school district is functioning either as a trustee or as an agent for another party.

**Unemployment Compensation
Insurance Trust Fund:**

This trust fund is used to account for board contributions which are utilized to pay unemployment compensation claims as they arise.

Scholarship Trust Fund:

This trust fund is used to account for assets held by the district for grants to students where there are no restrictions regarding the use of principal and interest.

Student Activity Fund:

This agency fund is used to account for student funds held at the schools.

Payroll Agency Fund:

This agency fund is used to account for the payroll transactions of the school district.

BOROUGH OF MANVILLE SCHOOL DISTRICT
 FIDUCIARY FUND
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 JUNE 30, 2011

	STATE UNEMPLOYMENT INSURANCE	PRIVATE PURPOSE SCHOLARSHIP FUND	AGENCY FUND		COMPARATIVE TOTALS	
			STUDENT ACTIVITIES	PAYROLL	2011	2010
ASSETS:						
Cash and cash equivalents	\$2,074.37	\$57,639.66	\$73,335.69	\$335,768.76	\$468,818.48	\$463,788.30
Interfunds receivable			1,038.19		1,038.19	
Intrafund receivables	28,335.01				28,335.01	21,362.05
Total assets	30,409.38	57,639.66	74,373.88	335,768.76	498,191.68	485,150.35
LIABILITIES:						
Payroll deductions and withholdings				307,433.75	307,433.75	293,276.33
Interfunds payable						712.18
Due to student groups			74,373.88		74,373.88	66,263.82
Intrafund payables				28,335.01	28,335.01	21,362.05
Total liabilities			74,373.88	335,768.76	410,142.64	381,614.38
NET ASSETS:						
Reserve for state unemployment	30,409.38				30,409.38	48,528.83
Reserve for scholarships		57,639.66			57,639.66	55,007.14
Total net assets	\$30,409.38	\$57,639.66			\$88,049.04	\$103,535.97

BOROUGH OF MANVILLE SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	STATE UNEMPLOYMENT INSURANCE	PRIVATE PURPOSE SCHOLARSHIP FUND	TOTAL
ADDITIONS:			
Donations		\$15,159.56	\$15,159.56
Budget	\$40,000.00		40,000.00
Payroll deductions	5,855.10		5,855.10
Interest earned	67.53	194.39	261.92
Total additions	45,922.63	15,353.95	61,276.58
DEDUCTIONS:			
Unemployment Claims	82,082.85		82,082.85
Scholarships awarded		16,974.36	16,974.36
Total deductions	82,082.85	16,974.36	99,057.21
Change in net assets	(36,160.22)	(1,620.41)	(37,780.63)
Net assets - July 1	66,569.60	59,260.07	125,829.67
Net assets - June 30	\$30,409.38	\$57,639.66	\$88,049.04

BOROUGH OF MANVILLE SCHOOL DISTRICT
FIDUCIARY FUND
STUDENT ACTIVITY AGENCY FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BALANCE</u> <u>JUNE 30, 2010</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2011</u>
ASSETS:				
Cash and cash equivalents	\$65,916.43	\$228,131.19	\$221,750.12	\$72,297.50
Interfunds receivable	2,106.79		1,068.60	1,038.19
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$68,023.22</u>	<u>\$228,131.19</u>	<u>\$222,818.72</u>	<u>\$73,335.69</u>
LIABILITIES:				
Due Student Groups				
Student activities	\$68,023.22	\$191,355.93	\$186,043.46	\$73,335.69
Athletic activities		36,775.26	36,775.26	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$68,023.22</u>	<u>\$228,131.19</u>	<u>\$222,818.72</u>	<u>\$73,335.69</u>

BOROUGH OF MANVILLE SCHOOL DISTRICT
FIDUCIARY FUND
PAYROLL AGENCY FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BALANCE</u> <u>JUNE 30, 2010</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2011</u>
ASSETS:				
Cash and cash equivalents	\$354,172.85	\$5,516,518.08	\$5,534,922.17	\$335,768.76
Interfund receivable	33,387.30		33,387.30	
Total assets	<u>\$387,560.15</u>	<u>\$5,516,518.08</u>	<u>\$5,568,309.47</u>	<u>\$335,768.76</u>
LIABILITIES:				
Payroll deductions and withholdings	\$365,080.24	\$5,510,662.98	\$5,568,309.47	\$307,433.75
Intrafund payable	22,479.91	5,855.10		28,335.01
Total liabilities	<u>\$387,560.15</u>	<u>\$5,516,518.08</u>	<u>\$5,568,309.47</u>	<u>\$335,768.76</u>

LONG-TERM DEBT SCHEDULES

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds and Capital Leases.

BOROUGH OF MANVILLE SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2011

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES</u>		<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2010</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2011</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Capital improvements	05/01/93	\$1,200,000.00	05/01/12	\$80,000.00				
			05/01/13	78,000.00	5.50%	\$238,000.00	\$80,000.00	\$158,000.00
Capital improvements	07/01/02	1,371,000.00	07/15/11	90,000.00	4.00%			
			07/15/12	95,000.00	4.00%			
			07/15/13	100,000.00	4.00%			
			07/15/14	105,000.00	4.00%			
			07/15/15	110,000.00	4.10%			
			07/15/16	110,000.00	4.20%			
			07/15/17	115,000.00	4.30%			
			07/15/18	121,000.00	4.40%			
						<u>931,000.00</u>	<u>85,000.00</u>	<u>846,000.00</u>
						<u>\$1,169,000.00</u>	<u>\$165,000.00</u>	<u>\$1,004,000.00</u>

BOROUGH OF MANVILLE SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2011

<u>DESCRIPTION</u>	<u>INTEREST RATE PAYABLE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2010</u>	<u>RETIRED CURRENT YEAR</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2011</u>
Copy Machines - January 2006	Various	\$142,308.58	<u>\$19,168.05</u>	<u>\$19,168.05</u>	<u>\$-0-</u>
			<u>\$19,168.05</u>	<u>\$19,168.05</u>	<u>\$-0-</u>

BOROUGH OF MANVILLE SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	2011			2010		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
REVENUES:						
Local sources:						
Local tax levy	\$199,456.00	\$199,456.00		\$195,011.00	\$195,011.00	
State aid	15,333.00	15,333.00		22,478.00	22,478.00	
Total regular debt service-revenues	<u>214,789.00</u>	<u>214,789.00</u>		<u>217,489.00</u>	<u>217,489.00</u>	
EXPENDITURES:						
Regular debt service:						
Interest	49,789.00	49,789.00		57,489.00	57,489.00	
Redemption of principal	165,000.00	165,000.00		160,000.00	160,000.00	
Total regular debt service-expenditures	<u>214,789.00</u>	<u>214,789.00</u>		<u>217,489.00</u>	<u>217,489.00</u>	
Excess (deficiency) of revenues over (under) expenditures	-0-	-0-		-0-	-0-	
Other financing sources (uses):						
Operating transfers in		12.43	\$12.43		31.49	\$31.49
Excess (deficiency) of revenues & other financing sources over(under) expenditures		12.43	12.43		31.49	31.49
Fund balance, July 1		<u>1,688.92</u>	<u>1,688.92</u>		<u>1,657.43</u>	<u>1,657.43</u>
Fund balance, June 30	<u>\$ -0-</u>	<u>\$1,701.35</u>	<u>\$1,701.35</u>	<u>\$ -0-</u>	<u>\$1,688.92</u>	<u>\$1,688.92</u>

STATISTICAL SECTION
(UNAUDITED)

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BOROUGH OF MANVILLE SCHOOL DISTRICT
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends:	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-4
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-5 to J-9
Debt Capacity:	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information:	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information:	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. 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.

BOROUGH OF MANVILLE SCHOOL DISTRICT
NET ASSETS BY COMPONENT
UNAUDITED

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental activities								
Invested in capital assets, net of related debt	\$7,005,797.16	\$6,564,703.75	\$6,806,052.76	\$6,893,105.04	\$6,921,230.76	\$6,809,594.26	\$7,025,442.28	\$7,168,232.06
Restricted	1,899,908.81	2,038,159.86	1,600,673.85	685,125.52	806,548.94	748,200.79	931,362.71	1,196,042.48
Unrestricted	422,181.91	(351,079.62)	(120,554.71)	15,265.87	(4,201.53)	(109,303.11)	(268,568.73)	(264,959.70)
Total governmental activities net assets	<u>9,327,887.88</u>	<u>8,251,783.99</u>	<u>8,286,171.90</u>	<u>7,593,496.43</u>	<u>7,723,578.17</u>	<u>7,448,491.94</u>	<u>7,688,236.26</u>	<u>8,099,314.84</u>
Business-type activities								
Invested in capital assets, net of related debt	35,661.39	32,519.46	28,044.89	33,151.34	38,635.60	26,891.33	30,872.41	35,128.74
Unrestricted	19,050.52	9,159.89	36,412.95	22,396.72	18,552.42	33,057.44	36,352.37	15,423.40
Total business-type activities net assets	<u>54,711.91</u>	<u>41,679.35</u>	<u>64,457.84</u>	<u>55,548.06</u>	<u>57,188.02</u>	<u>59,948.77</u>	<u>67,224.78</u>	<u>50,552.14</u>
District-wide								
Invested in capital assets, net of related debt	7,041,458.55	6,597,223.21	6,834,097.65	6,926,256.38	6,959,866.36	6,836,485.59	7,056,314.69	7,203,360.80
Restricted	1,899,908.81	2,038,159.86	1,600,673.85	685,125.52	806,548.94	748,200.79	931,362.71	1,196,042.48
Unrestricted	441,232.43	(341,919.73)	(84,141.76)	37,662.59	14,350.89	(76,245.67)	(232,216.36)	(249,536.30)
Total district net assets	<u>\$9,382,599.79</u>	<u>\$8,293,463.34</u>	<u>\$8,350,629.74</u>	<u>\$7,649,044.49</u>	<u>\$7,780,766.19</u>	<u>\$7,508,440.71</u>	<u>\$7,755,461.04</u>	<u>\$8,149,866.98</u>

Source: CAFR Schedule A-1

BOROUGH OF MANVILLE SCHOOL DISTRICT
CHANGES IN NET ASSETS
UNAUDITED

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>EXPENSES</u>								
Governmental activities								
Instruction:								
Regular	\$6,852,014.07	\$8,091,523.64	\$7,770,012.99	\$8,273,770.70	\$7,726,990.33	\$7,097,120.40	\$6,473,942.42	\$6,783,922.70
Special education	3,214,146.75	3,123,250.37	2,373,097.42	2,200,249.14	2,448,828.63	2,322,865.56	2,347,751.76	2,142,995.64
Other instruction	884,973.68	818,092.51	704,350.10	776,139.52	723,388.61	694,454.46	674,242.39	609,358.05
Support Services:								
Student & instruction related services	2,958,248.34	2,285,837.56	2,265,865.64	2,402,939.20	1,986,949.71	2,009,411.50	1,894,798.21	2,025,175.78
General administrative services	531,337.47	423,850.83	486,692.82	496,198.93	445,891.22	450,104.57	417,124.49	636,240.66
School administrative services	943,711.91	1,160,428.18	1,169,805.70	1,173,996.46	1,057,040.43	1,010,753.18	972,002.99	903,391.78
Central services	428,083.65	419,523.52	434,963.84	500,156.02	447,225.58	447,534.63	475,252.80	
Administration information technology	42,453.53	43,984.83	131,802.80			83,830.24	96,400.11	
Plant operations and maintenance	2,404,712.10	2,812,472.20	2,428,493.62	2,484,937.41	2,356,246.29	2,154,757.14	2,157,349.58	1,719,822.21
Student transportation services	316,949.52	304,770.36	452,485.05	362,804.91	533,467.87	491,098.21	409,579.84	285,957.62
Business and other support services								498,709.76
Special Schools	2,000.00	2,400.00	2,000.00					
Interest on long-term debt	47,537.66	55,248.67	53,588.21	68,476.50	87,664.79	84,018.17	90,699.14	99,211.36
Unallocated depreciation	126,219.27	288,639.97	297,752.13	289,164.16	308,886.61	339,984.54	374,634.40	321,959.73
Total governmental activities expenses	<u>18,752,387.95</u>	<u>19,830,022.64</u>	<u>18,570,910.32</u>	<u>19,028,832.95</u>	<u>18,122,580.07</u>	<u>17,185,932.60</u>	<u>16,383,778.13</u>	<u>16,026,755.29</u>
Business-type activities:								
Food Service	442,884.37	480,058.23	448,937.73	459,162.78	457,227.07	441,839.12	408,399.04	384,328.76
Total business-type activities expense	<u>442,884.37</u>	<u>480,058.23</u>	<u>448,937.73</u>	<u>459,162.78</u>	<u>457,227.07</u>	<u>441,839.12</u>	<u>408,399.04</u>	<u>384,328.76</u>
Total district expenses	<u>19,195,272.32</u>	<u>20,310,080.87</u>	<u>19,019,848.05</u>	<u>19,487,995.73</u>	<u>18,579,807.14</u>	<u>17,627,771.72</u>	<u>16,792,177.17</u>	<u>16,411,084.05</u>
<u>PROGRAM REVENUES</u>								
Governmental activities:								
Operating grants and contributions	2,049,317.29	2,261,002.18	1,938,523.03	2,958,421.22	3,007,722.71	2,437,390.59	2,229,217.97	2,136,455.29
Total governmental activities program revenues	<u>2,049,317.29</u>	<u>2,261,002.18</u>	<u>1,938,523.03</u>	<u>2,958,421.22</u>	<u>3,007,722.71</u>	<u>2,437,390.59</u>	<u>2,229,217.97</u>	<u>2,136,455.29</u>
Business-type activities:								
Charges for services								
Food Service	226,096.22	243,819.02	258,443.56	272,140.89	286,162.94	276,233.44	295,919.82	283,002.07
Operating grants and contributions	228,765.54	213,349.38	199,099.42	179,243.31	166,214.24	151,752.64	128,328.94	116,585.42
Total business type activities program revenues	<u>454,861.76</u>	<u>457,168.40</u>	<u>457,542.98</u>	<u>451,384.20</u>	<u>452,377.18</u>	<u>427,986.08</u>	<u>424,248.76</u>	<u>399,587.49</u>
Total district program revenues	<u>2,504,179.05</u>	<u>2,718,170.58</u>	<u>2,396,066.01</u>	<u>3,409,805.42</u>	<u>3,460,099.89</u>	<u>2,865,376.67</u>	<u>2,653,466.73</u>	<u>2,536,042.78</u>
<u>NET (EXPENSE)/REVENUE</u>								
Governmental activities	(16,703,070.66)	(17,569,020.46)	(16,632,387.29)	(16,070,411.73)	(15,114,857.36)	(14,748,542.01)	(14,154,560.16)	(13,890,300.00)
Business-type activities	11,977.39	(22,889.83)	8,605.25	(7,778.58)	(4,849.89)	(13,853.04)	15,849.72	15,258.73
Total district-wide net expense	<u>(\$16,691,093.27)</u>	<u>(\$17,591,910.29)</u>	<u>(\$16,623,782.04)</u>	<u>(\$16,078,190.31)</u>	<u>(\$15,119,707.25)</u>	<u>(\$14,762,395.05)</u>	<u>(\$14,138,710.44)</u>	<u>(\$13,875,041.27)</u>

BOROUGH OF MANVILLE SCHOOL DISTRICT
CHANGES IN NET ASSETS
UNAUDITED

	2011	2010	2009	2008	2007	2006	2005	2004
<u>GENERAL REVENUES AND OTHER CHANGES</u>								
<u>IN NET ASSETS</u>								
Governmental activities:								
Property taxes levied for general purposes, net	\$12,803,846.00	\$12,484,467.00	\$12,148,455.00	\$11,816,947.00	\$11,330,109.00	\$10,666,895.00	\$10,110,184.00	\$9,938,865.00
Taxes levied for debt service	199,456.00	195,011.00	201,092.00	202,518.00	203,422.00	209,869.00	193,825.00	173,802.00
Unrestricted grants and contributions	4,620,647.43	4,814,409.47	4,721,309.48	3,829,334.00	3,645,178.01	3,652,507.99	3,654,321.00	3,544,057.30
Miscellaneous income	155,225.12	40,745.08	254,206.28	96,530.99	211,234.58	170,999.75	108,193.06	55,196.36
Transfer				(5,000.00)		(5,000.00)		(400.00)
Total governmental activities	<u>17,779,174.55</u>	<u>17,534,632.55</u>	<u>17,325,062.76</u>	<u>15,940,329.99</u>	<u>15,389,943.59</u>	<u>14,695,271.74</u>	<u>14,066,523.06</u>	<u>13,711,520.66</u>
Business-type activities:								
Miscellaneous Income	1,055.17	111.34	304.53	1,138.62	2,089.14	1,577.03	822.92	272.78
Transfer				5,000.00		5,000.00		400.00
Total business-type activities	<u>1,055.17</u>	<u>111.34</u>	<u>304.53</u>	<u>6,138.62</u>	<u>2,089.14</u>	<u>6,577.03</u>	<u>822.92</u>	<u>672.78</u>
Total district-wide	<u>17,780,229.72</u>	<u>17,534,743.89</u>	<u>17,325,367.29</u>	<u>15,946,468.61</u>	<u>15,392,032.73</u>	<u>14,701,848.77</u>	<u>14,067,345.98</u>	<u>13,712,193.44</u>
<u>CHANGE IN NET ASSETS</u>								
Governmental activities	1,076,103.89	(34,387.91)	692,675.47	(130,081.74)	275,086.23	(53,270.27)	(88,037.10)	(178,779.34)
Business-type activities	13,032.56	(22,778.49)	8,909.78	(1,639.96)	(2,760.75)	(7,276.01)	16,672.64	15,931.51
Total district	<u>\$1,089,136.45</u>	<u>(\$57,166.40)</u>	<u>\$701,585.25</u>	<u>(\$131,721.70)</u>	<u>\$272,325.48</u>	<u>(\$60,546.28)</u>	<u>(\$71,364.46)</u>	<u>(\$162,847.83)</u>

Source: CAFR Schedule A-2

BOROUGH OF MANVILLE SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
UNAUDITED

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund								
Restricted	\$1,072,723.02							
Assigned	701,209.26							
Committed	250,000.00							
Unassigned (deficit)	(64,880.33)							
Reserved		\$1,996,468.66	\$1,731,976.07	\$609,504.47	\$869,140.00	\$427,289.16	\$861,722.15	\$980,734.64
Unreserved		(87,770.23)	(37,366.28)	242,139.72	108,678.24	145,294.75	34,677.09	31,602.65
Total general fund	<u>1,959,051.95</u>	<u>1,908,698.43</u>	<u>1,694,609.79</u>	<u>851,644.19</u>	<u>977,818.24</u>	<u>572,583.91</u>	<u>896,399.24</u>	<u>1,012,337.29</u>
All Other Governmental Funds								
Restricted	479,275.33							
Committed	115,400.00							
Reserved				20,236.80	6,706.04	174,643.00	690.00	308,598.68
Unreserved, reported in:								
Special revenue fund				(12,270.20)	(2,620.20)	(2,620.20)	(2,620.20)	(2,620.20)
Capital projects fund		71,248.37	85,145.39	112,595.44	113,647.33	188,795.10	71,248.70	
Debt service fund		1,688.92	1,657.43	1,487.39	1,018.14	756.91	322.06	12,847.78
Total all other governmental funds	<u>\$594,675.33</u>	<u>\$72,937.29</u>	<u>\$86,802.82</u>	<u>\$122,049.43</u>	<u>\$118,751.31</u>	<u>\$361,574.81</u>	<u>\$69,640.56</u>	<u>\$318,826.26</u>

Source: CAFR Schedule B-1

**BOROUGH OF MANVILLE SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
UNAUDITED**

	2011	2010	2009	2008	2007	2006	2005	2004
Revenues								
Tax levy	\$13,003,302.00	\$12,679,478.00	\$12,349,547.00	\$12,019,465.00	\$11,533,531.00	\$10,876,764.00	\$10,304,009.00	\$10,112,667.00
Interest earnings - capital reserve fund	1,859.67	2,785.29	3,788.89	6,433.20	15,095.29	21,643.84	10,361.70	4,807.67
Miscellaneous	187,885.40	51,758.88	250,417.39	109,360.13	213,601.95	175,467.80	113,418.76	59,285.30
State sources	5,838,268.56	5,349,132.61	6,176,248.04	6,232,380.82	5,961,363.93	5,555,968.69	5,326,396.72	5,113,262.01
Federal sources	797,176.21	1,712,479.14	483,584.47	536,112.06	674,074.13	507,818.00	541,554.85	558,353.97
Total revenue	19,828,491.84	19,795,633.92	19,263,585.79	18,903,751.21	18,397,666.30	17,137,662.33	16,295,741.03	15,848,375.95
Expenditures								
Instruction								
Regular instruction	5,084,313.80	5,887,805.19	5,475,727.48	5,699,783.70	5,447,118.77	5,122,840.32	4,827,083.88	4,743,252.91
Special education instruction	1,933,486.16	2,062,789.35	1,529,158.08	1,141,169.12	1,541,397.59	1,519,712.41	1,469,487.73	1,406,032.51
Other instruction	637,724.37	687,306.71	581,959.70	641,707.00	566,094.68	534,283.85	533,637.50	547,318.01
Support Services:								
Tuition	769,486.15	635,074.60	652,828.69	858,807.71	711,927.49	717,118.71	678,556.26	726,864.61
Student & instruction related services	2,324,768.87	1,699,678.67	1,747,341.54	1,776,484.85	1,505,704.86	1,558,425.54	1,518,555.30	1,487,961.02
General administrative services	443,499.20	318,531.10	391,800.79	381,165.16	339,375.31	357,369.16	330,138.35	552,483.22
School administrative services	701,950.77	833,123.89	858,313.07	818,113.80	775,304.70	788,640.10	744,221.74	705,797.02
Central services	320,726.39	319,122.72	341,809.88	384,693.20	341,005.31	344,160.51	365,188.54	383,575.39
Administration information technology	42,453.53	43,984.83	131,802.80			71,663.00	63,116.10	
Plant operations and maintenance	1,942,051.18	2,321,070.34	1,995,623.62	1,985,842.13	1,823,661.34	1,681,919.26	1,685,655.64	1,496,322.52
Student transportation services	316,949.52	304,770.36	452,485.05	362,804.91	453,393.53	419,819.52	324,167.04	285,967.62
Unallocated employee benefits	4,073,343.95	4,244,364.05	3,967,461.95	4,558,129.96	4,186,430.27	3,592,646.92	3,328,398.82	3,145,554.82
Capital outlay	448,857.39	17,900.00	107,740.15	190,886.60	319,777.62	366,573.69	528,398.58	800,078.62
Special Schools	2,000.00	2,400.00	2,000.00					
Debt service:								
Principal	165,000.00	160,000.00	155,000.00	150,000.00	145,000.00	145,000.00	135,000.00	70,000.00
Interest and other charges	49,789.00	57,489.00	64,814.00	72,039.00	79,064.00	85,989.00	92,458.00	125,444.75
Total expenditures	19,256,400.28	19,595,410.81	18,455,866.80	19,021,627.14	18,235,255.47	17,306,161.99	16,624,063.48	16,476,653.02
Excess (Deficiency) of revenues over (under) expenditures	572,091.56	200,223.11	807,718.99	(117,875.93)	162,410.83	(168,499.66)	(328,322.45)	(628,277.07)
Other Financing sources (uses)								
Capital leases (non-budgeted)						142,308.58		36,068.69
Transfers in	961,192.43	13,928.51	37,277.91	190,807.53	77,276.12	431,388.62	41,755.03	47,486.33
Transfers out	(961,192.43)	(13,928.51)	(37,277.91)	(195,807.53)	(77,276.12)	(436,388.62)	(41,755.03)	(47,886.33)
Total other financing sources (uses)	0.00	0.00	0.00	(5,000.00)	0.00	137,308.58	0.00	35,668.69
Net change in fund balances	\$572,091.56	\$200,223.11	\$807,718.99	(\$122,875.93)	\$162,410.83	(\$31,191.08)	(\$328,322.45)	(\$592,608.38)
Debt service as a percentage of noncapital expenditures	1.14%	1.11%	1.20%	1.18%	1.25%	1.36%	1.41%	1.25%

Source: CAFR Schedule B-2

BOROUGH OF MANVILLE SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Tuition</u>	<u>Interest on</u> <u>Investments</u>	<u>Refunds, Fines</u> <u>E -Rate and</u> <u>Athletic</u>	<u>Miscellaneous</u>	<u>Total</u>
2011	\$12,646.25	\$5,217.60	\$46,408.33	\$89,080.84	\$153,353.02
2010	18,757.82	8,436.27	5,886.82	4,847.39	37,928.30
2009	25,709.61	21,977.35	9,358.40	182,984.47	240,029.83
2008	22,391.50	59,021.78	2,240.09	5,975.17	89,628.54
2007	17,454.00	93,013.99	21,247.07	63,841.00	195,556.06
2006	65,152.00	60,487.89	14,141.13	9,140.04	148,921.06
2005	54,581.45	35,482.72		7,556.91	97,621.08
2004	5,494.00	17,245.31	111.25	27,426.65	50,277.21
2003	29,051.12	33,652.66	11,461.80	3,417.18	77,582.76
2002	11,817.00	54,154.48	13,720.33	17,557.38	97,249.19

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Source: District Records

BOROUGH OF MANVILLE SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
UNAUDITED

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax Exempt Property	Public Utilities (a)	Net Valuation Taxable	Est. Actual (County Equalized Value)	Total Direct School Tax Rate (b)
2011	\$9,485,200.00	\$986,319,950.00		\$109,858,300.00	\$36,862,400.00	\$13,404,600.00	\$1,155,930,450.00		\$2,435,515.00	\$1,158,365,965.00	\$1,162,767,755.67	\$1.13
2010	10,373,300.00	985,944,100.00		109,995,300.00	36,862,400.00	13,404,600.00	1,156,579,700.00		3,225,694.00	1,159,805,394.00	1,157,697,495.00	1.11
2009	8,790,100.00	986,461,000.00		110,324,700.00	37,093,200.00	13,404,600.00	1,156,073,600.00		1,623,895.00	1,157,697,495.00	1,156,073,600.00	1.08
2008	9,078,000.00	983,736,600.00		110,809,700.00	37,093,200.00	13,404,600.00	1,154,122,100.00		962,076.00	1,155,084,176.00	1,154,122,500.00	1.05
2007	9,652,900.00	981,541,100.00		113,509,400.00	37,093,200.00	13,453,100.00	1,155,249,700.00		962,076.00	1,156,211,776.00	1,155,249,700.00	1.01
2006 *	10,169,800.00	982,555,400.00		115,511,700.00	37,093,200.00	13,453,100.00	1,158,783,200.00		943,226.00	1,159,726,426.00	1,419,157,227.50	0.97
2005	3,587,000.00	440,059,070.00		61,837,830.00	19,435,700.00	6,725,100.00	531,644,700.00		628,183.00	532,272,883.00	330,701,142.21	2.00
2004	3,694,800.00	428,231,218.00		61,236,810.00	19,165,490.00	6,430,720.00	518,759,038.00		759,257.00	519,518,295.00	369,533,363.23	1.97
2003	3,768,500.00	427,768,008.00		61,576,510.00	19,061,490.00	6,430,720.00	518,605,228.00		909,488.00	519,514,716.00	419,300,327.28	1.87
2002	3,580,000.00	427,508,168.00		63,014,230.00	19,061,490.00	5,513,720.00	518,677,608.00		961,833.00	519,639,441.00	452,242,205.50	1.76

* revaluation

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

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

(b): Tax rates are per \$100

BOROUGH OF MANVILLE SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
UNAUDITED

Fiscal Year Ended December 31,	Borough of Manville Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Borough of Manville	Somerset County	
2010	\$1.09	\$0.02	\$1.11	\$0.71	\$0.30	\$2.12
2009	1.06	0.02	1.08	0.69	0.30	2.07
2008	1.03	0.02	1.05	0.71	0.31	2.07
2007	0.99	0.02	1.01	0.59	0.29	1.90
2006 *	0.95	0.02	0.97	0.53	0.27	1.77
2005	1.96	0.04	2.00	0.99	0.57	3.56
2004	1.94	0.03	1.97	0.84	0.52	3.33
2003	1.85	0.02	1.87	0.78	0.49	3.14
2002	1.75	0.02	1.77	0.78	0.49	3.03
2001	1.66	0.03	1.69	0.73	0.48	2.90

Source: District Records and Municipal Tax Collector
(Rates are per \$100 of assessed value)

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

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

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

* revaluation

BOROUGH OF MANVILLE SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS - CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

<u>Taxpayer</u>	<u>2010</u>			<u>2001</u>		
	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>
National Retail Resources, LP	\$41,302,500.00	1	3.56%	\$22,000,000.00	1	4.23%
Adesa Auctions Corp.	25,000,000.00	2	2.16%	13,025,000.00	2	2.50%
Rustic Mall, LLC	4,326,900.00	3	0.37%	8,200,000.00	3	1.58%
Owners Association	2,810,000.00	4	0.24%	1,775,500.00	5	0.34%
Bell Atlantic - Property Tax Dept	2,435,515.00	5	0.21%			
Rosalie Main Street LLC	2,203,100.00	6	0.19%			
J.A.G. Properties LLC	1,800,700.00	7	0.16%			
Manhil, LLC	1,693,000.00	8	0.15%			
Riverview Park, LLC	1,629,600.00	9	0.14%			
Ketusky Funeral Home	1,590,500.00	10	0.14%	1,032,900.00	9	0.20%
Residential Taxpayer #1				1,832,080.00	4	0.35%
Residential Taxpayer #2				1,682,080.00	6	0.32%
Residential Taxpayer #3				1,606,080.00	7	0.31%
Residential Taxpayer #4				1,259,800.00	8	0.24%
Readington Investments				716,700.00	10	0.14%
Total	<u>\$84,791,815.00</u>		<u>7.31%</u>	<u>\$53,130,140.00</u>		<u>10.21%</u>

Source: Municipal Tax Assessor

BOROUGH OF MANVILLE SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (a)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2011	\$13,003,302.00	\$13,003,302.00	100.00%	\$0.00
2010	12,679,478.00	12,679,478.00	100.00%	0.00
2009	12,349,547.00	12,349,547.00	100.00%	0.00
2008	12,019,465.00	12,019,465.00	100.00%	0.00
2007	11,533,531.00	11,533,531.00	100.00%	0.00
2006	10,876,764.00	10,876,764.00	100.00%	0.00
2005	10,304,009.00	10,304,009.00	100.00%	0.00
2004	10,112,667.00	10,112,667.00	100.00%	0.00
2003	9,289,547.00	9,289,547.00	100.00%	0.00
2002	8,967,074.00	8,967,074.00	100.00%	0.00

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

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

BOROUGH OF MANVILLE SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes	Capital Leases				
2011	\$1,004,000.00						\$1,004,000.00	6.91%	\$96.72
2010	1,169,000.00		\$19,268.05				1,188,268.05	5.84%	114.47
2009	1,329,000.00		50,566.78				1,379,566.78	5.03%	132.89
2008	1,484,000.00		91,665.37				1,575,665.37	4.65%	153.38
2007	1,634,000.00		137,159.70				1,771,159.70	4.04%	172.61
2006	1,779,000.00		193,055.92				1,972,055.92	3.42%	192.45
2005	1,924,000.00		54,430.44				1,978,430.44	3.15%	192.90
2004	2,059,000.00		84,944.99				2,143,944.99	2.80%	208.68
2003	2,129,000.00		85,230.50				2,214,230.50	2.57%	215.29
2002	2,189,000.00		107,046.91				2,296,046.91	2.43%	222.49

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

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

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

(b) Includes Early Retirement Incentive Plan (ERIP) refunding

BOROUGH OF MANVILLE SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	<u>General Bonded Debt Outstanding</u>		<u>Net General Bonded Debt Outstanding</u>	Percentage of Actual Taxable Value (a) of <u>Property</u>	<u>Per Capita (b)</u>
	<u>General Obligation Bonds</u>	<u>Deductions</u>			
2011	\$1,004,000.00		\$1,004,000.00	0.000866738	\$96.72
2010	1,169,000.00		1,169,000.00	0.001007928	112.61
2009	1,329,000.00		1,329,000.00	0.001147968	128.02
2008	1,484,000.00		1,484,000.00	0.001284755	144.46
2007	1,634,000.00		1,634,000.00	0.001413236	159.24
2006	1,779,000.00		1,779,000.00	0.001533982	173.61
2005	1,924,000.00		1,924,000.00	0.003614687	187.60
2004	2,059,000.00		2,059,000.00	0.003963287	200.41
2003	2,129,000.00		2,129,000.00	0.004098055	207.00
2002	2,189,000.00		2,189,000.00	0.004212536	212.11

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.

BOROUGH OF MANVILLE SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2010
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Manville Borough	\$9,721,396.34	100.00%	\$9,721,396.34
Other debt			
Somerset County	135,950,155.00	2.16%	2,939,515.54
Somerset-Raritan Valley Sewage Authority	34,004,718.01	8.70%	<u>2,958,410.47</u>
Subtotal, overlapping debt			\$15,619,322.35
Manville Borough School District Direct Debt			<u>1,084,000.00</u>
Total direct and overlapping debt			<u><u>\$16,703,322.35</u></u>

Source: Borough of Manville Chief Financial Officer, Somerset County Treasurer's Office and Somerset-Raritan Valley Sewage Authority

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 Manville. 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.

BOROUGH OF MANVILLE SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
UNAUDITED

Legal Debt Margin Calculation for Calendar Year 2010:

Equalized Valuation Basis

Calendar Year

2010	\$1,093,588,975.00
2009	1,151,697,151.00
2008	1,161,322,701.00
	<u>\$3,406,608,827.00</u>

Average Equalized Valuation of Taxable Property \$1,135,536,275.67

Debt Limit (4% (a) of average equalization value)	45,421,451.03
Total Net Debt Applicable to Limit	(1,084,000.00)
Legal Debt Margin	<u>\$44,337,451.03</u>

	Calendar Year Ending December 31,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Debt Limit	\$45,421,451.03	\$46,160,862.80	\$45,315,657.21	\$42,409,283.52	\$38,221,450.87	\$33,444,787.93	\$29,422,611.92	\$26,247,062.85	\$23,939,155.48	\$22,418,170.71
Total Net Debt Applicable To Limit	<u>1,084,000.00</u>	<u>1,249,000.00</u>	<u>1,404,000.00</u>	<u>1,559,000.00</u>	<u>1,709,000.00</u>	<u>1,951,500.00</u>	<u>2,086,500.00</u>	<u>2,221,500.00</u>	<u>2,189,000.00</u>	<u>878,000.00</u>
Legal Debt Margin	<u>\$44,337,451.03</u>	<u>\$44,911,862.80</u>	<u>\$43,911,657.21</u>	<u>\$40,850,283.52</u>	<u>\$36,512,450.87</u>	<u>\$31,493,287.93</u>	<u>\$27,336,111.92</u>	<u>\$24,025,562.85</u>	<u>\$21,750,155.48</u>	<u>\$21,540,170.71</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	2.39%	2.71%	3.10%	3.68%	4.47%	5.83%	7.09%	8.46%	9.14%	3.92%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation
(a) Limit set by N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

BOROUGH OF MANVILLE SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2010	*	*	*	7.90%
2009	10,381	\$720,285,685.00	\$69,385.00	7.80%
2008	10,273	751,952,781.00	73,197.00	3.30%
2007	10,261	734,318,204.00	71,564.00	3.70%
2006	10,247	691,211,385.00	67,455.00	3.00%
2005	10,256	638,415,488.00	62,248.00	4.50%
2004	10,274	615,741,368.00	59,932.00	5.20%
2003	10,285	584,311,420.00	56,812.00	5.40%
2002	10,320	576,764,160.00	55,888.00	3.30%
2001	10,276	579,607,504.00	56,404.00	2.60%

Source:

- (a) Population information provided by the NJ Dept. of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (c) Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

BOROUGH OF MANVILLE SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

<u>Employer</u>	<u>2010</u>			<u>2001</u>		
	<u># of Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u># of Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
NOT AVAILABLE		1				
		2				
		3				
		4				
		5				
		6				
		7				
		8				
		9				
		10				
	<u>0</u>		<u>0.00%</u>	<u>0</u>		<u>0.00%</u>

Source: Municipal Records

BOROUGH OF MANVILLE SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
UNAUDITED

Function/Program	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Instruction:										
Regular	100	100	100	100	98	98	92	90	93	88
Special education	26	25	25	25	25	24	23	23	23	20
Other special education	21	21	20	20	25	24	20	18	13	12
Support Services:										
Student & instruction related services	14	14	14	14	14	13	13	13	12	12
General administrative services	10	10	10	10	10	10	10	10	9	9
School administrative services	7	6	7	7	7	7	7	7	6	6
Plant operations and maintenance	17	18	18	18	18	18	18	18	18	18
Central services	5	5	6	6	6	6	6	6	6	6
Administration information technology	3	3	2	2	2	2	2	2	2	2
Special Schools	9	9	9	9	9	9	9	9	8	8
Food Service	8	8	8	8	8	8	8	8	7	7
Total	<u>220</u>	<u>219</u>	<u>219</u>	<u>219</u>	<u>222</u>	<u>219</u>	<u>208</u>	<u>204</u>	<u>197</u>	<u>188</u>

Source: District Personnel Records

BOROUGH OF MANVILLE SCHOOL DISTRICT
OPERATING STATISTICS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Pupil/Teacher Ratio			Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2011	1,318	\$18,592,753.89	\$14,106.79	1.13%	134	1/19	1/17	1/11	1,296	1,284	0.15%	99.07%
2010	1,318	19,359,380.07	14,688.45	9.93%	133	1/19	1/17	1/11	1,294	1,284	-0.08%	99.23%
2009	1,319	18,128,312.65	13,743.98	2.86%	133	1/19	1/17	1/11	1,295	1,235	0.15%	95.37%
2008	1,334	18,608,701.54	13,949.55	4.40%	133	1/19	1/17	1/11	1,293	1,290	0.15%	99.77%
2007	1,324	17,691,413.85	13,362.10	6.29%	133	1/19	1/17	1/11	1,291	1,288	-1.15%	99.77%
2006	1,341	16,858,599.30	12,571.66	5.77%	132	1/19	1/17	1/11	1,306	1,243	3.24%	95.18%
2005	1,335	15,868,206.90	11,886.30	3.19%	132	1/19	1/17	1/11	1,265	1,175	-4.74%	92.89%
2004	1,344	15,481,129.65	11,518.70	3.63%	138	1/19	1/17	1/11	1,328	1,238	1.61%	93.22%
2003	1,309	14,550,383.43	11,115.65	9.44%	138	1/19	1/17	1/11	1,307	1,217	0.38%	93.11%
2002	1,299	13,193,985.16	10,157.03	11.74%	136	1/19	1/17	1/11	1,302	1,228	-0.61%	94.32%

Sources: District records

Note: Enrollment based on annual October district count.

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

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

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

BOROUGH OF MANVILLE SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002*</u>
<u>District Buildings</u>										
Elementary School(s):										
Weston School										
Square Feet	46,400	46,400	46,400	46,400	46,400	46,400	46,400	46,400	46,400	46,400
Capacity (students)	489	489	489	489	489	489	489	489	489	489
Enrollment	392	392	392	392	392	397	393	398	389	
Roosevelt School										
Square Feet	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
Capacity (students)	300	300	300	300	300	300	300	300	300	300
Enrollment	195	195	195	195	195	188	195	229	214	
Middle School(s):										
Alexander Batcho Intermediate School										
Square Feet	58,515	58,515	58,515	58,515	58,515	58,515	58,515	58,515	58,515	58,515
Capacity (students)	425	425	425	425	425	425	425	425	425	425
Enrollment	309	309	309	309	309	347	333	336	327	
High School(s):										
Manville High School										
Square Feet	110,500	110,500	110,500	110,500	110,500	110,500	110,500	110,500	110,500	110,500
Capacity (students)	770	770	770	770	770	770	770	770	770	770
Enrollment	395	395	395	395	395	425	393	381	379	

Number of Schools at June 30, 2011

 Elementary = 2

 Middle School = 1

 High School = 1

Source: District records

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

* Not Available

BOROUGH OF MANVILLE SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
UNAUDITED

Undistributed expenditures - Required maintenance for school facilities - 11-000-261-XXX

School Facilities * Project #(s)	<u>Total</u>	<u>Weston</u>	<u>Roosevelt</u>	<u>ABIS</u>	<u>High School</u>
2011	\$608,143.28	\$140,741.01	\$121,954.38	\$130,308.29	\$215,139.60
2010	1,701,755.70	416,592.93	413,967.52	435,067.99	436,127.26
2009	713,419.76	140,019.36	63,370.83	176,578.29	333,451.28
2008	1,454,638.13	363,659.53	349,113.15	363,659.54	378,205.91
2007	1,171,164.52	289,954.02	279,991.50	299,520.10	301,698.90
2006	1,192,852.14	288,890.03	288,635.01	292,072.28	323,254.82
2005	1,043,798.94	266,108.27	246,960.93	259,158.55	271,571.19
2004	925,239.60	231,953.11	226,697.21	213,345.25	253,244.03
2003	1,012,906.51	242,639.97	253,088.17	245,642.83	271,535.54
2002	971,493.90	231,193.23	233,373.08	233,773.10	273,154.49
Total School Facilities	<u>\$10,795,412.48</u>	<u>\$2,611,751.46</u>	<u>\$2,477,151.78</u>	<u>\$2,649,126.22</u>	<u>\$3,057,383.02</u>

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

Source: District records

BOROUGH OF MANVILLE SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2011
UNAUDITED

	<u>Coverage Amount</u>	<u>Deductible</u>
Multi Peril Policy - Diploma Joint Insurance Fund		
Property Coverage:		
Blanket Real & Personal Property	\$250,000,000.00	\$1,000.00
Blanket Valuable Papers & Records	within blanket limits	
Newly Acquired Property:		
Real Property	within blanket limits	
Personal Property	within blanket limits	
Flood (Zone A or V)	25,000,000.00	
Flood (All other zones)	10,000,000.00	1,000.00
Earthquake	25,000,000.00	
Comprehensive General Liability and Automotive Coverage:		
Liability	5,000,000.00	1,000.00
Excessive School Leaders Professional Liability	5,000,000.00	
Workers Compensation Coverage	250,000.00	
Crime Coverage:		
Public Official Bond Limit - Board Secretary/Business Administrator	100,000.00	
Public Official Bond Limit - Treasurer of School Monies	275,000.00	
Employee Dishonesty	400,000.00	

Source: District Records

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-1"

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Honorable President and Members
of the Board of Education
Manville Borough School District
County of Somerset
Manville, New Jersey 08835

We have audited the basic financial statements of the Manville Borough School District, County of Somerset, New Jersey as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated November 3, 2011. We conducted our audit in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

SUPLEE, CLOONEY & COMPANY

Our consideration of the internal control over financial reporting was limited for the purposes 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Manville School District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to the Board of Education of the Manville Borough School District in a separate Auditor's Management Report on Administrative Findings – Financial and Compliance dated November 3, 2011 on other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Manville Borough School District, County of Somerset, New Jersey, the New Jersey State Department of Education and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

November 3, 2011



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-2"

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL
AND STATE FINANCIAL ASSISTANCE PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A -133 AND NEW JERSEY OMB CIRCULAR 04-04

Honorable President and Members
of the Board of Education
Manville Borough School District
County of Somerset
Manville, New Jersey 08835

Compliance

We have audited the compliance of the Manville Borough School District with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the New Jersey State Grant Compliance Supplement that are applicable to each of its major federal and state programs for the year ended June 30, 2011. Manville Borough School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of Manville Borough School District's management. Our responsibility is to express an opinion on Manville Borough School District's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Manville Borough School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Manville Borough School District's compliance with those requirements.

SUPLEE, CLOONEY & COMPANY

In our opinion, the Manville Borough School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of the Borough of Manville School 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 Borough of Manville School District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, 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 Borough of Manville School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 of the Manville Borough School District, County of Somerset, New Jersey, the New Jersey State Department of Education, and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

November 3, 2011

BOROUGH OF MANVILLE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

FEDERAL GRANTOR/PASS-THROUGH	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2010	CARRYOVER AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	CANCEL OR REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE AT JUNE 30, 2011	
										(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE
U.S. Department of Education											
General Fund											
Medicaid Assistance Program (SEM)	93.778	N/A	7/1/10 - 6/30/11	\$26,027.43			\$26,027.43	(\$26,027.43)			
Total General Fund							26,027.43	(26,027.43)			
U. S. Department of Agriculture:											
Passed-Through State Department of Education Enterprise Fund											
National School Lunch Program	10.555	N/A	7/1/09 - 6/30/10	189,190.03	(\$11,615.35)		11,615.35				
National School Lunch Program	10.555	N/A	7/1/10 - 6/30/11	194,077.70			186,145.64	(194,077.70)		(\$7,932.06)	
National School Breakfast Program	10.553	N/A	7/1/09 - 6/30/10	4,658.54	(270.12)		270.12				
National School Breakfast Program	10.553	N/A	7/1/10 - 6/30/11	5,073.86			4,810.56	(5,073.86)		(263.30)	
Food Distribution Program	10.550	N/A	7/1/09 - 6/30/10	13,828.07	4,825.68			(4,825.68)			
Food Distribution Program	10.550	N/A	7/1/10 - 6/30/11	23,651.94			23,651.94	(16,894.37)			\$4,757.57
Total Enterprise Fund					(7,059.79)		226,493.61	(222,871.61)		(8,195.36)	4,757.57
U. S. Department of Education:											
Passed-Through State Department of Education: Special Revenue Fund											
Title I - carryover	84.010	NCLB300009	9/1/09-8/31/10	248,327.00	(5,413.00)		5,413.00				
Title I	84.010	NCLB300010	9/1/09-8/31/10	237,424.00	(35,092.47)		35,092.47				
Title I - c/o	84.010	NCLB300010	9/1/10-8/31/11	237,424.00			57,979.53	(103,367.71)		(45,388.18)	
Title I	84.010	NCLB300011	9/1/10-8/31/11	279,702.00			68,507.00	(162,577.23)		(94,070.23)	
ARRA - Title I	84.389	ARRA300011	7/1/09-8/31/11	83,434.00			29,720.00	(75,527.99)		(45,807.99)	
Title II- Part A - carryover	84.367	NCLB300009	9/1/09-8/31/10	54,136.00	(20,603.17)		27,801.00	(7,197.83)			
Title II- Part A	84.367	NCLB300010	9/1/09-8/31/10	54,838.00	(10,980.83)		10,980.83				
Title II- Part A - carryover	84.367	NCLB300010	7/1/10-8/31/11	54,838.00			529.17	(27,348.02)		(26,818.85)	
Title II- Part A	84.367	NCLB300011	7/1/10-8/31/11	55,973.00			12,856.00	(22,796.17)		(9,940.17)	
Title II- Part D	84.318	NCLB300010	9/1/09-8/31/10	2,416.00	(226.46)		226.46				
Title II- Part D - carryover	84.318	NCLB300010	7/1/10-8/31/11	2,416.00			2,189.54	(2,189.54)			
Title II- Part D	84.318	NCLB300011	7/1/10-8/31/11	624.00				(624.00)		(624.00)	
Title III - carryover	84.365	NCLB300009	9/1/09-8/31/10	11,268.00	(0.48)		719.00	(718.52)			
Title III	84.365	NCLB300011	7/1/10-8/31/11	13,461.00			3,267.00	(8,321.14)		(5,054.14)	
Title IV - carryover	84.186	NCLB300010	7/1/10-8/31/11	4,795.00			4,795.00				
Title V - carryover	84.298	NCLB300008	9/1/08-8/31/09	1,669.00		53.52		(53.52)			
I.D.E.A. Part B Basic - carryover	84.027	IDEA300009	9/1/09-8/31/10	324,062.00	1,490.47				(1,490.47)		
I.D.E.A. Part B Basic	84.027	IDEA300010	9/1/09-8/31/10	333,644.00	(83,075.56)		83,075.56				
I.D.E.A. Part B Basic - carryover	84.027	IDEA300010	7/1/10-8/31/11	333,644.00			74,406.44	(74,406.44)			
I.D.E.A. Part B Basic	84.027	IDEA300011	7/1/10-8/31/11	333,992.00			93,634.00	(208,253.84)		(114,619.84)	
ARRA - I.D.E.A. Part B Basic	84.391	ARRA300011	7/1/09-8/31/11	351,391.00	(47,054.47)		117,809.00	(137,968.62)		(67,214.09)	
I.D.E.A. Part B Preschool	84.173	IDEA300010	9/1/09-8/31/10	12,320.00	(5,946.00)		5,946.00				
I.D.E.A. Part B Preschool - carryover	84.173	IDEA300010	7/1/10-8/31/11	12,320.00			5,535.00	(5,535.00)			
I.D.E.A. Part B Preschool	84.173	IDEA300011	7/1/10-8/31/11	12,798.00			9,799.00	(10,168.94)		(369.94)	
ARRA - I.D.E.A. Part B Preschool	84.392	ARRA300011	7/1/09-8/31/11	12,666.00	5,352.25		331.00	(5,748.60)		(65.35)	
Total Special Revenue Fund					(201,496.20)		650,612.00	(857,598.11)	(1,490.47)	(409,972.78)	
Total Federal Financial Assistance					(\$208,555.99)	\$-0-	\$903,133.04	(\$1,106,497.15)	(\$1,490.47)	(\$418,168.14)	\$4,757.57

See accompanying notes to schedules of financial assistance

BOROUGH OF MANVILLE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2010		CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENT	REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE JUNE 30, 2011			MEMO	
				DEFERRED REVENUE (ACCTS. RECEIVABLE)	DUE TO GRANTOR					(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education														
General Fund														
Equalization Aid	11-495-034-5120-022	07/01/10 - 06/30/11	\$3,713,052.00			\$3,349,920.00	(\$3,713,052.00)	\$363,132.00					\$363,132.00	\$3,713,052.00
Special Education Categorical Aid	11-495-034-5120-011	07/01/10 - 06/30/11	764,591.00			689,793.00	(764,591.00)	74,798.00					74,798.00	764,591.00
Extraordinary Aid	10-100-034-5120-473	07/01/09 - 06/30/10	24,719.00	(\$24,719.00)		24,719.00								24,719.00
Extraordinary Aid	11-100-034-5120-473	07/01/10 - 06/30/11	22,470.00				(22,470.00)			(\$22,470.00)				22,470.00
Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	07/01/09 - 06/30/10	683,893.39	(31,220.58)		31,220.58								683,893.39
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	07/01/10 - 06/30/11	585,865.51			566,202.69	(566,865.51)			(29,662.82)			29,662.82	595,865.51
Total General Fund				(\$5,939.58)		4,681,855.27	(5,095,978.51)	437,930.00		(52,132.82)			490,062.82	5,614,590.90
Special Revenue Fund														
Non-Public Aid														
Textbook Aid	09-100-034-5120-064	07/01/08 - 06/30/09	8,007.00		\$186.38				(\$186.38)					7,821.00
Textbook Aid	10-100-034-5120-064	07/01/09 - 06/30/10	8,919.00			857.98						\$657.98		
Textbook Aid	11-100-034-5120-064	07/01/10 - 06/30/11	8,640.00			8,640.00	(6,640.00)							8,640.00
Auxiliary Services														
Compensatory Education	10-100-034-5120-067	07/01/09 - 06/30/10	26,008.00		2,305.33				(2,305.33)					23,702.67
Compensatory Education	11-100-034-5120-067	07/01/10 - 06/30/11	18,420.00			18,420.00	(12,591.89)					5,628.11		12,591.89
English as a Second Language	10-100-034-5120-067	07/01/09 - 06/30/10	3,817.00		912.35				(912.35)					2,904.65
English as a Second Language	11-100-034-5120-067	07/01/10 - 06/30/11	6,831.00			6,831.00	(1,393.87)					5,437.13		1,393.87
Handicapped Services														
Supplemental Instruction	10-100-034-5120-066	07/01/09 - 06/30/10	6,371.00		39.38				(39.38)					6,331.62
Supplemental Instruction	11-100-034-5120-066	07/01/10 - 06/30/11	5,211.00			5,211.00	(4,548.05)					662.95		4,548.05
Examination & Classification	10-100-034-5120-066	07/01/09 - 06/30/10	11,150.00		1,463.98				(1,463.98)					9,686.02
Examination & Classification	11-100-034-5120-066	07/01/10 - 06/30/11	14,189.00		772.10	14,189.00	(1,653.51)			(772.10)		12,535.49		1,653.51
Corrective Speech	10-100-034-5120-066	07/01/09 - 06/30/10	15,334.00											14,561.90
Corrective Speech	11-100-034-5120-066	07/01/10 - 06/30/11	23,470.00			23,470.00	(13,761.73)					9,708.27		13,761.73
Nursing Services	11-100-034-5120-070	07/01/10 - 06/30/11	10,237.00			10,237.00	(10,237.00)							10,237.00
Total Special Revenue Fund					5,679.52	87,855.98	(62,626.05)		(5,679.52)			35,029.93		117,833.91
Debt Service Fund														
Debt Service														
Debt Service	11-495-034-5120-017	07/01/10 - 06/30/11	15,333.00			15,333.00	(15,333.00)							15,333.00
Total Debt Service Fund						15,333.00	(15,333.00)							15,333.00
Enterprise Fund														
National School Lunch Program (State Share)														
National School Lunch Program (State Share)	10-100-010-3350-023	07/01/09 - 06/30/10	9,099.96	(550.26)		550.26								9,099.96
National School Lunch Program (State Share)	11-100-010-3350-023	07/01/10 - 06/30/11	5,893.93			5,632.50	(5,893.93)			(261.03)			261.03	5,893.93
National School Breakfast Program (State Share)	10-100-010-3350-021	07/01/09 - 06/30/10	365.50	(22.90)		22.90								365.50
Total Enterprise Fund				(573.16)		6,205.66	(5,893.93)			(261.03)			261.03	15,379.39
Total State Financial Assistance Subject to OMB 04-04														
				(\$56,512.74)	\$5,679.52	\$4,771,250.31	(\$5,170,031.49)	\$437,930.00	(\$5,679.52)	(\$52,393.85)		\$35,029.93	\$490,323.65	\$5,963,137.20
On-Behalf TPAF Pension -post retirement medical														
On-Behalf TPAF Pension Contribution	11-495-034-5095-001	07/01/10 - 06/30/11	553,562.00			553,562.00	(553,562.00)							
On-Behalf TPAF Pension Contribution	11-495-034-5095-006	07/01/10 - 06/30/11	26,062.00			26,062.00	(26,062.00)							
Total State Financial Assistance						\$5,350,874.31	(\$5,749,655.49)							

See accompanying notes to schedules of financial assistance

Borough of Manville School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2011

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

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

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

Borough of Manville School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2011

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$94,507.00 for the general fund and (\$86,605.06) for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$26,027.43	\$5,770,109.51	\$5,796,136.94
Special Revenue Fund	771,148.78	52,826.05	823,974.83
Debt Service Fund		15,333.00	15,333.00
Food Service Fund	<u>222,871.61</u>	<u>5,893.93</u>	<u>228,765.54</u>
Total Awards & Financial Assistance	<u>\$1,020,047.82</u>	<u>\$5,844,162.49</u>	<u>\$6,864,210.31</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2011. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2011.

Borough of Manville School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section I – Summary of Auditor’s Results

Financial Statements

- | | | |
|-----|--|-------------|
| (1) | Type of Auditor’s Report Issued: | Unqualified |
| (2) | Internal Control Over Financial Reporting: | |
| | (a) Material weakness identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | N/A |
| (3) | Noncompliance material to basic financial statements noted? | No |

Federal Program(s)

- | | | |
|-----|--|---------------|
| (1) | Internal Control Over Major Federal Programs: | |
| | (a) Material weakness identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | N/A |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)? | Unqualified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133 and listed in Section III of this this schedule? | None Reported |

Borough of Manville School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section I – Summary of Auditor’s Results (Continued)

Federal Program(s) (Continued)

(4) Identification of Major Federal Program(s):

<u>Program</u>	<u>Grant Number</u>
Special Education Cluster:	
IDEA Basic - ARRA	84.391
IDEA Part B Basic	84.027
IDEA Preschool - ARRA	84.392
IDEA Preschool	84.173
 Title I	 84.010
Title I - ARRA	84.389

(5) Program Threshold Determination:

Type A Federal Program Threshold > \$300,000.00

Type B Federal Program Threshold <= \$300,000.00

(6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

Borough of Manville School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section I – Summary of Auditor’s Results (Continued)

State Program(s)

- (1) Internal Control Over Major State Programs:
 - (a) Material weakness identified? No
 - (b) Significant deficiencies identified that are not considered to be material weaknesses? N/A
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unqualified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04 and listed in Section III? Of this schedule? None Reported

(4) Identification of Major State Program(s):

<u>Program</u>	<u>Grant Number</u>
State Aid -Public Cluster:	
Special Education Aid	11-495-034-5120-089
Equalization Aid	11-495-034-5120-078

Borough of Manville School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section I – Summary of Auditor’s Results (Continued)

State Program(s) Continued

- (5) Program Threshold Determination:
Type A State Program Threshold > \$300,000.00
Type B State Program Threshold <= \$300,000.00
- (6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

Section II – Financial Statement Audit – Reported Findings
Under Government Auditing Standards

Internal Control Findings

None Reported

Compliance Findings

None Reported

Section III – Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs – None Reported

State Programs – None Reported

Borough of Manville School District
Schedule of Prior Year Audit Findings

Not Applicable

