

SCHOOL DISTRICT
OF
MATAWAN-ABERDEEN REGIONAL



MATAWAN-ABERDEEN REGIONAL BOARD OF EDUCATION
MATAWAN, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

**MATAWAN-ABERDEEN REGIONAL
BOARD OF EDUCATION**

MATAWAN, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

PREPARED BY

**MATAWAN-ABERDEEN REGIONAL BOARD OF EDUCATION
FINANCE DEPARTMENT**

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

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*Private citizens should be listed as Individual Taxpayer 1, Individual Taxpayer 2, etc.

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INTRODUCTORY SECTION

Matawan-Aberdeen Regional School District

OFFICE OF THE BUSINESS ADMINISTRATOR/BOARD SECRETARY

One Crest Way, Aberdeen, New Jersey 07747

(732)705-4017 Fax (732)290-0553

jstrimple@marsd.k12.nj.us

David M. Healy
Superintendent of Schools

James H. Strimple, Jr.
Interim School Business
Administrator-Board Secretary

November 3, 2011

Honorable President and
Members of the Board of Education
Matawan-Aberdeen Regional School District
Aberdeen, New Jersey 07747

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report of the Matawan-Aberdeen Regional School District for the fiscal year ended June 30, 2011 is hereby submitted. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Matawan-Aberdeen Regional School District Board of Education. To the best of our knowledge and belief, the data presented in the auditor's report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: 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 1996 Single Audit Act and the U. S. Office of Management and Budget Circular A-133, Audits of State and Local Governments, and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

Matawan-Aberdeen Regional School District is an independent reporting entity within the criteria adopted by Governmental Accounting Standards Board (G.A.S.B.) established by Statement No. 14. All funds and account groups of the District are included in this report. The Matawan-Aberdeen Regional School Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels pre-K through 12. These include regular, vocational and special needs students in and out of District. The District provides a variety of after school activities which include band, chorus, computer club, interscholastic and extra-curricular activities. The District provides transportation for children required by law and also provides subscription busing, which allows the District to charge parents.

The District completed the 2010-2011 fiscal year with an enrollment of 3,871.5 students. The following details the changes in the student enrollment of the District over a five year period.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-2011	3,871.5	0.30%
2009-2010	3,860	(0.03%)
2008-2009	3,861	0.56%
2007-2008	3,840	0.31%
2006-2007	3,828	0.05%

2. ECONOMIC CONDITION & OUTLOOK:

The Township of Aberdeen and the Borough of Matawan are located in the center of New Jersey, in the northern part of Monmouth County and are halfway between New York and Philadelphia. Within a forty-five minute drive to the north and east is the Manhattan Borough in New York City. Taking a westerly route, the semi-rural areas of New Jersey are a similar drive away. These municipalities are located near one of New Jersey's largest commercial/industrial areas as well as close proximity to plane, highway, and public transportation access.

These municipalities are almost completely developed and are primarily residential communities. The Garden State Parkway, which passes through the District, provides access to all parts of the State because of its connections with the New Jersey Turnpike, which is in close proximity. A station operated by the New Jersey Transit located in the Borough of Matawan provides commercial and mass transit rail service.

There is an active degree of participation by parents and community members with the school system including making the facilities available for the recreation programs, Boys Scouts and Girls Scouts.

3. MAJOR INITIATIVES:

The major initiatives for the 2010-2011 school year was the implementation of several educational based programs. The following provides a brief description of each program:

- Northwest Evaluation Association:
 - A New Jersey MAP license- mathematics, reading, and language usage tests.

- Standard Solutions:
 - Assist with the professional development of teachers in the area of language arts for grades 9 through 12.
- Educere, Inc.:
 - Provide the High School students with on-line learning opportunities offering more than 1,000 courses in over 45 subject areas.
- McRel Power Walkthroughs:
 - Tool used by administrators to observe and identify teaching strategies that are proven to enhance student achievement.
- Mentoring Our Students Together Program:
 - The program consists of tutoring and providing life skill choices for students.

These programs all assisted in the achievement of the goal for producing high quality work, rigorous courses, and highly competitive teachers.

The District kept pace with its Technology initiative with the purchase of promethean boards and laptop carts. The District continued with its three academies, Biomedical, Business and Performing Arts.

Test Scores

Overall, the District's standardized test scores in 2010-2011 continue to show significant gains in the areas of Mathematics and Science. The implementation of a new math curriculum in grades K-5 during the 2007-2008 school year is having a positive long-term effect as evidenced in total student proficiency and advanced proficiency on the NJASK for grades 3 - 8. In addition, 78 students in grades 3-5 and 48 students in grades 6-8 earned a perfect score of 300 in the Mathematics section. In the area of Language Arts Literacy scores show that students in grades 3-8 are improving in some areas and subgroups, but there are areas of concern that still remain. The High School Language Arts Literacy scores significantly improved, with students reaching 91.6% total proficiency for the first time. The Science scores in grades 4 and 8 remain above the DFG average. The students of grade 4 scored 95.9% total proficiency, of which 27 students received a perfect score of 300. On the New Jersey Biology Competency Test (NJBCT) 10 high school students received a perfect score of 300. The District continues to place students' achievement as its number one goal and will continue to look for further achievement in the future.

The District provided many professional development opportunities during the 2010 - 2011 school year. These workshops were offered on district in-service days as well as during an after-school teacher academy. The professional development workshops support the focus of federal and state mandated use of technology as well as the implementation of core curriculum content standards for both regular and special education. Matawan-Aberdeen Regional School District is also a member of a number of networks and consortiums, which provide professional development on a shared-cost basis.

Financial Highlights

During the 2010-2011 school year the District created and deposited \$300,000 into a Maintenance Reserve Fund.

During the 2010-2011 school year the District deposited \$300,000 into the Capital Reserve Fund for a total amount of \$1,623,334.

The 2011-2012 school budget was passed by the voters from the Township of Aberdeen and Borough of Matawan.

The District continued its shared services with the Boro and Township for landscaping, fuel, HVAC and busing for the summer recreation program. The District also began a shared service with the Township for parking lot de-icing materials such as sand and salt. The District is in a Co-Op with Hazlet and Keyport Board of Educations for refuse/recycling. The District also has an interlocal agreement for a School Resource Officer.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

As part of the District 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 program, 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 cancelled or are included as a

reappropriation of fund balances in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2011.

Budgetary controls are part of a school district's complete internal control structure. As noted in item 4, problems noted at the time the Business Administrator was hired have been fully addressed to the satisfaction of the District's Independent Auditor.

6. ACCOUNTING SYSTEM AND REPORTS:

A District's accounting records must reflect generally accepted principles, as promulgated by the Governmental Accounting Standards Board (G.A.S.B.). 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.

An effective and efficient system of internal controls is essential to accurate, timely reporting of all relevant transactions on an accounting system and the resultant administrative and external reports generated from that system.

7. 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 1. 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.

The District utilizes Bank of America as its main depository for district funds. The District also deposits in the State of New Jersey Cash Management Account.

8. RISK MANAGEMENT:

The District maintains a comprehensive insurance program, including but not limited to blanket building and contents property insurance, general liability, automobile liability and comprehensive/collision, umbrella liability and worker's compensation. Annual reviews of the entire program are done in order to evaluate potential insurance changes. A schedule of insurance coverage is found in Schedule J-20.

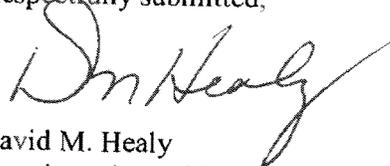
9. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board of Education selected the accounting firm of Robert A. Hulsart & Company, CPAs. 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 and the related OMB Circular A- 133 and New Jersey OMB's Circular 04-04. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of the report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

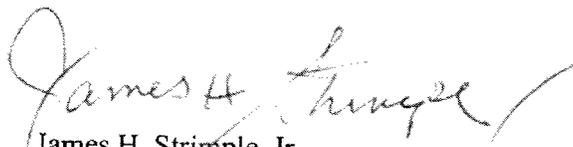
10. ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Matawan-Aberdeen Regional School District Board of Education for its 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,



David M. Healy
Superintendent of Schools



James H. Strimple, Jr.
Interim School Business Administrator/
Board Secretary

MATAWAN-ABERDEEN REGIONAL BOARD OF EDUCATION

ABERDEEN, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2011

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Charles Kenny, President	2014
Elizabeth Hayward, Vice President	2012
Gerald Donaghue	2012
Kenneth Aitken	2012
Jeff Delaney, Ed.D	2013
Patricia Demarest	2013
Anissa Esposito	2013
Dennis Daniels	2014
Todd Larchuk, Ph.D	2014

Other Officials

David M. Healy, Superintendent of Schools

Patrick Piegari, Interim Deputy Superintendent of Schools

James H. Strimple, Jr., Interim School Business Administrator/Board Secretary

Kenneth Jannarone, Treasurer of School Monies

David B. Rubin, Esq., Board Counsel

MATAWAN-ABERDEEN REGIONAL BOARD OF EDUCATION

MATAWAN, NEW JERSEY

CONSULTANTS AND ADVISORS

JUNE 30, 2011

Auditor/Audit Firm

Robert A. Hulsart and Company
2807 Hurley Pond Road
P.O. Box 1409
Wall, New Jersey 07719

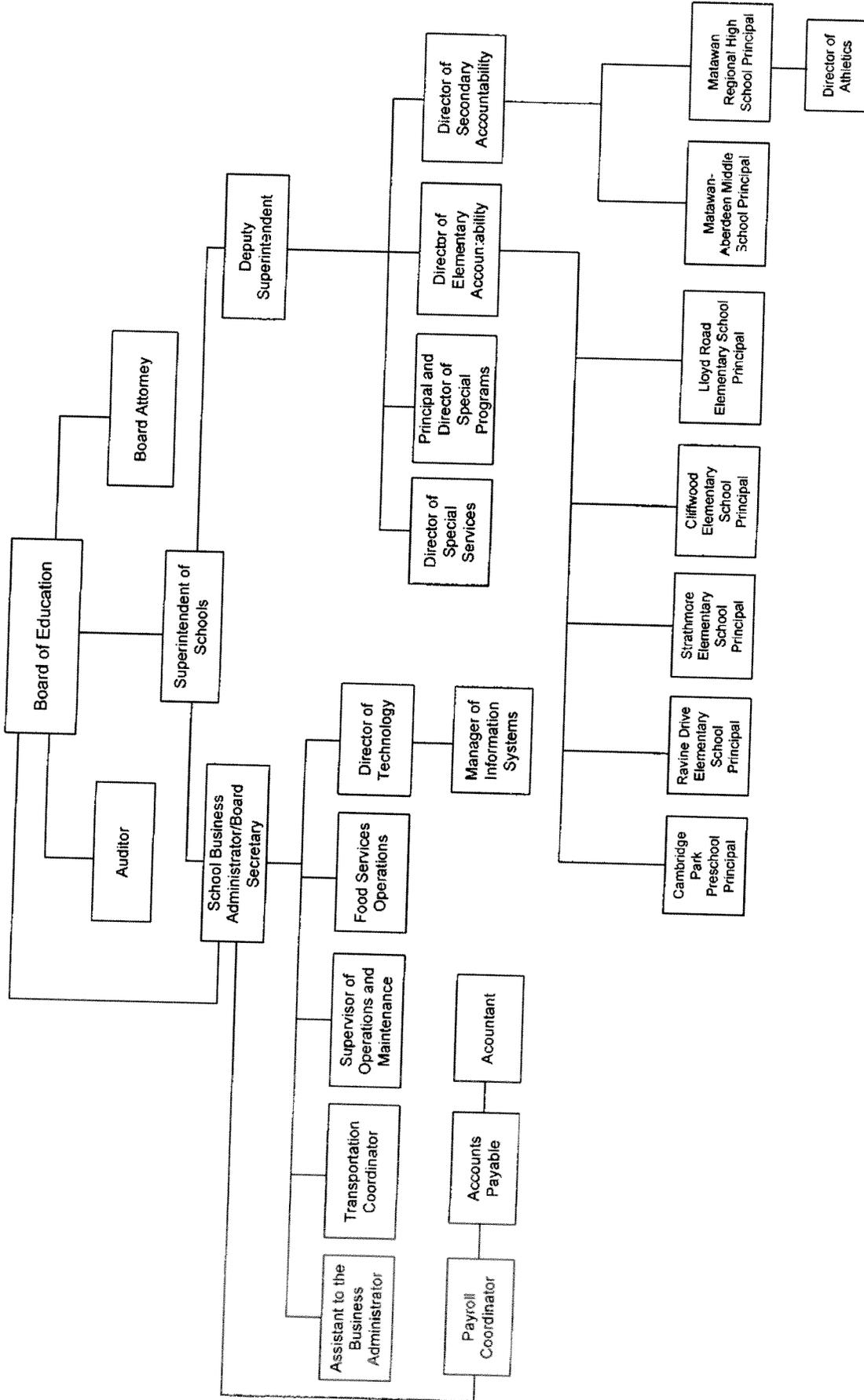
Attorney

David B. Rubin, Esquire
44 Bridge Street
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Metuchen, New Jersey 08840

Official Depository

Bank of America
140 Main Street
Matawan, New Jersey 07747

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT
District Organization Chart
2010 - 2011



FINANCIAL SECTION

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
 ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
 ROBERT A. HULSART, JR., C.P.A., P.S.A.

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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Matawan-Aberdeen Regional School District, in the County of Monmouth, State of New Jersey, as of and for the fiscal 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 Matawan-Aberdeen Regional Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Matawan-Aberdeen Regional Board of Education, in the County of Monmouth, State of 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 accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2011, on our consideration of the Matawan-Aberdeen Regional Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of this 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. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 12 through 17 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company

November 3, 2011

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

Management's Discussion and Analysis

For the Year ended June 30, 2011

This section of the Matawan-Aberdeen Regional School District's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ended on June 30, 2011. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements-Management's Discussion and Analysis-for the State and Local Governments* issued in June 1999. Certain comparative information between the current fiscal year (2010-2011) and the prior fiscal year (2009-2010) is required to be presented in the MD&A.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

District-Wide Financial Statements. The District-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private sector business.

The statement of net assets (A-1) presents information on all of the assets and liabilities of the District, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities (A-2) presents information showing how the net assets of the District changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental, proprietary or fiduciary.

Governmental funds – are used to account for essentially the same functions reported as governmental activities in the District-wide financial statements. However, unlike the District-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the District-wide financial statements, it is useful to compare the information presented for governmental funds with similar statements. By so doing, readers may better understand the long-term impact of the District’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual government funds: the general fund, special revenue fund, capital projects fund and debt service fund. All are considered to be major funds. The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

Proprietary funds – The District maintains two proprietary fund types, an enterprise fund and an internal service fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing the goods or services be financed through user charges. Included in the enterprise fund are the Food Services, Television Studio and Summer Theater operations. The basic proprietary fund statements can be found as Exhibits B-4 through B-6.

Fiduciary funds - are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the District-wide financial statement because the resources of those funds are not available to support the District's own programs. The District uses trust and agency funds to account for resources held for student activities and groups and for payroll transactions. The basic fiduciary fund statements can be found as Exhibit B-7.

Notes To The Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found after the fund statements in this report.

FINANCIAL HIGHLIGHTS

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

- The General Fund local tax levy increased from 2009-2010 by \$304,067 to \$44,105,926.
- Total spending for all programs was \$60,387,254 including a charge of \$1,520,140 for depreciation. General revenues (primarily local tax levy and state aid) were adequate to provide for the balance of these programs, exclusive of the charge for depreciation.
- Capital leases at June 30, 2010 and 2011 respectively were \$67,230 and \$0. There were no more Capital leases at June 30, 2011.

District–Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. The following table provides a summary of net assets:

	Governmental Activities	Business-type Activities	2010-2011 Totals	2009-2010 Totals
Current and other assets	\$6,531,941	\$253,266	\$ 6,785,207	\$ 3,932,065
Capital assets, net	39,981,980	49,040	40,031,020	41,513,859
Total assets	\$46,513,921	\$302,306	\$46,816,227	\$45,445,924
Long-term liabilities outstanding	\$ 27,302,656	-	\$27,302,656	\$28,577,570
Other liabilities	142,602	\$14,000	156,602	211,375
Total liabilities	\$27,445,258	\$14,000	\$27,459,258	\$28,788,945
Net assets:				
Investment in capital assets, net	\$13,897,770	\$49,040	\$13,946,810	\$14,007,682
Restricted	6,131,370	-	\$ 6,131,370	2,509,638
Unrestricted	(960,477)	239,266	(721,211)	139,659
Total net assets	\$19,068,663	\$288,306	\$19,356,969	\$16,656,979

The District's largest net asset is the restricted portion of the net assets shown above. Restricted assets represent resources that are subject to external restrictions on how they may be used.

The District's investment in capital assets is shown net of any related debt used to acquire those assets.

The unrestricted net assets shows a negative balance largely due to the debt remaining on the 1993 Early Retirement Incentive Program that the District participated in. This is a District liability with no corresponding asset, therefore creating a negative net asset. The remaining negative balance is attributable to the liability for compensated absences.

The following table provides a summary of revenues and expenses for the District's governmental and business-type activities and the change in net assets from the prior year:

	Government Activities	Business- type Activities	2010-2011 Totals	2009-2010 Totals
Revenues:				
Program revenues				
Charges for services	-	1,028,492	1,028,492	1,071,726
Operating grants and contributions	1,769,685	607,815	2,377,500	2,410,818
Capital grants and contributions	-	-	-	-
General revenues				
Property taxes	44,105,926	-	44,105,926	43,801,859
Taxes levied for debt service	2,317,367	-	2,317,367	2,471,625
Federal and State aid not restricted	14,772,491	-	14,772,491	16,745,405
Tuition Received	121,211	-	121,211	114,095
Miscellaneous income	176,922	7,328	184,250	277,801
Investment Earnings	3,541	-	3,541	39,393
Total revenues	<u>63,267,143</u>	<u>1,643,635</u>	<u>64,910,778</u>	<u>66,932,722</u>
Expenses:				
Instructional Services	24,736,911	-	24,736,911	24,173,967
Support services/undistributed costs	32,767,812	1,623,038	34,390,850	37,452,694
Summer School	120,282	-	120,282	88,404
Interest on long term debt	1,112,819	-	1,112,819	1,153,524
ARRA	-	-	-	1,710,066
Unallocated Depreciation	1,520,140	-	1,520,140	1,599,508
Total expenses	<u>60,257,964</u>	<u>1,623,038</u>	<u>61,881,002</u>	<u>66,178,163</u>
Change in net assets	3,009,179	20,597	3,029,776	740,617
Net assets – beginning	16,389,270	267,709	16,656,979	15,915,179
Adjustment of beginning net assets	(329,786)	-	(329,786)	1,183
Net assets – ending	<u>19,068,663</u>	<u>288,306</u>	<u>19,356,969</u>	<u>16,656,979</u>

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget is comprised solely of the June 30, 2010 encumbrances, which 'roll-over' into the subsequent year's budget (2010-2011) and are added to the original budget appropriations.

Throughout the year, as necessary, budget transfers are effectuated between budget accounts to re-align the 2010-2011 budget.

Capital Assets

At June 30, 2011 the District had capital assets in Governmental Activities of just under \$40 million. This is comprised of: Buildings - \$38,464,742, Machinery and equipment - \$1,148,315 and Site Improvements of - \$368,923.

Economic Factors and Next Year's Budget

Due to the economic condition in the State of New Jersey funding from the State for the current year remained at the same level as the previous year. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst districts, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the taxpayers of Aberdeen Township and Matawan Borough.

Contacting the District's Financial Management

The District's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions regarding this report can be addressed to Mr. James H. Strimple, Jr., Interim Business Administrator/Board Secretary, Matawan-Aberdeen Regional School District, One Crest Way, Aberdeen, NJ 07747 or at (732) 705-4016.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

STATEMENT OF NET ASSETS

Exhibit A-1

JUNE 30, 2011

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ -	200,808	200,808
Receivables, Net	1,501,224	46,227	1,547,451
Inventory		6,231	6,231
Restricted Assets:			
Cash and Cash Equivalents	3,407,383		3,407,383
Capital Reserve Account - Cash	1,623,334		1,623,334
Capital Assets, Net (Note 1)	39,981,980	49,040	40,031,020
Total Assets	<u>46,513,921</u>	<u>302,306</u>	<u>46,816,227</u>
<u>Liabilities</u>			
Accounts Payable	40,531		40,531
Deferred Revenue	102,071	14,000	116,071
Noncurrent Liabilities (Note 3):			
Due Within One Year	1,404,737		1,404,737
Due Beyond One Year	25,897,919		25,897,919
Total Liabilities	<u>27,445,258</u>	<u>14,000</u>	<u>27,459,258</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	13,897,770	49,040	13,946,810
Restricted For:			
Debt Service	4		4
Other Purposes	6,131,366		6,131,366
Unrestricted	<u>(960,477)</u>	<u>239,266</u>	<u>(721,211)</u>
Total Net Assets	<u>\$ 19,068,663</u>	<u>288,306</u>	<u>19,356,969</u>

The accompanying notes to financial statements are an integral part of this statement.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

Exhibit A-2
Sheet 1 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$ 17,468,715	121,211		(17,347,504)		(17,347,504)
Special Education	4,895,479		1,291,828	(3,603,651)		(3,603,651)
Other Special Instruction	1,410,213			(1,410,213)		(1,410,213)
Other Instruction	962,504			(962,504)		(962,504)
Support Services:						
Tuition	4,396,674			(4,396,674)		(4,396,674)
Student & Instruction Related Services	4,122,057		423,359	(3,698,698)		(3,698,698)
School Administrative Services	758,311			(758,311)		(758,311)
General and Business Administrative Services	3,317,299			(3,317,299)		(3,317,299)
Plant Operations and Maintenance	4,920,803			(4,920,803)		(4,920,803)
Pupil Transportation	2,728,276			(2,728,276)		(2,728,276)
Unallocated Benefits	12,524,392		54,498	(12,469,894)		(12,469,894)
Interest on Long-Term Debt	1,112,819			(1,112,819)		(1,112,819)
Summer School	120,282			(120,282)		(120,282)
Unallocated Depreciation	1,520,140			(1,520,140)		(1,520,140)
Total Government Activities	60,257,964	121,211	1,769,685	(58,367,068)	-	(58,367,068)
Business-Type Activities:						
Other Activities	37,936	33,869			(4,067)	(4,067)
Food Service	1,585,102	994,623	607,815		17,336	17,336
Total Business Type Activities	1,623,038	1,028,492	607,815	-	13,269	13,269
Total Primary Government	\$ 61,881,002	1,115,834	2,377,500	(58,367,068)	13,269	(58,353,799)

The accompanying Notes to Financial Statements are an integral part of this statement.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

Exhibit A-2
Sheet 2 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purpose, Net				\$ 44,105,926		44,105,926
Taxes Levied for Debt Service				2,317,367		2,317,367
Federal and State Aid Not Restricted				14,772,491		14,772,491
Investment Earnings				3,541		3,541
Miscellaneous Income				176,922	7,328	184,250
Total General Revenues, Special Items, Extraordinary Items and Transfers				61,376,247	7,328	61,383,575
Change in Net Assets				3,009,179	20,597	3,029,776
Adjustment Of Beginning Net Assets				(329,786)		(329,786)
Net Assets - Beginning				16,389,270	267,709	16,656,979
Net Assets - Ending				\$ 19,068,663	288,306	19,356,969

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS – B

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2011

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash and Cash Equivalents-Restricted	\$ 5,030,713		4	5,030,717
Receivables from Other Governments	630,000	871,224		1,501,224
Interfund Receivable	804,092			804,092
Total Assets	<u>\$ 6,464,805</u>	<u>871,224</u>	<u>4</u>	<u>7,336,033</u>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Accounts Payable	\$ 40,112	419		40,531
Interfund Payable		804,092		804,092
Deferred Revenue	35,358	66,713		102,071
Total Liabilities	<u>75,470</u>	<u>871,224</u>	<u>-</u>	<u>946,694</u>
Fund Balance:				
Restricted for:				
Excess Surplus-Current Year	1,311,592			1,311,592
Committed To:				
Maintenance Reserve	300,000			300,000
Designated for Subsequent Years Expenditures - Capital Reserve	596,985			596,985
Designated for Subsequent Years Expenditures - Excess Surplus	405,940			405,940
Emergency Reserve	500,281			500,281
Capital Reserve Account	1,026,349			1,026,349
Assigned To:				
Other Purposes	1,602,677			1,602,677
Designated by The BOE for Subsequent Year's Expenditures	387,542			387,542
Unassigned:				
General Fund	257,969			257,969
Debt Service Fund			4	4
Total Fund Balances	<u>6,389,335</u>	<u>-</u>	<u>4</u>	<u>6,389,339</u>
Total Liabilities and Fund Balance	<u>\$ 6,464,805</u>	<u>871,224</u>	<u>4</u>	

Amounts reported for governmental activities in the Statement of Net Assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$68,115,331 and the accumulated depreciation is \$ 28,133,351 .

39,981,980

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 3)

(27,302,656)

Net assets of governmental activities

\$ 19,068,663

The accompanying Notes to Financial Statements are an integral part of this statement.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

Exhibit B-2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCESGOVERNMENTAL FUNDSFOR THE YEAR ENDED JUNE 30, 2011

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>				
Local Sources:				
Local Tax Levy	\$ 44,105,926		2,317,367	46,423,293
Tuition Charges	121,211			121,211
Transportation Fees	125,580			125,580
Interest on Investments	3,541			3,541
Miscellaneous	51,342	47,417		98,759
Total Local Sources	44,407,600	47,417	2,317,367	46,772,384
State Sources	14,753,946	31,391	18,545	14,803,882
Federal Sources		1,690,877		1,690,877
Total Revenues	59,161,546	1,769,685	2,335,912	63,267,143
<u>Expenditures</u>				
Current:				
Regular Instruction	17,321,662			17,321,662
Special Education Instruction	3,605,805	1,289,674		4,895,479
Other Special Instruction	1,410,213			1,410,213
Other Instruction	962,504			962,504
Support Services and Undistributed Costs:				
Tuition	4,396,674			4,396,674
Student and Instruction Related Services	3,698,698	423,359		4,122,057
School Administrative Services	758,311			758,311
Other Administrative Services	3,317,299			3,317,299
Plant Operations and Maintenance	4,920,803			4,920,803
Pupil Transportation	2,728,276			2,728,276
Unallocated Benefits	12,469,894	54,498		12,524,392
Debt Service:				
Principal			1,354,737	1,354,737
Interest and Other Charges			1,143,909	1,143,909
Capital Outlay	408,502	2,154		410,656
Summer School	120,282			120,282
Total Expenditures	56,118,923	1,769,685	2,498,646	60,387,254
Excess (Deficiency) of Revenues Over Expenditures	3,042,623	-	(162,734)	2,879,889
Net Change in Fund Balances	3,042,623	-	(162,734)	2,879,889
Fund Balance - July 1	3,346,712		162,738	3,509,450
Fund Balance - June 30	\$ 6,389,335	-	4	6,389,339

The accompanying Notes to Financial Statements are an integral part of this statement.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Exhibit B-3

TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ 2,879,889
<p>Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:</p> <p>Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>	
Depreciation Expense	(1,520,140)
Capital Outlays	<u>410,656</u>
	(1,109,484)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>	1,354,737
<p>In the statement of activities certain operating expenses, compensated absences are measured by the amount earned during the year. In the government funds however, expenditures for these items are reported in the amount of financial resources paid.</p>	(147,053)
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due.</p>	<u>31,090</u>
Change in Net Assets of Governmental Activities (A-2)	<u><u>\$ 3,009,179</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

STATEMENT OF NET ASSETS

Exhibit B-4

PROPRIETARY FUND

JUNE 30, 2011

	<u>Enterprise Funds</u>
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 200,808
Accounts Receivable:	
State	1,776
Federal	44,451
Inventory	6,231
Total Current Assets	<u>253,266</u>
Noncurrent Assets	
Equipment	288,230
Accumulated Depreciation	(239,190)
Total Fixed Assets	<u>49,040</u>
Total Assets	<u>\$ 302,306</u>
<u>Liabilities</u>	
Current Liabilities:	
Deferred Revenue	\$ 14,000
Total Liabilities	<u>\$ 14,000</u>
<u>Net Assets</u>	
Investment in Capital Assets	\$ 49,040
Unrestricted	239,266
Total Net Assets	<u>\$ 288,306</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

Exhibit B-5

PROPRIETARY FUNDJUNE 30, 2011

	<u>Enterprise Funds</u>
Operating Revenues:	
Daily Sales	\$ 994,623
Fees	33,869
Total Operating Revenues	<u>1,028,492</u>
Operating Expenses:	
Salaries & Benefits	661,288
Cost of Sales	654,783
Supplies and Materials	2,245
Depreciation	7,429
Management Fee	159,812
Miscellaneous	137,481
Operating Expenses	<u>1,623,038</u>
Operating Gain/(Loss)	(594,546)
Non-Operating Revenues:	
State Sources:	
State School Lunch Program	18,729
Federal Sources:	
National School Lunch Program	463,036
Federal Breakfast Program	50,518
Special Milk Program	1,842
Food Distribution Program	73,690
Total Non-Operating Revenues	<u>607,815</u>
Change in Net Assets	13,269
Adjustments:	
Cancel Payables	7,328
Total Adjustments	<u>7,328</u>
Change in Net Assets after Adjustments	20,597
Net Assets - July 1	<u>267,709</u>
Net Assets - June 30	<u>\$ 288,306</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

STATEMENT OF CASH FLOWS

Exhibit B-6

PROPRIETARY FUNDJUNE 30, 2011

	<u>Enterprise Funds</u>
Cash Flows from Operating Activities:	
Receipts from Customers & Fees	\$ 1,034,142
Payments to Employees & Benefits	(661,288)
Payments to Supplies	(878,774)
Net Cash Provided (Used) by Operating Activities	<u>(505,920)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	18,729
Federal Sources	515,396
Net Cash Provided by Noncapital Financing Activities	<u>534,125</u>
Net Increase (Decrease) in Cash and Cash Equivalents	28,205
Balance - July 1	<u>172,603</u>
Balance - June 30	<u>\$ 200,808</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (594,546)
Depreciation	7,429
Federal Commodities	73,690
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:	
Decrease/(Increase) in Inventory	3,171
(Decrease)/Increase in Deferred Revenue	5,650
Decrease/(Increase) in Accounts Receivable	(1,314)
Net Cash Provided (Used) by Operating Activities	<u>\$ (505,920)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT**STATEMENT OF FIDUCIARY NET ASSETS**

Exhibit B-7

FIDUCIARY FUNDS**JUNE 30, 2011**

	Payroll Agency Fund
	<u> </u>
Assets:	
Cash and Cash Equivalents	\$ 260,246
	<u> </u>
Total Assets	\$ 260,246
	<u> </u>
Liabilities:	
Payroll Deductions and Withholdings	\$ 260,246
	<u> </u>
Total Liabilities	\$ 260,246
	<u> </u>

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION
MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

NOTE 1: Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Matawan-Aberdeen Regional School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades PreK-12. The Matawan-Aberdeen Regional School District had an approximate enrollment at June 30, 2011 of 3,830 students.

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

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

B. Government-Wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the District as a whole excluding fiduciary activities such as student activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by state and federal aid, tuition and county tax levies, from business-type activities generally financed in whole or in part with fees charged to external parties.

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide Financial Statements (Continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees and other charges to users of the District's services and (2) operating grants and contributions. These revenues are subject to externally imposed restrictions to these program uses. Tax levies and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary and fiduciary funds. The New Jersey Department of Education (the "Department") 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 Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. County tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the local tax levy. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

D. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Fund Types

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects Fund: the capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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.

Proprietary Fund Type

Enterprise Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Proprietary Fund Type

Enterprise (Food Service) 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

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

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

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

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

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2011 were insignificant, with the exception of adjustments made for the reduction of State aid.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Budgets/Budgetary Control (Continued):

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Individual transfers were not material in relation to the original appropriations. All uncommitted budget appropriations lapse at year-end.

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 special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

F. Encumbrances:

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

G. Short-Term Interfund Receivables/Payables:

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

H. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase. The value of inventories remaining at the end of the fiscal year is not included on the balance sheet.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

I. Capital Assets and Depreciation

The District's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	20 – 50
Equipment and Vehicles	5 – 20
Furniture and Fixtures	5 – 20

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

I. Capital Assets and Depreciation (Continued)

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
Governmental Activities:				
Depreciable Assets:				
Site Improvements	\$ 635,114			635,114
Buildings	63,290,769			63,290,769
Equipment	<u>4,144,718</u>	<u>44,730</u>	_____	<u>4,189,448</u>
Total	<u>68,070,601</u>	<u>44,730</u>	_____	<u>68,115,331</u>
Less: Accumulated Depreciation:				
Site Improvements	(229,559)	(36,632)		(266,191)
Buildings	(23,639,719)	(1,186,308)		(24,826,027)
Equipment	<u>(2,743,933)</u>	<u>(297,200)</u>	_____	<u>(3,041,133)</u>
Total	<u>(26,613,211)</u>	<u>(1,520,140)</u>	_____	<u>(28,133,351)</u>
Net Depreciable Assets	<u>41,457,390</u>	<u>(1,475,410)</u>	_____	<u>39,981,980</u>
Governmental Activities Capital Assets (Net)	\$ 41,457,390	(1,475,410)		39,981,980
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	\$ 288,230			288,230
Less: Accumulated Depreciation				
Equipment	<u>(231,761)</u>	<u>(7,429)</u>	_____	<u>(239,190)</u>
Business-Type Activities Capital Assets, (Net)	\$ 56,469	(7,429)		49,040

Accumulated depreciation was allocated to governmental activities as follows:

	<u>Prior Years Accumulated Depreciation</u>	<u>Current Year Depreciation Expense</u>	<u>Total Accumulated Depreciation</u>
Unallocated	\$ 26,613,211	1,520,140	28,133,351

NOTE 1: Summary of Significant Accounting Policies (Continued)

J. Compensated Absences

District employees are permitted, within certain limitations, to accrue vacation and sick leave in varying amounts under the Districts personnel policies and may be paid at a later date according to contractual agreements.

The liability for vested compensated absences of the governmental fund types is recorded in the government-wide financial statements as a non-current liability. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable

K. Deferred Revenue

Deferred revenue in the general and special revenue funds represent cash which has been received but not yet earned. See Note 1(F) regarding the special revenue fund.

L. Fund Equity

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The general fund reserve for restricted purposes includes net assets relating to capital reserve (See Note 9).

NOTE 2: Cash and Cash Equivalents and Investments

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits

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

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

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

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

NOTE 2: Cash and Cash Equivalents and Investments (Continued)**Deposits (Continued)**

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

Investments

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

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

As of June 30, 2011, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking, Money Market Accounts And Certificate of Deposit	\$ 3,685,080
NJ Asset and Rebate Management Program	<u>1,942,684</u>
	\$ 5,627,764

The carrying amount of the District's cash and cash equivalents at June 30, 2011 was \$5,627,764 and the bank balance was \$6,441,242. Of the bank balance, \$300,000 was covered by federal depository insurance and \$6,141,242 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Credit Risk Categories

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following categories described below:

FDIC	\$ 300,000
GUPDA	4,198,558
Unclassified	<u>1,942,684</u>
	\$ 6,441,242

NOTE 2: Cash and Cash Equivalents and Investments (Continued)

The investment recorded in the basic financial statements has been recorded at the carrying amount. The difference between the carrying amount and market value is not material to the basic financial statements.

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

As of June 30, 2011, the District had \$1,442,423 on deposit with the New Jersey Asset and Rebate Management Program and \$500,261 with the New Jersey Cash Management Fund.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2011 the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Long-Term</u> <u>Portion</u>	<u>2011-12</u> <u>Payment</u>
Compensated Absences Payable	\$ 1,071,393	147,053		1,218,446	1,218,446	
Bonds Payable	27,438,947		1,354,737	26,084,210	24,679,473	1,404,737
Capital Leases Payable	67,230		67,230			
Total	\$ 28,577,570	147,053	1,421,967	27,302,656	25,897,919	1,404,737

NOTE 3: General Long-Term Debt (Continued)

Debt service requirements on serial bonds payable at June 30, 2011 are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,404,737	1,090,268	2,495,005
2013	1,464,737	1,033,311	2,498,048
2014	1,534,736	973,041	2,507,777
2015	1,600,000	906,902	2,506,902
2016	1,685,000	834,543	2,519,543
2017-2021	6,410,000	3,364,336	9,774,336
2022-2026	8,140,000	1,812,633	9,952,633
2027-2028	<u>3,845,000</u>	<u>175,162</u>	<u>4,020,162</u>
	\$ 26,084,210	10,190,196	36,274,406

Compensated absences and capital leases have been liquidated in the General Fund.

Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bondholders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The Federal Tax Code refers to this as arbitrage.

Earnings in excess of the yield on the debt issue are rebated to the Federal Government based on requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally-allowable returns.

Rebatable arbitrage liabilities related to the District debt are not recorded in governmental funds. There is no recognition in the Balance Sheet or Income Statement until rebatable amounts are due and payable to the Federal Government.

<u>Government Activities</u>				
	<u>Issue Dates</u>	<u>Interest Rates</u>	<u>Dates of Maturity</u>	<u>June 30, 2010</u>
Bonds Payable	12/30/02	3.700-5.200%	08/15/11-15	\$ 2,580,000
	12/30/02	4.000-4.500%	09/15/11-27	22,935,000
NJ EDA Loan	08/12/03	1.500%	07/15/11-13	<u>569,210</u>
Total Bonds				\$ 26,084,210

B. Bonds Authorized But Not Issued

As of June 30, 2011, the Board had no authorized but not issued bonds.

NOTE 4: 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 Teacher's Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

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

Public Employees' Retirement System (PERS) – The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

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

NOTE 4: Pension Plans (Continued)

Significant Legislation - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997), changed the asset valuation method from market related value to full-market value. This legislation also contains a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Funding Policy – The contribution policy is set by New Jersey State Statutes and contributions are required 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 cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

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

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 members 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 cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/11	\$ 999,435	100%	\$ 0
6/30/10	1,137,066	100%	0
6/30/09	656,312	100%	0

NOTE 4: Pension Plans (Continued)**Three-Year Trend Information for TPAF (Paid On-Behalf of the District)**

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/11	\$ 1,938,559	100%	\$ 0
6/30/10	1,944,457	100%	0
6/30/09	1,726,612	100%	0

During the fiscal year ended June 30, 2011, the State of New Jersey contributed \$1,938,559 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,921,186 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 24.

NOTE 5: Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 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 a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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

NOTE 6: Deferred Compensation

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

Met Life
Equitable
American United Life Insurance Co.
Valic

NOTE 7: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s balance in the payroll agency fund for the current year and previous year:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>
2010-2011	\$ 103,639	64,015	167,154
2009-2010	104,170	73,790	177,960
2008-2009	84,721	72,016	156,737

NOTE 8: Capital Reserve Account

A capital reserve account was established by the Matawan-Aberdeen Regional Board of Education on October 16, 2000 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”) and updated annually on the Quality Assurance Annual Report (“QAAR”). 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 support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

Beginning Balance, July 1, 2010	\$ 1,322,942
Interest Earnings	392
Transfers in by Board Resolution	<u>300,000</u>
Ending Balance, June 30, 2011	1,623,334
Less:	
Utilized in 2011-2012 Budget	<u>596,985</u>
Unrestricted Balance June 30, 2011	\$ 1,026,349

NOTE 9: 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>
Current Fund	\$ 804,092	
Special Revenue Fund		804,092

NOTE 10: Fund Balance Appropriated

General Fund – Of the \$7,370,626 General Fund fund balance at June 30, 2011, \$1,602,677 is reserved for encumbrances; \$596,985 has been appropriated and included as anticipated revenue for the year ending June 30, 2011 from Capital Reserve; \$1,026,349 is in Capital Reserve, \$500,281 is in an emergency reserve, \$300,000 is in a maintenance reserve; excess surplus is \$1,311,592; excess surplus designated for subsequent years is \$405,940; \$387,542 is designated for subsequent years expenditures; and \$1,239,260 is unreserved and undesignated.

NOTE 11: Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, 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.

Reserved for encumbrances represents outstanding purchase orders which will be rolled into the 2011-2012 budget and expended therefrom.

Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget. The District at June 30, 2011 had an excess surplus of \$1,311,592. (see calculation below).

Unreserved is surplus not previously committed or reserved for any other purpose.

The calculation of reserved excess surplus is as follows:

2% Calculation of Excess Surplus

2010-11 Total General Fund Expenditures Per the CAFR	\$ 56,118,923
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(3,859,745)</u>
Adjusted 2010-11 General Fund Expenditures	\$ 52,259,178
2% of Adjusted 2010-11 General Fund Expenditures	\$ 1,045,183
Increased by: Allowable Adjustment	<u>194,077</u>
Maximum Unassigned Fund Balance	\$ 1,239,260

NOTE 11: Calculation of Excess Surplus (Continued)

Section 2

Total General Fund – Fund Balance @ 6-30-11	\$ 7,370,626
Decreased by:	
Year-End Encumbrances	(1,602,677)
Legally Restricted:	
Designated for Subsequent Years Expenditures – Capital Reserve	(596,985)
Excess Surplus – Designated for Subsequent Years Expenditures	(405,940)
Other Restricted Reserved Fund Balances	(1,826,630)
Assigned:	
Designated for Subsequent Years Expenditures	<u>(387,542)</u>
Total Unassigned Fund Balance	<u>\$ 2,550,852</u>
Restricted Fund Balance - Excess Surplus	<u>\$ 1,311,592</u>

Section 3

Reserved Fund Balance – Excess Surplus Designated for Subsequent Expenditures	\$ 405,940
Excess Surplus	<u>1,311,592</u>
	<u>\$ 1,717,532</u>

Detail of Allowable Adjustments

Extraordinary Aid	\$ 174,444
Non-Public Transportation Aid	<u>19,633</u>
	<u>\$ 194,077</u>

Detail of Other Restricted Fund Balance

Emergency Reserve	\$ 500,281
Maintenance Reserve	300,000
Capital Reserve	<u>1,026,349</u>
Total Other Reserved Fund Balance	<u>\$ 1,826,630</u>

NOTE 12: Contingent Liabilities

The Board is not involved in any claims and lawsuits incidental to its operations, in the opinion of the administration and its legal counsel.

NOTE 13: Economic Dependency

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

NOTE 14: Significant Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2011. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2011 through November 3, 2011.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

Exhibit C-1
Sheet 1 of 14

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local Sources:					
Local Tax Levy	\$ 44,105,926		44,105,926	44,105,926	
Tuition	72,000		72,000	121,211	49,211
Transportation Fees	82,000		82,000	125,580	43,580
Interest on Investments	50,100		50,100	3,541	(46,559)
Miscellaneous	85,000		85,000	51,342	(33,658)
Total Local Sources	<u>44,395,026</u>		<u>44,395,026</u>	<u>44,407,600</u>	<u>12,574</u>
State Sources:					
Special Education Aid	785,919	1,336,788	2,122,707	2,122,707	
Equalization Aid	9,281,141	(1,336,788)	7,944,353	7,944,353	
Extraordinary Aid	341,768		341,768	516,212	174,444
Non-Public Transportation				19,633	19,633
On Behalf of TPAF Pension Contr. (Non-Budgeted)				1,938,559	1,938,559
Reimbursed TPAF Social Security Contributions (Non-Budgeted)					
Total State Sources	<u>10,408,828</u>		<u>10,408,828</u>	<u>14,462,650</u>	<u>4,053,822</u>
Federal Sources:					
Medicaid	20,000		20,000		(20,000)
Total Federal Sources	<u>20,000</u>		<u>20,000</u>		<u>(20,000)</u>
Total Revenues	<u>54,823,854</u>		<u>54,823,854</u>	<u>58,870,250</u>	<u>4,046,396</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

Exhibit C-1
Sheet 2 of 14

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Distributed Expenditures:					
Current Expense:					
Instruction - Regular Programs:					
Preschool - Salaries of Teachers	97,195	67,714	164,909	164,909	-
Kindergarten - Salaries of Teachers	959,850	40,153	1,000,003	993,920	6,083
Grades 1-5 - Salaries of Teachers	5,973,486	(213,162)	5,760,324	5,745,755	14,569
Grades 6-8 - Salaries of Teachers	4,425,134	(552,296)	3,872,838	3,848,450	24,388
Grades 9-12 - Salaries of Teachers	5,639,254	866,405	6,505,659	5,005,659	1,500,000
Home Instruction-Regular Programs:					
Salaries of Teachers	78,000		78,000	57,611	20,389
Purchased Professional-Educational Services	11,400	(3,124)	8,276	3,017	5,259
Regular Programs - Undistributed					
Instruction:					
Other Salaries for Instruction	157,177	869,190	1,026,367	1,003,373	22,994
Other Purchased Services	15,120	(180)	14,940	6,996	7,944
General Supplies	443,234	(1,086)	442,148	413,896	28,252
Textbooks	187,715	(94,417)	93,298	75,738	17,560
Other Objects	906	6,000	6,906	2,338	4,568
Total Regular Programs	<u>17,988,471</u>	<u>985,197</u>	<u>18,973,668</u>	<u>17,321,662</u>	<u>1,652,006</u>
Special Education:					
Behavioral Disabilities					
Instruction:					
Salaries of Teachers	349,070	25,350	374,420	374,420	-
General Supplies	2,823		2,823	2,211	612
Textbooks	760		760	760	
Total Behavioral Disabilities	<u>352,653</u>	<u>25,350</u>	<u>378,003</u>	<u>376,631</u>	<u>1,372</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
 Sheet 3 of 14

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Cognitive-Moderate:					
Instruction:					
Salaries of Teachers	210440	43,512	253,952	253,934	18
Other Salaries for Instruction	126890	(68,499)	58,391	58,391	-
Total Cognitive-Moderate	<u>337,330</u>	<u>(24,987)</u>	<u>312,343</u>	<u>312,325</u>	<u>18</u>
Learning and/or Language Disabilities:					
Instruction:					
Salaries of Teachers		188,532	188,532	188,532	-
Other Salaries for Instruction	45,470	(20,443)	25,027	24,235	792
General Supplies	1,314		1,314	1,096	218
Total Learning/Language Disabilities	<u>46,784</u>	<u>168,089</u>	<u>214,873</u>	<u>213,863</u>	<u>1,010</u>
Autism					
Instruction:					
Salaries of Teachers	52,730		52,730	52,730	-
Other Salaries For Instruction	17,735	(17,735)	-	-	-
Purchased Professional Services	150,000	182,375	332,375	300,789	31,586
Total Autism	<u>220,465</u>	<u>164,640</u>	<u>385,105</u>	<u>353,519</u>	<u>31,586</u>
Auditory Impaired					
Instruction:					
Salaries of Teachers		11,900	11,900	11,340	560
Total Auditory Impaired	<u>-</u>	<u>11,900</u>	<u>11,900</u>	<u>11,340</u>	<u>560</u>
Multiple Disabilities					
Instruction:					
Salaries of Teachers		44,650	44,650	44,650	-
Total Multiple Disabilities	<u>-</u>	<u>44,650</u>	<u>44,650</u>	<u>44,650</u>	<u>-</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
 Sheet 4 of 14

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Resource Room/Resource Center:					
Instruction:					
Salaries of Teachers	2,120,770	6,709	2,127,479	2,089,041	38,438
Other Salaries for Instruction	88,465	(56,727)	31,738	31,738	-
General Supplies	17,409	(460)	16,949	11,113	5,836
Textbooks	950		950	926	24
Total Resource Room/Resource Center	<u>2,227,594</u>	<u>(50,478)</u>	<u>2,177,116</u>	<u>2,132,818</u>	<u>44,298</u>
Preschool Disabilities - Part-Time - Instruction:					
Salaries of Teachers	74,645		74,645	74,270	375
Other Salaries for Instruction	23,139	9,161	32,300	31,948	352
Total Preschool Disabilities - Part-Time	<u>97,784</u>	<u>9,161</u>	<u>106,945</u>	<u>106,218</u>	<u>727</u>
Preschool Disabilities-Full-Time					
Other Salaries for Instruction	21,100	33,341	54,441	54,441	-
Total Preschool Disabilities-Full-Time	<u>21,100</u>	<u>33,341</u>	<u>54,441</u>	<u>54,441</u>	<u>-</u>
Total Special Education - Instruction	<u>3,303,710</u>	<u>381,666</u>	<u>3,685,376</u>	<u>3,605,805</u>	<u>79,571</u>
Basic Skills/Remedial Instruction:					
Salaries of Teachers	1,631,898	(503,002)	1,128,896	1,088,896	40,000
General Supplies	12,236		12,236	10,753	1,483
Total Basic Skills/Remedial Instruction	<u>1,644,134</u>	<u>(503,002)</u>	<u>1,141,132</u>	<u>1,099,649</u>	<u>41,483</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction:					
Salaries of Teachers	336,140	(36,726)	299,414	299,414	-
General Supplies	953		953	150	803
Total Bilingual Education	<u>337,093</u>	<u>(36,726)</u>	<u>300,367</u>	<u>299,564</u>	<u>803</u>
Vocational Programs-Local-Instruction:					
Other Salaries For Instruction	11,000		11,000	11,000	-
School Sponsored Co-Curricular Activities-Instruction:					
Salaries of Teachers	218,230	(7,640)	210,590	204,993	5,597
Supplies and Materials	47,878	(5,467)	42,411	32,100	10,311
Other Objects	5,035	8,348	13,383	11,863	1,520
Total School Sponsored Co-Curricular Activities	<u>271,143</u>	<u>(4,759)</u>	<u>266,384</u>	<u>248,956</u>	<u>17,428</u>
School Sponsored Athletics - Instruction:					
Salaries	425,625	10,532	436,157	430,684	5,473
Purchased Services	104,361	18,931	123,292	112,640	10,652
Supplies and Materials	47,852	1,278	49,130	49,082	48
Other Objects	35,000	(4,147)	30,853	28,851	2,002
Transfers To Cover Deficit (Agency Funds)	44,182	(1,315)	42,867	42,867	-
Total School Sponsored Athletics-Instruction	<u>657,020</u>	<u>25,279</u>	<u>682,299</u>	<u>664,124</u>	<u>18,175</u>
Before/After School Programs:					
Salaries	78,202	(16,260)	61,942	44,624	17,318
Alternate Education Program					
Other Purchased Services	40,000		40,000	4,800	35,200

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
 Sheet 6 of 14

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total Instruction	24,330,773	831,395	25,162,168	23,300,184	1,861,984
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs W/I State - Special	2,048,822	(46,000)	2,002,822	1,733,622	269,200
Tuition to County Voc. School-Regular	315,000	14,000	329,000	324,445	4,555
Tuition to County Voc. School-Special	195,000	32,000	227,000	226,500	500
Tuition to Private School for the Disabled W/I State	2,563,293	(450,000)	2,113,293	2,045,195	68,098
Tuition -State Facilities	150,000	(58,363)	91,637	66,912	24,725
Total Undistributed Instruction	5,272,115	(508,363)	4,763,752	4,396,674	367,078
Health Services:					
Salaries	509,520	10,584	520,104	520,104	-
Purchased Professional and Technical Services	127,035	(6,316)	120,719	85,053	35,666
Supplies and Materials	12,881	(1,599)	11,282	7,255	4,027
Total Health Services	649,436	2,669	652,105	612,412	39,693
Other Support Services - Students - Related Services:					
Salaries	460,890	48,416	509,306	476,358	32,948
Purchased Professional services	167,000	(3,208)	163,792	105,023	58,769
Total Other Support Services - Students - Rel. Services	627,890	45,208	673,098	581,381	91,717

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

Exhibit C-1
Sheet 7 of 14

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Support Services Students - Regular:					
Salaries of Other Professional Staff	664,640	39,389	704,029	699,503	4,526
Salaries of Secretarial and Clerical Assistants	69,500	1,074	70,574	70,574	-
Purchased Professional-Educational Services	6,990	(66)	6,924	5,225	1,699
Other Purchased Services	42,230	(6,878)	35,352	33,055	2,297
Supplies and Materials	12,497	2,919	15,416	12,812	2,604
Other Objects	570		570	300	270
Total Other Support Services-Regular	<u>796,427</u>	<u>36,438</u>	<u>832,865</u>	<u>821,469</u>	<u>11,396</u>
Other Support Services - Special:					
Salaries of Other Professional Staff	934,502	(129,723)	804,779	777,403	27,376
Salaries of Secretarial and Clerical Assistants	71,500	1,400	72,900	72,900	-
Other Salaries	66,202		66,202	66,202	-
Purchased Professional Services		900	900	900	
Other Purchased Services	12,650		12,650	4,280	8,370
Miscellaneous		45	45	45	-
Supplies and Materials	8,145	72	8,217	7,556	661
Total Other Support Services - Special	<u>1,092,999</u>	<u>(127,306)</u>	<u>965,693</u>	<u>929,286</u>	<u>36,407</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

Exhibit C-1
Sheet 8 of 14

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Improvement of Instruction:					
Salaries of Supervisors of Instruction	109,468	6,015	115,483	106,981	8,502
Salaries of Other Professional Staff	27,314		27,314	16,940	10,374
Salaries of Secretarial and Clerical Assistants	30,500	(30,500)	-		
Other Salaries	134,654	(5,660)	128,994	128,993	1
Other Purchased Services	7,600	(6,400)	1,200		1,200
Supplies and Materials	6,381	2,500	8,881	8,532	349
Other Objects					
Total Improvement of Instruction	<u>315,917</u>	<u>(34,045)</u>	<u>281,872</u>	<u>261,446</u>	<u>20,426</u>
Educational Media Services/School Library:					
Salaries					
Salaries-Clerical	342,130	42,820	384,950	384,950	
Purchased Professional and Technical Services		40,350	40,350	40,350	
Other Purchased Services	31,640	707	32,347	30,277	2,070
Supplies and Materials	350		350		350
Total Educational Media Services/School Library	<u>33,319</u>	<u>(2,089)</u>	<u>31,230</u>	<u>30,019</u>	<u>1,211</u>
	<u>407,439</u>	<u>81,788</u>	<u>489,227</u>	<u>485,596</u>	<u>3,631</u>
Instructional Staff Training Services:					
Purchased Professional-Educational Services	10,175		10,175	400	9,775
Other Purchased Services	14,947		14,947	6,208	8,739
Supplies and Materials	855		855	500	355
Total Instructional Staff Training Services	<u>25,977</u>	<u>-</u>	<u>25,977</u>	<u>7,108</u>	<u>18,869</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
 Sheet 9 of 14

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services - General Administration:					
Salaries	463,694	(41,103)	422,591	420,844	1,747
Legal Services	140,000	(16,838)	123,162	96,250	26,912
Audit Fees	30,000		30,000	30,000	-
Other Purchased Professional Services	14,250	3,087	17,337	15,700	1,637
Purchased Technical Services	21,250	2,331	23,581	22,142	1,439
Communications - Telephone	157,508	8,359	165,867	96,463	69,404
Other BOE Purchased Services	9,525	(2,650)	6,875	271	6,604
Other Purchased Services	19,642	(5,085)	14,557	22,430	(7,873)
General Supplies	27,931	(1,645)	26,286	19,486	6,800
Judgments		16,500	16,500		16,500
Miscellaneous Expenditures	15,250	25,354	40,604	34,725	5,879
Total Support Services - General Administration	<u>899,050</u>	<u>(11,690)</u>	<u>887,360</u>	<u>758,311</u>	<u>129,049</u>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	1,839,868	(12,137)	1,827,731	1,827,731	-
Salaries of Secretarial and Clerical Assistants	440,534	92,720	533,254	531,623	1,631
Other Purchased Services	44,432	11,230	55,662	48,582	7,080
Supplies & Materials	41,742	(588)	41,154	35,737	5,417
Total Support Services - School Administration	<u>2,366,576</u>	<u>91,225</u>	<u>2,457,801</u>	<u>2,443,673</u>	<u>14,128</u>
Central Services:					
Salaries	408,130	(50,289)	357,841	321,446	36,395
Purchased Professional Services		54,086	54,086	54,086	
Purchased Technical Services	22,500	2,844	25,344	22,059	3,285
Miscellaneous Purchased services	35,235	4,396	39,631	27,604	12,027
Supplies and Materials	8,977	(2,843)	6,134	5,725	409
Miscellaneous		58	58		
Total Central Services	<u>474,842</u>	<u>8,252</u>	<u>483,094</u>	<u>430,978</u>	<u>52,116</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

Exhibit C-1
Sheet 10 of 14

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Administrative Information Technology:					
Salaries	241,366		244,366	243,643	723
Purchased Technology Services	82,077	3,000	86,073	83,655	2,418
Other Purchased Services	105,554	(1,866)	103,688	98,887	4,801
Supplies and Materials	29,410	(9,456)	19,954	16,463	3,491
Total Administrative Information Technology	458,407	(4,326)	454,081	442,648	11,433
Required Maintenance for School Facilities:					
Salaries	411,383		468,210	425,148	43,062
Cleaning Repairs & Maintenance Services	175,350	56,827	260,762	239,230	21,532
General Supplies	38,250	29,000	67,250	65,366	1,884
Other Objects	4,875		4,875	4,811	64
Total Required Maintenance for School Facilities	629,858	171,239	801,097	734,555	66,542
Other Operating & Maintenance of Plant:					
Salaries	1,463,767		11,021	11,021	-
Salaries-Aides	343,539		356,794	341,157	15,637
Purchased Professional and Technical Services	17,380	13,255	17,380	12,917	4,463
Cleaning Repairs & Maintenance Services	330,400		1,860,146	1,830,860	29,286
Other Purchased Property Services	359,100	1,529,746	402,490	402,486	4
Insurance	300,500		301,500	301,036	464
Miscellaneous Purchased Services	3,000		3,000	322	2,678
General Supplies	94,500		94,500	94,170	330
Energy (Heat and Electricity)	837,147		826,147	772,422	53,725
Energy (Gasoline)	9,500	(11,000)	9,860	9,843	17
Other Objects	3,000	360	3,000	2,936	64
Energy-Natural Gas	515,854		404,004	343,150	60,854
Total Other Operating & Maintenance of Plant	4,277,687	(111,850)	4,289,842	4,122,320	167,522

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

Exhibit C-1
Sheet 11 of 14

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Care And Upkeep Of Grounds:					
Cleaning Repair And Maintenance	60,250	(2,000)	58,250	56,839	1,411
Security:					
General Supplies	8,075	4,520	12,595	7,089	5,506
Student Transportation Services:					
Salaries - Pupil Trans. B/W Home & School - Regular	673,929	(82,754)	591,175	541,348	49,827
Salaries - Non Instructional Aids	471,681	82,094	553,775	547,213	6,562
Salaries - Pupil Trans. B/W Home & School - Special	96,675	(32,130)	64,545	60,689	3,856
Salaries - Other Than B/W Home & School	114,650	67,880	182,530	172,624	9,906
Cleaning, Repair & Maintenance Services	69,954		69,954	69,953	1
Lease Purchase Payments - School Buses	129,170	(19,502)	109,668	109,668	-
Contracted Services B/W Home & School - Vendors	72,990	(23,300)	49,690	49,690	-
Contracted Services - Other than B/W Home & School	61,328	(24,402)	36,926	36,926	-
Contracted Services - Joint Agreements	351,142	154,607	505,749	505,749	-
Contracted Services - Special Education - Vendors	417,766	(94,073)	323,693	323,257	436
Contracted Services - Special Ed. - Joint Agreements	83,700	(13,658)	70,042	70,042	-
Contracted Services - Aid in Lieu-Non Public	88,476	2,091	90,567	90,567	-
Miscellaneous Purchased Services	11,295	(7,852)	3,443	3,300	143
Supplies & Materials	125,000	22,499	147,499	147,250	249
Miscellaneous Expenditures					
Total Student Transportation Services	2,767,756	31,500	2,799,256	2,728,276	70,980

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
 Sheet 12 of 14

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Personal Services - Employee Benefits:					
Social Security Contributions	85,000		85,000	78,101	6,899
Unemployment Compensation	543,439	(413,439)	130,000	103,639	26,361
Workmen's Compensation	507,000	(86,958)	420,042	420,042	-
Health Benefits	6,785,118	(28,103)	6,757,015	6,630,772	126,243
T.P.A.F. Contributions ERIP	314		314	314	-
Tuition Reimbursements	91,000		91,000	39,844	51,156
Other Retirement Contributions ERIP	19,666	360	20,026	19,267	759
Other Employee Benefits	258,150	71,921	330,071	319,049	11,022
Other Retirement Contributions-PERS	1,372,258	(123,868)	1,248,390	999,435	248,955
Total Personal Services - Employee Benefits	<u>9,661,945</u>	<u>(580,087)</u>	<u>9,081,858</u>	<u>8,610,149</u>	<u>471,709</u>
On-Behalf TPAF Pension Contributions (Non-Budgeted)			-	1,938,559	(1,938,559)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	1,921,186	(1,921,186)
		-	-	<u>3,859,745</u>	<u>(3,859,745)</u>
Total Undistributed Expenditures	<u>30,792,646</u>	<u>(782,823)</u>	<u>30,009,823</u>	<u>32,289,955</u>	<u>(2,280,132)</u>
Total Expenditures - Current Expense	<u>55,123,419</u>	<u>48,572</u>	<u>55,171,991</u>	<u>55,590,139</u>	<u>(418,148)</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
 Sheet 13 of 14

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital Outlay:					
Addition to Capital Reserve	50		50		50
Equipment:					
Undistributed Expenditures - Instruction	17,442	12,500	29,942	26,408	3,534
Grades-9-12		6,449	6,449	6,449	
Total Equipment	17,442	18,949	36,391	32,857	3,534
Facilities Acquisition and Construction Services					
Purchased Professional Services		21,000	21,000	20,004	996
Construction Services	162,733	71,972	234,705	224,114	10,591
Other Objects	131,527		131,527	131,527	
Total Facilities Acquisition And Const. Services	294,260	92,972	387,232	375,645	11,587
Total Capital Outlay	311,752	111,921	423,673	408,502	15,171
Summer School:					
Salaries	43,170	14,871	58,041	58,041	
Other Salaries for Instruction	22,465	6,922	29,387	29,387	
Purchased Professional and Technical Services	22,247	9,908	32,155	32,155	
General Supplies	1,000		1,000	699	301
Total Summer School	88,882	31,701	120,583	120,282	301

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
 Sheet 14 of 14

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Total Expenditures	55,524,053	192,194	55,716,247	56,118,923	(402,676)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(700,199)	(192,194)	(892,393)	2,751,327	3,643,720
Fund Balance July 1	4,619,299		4,619,299	4,619,299	-
Fund Balance June 30	<u>\$ 3,919,100</u>	<u>(192,194)</u>	<u>3,726,906</u>	<u>7,370,626</u>	<u>3,643,720</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus				\$ 1,311,592	
Committed To:					
Capital Reserve				1,623,334	
Maintenance Reserve				300,000	
Emergency Reserve				500,281	
Excess Surplus-Designated For Subsequent Expenditures				405,940	
Assigned Fund Balances:					
Year End Encumbrances				1,602,677	
Designated For Subsequent Years Expenditures				387,542	
Unassigned Fund Balance				1,239,260	
				<u>7,370,626</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP basis				(981,291)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 6,389,335</u>	

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

Exhibit C-2

SPECIAL REVENUE FUND

BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
State Sources	\$ 46,951	(15,560)	31,391	31,391	
Local Sources		47,417	47,417	47,417	
Federal Sources	1,283,379	458,320	1,741,699	1,741,699	
Total Revenues	<u>\$ 1,330,330</u>	<u>490,177</u>	<u>1,820,507</u>	<u>1,820,507</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 150,000	31,315	181,315	181,315	
Other Salaries for Instruction	246,951	248,210	495,161	495,161	
Purchased Professional and Technical Services	120,000	(13,389)	106,611	106,611	
Other Purchased Services	376,099	11,241	387,340	387,340	
General Supplies	100,000	58,640	158,640	158,640	
Textbooks	13,280	(2,300)	10,980	10,980	
Other Objects		449	449	449	
Total Instruction	<u>1,006,330</u>	<u>334,166</u>	<u>1,340,496</u>	<u>1,340,496</u>	<u>-</u>
Support Services:					
Salaries of Program Instructor		6,425	6,425	6,425	
Salaries of Secretarial and Clerical Assistants	70,000	4,585	74,585	74,585	
Other Salaries for Instruction	100,000	67,830	167,830	167,830	
Personal Services - Employee Benefits	54,000	498	54,498	54,498	
Purchased Professional Services	100,000	33,235	133,235	133,235	
Other Purchased Services (400-500 Series)		35,689	35,689	35,689	
Supplies and Materials		5,595	5,595	5,595	
Total Support Services	<u>324,000</u>	<u>153,857</u>	<u>477,857</u>	<u>477,857</u>	<u>-</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment		2,154	2,154	2,154	
Total Expenditures	<u>\$ 1,330,330</u>	<u>490,177</u>	<u>1,820,507</u>	<u>1,820,507</u>	<u>-</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICTREQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGET TO GAAP RECONCILIATIONNOTE TO RSIFOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 58,870,250	1,820,507
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(50,822)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,272,587	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(981,291)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 59,161,546</u>	<u>1,769,685</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 56,118,923	1,820,507
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(50,822)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 56,118,923</u>	<u>1,769,685</u>

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES

BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Textbooks</u>	<u>Nursing</u>	<u>Examination & Classification</u>	<u>Corrective Speech</u>
Revenues:				
Local Sources	\$ -			
State Sources	10,980	13,036	1,116	6,259
Federal Sources				
Total Revenues	<u>\$ 10,980</u>	<u>13,036</u>	<u>1,116</u>	<u>6,259</u>
Expenditures:				
Instruction:				
Salaries of Teachers	\$ -			
Other Salaries for Instruction				
General Supplies				
Textbooks	10,980			
Purchased Professional and Technical Services		13,036	1,116	6,259
Other Purchased Services				
Other Objects				
Total Instruction	<u>10,980</u>	<u>13,036</u>	<u>1,116</u>	<u>6,259</u>
Support Services:				
Salaries of Program Director				
Salaries of Secretarial and Clerical Assistants				
Other Salaries for Instruction				
Purchased Professional Services				
Other Purchased Services				
Supplies and Materials				
Personal Services - Employee Benefits				
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Facilities Acquisition and Construction Services:				
Instructional Equipment				
Total Expenditures	<u>\$ 10,980</u>	<u>13,036</u>	<u>1,116</u>	<u>6,259</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES

BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	IDEA Preschool	IDEA Part B	Title I	Title I SIA ARRA	Title IIA	Title IID	Title III
Revenues:							
Local Sources							
State Sources	20,412	668,528	283,953	6,660	54,557	7	22,552
Federal Sources							
Total Revenues	<u>20,412</u>	<u>668,528</u>	<u>283,953</u>	<u>6,660</u>	<u>54,557</u>	<u>7</u>	<u>22,552</u>
Expenditures:							
Instruction:							
Salaries of Teachers		27,041	7,990				2,685
Other Salaries for Instruction	20,412	290,851	183,898				9,703
General Supplies		9,257	10,546				
Textbooks							
Purchased Professional and Technical Services		72,963	1,175	6,660			2,337
Other Purchased Services		5,542					596
Other Objects							
Total Instruction	<u>20,412</u>	<u>405,654</u>	<u>203,609</u>	<u>6,660</u>	<u>-</u>	<u>-</u>	<u>15,321</u>
Support Services:							
Salaries of Program Director		3,715					2,710
Salaries of Secretarial and Clerical Assistants		74,585			2,400		485
Other Salaries for Instruction		156,995	7,950		31,735		1,798
Purchased Professional Services			60,075		20,260	7	917
Other Purchased Services		8,694	5,636		6		253
Supplies and Materials		1,654	1,683		156		1,068
Personal Services - Employee Benefits		17,231	5,000				
Total Support Services	<u>-</u>	<u>262,874</u>	<u>80,344</u>	<u>-</u>	<u>54,557</u>	<u>7</u>	<u>7,231</u>
Facilities Acquisition and Construction Services:							
Instructional Equipment							
Total Expenditures	<u>20,412</u>	<u>668,528</u>	<u>283,953</u>	<u>6,660</u>	<u>54,557</u>	<u>7</u>	<u>22,552</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES

BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	ARRA Title I	ARRA IDEA Part B	ARRA IDEA Preschool	Title IV	Target Grant	Safety Grant	Armed Forces Grant	Education Foundation	Totals 2011
Revenues:									
Local Sources					1,997	36,572	1,200	7,648	47,417
State Sources	100,476	579,850	2,901	1,803					31,391
Federal Sources									1,741,699
Total Revenues	100,476	579,850	2,901	1,803	1,997	36,572	1,200	7,648	1,820,507
Expenditures:									
Instruction:									
Salaries of Teachers	58,740	84,859							181,315
Other Salaries for Instruction					1,997		1,200	7,648	495,161
General Supplies	28,048	88,798	930	513					158,640
Textbooks									10,980
Purchased Professional and Technical Services		3,065							106,611
Other Purchased Services		381,202							387,340
Other Objects		449							449
Total Instruction	86,788	558,373	930	513	1,997	-	1,200	7,648	1,340,496
Support Services:									
Salaries of Program Director									6,425
Salaries of Secretarial and Clerical Assistants									74,585
Other Salaries for Instruction						36,572			167,830
Purchased Professional Services		1,940		1,115					133,235
Other Purchased Services				175					35,689
Supplies and Materials	28		1,971						5,595
Personal Services - Employee Benefits	13,660	17,383							54,498
Total Support Services	13,688	19,323	1,971	1,290	-	36,572	-	-	477,857
Facilities Acquisition and Construction Services:									
Instructional Equipment		2,154							2,154
Total Expenditures	100,476	579,850	2,901	1,803	1,997	36,572	1,200	7,648	1,820,507

CAPITAL PROJECTS FUND – F

N/A

PROPRIETARY FUNDS – G

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

COMBINING STATEMENT OF NET ASSETS

Exhibit G-1

ENTERPRISE FUND

JUNE 30, 2011

	<u>Food Services</u>	<u>TV Studio</u>	<u>Summer Theater</u>	<u>Total</u>
<u>Assets</u>				
Current Assets:				
Cash and Cash Equivalents	\$ 188,831	(2,788)	14,765	200,808
Accounts Receivable:				
State	1,776			1,776
Federal	44,451			44,451
Inventory	6,231			6,231
Total Current Assets	<u>241,289</u>	<u>(2,788)</u>	<u>14,765</u>	<u>253,266</u>
Noncurrent Assets				
Equipment	288,230			288,230
Accumulated Depreciation	(239,190)			(239,190)
Total Fixed Assets	<u>49,040</u>	<u>-</u>	<u>-</u>	<u>49,040</u>
Total Assets	<u>\$ 290,329</u>	<u>(2,788)</u>	<u>14,765</u>	<u>302,306</u>
<u>Liabilities</u>				
Current Liabilities:				
Deferred Revenue	\$ -		14,000	14,000
Total Liabilities	<u>\$ -</u>	<u>-</u>	<u>14,000</u>	<u>14,000</u>
<u>Net Assets</u>				
Investment in Capital Assets	\$ 49,040			49,040
Unrestricted	241,289	(2,788)	765	239,266
Total Net Assets	<u>\$ 290,329</u>	<u>(2,788)</u>	<u>765</u>	<u>288,306</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICTCOMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

Exhibit G-2

ENTERPRISE FUNDSJUNE 30, 2011

	<u>Food Services</u>	<u>TV Studio</u>	<u>Summer Theater</u>	<u>Total</u>
Operating Revenues:				
Daily Sales	\$ 994,623			994,623
Fees		4,169	29,700	33,869
Total Operating Revenues	<u>994,623</u>	<u>4,169</u>	<u>29,700</u>	<u>1,028,492</u>
Operating Expenses:				
Salaries & Benefits	625,597	5,131	30,560	661,288
Cost of Sales	654,783			654,783
Supplies and Materials			2,245	2,245
Depreciation	7,429			7,429
Management Fee	159,812			159,812
Miscellaneous	137,481			137,481
Operating Expenses	<u>1,585,102</u>	<u>5,131</u>	<u>32,805</u>	<u>1,623,038</u>
Operating Gain/(Loss)	(590,479)	(962)	(3,105)	(594,546)
Non-Operating Revenues:				
State Sources:				
State School Lunch Program	18,729			18,729
Federal Sources:				
National School Lunch Program	463,036			463,036
Federal Breakfast Program	50,518			50,518
Special Milk Program	1,842			1,842
Food Distribution Program	73,690			73,690
Total Non-Operating Revenues	<u>607,815</u>	<u>-</u>	<u>-</u>	<u>607,815</u>
Change in Net Assets	17,336	(962)	(3,105)	13,269
Adjustments:				
Cancel Payables	7,328			7,328
Total Adjustments	<u>7,328</u>	<u>-</u>	<u>-</u>	<u>7,328</u>
Change in Net Assets after Adjustments	24,664	(962)	(3,105)	20,597
Net Assets - July 1	<u>265,665</u>	<u>(1,826)</u>	<u>3,870</u>	<u>267,709</u>
Net Assets - June 30	<u>\$ 290,329</u>	<u>(2,788)</u>	<u>765</u>	<u>288,306</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS

Exhibit G-3

ENTERPRISE FUND

JUNE 30, 2011

	<u>Food Services</u>	<u>TV Studio</u>	<u>Summer Theater</u>	<u>Total</u>
Cash Flows from Operating Activities:				
Receipts from Customers & Fees	\$ 994,623	4,169	35,350	1,034,142
Payments to Employees & Benefits	(625,597)	(5,131)	(30,560)	(661,288)
Payments to Supplies	(876,529)		(2,245)	(878,774)
Net Provided (Used) by Operating Activities	<u>(507,503)</u>	<u>(962)</u>	<u>2,545</u>	<u>(505,920)</u>
Cash Flows from Noncapital Financing Activities				
State Sources	18,729			18,729
Federal Sources	515,396			515,396
Net Cash Provided by Noncapital Financing Activities	<u>534,125</u>	<u>-</u>	<u>-</u>	<u>534,125</u>
Net Increase (Decrease) in Cash and Cash Equivalents	26,622	(962)	2,545	28,205
Balance - July 1	<u>162,209</u>	<u>(1,826)</u>	<u>12,220</u>	<u>172,603</u>
Balance - June 30	<u>\$ 188,831</u>	<u>(2,788)</u>	<u>14,765</u>	<u>200,808</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (590,479)	(962)	(3,105)	(594,546)
Depreciation	7,429			7,429
Federal Commodities	73,690			73,690
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities				
Decrease/(Increase) in Inventory	3,171			3,171
(Decrease)/Increase in Deferred Revenue			5,650	5,650
Decrease/(Increase) in Accounts Receivable	<u>(1,314)</u>			<u>(1,314)</u>
Net Provided (Used) by Operating Activities	<u>\$ (507,503)</u>	<u>(962)</u>	<u>2,545</u>	<u>(505,920)</u>

FIDUCIARY FUND – H

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICTCOMBINING STATEMENT OF FIDUCIARY NET ASSETS

Exhibit H-1

JUNE 30, 2011

	<u>Payroll Agency</u>	<u>Student Activity</u>	<u>Miscellaneous Trust Funds</u>	<u>Total</u>
Assets:				
Cash and Cash Equivalents	\$ 260,246	135,921	2,420	398,587
Total Assets	<u>\$ 260,246</u>	<u>135,921</u>	<u>2,420</u>	<u>398,587</u>
Liabilities:				
Payroll Deductions and Withholdings	\$ 260,246			260,246
Worker's Compensation Reserve			2,420	2,420
Due to Student Groups		135,921		135,921
Total Liabilities	<u>\$ 260,246</u>	<u>135,921</u>	<u>2,420</u>	<u>398,587</u>

STUDENT ACTIVITY AGENCY FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

JUNE 30, 2011

	<u>Balance July 1, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2011</u>
Elementary Schools:				
Ravine	\$ 6,335	1,105	3,067	4,373
Cliffwood	6,027	1,341	2,571	4,797
Strathmore	8,068	5,067	2,899	10,236
Lloyd Road	19,028	21,619	22,294	18,353
Total Elementary Schools	<u>39,458</u>	<u>29,132</u>	<u>30,831</u>	<u>37,759</u>
Middle School:				
Matawan Avenue	14,029	84,108	87,473	10,664
Total Middle School	<u>14,029</u>	<u>84,108</u>	<u>87,473</u>	<u>10,664</u>
High School:				
High School	81,603	199,390	193,495	87,498
Athletic Account	642	57,578	58,220	-
Total High School	<u>82,245</u>	<u>256,968</u>	<u>251,715</u>	<u>87,498</u>
Total Schools	<u>\$ 135,732</u>	<u>370,208</u>	<u>370,019</u>	<u>135,921</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICTPAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTSJUNE 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
Assets:				
Cash and Cash Equivalents	\$ 57,276	14,704,505	14,501,535	260,246
Total Assets	<u>\$ 57,276</u>	<u>14,704,505</u>	<u>14,501,535</u>	<u>260,246</u>
Liabilities:				
Payroll Deductions and Withholdings	\$ 57,276	14,704,505	14,501,535	260,246
Total Liabilities	<u>\$ 57,276</u>	<u>14,704,505</u>	<u>14,501,535</u>	<u>260,246</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

MISCELLANEOUS TRUST FUNDS

Exhibit H-5

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

JUNE 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
Assets:				
Cash and Cash Equivalents	\$ 5,676		3,256	2,420
Total Assets	<u>\$ 5,676</u>	<u>-</u>	<u>3,256</u>	<u>2,420</u>
Liabilities:				
Optical Reimbursement Reserve	\$ 3,256		3,256	-
Worker's Compensation Reserve	2,420			2,420
Total Liabilities	<u>\$ 5,676</u>	<u>-</u>	<u>3,256</u>	<u>2,420</u>

LONG-TERM DEBT – I

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

LONG-TERM DEBT

Exhibit I-1

SCHEDULE OF SERIAL BONDS

JUNE 30, 2011

	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Date</u>	<u>Maturity Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2010</u>	<u>Retired</u>	<u>Balance June 30, 2011</u>
EDA Loan	8/12/93	\$ 3,605,000	7/15/11-2012 7/15/13	\$ 189,737 189,736	1.50%	\$ 758,947	189,737	569,210
2002 Series Taxable	12/30/02	5,665,000	8/15/11 8/15/12 8/15/13 8/15/14 8/15/15	465,000 490,000 515,000 540,000 570,000	4.80% 5.00% 5.00% 5.20% 5.20%	3,025,000	445,000	2,580,000
2003 Series	4/15/97	19,760,000	9/15/11 9/15/12 9/15/13 9/15/14 9/15/15 9/15/16 9/15/17 9/15/18 9/15/19 9/15/20 9/15/21 9/15/22 9/15/23 9/15/24 9/15/25 9/15/26 9/15/27	750,000 785,000 830,000 1,060,000 1,115,000 1,165,000 1,220,000 1,280,000 1,340,000 1,405,000 1,475,000 1,545,000 1,625,000 1,705,000 1,790,000 1,875,000 1,970,000	4.00%	23,655,000	720,000	22,935,000
						\$ 27,438,947	1,354,737	26,084,210

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

Exhibit I-2

LONG-TERM DEBT

SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES

JUNE 30, 2011

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding June 30, 2010</u>	<u>Retired</u>	<u>Amount Outstanding June 30, 2011</u>
2006 Buses	4.05%	\$ 322,490	\$ 67,230	67,230	-

MATAWAN-ABERDEN REGIONAL SCHOOL DISTRICT

Exhibit I-3

LONG-TERM DEBT

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative) Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy			2,317,367	2,317,367	
State Sources:					
Debt Service Aid Type II	18,545		18,545	18,545	
Total Revenues	<u>2,335,912</u>	<u>-</u>	<u>2,335,912</u>	<u>2,335,912</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	1,143,909		1,143,909	1,143,909	
Redemption of Principal	1,354,737		1,354,737	1,354,737	
Total Regular Debt Service	<u>2,498,646</u>	<u>-</u>	<u>2,498,646</u>	<u>2,498,646</u>	<u>-</u>
Total Expenditures	<u>2,498,646</u>	<u>-</u>	<u>2,498,646</u>	<u>2,498,646</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(162,734)	-	(162,734)	(162,734)	-
Fund Balance July 1	<u>162,738</u>		<u>162,738</u>	<u>162,738</u>	
Fund Balance June 30	<u>\$ 4</u>	<u>-</u>	<u>4</u>	<u>4</u>	<u>-</u>

STATISTICAL SECTION

(Unaudited)

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

NET ASSETS BY COMPONENT

LAST FIVE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Government Activities:					
Invested in Capital Assets, Net of Related Debt	\$ 14,184,626.37	\$ 15,943,464.00	\$ 13,836,947.00	\$ 13,951,213.00	\$ 13,897,770.00
Restricted	2,932,668.59	2,055,338.00	2,875,586.00	2,509,638.00	6,131,370.00
Unrestricted	(1,446,278.87)	(788,619.00)	(1,028,813.00)	(71,581.00)	(960,477.00)
Total Government Activities Net Assets	\$ 15,671,016.09	\$ 17,210,183.00	\$ 15,683,720.00	\$ 16,389,270.00	\$ 19,068,663.00
Business-Type Activities:					
Invested in Capital Assets, Net of Related Debt	\$ 91,508.82	\$ 99,449.00	\$ 57,689.00	\$ 56,469.00	\$ 49,040.00
Unrestricted	41,476.66	487.00	173,770.00	211,240.00	239,266.00
Total Business-Type Activities Net Assets	\$ 132,985.48	\$ 99,936.00	\$ 231,459.00	\$ 267,709.00	\$ 288,306.00
District-wide:					
Invested in Capital Assets, Net of Related Debt	\$ 14,276,135.19	\$ 16,042,913.00	\$ 13,894,636.00	\$ 14,007,682.00	\$ 13,946,810.00
Restricted	2,932,668.59	2,055,338.00	2,875,586.00	2,509,638.00	6,131,370.00
Unrestricted	(1,404,802.21)	(788,132.00)	(855,043.00)	139,659.00	(721,211.00)
Total District Net Assets	\$ 15,804,001.57	\$ 17,310,119.00	\$ 15,915,179.00	\$ 16,656,979.00	\$ 19,356,969.00

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

CHANGES IN NET ASSETS

LAST FOUR FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Expenses:				
Governmental Activities:				
Instruction:				
Regular	\$ (18,538,833.00)	\$ (18,307,683.00)	\$ (18,205,392.00)	\$ (17,468,715.00)
Special Education	(2,608,139.00)	(3,607,136.00)	(4,573,144.00)	(4,895,479.00)
Other Special Education	(1,896,463.00)	(2,437,459.00)	(323,236.00)	(1,410,213.00)
Other Instruction	(975,072.00)	(954,518.00)	(1,072,195.00)	(962,504.00)
Support Services:				
Tuition	(4,843,586.00)	(4,938,097.00)	(4,877,910.00)	(4,396,674.00)
Attendance	(5,215,226.00)	(5,034,745.00)	(5,008,238.00)	(4,122,057.00)
Health Services				
Other Support Services				
Educational Media Services				
Instructional Staff Training				
General Administrative Services	(3,397,182.00)	(3,560,268.00)	(3,536,825.00)	(3,317,299.00)
Central Services				
School Administrative Services	(1,014,565.00)	(1,079,096.00)	(912,726.00)	(758,311.00)
Admin. Information Technology				
Allowed Maintenance for School Facilities				
Plant Operations and Maintenance	(5,473,257.00)	(6,587,213.00)	(5,367,081.00)	(4,920,803.00)
Student Transportation Services	(2,654,973.00)	(2,570,611.00)	(2,556,743.00)	(2,728,276.00)
Business and Other Support Services				
Unallocated Employee Benefits	(16,188,685.00)	(12,361,936.00)	(13,544,811.00)	(12,524,392.00)
Non-Budgeted Expenditures				
Summer School	(112,594.00)	(59,358.00)	(88,404.00)	(120,282.00)
Interest on Long-Term Debt	(1,248,209.00)	(1,224,629.00)	(1,153,524.00)	(1,112,819.00)
ARRA			(1,710,066.00)	
Unallocated Depreciation and Amortization	(531,091.00)	(3,739,092.00)	(1,599,508.00)	(1,520,140.00)
Total Governmental Activities Expenses	<u>(64,697,875.00)</u>	<u>(66,461,841.00)</u>	<u>(64,529,803.00)</u>	<u>(60,257,964.00)</u>
Business-Type Activities:				
Food Service	(1,471,896.00)	(1,476,106.00)	(1,648,360.00)	(1,585,102.00)
Other Activities		(38,887.00)		(37,936.00)
Internal Service Fund				
Total Business-Type Activities Expenses	<u>(1,471,896.00)</u>	<u>(1,514,993.00)</u>	<u>(1,648,360.00)</u>	<u>(1,623,038.00)</u>
Total District Expenses	<u>\$ (66,169,771.00)</u>	<u>\$ (67,976,834.00)</u>	<u>\$ (66,178,163.00)</u>	<u>\$ (61,881,002.00)</u>
Program Revenues:				
Governmental Activities:				
Charges for Services:				
Instruction (Tuition)				121,211.00
Pupil Transportation				
Operating Grants and Contributions	1,696,747.00	1,476,845.00	1,804,257.00	1,769,685.00
Capital Grants and Contributions				
Total Governmental Activities Program Revenues	<u>1,696,747.00</u>	<u>1,476,845.00</u>	<u>1,804,257.00</u>	<u>1,890,896.00</u>
Business-Type Activities:				
Charges for Services:				
Food Service	1,036,037.00	1,042,034.00	1,071,726.00	994,623.00
Other Activities		31,348.00		33,869.00
Operating Grants and Contributions	411,702.00	490,791.00	606,561.00	607,815.00
Capital Grants and Contributions				
Total Business-Type Activities Program Revenues	<u>1,447,739.00</u>	<u>1,564,173.00</u>	<u>1,678,287.00</u>	<u>1,636,307.00</u>
Total District Program Revenues	<u>\$ 3,144,486.00</u>	<u>\$ 3,041,018.00</u>	<u>\$ 3,482,544.00</u>	<u>\$ 3,527,203.00</u>
Net (Expense)/Revenue:				
Governmental Activities	\$ (63,001,128.00)	\$ (64,984,996.00)	\$ (62,725,546.00)	\$ (58,367,068.00)
Business-Type Activities	(24,157.00)	49,180.00	29,927.00	13,269.00
Total District-wide Net (Expense)/Revenue	<u>\$ (63,025,285.00)</u>	<u>\$ (64,935,816.00)</u>	<u>\$ (62,695,619.00)</u>	<u>\$ (58,353,799.00)</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

CHANGES IN NET ASSETS

LAST FOUR FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Revenues and Other Changes in Net Assets:				
Governmental Activities:				
Property Taxes Levied for General Purposes, Net	\$ 43,449,970.00	\$ 43,826,599.00	\$ 43,801,859.00	\$ 44,105,926.00
Taxes Levied for Debt Service	2,427,268.00	2,478,605.00	2,471,625.00	2,317,367.00
Unrestricted Grants and Contributions	18,015,034.00	16,795,524.00	16,745,405.00	14,772,491.00
Restricted Grants and Contributions				
Tuition Received	83,724.00	74,491.00	114,095.00	121,211.00
Miscellaneous Income	277,801.00	388,685.00	296,007.00	55,711.00
Investment Earnings	209,731.00	39,393.00	7,245.00	3,541.00
Total Governmental Activities	<u>64,463,528.00</u>	<u>63,603,297.00</u>	<u>63,436,236.00</u>	<u>61,376,247.00</u>
Business-Type Activities:				
Other		82,343.00		7,328.00
Total Business-Type Activities		<u>82,343.00</u>		<u>7,328.00</u>
Total District-wide	<u>\$ 64,463,528.00</u>	<u>\$ 63,685,640.00</u>	<u>\$ 63,436,236.00</u>	<u>\$ 61,383,575.00</u>
Changes in Net Assets:				
Governmental Activities	\$ 1,462,400.00	\$ (1,381,699.00)	\$ 710,690.00	\$ 3,009,179.00
Business-Type Activities	<u>(24,157.00)</u>	<u>131,523.00</u>	<u>29,927.00</u>	<u>20,597.00</u>
Total District	<u>\$ 1,438,243.00</u>	<u>\$ (1,250,176.00)</u>	<u>\$ 740,617.00</u>	<u>\$ 3,029,776.00</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

FUND BALANCES, GOVERNMENTAL FUNDS

LAST FIVE FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Fund:					
Reserved	\$ 2,511,386.42	\$ 1,734,710.00	\$ 2,706,474.00	\$ 2,827,016.00	\$ 6,131,366.00
Unreserved	659,142.33	842,783.00	298,074.00	519,696.00	257,969.00
Total General Fund	<u>\$ 3,170,528.75</u>	<u>\$ 2,577,493.00</u>	<u>\$ 3,004,548.00</u>	<u>\$ 3,346,712.00</u>	<u>\$ 6,389,335.00</u>
All Other Governmental Funds:					
Reserved	\$ 89,097.04	\$ 337,047.00	\$ 6,378.00	\$	\$
Unreserved, Reported In:					
Special Revenue Fund	(16,321.30)	(25,696.00)			
Capital Projects Fund	332,184.48				
Debt Service Fund	0.65	5,315.00	162,734.00	162,738.00	4.00
Permanent Fund					
Total All Other Governmental Funds	<u>\$ 404,960.87</u>	<u>\$ 316,666.00</u>	<u>\$ 169,112.00</u>	<u>\$ 162,738.00</u>	<u>\$ 4.00</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST FOUR FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenues:				
Tax Levy	\$ 45,877,238.00	\$ 46,305,204.00	\$ 46,273,484.00	\$ 46,423,293.00
Tuition Charges	83,724.00	74,491.00	114,095.00	121,211.00
Interest Earnings	11,526.00	39,393.00	7,245.00	3,541.00
Transportation Fees	92,032.00	112,047.00	118,583.00	125,580.00
Miscellaneous	396,506.00	381,184.00	210,715.00	98,759.00
State Sources	18,543,078.00	16,874,024.00	15,067,138.00	14,803,882.00
Federal Sources	1,156,171.00	1,398,345.00	3,449,233.00	1,690,877.00
Total Revenues	<u>66,160,275.00</u>	<u>65,184,688.00</u>	<u>65,240,493.00</u>	<u>63,267,143.00</u>
Expenditures:				
Instruction:				
Regular	18,565,643.00	18,608,236.00	18,460,986.00	17,321,662.00
Special	2,608,139.00	3,607,136.00	4,573,144.00	4,895,479.00
Other	2,871,535.00	3,391,977.00	1,395,431.00	2,372,717.00
Support Services:				
Tuition	4,843,586.00	4,938,097.00	4,877,910.00	4,396,674.00
Instruction	5,215,226.00	5,034,745.00	5,008,238.00	4,122,057.00
Attendance				
Health Services				
Other Support Services				
Educational Media Services				
Instructional Staff Training				
General Administrative Services				
School Administrative Services	1,014,565.00	1,079,096.00	912,726.00	758,311.00
Central Services				
Other Administrative Services	3,397,182.00	3,560,268.00	3,536,825.00	3,317,299.00
Admin. Information Technology				
Allowed Maintenance for School Facilities				
Plant Operations and Maintenance	5,473,257.00	6,587,213.00	5,367,081.00	4,920,803.00
Student Transportation Services	2,654,973.00	2,570,611.00	2,556,743.00	2,728,276.00
Business and Other Support Services				
Unallocated Employee Benefits	16,188,685.00	12,361,936.00	13,544,811.00	12,524,392.00
Non-Budgeted Expenditures				
Summer School	112,594.00	59,358.00	88,404.00	120,282.00
ARRA			1,710,066.00	
Debt Service:				
Principal	1,209,737.00	1,259,737.00	1,304,737.00	1,354,737.00
Interest and Other Charges	1,281,979.00	1,241,308.00	1,194,327.00	1,143,909.00
Capital Outlay	1,420,826.00	500,923.00	373,274.00	410,656.00
Total Expenditures	<u>66,857,927.00</u>	<u>64,800,641.00</u>	<u>64,904,703.00</u>	<u>60,387,254.00</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(697,652.00)	384,047.00	335,790.00	2,879,889.00
Other Financing Sources/(Uses):				
Accounts Receivable Cancelled		(2,589.00)		
Capital Leases				
Transfers In		155,459.00	1,064.00	
Transfers Out		(257,416.00)	(1,064.00)	
Total Other Financing Sources/(Uses)		<u>(104,546.00)</u>		
Net Change in Fund Balances	<u>\$ (697,652.00)</u>	<u>\$ 279,501.00</u>	<u>\$ 335,790.00</u>	<u>\$ 2,879,889.00</u>
Debt Service as a Percentage of Noncapital Expenditures	3.81%	3.89%	3.87%	4.17%

Source: District records

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

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Tuition</u>	<u>Transportation</u>	<u>Interest on</u> <u>Investments</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Rentals</u>	<u>Miscellaneous</u>	<u>Annual</u> <u>Totals</u>
2002	\$ 16,639.00	32,031.00	97,932.00	24,248.00	173,066.00	75,049.00	418,965.00
2003	24,553.00	-	-	-	-	312,002.00	336,555.00
2004	12,152.00	71,013.00	46,778.00	65,535.00	90,000.00	67,920.00	353,398.00
2005	-	-	-	-	-	-	0.00
2006	5,700.00	26,960.00	245,644.00	-	-	377,557.00	655,861.00
2007	68,326.00	122,326.00	258,343.00	-	72,471.00	90,042.00	611,508.00
2008	83,724.00	92,032.00	11,526.00	-	-	396,506.00	583,788.00
2009	74,491.00	112,047.00	39,393.00	-	-	381,184.00	607,115.00
2010	114,095.00	118,583.00	7,245.00	-	-	210,715.00	450,638.00
2011	121,211.00	125,580.00	3,541.00	-	-	51,342.00	301,674.00

Source: District records

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 ABERDEEN TOWNSHIP
 LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year Ending June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	16,082,530	675,358,530	943,200	95,600	93,665,200	11,849,700	17,136,400
2004	15,532,750	690,964,010	943,200	95,600	93,470,800	11,849,700	17,136,400
2005	15,059,530	707,656,910	943,200	95,600	91,048,800	11,849,700	17,136,400
2006	14,457,130	712,771,260	943,200	95,600	90,014,800	11,849,700	16,119,200
2007	14,668,230	711,414,730	861,700	94,800	87,610,300	11,849,700	15,392,900
2008	14,636,030	713,846,480	706,700	89,500	86,394,000	11,849,700	15,392,900
2009*	50,114,700	1,744,702,500	1,950,700	56,900	234,349,900	9,695,700	45,556,600
2010	52,040,200	1,743,737,100	1,665,800	59,500	232,811,300	9,695,700	45,979,900
2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A

	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2001	N/A	-	N/A	N/A	N/A	N/A
2002	N/A	-	N/A	N/A	N/A	N/A
2003	815,131,160	-	1,780,987	816,912,147	N/A	2.995
2004	829,992,460	-	1,548,127	831,540,587	N/A	3.217
2005	843,790,140	-	1,307,995	845,098,132	N/A	3.356
2006	846,250,890	-	1,122,891	847,373,781	N/A	3.555
2007	841,892,360	-	1,049,416	842,941,776	N/A	3.605
2008	842,915,310	-	1,069,982	843,985,292	2,233,718,408	3.685
2009*	2,086,427,000	-	2,922,012	2,089,349,012	2,226,665,921	1.489
2010	2,085,989,500	-	2,804,792	2,088,794,292	2,190,617,190	1.487
2011	N/A	-	N/A	N/A	N/A	N/A

Source: Abstract of Ratables

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

* Aberdeen Township underwent a revaluation in 2009
 a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
 b Tax rates are per \$100
 N/A At the time of CAFR Completion, this data was not available

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

MATAWAN BOROUGH

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ending June 30.	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment
2001	N/A	N/A	-	-	N/A	N/A	N/A
2002	N/A	N/A	-	-	N/A	N/A	N/A
2003	3,476,575	327,727,759	-	-	60,715,600	5,552,900	28,628,000
2004	3,344,275	328,421,459	-	-	60,713,800	4,327,700	28,093,000
2005	3,337,375	329,617,159	-	-	63,213,900	4,356,200	28,093,000
2006	4,419,975	330,476,759	-	-	62,023,300	4,356,200	28,093,000
2007	4,178,775	333,933,659	-	-	61,175,500	4,481,200	28,043,000
2008*	8,867,500	803,708,700	-	-	132,252,700	9,729,100	79,655,900
2009	14,762,100	803,358,500	-	-	133,313,800	9,729,100	78,493,600
2010	13,112,200	811,496,200	-	-	133,623,900	9,729,100	77,906,400
2011	N/A	N/A	-	-	N/A	N/A	N/A

	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2001	N/A	-	N/A	N/A	N/A	N/A
2002	N/A	-	N/A	N/A	N/A	N/A
2003	426,100,834	-	1,203,895	427,304,729	588,634,874	2.791
2004	424,900,234	-	1,037,785	425,938,019	658,969,925	3.031
2005	428,617,634	-	995,450	429,613,084	742,185,934	3.090
2006	429,369,234	-	800,439	430,169,673	872,523,783	3.220
2007	431,812,134	-	731,572	432,543,706	1,013,331,556	3.367
2008*	1,034,213,900	(1,141,800)	1,742,227	1,035,956,127	1,086,125,096	1.447
2009	1,039,657,100	(1,255,600)	3,348,712	1,043,005,812	1,089,967,721	1.456
2010	1,045,867,800	(981,100.00)	1,785,231	1,047,653,031	1,082,020,202	1.459
2011	N/A	-	N/A	N/A	N/A	N/A

Source: Abstract of Rates

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
^b Tax rates are per \$100
 N/A At the time of CAFR Completion, this data was not available
 * Matawan Boro underwent a revaluation for 2008

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS
(RATE PER \$100 OF ASSESSED VALUE)
(UNAUDITED)

Fiscal Year Ending June 30,	Matawan-Aberdeen Regional School District Direct Rate										Overlapping Rates					
	Basic Rate ^a			General Obligation Debt Service ^b			(From J-6) Total Direct School Tax Rate			Total Direct Regional School Tax Rate		Monmouth County		Total Direct and Overlapping Tax Rate		
	Municipality of Aberdeen Township	Matawan Borough	Municipality of Aberdeen Township	Matawan Borough	Municipality of Aberdeen Township	Matawan Borough	Municipality of Aberdeen Township	Matawan Borough	Municipality of Aberdeen Township	Matawan Borough	Municipality of Aberdeen Township	Matawan Borough	Municipality of Aberdeen Township	Matawan Borough	Municipality of Aberdeen Township	Matawan Borough
2001	0.705	0.742			2.539	2.503			0.705	0.742	0.514	0.502	3.758	3.747		
2002	0.722	0.860			2.697	2.563			0.722	0.860	0.563	0.522	3.982	3.945		
2003	0.730	0.860			2.995	2.791			0.730	0.860	0.589	0.548	4.314	4.199		
2004	0.755	1.024			3.217	3.031			0.755	1.024	0.609	0.547	4.581	4.602		
2005	0.791	1.067			3.356	3.090			0.791	1.067	0.613	0.564	4.760	4.721		
2006	0.825	1.212			3.555	3.220			0.825	1.212	0.624	0.624	5.004	5.056		
2007	0.829	1.303			3.605	3.367			0.829	1.303	0.633	0.610	5.067	5.280		
2008	0.093	0.597*			3.685	1.447*			0.926	0.597*	0.649	0.257	5.260	2.301		
2009	0.393**	0.623			1.489**	1.456			0.393**	0.623	0.263	0.260	2.145	2.339		
2010	0.437	0.673			1.487	1.459			0.437	0.673	0.275	0.269	2.199	2.401		
2011	N/A	N/A			N/A	N/A			N/A	N/A	N/A	N/A	N/A	N/A		

Source: Abstract of Ratables

Note: N.J.S.A. 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.
 * The Borough of Matawan underwent a revaluation during 2008.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)

ABERDEEN TOWNSHIP

	2011			2002		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Taxpayer 1	\$ 27,030,500	1	N/A	\$ N/A	1	0%
Taxpayer 2	26,100,000	2	N/A	N/A	2	0%
Taxpayer 3	20,918,800	3	N/A	N/A	3	0%
Taxpayer 4	16,197,100	4	N/A	N/A	4	0%
Taxpayer 5	14,579,100	5	N/A	N/A	5	0%
Taxpayer 6	13,799,500	6	N/A	N/A	6	0%
Taxpayer 7	12,600,300	7	N/A	N/A	7	0%
Taxpayer 8	10,944,200	8	N/A	N/A	8	0%
Taxpayer 9	9,549,900	9	N/A	N/A	9	0%
Taxpayer 10	7,671,900	10	N/A	N/A	10	0%
Total	\$ 159,391,300		N/A	\$ N/A		0%

MATAWAN BOROUGH

	2011			2002		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Taxpayer 1	\$ 20,000,000	1	N/A	\$ N/A	1	0%
Taxpayer 2	11,125,000	2	N/A	N/A	2	0%
Taxpayer 3	7,250,000	3	N/A	N/A	3	0%
Taxpayer 4	6,989,400	4	N/A	N/A	4	0%
Taxpayer 5	6,974,500	5	N/A	N/A	5	0%
Taxpayer 6	6,919,400	6	N/A	N/A	6	0%
Taxpayer 7	6,166,700	7	N/A	N/A	7	0%
Taxpayer 8	5,704,000	8	N/A	N/A	8	0%
Taxpayer 9	4,991,000	9	N/A	N/A	9	0%
Taxpayer 10	4,650,100	10	N/A	N/A	10	0%
Total	\$ 80,770,100		N/A	\$ N/A		0%

N/A Not Available

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	\$ 34,331,128	33,830,078	98.54%	-
2003	37,369,033	36,827,116	98.55%	-
2004	40,672,291	40,160,024	98.74%	-
2005	40,941,201	40,941,201	100.00%	-
2006	42,320,980	42,320,980	100.00%	-
2007	44,821,367	44,821,367	100.00%	-
2008	45,877,238	45,877,238	100.00%	-
2009	46,305,204	46,305,204	100.00%	-
2010	46,273,484	46,273,484	100.00%	-
2011	46,423,293	46,423,293	100.00%	-

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

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

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ending 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 (BANs)	Capital Leases			
2002	\$ 4,555,841.00	-	N/A	-	-	4,555,841.00	0.09%	43,684.00
2003	35,722,104.00	-	N/A	-	-	35,722,104.00	0.11%	39,577.00
2004	34,672,367.00	-	N/A	-	-	34,672,367.00	0.12%	41,332.00
2005	33,547,630.00	-	1,540,501.00	-	-	35,088,131.00	0.12%	41,332.00
2006	32,392,893.00	-	1,079,334.00	-	-	33,472,227.00	0.12%	41,332.00
2007	31,213,156.00	-	1,939,099.00	-	-	33,152,255.00	0.18%	59,304.00
2008	30,003,421.00	-	1,119,707.00	-	-	31,123,128.00	0.19%	59,304.00
2009	28,743,684.00	-	131,844.00	-	-	28,875,528.00	0.21%	59,304.00
2010	27,438,947.00	-	67,230.65	-	-	27,506,177.65	0.22%	59,304.00
2011	26,084,210.00	-	-	-	-	26,084,210.00	N/A	N/A

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

N/A Not available at the time of audit

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT
 RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
 LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2002	\$ 4,555,841	-	4,555,841	0.37%	173.00
2003	35,722,104	-	35,722,104	2.90%	1,355.00
2004	34,672,367	-	34,672,367	2.76%	1,315.00
2005	33,547,630	-	33,547,630	2.63%	1,272.00
2006	32,392,893	-	32,392,893	2.54%	1,229.00
2007	31,213,156	-	31,213,156	2.45%	N/A
2008	30,003,421	-	30,003,421	N/A	N/A
2009	28,743,684	-	28,743,684	N/A	N/A
2010	27,438,947	-	27,438,947	N/A	N/A
2011	26,084,210	-	26,084,210	N/A	N/A

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.

N/A Not available at the time of audit.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2011
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Aberdeen Township	\$ 18,452,165	100%	\$ 18,452,165
Matawan Borough	8,986,782	100%	8,986,782
Monmouth County General Obligation Debt -Aberdeen Township		1.787147%	8,401,896
Monmouth County General Obligation Debt -Matawan Borough		0.856125%	4,024,894
Subtotal, Overlapping Debt			<u>39,865,737</u>
Matawan-Aberdeen Regional School District Direct Debt			<u>26,084,210</u>
Total Direct and Overlapping Debt			<u>\$ 65,949,947</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation.
Debt Outstanding data provided by each governmental unit.
Overlapping County Debt provided by the County Finance Department.

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 Aberdeen Township and Matawan Borough. 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.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS
(UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2010

Equalized Valuation Basis	2010	\$ 3,233,310,792
	2009	\$ 3,248,807,471
	2008	3,276,608,336
	(A)	<u>\$ 9,758,726,599</u>
Average Equalized Valuation of Taxable Property	(A/3)	\$ 3,252,908,866
Debt Limit (4% of Average Equalization Value)	(B)	130,116,355
Total Net Debt Applicable To Limit	(C)	<u>26,084,210</u>
Legal Debt Margin	(B-C)	<u>\$ 104,032,145</u>

	Fiscal Year				
	2002	2003	2004	2005	2006
Debt Limit	\$ 57,003,039	\$ 61,271,290	\$ 66,968,174	\$ 82,355,128	\$ 95,138,795
Total Net Debt Applicable To Limit	<u>4,555,841</u>	<u>35,722,104</u>	<u>34,672,367</u>	<u>33,547,630</u>	<u>32,392,893</u>
Legal Debt Margin	<u>\$ 52,447,198</u>	<u>\$ 25,549,186</u>	<u>\$ 32,295,807</u>	<u>\$ 48,807,498</u>	<u>\$ 62,745,902</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	7.99%	58.30%	51.77%	40.74%	34.05%

	Fiscal Year				
	2007	2008	2009	2010	2011
Debt Limit	\$ 109,061,137	\$ 121,814,306	\$ 129,007,984	\$ 130,943,029	\$ 130,116,355
Total Net Debt Applicable To Limit	<u>31,213,156</u>	<u>30,003,421</u>	<u>28,743,684</u>	<u>27,438,947</u>	<u>26,084,210</u>
Legal Debt Margin	<u>\$ 77,847,981</u>	<u>\$ 91,810,885</u>	<u>\$ 100,264,300</u>	<u>\$ 103,504,082</u>	<u>\$ 104,032,145</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	28.62%	24.63%	22.28%	20.95%	20.05%

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 percentage limits would be applicable for other District types.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Year</u>	<u>Population</u> ^a	<u>Personal Income</u> ^b	<u>Per Capita Personal Income</u> ^c	<u>Unemployment Rate</u> ^d
2001	26,364	1,146,043,080	43,470	3.55%
2002	26,364	1,151,684,976	43,684	5.20%
2003	26,364	1,043,408,028	39,577	5.10%
2004	26,364	1,089,676,848	41,332	4.10%
2005	27,152	1,122,246,464	41,332	4.40%
2006	27,163	1,122,701,116	41,332	3.95%
2007	27,284	1,618,050,336	59,304	3.60%
2008	27,144	1,609,747,776	59,304	4.20%
2009	27,472	1,629,199,488	59,304	7.33%
2010	27,020	1,602,394,080	59,304	7.44%
2011	N/A	N/A	N/A	N/A

Source:

^a Population information provided by the NJ Department 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 and includes both the Borough of Matawan And Township of Aberdeen

^d Unemployment data provided by the NJ Department of Labor and Workforce Development.

N/A - Not available at the time of audit

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)

ABERDEEN TOWNSHIP

<u>Employer</u>	<u>2011</u>			<u>2002</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>
UNAVAILABLE		1			1	
		2			2	
		3			3	
		4			4	
		5			5	
		6			6	
		7			7	
		8			8	
		9			9	
		10			10	
Total	<u> </u>		<u> </u>	<u> </u>		<u> </u>
	<u> </u>		<u> </u>	<u> </u>		<u> </u>

MATAWAN BOROUGH

<u>Employer</u>	<u>2011</u>			<u>2002</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>
UNAVAILABLE		1			1	
		2			2	
		3			3	
		4			4	
		5			5	
		6			6	
		7			7	
		8			8	
		9			9	
		10			10	
Total	<u> </u>		<u> </u>	<u> </u>		<u> </u>
	<u> </u>		<u> </u>	<u> </u>		<u> </u>

Information not available at time of CAFR preparation

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction:										
Regular			297	300	315	344	329	304	308	316
Special Education			32	31	32	40	42	39	33	60
Other Special Education										
Vocational										
Other Instruction										
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Student and Instruction Related Services			65	66	68	68	68	92	65	59
General Administration			5	5	7	7	7	7	13	18
School Administrative Services			37	37	35	35	35	38	38	28
Business Administrative Services			8	8	8	7	7	7	3	2
Central Services										
Administrative Information Technology										
Plant Operations and Maintenance			46	46	47	45	44	43	38	6
Pupil Transportation			18	18	22	22	22	26	33	29
Other Support Services-Technology								6	2	2
Special Schools										
Food Service										
Child Care										
Total				<u>511</u>	<u>534</u>	<u>568</u>	<u>554</u>	<u>562</u>	<u>533</u>	<u>520</u>

Source: District Personnel Records

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^d	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2002	3,792.6	45,194,881	11,917	4.97%	362	1:14	1:12	1:12	3,792.6	3,592.6	-0.64%	94.73%
2003	3,951.0	47,536,557	12,032	0.96%	362	1:14	1:12	1:12	3,951.0	3,740.0	4.18%	94.66%
2004	3,835.9	51,381,721	13,395	11.33%	369	1:14	1:12	1:12	3,835.9	3,634.6	-2.91%	94.75%
2005	3,773.0	53,150,351	14,087	5.17%	371	1:14	1:12	1:12	3,773.0	3,705.4	-1.64%	98.21%
2006	3,826.0	56,520,151	14,773	4.87%	374	1:14	1:12	1:12	3,826.0	3,677.0	1.40%	96.11%
2007	3,828.0	60,750,522	15,870	7.43%	384	1:14	1:12	1:12	3,735.3	3,546.1	-2.37%	94.93%
2008	3,840.0	61,706,025	16,069	1.26%	371	1:14	1:12	1:12	3,713.4	3,524.8	-0.59%	94.92%
2009	3,861.0	62,275,698	16,129	0.37%	374	1:10	1:11	1:10	3,740.3	3,551.6	0.72%	94.95%
2010	3,860.0	62,405,639	16,167	0.23%	374	1:10	1:11	1:10	3,802.2	3,625.6	1.65%	95.36%
2011	3,871.5	57,477,952	14,846	-8.17%	376	1:10	1:11	1:10	3,783.0	3,598.4	-0.50%	95.12%

Source: 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).

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST FIVE FISCAL YEARS
(UNAUDITED)

<u>District/Building</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Elementary:					
Cambridge Park Elementary					
Square Feet	21,800	21,800	21,800	21,800	21,800
Capacity (Students)	86	86	86	86	86
Enrollment	82	86	86	86	86
Cliffwood Elementary School					
Square Feet	66,376	66,376	66,376	66,376	66,376
Capacity (Students)	342	342	342	342	342
Enrollment	347	340	340	340	340
Lloyd Road School					
Square Feet	70,581	70,581	70,581	70,581	70,581
Capacity (Students)	621	621	621	621	621
Enrollment	630	556	556	556	556
Ravine Drive School					
Square Feet	46,879	46,879	46,879	46,879	46,879
Capacity (Students)	355	355	355	355	355
Enrollment	368	352	352	352	352
Strathmore Elementary School					
Square Feet	58,513	58,513	58,513	58,513	58,513
Capacity (Students)	463	463	463	463	463
Enrollment	477	470	470	470	470
Middle School:					
Matawan Avenue Middle School					
Square Feet	136,032	136,032	136,032	136,032	136,032
Capacity (Students)	1,225	1,225	1,225	1,225	1,225
Enrollment	934	903	903	903	903
High School:					
Matawan Regional High School					
Square Feet	161,388	161,388	161,388	161,388	161,388
Capacity (Students)	1,509	1,509	1,509	1,509	1,509
Enrollment	1,144	1,153	1,153	1,153	1,153
Other:					
Central Office Administration					
Square Feet	21,800	21,800	21,800	21,800	21,800
Number of Schools at June 30, 2011					
Elementary = 5					
Middle School = 1					
Senior High School = 1					
Other = 1					

Source: District Facilities Office

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 October District count.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT
 SCHEDULE OF REQUIRED MAINTENANCE

LAST EIGHT FISCAL YEARS
 (UNAUDITED)

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

Year	*School Facilities Project # (s)	Cliffwood Elementary	Lloyd Road Elementary	Ravine Drive Elementary	Strathmore Elementary	Matawan			Other Facilities	Total
						Avenue Middle School	Regional High School	High School		
2003	N/A	49,256.00	63,199.00	94,482.00	161,824.00	107,623.00	70,101.00	41,133.00	587,618.00	
2004	N/A	75,168.00	115,403.00	52,817.00	67,767.00	101,311.00	173,521.00	44,106.00	630,093.00	
2005	N/A	68,786.00	105,650.00	73,663.00	68,976.00	97,776.00	178,553.00	45,035.00	638,439.00	
2006	N/A	65,335.00	101,869.00	67,041.00	63,148.00	137,204.00	173,338.00	45,416.00	653,351.00	
2007	N/A	71,004.00	111,407.00	71,722.00	73,588.00	150,716.00	216,672.00	45,185.00	740,294.00	
2008	N/A	76,928.00	83,921.00	55,947.00	69,934.00	160,849.00	195,816.00	55,947.00	699,342.00	
2009	N/A	87,584.00	95,547.00	63,698.00	79,622.00	183,131.00	222,942.00	63,697.00	796,221.00	
2010	N/A	99,357.00	108,390.00	72,260.00	90,325.00	207,747.00	252,909.00	72,259.00	903,247.00	
2011	N/A	83,739.00	88,881.00	58,765.00	73,456.00	171,151.00	203,472.00	55,091.00	734,555.00	
Total School Facilities		\$ 677,157.00	\$ 874,267.00	\$ 610,395.00	\$ 748,640.00	\$ 1,317,508.00	\$ 1,687,324.00	\$ 467,869.00	\$ 6,383,160.00	

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

Source: District records

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

INSURANCE SCHEDULE

June 30, 2011
(UNAUDITED)

	<u>Carrier</u>	<u>Coverage</u>	<u>Deductible</u>
School Package Policy:			
Property - Blanket Building and Contents	(2)	\$ 136,407,088	\$ 5,000
EDP Hardware/Software	(2)	2,250,000	1,000
Extra Expense	(2)	50,000,000	5,000
Valuable Papers and Records	(2)	10,000,000	5,000
Flood Zones A&V	(2)	3,000,000	500,000
Flood Zone B	(2)	25,000,000	10,000
Earthquake	(2)	5,000,000	5,000
CRIME Public Employee Dishonesty	(2)	1,000,000	1,000
Loss of Money & Securities	(2)	50,000	500
Money Orders & Counterfeit	(2)	50,000	500
Forgery or Alteration	(2)	1,000,000	1,000
Computer Fraud	(2)	1,000,000	1,000
GENERAL LIABILITY - Each Occurrence	(2)	11,000,000	1,000
Products/Completed Operations	(2)	11,000,000	
Sexual Abuse	(2)	11,000,000	
Personal & Advertising Injury	(2)	11,000,000	
Employee Benefits	(2)	11,000,000	
Medical Payments	(2)	10,000	1,000
Boiler & Machinery - Energy Systems	(2)	100,000,000	5,000
Automobile Policy - Auto Liability - General Security	(2)	11,000,000	
Garage Liability	(2)	Included	
Collision & Comprehensive	(2)		1,000
Uninsured/Underinsured	(2)	1,000,000	
Personal Injury Protection	(2)	250,000	
Medical Payments	(2)	10,000	
Hired Car Physical Damage	(2)	75,000	
Hired & Non-Owned Auto Liability	(2)	1,000,000	
School Board Legal Liability (E&O)	(2)	11,000,000	5,000
Extended Reporting Option	(2)		
Workers' Compensation - ERIC/NJSBAIG	(2)	Statutory	
Bodily Injury By Accident	(2)	2,000,000	
Bodily Injury By Disease	(2)	2,000,000	
Supplemental Workers' Compensation Policy	(2)	52 weeks	7 days
Pollution Legal Liability - Environmental Impairment	(2)	1,000,000	10,000
Catastrophic Excess Umbrella Policy	(5)	50,000,000	
Compulsory Student Accident - Incl Athletics	(4)	5,000,000	
Compulsory Student Accident - Excl Athletics	(4)	1,000,000	
Surety Bonds:			
Treasurer	(2)	350,000	1,000
Board Secretary/Business Administrator	(6)	150,000	
Food Services Director	(6)	50,000	
List Insurance Company:			
(1)	NJSBAIG		
(2)	Bollinger Insurance Co.		
(3)	Fireman's Fund		
(4)	Selective		

Source: District records

SINGLE AUDIT SECTION

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

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

K-1

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

We have audited the general-purpose financial statements of the Board of Education of the Matawan-Aberdeen Regional School District, in the County of Monmouth, State of 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Matawan-Aberdeen Regional Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Matawan-Aberdeen Regional Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Matawan-Aberdeen Regional Board of Education'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 reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Matawan-Aberdeen Regional Board of Education's general-purpose 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 general-purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of the audit committee, management, the Matawan-Aberdeen Regional Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company

November 3, 2011

Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

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

K-2

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

Compliance

We have audited the compliance of the Board of Education of the Matawan-Aberdeen Regional School District, in the County of Monmouth, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2011. Matawan-Aberdeen Regional Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Matawan-Aberdeen Regional Board of Education's management. Our responsibility is to express an opinion on the Matawan-Aberdeen Regional Board of Education's compliance based on our audit.

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

In our opinion, the Board of Education of the Matawan-Aberdeen Regional School District, in the County of Monmouth, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of the Board of Education of the Matawan-Aberdeen Regional 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 Matawan-Aberdeen Regional Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Matawan-Aberdeen Regional Board of Education's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

This report is intended solely for the information and use of the audit committee, management, the Matawan-Aberdeen Regional Board of Education, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robert A. Hulsart
 Licensed Public School Accountant
 No. 322
 Robert A. Hulsart and Company

November 3, 2011

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Award Amount	Grant Period		Balance June 30, 2010	(Walkover) Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	Balance at June 30, 2011	
			From	To							(Accounts Receivable)	Due to Grantor
U.S. Department of Education Passed-through Department of Education General Fund	84 410A	\$ 430,322	7/1/2010	6/30/2011	\$ -	-	-	-	-	-	-	-
Education Jobs Fund Total General Revenue Fund												
U.S. Department of Education Passed-through Department of Education Special Revenue Fund												
Title I												
Title I	84 010	340,345	9/1/2009	8/31/2010	(75,986)	-	97,715	(30,278)	-	-	(8,549)	-
Title I	84 010	305,877	9/1/2010	8/31/2011	-	-	163,322	(253,675)	-	-	(90,353)	-
Title IIA	84 307A	168,156	9/1/2010	8/31/2011	-	-	35,985	(43,101)	-	-	(7,116)	-
Title IIA	84 307A	106,356	9/1/2009	8/31/2010	(25,423)	-	12,116	(11,456)	-	-	(24,763)	-
Title IID	84 318	843	9/1/2010	8/31/2011	-	-	-	-	-	-	-	-
Title IID	84 318	3,382	9/1/2009	8/31/2010	7	-	-	(7)	-	-	-	-
Title III	84 365	20,094	9/1/2010	8/31/2011	-	-	12,416	(13,859)	-	-	(1,443)	-
Title III	84 365	19,248	9/1/2009	8/31/2010	(2,957)	-	8,946	(8,693)	-	-	(2,704)	-
Title IV	84 186	9,048	9/1/2009	8/31/2010	-	-	-	(1,803)	-	-	(1,803)	-
Title IV	84 389	224,186	9/1/2009	8/31/2010	(5,874)	-	62,434	(100,476)	-	-	(43,916)	-
Title I ARRA	84 389	7,660	9/1/2009	8/31/2010	-	-	-	(6,660)	-	-	(6,660)	-
Title I SIA ARRA	84 391	905,869	9/1/2009	8/31/2010	(43,237)	-	172,638	(579,850)	-	-	(450,449)	-
IDEA Basic ARRA	84 392	32,697	9/1/2009	8/31/2010	(14,385)	-	11,526	(2,901)	-	-	(5,760)	-
IDEA Basic ARRA	84 027	813,814	9/1/2010	8/31/2011	-	-	516,670	(668,558)	-	-	(97,888)	-
IDEA Basic	84 027	798,312	9/1/2009	8/31/2010	(223,098)	-	155,487	(59,970)	-	-	(127,581)	-
IDEA Preschool	84 173	20,326	9/1/2009	8/31/2010	(4,111)	-	4,111	-	-	-	-	-
IDEA Preschool	84 173	20,926	9/1/2010	8/31/2011	-	-	18,166	(20,412)	-	-	(2,246)	-
Total Special Revenue Fund					(395,064)	-	1,265,532	(1,741,699)	-	-	(871,231)	-
U.S. Department of Agriculture - Passed Through State Department of Education												
Food Distribution Program	10 550	73,690	7/1/2010	6/30/2011	-	-	73,690	(73,690)	-	-	-	-
National School Lunch Program	10 555	442,990	7/1/2009	6/30/2010	-	-	37,994	-	-	-	-	-
National School Lunch Program	10 555	463,036	7/1/2010	6/30/2011	(37,994)	-	424,008	(463,036)	-	-	(39,028)	-
School Breakfast Program	10 553	41,339	7/1/2009	6/30/2010	(4,440)	-	4,440	-	-	-	-	-
School Breakfast Program	10 553	50,518	7/1/2010	6/30/2011	-	-	45,271	(50,518)	-	-	(5,247)	-
Special Milk Program	10 556	1,030	7/1/2009	6/30/2010	(88)	-	88	-	-	-	-	-
Special Milk Program	10 556	1,842	7/1/2010	6/30/2011	-	-	1,666	(1,842)	-	-	(176)	-
Total Enterprise Fund					(42,522)	-	587,157	(589,086)	-	-	(44,451)	-
Total Federal Financial Awards					\$ (437,586)	-	1,852,689	(2,330,785)	-	-	(915,682)	-

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

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

State Grantor/Program State Department of Education	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2010			Balance at June 30, 2011			MEMO			
				Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	(Repayment) of Prior Years Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable
General Fund													
Equalization Aid	11-495-034-5120-078	\$ 7,944,353	7/1/10	6/30/11	\$ -	-	7,944,353	(7,944,353)				(773,220)	7,944,353
Special Education Aid	11-495-034-5120-089	2,122,707	7/1/10	6/30/11			2,122,707	(2,122,707)				(206,071)	2,122,707
Extraordinary Aid	10-495-034-5120-044	693,095	7/1/09	6/30/10	(693,095)		693,095						
Extraordinary Aid	11-495-034-5120-044	516,212	7/1/10	6/30/11				(516,212)					516,212
Non-Public Transportation	11-495-034-5120-014	19,633	7/1/10	6/30/11				(19,633)					19,633
Non-Public Transportation	10-495-034-5120-014	15,747	7/1/09	6/30/10	(15,747)		15,747						
Reimbursed TPAF Social Security	10-495-034-5095-002	2,109,457	7/1/09	6/30/10	(104,203)		104,203						
Reimbursed TPAF Social Security	11-495-034-5095-002	1,921,186	7/1/10	6/30/11	(813,045)		1,827,031	(1,921,186)		(94,155)		(981,291)	1,921,186
Total General Fund							12,707,136	(12,524,091)		(630,000)			12,524,091
Special Revenue Fund													
Textbook Aid	10-100-034-5120-064	13,280	7/1/09	6/30/10		1,414			(1,414)				
Textbook Aid	11-100-034-5120-064	11,595	7/1/10	6/30/11			11,595	(10,980)					10,980
Auxiliary Services:													
Compensatory Education	10-100-034-5120-067	960	7/1/09	6/30/10		960			(960)				
Handicapped Services:													
Supplementary Instruction	10-100-034-5120-066	796	7/1/09	6/30/10		796			(796)				
Examination and Classification	11-100-034-5120-066	1,436	7/1/10	6/30/11			1,436	(1,116)					1,116
Examination and Classification	10-100-034-5120-066	2,012	7/1/09	6/30/10		733			(733)				
Connective Speech	11-100-034-5120-066	6,259	7/1/10	6/30/11			6,259	(6,259)					6,259
Nursing Services	11-100-034-5120-070	13,739	7/1/10	6/30/11			13,739	(13,036)					13,036
Nursing Services	10-100-034-5120-070	19,609	7/1/09	6/30/10		3,645			(3,645)				
Total Special Revenue Fund						7,548	33,029	(31,391)	(7,548)				31,391
Debt Service Fund													
Debt Service Aid Type II	11-495-034-5120-017	18,545	7/1/10	6/30/11			18,545	(18,545)					18,545
Enterprise Fund													
National School Lunch Program	10-100-010-3360-023	25,099	7/1/09	6/30/10		(2,020)	2,020						
National School Lunch Program	11-100-010-3350-023	18,729	7/1/10	6/30/11			16,953	(18,729)		(1,776)			18,729
School Breakfast Program	10-100-010-3360-021	3,828	7/1/09	6/30/10		(371)	371						
Total Enterprise Fund						(2,391)	19,344	(18,729)		(1,776)			18,729
Total State Financial Assistance						\$ (815,436)	12,778,054	(12,592,756)	(7,548)	(631,776)	1,638	(981,291)	12,592,756

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

BOARD OF EDUCATION

K-5

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT**NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2011****NOTE 1: General**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Matawan-Aberdeen Regional School District. The Board of Education is defined in Note 1(A) to the Board's general-purpose financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed other government agencies is included on the schedule of federal awards and state financial assistance.

NOTE 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in the Note 1(C) to the Board's general-purpose financial statements.

NOTE 3: Relationship to General Purpose Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97.(A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$291,296 for the general fund and \$(50,822) for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as presented below:

NOTE 3: Relationship to General Purpose Financial Statements (Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>State Assistance</u>					
Actual Amounts (Budgetary)					
"Revenues" from the Schedule					
of Expenditures of State					
Financial Assistance	\$ 12,524,091	31,391	18,545	18,729	12,592,756
Difference – Budget to "GAAP"					
Grant Accounting Budgetary					
Basis Differs from GAAP					
in that Encumbrances are					
Recognized as Expenditures					
and the Related Revenue					
is Recognized.					
On Behalf Payments					
Recognized for GAAP					
Statements but Not					
Included in the Schedule					
of Expenditures of State					
Financial Assistance	1,938,559				1,938,559
The Last State Aid Payment					
Is Recognized as Revenue					
for Budgetary Purposes,					
and Differs from GAAP					
Which does not Recognize					
This Revenue Until the					
Subsequent Year When the					
State Recognizes the Related					
Expense (GASB 33).	<u>291,296</u>	<u> </u>	<u> </u>	<u> </u>	<u>291,296</u>
Total State Revenue as Reported					
on the Statement of Revenues,					
Expenditures and Changes in					
Fund Balances	\$ 14,753,946	31,391	18,545	18,729	14,822,611

NOTE 3: Relationship to General Purpose Financial Statements (Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>Federal Assistance</u>					
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards	\$	1,741,699		589,086	2,330,785
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized.		(50,822)			(50,822)
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	\$	1,690,877		589,086	2,279,963

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

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2011. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2011. Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Part 1 - Summary of Auditor's Results

Financial Statement Section

(A) Type of auditor's report issued:

Unqualified

(B) Internal control over financial reporting:

1) Material weakness(es) identified?

_____ Yes x No

2) Were reportable conditions(s) identified that were not considered to be material weaknesses?

_____ Yes x No

(C) Noncompliance material to general purpose financial statements noted?

_____ Yes x No

Federal Awards Section

(D) Dollar threshold used to determine Typed A programs:

\$300,000

(E) Auditee qualified as low-risk auditee?

 x Yes _____ No

(F) Type of auditor's report on compliance for major programs:

Unqualified

(G) Internal control over compliance:

1) Material weakness(es) identified?

_____ Yes x No

2) Were reportable condition(s) identified that were not considered to material weaknesses?

_____ Yes x No

(H) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))?

_____ Yes x No

(I) Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.010	Title I (Title I Cluster)
84.389	ARRA Title I (Title I Cluster)
84.389	ARRA Title I SIA (Title I Cluster)
84.027	I.D.E.A. Part B Basic (Special Education Cluster)
84.173	IDEA Preschool (Special Education Cluster)
84.391	ARRA IDEA Part B Basic (Special Education Cluster)
84.392	ARRA IDEA Preschool (Special Education Cluster)
10.553	School Breakfast Program (Child Nutrition Cluster)
10.555	National School Lunch Program (Child Nutrition Cluster)
10.556	Special Milk Program (Child Nutrition Cluster)

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT**SCHEDULE OF FINDINGS AND QUESTIONED COSTS****K-6****FOR THE FISCAL YEAR ENDED JUNE 30, 2011***Part 1 - Summary of Auditor's Results (Continued)***State Awards Section**

- (J) Dollar threshold used to determine Type A programs: \$377,783
- (K) Auditee qualified as low-risk auditee? x Yes No
- (L) Type of auditor's report on compliance for major programs: Unqualified
- (M) Internal control over compliance:
- (1) Material Weakness(es) identified? Yes x No
- (2) Were reportable condition(s) identified that were not considered to material weaknesses? Yes x No
- (N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 04-04? Yes x No
- (O) Identification of major programs:

GMIS Number(s)**Name of State Program**

11-495-034-5120-089

11-495-034-5120-078

11-495-034-5095-002

11-495-034-5120-044

Special Education Aid

Equalization Aid

Reimbursed Social Security

Extraordinary Aid

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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Part 2 - Schedule of Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2011*Part 3 - Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

FEDERAL AWARDS

Finding: N/A

Federal program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

STATE AWARDS

Finding: None

State program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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Prior Audit Findings

There were no audit findings in 2010-2011, related to the single audit.